



Lori Droste
Councilmember, District 8

ACTION CALENDAR
February 27, 2018
(Continued from February 13, 2018)

To: Honorable Mayor and Members of City Council

From: Mayor Arreguín and Councilmembers Lori Droste, Susan Wengraf and Linda Maio

Subject: Small Business Subcommittee Creation

RECOMMENDATION

Form a four-person Mayor-Council ad-hoc subcommittee consisting of Mayor Arreguín, Councilmember Droste, Councilmember Maio, and Councilmember Hahn to explore issues related to Berkeley's small businesses.

BACKGROUND

On January 16, 2018, the City of Berkeley's Office of Economic Development (OED) presented to City Council their [research](#) on issues and trends affecting small businesses, existing services for small businesses, and new programs and policies to support Berkeley's ~5,000 small businesses.

The Office of Economic Development reached out to over a hundred small business stakeholders. Through these interviews, surveys, and a citywide forum, OED determined that there are five major issues facing small businesses in Berkeley:

1. Engaging with the city (permitting and licensing, accessing information and communication, and insufficient opportunities for engagement),
2. Neighborhood conditions (illegal street behavior, cleanliness, accessibility, vacancies, and construction and development impacts),
3. Costs of doing business (labor costs, commercial rents, locating real estate, and housing costs)
4. Competition from the Internet and larger stores, and
5. Berkeley's reputation.

Over the past year, Mayor Arreguín and many Councilmembers have expressed interest in establishing a small business commission. This may be an appropriate commission to create but according to staff, the creation of a small business commission would require additional staffing. Without funding allocations for additional staffing, the services and output from the Office of Economic Development would be greatly diminished. As an interim step, we recommend that the Mayor set up a subcommittee to address many of the issues raised in the report and explore the possibility of setting up a small business commission.

FISCAL IMPACTS

Staff time to attend some of the subcommittee meetings.

RATIONALE FOR RECOMMENDATION

The small business support package was rated the #1 priority by the entire City Council during the reweighted range voting prioritization process. Small businesses are vital contributors to Berkeley and want to have opportunities for engagement.

Although the commercial space vacancy rate is at a five-year low, there are several prominent vacancies in popular commercial districts which are alarming to residents, visitors, and merchants.

ALTERNATIVE ACTIONS CONSIDERED

Immediately establishing a small business commission.

ENVIRONMENTAL IMPACT

None

CONTACT

Lori Droste, Berkeley City Council District 8, (510) 981-7180