



Office of the Mayor

CONSENT CALENDAR

September 18, 2007

TO: Members of the City Council

FROM: Mayor Tom Bates

SUBJECT: Fee Deferral for Freight and Salvage Coffee House

RECOMMENDATION:

That the City Council request the City Manager negotiate a deferral of the remaining permit fees of approximately \$350,000 with the Freight and Salvage Coffee House to be paid upon completion of the project or a mutually agreed upon schedule.

BACKGROUND:

The Freight and Salvage Coffee House (The Freight) is a nonprofit community arts organization dedicated to promoting the understanding and appreciation of traditional or folk music. The Freight has been planning to move to a new venue at 2020 and 2026 Addison Street in the heart of the Downtown Arts District since 2000. The City of Berkeley helped support this effort with a grant of \$100,000 and a loan of \$450,000 which has since been repaid in full. In addition, the Freight has already raised \$6.9 million dollars of a \$9.3 million dollar capital campaign for their new home.

At this time the Freight has received all Landmark Preservation Commission and Zoning Adjustment Board approvals and use permits and anticipate beginning their construction phase in October 2007.

They are requesting further support from the City of Berkeley in the form of a deferral of their remaining permit fees to assist them with moving forward on the construction phase of their new venue as expeditiously as possible.

This item would request the City Manager's Office negotiate with the Freight a fee deferral for the remaining fees payable upon the completion of the construction project or on a mutually agreeable schedule.

FINANCIAL IMPLICATIONS:

Deferral of approximately \$350,000 in fees.

CONTACT PERSON:

Mayor Tom Bates

510-981-7100

Attachment 1. Email

Attachment 1

From: Steve Baker [steve@freightandsalvage.org]
Sent: Monday, August 27, 2007 3:42 PM
To: Manager, C
Cc: Fong, Calvin; Wozniak, Gordon; Caplan, Michael; Fogarty, David;
"<daf1"@ci.berkeley.ca.us
Subject: <no subject>

Freight and Salvage Coffee House
dba: Berkeley Society for the Preservation of Traditional Music

Phil Kamlarz
City Manager
City of Berkeley

Dear Mr. Kamlarz,

We at the Freight and Salvage Coffeehouse are excited about the development of our new venue at 2020 & 2026 Addison Street in the Berkeley's Downtown Arts District. During the past years of preparing for this project we have received enthusiastic support from civic organizations, foundations, and devoted patrons as well as the city of Berkeley. It is clear that the Freight and Salvage is a respected institution with many wonderful friends and supporters, and we are grateful for that support.

In that vein, we are writing this letter to request a five-year deferral of the remaining permit fees on our building project, which we estimate to be approximately \$350,000. We will begin construction of the building in early October, and our plan is to have the new building complete and ready for operation by November, 2008.

Our new facility will greatly benefit the city of Berkeley, drawing a broad and diverse audience, drawing in many diverse, indigenous community arts organizations and tapping the considerable artistic talent in this community. It will expand the current arts district and enhance Berkeley as a destination point for visitors to the city.

We appreciate the city of Berkeley's past financial support, in the form of a grant of \$100,000 and a no-interest loan of \$450,000. In repaying this loan, we hope that we have demonstrated our clear ability to set and meet financial goals relevant to our request.

Thank you for your consideration.

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Steve Baker
Freight & Salvage Coffeehouse
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