

Kate Harrison Councilmember, District 4

> CONSENT CALENDAR September 12, 2023

To: Honorable Mayor and Members of the City Council

From: Councilmember Harrison

Subject: Budget Referral: Refer \$100,000 to the FY 23 and FY 24 AAO #1 to beautify Vacant Storefronts in Berkeley Commercial Districts

# RECOMMENDATION

Refer \$100,000 to the FY 23 and FY 24 AAO #1 to help fund art or district branding vinyl window graphics on vacant storefronts in Berkeley Commercial Districts to beautify our Commercial Districts. The fund would be administered by the Downtown Berkeley Association on behalf of all Commercial Districts, and would reimburse property owners for 50% of the entire cost of the project:

- 1. Artist fee
- 2. Costs associated with non-commercial printed material that is ideally non-plastic (may be vinyl if no alternative exists)
- 3. Installation of non-commercial window graphics

# CURRENT SITUATION AND RATIONALE FOR RECOMMENDATION

As seen below, retail vacancy rates remain high in many of Berkeley's commercial districts<sup>1</sup> due to the lingering impact of the COVID-19 pandemic and the rise in internet sales:

<sup>&</sup>lt;sup>1</sup> <u>https://berkeleyca.gov/doing-business/economic-development/economic-dashboards-and-reports</u>

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	rcial Acti								
iround Floor Comme	ercial Occupancy By Ca	ategory, 2022 Q3	Citywide, the ground floor commercial vacancy rate has increased to $8.4\%^{+}$ , an increase of 0.1% since 0.3 2021. San Pablo has experienced the highest jump in vacancy rate in the last year, while Elmwood and Solano have both dropped to prepandemic vacancy rates.						
			Vacancy Rates by District, Calculated by Square Footage, 2017-2022						
////			District	2017	2018	2019	2020	2021	2022
			Downtown	4.6%	3.1%	5.1%	9.9%	15.7%	11.9%
			Elmwood	5.4%	7.3%	7.3%	10.9%	10.9%	7.7%
			North Shattuck	0.4%	1.7%	0.7%	4.3%	4.3%	4.3%
		Retail	San Pablo	5.5%	4.9%	4.6%	4.8%	7.9%	10.8%
		Food & Beverage Services Office / Other Non-Retail	Solano	4.8%	4.1%	2.6%	6.7%	4.4%	3.7%
╱⋒₽₽₽₽		Personal Services Business / Professional Services	South Berkeley	9.6%	9.7%	7.6%	10.1%	8.8%	11.8%
	46.0°, 16°	Trade Services Public and Nonprofit Entities	Telegraph	7.1%	7.9%	4.4%	17.2%	12.6%	8.5%
"Prrrr	┢┝┲┲┲┲ <sub>╵</sub>	University	12.0%	11.0%	7.8%	11.0%	9.1%	12.8%	
Sar Consort Surface and Super	A south of the second of the souther		Neighborhood Commercial (C-N)				7.3%	3.2%	2.3%
North South	Wet		West Berkeley	1.9%	3.7%	5.8%	3.7%	4.7%	5.2%
Vacant	Arts, Entertainment & Recreatio	on Public and Nonprofit Entities	Citywide Avg.	4.6%	5.0%	5.4%	6.9%	8.3%	8.4%
Trade Services Office / Other Non-Retail	<ul> <li>Business / Professional Services</li> <li>Food &amp; Beverage Services</li> </ul>	Personal Services     Retail     Source: Berkeley OED	*Typical commercial district sto churn. The high vacancy rate in 19 pandemic with many busine	Q3 2022 can be	attributed to th	e ongoing effec	ts of the COVID-	Source: Berk	eley OED

While new retail is slowly returning, closures continue; for example Missing Link Bikes in the Downtown and Annapurna on Telegraph, two Berkeley mainstays, have shuttered in the past year. Not only does the community suffer when foundational businesses are lost, the remaining vacant storefronts are a visual blight to pedestrians visiting and patronizing our commercial districts and discourage new businesses from opening.

Window graphics with district branding and/or artwork are an excellent way to positively engage pedestrians and discourage graffiti and debris. These would be similar to the work shown on banners throughout the Downtown. Cost of window graphics however is quite high, ranging from \$9 to \$20 per square foot installed. Because of the expense, property owners have been reluctant to install graphics on their own.

The Downtown Berkeley Association (DBA), property owners, and the City of Berkeley are invested in the development and stimulation of Berkeley's economy and have devised innovative and creative ways to address blight. Building on the success for the retail damage repair fund introduced during the height of COVID-19, this referral proposes that the City cover half of the installation cost, giving property owners an incentive to install graphics on vacant properties, with the fund administered by the Downtown Berkeley Association although the funds would be available for commercial districts citywide.

#### Case Examples:

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## 2200 Block Shattuck Ave: 737sqft vacant window spaces Total Estimate: \$6,663 to \$14,750 (\$9-\$20/sqft) 50% Share: \$3,331 to \$7,370



2300 Shattuck Ave: 561sqft vacant window spaces Total Estimate: \$5,049 to \$11,220 (\$9-\$20/sqft) 50% Share: \$2,525 to \$5,610

**Other Examples of Blighted Vacant Storefronts:** 

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2524 Shattuck Ave.



2333 Telegraph Ave

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2522A Telegraph Ave.



2480 Telegraph Ave

# FISCAL IMPACTS OF RECOMMENDATION

Impact on General Fund of \$100,000. However, the benefit of beautifying formerly blighted buildings could generate budgetary efficiencies, economic stimulation, and better outcomes for Berkeley residents.

## ENVIRONMENTAL SUSTAINABILITY

Pedestrian-oriented design can encourage residents to walk and bike more.

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