

CONSENT CALENDAR

April 25, 2017

To: Honorable Mayor and Members of the City Council
From: Councilmembers Sophie Hahn and Susan Wengraf
Subject: Solano Avenue Economic Development Study

RECOMMENDATION

Refer to the City Manager to undertake a comprehensive study of the Solano Avenue Commercial District, to provide baseline information for future strategic planning and business development and initiatives that will result in increased tax revenues for the City of Berkeley, and to report to the Council on a priority basis, at an upcoming worksession.

FINANCIAL IMPLICATIONS,

Staff time to prepare and present the report

BACKGROUND

The Solano Commercial District is a neighborhood commercial district in North Berkeley, bordering Albany, and home to about 130 commercial spaces encompassing approximately 191,000 square feet of commercial space. Solano has the potential to be a significant contributor to the City of Berkeley's tax base, and also serves as a local "main street" for North Berkeley.

Both anecdotal and quantitative data suggest, however, that Solano is an underperforming commercial district - perhaps the most underperforming in Berkeley. Solano is similar in size to the North Shattuck District (both are approximately 7 two-sided blocks), and similar in neighborhood character to the Elmwood, but it does not compare favorably to those two districts in terms of tax revenue per block. In fact, the Elmwood earns nearly 3 times as much tax revenue per block, despite the fact that the two districts are located in areas with similar average home prices (\$1.3 million) and with populations that can be assumed to have similar purchasing power. Tax revenues from Solano also remained relatively

flat between 2010 and 2016, especially when compared to the significant increases over that same time period in comparable districts.

There are likely a number of contributing factors to this underperformance, including notable vacancies, such as at the Oaks Theatre, other persistent storefront vacancies, rapid turnover of businesses, parking challenges, narrow sidewalks and a wide street, difficulty with pedestrian crossings, limited bus connections from surrounding neighborhoods, worn-out streetscapes, and more. A study would provide specific information upon which a strategic and economic revitalization plan can be proposed.

We recommend that the City Manager prepare a report, similar to the December 2016 San Pablo Avenue District Report, providing baseline information on the Solano Commercial District, and report back to Council on findings on a priority basis. Similar studies have also been prepared for the Telegraph Commercial District (June of 2016), and Adeline Corridor/Lorin Commercial District (December of 2014).

The benefit of such a study would primarily be to identify ways in which the City can help to boost the economic performance of a commercial district with significant potential to add to the City's tax base. In addition, the Solano district has the potential to become a more vibrant commercial and community hub for North Berkeley, that provides meaningful experiences for residents and visitors alike.

Reference reports can be found at the following links:

1. Commercial District Dashboards (January 2017):
http://cityofberkeley.info/uploadedFiles/Manager/Economic_Development/2016_Q3_ComDashboards_12.21.2016.pdf
2. Economic Development Work Session, San Pablo Avenue Commercial Corridor, December 13, 2016:
http://cityofberkeley.info/uploadedFiles/Manager/Economic_Development/2016-12-13%20WS%20Item%2001%20Economic%20Development%20Worksession.pdf

3. Economic Development Update: Telegraph Commercial District, June 28, 2016:

[http://records.cityofberkeley.info/Agenda/Documents/ViewDocument/6_28_2016%3B%20CLK%20-%20Report%20\(Public\)%3B%20CITY%20MANAGER%3B%20%3B%20SPECIAL%3B%20ECONOMIC%20DE.pdf?meetingId=211&documentType=Agenda&itemId=2357&publishId=6235&isSection=false](http://records.cityofberkeley.info/Agenda/Documents/ViewDocument/6_28_2016%3B%20CLK%20-%20Report%20(Public)%3B%20CITY%20MANAGER%3B%20%3B%20SPECIAL%3B%20ECONOMIC%20DE.pdf?meetingId=211&documentType=Agenda&itemId=2357&publishId=6235&isSection=false)

4. Economic Development Work Session, Adeline Corridor/Lorin Commercial District, December 16, 2014:

http://cityofberkeley.info/uploadedFiles/Manager/Economic_Development/2014-12-16%20Lorin%20District%20Worksession%20Report.pdf

ENVIRONMENTAL SUSTAINABILITY

No environmental impacts

CONTACT PERSON

Councilmember Sophie Hahn, Council District 5, 510-981-7150

