

PUBLIC HEARING November 29, 2022

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Jordan Klein, Director, Planning and Development Department

Subject: Referral Response: Amendments to the Sign Ordinance to Clarify

Procedures and to Establish a Coordinated Sign Design Program, and

Establish a New Fee for Coordinated Sign Design Programs

RECOMMENDATION

Conduct a public hearing and, upon conclusion:

Adopt the first reading of an Ordinance amending the Berkeley Municipal Code (BMC) Title 20 [Signs] to clarify design review procedures for signs, establish an optional Coordinated Sign Design program, and amend Section 20.12.070 [Issuance authorized when] and Section 23.204.070B [Design Review – When required] to provide internal consistency; and

2. Adopt a Resolution amending Resolution No. 67,985-N.S., the Land Use Planning Fee schedule, to add a new Coordinated Sign Design Program Fee.

SUMMARY

This report provides an overview of existing conditions and presents amendments to clarify the sign permit process for new and replacement signs and introduces a Coordinated Sign Design Program and fee. Amendments presented below are intended to reduce processing times for obtaining sign permits, clarify the Sign Ordinance, and provide consistency between Title 20 [Sign Ordinance] and Title 23 [Zoning Ordinance]. These changes will result in better customer service by improving business applicants' permit processing experience, and responds to part of a previous Council referral in support of small businesses.

FISCAL IMPACTS OF RECOMMENDATION

Amendments to Title 20 and Title 23 will allow replacement signs without obtaining a new sign permit, exempting replacement signs from incurring a fee. Any loss of fee revenue will be offset by a reduction of staffing costs associated with processing these permits. Amendments also establish a Coordinated Sign Design Program that would

expedite approval of signs for individual tenants in larger buildings and complexes in which a landlord has pre-approved designs. Adoption of the resolution will establish a \$2,015 fee for Coordinated Sign Design Programs consistent with the cost of processing such permits. Changes are expected to reduce barriers and cost for new and existing businesses in Berkeley.

CURRENT SITUATION AND ITS EFFECTS

On October 15, 2019 the City Council referred to the City Manager recommendations with the goal of expediting services for existing businesses and reducing barriers to entry for new businesses (Attachment 4). This report focuses on addressing one of the eight requested actions by clarifying the approval process for sign permits. Amendments improve consistency and predictability for new signs and replacement signs, as well as introduce a formal Coordinated Sign Design Program and fee.

On November 19, 2020, the Design Review Committee (DRC) received a presentation on the proposed changes, provided feedback, and voiced support for the amendments. The same action was taken by Planning Commission on April 7, 2021. Amendments and considerations in this report reflect the direction provided by both bodies and are presented below under three categories:

- 1. Establish a Coordinated Sign Design Program and Fee
- 2. Exempt Replacements Signs from Obtaining Sign Permits and Clarify Sign Permit Processes
- 3. Make Minor Edits to Title 23 to Maintain Consistency with Title 20

1. Establish a Coordinated Sign Design Program and Fee.

(Modify Chapter 20.16 [Regulations Generally])

Coordinated Sign Design Programs are intended to establish consistent sign design standards for development projects, projects with multiple signs, and projects with multiple tenants. The City of Berkeley does not currently have a formal Coordinated Sign Design Program, though multi-tenant sign concepts are often reviewed for larger developments. Amendments proposed in the Ordinance would introduce Section 20.16.105 [Coordinated Sign Design Programs], to provide a pathway for developing pre-approved sign templates that meet City design standards for projects with multiple signs. The new code section provides guidance for business and building owners interested in establishing a Coordinated Sign Design Program. In addition, the new code section outlines protocols and processes to oversee such programs. With this change, a new application fee will be established for processing Coordinated Sign Design Program applications.

Please see Attachment 1 for amendments related to a Coordinated Sign Design Program, and Attachment 3 for a flow chart that explains the process.

2. Exempt Replacement Signs from Obtaining a Sign Permit and Clarify Sign Permit Processes. (Modify Section 20.12.070 [Issuance authorized when])

Currently, all new and replacement signs must obtain a sign permit and undergo some level of design review. This includes replacement signs that have previously been approved by the City. Amendments define and exempt replacements signs and signs that have been approved through a Coordinated Sign Design Program:

20.12.070.E: Exempt Signs.

- a. Approved existing signs may be refaced, re-painted or replaced with the same location, size, and design, subject to review by the Building Official for signs that require a Building Permit.
- b. Signs pursuant to a Coordinated Sign Design Program may be installed and replaced without Design Review and shall be approved with a Zoning Certificate, subject to review by the Building Official for signs that require a Building Permit.

In addition, to clarify the review and authorization process for sign permits, language in Section 20.12.070 [Permits: Issuance authorized when] is also revised. Overall, amendments remove onerous re-application requirements and clarify the Sign Ordinance by defining sign types and outlining permits required (Attachment 1).

3. <u>Make Minor edits to Title 23 to Maintain Consistency with Title 20</u> (Modify Section 23.406.070B [Design Review – When Required

Title 20 [Sign Ordinance] and 23 [Zoning Ordinance] reference one another to help the reader navigate the BMC. To be consistent with changes to Title 20, minor amendments to Title 23 are required. Title 23 currently requires replacement signs to undergo Design Review. These changes improve the City's internal permitting processes and customer service by providing more clarity and shortening timelines for individual businesses that are updating signage.

The DRC and Planning Commission provided input on the amendments presented in this report and expressed support for the overall effort. To complement this effort, DRC requested that City Council direct the City Manager to further research opportunities to develop a design template and objective standards for new signs and awnings. As part of the City's ongoing work to address Objective Standards, the Joint Subcommittee for the Implementation of State Housing Laws (JSISHL) reviewed an analysis of the City's existing sets of Design Guidelines and the work to fulfill this request is already

underway as part of staff's responses to other Objective Standards referrals adopted by Council.

BACKGROUND

In 2019 the City's Office of Economic Development (OED) conducted outreach to gain a better understanding of challenges and concerns facing Berkeley businesses. OED conducted surveys and interviews with local businesses to better gather information and insight. These conversations led OED staff to recommend to City Council a set of additional support measures for Berkeley businesses. The referral package (Attachment 4) included eight action items concerning group instruction, hours of operation, alcoholic beverage service, change of use, and permitting thresholds for ATM machines and Arcades. This report focused on clarifying the permit process for signs and establishing a Coordinated Sign Design Program (referral action item 2) to provide clarity to new business owners and sign companies.

In November 2019, Staff presented to the DRC proposed amendments to Title 20 [Sign Ordinance] and Title 23 [Zoning Ordinance] to established a Coordinated Sign Design Program and ease permit requirements for signs. The DRC provided staff with comments and continued discussions to their December 2019 meeting. Staff returned to the DRC in February 2020, with additional recommendations and amendments to ease permitting requirements and the DRC resolved to draft a memorandum to City Council, requesting the City Manager develop a template and objective standards for new signs and awnings. As noted above, this work is in progress as part of staff's responses to other Object Standards referrals adopted by Council. Staff has also clarified application materials to reflect our practice of applying the Downtown Design guidelines citywide, including for new signs and awnings. In April 2021, staff presented to the Planning Commission where they discussed the proposed amendment and recommended minor modifications to improve readability. The Planning Commission voted unanimously to recommend City Council adopt staff's recommendation.

ENVIRONMENTAL SUSTAINABILITY

Signs help create a sense of place, which can create inviting walking environments, which in turn support active transportation modes. Improving processing time for sign permits will reduce the amount of time storefronts remain unidentifiable and will contribute to continuity of the pedestrian experience.

RATIONALE FOR RECOMMENDATION

Business owners, stakeholders, and a number of sign companies discussed opportunities to improve the business experience with the OED. These conversations helped identify opportunities to clarifying permit processes for signs. Recommendations in this report codify existing processes and introducing a Coordinated Sign Design Program to address barriers and improve customer service.

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ALTERNATIVE ACTIONS CONSIDERED

Council could take no action, in which case the Sign Ordinance and Zoning Ordinance would retain existing regulations for obtaining a Sign Permit.

CONTACT PERSON

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Attachments:

- 1. Ordinance
- 2. Resolution
 - a. Exhibit A: Land Use Planning Fee Schedule
- 3. Coordinated Sign Design Program Flow Chart
- 4. Council Referral adopted October 15, 2019: Modifications to the Zoning Ordinance to Support Small Businesses
- 5. Public Hearing Notice

ORDINANCE NO. -N.S.

AMENDING BERKELEY MUNICIPAL CODE (BMC) SECTION 20.12.070 TO MODIFY THE SIGN ORDINANCE, MODIFYING CHAPTER 20.16 TO ADOPT SECTION 20.16.105 INTRODUCING A COORDINATED SIGN DESIGN PROGRAM, AND AMENDING SECTION 23.406.070 OF THE ZONING ORDINANCE FOR CONSISTENCY WITH THE SIGN ORDINANCE.

BE IT ORDAINED by the Council of the City of Berkeley as follows:

<u>Section 1.</u> That BMC Section 20.12.070 is hereby amended to clarify the issuance process and when signs are exempt from Design Review as follows:

20.12.70 Issuance authorized when.

- A. Upon the filing of an application for a sign permit, the City Manager Applications for proposed signs or alteration/relocation of existing signs are subject to review by the Director of Planning and Development or their designee shall review the application, including and plans and specifications, for the proposed sign or the proposed alteration or relocation for compliance with all requirements of this title.
- B. All signs shall The Building Official shall determine if a sign requires a Building Permit or Electrical Permit to meet the requirements of the Berkeley Building Code.
- C. If the City Manager or their designee determines that the proposed sign, alteration or relocation is in compliance with all of the requirements of this chapter and any other applicable ordinance of the City, they shall forward the application to the Building Official for issuance of a building permit and/or an electrical permit.
- D.C. A building permit <u>and/or an electrical permit</u> for a sign subject to Design Review pursuant to Section <u>23E.08</u> 23.406.070 shall not be issued until <u>Design Review</u> approval has been granted and the <u>application permit</u> has been found in conformance with the approved design.
- D. A Coordinated Sign Design Program may, at the applicant's discretion, be reviewed and approved simultaneously with or subsequent to Design Review for a building.
 - E. Exempt Signs.
- 1. Approved existing signs may be refaced, re-painted or replaced with the same location, size, and design, subject to review by the Building Official in cases where a Building Permit is required.
- 2. Signs pursuant to a Coordinated Sign Design Program may be installed and replaced without Design Review and shall be approved with a Zoning Certificate, subject to review by the Building Official in cases where a Building Permit is required.

<u>Section 2.</u> That BMC Section 20.16.105, Coordinated Sign Design Programs, is hereby added as follows:

20.16.105 Coordinated Sign Design Programs.

A. Purpose.

- 1. To create a streamlined sign review process for development projects, projects with multiple signs, and projects with multiple tenants.
 - 2. To ensure consistent design, quality and display of signs.
- B. *Applicability*. The following projects are eligible for a Coordinated Sign Design Program:
 - 1. Four or more contiguous non-residential tenant spaces.
- 2. Four or more permanent non-exempt signs associated with one development project, business or Use Permit.
- 3. Projects with unique characteristics, including but not limited to site visibility and site location, as determined by the Director of Planning and Development or their designee.
 - C. Approval and Appeal Authority.
- 1. A Coordinated Sign Design Program may be part of preliminary or final Design Review and shall be decided upon by the Design Review Committee or Landmark Preservation Commission, according to their jurisdiction. Appeals shall be heard by the Zoning Adjustment Board whose decision is final.
- 2. The Building Official shall determine if a sign allowed under a Coordinated Sign Design Program requires a Building Permit or Electrical Permit to meet the requirements of the Berkeley Building Code.
 - D. Regulations.
- 1. A Coordinated Sign Design Program shall outline regulations including, but not limited to, sign area, number of signs, maximum height, and location.
- 2. A Coordinated Sign Design Program may include exceptions to the regulations established in this Chapter when deemed necessary or desirable.
- E. Application Requirements. A Coordinated Sign Design Program shall include all information and materials required in administrative guidelines published by the Planning Department, including the Coordinated Sign Design Program fee in the Fee Schedule.
- F. *Findings*. In order to approve a Coordinated Sign Design Program, the following findings shall be made:
- 1. The Coordinated Sign Design Program complies with the purpose of this Chapter;
- 2. The Coordinated Sign Design Program ensures proposed signs enhance the overall project;
- 3. The Coordinated Sign Design Program ensures proposed signs are in harmony with other signs and structures included in the project;
- 4. The Coordinated Sign Design Program ensures proposed signs are in harmony with surrounding development;
- 5. The Coordinated Sign Design Program contains provisions to accommodate Change in Use or new tenants; and
- 6. The Coordinated Sign Design Program complies with the standards of this Chapter and/or includes specific exceptions as deemed necessary or desirable.
- G. Revisions to Coordinated Sign Design Programs. Revisions to Coordinated Sign Design Programs shall be considered by the original decision-maker.
 - H. Binding Effect.

- 1. A Coordinated Sign Design Program, once adopted, shall be adhered to unless amended.
- 2. A Coordinated Sign Design Program shall be enforced in accordance with this Chapter.

Section 3. That BMC Section 23.406.070.B is amended as follows:

23.406.070.B Design review.

- B. When Required.
 - 1. Design Review is required for:
 - a. Projects in all Non-Residential Districts.
 - Mixed use and community and institutional projects in the R-3 district within the Southside Plan area. See Figure 23.202-1: R-3 Areas Subject to Design Review; and
 - c. Commercial, mixed-use, and community and institutional projects in the R-4, R-SMU, and R-S districts.
 - 2. As used in Paragraph (1) above, "project" means an activity requiring a building or sign permit that involves any of the following:
 - a. Modifying the exterior of an existing structure.
 - b. Additions to an existing structure.
 - c. Demolishing all or a portion of an existing structure.
 - d. Removing all or part of a building facade fronting the public right-of-way.
 - e. Constructing a new structure.
 - f. Installing or replacing a sign or replacing a sign with a different location, size, or design.
 - g. Signs not part of a Coordinated Sign Design Program.

<u>Section 4.</u> Copies of this Ordinance shall be posted for two days prior to adoption in the display case located near the walkway in front of the Maudelle Shirek Building, 2134 Martin Luther King Jr. Way. Within 15 days of adoption, copies of this Ordinance shall be filed at each branch of the Berkeley Public Library and the title shall be published in a newspaper of general circulation.

RESOLUTION NO. ##,###-N.S.

COORDINATED SIGN DESIGN PROGRAM FEE; AMENDING RESOLUTION NO. 67,985-N.S.

WHEREAS, in order to clarify and streamline sign permit procedures and better meet the needs of businesses, the Sign Ordinance is amended;

WHEREAS, in order to reduce barriers to entry for new businesses and improve customer service, a Coordinated Sign Design Program is established; and

WHEREAS, the Coordinated Sign Design Program shall establish sign design standards for development projects, projects with multiple signs, and projects with multiple tenants; and

WHEREAS, the Coordinated Sign Design Program shall establish a coordinated design review program to facilitate the approval process for signs; and

WHEREAS, on May 16, 2017 the Council passed Resolution No. 67,985-N.S., adopting the complete fee schedule of the Planning Department; and

WHEREAS, on May 24, 2022 the Council passed Resolution No. 70,361-N.S., making amendments to the portion of the Planning Department fee schedule authorizing fees charged by the Land Use Planning Division; and

WHEREAS, the Land Use Planning Division Fee schedule does not currently include a processing fee for a Coordinated Sign Design Program.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the Council hereby amends Resolution No. 67,985-N.S. to adopt a Coordinated Sign Design Program fee as set forth below and in Exhibit A.

The following fee schedule applies to the Coordinated Sign Design Program subject to permit requirements.

Coordinated Sign Design Program Fee \$2,015	Coordinated Sign Design Program Fee	\$2,015
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Exhibits

A: Land Use Planning Division Fee portion of Planning Department Fee Schedule

<i>,</i> ,,,,			LAND USE PLANNING FEE TYPE / DESCRIPTION	REMARKS		
				1		
I.	Adm		rative Use Permit (AUP)	 		101
			Tier 1 - Most complex projects in or adjacent to a Residential district	\$	3,680	Assumes 16 hours
		2.	Tier 2 - Intermediately complex projects in or adjacent to a Residential district	\$	2,760	Assumes 12 hours
		3.	Tier 3 - Least complex projects in or adjacent to a Residential district including Class II Home Occupation Permits	\$	1,840	Assumes 8 hours
		4.	Tier 4 - Other activities (residential or commercial) NOT in or adjacent to a Residential district	\$	5,520	Assumes 24 hours
· · ·	Haal	Dow	sit //ID) with muhlia bagging	-	***************************************	
111.	USE		nit (UP) with public hearing Level 1 - Use Permit (projects not listed below)	\$	5,520	Assumes 24 hours
		<u>''</u>	Level 1 - Ose Fermit (projects not listed below)	Ψ-	3,320	
		2.	Level 2 - Include the following:	\$	5,520	Base fee Deposit assumes 24 hours. Add \$230 per hour for staff time beyond 24 hours.
			a. Non-residential projects in a Residential district		***************************************	
			b. Mixed-use buildings creating more than 20,000 gross sq. feet			
			c. New construction or "major" renovation of a Landmarked building or site or Structure of Merit			
			d. Any new main building			
			e. Master Use Permit or Development Permit required by a Specific Plan			
			f. Class III Home Occupation Permits			
		3.	ZAB Public Hearing (per hearing, in addition to permit fees) . Fee already exists; copied here form	\$	1,025	
				\bot		
III.	Varia	ance		ļ		
		1.	Tier 1 - Yard or Height, Useable Open Space, Lot Coverage, Parking	\$	3,680	Base fee Deposit assumes 16 hours. Add \$230 per hour for staff time beyond 16 hours.
		2.	Tier 2 - Inadvertent Demolition of Residential Structure	\$	9,200	Base fee Deposit assumes 40 hours. Add \$230 per hour for staff time beyond 40 hours.
		3.	Tier 3 - All others not in Tier 1 or 2	\$	5,520	Base fee Deposit assumes 24 hours. Add \$230 per hour for staff time beyond 24 hours.
				<u> </u>		
		4.	Each Additional AUP, UP or Variance in addition to primary application	\$	460	Assumes 2 hours
		5.	ZAB Public Hearing (per project in addition to permit fees)	\$	1,025	
IV.	Zon	ning	Certificate (ministerial permits)			
	Α.	All	projects except as noted below	\$	230	Assumes 1 hour
		1.	Business License review - continuation of lawful existing use	\$	115	
			Accessory Dwelling Unit review	\$	460	Assumes 2 hours for neighborhood notices and documentation (Plan check is billed separately, with Buildin Permit)
			SB35, SB330, other pre-application review	\$		Base fee Deposit assumes 24 hours. Ado \$230 per hour for staff time beyond 24 hours, plus direct cost for consultants
		4.	Additional staff time (work performed beyond the time covered by the fees above)	\$	230	Per hour of staff time
		i		↓		
			ding Permit review	1		
	В.					
	В.	1.	Project with Administrative Use Permit	\$		Assumes 1 hour
	В.	1. 2.	Project with Administrative Use Permit Project with Use Permit and/or Variance	\$ \$	460	Assumes 2 hours
	В.	1. 2.	Project with Administrative Use Permit		460	

	1		FEE TYPE / DESCRIPTION		FEE	REMARKS
	Mod	ifica	tion / Transfer			
- -	Wiou		Administrative Use Permit Modification	\$	1,840	Assumes 8 hours
			Use Permit Modification (ZAB Review - No Public Hearing)	\$		Assumes 16 hours
		3.	Use Permit Modification (ZAB Review - Public Hearing Required)	\$	5,520	
			Transfer of Administrative Use Permit / Use Permit	\$		Per hour of staff time
		5.	Public Hearing (per hearing, in addition to permit fees)	\$	1,025	
VI.			nental Review			
	Α.	Cal	fornia Environmental Quality Act (CEQA) or National Environmental Policy Act (NEPA)			
		1.	Initial Study resulting in a Negative Declaration or Mitigated Negative Declaration	\$	5,520	Base fee Deposit assumes 24 hours. Add \$230 per hour for staff time beyond 24 hours, plus direct cost for consultants
		2.	Environmental Impact Report (EIR)	\$	9,200	Base fee Deposit assumes 40 hours. Add \$230 per hour for staff time beyond 40 hours, plus direct cost for consultants
	В.	Miti	gation Monitoring	\$	3,680	Base fee Deposit assumes 16 hours. Add \$230 per hour for staff time beyond 16 hours, plus direct cost for consultants
	C.	Not	ices - NOE, NOD, etc.	\$	920	Assumes four hours. Fee applies when notices are filed by the City on behalf of the applicant / City after all appeals are heard
VII	Dosi	an E	l l Review		***************************************	
VII.			ninistrative Design Review			
	Α.		Project valued under \$50,000	\$	1,840	Assumes 8 hours
			Project valued at \$50,000 to \$2,000,000	\$	2,760	
			Project valued over \$2,000,000	\$	3,680	Base fee Deposit assumes 16 hours. Add \$230 per hour for staff time beyond 16 hours.
		4.	Signs/Awnings	\$	460	Assumes 2 hours
	В.	Des	ign Review Committee			
			Project valued under \$50,000	\$	2,760	
			Project valued at \$50,000 to \$2,000,000 Project valued over \$2,000,000	\$	3,680 5,520	Assumes 16 hours Base fee Deposit assumes 24 hours. Add \$230 per hour for staff time beyond 24 hours.
	C.		al Review with the DRC			
		1.	Project valued under \$50,000	\$	1,250	
		2.	Project valued at \$50,000 - \$150,000	\$	1,500	
			Project valued over \$150,000	\$	4,250	
	D.	Add	litional Preview (existing fee, relocated from Sec. VII.B above)	\$	500	
	E.	Мо	difications - DRC Projects	\$	750	
		-	Dublic Heaving (new heaving in addition to remain the con-	-	4.005	
ļ	F.	DR	C Public Hearing (per hearing, in addition to permit fees)	\$	1,025	

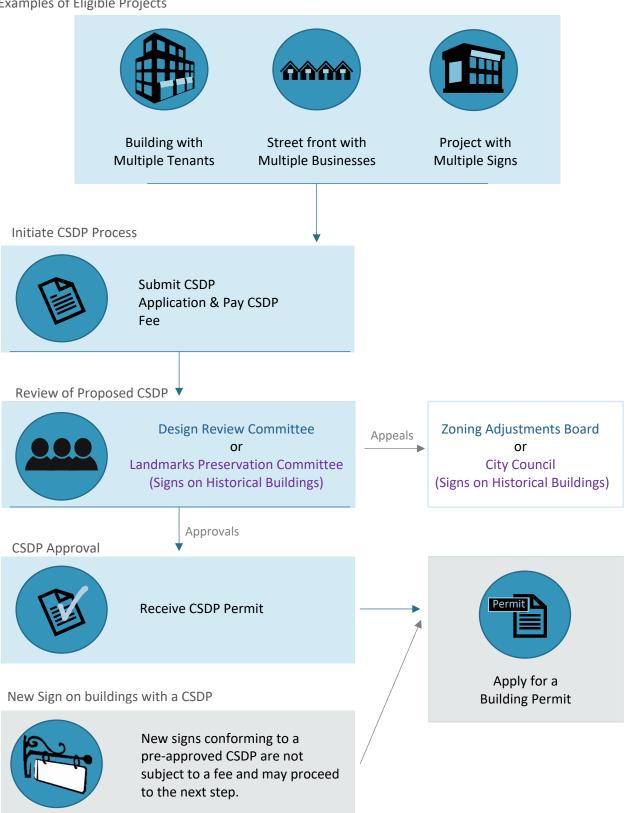
		FEE TYPE / DESCRIPTION		FEE	REMARKS
VIII.	Lanc	marks Preservation Commission Review			
	Α.	Initiation	ļ		As set by the
		1. Structure	\$	50	Landmarks Preservation Ordinance. BMC
		2. District	\$	100	AS 43419 fire Landmarks Preservation Ordinance, BMC 3.24.340.B
	В.	Design Review - Structural Alteration (non-residential only)			
		1. Project valued under \$50,000	\$	2,000	
		2. Project valued between \$50,001 and \$1,999,999	\$	3,000	
		3. Project valued at \$2,000,000 or more	\$	5,520	Base fee Deposit assumes 24 hours. Add \$230 per hour for staff time beyond 24 hours.
	C.	Design Review - Signs and Awnings	\$	1,000	
	D.	Demolition Review (non-residential structures 40 or more years old as required under Section 23C.08.050C of the Zoning Ordinance)	\$	1,200	
		Mills Act Historical Contract Processing - payable upon application (one-time payment)	\$	4,200	
	F.	Mills Act Historical Contract Monitoring	Φ.	2 500	
		Payable upon application to cover 5 contract years Assessed at the beginning of each subsequent 5 years	\$	2,500 2,500	
		2. Assessed at the beginning of each subsequent 5 years	φ	2,500	
	G.	LPC Public Hearing (per hearing, in addition to permit fees)	\$	1,025	
IX.	Appe				
		Non-Applicant Appeal of AUP	\$	500	
		Reduced Non-Applicant Appeal of AUP: Fee reduced if signed by persons who lease or own at least 35 percent of the parcels or dwelling units within 300 feet of the project site, or at least 20 such persons (not including dependent children), whichever is less		200	
	C.	Non-Applicant Appeals of ZAB or LPC	\$	1,500	
	D.	Reduced Non-Applicant Appeals of ZAB or LPC: Fee reduced if appeal is signed by persons who lease or own at least 50 percent of the parcels or dwelling units within 300 feet of the project site, or at least 25 such persons (not including dependent children), whichever is less	\$	500	
	E.	Appeal of AUP by Applicants	\$	3,680	
		Appeal of ZAB or LPC by Applicants	\$	5,520	
		Appeal of DRSL or DRC by Non-Applicant	\$	500	
	Н.	Appeal of DRSL or DRC by Applicant	\$	3,680	
	l.	Non-Applicant Appeals of all affordable housing projects (defined as projects which provide 50% or more affordable units for households at 80% or less of Area Median Income)	\$	500	
	J.	Appeal to address processing error by staff	F	ee Waived	
X.		Amendments, Reclassification Requests, and Waterfront Master Development Plan permits*	ļ		5 ::
		General Plan Amendment Specific Plan Amendment	\$	9,200	Base fee Deposit assumes 40 hours. Add
		•	<u> </u>		\$230 per hour for staff time beyond 40 hours,
		Rezoning / Reclassification Request	\$	9,200	plus direct cost for
	D.	Waterfront Master Development Plan Permit	\$	9,200	consultants
XI.	Mie	_ cellaneous Fees	 	***************************************	
Λι.		Penalty for Late Filing (When Zoning Permit, Use Permit or Variance is required for work already performed)		100%	of applicable fee(s)
	В.	Zoning Complaint Re-inspection	ļ		
		First Re-inspection	\$	230	
		2. Second Re-inspection	\$	345	***************************************
		Third Re-inspection and all inspections thereafter	\$	460	
	C.	Agenda Subscriptions and Mailing Fees	sp	Amount ecified per A. R. 3.8	

		FEE TYPE / DESCRIPTION		FEE	REMARKS
				Amount	
	D.	Publications and Duplication of Records	sp	ecified per	
				A. R. 3.8	
	E.	Maps - large, color	\$	36.00	
		•	<u> </u>	Amount	
	F.	Duplication of Zoning Adjustments Board, Landmarks Preservation Commission, and Design		ecified per	
		Review Commission meeting recordings		A. R. 3.8	
+				Amount	
	G	Microfilm Duplication Fee	specified per		
	G.	Microfilli Duplication Fee		A.R. 3.8	
		Records Management Fee	\$		per application
		Letters Regarding Status of Properties	\$		per hour, 2 hour min.
		Housing Density Bonus Analysis - if separate from other permits	\$		per hour of staff time
	K.	Zoning Research	\$	230	per hour, 2 hour min.
T		Och Tree Bardon	Φ.	220	per hour, 1 hour min.,
	L.	Oak Tree Review	\$	230	plus consultant costs
	М.	Use Permit Monitoring	\$	230	per hour of staff time
		Pre-application Reviews	+		
			\$	920	Assumes 4 hours
			Φ	920	Assumes 4 nours
		Zoning Adjustments Board / Design Review Committee / Landmarks Preservation Commission /	\$	3,680	Assumes 16 hours
		Planning Commission Review (at staff discretion in consultation with the applicant)	Ψ	5,000	Assumes to flours
	0.	Dedicated Project Review: In addition to all required fees, applicants may request (or the City may require) dedicated project review in which the applicant pays the City for staff overtime or to contract with a consulting firm with particular relevant expertise to review the application. In such instances, the applicant shall remit a deposit equal to the total amount of the contract, based on the bids received by the City pursuant to its purchasing procedures. Progress billings will be made if charges are expected to exceed deposit; prompt payment of bills will assure continued project review. Failure to remit a progress payment within an appropriate time frame, as determined by the Director of Planning and Development or his/her designee, will be treated as a withdrawal without prejudice to the underlying proposal.		At cost	
	P.	Community Planning Fee for General Plan and Zoning Ordinance Maintenance		15%	Surcharge on all Applications for AUP, UP, Modification and/or Variance.
	Q.	Coordinated Sign Design Program Fee	\$	2,015	Sign program to cover multiple signs in one building or development
					
XII.		DOMINIUM	<u> </u>		
		Rent Board Review	\$		per unit
	В.	Notice of Local Law Compliance	\$	3,680	Assumes 16 hours
	_	Conversion to Condominiums - one to four units	.	5,520	Base fee Deposit assumes 24 hours. Add
	C.	Conversion to Condominatins - one to loar diffus	\$	3,320	\$230 per hour for staff time beyond 24 hours.
		Conversion to Condominiums - <u>five or more units</u>	\$	9,200	
	D.				time beyond 24 hours. Base fee Deposit assumes 40 hours. Add \$230 per hour for staff
	D.	Conversion to Condominiums - <u>five or more units</u> Appeal of an Administrative Determination on Conversion of a TIC to the Planning Commission	\$	9,200	time beyond 24 hours. Base fee Deposit assumes 40 hours. Add \$230 per hour for staff time beyond 40 hours.

FEE TYPE / DESCRIPTION	FEE	REMARKS
NOTE: The minimum deposits listed are intended to reflect typical project costs. Progress billings will be made during review of a project if charges exceed the deposit: prompt payment of bills will assure continued project review. Failure to remit a progress payment within the appropriate time frame as determined by the Director of Planning and Development or his/her designee, will be treated as a withdrawal without prejudice to the underlying proposal. All fees are required to be paid prior to scheduling the item for Council consideration.		

Coordinated Sign Design Program (CSDP) Flow Chart





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ACTION CALENDAR October 15, 2019 (Continued from September 24, 2019)

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Jordan Klein, Economic Development Manager

Subject: Referral Response: Modifications to the Zoning Ordinance to Support Small

Businesses

RECOMMENDATION

Refer to the Planning Commission modifications to the Zoning Ordinance that are designed to streamline the zoning review process for new or expanding small businesses in Berkeley.

SUMMARY

In April 2017, City Council referred to the City Manager analysis of a number of policy and programmatic initiatives to support the City's small businesses, including "streamlining of zoning, permitting and licensing requirements and processes." In February of 2019, six changes to the Zoning Ordinance were enacted. Subsequently, staff from the Office of Economic Development (OED) have identified eight additional potential modifications to the Zoning Ordinance for the Council and Planning Commission to consider. These eight changes are proposed in Berkeley's commercial zoning districts to make the permitting review process for small businesses less complex and time consuming:

- 1. Consider permitting Group Instruction (Dance Studios, Yoga Studios, Martial Arts, Exercise) with a Zoning Certificate.
- 2. Clarify the threshold for design review and the applicability of design guidelines for sign applications in commercial districts.
- Consider permitting the sale of Distilled Spirits that are incidental to a Food Service Establishment with an Administrative Use Permit (AUP) subject to performance standards.
- 4. Consider permitting standalone Beer and Wine Sales (such as Tap Rooms and Wine Bars) with a Zoning Certificate subject to performance standards.
- 5. Consider modifying the limitation on hours of operations in some commercial districts
- 6. Consider the necessity of 'change of use' requirements in commercial districts.
- 7. Consider the appropriate levels of discretion for Arcades and Automatic Teller Machines (ATMs) commercial districts.

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8. Update the Special Use Standards in Section 23E.16.040 for Alcoholic Beverage Sales and 23E.16.050 Amusement Arcades to reflect the proposed changes to the Zoning Ordinance.

These proposed revisions reflect input from the small business community and are seen by staff as relatively straightforward opportunities to modernize and improve the Zoning Ordinance to reflect present day conditions and community values. Each of these proposed modifications is designed to make the zoning review process for small businesses easier, clearer, and more streamlined.

FISCAL IMPACTS OF RECOMMENDATION

Modifications to the Zoning Ordinance, and the accompanying public hearings, will require staff time from the Planning Department, Office of Economic Development, and City Attorney's Office to produce staff reports and attend the required Planning Commission and City Council hearings. Proposed modifications are designed to simplify the planning review process for desirable business activities (including new business starts and expansions) and therefore may result in a modest increase in business license tax and sales tax revenues.

CURRENT SITUATION AND ITS EFFECTS

The Zoning Ordinance has evolved over decades to reflect Berkeley's changing values and the changing landscape of property development and land use. Its requirements are intended to guide the City's growth while preserving its existing character. However, businesses and people operate differently than they did 20 to 50 years ago, and some of the current permit thresholds and ordinance requirements do not recognize these changes. This results in a permitting process that can be unnecessarily lengthy and cumbersome, especially for independently-owned small businesses without the sophistication to navigate our complicated code and permitting process. Since its last major overhaul in 1999, the Zoning Ordinance has been updated in large and small ways at least 16 times to reflect new approaches to land use and changes in the ways businesses function and residents view their community. Staff has observed that it is particularly difficult for smaller, independently-owned businesses to navigate the permit review process and the associated timelines and expense. The modifications proposed here are designed with the unique needs and challenges of small businesses in mind. Further, these recommendations follow up on the recently adopted (January 2019) zoning modifications to support small business that have improved the experiences in several cases over a period of five months.

In order to update our ordinance to better accommodate today's locally-owned, small, independent enterprises that are highly desirable to our community, and to adhere to best practices in planning and sustainable economic development, staff recommends the eight modifications to the Zoning Ordinance listed above to provide regulatory relief for small businesses in their establishment or expansion phases. These changes are an important component and continuation of a broader effort to improve our organization's embrace of our customer service and Strategic Plan goals to "foster a dynamic, sustainable, and locally-based economy" and "provide excellent, timely, easily-

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accessible service and information to the community,"¹ while honoring the City's commitment to public participation and ensuring that new uses are compatible with neighboring land uses.

BACKGROUND

On April 25, 2017, the City Council referred to the City Manager a bundle of recommendations entitled the "Small Business Support Package" with the objective to "to support the establishment of new, and sustainability of existing small and/or locally owned businesses." Among the strategies that Council asked staff to analyze and implement included "streamlining of zoning, permitting and licensing requirements and processes for small/local businesses and not-for-profits, to reduce associated costs and delays, and, where appropriate, provide less onerous levels of review." In the Council's annual referral prioritization exercise conducted in May 2017, the item was ranked as the Council's top priority among the referrals not pertaining to housing.

Subsequently, during summer and fall of 2017, Office of Economic Development (OED) staff conducted significant outreach and research on Berkeley's small businesses and complied its findings in a work session report and presentation to council on January 16, 2018.³ Small business owners and advocates identified the lengthy permitting review process as one of the primary barriers to small business startup and expansion in Berkeley. As a result, staff recommended six modifications to the Zoning Ordinance that were adopted by the City Council on January 22, 2019.⁴ Over six months since the zoning modifications went into effect, several business have benefited from the amendments by reducing months of permit review time and additional expenses. For example, Thai Corner at 1277 Gilman Street, the Sundhari Spa at 1605 Solano Avenue, and AxeVentures at 2566 Telegraph Avenue each were able to open their business or expand their hours via a Zoning Certificate, rather than wait several months for an AUP. In addition, the zoning modifications were acknowledged by the Northern California Chapter of the American Planning Association (NorCal APA) with an Award of Merit in Economic Planning and Development.

The goal of this second round of zoning changes is again to improve and simplify the permitting experience for small businesses, which can in turn enhance the quality of commercial district offerings, help fill vacant storefronts, and generate more local and sustainable economic opportunities. The recommendations distill specific complaints, concerns, challenges, and staff observations into concise changes to the zoning ordinance designed specifically to alleviate long permit queues, clear up applicant confusion, and streamline the experience of doing business in Berkeley. The

¹ See City of Berkeley 2018-2019 Strategic Plan, adopted by Berkeley City Council, January 16, 2018.

² See Small Business Support Package, adopted by Berkeley City Council, Item 41, April 25, 2017.

³ See Economic Development Worksession, Small Business Support.

https://www.cityofberkeley.info/Clerk/City_Council/2018/01_Jan/Documents/2017-01-16

WS Item 01 Economic Development Worksession.aspx

⁴ See *Referral Response: Modifications to the Zoning Ordinance to Support Small Businesses*, adopted by City Council, Item 1, January 22, 2019

https://www.cityofberkeley.info/Clerk/City_Council/2019/01_Jan/Documents/2019-01-22_Item_01_Ordinance_7635.aspx

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recommendations are also informed by outreach, conducted February through August 2019, to neighborhood stakeholders, business owners, elected officials and commissioners. Staff aimed to identify and streamline the particular controls that lengthen the review process for desired and noncontroversial uses. In addition, the recommendations are consistent with purpose statements for commercial districts in section 23E of the Zoning Ordinance.

The following recommendations and rationale continue to iterate on the progress and inputs gathered from the first round of zoning amendments to support small businesses:

1. Consider permitting Group Instruction (Dance Studios, Yoga Studios, Martial Arts, Exercise) with a Zoning Certificate. Currently the Zoning Ordinance requires an AUP for Group Class Instruction in the majority of commercial zoning districts. A new yoga studio or exercise studio, or businesses interested in adding classes to an existing business, such as an art gallery or culinary business, are subject to discretionary review through an AUP application. The AUP requirement typically lengthens the zoning review process by three to six months, and typically increases the cost by roughly \$1,000 to \$4,000.

OED staff has observed an increase in business models that employ a combination of retail and/or food consumption with instruction, training and class offerings. As the prevalence of online purchases for soft goods (e.g., clothing, books, music) increases, these creative commercial uses are increasingly critical to the vitality and sustainability of neighborhood commercial districts. Therefore staff recommends amending the Zoning Ordinance to permit these uses in commercial districts with a Zoning Certificate.

2. Clarify the threshold for design review and the applicability of design guidelines for sign applications in commercial districts. Section 20.12.070 of the Zoning Ordinance and Section 23E.08.020 of the Sign Code have conflicting and contradictory language related to the threshold for the design review of a new sign and the requirements for a Sign Permit. In addition, the current application for Signs and Awnings throughout the City refer to the Downtown Sign Guidelines; those guidelines have been used for the review and processing of signs beyond Downtown. This has led to confusion for applicants, business owners and sign companies wishing to do business in Berkeley. The impact is especially detrimental to small, independent business owners interested in opening a new business with a new sign.

To remedy this, staff recommends a minor modification to the language in Section 23E.08.020 Applicability of Design Review in non-residential districts to clarify the types of signs that are subject to design review and signs that are exempt. In addition, the Planning Commission should determine whether the Downtown Sign Guidelines are suitable for the evaluation of signs throughout the City or only Downtown.

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3. Consider permitting the sale of Distilled Spirits that are incidental to a Food Establishment with an Administrative Use Permit (AUP) subject to performance standards. Presently an operator of a food service establishment must obtain a Use Permit with a Public Hearing UP(PH) to serve distilled spirits. This review process is separate from and in addition to the review process an owner or operator is subject to by Alcohol Beverage Control (ABC), the state agency regulating the sale, service, and production of alcohol. The UP(PH) requirement typically lasts between five to eleven months, and includes \$5,215 in fees. The requirement also generates additional demands on Planning staff and the Zoning Adjustments Board, and uncertainty for food service purveyors.

Staff recommends the incidental service of distilled spirits at a food establishment be permitted via an AUP, subject to specific conditions of approval and the adopted performance standards which are approved by Berkeley's law enforcement officials and in line with the best practices employed by the state ABC. Nearby residents and property owners will still be notified of the proposed use and will have the ability to provide comments and appeal the Planning Department's decision.

4. Consider permitting standalone Beer and Wine Sales (such as Tap Rooms and Wine Bars) with a Zoning Certificate subject to performance standards. Currently, tap rooms, wine bars and tasting rooms are subject to the UP(PH) process in most commercial districts. As noted above, the UP(PH) requirement typically lasts between five to eleven months, and includes \$5,215 in fees. The requirement also generates additional demands on Planning staff and the Zoning Adjustments Board, and uncertainty for entrepreneurs interested in this type of business. This review process is separate from and in addition to the review process an owner or operator is subject to by Alcohol Beverage Control (ABC), the state agency regulating the sale, service, and production of alcohol.

Staff recommends that standalone beer and wine sales be permitted via a Zoning Certificate, subject to the performance standards which are approved by Berkeley's law enforcement officials and in line with the best practices employed by the state ABC. The City of Berkeley has an emerging wine and beer scene, resulting in additional tourism, tax revenue, manufacturing and job creation; this policy change could help to encourage its continued expansion.

5. Consider modifying the limitation on hours of operations in some commercial districts. Currently, several commercial zoning districts limit the hours of operation for businesses; e.g., businesses in the Elmwood District may not operate outside of 7am-11pm. In order for a business to exceed the existing limits, they must apply for a UP(PH) (adding approximately five to eleven months and \$5,215 in fees to the zoning approval process). This is a significant obstacle for many business owners and has served as a deterrent for entrepreneurs that may be interested in providing food and drinks to customers after 11:00 pm. Many of the City's entertainment activities end at or after 11:00 pm; in some

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districts, the limits on hours of operations restricts businesses from offering complementary services. This could result in lost tax revenue, job opportunities and lost business to adjacent cities. Staff recommends that the Planning Commission consider removing the blanket restriction in some or all commercial districts, allowing business owners to maintain hours of operation that comply with any applicable State laws and are aligned with their business model and customer demand.

6. Consider the necessity for 'change of use' requirements in commercial districts triggered by square footage. Currently in some C-prefixed districts, a change of use above a certain square footage threshold necessitates an AUP or a UP(PH). A commercial change of use requirement based on square footage is atypical; surrounding jurisdictions do not impose this level of scrutiny on neighborhood serving business, which puts Berkeley at a competitive disadvantage in its attraction of new businesses to larger commercial spaces. Each district's Use Table makes allowances for different levels of discretionary review for particular uses based on square footage thresholds. This additional requirement therefore adds to the overall complexity of the zoning ordinance; as it is a supplemental requirement implemented via an asterisk, often it is initially overlooked by applicants.

Staff recommends that the Planning Commission review the appropriateness and benefits of an AUP for a Change of Use and consider eliminating the requirement in some or all commercial districts. Proposed uses would be evaluated and reviewed based on the levels of discretion defined in the Use Table for each district.

7. Consider the appropriate levels of discretion for Arcades and Automatic Teller Machines (ATMs) commercial districts. Commercial recreation uses that are classified as Arcades (e.g., Emporium and 90's Experience, Oakland, CA and the High Scores Arcade Museum, Alameda, CA) have become increasingly popular and prevalent. With the rise of internet sales posing challenges to retailers, these types of experiential commercial establishments have become increasingly important to the overall health of commercial districts. However, Berkeley's existing zoning controls make it difficult or impossible to open that type of establishment in most districts. Currently, Arcades are either prohibited or require a UP(PH), which adds approximately five to eleven months and \$5,215 in fees to the zoning approval process. The requirement also generates additional demands on Planning staff and the Zoning Adjustments Board, and uncertainty for entrepreneurs interested in this type of business.

ATMs also typically require an AUP or UP(PH), and in some districts are prohibited unless part of a Financial Institution. ATMs are often a beneficial and complimentary element for active commercial districts, especially if there's a lack of financial institutions in the area like some parts of Berkeley. Furthermore, the City of Berkeley is considering a policy that would require businesses to accept

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cash. Staff recommends that the Planning Commission review the levels of discretion for Arcades and ATM's in commercial districts.

8. Update the Special Use Standards in Section 23E.16.040 for Alcoholic Beverage Sales and 23E.16.050 Amusement Arcades to reflect the proposed changes to the Zoning Ordinance. The Special Use Standards in Section 23E.16.040 for Alcoholic Beverage Sales and 23E.16.050 Amusement Arcades provide additional requirements and limitations for certain uses in the Zoning Ordinance. Several of the regulations are limiting and don't reflect the current standards in other jurisdictions. In addition, these sections would need to be modified to be consistent with the recommended Zoning Ordinance amendments above. Furthermore, the Public Convenience or Necessity findings for alcohol use and the distance buffers for Arcades are overly restrictive, don't reflect best practices and conflict with typical business practices. For example, Section 23E.16.040(A)(1)(b)(5) states "no beer or wine may be distributed in its original bottle or can." Staff recommends that the Planning Commission consider updating the Special Use section of the ordinance to be reasonable, enforceable and be consistent with surrounding jurisdictions.

Next Steps

Staff recommends that City Council review and adopt this referral to Planning Commission. Subsequently, Planning Department staff would present the Planning Commission with information, case studies and analysis relevant to each proposed change, seek guidance from the Commission, and draft Zoning Ordinance amendments for the Commission's review. It is possible that some of the recommendations may be implemented as part of the Zoning Ordinance Revision Project (ZORP), a current initiative to modernize and streamline the Zoning Ordinance. Planning Commission hearings will provide opportunities for additional feedback from small business owners, citizens, neighborhood associations, and commercial district groups.

Strategic Plan Connection

This referral is a component of a Strategic Plan Priority Project (Small Business Support), advancing our goals to provide an efficient and financially-health City government; to foster a dynamic, sustainable, and locally-based economy; and to be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community.

ENVIRONMENTAL SUSTAINABILITY

Many of the City's environmental sustainability goals are inextricably tied to the overall health of the City's economy. Small businesses make up the bulk of Berkeley's economy. Small businesses often contribute to sustainable transportation and consumer behavior by providing opportunities to shop in neighborhood commercial districts that are accessible by foot, bicycle and transit.

RATIONALE FOR RECOMMENDATION

Berkeley's commercial districts, and the small businesses that comprise them, are vital to the City's economic, social and civic wellbeing. These zoning changes represent the

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most immediate and straightforward approach the City can take to assist small businesses and potentially reduce commercial vacancies. They are designed specifically to support small independent operators seeking to invest and activate these districts, and will provide the community with needed goods and services. These changes also have the added addition of improving our city's internal permitting processes, by shortening timelines and improving customer service.

ALTERNATIVE ACTIONS CONSIDERED

Staff considered various other changes to levels of discretionary review and other zoning compliance review for commercial uses, but recommends moving forward with the modifications proposed above while continuing to gather input on additional changes.

CONTACT PERSON

Jordan Klein, Economic Development Manager, (510) 981-7534 Kieron Slaughter, Community Development Project Coordinator, (510) 981-2490

NOTICE OF PUBLIC HEARING BERKELEY CITY COUNCIL

AMEND THE SIGN ORDINANCE AND ZONING ORDINANCE TO CLARIFY DESIGN REVIEW PROCEDURES AND ESTABLISH AN OPTIONAL COORDINATED SIGN DESIGN PROGRAM

The Department of Planning and Development is proposing to:

- Adopt first reading of an Ordinance amending Title 20 [Signs] of the Berkeley Municipal Code to clarify Design Review procedures and establish an optional Coordinated Sign Design Program, as well as amend Chapter 23.406.070B [Design Review – When Required] for consistency with proposed Title 20 amendments; and
- 2. Adopt a Resolution amending Resolution 67,985-N.S., the Land Use Planning Fee schedule, to introduce a Coordinated Sign Design Program Fee.

The hearing will be held on, November 29, 2022 at 6:00 p.m. The hearing will be held via videoconference pursuant to Government Code Section 54953(e) and the state declared emergency.

A copy of the agenda material for this hearing will be available on the City's website at www.berkeleyca.gov as of November 17, 2022. Once posted, the agenda for this meeting will include a link for public participation using Zoom video technology.

For further information, please contact Robert Rivera, Senior Planner, Land Use Planning Division at rrivera@CityofBerkeley.info.

Written comments should be mailed directly to the City Clerk, 2180 Milvia Street, Berkeley, CA 94704, or emailed to council@cityofberkeley.info in order to ensure delivery to all Councilmembers and inclusion in the agenda packet.

Communications to the Berkeley City Council are public record and will become part of the City's electronic records, which are accessible through the City's website. Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to the City Council, will become part of the public record. If you do not want your e-mail address or any other contact information to be made public, you may deliver communications via U.S. Postal Service. If you do not want your contact information included in the public record, please do not include that information in your communication. Please contact the City Clerk at 981-6900 or clerk@cityofberkeley.info for further information.

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Published pursuant to Government Code Sections 6062a, 65856(a), & 65090
I hereby certify that the Notice for this Public Hearing of the Berkeley City Council was posted at the display case located near the walkway in front of the Maudelle Shirek Building, 2134 Martin Luther King Jr. Way, as well as on the City's website, on November 17, 2022.
Mark Numainville, City Clerk