



Reimagining

# TANFORAN

Land Use Fact Sheet

*San Bruno, California*

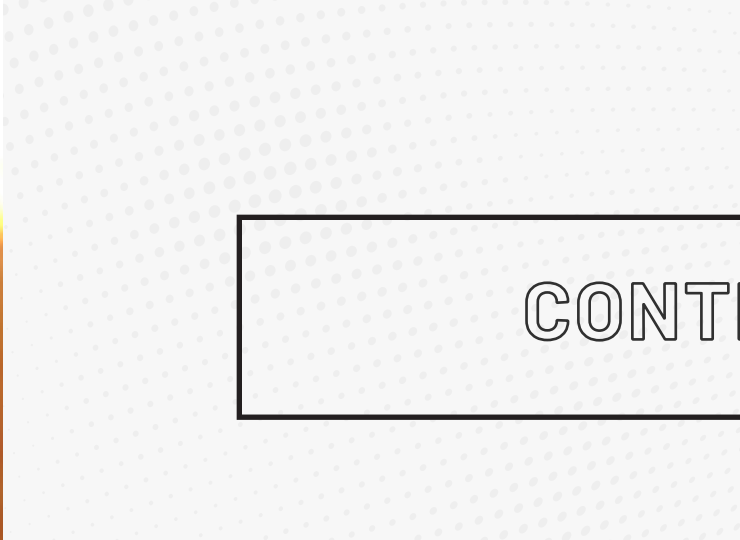


**CBRE**



Adopted by the San Bruno  
City Council / July 27, 2021





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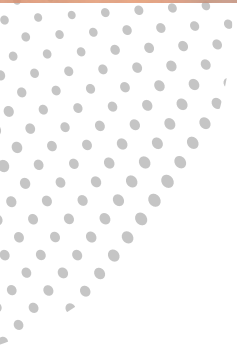
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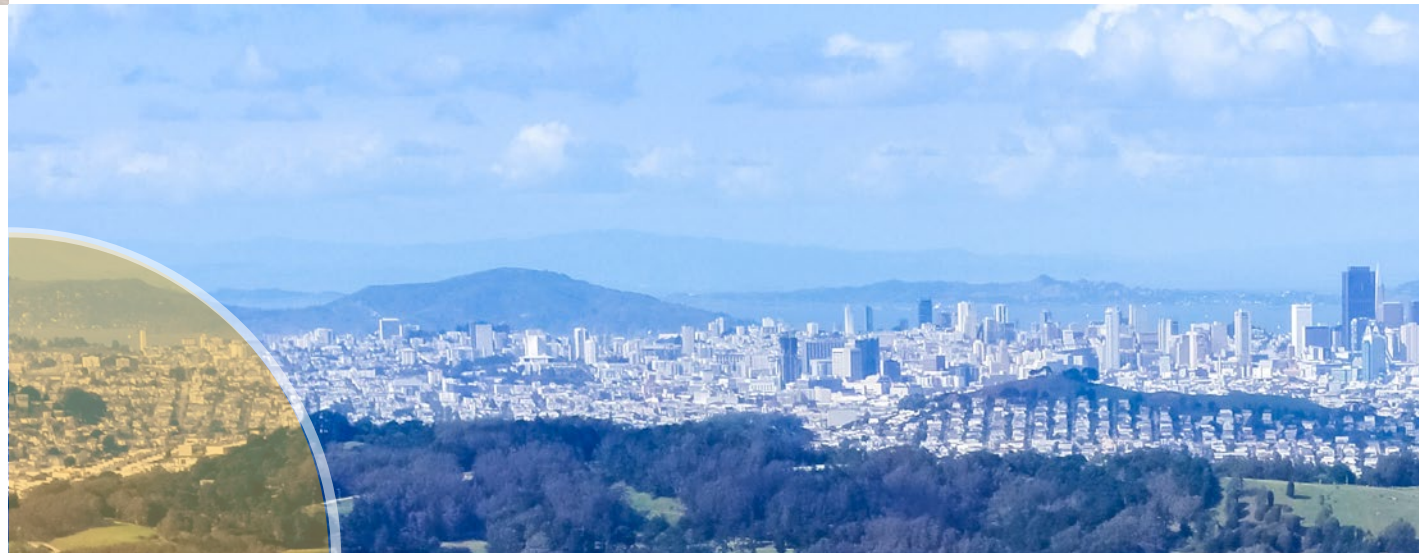
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# EXECUTIVE SUMMARY

01



# EXECUTIVE SUMMARY

## City of San Bruno's Vision, Goals and Objectives

The Shops at Tanforan (“*Property*”) is an enclosed regional shopping center encompassing approximately **970,000** square feet on approximately a **44-acre** site with significant redevelopment potential. Recognizing changes in consumer buying patterns and their negative impact on traditional retail including enclosed shopping malls, the City of San Bruno has prepared this Land Use Fact Sheet. *The purpose* of the Land Use Fact Sheet is to assist real estate investors and developers as they examine options to “remake” Tanforan. With the knowledge that each current property owner is seeking to sell and or recapitalize its fee simple interest in the Property, the City seeks to engage and collaborate with interested parties who are considering investing and or developing all or a portion of the site, to review repositioning and redevelopment alternatives.

*The goal* of this early engagement is to identify redevelopment solutions that are financially viable and provide long term benefits to the San Bruno community by streamlining the entitlement approval process to mitigate risks and accelerate the investments.



The City's preference is for a consolidated entitlement process rather than a piecemeal approach to each of the three parcels. The City desires to have a master plan development for the Property which achieves the City's financial and community benefit goals. A key element to developing the masterplan is to have stakeholders engaged early in the design process to enhance the creative placemaking process. This collaborative approach to redeveloping the Property should provide opportunities for all parties to consider community challenges (i.e. housing and funding for municipal services and infrastructure), along with market opportunities in an inclusive manner. The City desires to work together and collectively determine the appropriate mix of uses and the creative design solutions which will deliver long term benefits to the San Bruno community and the investors. Developers, designers, and everyone involved in the creative process must look deep into the future and consider the stakeholders who will live, work, and play here in San Bruno. A successful masterplan will be shaped around these future users.



*The Property* sits at the nexus of regional and international transit. Over the past 50 years, Tanforan has served as the City's main gateway location by welcoming visitors arriving in San Bruno or passing through on their way to the City/County of San Francisco, the San Francisco International Airport (SFO) or other destinations on the Peninsula. The City envisions a revitalized Tanforan as a modern, mixed-use development that includes office, hotel, retail, entertainment, and housing. Located on the north edge of the City, it has excellent access to three major freeways, the San Francisco International Airport and downtown San Bruno. It is adjacent to the San Bruno BART station and walking distance to the Caltrain station making it ideally suited to a transit-oriented development solution.



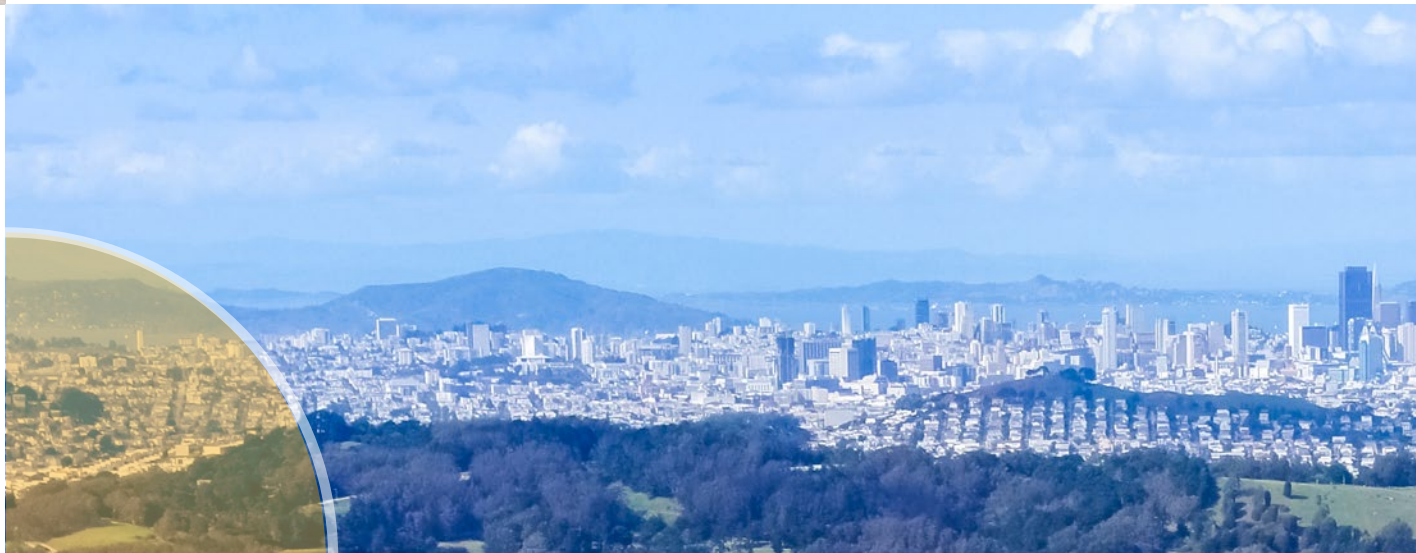
In addition to superior connectivity to mass transit, freeways and the Airport, San Bruno and the SF Peninsula is densely populated with over one million people living within 10 miles of the Property. The population is well-educated with over 53% obtaining a bachelor's degree or higher. A 2021 estimate of San Bruno's population is roughly 44,000, with a 2021 average household income of \$162,675 and a 2021 median home value of \$1,039,380.



# PROPERTY OVERVIEW



02





The track closed in 1964 and was about to be demolished, when it was destroyed in a major fire on July 31, 1964. The Shops at Tanforan mall was later built on the site in 1971 and the renovated in 2005. The San Bruno BART station opened in 2003, when the transit system was extended to Millbrae and the San Francisco International Airport.



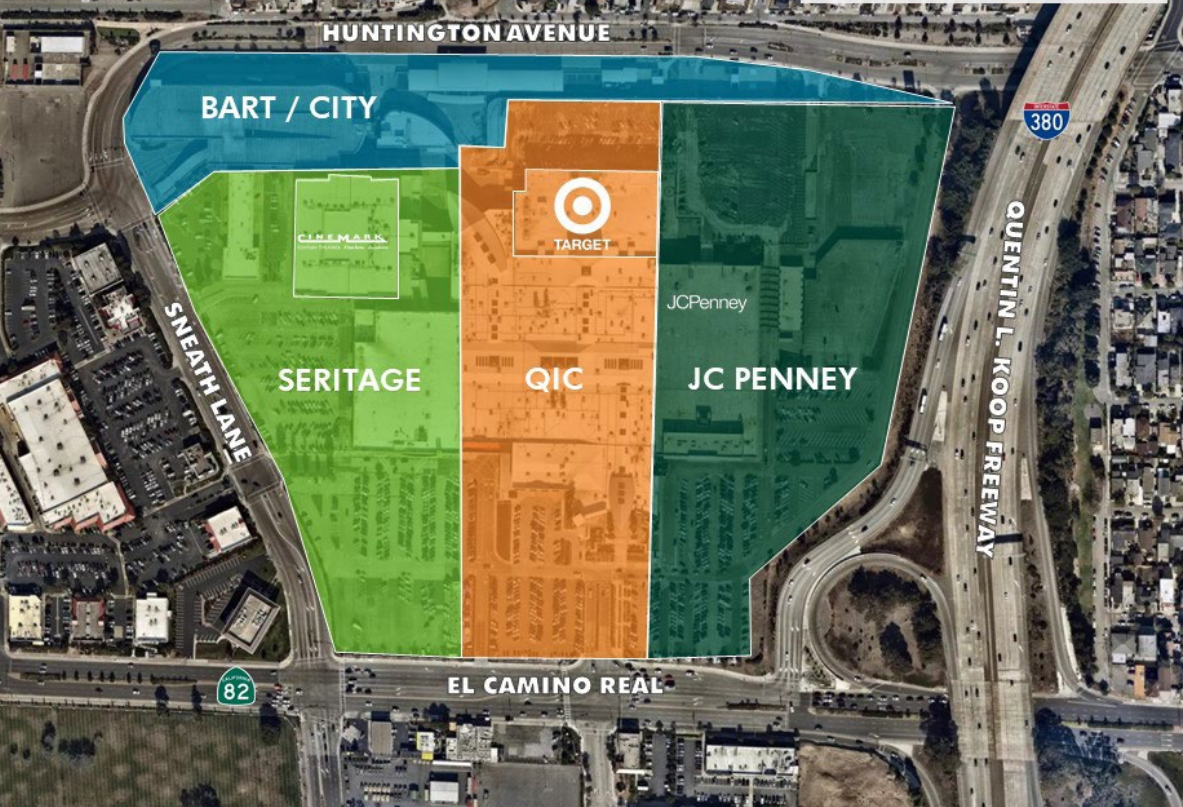
# PROPERTY OVERVIEW

A major landmark in San Bruno for many years was the Tanforan Racetrack which opened in **1899**. Famous racehorses like Seabiscuit and Citation raced there and Hollywood director Frank Capra filmed scenes for two of his films, Broadway Bill, and Riding High, at the racetrack. For six months in **1942**, it served as one of the main Bay Area centers for those forced into Japanese American internment, processing about 8000 Japanese residents before they were sent out to larger facilities.

On January 21, 2021, ABAG submitted the Draft Regional Housing Needs Allocations (RHNA) to the California Department of Housing and Community Development for review which determined the City of San Bruno needs to plan for an additional 3,165 housing units through 2031. The City views the Property as a transit-oriented development site that is well positioned to accommodate housing.

## OWNERSHIP OVERVIEW

Potential Opportunity to Consolidate Ownership and Develop the Entire Site



## QUEENSLAND INVESTMENT CORPORATION (QIC)

Fee simple owner



The Shops at Tanforan, the enclosed mall is a super-regional shopping center encompassing approximately 479,000 square feet on 14.9 acres. The mall was acquired by QIC in 2015. QIC also owns the empty lot on Huntington Avenue which is roughly 1.43 acres. It is currently being offered for sale through Eastdil Secured.

## JC PENNEY

Fee simple owner



One of the major anchor tenants, JC Penney filed for bankruptcy in May 2020. The 186,000sf building sits on approximately 14.99 acres. This property was tagged to be sold through the bankruptcy restructuring process. It is currently being offered for sale through Newmark.

## TARGET

Long term lessee



Target acquired the leasehold interest of the former Emporium department store in 1996 and concurrently assumed the existing 99-year ground lease (exp. Feb-2071) along with the REA rights and responsibilities. The Target building is approximately 69,924 square feet and sits on 1.51 acres owned by QIC.



## SEARS (SERITAGE)

Fee simple owner

Sears in 2015 spun off roughly 250 properties to form the REIT Seritage Growth Properties. This property was one of the anchor tenants and is currently vacant. The former Sears building is 234,191 square feet sitting on approximately 11.74 acres. Seritage also owns the land, 2.24 acres, beneath the Century Theaters and garage building. Seritage intends to redevelop the property and is in the process of selecting development partners.



## CENTURY THEATERS (CINEMARK)

Long term sub-lease of improvements on a ground lease

Sears (Seritage) owns the land beneath the theater and parking garage and executed a 95-year ground lease in 2004 with the owner of the main mall (QIC) who subsequently constructed the 4-level parking structure and theater and subleased the theater to Century Theaters, owned by Cinemark. The cinema building and garage is approximately 97,556 square feet on 2.24 acres.



## BAY AREA RAPID TRANSIT – Fee simple owner

“Connecting people to great places”

BART is the fifth-busiest heavy rail rapid transit system in the United States. The San Bruno Station service began in 2003 as part of the BART San Mateo County Extension project that extended BART service directly to San Francisco International

Airport. BART's TOD Development Guidelines report is available at: [https://www.bart.gov/sites/default/files/docs/BART\\_TODGuidelinesFinal2017\\_compressed\\_0.pdf017\\_compressed\\_0.pdf](https://www.bart.gov/sites/default/files/docs/BART_TODGuidelinesFinal2017_compressed_0.pdf017_compressed_0.pdf)

BART's Transportation Demand Management Program for TOD report can be found at: <https://www.bart.gov/sites/default/files/docs/BART%20TDM%20Requirements%202021%20Final.pdf>



## CITY POLICE STATION

Pursuant to the Memorandum of Understanding executed in 1998 between the Parties of the REA, BART purchased the land that now consists of the San Bruno BART Station (opened in June 2003), San Bruno Police Station, and the BART Parking Structure. There is an opportunity to work with the City and BART to redevelop the Police Station and courtyard by relocating the Police Station potentially to the empty land parcel across Huntington.



# STRATEGIC VISION

03



# A STRATEGIC VISION FOR

## *A Transit-Oriented Development*

The future redevelopment of the Property is based on the premise that collaboration and productivity result from proximity, and therefore job creation and innovation can be fostered through the intentional clustering of businesses, institutions, ideas, and people. San Bruno sees this location supporting a diverse mix of uses with sustainable infrastructure that will ensure the Property becomes one of the greenest, most inclusive, and economically viable developments on the San Francisco Peninsula.



**A new masterplan will be the catalyst for revitalizing the northern portion of the City; creating a global center for life sciences and technology innovation combined with retail, open space amenities and housing that will “invite the public in” while redefining the urban landscape.**



New technologies are changing how we live, work and play. Social, cultural, and economic shifts are changing our values and what we consider to be important in the places where we work, play and call home. The redevelopment of the Property presents an unique opportunity to innovate in how these places are planned, designed, and delivered to address these trends and provide flexibility now and well into the future. The concentration of a talented and experienced workforce and the instant transit connectivity regionally, nationally, and internationally are the fundamental strengths of the Property. Mixed-use projects help activate the public realm by weaving in open space, pedestrian and transit connections, with ground-floor retail and dining options.

We believe the future will move from mixed use to blended use, meaning product mixes will blend both horizontally and vertically. In the past, there have been four key uses—retail, residential, hotel, and office—today those uses are being blended with alternative types including education, wellness, medical services, cultural amenities, community space, and other services which could be integrated into [the Property](#). The City wants to explore including some of these alternatives uses into the creative process of placemaking. Below is a guideline showing how the City is approaching the major components of the redevelopment.

## OFFICE

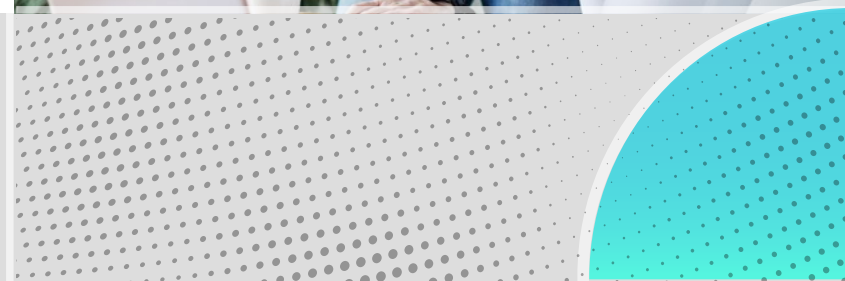
As noted above, the specific mix, size and scale of each use will depend on concepts presented through a master planning and specific planning process. At this time, the City acknowledges Seritage is exploring a 1,000,000 square foot life sciences campus on the northern portion of the Property. The entire Tanforan site may be able to support additional office and life sciences uses. The City is interested in surpassing the “best practice” ratio for a job-housing development of 1 housing unit (mostly multi-family rental unit) for each 1200 – 1300 sq of office space.



# STRATEGIC VISION

## RETAIL

Retail is no longer just about shopping; it is the connective tissue that brings places to life and makes them more human. Please explore the potential to convert the enclosed mall into an “open air” retail shopping experience creating gateways at the BART entrance and at El Camino Real. The City would like to retain as much retail space as feasibly possible and add a grocery store to the mix. The size of space when combining the existing Target and Century Theaters is approximately 222,000 square feet. Investors and developers will be encouraged to consider developing a total mix of retail uses in the range of 400,000 square feet.





## HOUSING

Through the master plan and specific planning processes, the City will determine the adequate number of housing units with appropriate percentage of affordable units to be developed. At this time, the City is expecting at a minimum of 1,000 housing units to be developed on the Property. How the housing is allocated across the three privately held parcels is dependent upon master plan concepts, and meeting open space and parking requirements. Allocation of housing units across multiple or all three privately held parcels is encouraged and the City desires for all property owners to collaborate on the master plan. The city's affordable housing program requires all new residential development to provide a minimum of 15% the total units to be affordable. The affordable units will be deed restricted for occupancy by very low, low, and moderate income households. The City will encourage partnerships with affordable housing developers, the site possesses an excellent opportunity for workforce and senior housing given its close proximity to transit (BART, Caltrain, and bus routes). Please review the City's Affordable Housing Program, San Bruno Municipal Code ("SBMC") Chapter 12.230.



## HOSPITALITY

With its convenient transit access to all points on the Peninsula and San Francisco, the City of San Bruno is an excellent location for hospitality development. Within San Bruno, the Tanforan development site ranks as one of the best locales for a modern hotel that caters to business, leisure and major convention visitors. The City welcomes development proposals that incorporate a hospitality use to leverage the adjacent San Bruno BART Station as a core asset, as it is the first and last stop for nearly all trains traveling to and from the San Francisco International Airport (SFO).

## OTHER KEY COMPONENTS

- Parking requirements: The world is changing and the way we are using the automobile is changing. This mixed-use transit-oriented development requires the City to encourage new ideas and solutions and to work collaboratively with the key stake holders and the community to determine and allocate the appropriate number of parking stalls to service each building product type. Please review SBMC 12.100, parking design and in-lieu fee standards.
  - » Environmental benefits of higher-density, transit-oriented development accessible to employment and services are supportive of objectives to minimize vehicle miles traveled (VMT) and greenhouse gas emissions and air quality objectives.
- Off-site improvements, if any, will be determined at a later date.
- Community Benefits requirements will be determined at a later date.





# PLANNING AND DESIGN



04



Thoughtful planning, design, and delivery of new large scale mixed use development offers an opportunity to think and act differently, to learn from previous experience, and deliver the right environment for the Property to have a great quality of life well into the future.



# PLANNING AND DESIGN

## Considerations

### INFRASTRUCTURE & ENVIRONMENT

- Promote modern methods of construction to deliver high performance low carbon buildings
- Be carbon negative over the lifetime of the development
- Make sustainable lifestyle and travel choices easy
- Adopt circular-economy principles for construction, living, and asset management
- Protect and enhance the value of ecological and landscape features to deliver a net gain in biodiversity
- Use natural systems infrastructure to regulate temperate and accommodate frequent adverse weather events
- Use digital technology to improve the environmental and health performance for all new and existing buildings
- Encourage the use of passive measures to heat and cool buildings

## COMMUNITY & HOUSING

- Facilitate choice through a diverse housing product offering including for rent and for sale units
- Provide amenities suitable for all age groups and different cultures
- Re-imagine the concept of a home to allow for productive home working
- Encourage social interaction in public and private spaces
- Design housing units to be flexible to adapt to changing lifestyles and needs
- Provide different models of housing such as co-living, co-housing, and housing for later living and intergenerational living as part of neighborhood development
- Create neighborhood working spaces outside the home that support local innovation and the exchange of ideas reducing the need to commute
- Encourage social interaction in public and private spaces
- Understand the nature of the community that may wish to live in the new neighborhoods as part of the planning and design process, and design housing products suitable for their aspirations and needs
- Engage with neighboring communities, future residents, and new residents actively throughout the development process to inform the nature of the neighborhoods



## CONNECTIVITY & MOBILITY

- Prioritize pedestrian and cycle use, supporting active lifestyles and creating livable and healthy streets
- Provide key services and amenities within a 15-minute walking distance of the home
- Connect nature and green spaces to residential areas and design nature into streets and the public realm
- Design public spaces and streets to be accessible for all
- Ensure private amenity space supports outdoor living
- Provide civic space with an opportunity for social interaction and private reflection suitable for all members of the community
- Understand work patterns to create stress free commuting





# CURRENT ZONING & DISCRETIONARY REVIEW

05



THE PROPERTY IS AS FOLLOWS:  
ADDRESS:

1150 El Camino Real, San Bruno, CA



ASSESSOR'S PARCEL NUMBERS AND LOT AREAS

Parcel Summary

Parcel Number	Description	Land Area		Current Ownership	
		Approximate SF	Acres	Land	Improvements
014-316-360	Main Mall	520,116	11.94	QIC	QIC
014-316-080	Target	65,924	1.51	QIC	Target
014-316-300	JC Penney	653,093	14.99	JC Penny	JC Penny
014-316-330	Sears	511,358	11.74	Seritage	Seritage
014-316-310	Theater & Garage	97,556	2.24	Seritage	QIC
014-311-060	Empty Lot	62,123	1.43	QIC	QIC
<b>Total</b>		<b>1,910,170</b>	<b>43.85</b>		
014-316-380	BART Station & Land	144,184	3.31	BART	BART
014-316-180	BART Parking Garage & San Bruno Police Station	71,874	1.65	BART	BART
Various*	BART Parking Garage & Land	104,108	2.39	BART	BART
<b>Total Land Area (Including BART)</b>		<b>2,230,336</b>	<b>51.20</b>		

\*Includes the following parcels: 014-316-210, 014-316-140, 014-311-040, 014-311-050, 014-316-370, & 014-316-160

## CURRENT ZONING

The Property is located in the P-D Zoning District. The purpose of the P-D District is to provide flexibility in allowing a mixture of uses,

or unusual density, building intensity, or design relationships which would produce an environment and use of land in each case superior than that which would result from the regulations of the standard districts of combination of districts.

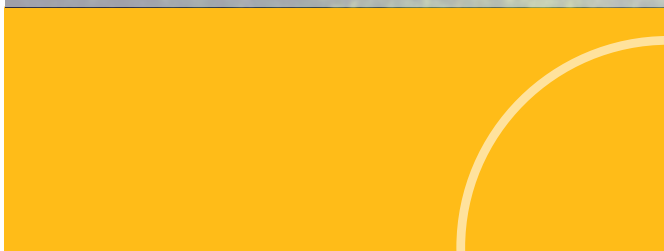
Permitted uses with specific development standards are described in the Development Plan when the new P-D district is established. Uses such as office, retail, housing and hospitality would be allowed subject to other compatible uses that are appropriate for the site subject to a Conditional Use Permit. Residential uses are not permitted in the Regional Commercial General Plan land use classification. The inclusion of a residential buildings will require a General Plan amendment. The City staff have determined developing housing on the Property is appropriate due to the California and Bay Area's housing crisis. Commercial uses, specifically retail and hotel use, are very favorably viewed by the City staff.

**Zoning District:** Planned Development (P-D) District  
**General Plan Classification:** Regional Commercial  
**Height Limit:** 126 feet 9 inches per City Ordinance 1446

## HEIGHT LIMITS

The current maximum height was established through the P-D zoning for the Tanforan mall. The new P-D zoning can also include an appropriate height that complies with FAA regulations and the previous allowance. Federal Aviation Administration ("FAA") regulations regarding height, however, apply due to the Property's proximity to San Francisco International Airport. Prior to the City issuing any development permits, notice of the proposed development project must be provided to the Federal Aviation Administration and they must provide a "Determination of No Hazard." Projects are referred to the City/County Association of Governments Airport Land Use Commission for a height consistency determination. The FAA also reviews the design of the proposed development for distracting and/or reflective materials, lighting etc.) San Bruno Ordinance 1446 gives "the City of San Bruno the authority to approve the enlargement or extension of existing buildings and the construction of new buildings and structures in the Tanforan Park Shopping Center without further voter approval; provided that the height of any such building or structure shall not exceed the height of the tallest building or structure existing at the time of adoption of the ordinance". The highest structure existing at that time (November 6, 1984) was the Target building which is at an elevation of 126 feet and 9 inches. If any proposed building height exceeds the current allowance, such proposal would require City Council to place such request on a future ballot measure.





## DEVELOPMENT POTENTIAL

The Regional Commercial General Plan land use classification permits 1.2:1 Floor Area Ratio ("FAR") combined for all uses, with a potential additional discretionary 0.3 FAR incentive for projects that provide transportation demand measures and urban design amenities as specified in the Zoning Ordinance. With the Property area totaling 1,848,048 sf, up to approximately 2,217,658 sf is permitted by right, and up to approximately 2,772,072 sf (in aggregate between existing and new development) is permitted with the provision of transportation demand measures.

For any redevelopment plans to be considered for approvals, San Bruno will require housing units to be a critical component of the redevelopment plan. As previously noted, the City staff is asking for a minimum of 1,000 housing units on site. San Bruno City Planning intends to collaborate with the parcel owners to increase the size, density, and scale of certain components/product types within the overall development scheme to accommodate the additional housing requested by the City staff.

## CITY DISCRETIONARY REVIEW

The redevelopment of the Property would be subject to amending the City's General Plan, establishing a new Specific Plan and amending the current P-D zoning district to incorporate additional uses such as office, housing, hospitality and other viable land uses. In addition, a Planned Development Permit with City's Architecture Review Permit would be required. Such review would be processed by City staff, reviewed and recommended by Planning Commission where the City Council makes the final decision on the required discretionary approvals.

## CEQA REVIEW

Projects that seek discretionary approvals are subject to the California Environmental Quality Act ("CEQA"). The purpose of CEQA is to inform government decision-makers and the public about the potential, significant environmental effects of a project. Projects may not be approved until environmental review is completed, CEQA dictates a project's overall schedule. An Environmental Impact Report will be required. The level of CEQA review necessary for the one or more redevelopment components will depend on the overall master plan, the project scope as well as the ability to utilize or tier off prior CEQA documents, if any, that would be applicable to the Property.

## OTHER APPROVALS

All future development uses should comply with the San Francisco Airport (SFO) Land Use Compatibility Plan (ALUCP) component of the San Mateo County Comprehensive Airport Land Use Plan (San Mateo CLUP) as the site is also within its jurisdiction. Airport planning boundaries, define where height, noise and safety standards, policies, and criteria are applied to certain proposed land use policy actions.





# SAMPLE ENTITLEMENT TIMELINE

**General Plan Amendment &  
Specific Plan w/ CEQA Analysis**  
**Initiating Late 2021/Early 2022**  
(subject to owner participation)



# CITY OF SAN BRUNO

## Impact fee rates

The City's ordinances and resolutions authorize inflation adjustments to the fees as approved by the City Council by resolution, and shall take effect no earlier than sixty days following such approval.

## AFFORDABLE HOUSING IMPACT FEE

Unit Type	
Single Family	\$ 30.00
Condominium	\$ 27.78
Apartment	\$ 27.78
Office	\$ 13.89
Retail	\$ 6.94

## DEVELOPMENT IMPACT FEE

Land Use	Community	General Government	Transportation	Utilities	Total
<b>Residential (per unit)</b>					
014-316-360	\$ 16,349.00	\$ 1,718.00	\$ 3,576.00	\$ 2,352.00	\$ 25,209.00
014-316-080	\$ 15,348.00	\$ 1,612.00	\$ 2,767.00	\$ 2,208.00	\$ 23,148.00
<b>Non-Residential</b>					
Office (per Sq. Ft.)	\$ 9.15	\$ 0.99	\$ 0.99	\$ 1.82	\$ 19.94
Industrial (per Sq. Ft.)	\$ 3.64	\$ 0.39	\$ 0.99	\$ 1.14	\$ 8.36
Retail (per Sq. Ft.)	\$ 5.90	\$ 0.64	\$ 0.99	\$ 11.33	\$ 28.01
Hotel (per room)	\$ 1,498.00	\$ 161.00	\$ 1,619.00	\$ 1,296.00	\$ 4,675.00



## CURRENT CITY PARKING IN-LIEU FEES

### Transit Corridors Plan, and U.S. Navy Site Specific Plan Areas

Office Land Use		\$ 25,565.00
Transit Corridors Plan, and U.S. Navy Site	1-5 St	\$ 2,557.00
Specific Plan Areas - All Non-Residential	6-10 Stalls	\$ 5,113.00
Land Uses (Except Office Land Uses)	More than 10 Stalls	\$ 10,226.00
Bayhill Specific Plan Area for Non-Residential Land Uses		\$ 61,356.00

\* Due to the TOD nature of Tanforan, the City intends to establish parking in-lieu fees through the specific plan process

## PUBLIC ART FEE

Residential	5% of all building, mechanical, electrical, and plumbing permit fees.
Commercial/Non-residential	7% of all building, mechanical, electrical, and plumbing permit fees.

\* See San Bruno Municipal Code Chapter 3.40 for more information

## **CBRE's Role**

The City has engaged CBRE to manage the interaction between the current and "new" property owners and the City as all parties work collaboratively to create a design solution and redevelopment process that meets the needs of the owners and the City. CBRE is tasked with bringing each Property ownership group in alignment with the City's planning goals and anticipated approvals. CBRE is committed to creating and supporting openness and transparency with property owners, the City and key stake holders throughout the redevelopment and entitlement process.

Please direct any questions relating to the City's vision, planning and entitlement processes for the Property to the CBRE professionals identified below:

### **JAY SHOLL**

Senior Vice President  
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**CBRE**

Reimagining

# TANFORAN

*San Bruno, California*

## Disclaimer

This Fact Sheet does not take into consideration any property specific issues related to the Reciprocal Easement Agreement (“REA”), any lease restrictions between the individual owners/uses at The Shops at Tanforan, or any other non-governmental restrictions or agreements that could prohibit or regulate some redevelopment components. This Land Use Fact Sheet has been prepared based on (a) the online version of the San Bruno Municipal Code maintained by the Quality Code Publishing, which includes ordinances effective as of October 2020. Please note that neither the Planning Department nor Quality Code Publishing warrant the accuracy or completeness of the online Municipal Code. CBRE, Inc, shall have no liability for errors in the source documents consulted. Land use law in the Bay Area is fluid and is subject to frequent changes. Therefore, the information herein could change from time to time, and CBRE, Inc. shall have no duty to update this Fact Sheet. Land use related legislation is introduced frequently by the San Bruno City Council. We are under no obligation to track all possible potential or proposed legislation or ballot measures that could affect the Property. Please keep in mind that the entitlement process in Bay Area remains inherently uncertain. Code interpretations vary and can change over time and are subject to different interpretations within the City. Nothing in this Land Use Fact Sheet may be construed as a promise or guarantee about the outcome of the entitlement, approval or permit process related to the Property, the ultimate cost of any impact fees or exactions imposed. CBRE, Inc. makes no such promises or guarantees. Our comments about the entitlement process and fee illustrations are expressions of opinions only.



**CBRE**