

CITY OF REDONDO BEACH

Budget Response Report #22

June 4, 2019

Question:

How can the Storefront Improvement Program be expanded to include businesses in the Riviera Village and Pacific Coast Highway Commercial Corridor?

Response:

The City Council has identified the revitalization of the Artesia/Aviation Commercial Corridor (the “Corridor”) as a primary goal and has taken several actions to effectuate that goal, one of which is the creation of a storefront improvement program for the Corridor. The City Council approved \$100,000 of funding for the Storefront Improvement Program as part of the FY2017/2018 Operating Budget, and approved an additional \$50,000 of funding as part of the FY2018/2019 Operating Budget. The Storefront Improvement Program (the “Program”) aids commercial business and property owners who want to improve their building façades. The objectives of the Program are to:

- Encourage and induce private investment in the Corridor;
- Enhance the appearance of the streetscape;
- Reduce vacancies in the Corridor;
- Strengthen or restore the original character of any historic or vintage buildings; and
- Provide a catalyst for others to improve their buildings, signs, and awnings.

Applicants to the Program have the option of applying for one of three Tiers of funding ranging from \$2,500 (minor improvements) to \$15,000 (multi-tenant, major improvements). Applicants have the option of using up to \$1,000 of their allocated grant funds for architectural and design services.

Eligible improvements under the Program are outlined in the Program Guidelines and include, but are not limited to, exterior paint, removal and replacement of old signs and awnings, repair and replacement of windows and entry doors, landscaping, and remediation of city and state code violations. All improvements made with Program grant funds must comply with all local, state, and federal regulations, as well as design review regulations. Applicants to the Program must own a business or building within the Program Area, which currently encompasses the Artesia/Aviation Boulevard Corridor within Redondo Beach.

Should the City Council desire to expand the Program to other areas of the City, such as the Riviera Village and/or the Pacific Coast Highway Commercial Corridor, two specific actions would need to be taken. First, the City Council would need to appropriate funding as part of the FY 2019-2020 budget process to allow for expansion of the program, as the current Artesia/Aviation application pool is expected to exhaust all remaining funds. Second, the Program Guidelines would need to be amended by the City Council to ensure that any specific needs currently present in the Riviera Village or PCH Corridor can be

addressed or explicitly targeted by the Program. Based on a windshield survey of these two prospective areas, the PCH Corridor exhibits a need that more closely resembles the conditions found on Artesia Blvd, while the Riviera Village is generally well maintained and is more readily able to attract private capital.

Attached is a copy of the current Program Guidelines.

Attachments:

- A – Program Guidelines

Attachment A
CITY OF REDONDO BEACH
ARTESIA/AVIATION BOULEVARD COMMERCIAL STOREFRONT IMPROVEMENT
PROGRAM GUIDELINES (FY 18/19)

The City of Redondo Beach offers a Storefront Improvement Program (the Program) that provides up to a 50% matching grant to qualified businesses and property owners along the Artesia/Aviation Commercial Corridor for the completion of storefront improvements. This document contains information regarding grant funding, eligibility, evaluation criteria, and other program guidelines. Please contact the Waterfront and Economic Development Department at 310-318-0631 or storefront@redondo.org with any questions.

I. GRANT FUNDS

A. Funding Available

The Program provides matching grants to eligible applicants located within the Program Area (see Section II.A). The Program match requirement is set at a maximum of 50% of eligible costs. However, the City reserves the right to flex the match requirement on a case-by-case basis. Three tiers of grant funding are available to applicants:

Tier 1: To be used for non-architectural elements such as paint, signage, and awnings. The Program reimburses 50% of the grantee's cost up to a maximum grant amount of \$2,500.

Tier 2: May be used for all Tier 1 type improvements as well as additional significant Storefront improvements including, but not limited to, structural upgrades, Storefront tile or stone accents, complete window replacement or upgrading entryways for ADA compliance. See Section II.C for a complete list of eligible improvements. The Program reimburses 50% of the grantee's cost up to a maximum grant amount of \$10,000.

Tier 3: Multiple tenant commercial buildings, consisting of three or more tenants, are eligible for the Program under Tier 3. Grant funds may be used for Tier 1 or Tier 2 type improvements. The Program reimburses 50% of the grantee's cost up to a maximum grant amount of \$15,000.

B. Requests for Proposals

The 2018-2019 Program round will be open for applications **February 1, 2019**. The submission deadline is **April 1, 2019**.

	Maximum Grant Amount	Match Required	Total Improvement Cost
Tier 1: Mini Grants	\$2,500	50%	\$5,000
Tier 2: Significant Storefront Improvements	\$10,000	50%	\$20,000
Tier 3: Multiple Tenant Commercial	\$15,000	50%	\$30,000

Applicants may request less than the maximum amount of the grant for any level or contribute more than 50% of the improvement costs. Applicants must wait to submit their applications until the application round is opened. Once the round is closed, no further applications will be accepted.

II. ELIGIBILITY

A. Program Area

Properties eligible for the Program must be located within one of the following areas:

- Artesia Boulevard Commercial Corridor, properties located within the City of Redondo Beach along Artesia Boulevard between Aviation Boulevard (on the west end) and Hawthorne Boulevard (on the east end).
- Aviation Boulevard Commercial Corridor, properties located within the City of Redondo Beach along Aviation Boulevard between Artesia Boulevard (on the north end) and Harper Avenue (on the south end).

Please refer to the attached Program Area Map for Program boundaries.

B. Business Type

Applicants of the Storefront Grant program must be a commercial business located within the Program Area described above. Franchises and chain retailers are eligible under the Program.

C. Improvements

Improvements assisted by the Program should enhance or restore the physical condition or appearance of the building. Proposed improvements must be visible from the street. Types of improvements include but are not limited to:

- Exterior paint
- Removal of old signs, awnings, and other exterior clutter
- Repair or replacement of exterior siding, stucco or other exterior finishes
- Installation of new entry doors that meet ADA accessibility requirements
- Repair and replacement of windows
- Installation of awnings
- Installation of signs
- Installation of exterior lighting
- Installation of permanent landscaping
- Entire storefront re-facing
- Remediation of city and state code violations
- Construction of outdoor dining and gathering spaces

Improvements not listed above but that contribute to the overall improvement of a storefront may be considered for grant funding on a case-by-case basis.

Up to \$1000 of the requested grant funds may be used for architectural and design services.

Improvements must comply with:

- All local, state and federal Regulations
- Design Review Requirements

D. Applicant

Applicants may be either an owner of, or tenant within, a proposed project. Both the owner and the tenant may apply to the Program if improvements are to different areas of the façade. If the applicant is a tenant, the property owner must also sign the Storefront Grant Application.

E. Maintenance Requirements

Approved applications will require that the applicant enter into a Grant Agreement with the City of Redondo Beach for a term not to exceed 3 years (sample Grant Agreement is attached). The Grant Agreement details the terms and conditions associated with the Program, as well as required future maintenance obligations. Improvements funded through the Program must be maintained for a minimum of 3 years (unless they are tenant-specific, in which a change in tenancy requires a change in the improvements, e.g. signs). If the improvements are not maintained, the City may exercise the option to request the grant funds be returned to the City. The City may also request grant funds be returned if within the 3-year term the property or business is sold or transferred.

F. Improvements Ineligible for grants:

- Construction of or improvements to new buildings
- Improvements to malls or regional shopping centers
- Chain-link fencing with or without slats
- Already completed projects or improvements
- Residential property improvements
- Religious facility improvements

III. APPLICATION PROCESS

See the Program application for a step-by-step summary of the application process, and a detailed checklist of required materials. Program applications are available at the City of Redondo Beach, Waterfront and Economic Development Department, 415 Diamond Street, Redondo Beach or online at <http://www.redondo.org/economicdevelopment>.

Prior to formally submitting an application, applicants are encouraged to meet with Waterfront and Economic Development staff to discuss their proposed project.

IV. REVIEW PROCESS**A. Storefront Improvement Program Committee Review**

A committee consisting of City staff from the Waterfront and Economic Development Department, the Community Development Department and the City Manager's office will review applications. The Committee may: 1) approve, 2) disapprove or 3) approve with conditions. If approved with conditions, the Committee may request that the applicant make specific changes to the proposed improvements, or that the Applicant address pre-existing conditions prior to grant approval. All Grant Agreements will be forwarded to the City Council for review and consideration of final approval.

B. Evaluation Criteria

Program applications will be reviewed and evaluated based on the criteria listed below. Proposed improvements that best meet these criteria will be most competitive for grant funding.

- Project's contribution to the vitality of the Artesia/Aviation Commercial Corridors
- Amount of street frontage improved
- Total contribution from the grantee

- Prominence of the improved property within the Artesia/Aviation Commercial Corridors
- Design elements
- Property owner participation
- Impact on City fiscal resources
- Current condition of business/property
- Previous grant award history

V. NOTIFICATION AND NEXT STEPS

After Committee Review is completed, Program applicants will be notified via email (if available) and postal mail about the Committee's decision. As noted, the Committee may:

- Approve
- Disapprove
- Approve with conditions. If approved with conditions, the Committee may request that the Applicant make specific changes to the proposed improvements, or that the Applicant address pre-existing conditions prior to grant approval.

A. Approved Scope of Work

When Committee Review results in changes to the scope of work submitted with the application, an updated and approved Scope of Work (SOW) will be provided to the Program grantee for review and signature. The approved SOW will be attached to and made a permanent part of the Application.

Grantee must complete their projects in substantial conformance with the approved application and SOW. Any changes made after the grant is awarded must be reviewed and approved by the Committee (e.g. changes to a paint or awning color, sign or architectural design, material choices, etc).

B. Required Forms

Upon grant award, the grantee will be required to complete hard copies of the following forms:

- **Grant Agreement** which details the Terms and Conditions associated with the grant.

Hard copies of these forms must be returned to City staff within 3 weeks of the date the award is granted.

C. City Council Approval

All Grant Agreements will be forwarded to the City Council for review and consideration of final approval.

D. Permits and Design Review

All necessary planning, building and other permits must be secured before construction is initiated. Permits can be obtained from the City of Redondo Beach Permit Counter, located at City Hall.

E. Deadline to Complete Work

- For Tier One grants, improvements must be completed within **three months** of execution of the Grant Agreement.
- For Tier Two and Three grants, all work must be complete within **six months** of execution of the Grant Agreement.

F. Reimbursement

After the proposed improvements are completed, the grantee must submit the following to the Waterfront and Economic Development Department to receive reimbursement:

- Owner's sworn statement stating that proposed improvements have been completed
- Contractor's sworn statement showing the full cost of the work and each separate component amount due to the contractor and each and every subcontractor involved in furnishing labor, materials or equipment in the work
- Proof of payment of the contract cost pursuant to the contractor's statement and final lien waivers from all contractors and subcontractors

If applicable, the Grantee shall also submit to the City a copy of the architect's statement of fees for professional services for preparation of plans and specifications.

All reimbursements will be made to the Grantee only. No reimbursement will be administered to a contractor or vendor.

All proposed improvements are subject to City inspection. Grants are processed in the normal City accounts payable cycle of net 60 days. Grantee must have all City permits and fee obligations paid prior to reimbursement with Program grant funds.

VI. GENERAL

- Contracts for improvements shall be between the Program Grantee and the contractor.
- The availability of Program funds is subject to funding approval by the City Council each fiscal year.