



Office of the Mayor

ACTION CALENDAR  
April 30, 2013

To: Members of the City Council  
From: Mayor Tom Bates  
Councilmember Kriss Worthington  
Subject: Upper-Floor Office Use on Telegraph Avenue

RECOMMENDATION:

Request the Planning Commission consider zoning changes on Telegraph Avenue in the Southside area that would allow office uses above commercial spaces in mixed-use developments.

FISCAL IMPLICATIONS OF RECOMMENDATION:

Increased tax revenue and employment opportunities.

BACKGROUND:

The City Council adopted the Southside Plan on September 27, 2011. Two major goals of the plan are:

1. Land Use: Provide for a high-density residential and commercial mixed-use edge to the University of California campus and the “spine” of Telegraph Avenue;
2. Economic Development: Enhance the commercial district so that it better meets the needs of the wide variety of users who frequent the neighborhood.

The City has already taken a number of actions to implement the Southside Plan since its adoption. The entitlement process has been streamlined to allow businesses to open more easily and the City Council recently adopted an ordinance to allow businesses to stay open for 24 hours. Staff will present ordinance changes in the near future to allow merchants to display and sell their merchandise on sidewalks.

A significant issue is not allowing office use above ground-floor commercial. Telegraph Avenue, between Bancroft Way and Parker Street, is the only commercial district in Berkeley where office uses are not allowed on the upper floor of buildings, except when directly serving the ground-floor establishment. Upper-floor offices were allowed in the past but were phased out in favor of housing.

While there is a high demand for office space located next to the UC campus for strategic research reasons, there is an equally great lack of inventory available. Upper-floor office space would assist in dealing with this unmet demand, create more

employment opportunities, and encourage startups and small businesses.

Unfortunately the need for office space creates conflict with the need for additional housing as land availability is limited. The City's Rental Removal Ordinance established regulations that apply to the conversion of rental housing to other uses and must be considered. Parts of the Southside were up-zoned to allow for more housing development close to the UC campus.

The Planning Commission should consider these three things:

- 1) Protecting rent-controlled units and current tenants; and
- 2) Lifting the restriction linking second-floor offices to downstairs business, and allowing the space to be rented to any business for office use; and
- 3) Allowing office space to be built into new construction.

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