



STAFF REPORT

AGENDA NO: 8c

MEETING DATE: February 3, 2020

To: Honorable Mayor and City Council

Date: February 3, 2020

**From: Kathleen Kane, City Attorney – (650) 558-7204
Kevin Gardiner, Community Development Director – (650) 558-7255**

Subject: Adoption of a Resolution Suspending CUP Timelines for 778 Burlway During Evaluation of an Alternative Development Plan

RECOMMENDATION

Staff recommends that the City Council consider the adoption of a resolution suspending timelines embedded in the October 2016 Conditional Use Permit (CUP) extension granted to the Enterprise property located at 778 Burlway Road during the evaluation of an alternative development plan for the site.

BACKGROUND and DISCUSSION

The subject property located at 778 Burlway Road has been occupied by a non-conforming car rental use since 1985. The CUP under which this use is allowed has been modified over the years and has been extended several times at the request of the applicant. In October 2016, the Council granted a further extension of the CUP (see attached CUP conditions of approval). Anticipating a move to the then-planned SFO Car Rental facility, Enterprise and the Council agreed to timelines as well as escalating payments designed to offset the impacts of the non-conforming use and incentivize redevelopment of the site in a manner consistent with the Bayfront Specific Plan.

Since that time, SFO has abandoned plans to build a consolidated car rental facility on its property. Additionally, increased focus on the jobs-housing ratio on the San Francisco Peninsula has led to less emphasis on intensive office development on the Bayfront. Given these changed conditions, in the spring of 2019 Enterprise approached the City with an alternative development plan for its site. The alternative would involve consolidation of activities through the construction of a multi-story garage for car storage, freeing up a portion of the area for possible acquisition and redevelopment by the City.

At a study session held on April 15, 2019, the Council considered the alternative and gave direction to the Mayor and staff to pursue further discussions. On June 3, 2019, the City Council adopted a resolution suspending timelines embedded in the October 2016 Conditional Use Permit (CUP) extension to allow the evaluation of an alternative development plan for the site.

Enterprise has been making progress on the alternative development proposal. Staff and a City Council subcommittee comprised of Councilmembers Brownrigg and Colson have met with

Enterprise representatives several times since the CUP timelines were suspended in June. A study session has been scheduled for March 16th to allow the full City Council to review the concept and provide feedback. Staff is anticipating the March 16th study session to address the Enterprise proposal within the larger context of Bayfront zoning and development standards.

The June 3, 2019 suspension was for a nine-month period, concluding in March 2020. After consultation with Enterprise, staff recommends an additional nine-month extension to the CUP timelines. This would allow sufficient time for all parties to prepare for the March 16th study session, and sufficient time for Enterprise to follow up on Council direction.

If it is not suspended, the October 2016 CUP would impose escalating costs on Enterprise in subsequent years. Given Council's direction to pursue a possible alternative path and the time needed to develop the concept, Enterprise seeks reassurance that the existing CUP timelines will not be imposed during or immediately after the exploration phase. The ongoing payments called for in Paragraph 8 of the Conditions of Approval will continue during the extension.

FISCAL IMPACT

This action will delay by nine months the increased payments anticipated under the existing Enterprise CUP Extension. It may allow a negotiated alternative that is of equal or greater value to the City.

Exhibits:

- Resolution
- October 2016 Conditions of Approval for CUP Extension