



## Kriss Worthington

Councilmember, City of Berkeley, District 7  
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### ACTION CALENDAR

July 16, 2013

To: Honorable Mayor and Members of the City Council  
 From: Councilmember Kriss Worthington

Subject: City Manager Referral to Rent Out Vacant City-owned Storefronts

#### RECOMMENDATION:

That the City Manager report back on September 10<sup>th</sup> to the City Council on the possible solutions to rent space in city-owned vacant storefronts at Telegraph/Channing Parking Garage.

#### BACKGROUND

Some people expressed surprise that we have vacant space, but it is a fact. The City owns vacant storefronts and could gain rent money as well as add to the commercial activity level by renting spaces. The City is currently losing tens of thousands of dollars per year that could be generated if the space was fully leased. The lost revenue includes: sales tax revenue, business license tax, and rent. **Most City Council items involve the city spending more money. This item involves increasing city revenue.**

On April 30<sup>th</sup>, the City Council passed the proposed Telegraph ACTION Plan of short term improvements for 2013 and 2014. This provides direction to the City Manager as requested at the Telegraph work session, to prioritize staff attention amongst the many positive ideas presented. The purpose of this council item is to identify this as something that could be accomplished in a short period of time and provide the city with more money. Because there were many items referred to the City Manager, we want to prioritize action on this specific item.

Vacancies give the appearance of blight and attract trash. The City is sending the wrong message by allowing these vacancies to exist for several consecutive years. Increased foot traffic will benefit other businesses in the garage and throughout Telegraph.

Last year the Sequoia Building fire directly hurt residents and stores. The damage to nearby businesses was substantial. The affected businesses desire and deserve a clear message from the City that we understand and will take action to help this year.

As part of the solution we request a short document that could be offered to attract applicants. We also request a report evaluating any businesses expressing interest in renting the spaces.

FISCAL IMPACTS

Tens of thousands of dollars per year in increased income every year of the duration of new leases

CONTACT PERSON

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