



**Berkeley City Council**  
**Minutes: Ad-Hoc Subcommittee on Small Business**

**Monday, May 10, 2018**  
**10:00am – 11:30am**  
**1947 Center Street, 3<sup>rd</sup> Floor**  
**Magnolia Room**

*Committee Members:*

- Mayor Arreguin
- Councilmember Droste, District 8
- Councilmember Harrison District 4
- Councilmember Maio District 1
- Marion Abbott
- Stuart Baker
- Mike Berne
- John Caner
- Diana Gordon
- Melissa Hatheway
- Ann Leyhe
- Kirsten McDonald
- Jason Wayman

*Others in Attendance:*

- Jordan Klein
- Brandi Campbell Wood
- Lars Skjerping
- Kerry Birnbach

**1. Call to Order**

Meeting was called to order at 10:05am.

**2. Public Comment**

Nine members of the public joined the meeting and provided a variety of comment. Jason Wayman began by asking the charge of the Subcommittee and who would be on it. The Mayor shared that there are a couple of issues being explored to better address issues impacting small businesses, including creating a Small Business Commission or Small Business Advisory Committee to the City Council. Jason then added that businesses should have a voice and be considered a resident in the discussion, even if the owner does not live in Berkeley.

Anne Leyhe added that when the city does a public works project, such as a recent broadband cable infrastructure improvement in the Elmwood, it should be better communicated to the public considering the noise and parking impacts. Councilmember Maio responded that there are permit requirements, such as 72 hour pre-notices that should be issued. Jason added there was a pre-notice in this specific instance, but the timing dragged on longer than was listed due to the rains, and the information was no longer correct. He added that a key issue was the signage, which says 'no parking' quite

large, while the details are hard to read from a distance. Even when beyond the restricted parking time window, people still did not park in spots, which impacted businesses for multiple days.

Marion Abbott mentioned that maintenance is an on-going issue, such as street sweeping and debris, and when she has called the city to complain there has been no answer. Councilmember Droste added that she worked on an item with Mayor Arreguin to reevaluate street sweeping hours of operation and since the item is in the pipeline, additions such as having hours earlier in business districts, can be communicated to Public Works.

### **3. Update on Small Business Support Package, Jordan Klein, Director of the Office of Economic Development**

During April 2017, Council referred to the City Manager the development of programs in response to the Small Business Support Package item. Work on this referral engaged the entire Office of Economic Development (OED) team the remainder of 2017.

Three broad activities were completed during that time. The team analyzed and categorized existing services for small businesses; conducted extensive outreach to the business community to learn about issues impacting businesses; and researched best practices on assisting small businesses. Results were presented in a January 2018 Council Worksession, including five specific initiatives that were identified for the current budget cycle to response to needs identified from outreach and research: 1) Difficulty engaging with city (primarily permitting process), 2) Rising cost of doing business, 3) Neighborhood conditions 4) Competition from the internet, and 5) Berkeley's reputation as a place of business.

Updates since the worksession are as follows:

- **Improving OED Communication and Outreach with Small Businesses:** Numerous developments have occurred including updating the OED website, producing brochures about OED services and Revolving Loan Fund that were shared throughout community (electronic one pager available on website), developing one-stop cards, updating OED outreach letter, and increasing physical mailings. OED is considering doing a mass-mailing in conjunction with the business license department this fall, a second Small Business Forum similar to what was done during outreach in 2017, creating a new newsletter, and expanding social media. OED is also working with other departments, such as Public Works, on information sharing.
- **Increasing Support:** A Small Business Support Services Specialist has been brought on, who is working with 3-4 businesses per week.
- **New Retention Program Pilot:** RFP went out for a pilot program that would target independently-owned business and assist them with business services including marketing, sales, succession planning, etc. Five organizations responded and the RFP closed in May. The program will launch in the first quarter of FY19 and serve 5-10 clients per year for a few years.
- **Buy Local Berkeley:** OED has been working with stakeholders to move this forward and increase sales for retail, restaurants and services. They have

interviewed departments across the nation to determine best practices, and drafted a menu of 25 potential activities. Finance has been working on bid preferences.

- **Streamlining Zoning Process:** This item, which is on the May 15<sup>th</sup> consent calendar, refers to the Planning Commission modifications to the Zoning Ordinance, designed to help modernize the ordinance, and make the zoning review process for new or expanding small businesses easier, clearer, and more streamlined.

#### 4. **Discussion**

Commercial vacancy was discussed at length. Mike Berne, retail consultant from the Elmwood, mentioned that the narrative of “high rents or greedy landlords” as the root cause of vacancies isn’t always the case. He added that rents might be too high for certain types of tenants, but not necessarily too high for the types of tenants or tenant mix desired in an area. Surveys can help to better understand this, but aren’t always representative unless systematically done. Due to the interest on this topic, the Mayor thought the next meeting of this committee could be a roundtable discussion on commercial vacancy with the business community.

Other issues mentioned by those in attendance included: minimum wage increase and the cost of labor; new legislation that may impact permitting costs; redundancy of having ones building inspector switched during the inspection process; and the need for business representation at the Labor Commission.

#### 5. **Adjournment**

The meeting adjourned at 11:45am.