APPROVE NEW STOREFRONT BEAUTIFICATION MICRO GRANT PROGRAM FOR EXTERIOR IMPROVEMENTS TO LOCAL COMMERCIAL BUSINESSES

RECOMMENDATION

It is recommended that the City Council adopt a resolution:

1. Approving the new Storefront Beautification Micro Grant Program for storefront improvements within specific commercial corridors located within the Stockton city limits.

2. Authorizing the City Manager to take necessary and appropriate actions to carry out the purpose and intent of this resolution.

Summary

The Economic Development Department is recommending the creation of a new Storefront Beautification Micro-Grant Program. The intent of this new program is to provide funds for storefront improvements within specific commercial corridors located in the Stockton city limits (Attachment A - Commercial Corridors Map). The mission of this program is to assist with transforming commercial corridors into visually appealing neighborhood destinations. This program supports small business retention/development and neighborhood revitalization, which coincides with the goals of the City of Stockton Economic Development Strategic Plan. Grants will be offered on a first come, first served basis.

DISCUSSION

Background

The City of Stockton Economic Development Strategic Plan (Feb. 2015) identified a pathway to promote growth of core business clusters, existing industry retention/expansion, new business attraction, and entrepreneurial development. Attracting and retaining customers is critical to increasing economic opportunities for the local community. In spring 2017, Portland, Oregon based Civilis Consultants hosted a workshop in Stockton to outline the benefits of increased foot traffic and storefront beautification to an existing business. Storefront beautification would be a step toward transforming neighborhoods into a destination for shopping and other economic activity. Civilis Consultants specialize in downtown revitalization and urban improvements by leveraging existing strengths such as local businesses, infrastructure, and land use policy.

"Making storefronts visibly appealing would transform neighborhoods into destinations and benefit the community overall. Simple changes like using better lighting, paint, and new windows can do wonders to improve a local economy. Your businesses are the window into the soul of a community." Civilis Consultants, Portland, OR.
For the 2018-19 fiscal year, the City Council approved $25,000 in general funds to establish and administer a commercial storefront beautification and improvement program. As a result, the Economic Development Department created program guidelines to provide guidance and parameters for delivery of this new program (Exhibit 1 to the Resolution). The Storefront Beautification Micro Grant Program (Micro Grant Program) will provide micro-grants of up to $2,000 per business.

Present Situation

To help accomplish the goal of improving building exteriors and encouraging neighborhood revitalization, the Economic Development Department created a new Micro-Grant Program. This program fills a needs gap in that it can be utilized by properties that may not currently qualify for other City improvement programs.

Grant funds of up to $2,000 per business will be available to eligible participants on a reimbursement basis after the completion of an approved beautification project. The Downtown Stockton Alliance is also considering matching funds for projects located within eligible corridors of downtown. Only beautification projects pre-approved by the Economic Development Department will be eligible for reimbursement. Any beautification or improvement work completed prior to the grant approval process will be ineligible for reimbursement. Grant application approval process may include the following:

- Completed Storefront Beautification Micro Grant Application
- Description of the proposed storefront improvements
- Estimated project budget
- Photos of the storefront facade in its current condition, revealing images closeup and distant with neighboring businesses
- Conceptual images or drawings of the improvements or repairs to be made including paint color swatches, designs, etc.

Eligible properties for the Micro Grant Program should be located within an approved targeted commercial corridor (see Attachment A - Commercial Corridors Map); commercial properties located outside a target corridor may be considered by Economic Development Department staff on a case-by-case basis. All properties must be located within City limits to be eligible.

Grant participants must adhere to all requirements as outlined in the Program Guidelines and any improvements shall meet existing code and zoning requirements. Storefront improvements made through the Micro Grant Program should obtain planning and building permits as required by the City of Stockton municipal code, when applicable. California Prevailing Wage Law requires workers on publicly-funded construction projects - called "public works" - to be paid prevailing wages, as determined by the State. Prevailing wages shall apply to this Micro Grant Program and must be paid to all workers employed on a public works project when the project is over $1,000.
Economic Development staff will evaluate proposed projects and reserve the right to approve or reject projects based on program guidelines. Proposed projects should address aesthetic elements related to the replacement and/or improvements of:

- Windows
- Signs
- Paint
- Awnings
- Lighting
- Planters and trellises

Applicant Ineligibility:

- Government-owned buildings
- Card rooms, gambling establishments
- Paycheck cashing establishments
- Car dealerships
- National chains and/or franchised owned businesses
- Interior or exterior repairs not related to the exterior facade aesthetics
- New building construction
- For the purchase of real or personal property or equipment
- Projects completed before applications were submitted

FINANCIAL SUMMARY

The City Council approved funding in the amount of $25,000 for the Storefront Beautification Micro Grant Program during the fiscal year 2018-2019 budget process, and sufficient funds are available in the Economic Development General Fund Account No. 010-1760-510.

Attachment A - Commercial Corridors Map
Targeted Commercial Corridors

Storefronts eligible for grant funds include commercial properties located on the following commercial corridors within Stockton’s city limits: Charter Way, MLK Jr. Blvd., E. Main Street, Airport Way, Wilson Way, E. Fremont Street, West Lane, E. Ben Holt (East of Pacific Ave.), Hammer Lane, Lower Sacramento Rd. (Near Ponce De Leon), Pacific Ave. (between Harding and Alpine), Harding Way, Yosemite St., Eldorado (up to Essex), California (up to Alpine) and the Downtown Improvement District*.
Resolution No.

STOCKTON CITY COUNCIL

APPROVE RESOLUTION TO ADOPT NEW STOREFRONT BEAUTIFICATION MICRO GRANT PROGRAM FOR EXTERIOR IMPROVEMENTS TO LOCAL COMMERCIAL BUSINESSES

The City Council adopted the Fiscal Year (FY) 2018-19 Annual Budget on June 5, 2018, following a duly noticed budget study session and a public hearing; and the adopted Annual Budget included $25,000 from General Funds allocated to Economic Development Department for a new commercial corridor micro grant program; and

By the staff report accompanying this Resolution, incorporated by this reference, the Council has been provided with additional information upon which the actions set forth in this Resolution are based; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. Authorize the Economic Development Department to formally adopt and administer the Storefront Beautification Micro Grant Program as outlined in the Program Guidelines incorporated herein as Exhibit 1.

2. Authorize the Economic Development Department to enter into contractual grant agreements with eligible awardees and provide grant reimbursements up to $2,000 under this Program.

3. Authorize the City Manager to take necessary and appropriate actions to carry out the purpose and intent of this resolution.

PASSED, APPROVED, and ADOPTED: October 16, 2018.

MICHAEL D. TUBBS
Mayor of the City of Stockton

ATTEST:

CHRISTIAN CLEGG, Deputy City Manager/
Interim City Clerk of the City of Stockton
“Making storefronts visibly appealing would transform neighborhoods into destinations and benefit the community overall. Simple improvements such as better lighting, paint, and new windows make a difference.”

Civilis Consultants, Portland OR.
Storefront Beautification Micro Grant Program (SBMGP)

Targeted Commercial Corridors
Storefronts eligible for grant funds include commercial properties located on the following commercial corridors within Stockton’s city limits: Charter Way, MLK Jr. Blvd., E. Main Street, Airport Way, Wilson Way, E. Fremont Street, West Lane, E. Ben Holt (East of Pacific Ave.), Hammer Lane, Lower Sacramento Rd. (Near Ponce De Leon), Pacific Ave. (between Harding and Alpine), Harding Way, Yosemite St., Eldorado (up to Essex), California (up to Alpine) and the Downtown Improvement District*.

Contact Information
City of Stockton Economic Development Department
400 East Main Street, 4th Floor
Mission and Objectives
The City of Stockton’s Economic Development Department established a micro grant program to provide funds for storefront improvements within specific commercial corridors located in the City’s limits. The mission of this program is to assist with transforming commercial corridors into visually appealing neighborhood destinations. This program supports small business retention/development and neighborhood revitalization which coincides with the goals of the City of Stockton, Economic Development Strategic Plan.

Program Funding
The City of Stockton approved funding in the amount of $25,000 for the Storefront Beautification Micro Grant Program for fiscal year 2018-2019. Reimbursement grants will provide funds to commercial property and/or business owners to be used toward storefront improvements such as new windows, paint, awnings, signage, lighting and landscaping hardscape. Once program funding has been exhausted, applications for the SBMGP will be accepted for the following fiscal year if funding is reallocated by City Council. Additionally, due to the availability of other incentive programs specifically targeted to Downtown Stockton, a cap (not a set-aside) of $8,000 (of the $25,000 funding) per fiscal year will be available to applicants within the boundaries of this area.

Eligible Storefront Improvements
Storefront improvements made through the SBMGP must obtain planning and building permits that are required by the City of Stockton municipal code when applicable. Design standards should be consistent with and compliment the neighborhood in which it is located. Proposed projects will be evaluated by Economic Development staff for aesthetic elements related to the replacement and/or improvements of:

- Windows
- Signs
- Paint
- Awnings
- Lighting
- Planters and trellises.

*Cleaning efforts such as sidewalk power washing and landscape improvements are strongly encouraged to be included in each project.*

Grant Funds
Grant funds up to a maximum of $2,000 will be reimbursed to applicants once project construction and City of Stockton inspections, if required, have been completed. Reimbursements are based on actual project costs and require proof of payment to and receipts from licensed contractors who completed the project.
Applicant Eligibility

- Eligible projects include storefront improvements for properties zoned commercial, retail, or office use.
- Properties must be located within one of the approved targeted commercial corridors. Applicants with locations not listed in the targeted commercial corridors (within City limits) will be considered on a case by case basis.
- The grant applicant may be a property owner or business owner.
- Building tenants must obtain a signed approval for the proposed storefront improvements from property owners.
- For sign and awning projects, tenants must show at least two years remaining on their lease at the location of the proposed project and have the option to renew for at least two additional years from time of application submittal.
- Applicants will be awarded one grant per storefront and will not be eligible for additional grant funds for a period of five (5) years after project completion.
- Any construction or electrical work required for improvements must be completed by licensed and qualified design/construction/electrician contractors and all signs must be produced and installed by professional sign makers.
- All proposed projects that require obtaining permits and approvals through the City of Stockton’s Planning, Building, Engineering, and Fire departments must do so prior to construction.
- Business licenses must be current and in good standing with the City of Stockton.
- Applicants must not owe any outstanding property taxes, fees, judgments, or liens to the City of Stockton and have no outstanding code violations unless program funds are used to correct and improve the violations.
- All storefronts must be street facing.

Applicant Ineligibility

- City, State, or Federal owned buildings
- Card rooms
- Paycheck cashing
- Car dealerships
- National chains and/or franchised owned businesses
- Interior or exterior repairs not related to the exterior façade aesthetics
- New building construction
- For the purchase of real or personal property or equipment
- Projects completed before applications were submitted

Submission Requirements

Storefront Beautification Micro Grant applications must be submitted with required documentation to the City of Stockton Economic Development Department located at 400 E.
Main St., Stockton, CA  95202, 4th floor. Information needed for the SBMGP application may include:

1. Completed Storefront Beautification Micro Grant Application;
2. Description of the proposed storefront improvements;
3. Estimated project budget;
4. Two photos of the storefront façade in its current condition, revealing images closeup and distant with neighboring businesses;
5. Conceptual images or drawings of the improvements or repairs to be made including paint color swatches, designs, etc.

Additional Information

- **Award Notification:** The City of Stockton Economic Development Department will notify all applicants about the status of approval at least 14 business days after applications have been received and reviewed.

- **City’s Involvement:** Once an applicant is approved for reimbursement grant funds, it is the responsibility of the applicant to continue with all work related to the procurement, scheduling and oversight of design and contractor professionals for the project. Outside of issuing permits, the City will not be involved in negotiating or managing any aspects of projects using the SBMGP. Applicants assume and accept all liability of projects approved through the SBMGP.

- **Predevelopment Meetings:** As a courtesy to applicants, predevelopment review committee (DRC) meetings may be requested through the Economic Development Department and will include representatives from Planning, Building, Engineering, Municipal Services and Fire departments. This should be requested by email or phone to the City of Stockton Economic Development Department.

- **Timeline:** All approved SBMGP projects must be completed within six months of approval to be eligible for reimbursement. Funds requested after six months of approval will not be reimbursed.

- **Issuance of Grant Funds:** Grant funds will be released to applicants as reimbursement after completion, payment and proof of construction work is completed. All documentation including bill of sale, invoice, and receipts for payments along with post project pictures shall be submitted to EDD for review before grant funds for reimbursement are issued.

- **Right to reproduce images:** All before and after pictures of projects funded through CCM grant funds are understood by the applicant to be available for use by the City of Stockton for public relations and advertising purposes in future materials and press releases.
Storefront Improvement Examples:

The Deliberation Room, restaurant and bar recently improved the façade of their business by replacing windows, adding new lighting and signage, and restoring the look of the original brick and moldings. This transformation makes the establishment inviting and shows pride of ownership.

This storefront improvement project located in Oregon City, OR is a good example of how taking off an old awning and exposing the transom windows transformed the business into a vibrant, welcoming destination.