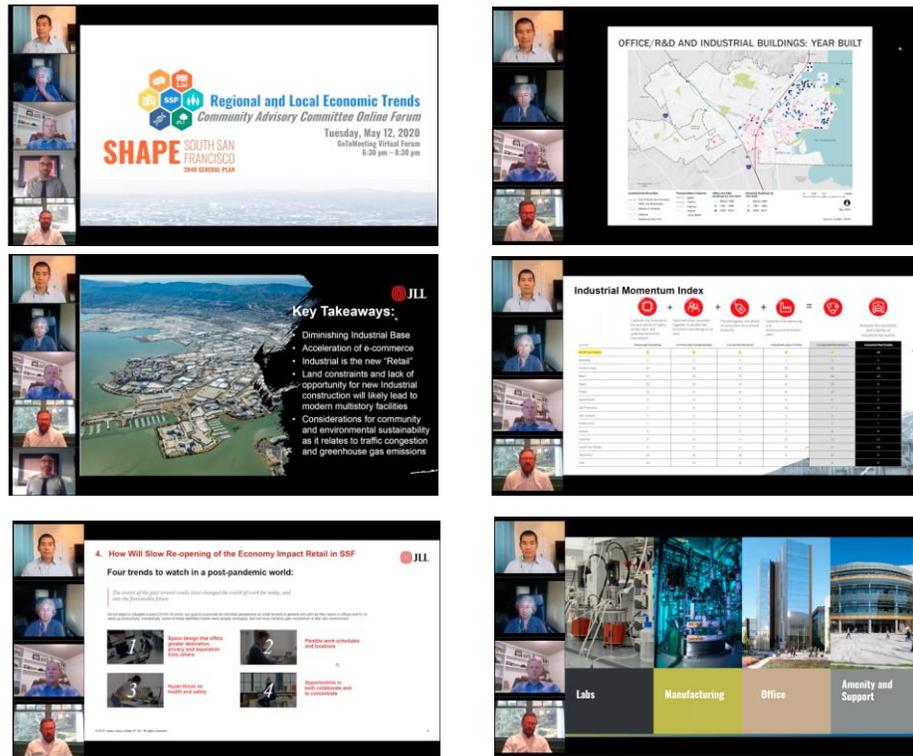


Community Advisory Committee: Community Forum #3

Regional and Local Economic Trends

May 12, 2020 | Meeting Summary Notes





On May 12, 2020, the City of South San Francisco hosted a Community Advisory Committee (CAC) Community Forum on Regional and Local Economic trends from 6:30-8:15pm, through a GoToMeeting virtual online platform. There were approximately 70 members of the community in attendance. The objectives of the forum were to provide a platform to discuss trends, with presentations from local experts followed by a Q+A with forum participants. Topics discussed at the forum included:

- Understanding the changing nature of retail;
- Discussing the life sciences context;
- Reviewing industrial trends; and
- Providing an overview of the local economic trends and impacts as it related to the South San Francisco General Plan Update process.

Dave Javid from Plan to Place (one of the City’s consultants working on the General Plan Update) provided a brief overview of activities to date and related community input received through a range of engagement activities. That was followed by presentations on the topics below, by the respective panelists:

FORUM PANEL:

- Jeff Badstubner – *JLL Commercial Real Estate*
- Terezia Nemeth – *Program Manager, Alexandria Real Estate Equities, Inc.*
- Ariane Hogan– *Local Government Affairs, Genentech*
- Jason Cranston – *Managing Director, JLL Commercial Real Estate*
- Derek Braun – *Strategic Economics*

Topics and Key Themes from the Presentations

Changing Nature of Retail | Jeff Badstubner

- a. Retail trends of the community prior to COVID-19 have been leaning toward fitness, dining, and service industries
- b. Future trends point toward large scale projects, mall redevelopments, and downtown redevelopments
- c. Examples of thriving retail for cities like South San Francisco and how those could be implemented through policy
- d. Overview of four emerging trends for the re-opening of retail

Life Sciences Context | Terezia Nemeth and Ariane Hogan

- a. Growth of the life science industry stems from multiple sources and the region is placed well for future growth
- b. Life sciences continues to intersect with technology
- c. Life sciences is seeing a growth in precision medicine
- d. Genentech focuses on manufacturing and labs, and anticipates campus and amenity growth over the next 20 years

Industrial Trends | Jason Cranston

- a. A diminishing industrial base is causing a migration of industry
- b. Industrial demand today focuses on the acceleration of e-commerce, advanced industries, and transportation
- c. Land constraints and lack of opportunity for new industrial construction will likely lead to modern multi story facilities
- d. The future of urban industries may increase considerations for community and environmental sustainability, especially for traffic congestion and greenhouse gas emissions

Local Economic Trends and Impacts | Derek Braun

- a. Economic elements in a General Plan links policy to where and how the city grows or evolves; moreover, no economic policies have tradeoffs
- b. Economic diversity provides resiliency and a wider range of job opportunities for workers
- c. Land use and economic growth are intertwined
- d. Warehousing and distribution are growing more jobs in South San Francisco due to its location near the airport, Silicon Valley, and SF

The presentations were followed by a participant and panel discussion to allow meeting participants to comment, ask questions and provide feedback (received via the chat function on the GoToMeeting platform, email, or phone/SMS text). The following is a summary of the key themes from the discussion (in order of frequency).

Key Themes from the Community Discussion

The following is a brief overview of the questions and topics that came up during the participant discussion and panel Q+A (response to questions are in *italics*). For more information, the video recording of the forum is posted to the project website (www.shapessf.com).

- A diverse mix of future retail.
 - What about attracting art, art galleries for downtown/local that are interactive and different than e.g. San Bruno?
 - *Anytime we can consider diverse retail it's great. The challenge is that galleries sometimes have a hard time maintaining the rent. It would be up to the landlord who may find higher rent elsewhere. We would have to create a culture where people thought of the City as a place when looking for that kind of high art.*
 - Burlingame is cute, but their "interesting" parking is a nightmare (at least pre-COVID). Hope we're considering non-painful parking along with development
 - *We've done a good job with parking structures and lots a few blocks away. Having parking structures with a reasonable rate is great. The challenge is how long you're able to stay. In Downtown, we have to keep an eye on parking.*
 - What do you think about requiring ground floor retail in mixed-use multifamily projects? What impact does it have on the project's finances?
 - *It usually hurts finances because the majority of money is made on housing, not retail. Ground floor retail is good in the right areas (which street it faces). Natural shopping streets/lines should have it. On major commuting lines, it's a good idea. Off these main streets, it would be difficult to do/be successful.*
 - There are numerous "retail" spaces near downtown SSF that have been empty for years, hard to believe it's just landlords being picky... The City should discourage empty buildings to get to market-clearing lease rates.
 - *Sometimes vacancies aren't because landlords are being unreasonable (Americans with Disabilities Act, inhabitable, leaks, etc.). To be in a retail setting they need a solid business plan for the landlord to bring them in.*
- Life Sciences through the lens of South San Francisco.
 - What role should office and R+D developers (and tenants) play in the provision of housing for employees?
 - *We are essentially a builder of commercial space. We partner with residential developers and feel strongly that housing and transit-oriented development would be great near Caltrain*

- and BART. We've done projects before near transit (have yet to build residential) but it's successful. Mixed uses are an effective way to reduce traffic. From a business standpoint, it's an attraction and retention challenge. Indirectly, it's about the quality of life in the Bay Area. Our role is to be a partner with the City with respect to housing production at all income levels and we are exploring ways we can take that on especially near Caltrain.*
- Life sciences are largely located East of 101. What services and amenities are needed to support these businesses and employees? Are there any concerns about placing housing East of 101 near the biotech?
 - *There are different elements of biotech. One of the unique things is that our campus has a diversity of uses. We are part of a larger global network. Within Roche, we are 1 of 2 offices that has R&D and Manufacturing in one campus. We would like to see housing East of 101, but it needs to be done thoughtfully. There are some elements of manufacturing/R&D that aren't residential friendly (i.e. smokestacks).*
 - Could we make the Genentech Ferry Service an all-day service for all people?
 - *I would say that's not my strength to talk about. It's an expensive service to operate. If such a service were to move forward, there would need to be a discussion of overall demand.*
 - The future of industry, especially with public health and climate in mind.
 - Can you provide an example or two of the multi-story industrial buildings referenced in Jason's slides?
 - *This has been going on in Asia for 35-40 years. We are starting to see it in iterative and dense areas in the US (like NYC). There are several projects in process in NYC and Washington DC. The first multistory was built/completed in Seattle. In San Francisco, there's a project being contemplated as well. There's demand in the larger-scaled parcels that are zoned appropriately. We just need new, modern buildings to serve today's demand.*
 - Sounds like the center of commerce will be services that are supported by food and retail. What kind of services can we encourage?
 - *We aren't going to see large-scale manufacturing in South San Francisco when there's cheaper labor/land elsewhere. We will see more food manufacturing that's really intended for meeting the demand of schools, e-commerce, grocery delivery, etc.*
 - We have heard the industrial and services buildings in SSF provide middle wage jobs for SSF residents. Can you provide some insight on whether South City residents work there and the wages for these jobs?
 - *I wish I could answer it, but I'm not certain what the wages are. I think there's a good mix of medium/lower wage jobs*

depending on what the company is. There's a wide range when it comes to industrial (high tech vs service). I don't have data on hand if there's SSF residents in these facilities, but I'm sure there are. From commute patterns, there's a lot of residents that work within the City. In terms of occupations, I can't say exactly, but there's a good amount of people working in transportation or goods movement.

- As companies are adjusting to having employees work from home or remotely, how do you see the demand for commercial office space going forward or SSF's ability to attract new businesses?
 - *There are two schools of thought. Things will go back to normal; we will phase back to the office. A lot of companies are saying that productivity is good, and lots of companies will not force employees to come back. At the same time, there's been the scaling back of office space and open layouts, which might not happen anymore. People may move back to the private office layout model and less shared elements.*
- Local Economics
 - On Derek's "economic policy trade-offs", where is quality of life? Does this get folded into housing prices/rents?
 - *It's definitely positive. It's something that could benefit housing prices. That's why it's important to think about tools to allow people to stay in the City.*
 - In regard to Land Use by Employment slide: Are we out of balance regarding these job sectors?
 - *I think that this is where we get into the realm of decisions as a part of the GP itself. It's a unique mix of jobs/industries than other communities. The decision about which sectors to prioritize is with the residents. The consultant team will put together an analysis of these impacts.*
- Other related questions/comments:
 - We need another parking garage.
 - If we had housing East of 101 then food and retail would be good there as well.
 - Any chance that some of the Industrial areas are going to allow the building of residential housing, specifically in the Lindenville area.
 - A significant proportion of the industrial areas (East of 101 and in Lindenville) are at risk to sea level rise and flooding. What role should these businesses play in adapting to a changing climate?
 - Multi storied industrial could really work!!!
 - Could we have more public gallery areas as in owned by the City?
 - In regard to the Buildings Map: Hotels are under which sector of this? Which category does hotels rest in regarding jobs? How different is hotel tax to sales tax?
 - In regard to the Retail/Restaurants Pie Chart: would love to see the list of companies in the gen merch

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- In regard to the '99 Element: I wish we had an old model to compare with the new changes - heat map: am curious about the protections in Lindenville
- With SSF's growth comes growing pains that includes crime. Before COVID and Shelter in Place theft at hotel areas was a concern. Now, there seems to be a lot of car break ins in the residential areas. Are our local police aware of this and what are plans to help control this crime and other crime as we continue to grow?
- Is this past experience going to be what we will see in the future given how the COVID? What is your thinking on post COVID trends and changes? Who is even still functioning in the COVID climate?
- Maps and graphs are very pretty, but they DON'T really say much.... everything has kind of gone out the window since COVID...and your info is from 2015! It doesn't seem anyone is concerned about the current residents...our parking is atrocious, and traffic is already a mess. Our city is 200+million in the hole for our civic center PLEASE STOP BUILDING!!
- Question about providing sanitary sewer provision in the Country Club park neighborhood.