



STAFF REPORT

AGENDA NO: 10c

MEETING DATE: March 2, 2020

To: Honorable Mayor and City Council

Date: March 2, 2020

From: Kevin Gardiner, Community Development Director – (650) 558-7253

Subject: 220 Park Road (Former Post Office) – Application Update

RECOMMENDATION

Staff recommends that the City Council receive an update from the applicant proposing an adaptive re-use development project involving the former United States Post Office at 220 Park Road.

BACKGROUND

The United States Postal Service (USPS) sold the former Burlingame Main Post Office, located at 220 Park Road, in 2014. The property is now privately held.

The City of Burlingame entered into an Exclusive Negotiating Agreement (ENA) with property owner Burlingame Park Square LLC in 2015 for a development proposal that would encompass both the Post Office property and the adjacent City-owned Parking Lot E. The ENA expired in September 2019, and the previous development proposal has become inactive. Since then, the property owner of the former Post Office has engaged developer Sares Regis on a new development proposal for adaptive reuse of the Post Office site.

In a study session on January 21, 2020, representatives from Sares Regis presented an update to the City Council on potential uses and development concepts for the former Post Office property. The representatives reported that a commercial/office development concept was being pursued, in coordination with commercial/office developer Dostart Development Company (meeting minutes attached).

While a formal planning application has not been submitted, staff has met with the development team for pre-application meetings to ensure that each City department has the opportunity to review the preliminary development concepts and ensure compliance with applicable regulations. Staff has not conducted formal plan checks, but has reviewed the proposal in concept and provided feedback to the development team.

DISCUSSION

The following items are relevant to the ongoing discussion of potential adaptive re-use of the former Post Office:

Zoning and General Plan Designations: 220 Park Road is located within the Howard Mixed Use (HMU) zoning district of the Downtown Specific Plan. The HMU zone allows a range of uses including retail, restaurants, and services on the ground floor, and housing, offices, and hotels on upper floors.

Historic Preservation Covenant: The Historic Resources Inventory prepared for the Downtown Specific Plan identified the building as being potentially eligible for listing on a state or national register under Criteria A (events) and C (design/construction). In anticipation of the disposition of the Post Office, the USPS commissioned an historic resource evaluation to identify potentially historic or character-defining elements of the property. Those elements include the lobby (both interior and exterior), the primary building facade facing Park Road, and the exterior artwork including the bronze relief over the entrance doors. As a condition of the sale, USPS placed a preservation covenant on the property to ensure preservation of those character defining elements of the property. Any adaptive re-use of the building must retain and incorporate these elements.

Historic Preservation Incentives: Title 21 of the Burlingame Municipal Code (Historic Resource Preservation) allows incentives to be made available for eligible properties such as the former Post Office that undergo maintenance or alteration consistent with the *Secretary of the Interior Standards for Rehabilitation*. The Sares Regis development team has indicated an intent to have the project be consistent with the *Secretary of the Interior Standards for Rehabilitation*, which would allow it to utilize incentives outlined in the chapter. In particular, Municipal Code Section 21.04.120(3)(b) allows “Historic Variances” where owners of designated properties may apply for variances from development standards applicable to the property in instances where the deviation from the standard is warranted in order to preserve the historic character of the property. Per the regulations, the property’s status as a designated historic resource may be used as a basis for determining whether the property owner is denied privileges enjoyed by other property owners in the vicinity and within the same zoning district.

Requests for historic variances could include deviations from development standards such as applicable building heights and parking ratios, provided the variance supports the adaptive reuse of the historic resource. Based on pre-application meetings held with staff, the development team is proposing a building height of 90 feet, where the maximum building height in the HMU zoning district is 55 feet—an increase of 35 feet.

The procedure for requesting approval of an historic variance is the same as that required for other forms of variances, as specified in Municipal Code Section 25.54. That section outlines a series of findings that would need to be made in order to approve a variance:

- a) *There are exceptional or extraordinary circumstances or conditions applicable to the property involved that do not apply generally to property in the same district;*
- b) *The granting of the application is necessary for the preservation and enjoyment of a substantial property right of the applicant, and to prevent unreasonable property loss or unnecessary hardship;*
- c) *The granting of the application will not be detrimental or injurious to property or improvements in the vicinity and will not be detrimental to the public health, safety, general*

welfare or convenience;

- d) *That the use of the property will be compatible with the aesthetics, mass, bulk and character of existing and potential uses of properties in the general vicinity.*

Town Square/Community Open Space: Concurrent with the proposal for the Post Office property, the City will pursue the design and development of a town square/community open space on the adjacent City-owned Parking Lot E. A "signature open space" was a key element of the Downtown Specific Plan, envisioned to be in the heart of Downtown in the vicinity of the former Post Office. The previous development proposal had combined the City's parking lot and the Post Office property into a single development site to be developed jointly; the direction going forward will be to coordinate the two efforts so they are complementary, but they will not necessarily be combined together into a single development project.

On January 6, 2020, the City Council approved a professional services agreement with the urban design firm Urban Field Studio to work with the community to develop conceptual design options for a public plaza on Parking Lot E. This work will include public participation and the development of design concepts for the public plaza, which is intended to become a community amenity. The study will consider the relationship of the public plaza to the adjacent buildings facing (and backing onto) Lot E, as well as coordination with the proposed development of the Post Office site.

Proposed Parking and Culvert Easement Exchange: An underground culvert runs through this area of downtown Burlingame, connecting stormwater drainage for Burlingame Creek between the hills and the Bay. This culvert runs across a portion of the Post Office property and continues along Lot E. The project applicant is proposing an exchange of easements, whereby the City would receive a subsurface easement for the portion of the culvert under the Post Office property, and the project would receive a subsurface easement under Lot E to benefit its parking. Under the proposed terms, the City would receive approximately 2600 square feet, and the project would receive approximately 7600 square feet through this exchange. In addition, the project would allow the public access to a portion of its parking (36 spaces) in its underground garage during nights and weekends, for a total of 53 hours per week.

Downtown Specific Plan Development Capacity: The City Council adopted the Downtown Specific Plan in 2010. The environmental review, as required by the California Environmental Quality Act (CEQA), evaluated a build-out involving up to 1,232 new residential units, up to 248,702 square feet of new office space, and up to 183,843 square feet of new retail space. The General Plan Update, adopted in January 2019, incorporated these same figures into the Environmental Impact Report (EIR).

To date, 443 new residential units (371 net, accounting for existing units being replaced) have been built or approved since the adoption of the Downtown Specific Plan. Retail space has decreased slightly (by a net 4,470 square feet) as some existing commercial retail buildings were replaced with new mixed use buildings that included a smaller amount of retail space than had existed previously. 107,789 square feet of new office space (all new space; no existing office space has been replaced) has been approved, leaving 140,000 square feet remaining under the Downtown Specific Plan.

The development team’s preliminary plans propose approximately 140,000 square feet of office, and approximately 15,000 square feet of retail space. As proposed, the project would utilize all remaining office capacity in the Downtown Specific Plan. Any future office projects would be required to perform their own environmental review without the benefit of CEQA streamlining, and/or the City would need to amend the Downtown Specific Plan and its environmental review to allow additional office development.

Community Input. Any adaptive re-use of the Post Office is subject to Planning Commission review, including public hearings. Review will also include study of potential environmental impacts, as required by CEQA. The design of the town square will include a separate series of community meetings intended to determine the design and programming of the open space.

The Planning Division maintains an informational page on the former Post Office property at www.burlingame.org/220park. The page includes Frequently Asked Questions (FAQ), and will include project updates as they become available.

City Council Direction. In advance of submitting a formal application, the applicant and staff are seeking direction from the City Council on the following items:

1. Would the City Council be amenable to the parking and culvert exchange concept proposed by the applicant, and if so would it be contingent on particular terms? Should the Council be amenable, staff can coordinate with the applicant on terms. Whether through an easement exchange or another mechanism, does the Council wish to authorize the project to submit plans incorporating a portion of Lot E? If so, staff will return with a resolution memorializing the Council’s direction and any action on this issue.
2. Would the City Council be amenable to a building height of 90 feet, to be evaluated through the historic variance process that is offered to preserve the character of a historic resource? The Planning Commission is charged with making the final determination of whether a variance is supportable, but Council’s initial feedback on the project scope would be useful as the applicant refines its plans prior to formal submission to the Planning Department.
3. Is the City Council amenable to the project utilizing all remaining office space capacity evaluated under the Downtown Specific Plan?
4. Does the City Council have suggestions for community engagement to solicit feedback on the proposed project and its design?

FISCAL IMPACT

None.

Exhibit:

- January 21, 2020 City Council Study Session Meeting Minutes