Proposed Amendments

25.32.030 Conditional uses requiring a conditional use permit.

The following are conditional uses requiring a conditional use permit in the BAC District:

- (a) Instructional classes incidental to retail or service use;
- (b) Grocery stores and markets;
- (c) Schools, above or below the first floor only, which operate outside of peak retail hours only;
- (d) Above the first floor only:
 - (1) Real estate offices,
 - (2) Health services,
 - (3) Financial institutions;
- (e) Public utility and public service buildings and facilities;
- (f) Drive-in services or take-out services associated with permitted uses;
- (g) Food establishments on certain sites, subject to the criteria established in Section 25.32.070;
- (h) Any building or structure which is more than thirty-five (35) feet in height, up to a maximum building height of fifty-five (55) feet.
- (i) Commercial recreation use which meets all of the following criteria:
 - (1) Active visible uses including retail, waiting/reception or lounge areas associated with the business, measuring at least fifteen (15) feet in depth, shall be provided along the business frontage abutting the sidewalk; and
 - (2) Storefront windows or doors shall not be obscured and shall provide a clear view into the business.

25.70.090 Vehicle parking in the parking sector of the Burlingame Downtown Specific Plan. Notwithstanding any other provision of this code, the following shall apply to vehicle parking requirements in the parking sector of the Burlingame Downtown Specific Plan, as shown on the Parking Sector Boundaries Map, Figure 3-3 of the Burlingame Downtown Specific Plan:

- (a) Retail, personal service, and food establishment, and commercial recreation uses located on the first floor within the parking sector shall be exempt from providing offstreet parking. Any other uses on the first floor, and all uses above or below the first floor shall provide off-street parking as required by this chapter.
- (b) Any new development, except reconstruction because of catastrophe or natural disaster, shall provide on-site parking, except that the first floor of such new development in the parking sector shall be exempt from parking requirements if the first floor is used for retail, personal service or food establishment uses.
- (c) Buildings reconstructed after catastrophe or natural disaster shall be required to provide parking only for the square footage over and above the square footage existing at the time of the disaster. This parking shall be provided on-site.

protected and their status. She added that her preliminary analysis shows that there are 21 trees that are protected, and 14 of those trees are in poor health.

Ms. Merkes stated that the second question asked whether a TDM strategy would be applied to the project. She explained that this is a management plan and would be something that could be added as a goal.

Ms. Merkes stated that the third question concerned curb management and utilizing the driveway for dropoffs. She explained that she has been working on creating two drop-off zones.

Vice Mayor Colson asked if there is a tree replanting diagram. Ms. Merkes responded in the affirmative.

Mayor Brownrigg opened the item up for public comment. No one spoke.

b. <u>PROVIDE DIRECTION TO THE PLANNING COMMISSION TO PROCEED WITH A</u> <u>REVIEW AND POTENTIAL MODIFICATION OF THE BURLINGAME AVENUE</u> <u>COMMERCIAL (BAC) ZONING REGULATIONS TO ALLOW COMMERCIAL</u> <u>RECREATION USES</u>

CDD Gardiner stated that at the Economic Development Subcommittee's October meeting, the members discussed the retail environment in the city's two commercial districts. He explained that commercial recreation was discussed as a potential use in the Burlingame Avenue Commercial District. Currently, commercial recreation is allowed as a conditional use in the Howard Mixed Use Zone and on Broadway. He stated that staff is requesting that City Council authorize the Planning Commission to review the proposal to allow commercial recreation as a conditional use in the Burlingame Avenue Commercial zone.

Councilmember Keighran stated that while she agreed that the Planning Commission should look into this, she wasn't sure if she agreed with allowing commercial recreation businesses on Burlingame Avenue.

Councilmember Ortiz stated that this request makes him think of the Pilates studio and how it has increased foot traffic on Broadway. Therefore, he saw how it could be beneficial for a street but was concerned that it might not be appropriate on Burlingame Avenue.

Mayor Brownrigg opened the item up for public comment.

Commercial broker Christina DeRockere discussed the interest she has received from fitness companies to take over the space at Sole Desire.

Mayor Brownrigg closed the public comment.

City Manager Goldman stated that this discussion occurred at two different Economic Development Subcommittee meetings. At the first meeting, the commercial broker who represents the J Crew space discussed the difficulty of leasing the space because of its size. She stated that at the second meeting, in October, six property owners and others joined the conversation. She explained that they told a compelling story about how it was important to open Burlingame Avenue up to different uses provided there is a retail front.

Vice Mayor Colson stated that the property owners, real estate agents, and small business owners told the Subcommittee members that the City needed to rethink programing in the major commercial downtown areas. She discussed the interest of several fitness studios, like SoulCycle, to open on Burlingame Avenue. She stated that her concern is that if the City doesn't get ahead of this, Burlingame Avenue could end up having several empty storefronts. She added that the State is considering taxing services. Therefore, the City would be able to capture these taxes by incorporating commercial recreation into the downtown commercial areas.

Councilmember Beach agreed.

Mayor Brownrigg stated that he gets the pressure to try to fill up the spot. He added that while he could get comfortable with allowing fitness studios on Burlingame Avenue, he wouldn't be okay with fast food or banks.

Councilmember Keighran asked if the commercial recreation would include entertainment uses like music venues. City Manager Goldman stated that it wasn't something that came up at the Subcommittee but the Council can ask the Planning Commission to include entertainment in the study.

Vice Mayor Colson stated that the Planning Commission should first look into the commercial recreation uses like fitness as there is immediate need, but could later look into entertainment.

11. <u>COUNCIL COMMITTEE AND ACTIVITIES REPORTS AND ANNOUNCEMENTS</u>

a. <u>VICE MAYOR COLSON'S COMMITTEE REPORT</u>

b. <u>COUNCILMEMBER BEACH'S COMMITTEE REPORT</u>

12. <u>FUTURE AGENDA ITEMS</u>

There were no future agenda items.

13. <u>ACKNOWLEDGEMENTS</u>

The agendas, packets, and meeting minutes for the Planning Commission, Traffic, Parking & Safety Commission, Beautification Commission, Parks and Recreation Commission and Library Board of Trustees are available online at <u>www.burlingame.org</u>.

14. <u>ADJOURNMENT</u>

Mayor Brownrigg adjourned meeting at 11:04 p.m.



City Council Economic Development Subcommittee

MINUTES

Conference Room A City Hall, 501 Primrose Road – Burlingame, California Friday, August 17, 2018 – 2:30 p.m.

ATTENDANCE

Members Present: Council Member (CC) Beach and Vice Mayor (VM) Colson

Members Absent: None

Staff Present: City Manager (CM) Lisa Goldman, Economic Development Specialist (EDS) Cleese Relihan, Finance Director (FD) Carol Augustine, and Community Development Director (CDD) Kevin Gardiner

Also in Attendance: Julie Taylor (Colliers International) and Giselle Marie Hale (Redwood City Planning Commissioner)

DISCUSSION ITEMS

Fencing Policies for Vacant Lots:

EDS Relihan provided an example of vacant lot regulations from the City of San Mateo. He noted that the regulations do not specify the type of fencing, but there are requirements that vacant lots be maintained, and that fencing and landscaping look attractive. A maintenance plan is required to be submitted to the City.

CDD Gardiner noted that he spoke to San Mateo staff, and confirmed that staff works with the property owners on the specifications of the fencing as part of the overall maintenance plan that is required. Sometimes this is in conjunction with an early demolition permit. Although desired types of desired fencing are not specified, the regulations do not allow chain link and barbed wire fencing.

The Subcommittee suggested that when early demolition permits are issued, part of the approval could be to require a fence of better quality than a chain link fence, and that the fencing segments be tied together to be secured and keep intruders out. The intention would be to have the fencing be secure, but also be aesthetically attractive. The request and coordination could be administered on the staff level, rather than requiring review by the Planning Commission.

EDS Relihan asked if there was interest in drafting an ordinance and implementing regulations. CM Goldman cautioned that staff is already currently working on a number of ordinances, so the Subcommittee suggested that the various matters under discussion could be bundled together to be most efficient, and that timing could be flexible given the matter is not of an urgent nature. The items could be combined into a package to discuss with the City Attorney at a future date.

There was discussion on the distinction between vacant properties versus "dormant" or "unoccupied" properties, and also a distinction between fencing during construction and fencing of vacant or unoccupied properties where construction is not ongoing. Cyclone/chain link fencing could be appropriate with active construction projects, and can be combined with screen graphics depicting the project under construction.

Subcommittee members suggested EDS Relihan speak to developers of recent projects to get a sense of what may be practical for unoccupied/vacant properties compared to projects that are under construction.

Alternatively, the matter could be discussed in the October Subcommittee meeting involving landlords. CM Goldman suggested there may be a timing consideration and distinction between properties unoccupied and vacant for an extended period, versus projects where construction is imminent. She noted the paragraph in the San Mateo regulations describing maintenance requirements, and suggested those may be more important than fencing. Fencing may be less important if a vacant lot is otherwise clear of weeds and debris, but if the property owner chooses fencing to secure the property, the fencing should be good quality.

CDD Gardiner noted that construction fencing could be specified as a condition of approval, and would not need to wait for an ordinance. The Subcommittee agreed with this approach.

Decals for Available Commercial Spaces:

Julie Taylor, Executive Vice President of Colliers International, joined the meeting.

EDS Relihan introduced the item and noted that while the State provides guidance on the posting of real estate signs, it does not address marketing graphics such as window decals or appliques. He checked San Mateo and San Francisco regulations, and it does not appear either requires that the windows of vacant commercial spaces be covered in graphics. Stores with such graphics would most likely be the result of the brokers or property owners initiating the placement themselves.

Taylor cautioned against obscuring storefronts, since the view out of the space towards the sidewalk can be important for marketing to prospective tenants. She emphasized the importance of being able to see the foot traffic, natural light, and co-tenancies from inside the space. A medium-ground would be vinyl banners across just the bottom of the storefront, but it is important to maintain views out of the space and allow natural light into the space. She mentioned an approach at the Salesforce Transit Center which engaged local artists to paint portions of the storefronts.

The Subcommittee mentioned they want to dissuade storefronts from being obscured with butcher paper since they can become dilapidated, and noted the Charmelle 28 space on Burlingame Avenue is an example where graphics have been applied nicely. The Subcommittee suggested there may be a range of acceptable alternatives, including clean and maintained unobscured windows, decal graphics, or artwork. If the windows are unobstructed, the interior of the space should be clear and presentable. CM Goldman suggested this matter may be combined with the vacant property maintenance provisions discussed earlier, and that different options could be provided.

Taylor suggested that obscured windows may be desired during active construction, but if the space is vacant and not under construction, the maintenance provisions would otherwise apply. Typically when construction is underway, trade dress-up will be applied.

CDD Gardiner suggested initially these options could be presented as guidelines for property owners, as an interim measure rather than waiting to be codified in an ordinance. EDS Relihan agreed that it would present a positive message, and offered to have suggested guidelines to share with landlords in the October Subcommittee meeting. CM Goldman agreed with this approach, as it would be a collaborative effort with the property owners. Taylor suggested there be a handout or slides to show examples, and offered to share some examples.

Burlingame Avenue Use Opportunities:

Giselle Marie Hale of the Redwood City Planning Commission joined the meeting.

Taylor mentioned that retail spaces are taking longer to lease. Retailers are typically taking smaller spaces than they used to lease. Onsite retail has become particularly hard for heavy goods, as customers will come to stores to browse but then order online so they can ship to home. Too many companies are contracting, not expanding. However, a presence of some stores is necessary to support online commerce, as seeing stores keep brands "top of mind" with customers.

Taylor continued that the area of growth is "fitness and food." There is a great deal of interest among tenants in being located near fitness and food, which is a change from past practices. Tenants get excited if they see an assortment of hot restaurants and a tenant like Soul Cycle or Rumble boxing, because they see energy and repeat visits. These uses generate more traffic on the street than retail alone. She encouraged broadening options, but cautioned against uses such as banks that offer limited foot traffic.

Taylor also suggested uses such as WeWork for their potential to generate foot traffic, provided there is retail at the front such as a café. This could be useful for spaces on side streets, such as the former Anthropologie space. Day spas could also be good for side streets, but do not have the same volume of traffic as a recreational use. The Subcommittee suggested uses such as WeWork could be classified as a service rather than an office if it were available to be used by the public.

Taylor noted that it can be expensive for owners to subdivide space, as they need to build demising walls, install HVAC systems, etc. This would require capital or credit, which can be challenging for some owners. Conversion to food uses can also be very expensive, and ideally food spaces would be square rather than narrow and deep. "L-around" configurations can work for dividing a space, but they require a strong tenant for the "L" portion because if that tenants leaves, it can be difficult to re-lease the space.

The Subcommittee inquired how uses are regulated on Burlingame Avenue and downtown, and CDD Gardiner mentioned that uses are either "Permitted," "Conditional" (requiring Planning Commission approval), or "Prohibited." Allowing fitness uses on Burlingame Avenue would require amending the allowed uses, as currently Commercial Recreation is allowed on side streets with a Conditional Use Permit, but not on Burlingame Avenue itself.

Taylor cautioned that if rules are changed, there should be thought on encouraging the type of uses that will generate foot traffic and be complementary to retail uses. A private Pilates studio, for example, will not create a lot of foot traffic. The Conditional Use Permit mechanism may be the best option for ensuring compatibility. There can be a requirement that there be merchandised space in the first 12 or 15 feet of the storefront.

EDS Relihan mentioned that there are hybrid approaches that combine electronic displays with online ordering. Taylor mentioned that such pioneering concepts first go into San Francisco or somewhere like Santana Row, where there is significant foot traffic and co-tenancy. Some are test concepts.

The Subcommittee inquired how a code amendment to allowed uses would be approached. As part of the General Plan Update and Zoning Ordinance Update, the zoning update should prioritize Burlingame Avenue and Broadway. CDD Gardiner noted that the timeframe for the zoning update is approximately one year beyond the General Plan adoption, but a more focused code amendment could be initiated by the City Council, or could be initiated by an applicant in conjunction with a permit application.

The Subcommittee emphasized that Burlingame Avenue offers a "lifestyle." Taylor suggested that people should be able to feel like they can get everything that they need.

The Subcommittee mentioned that rising rents have created vacancies. Taylor said it can be hard to readjust people's expectations when the market is changing. Rents have rolled back, because they are

directly tied to tenants' sales volumes. A healthy ratio is 10% occupancy cost for retail (including pass through), 8% for restaurants. New tenants will want to factor their projections more conservatively, whereas a renewal may be able to be more aggressive than 10 percent.

EDS Relihan noted that the Downtown Business Improvement District (DBID) has had challenges finding space for events. There have been logistical challenges with obtaining permission from Public Works.

Taylor noted that farmers' markets and food truck events can be effective at attracting people, but there may not be enough surrounding density to sustain some events. The Subcommittee members remarked on the conflict between people being opposed to increasing density and development downtown, but also lamenting the loss of retail. Taylor suggested that density can help fill the gap from online sales, and that the city-owned parking lots offer opportunities to add density. She suggested that in the development of parking lots, ground leases would be preferable for the City to retain the asset.

Taylor emphasized that the process for applicants needs to be clear, and that prospective businesses are sensitive to barriers to entry. The formula retail conditional use permit process in San Francisco has resulted in vacancies, since retailers fear the risk and unpredictability. Retailers will pursue easier, more predictable alternatives. EDS Relihan noted that he has created materials to clarify the conditional use permit process for prospective applicants. He noted he has received inquiries to allow offices in basement spaces and suggested it should be considered.

Subcommittee members inquired about the loss of sales taxes from retail changing to services. Taylor said the taxes captured locally by online sales that would have otherwise been collected in other jurisdictions needs to be factored.

Giselle Marie Hale noted that Redwood City is getting increased density, but doesn't have a retail base. Taylor suggested that new buildings need to be designed to accommodate a range of uses, including ventilation shafts and cooking infrastructure, and ceiling heights of 11 feet clear or higher. Spaces in new buildings are sometimes too deep or the ceilings are too low, and the developers do not finish the shells. It is better to have less retail space, but space that is leasable, rather than a large amount of retail space that is not configured correctly.

The Subcommittee concluded that these issues will be further discussed in a retail summit next spring. Taylor suggested that the City invite district managers of the corporate stores, since they have a relationship with the community. She added that even in a healthy retail economy, filling vacancies can take some time because companies take time to make decisions; it can take a year or more for a retailer to make all the decisions to enter a market.

PUBLIC COMMENTS

There were no further public comments.

FUTURE AGENDA ITEMS

- Potential city tools and incentives for businesses attraction
- Succession planning for businesses looking to sell

ADJOURNMENT

Meeting adjourned at 4:23 p.m.

Respectfully submitted,

Kevin Gardiner Community Development Director



City Council Economic Development Subcommittee

MINUTES

Conference Room A City Hall, 501 Primrose Road – Burlingame, California Thursday, October 11, 2018 – 2:30 p.m.

ATTENDANCE

Members Present: Council Member (CC) Beach and Vice Mayor (VM) Colson

Members Absent: None

Staff Present: City Manager (CM) Lisa Goldman, Parks and Recreation Director (PRD) Margaret Glomstad, Economic Development Specialist (EDS) Cleese Relihan, Finance Director (FD) Carol Augustine, and Community Development Director (CDD) Kevin Gardiner

Members of the Public Present:

Chris Blom, John Britton, Nick Delis, Stephanie Delis, Clark Funkhouser, Ryan Guibara, Ron Karp, Riyad Salma, Julie Taylor, Silvia Wong, and Vierra Wong

DISCUSSION ITEMS

Burlingame Avenue Downtown Zoning:

EDS Relihan introduced the item. He said the interest originates from inquiries he and Planning staff have received for various businesses that would not be allowed under current zoning regulations. Given the changing nature of retail and commercial uses in downtown districts, it seemed appropriate to consider the range of uses desired for Burlingame Avenue and Broadway, and determine if amendments to the zoning regulations would be appropriate to accommodate uses that might not be allowed currently. Commercial property owners were invited to this meeting to provide input, including identifying potential tenants that may have inquired about leasing space that may or may not be able to be accommodated under current zoning.

Vice Mayor Colson provided further introduction, noting that the vacancy of the large J. Crew space on Burlingame Avenue had been part of the impetus for the discussion. Retail consultant Julie Taylor had been invited to the August 17, 2018 Economic Development Subcommittee meeting to share her thoughts on the issue. Ms. Colson noted that there will be further conversations in the community on this topic in the coming year. She added that commercial recreation and co-working businesses have been suggested as new uses not currently allowed on Burlingame Avenue.

Property owners in attendance had a number of observations and suggestions including:

- Suggestion to review the Burlingame Avenue Commercial (BAC) zoning chapter to look at which
 uses are permitted and not permitted, and how those fit with the 21st century. The current zoning
 lists a number of outmoded uses such as variety stores, drug stores, and travel agencies.
- The nature of banks has changed from decades ago; they should be allowed.
- There has been interest in commercial recreation, but it is not allowed in the BAC zone.
- There is a provision in the zoning that states that anything that is not listed is therefore prohibited. The property owners suggest changing this provision to allow more flexibility in the future.
- Does not need to have three different types of food service uses.

- Should consider the goal of Burlingame Avenue downtown retail and Broadway retail. The current regulations are very restrictive. Set a broad goal, a vision statement.
- The "retail" use is really restrictive downtown, and what is allowed varies from block to block. Different retail criteria for different locations, zoning is disparate.
- The CUP process does not work for leasing, creates risk for landlords. Needs a faster process for getting a decision. For example, staff-level review with a 48-hour turnaround, which could be appealed if there was disagreement with the decision.
- Soul Cycle or other commercial recreation would be a good tenant for Burlingame Avenue. It brings a lot of energy, particularly with the right instructor. It is a better location than Howard Avenue.
- There is still high demand for retail.
- Could consider allowing office on the ground floor provided the first 15 or 20 feet is retail. Could have office space behind, accessed through a hallway.
- Education uses bring foot traffic, and eating and shopping. Parents have to drop off kids and pick them up, and will shop and eat in the meantime.
- There appears to be increased foot traffic on Burlingame Avenue at the lunch hour. There needs to be more eating establishments. Young people with disposable income are coming to Burlingame, and they want to eat, but want to get in and out quickly. Needs more flexibility for a wider spectrum in restaurants.

Subcommittee members showed concern with the process to obtain permits and wanted to ensure they do not impose undue constraints on prospective businesses.

Julie Taylor, Colliers International, provided comments on retail environments in general. She said that every category of retail property is trying to figure out how to replace the lost soft-good tenants. Shopping centers are replacing retail space with food; for example a Macy's converted into an Eataly in Los Angeles. She suggested making the zoning as broad as possible to allow multiple types of uses. She said there should still be retail on the ground floor, but the City could expand the zoning to include fitness provided it has a retail component at the front. It is reasonable to tell a recreation use that it cannot obscure its windows, and must instead have an entry vestibule, perhaps with apparel, that is welcome and open during regular business hours. She also suggested co-working could be considered if it has a café presence at the front, particularly since co-working brings more businesspeople, which then brings better lunchtime traffic and cocktail hour traffic. On larger frontages, an option could be to have a significant portion of the frontage be occupied by retail, but have co-working occupy just 20 feet in front with a "throat entrance" leading to a larger space behind. However, she also suggested being cognizant that a single use such as co-working not dominate an entire block. She noted that the laws of supply and demand need to be recognized; some cities try to regulate the mix of uses through zoning, but it results in vacancies. The important consideration is how uses (whether they be commercial recreation or co-working) activate the window line, and how much window line do they have.

Property owners provided further remarks:

- It is a challenge to find a tenant for an old-style "bowling alley" storefront that is 35 feet in the front but extends 100 or 150 feet back.
- Ability to pay higher rents varies by type of tenant, as well as position of a tenant in their category. For example, Salt & Straw can afford a \$16,000 per month lease because it is a leader in the category, and can cover the lease cost with volume.
- There is less demand for table service restaurants.

Ms. Taylor added that restaurants can have a hard time expanding in the Bay Area because they cannot hire enough employees. The employees cannot afford the cost of living, and the wages are higher. Counter service lowers labor costs.

Subcommittee members inquired about providing housing downtown as a contributor to the commercial environment. There are plans for both market-rate and below-market units in Downtown Burlingame. However it can be hard to have conversations about housing in the community, given concerns over amount of building, parking, etc. The hope is that transit-oriented development can help the commercial environment.

Property owner comments:

- Development is helpful to the commercial environment. Restaurants need people during the day, as well as at night for dinner and happy hours.
- There is a parking issue because there is so much demand from people to be Downtown. In that sense it is a "high class problem," or otherwise an indicator of success. Parking should not be required for retail uses.
- There needs to be speedier review of applications. It costs a lot of money to carry a project over time.

Subcommittee members asked those in attendance about their perspectives on the future of brick-andmortar retail. It is important to Downtown, and in particular with the post office project having a sizable retail component. CDD Gardiner mentioned that the post office project proposes about 18,000 square feet of retail.

Property owner comments:

• 18,000 square feet of new retail is a lot of space to support. There is a risk of too much retail; they believe it will be a detriment to the project.

Ms. Taylor remarked that retail will survive, but only on the best blocks with the best architecture and streetscapes, and on the closest feeder streets. She cautioned against creating tertiary retail, where retail is required at the ground floor regardless of demand. The situation is compounded when floorplates are too large, ceilings are too low, spaces are too deep, and there are no provisions for venting. Attractive brownstones and stoops would be preferable to vacant storefronts.

Property owner comments:

- Office on the ground floor would also be preferable to vacant retail.
- Bay Meadows has had a hard time leasing the retail space, despite all the new housing.
- There is 300,000 square feet of office space in downtown Burlingame, which is a relatively small amount to support retail.

Ms. Taylor mentioned that there are different types of offices. Some offices are very private and have a fortress quality, but others have more of a presence such as graphics firms, architects, medical, or coworking which allow engagement. If it has to be a private office, it can be situated behind a throat entrance with retail in the front.

Property owner comments:

- Office on the ground floor has been taboo in Burlingame since the "dotcom," but office on the ground floor with the kinds of qualities being described would be desirable.
- Could consider overnight hotels for animals, or doggie daycare.
- There have been a lot of inquiries for commercial childcare.

- Should not try to cherry-pick where the market is going. Will always be playing catchup. The City needs to think of the overarching goal, together with flexibility and predictability.
- Needs reliable decision-making, focus on the administration of the goal.
- The split between service and retail is not productive.
- The smaller retail uses benefit from the big retailers bringing in foot traffic. However the small retailers are struggling; they are surviving by putting in their own labor. They cannot provide the same level of service as the big retailers, such as ease of exchanges.

Subcommittee members asked for examples of communities that have done a good job of revising regulations.

Property owner comments:

- San Mateo tried to regulate ground floor office during the "dotcom." This has been revisited; a property owner believes the requirement is now retail in the first 60 feet, and a percentage of the windowline frontage.
- Office on the ground floor still involves people walking.
- Ancillary streets such as California Drive are not going to be able to attract retailers.

Ms. Taylor mentioned that childcare is a good use since it brings a parent twice a day. It creates repeat traffic that merchants can build upon. She also mentioned that Walnut Creek has created a real downtown with verticality, and residential is in very high demand. People downsize from their large homes and move to Downtown Walnut Creek to be near services. She suggests that Burlingame redevelop some of its parking lots with residential or office, noting that density sustains retail. She also remarked that parking garages are likely to be converted to something else as demand for parking decreases.

Property owner comments:

- The City needs to reduce parking requirements for residential development.
- The hotel parking reduction is an example of allowing something other than unused parking.
- Parking will be repurposed over time.
- Retailers will always ask for more parking, but that should not drive decisions.
- Parking is expensive to build. Does not make sense when it is right next to the train station.
- Would not suggest limiting the number of commercial recreation uses. The prior experience with limiting the number of restaurants to 36 allowed a few property owners to control what the restaurant rates were.
- There needs to be predictability in the planning approval process.
- Water and sewer add to costs, particularly if the tenant is paying for them.

CM Goldman asked CDD Gardiner to describe how the zoning ordinance update follows the update of the General Plan. Gardiner commented that the General Plan sets the policy direction and goals, and that the zoning provides the regulations that establish what is allowed and what is not. It will be a complete rewrite of the zoning code, not just tinkering. The new code can have more flexibility as is being discussed. There may also be options for a permit that is less involved than a Conditional Use Permit. It is also an opportunity to revise procedures as well as regulations. CDD Gardiner also said there are nearer-term options to make more limited changes to the existing code, such as adding commercial recreation as an allowed use in the Burlingame Avenue Commercial district. CM Goldman suggested the nearer-term items could be presented to the full City Council to provide direction as a work item.

Property owner comments:

• Changing the definition of retail may be a faster fix than some of the other concepts being discussed. If things like co-working can be made to fit within current definitions, the City may not be so far behind the curve with these changing types of businesses.

CM Goldman suggested to the group that if they have thoughts on what types of changes to make to the definitions, they can be submitted to staff. Staff will then convey the suggestions to the City Council.

Subcommittee members mentioned that next spring, there will be a "retail summit" to discuss these issues with the larger community. The subcommittee wanted to talk with property owners in this meeting beforehand to hear their perspectives. The thinking is to follow the "Burlingame Talks Together" format that was utilized for the housing discussions earlier this year. The public, retailers, and property owners will all be invited.

Draft Checklist on "How to Maintain Vacant Commercial Spaces"

EDS Relihan discussed examples he has collected showing different ways to present and market vacant commercial spaces. The emphasis is on presenting the spaces in a manner that appeals to potential tenants, and is attractive to the surrounding commercial district.

EDS Relihan has compiled a list of suggestions to property owners that are intended to help improve the appearance of vacant spaces. They are general strategies to improve the positive "curb appeal" of a property for prospective tenants.

CM Goldman said some of the vacant properties on Burlingame Avenue and Broadway are presented well, but others are presented very poorly. Properties are difficult to market when presented poorly, and in turn reflect badly on adjacent properties. The City wants to provide some "helpful hints" for maintaining a property while they are looking for their next tenant.

Property owner comments:

- Delays in permitting hinder investment in better construction materials. The longer the permitting takes, the fewer resources are available for making improvements. This is particularly difficult for smaller "mom and pop" businesses wanting to come in.
- There needs to be collective garbage facilities in the parking lots. It is difficult for the individual older buildings to have room for the bins on their own properties. San Carlos has done a great job with creating shared trash areas that the tenants and landlords pay for.
- Appreciates that staff and the City Council are listening to property owners nowadays and engaging in constructive conversations.

PUBLIC COMMENTS

There were no further public comments.

FUTURE AGENDA ITEMS

There were no future agenda topics suggested.

ADJOURNMENT

Meeting adjourned at 4:03 p.m.

Respectfully submitted,

Kevin Gardiner Community Development Director



Meeting Minutes Planning Commission

Monday, February 25, 2019	7:00 PM	Council Chambers
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a. Consideration of an Amendment to Title 25 of the Burlingame Municipal Code, the Zoning Code, to allow commercial recreation as a Conditional Use in the Burlingame Avenue Commercial (BAC) zone within Downtown Burlingame. Staff Contact: Ruben Hurin

Planning Manager Hurin provided an overview of the staff report.

Questions of staff:

> Was there any discussion at the economic development subcommittee level in regards to hours of operation or would that be considered on a case-by-case basis as part of a conditional use permit application? (Hurin: That level of detail was not part of the discussion, however conditions of approval may be added as part of the conditional use permit application.)

Hours of operation for particular businesses could be of concern, such as fitness businesses operating in the early morning hours. (Hurin: Commercial recreation includes a variety of uses. Subcommittee focused on fitness uses, which could create concerns regarding noise; however these concerns could be addressed with conditions of approval limiting the hours of operation.)

> What types of uses does commercial recreation include? (Hurin: In general, it includes athletic and fitness centers, gyms, art and dance studios, martial arts studios, bowling alleys, billiard halls, performance theaters, and activity/play centers for children and adults. Staff would evaluate a proposal and determine if it qualifies as a commercial recreation use.)

> In the subcommittee meeting minutes, property owners made observations and suggestions including a minimum depth requirement for active retail at the front of the space. How was the 15-foot dimension determined? (Hurin: Staff discussed the different businesses that are interested in opening in Burlingame, felt that 15 feet was an appropriate dimension to provide an active use so that it is visible from the street and to provide enough room for retail display or lounge/reception area. If the dimension is too short, then it will become left over space and not be used well. If the active space is too deep, the tenant may be concerned that it takes away from their primary business activity.)

Chair Gaul opened the public hearing.

Public Comments:

There were no public comments.

Chair Gaul closed the public hearing.

Commission Discussion:

> Conditional use permit process provides the level of protection in case an application presents possible negative impacts. Have no objections to the proposed ordinance.

> At City Council and subcommittee levels, the issue has been vetted and discussed in regards to the changing face of retail, and the need to open ourselves up in terms of what types of uses are going to continue to make our downtown vibrant. We have to think about how downtowns are going to remain alive with e-commerce. Commercial recreation uses will continue to bring people downtown; don't see a reason not to allow it.

> 15-foot buffer is potential retail area, so will add to the retail feel on Burlingame Avenue. In support of proposed change.

Commissioner Terrones made a motion, seconded by Commissioner Gaul, to recommend to the City Council that the ordinance and resolution be approved as proposed. The motion carried by the following vote:

Aye: 6 - Loftis, Kelly, Comaroto, Gaul, Terrones, and Tse

Absent: 1 - Sargent

NOTICE OF PUBLIC HEARING

The **CITY OF BURLINGAME CITY COUNCIL** will hold a public hearing to consider amendments to Title 25 of the Burlingame Municipal Code, the Zoning Ordinance, to allow commercial recreation as a conditional use in the Burlingame Avenue Commercial (BAC) zone within Downtown Burlingame.

The City Council will review the proposed amendments to Sections 25.32.030 and 25.70.090 of the Municipal Code.

The hearing will be held on **Monday, April 15, 2019 at 7:00 p.m.** in the City Hall Council Chambers at 501 Primrose Road, Burlingame, California.

The staff report for this item and copies of the proposed amendments may be reviewed prior to the meeting at the Community Development Department, Planning Division, Burlingame City Hall, 501 Primrose Road, Burlingame; and on the City's website at <u>www.burlingame.org</u>. For additional information please call the Planning Division at (650) 558-7250.

To be published by Friday, April 5, 2019