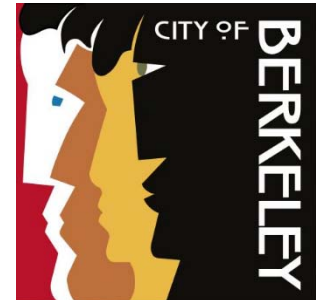


Small Business Support

OFFICE OF ECONOMIC DEVELOPMENT
CITY COUNCIL WORKSESSION
JANUARY 16, 2018



Agenda

1. Berkeley's Small Businesses By the Numbers
2. Findings: Issues and Trends Affecting Small Businesses
3. Existing Services for Small Businesses
4. New Programs and Policies to Support Small Businesses
5. Q & A and Discussion



Berkeley's Small Businesses By the Numbers

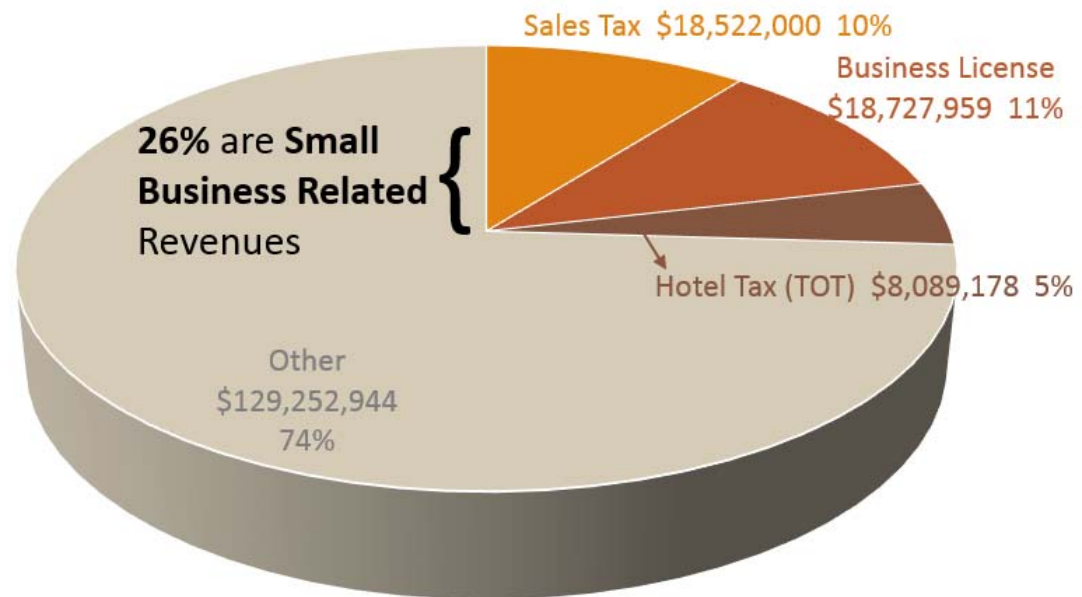
A STATISTICAL PROFILE OF SMALL BUSINESSES IN
BERKELEY



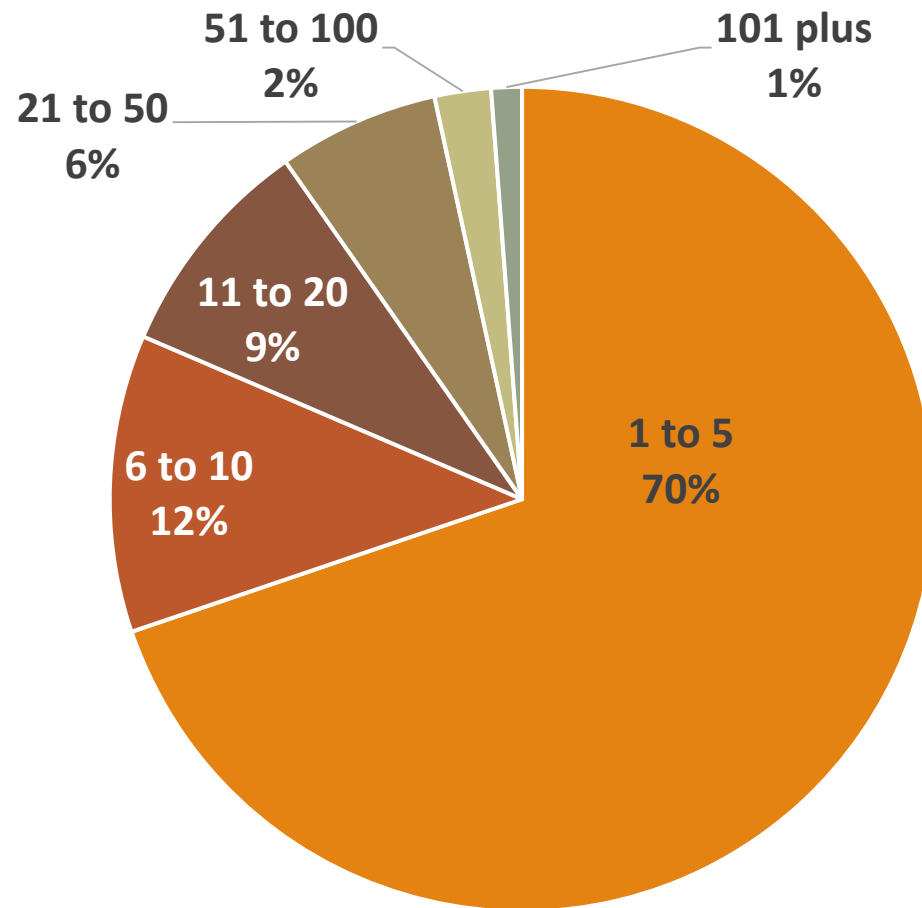
Berkeley's Businesses – Big General Fund Impact

- Sales tax comprises **10%** of general fund revenues (\$18.5M)
- Strong sales tax sectors in Berkeley include General Retail, Food Products, Transportation, & Construction
- Business license fees contribute \$18.7M to the general fund (**11%**)
- Transit Occupancy Tax (TOT) or hotel taxes provide \$8M (**5%**)

GENERAL FUND REVENUE SUMMARY (\$346.6 MILLION)



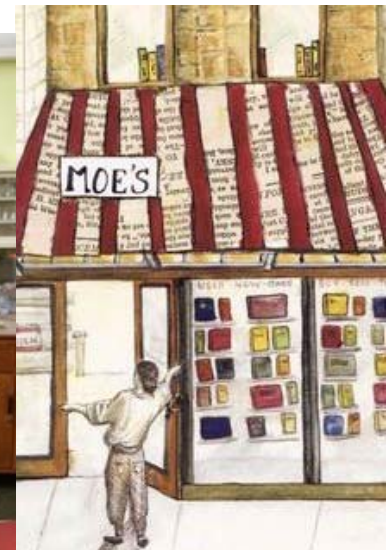
Berkeley's Small Businesses by Number of Employees



- 5,000 small businesses in Berkeley
- **97%** of Berkeley businesses are '**small businesses**' (50 or less employees)
- Only 1% of firms employ more than 100 people
- Small businesses account for 41% of jobs in Berkeley

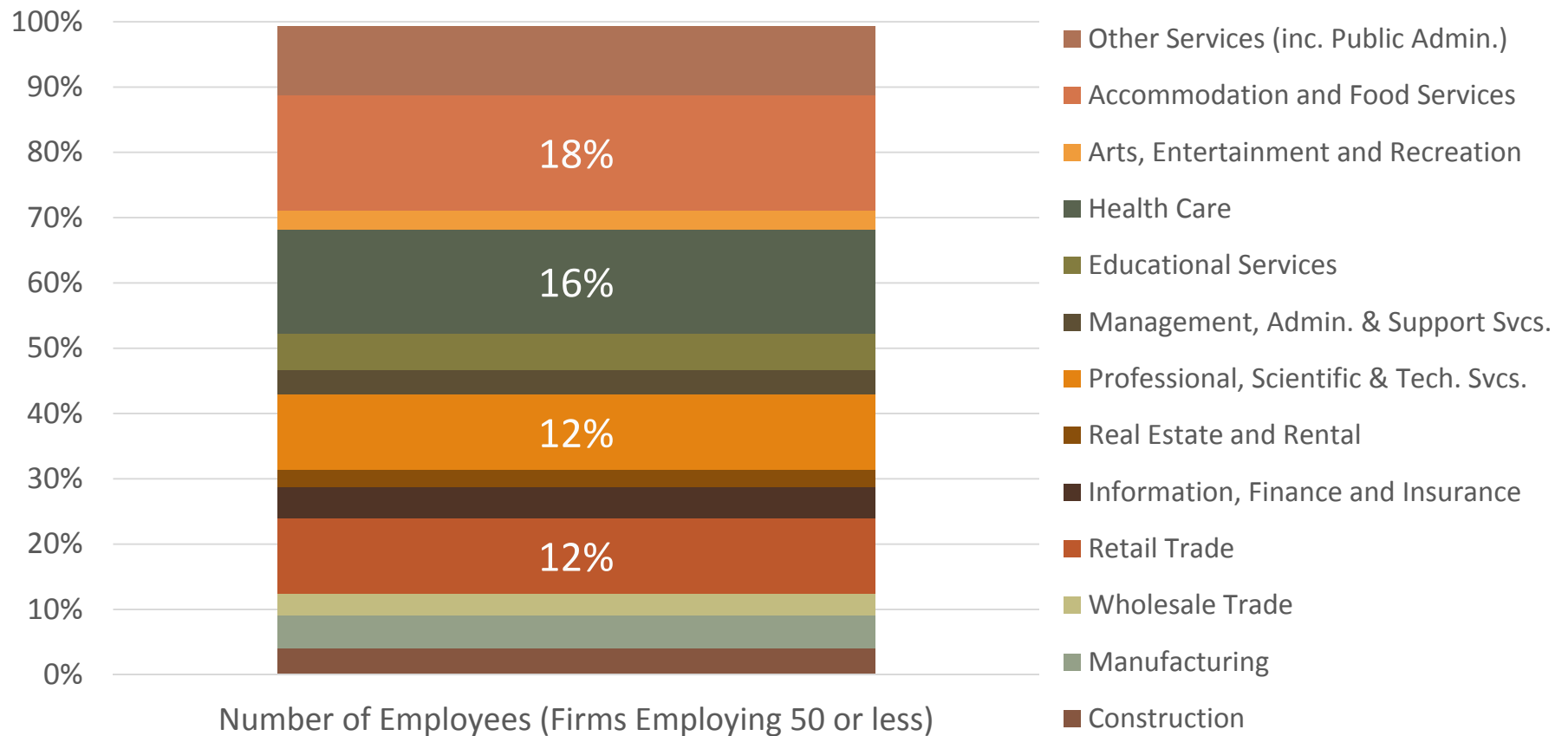
Business Diversity

- **65%** of firms are 'locally owned'
- **37%** of active businesses in Berkeley are **minority and/or female owned**
- Our city is home to over **275 startups**, one-third in software and others in biotech, clean tech and other hard tech industries



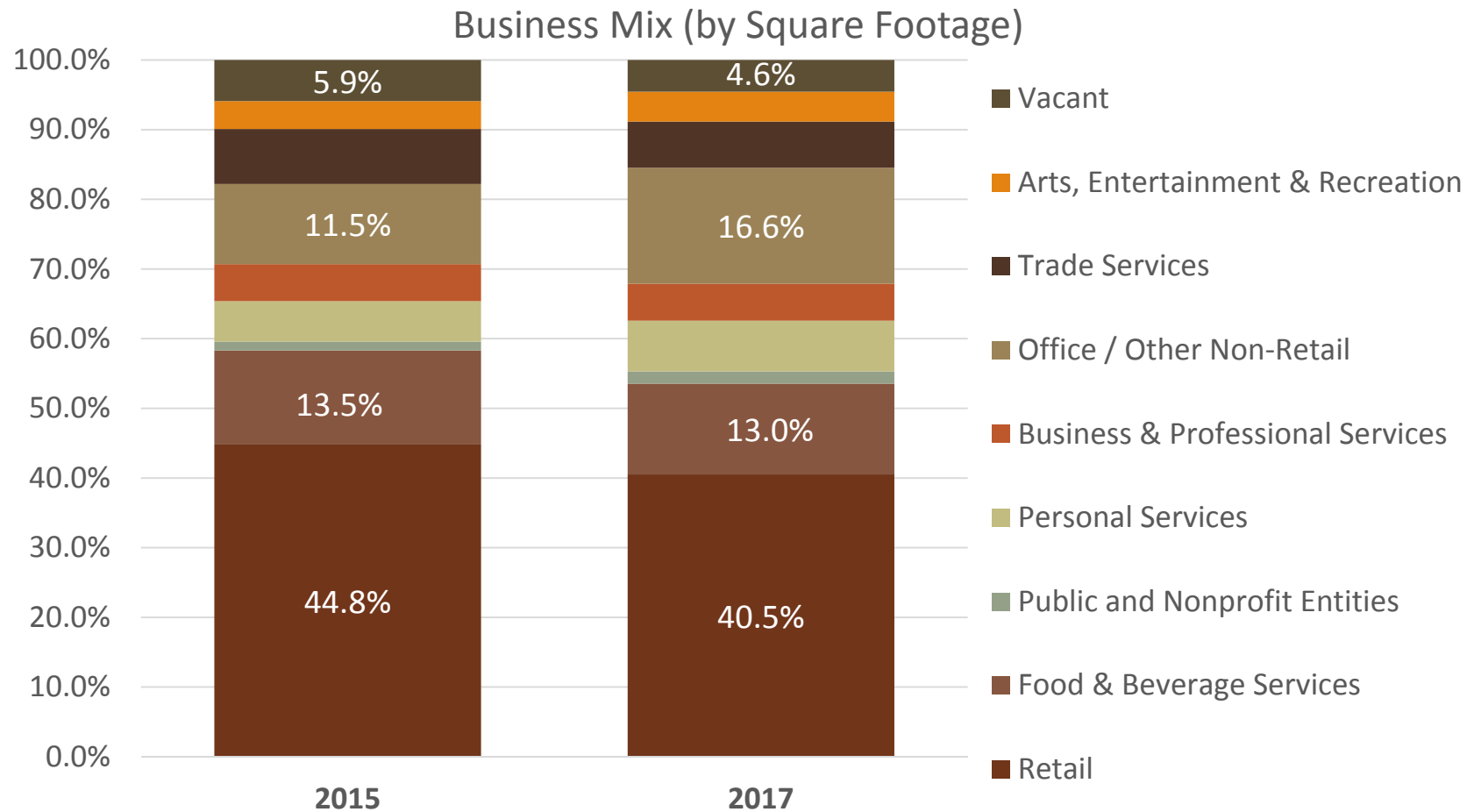
Berkeley's Small Businesses— by Industry

Business Sectors (by NAICS Code), 2016 Q4



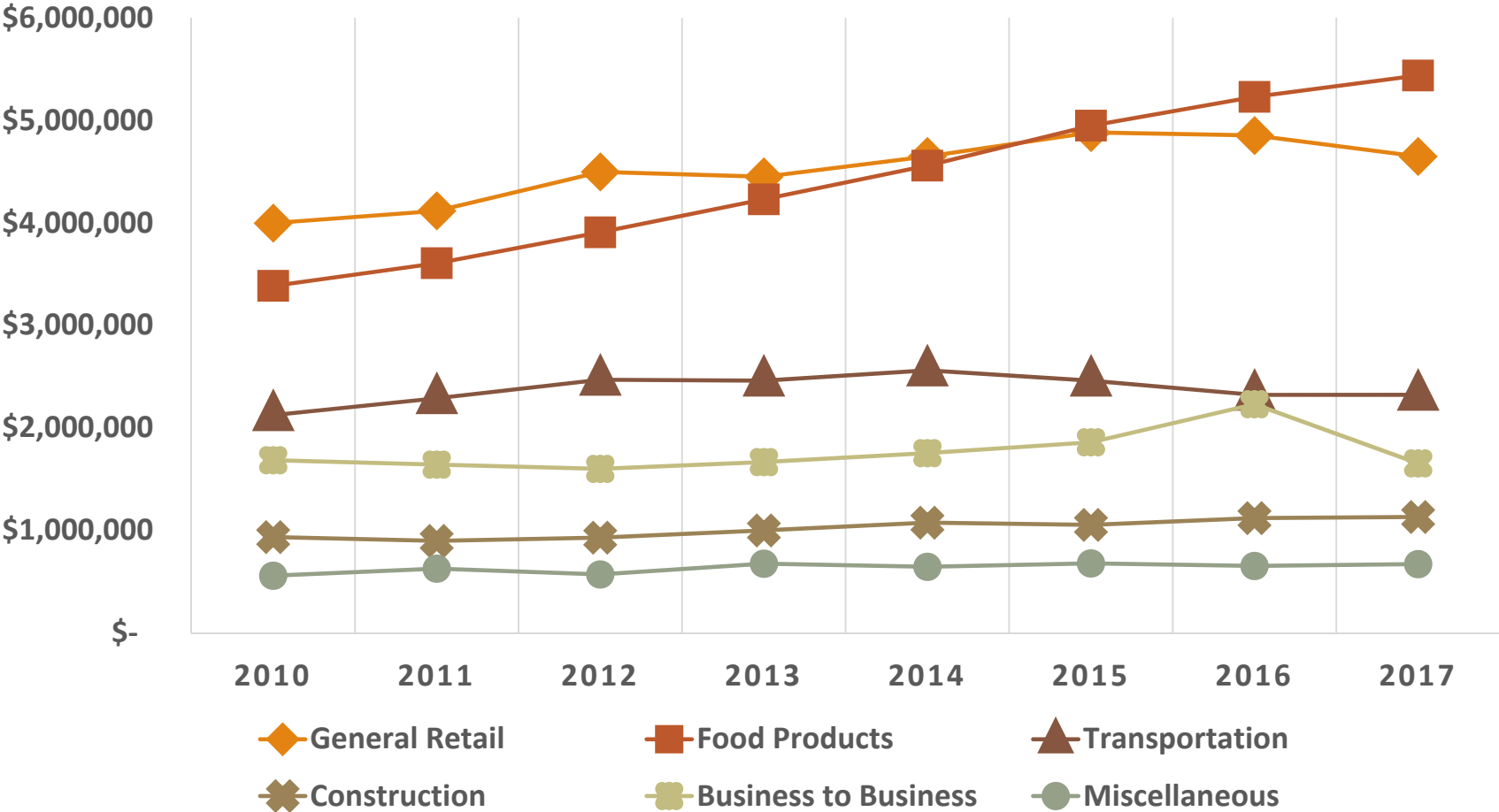
Source: U.S. Bureau of Labor Statistics, Quarterly Census of Wages and Employment, Q4 2016

Ground Floor Commercial Occupancy: Declining Retail



Source: City of Berkeley (OED)

Sales Tax Revenue by Business Category 2010-2017



Source: MuniServices, 2017 Q2

Small Business Outreach

WHAT HAVE WE HEARD FROM LOCAL SMALL
BUSINESSES?



How did we reach out?

Surveys:

- OED and Buy Local Berkeley small business survey (summer 2017)
- Reviewed responses from four other recent surveys of small businesses in Berkeley.



Interviews: 1-1 interviews with 34 small businesses (July – December 2017)



Small Business Forum: December 6, 2017, 50+ Participants



12/6/17 Small Business Forum



Business Challenges



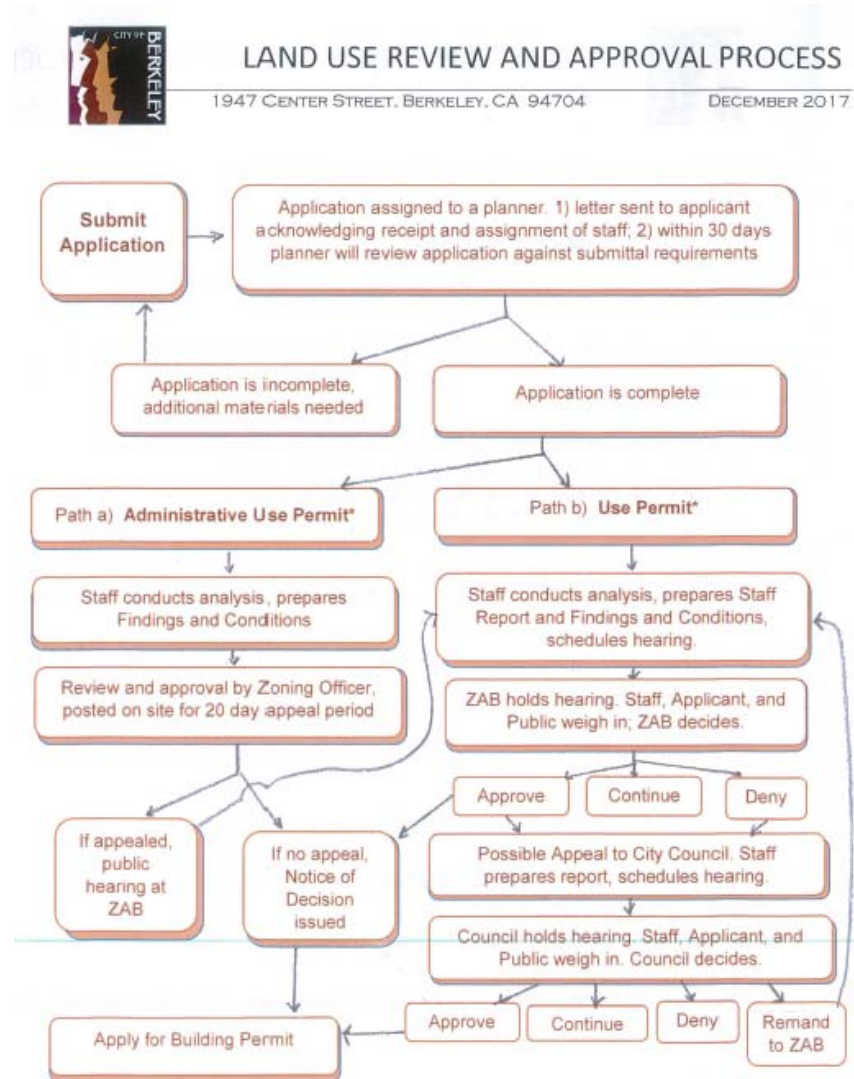
Engaging with the City

Permitting and licensing processes

- Zoning Review
- Building Permit Review
- Other Special Permits

Accessing information

Knowing “Who to Call”



Neighborhood Conditions

Illegal Street Behavior

Cleanliness and physical conditions

Parking and accessibility

Vacant commercial spaces

Impact of construction and development



Costs of Doing Business

Labor Costs

Commercial Rent Increases

Finding available real estate

Housing costs and availability



Competition from the Internet and Larger Stores



Berkeley's Reputation as a Place to do Business



How do we support local businesses today?


EXISTING SERVICES FOR BERKELEY'S SMALL
BUSINESSES





The mission of the Office of Economic Development is to assist businesses, entrepreneurs, artists and community organizations to access services, feel welcome in Berkeley, and thrive.

OED & Partner Services

- Technical assistance and case management
 - Support for business networks and commercial district associations
 - Revolving Loan Fund
 - Marketing to enhance Berkeley's reputation as a place to do business
 - Promote equitable and sustainable business practices, e.g. green business certification
 - Entrepreneurship training
 - Economic data reporting and analysis
- 

How will we expand our support?

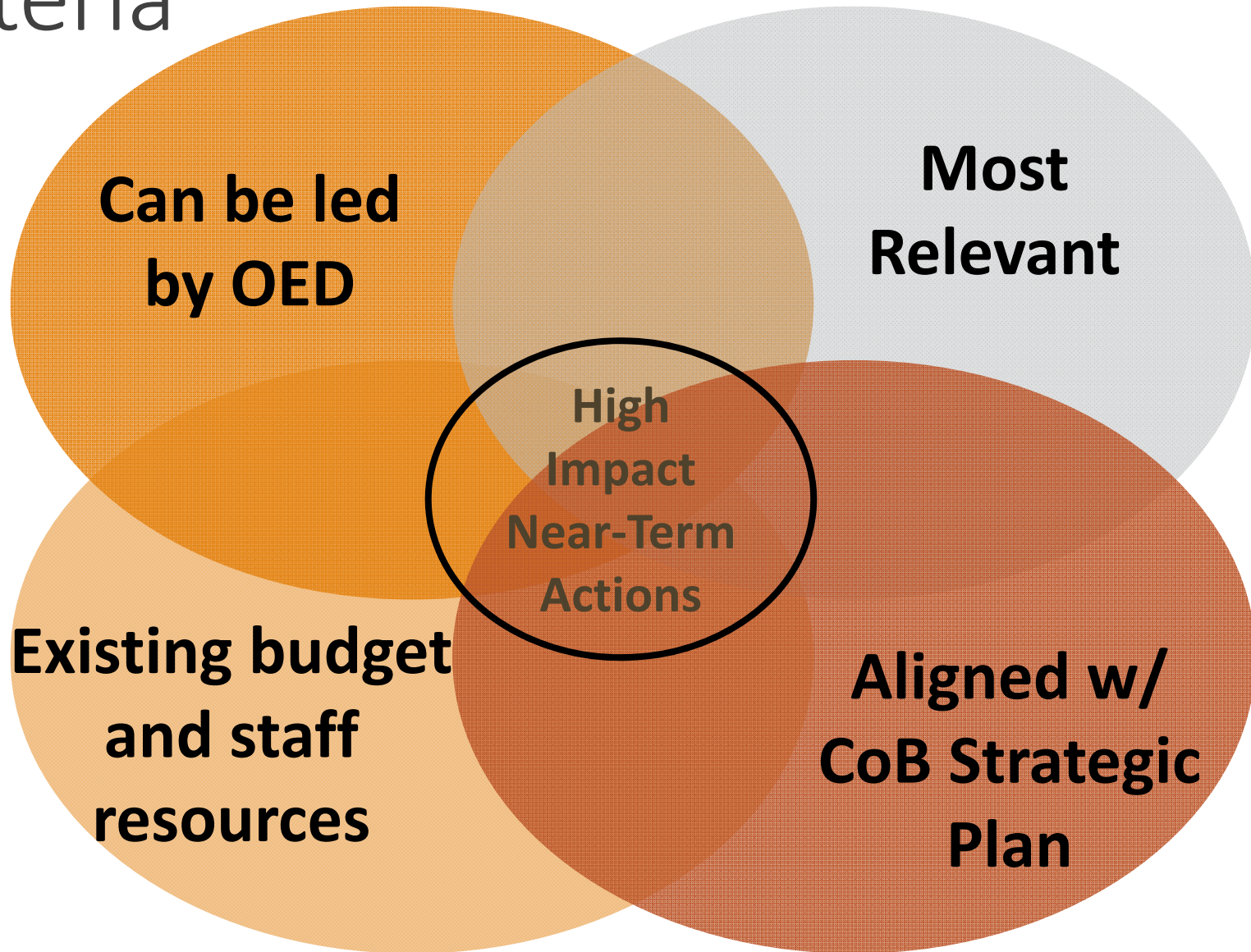
A PACKAGE OF PROGRAMS AND POLICIES TO
SUPPORT SMALL BUSINESSES IN FISCAL YEARS
2018 & 2019




Cross-Departmental Efforts to Address Broad Issues

- Major initiatives to improve customer service
- Transitional housing and supportive services
- Housing action plan
- City policies for encampments and street behavior
- Parking supply and management

Criteria



Additions & Enhancements to OED's 2018-19 Work Plan

- 1. Improve OED's outreach & communications with small businesses.**
 - 2. Increase support for businesses navigating the permitting process.**
 - 3. Recommend modifications to the zoning ordinance to support small local businesses and prioritize desired uses.**
 - 4. Pilot new small business assistance and retention programs.**
 - 5. Increase the impact of Buy Local Berkeley.**
- 

Other Programs & Policies for Future Consideration

- One Stop / Small business assistance center
- Financial support for small businesses impacted or displaced by development
- Vacancy tax or fee
- Legacy business program
- Expanding local purchasing requirements
- Expand Revolving Loan Fund
- Small Business Commission
- Support for worker-owned cooperatives

Q&A
+
Discussion

Office of Economic Development

Business Services Team

Jordan Klein | 510.981.7534



Tony Benado

Liz Redman Cleveland

Eleanor Hollander

Kieron Slaughter