



Office of the Mayor

REVISED AGENDA MATERIAL

Meeting Date: December 15, 2020

Item Number: #32

Item Description: Deferral of Remaining Permit Fees for 2009 Addison Street

Supplemental/Revision Submitted By: Mayor Arreguin

“Good of the City” Analysis:

The analysis below must demonstrate how accepting this supplement/revision is for the “good of the City” and outweighs the lack of time for citizen review or evaluation by the Council.

Based on discussions with City staff, the item has been revised as a referral to the City Manager to conduct a feasibility analysis and develop an MOU to defer the remaining fees, determining the terms of the deferral and the fund source.

Consideration of supplemental or revised agenda material is subject to approval by a two-thirds vote of the City Council. (BMC 2.06.070)

A minimum of **42 copies** must be submitted to the City Clerk for distribution at the Council meeting. This completed cover page must accompany every copy.

Copies of the supplemental/revised agenda material may be delivered to the City Clerk Department by 12:00 p.m. the day of the meeting. Copies that are ready after 12:00 p.m. must be delivered directly to the City Clerk at Council Chambers prior to the start of the meeting.

Supplements or Revisions submitted pursuant to BMC § 2.06.070 may only be revisions of the original report included in the Agenda Packet.



Office of the Mayor

#32

**REVISED
CONSENT CALENDAR
December 15, 2020**

To: Members of the City Council
From: Mayor Jesse Arreguin
Subject: [Referral to City Manager](#): Deferral of Remaining Permit Fees for 2009 Addison Street

RECOMMENDATION

[Refer to the City Manager to conduct a feasibility analysis and develop an MOU with the Berkeley Repertory Theater to defer \\$720,000 in remaining permit and inspection fees for Berkeley Repertory Theater's housing project at 2009 Addison Street \(leaving flexibility for timing, setting of interest, schedule of payments, and fund sources\).](#)

Deleted: Approve the deferral of

Deleted: for a period of ten years, after which point the fees will be repaid to the City of Berkeley. Authorize the City Manager to execute a written agreement to memorialize this deferral and repayment requirements.

FINANCIAL IMPLICATIONS

According to the Berkeley Rep roughly \$385,000 in permit fees have already been paid to the Permit Service Center Enterprise Fund, with a remaining \$720,000 in fees due in order to receive building permits to complete construction. Through adoption of this item, the remaining permit and inspection fees would be deferred for a period of ten years, after which time they would need to be repaid in full. This would enable the project to proceed and allow Berkeley Rep time to recover from the COVID-19 pandemic and recover economically.

Deleted: The funding to cover the remaining \$720,000 would be borne from the balance of the Permit Service Center Enterprise Fund.

BACKGROUND

The Berkeley Repertory Theater has received approval in 2018 for a seven-story, mixed use project at 2009 Addison Street in Downtown Berkeley. The project will provide housing for Berkeley Rep's visiting artists as well as the 15 young professionals who are awarded fellowships every year. In addition to 45 apartment units, the building will include two spaces for the Berkeley Rep School of Theatre, an outdoor terrace, and an 88-foot video display marquee on the mezzanine level. This groundbreaking project provides artist housing in collaboration with a regional theater company. 2009 Addison will bring more residents and economic vitality to our Downtown area, further bolstering our tax base.

Due to the COVID-19 pandemic and increasing costs, the project budget has increased significantly making it financially prohibitive to proceed with construction. Berkeley Rep has requested that the City consider deferring remaining permit fees in order to help make the project economically feasible and to allow construction to proceed. Berkeley Rep has agreed to repay remaining permit fees 10 years from the date of deferral.

Deleted: While this will result in a short-term impact on the Permit Service Center (PSC) Fund, the PSC Fund has a sufficient balance to be able to cover this amount, and fees will be repaid over time. City Council action is required to defer any permit fees over \$50,000.

CONTACT PERSON

Mayor Jesse Arreguin 510-981-7100

Attachments:
1: Letter from Berkeley Rep requesting fee deferral for 2009 Addison Street