

2016 Seattle City Council Statement of Legislative Intent

Ready for Notebook

Tab	Action	Option	Version
149	1	A	3

Budget Action Title: Commercial Rent Control

Councilmembers: Licata; O'Brien; Sawant

Staff Analyst: Asha Venkataraman; Ted Virdone

Date		Total	SB	BH	JO	TR	NL	TB	JG	MO	KS
	Yes										
	No										
	Abstain										
	Absent										

Statement of Legislative Intent:

The cost of rent in Seattle is increasing on both residential and commercial properties. Stability of rent is vitally important to many small businesses. Commercial rents, just like residential rents, are already so prohibitively high as to be a major obstacle for aspiring storefront small businesses. In addition, existing storefront small businesses are being hit by dramatic rent increases. Because of the precarious environment in which most small businesses are forced to operate, they often lack the finances to reestablish themselves in a new location when forced to move, especially at short notice. Big business in Seattle is far less vulnerable to unstable rent because it has the capital to own property or the economic clout to negotiate favorable leases.

State law limits the ability of municipal governments to regulate rents on residential properties, but does not do so on commercial properties. Commercial rent control in Seattle could provide our small businesses with desperately needed stability in their leases. A legitimate public discussion on commercial rent control could also help build support to overturn the state ban on residential rent control.

Council requests the Mayor's Office and the Office of Economic Development convene a taskforce of small businesses to make proposals for reasonable regulations on the rents of commercial property in Seattle. These recommendations should be the basis for a future ordinance to implement some form of commercial rent control. Recommendations should be delivered to the Committee on Housing Affordability, Human Services, and Economic Resiliency, or its successor committee, no later than April 1, 2016.

Responsible Council Committee(s): Housing Affordability, Human Services, and Economic Resiliency

Date Due to Council: April 1, 2016