



# Administrative Report

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Meeting Date: 8/3/2021

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**To: MAYOR AND CITY COUNCIL**

**From: STEPHEN PROUD, WATERFRONT & ECONOMIC DEVELOPMENT  
DIRECTOR**

## **TITLE**

DISCUSSION AND POSSIBLE ACTION REGARDING THE FISCAL YEAR 2021-2022 STOREFRONT IMPROVEMENT PROGRAM FOR THE ARTESIA BOULEVARD AND AVIATION BOULEVARD COMMERCIAL CORRIDORS

## **EXECUTIVE SUMMARY**

The City Council has identified the revitalization of the Artesia/Aviation Commercial Corridors as a primary goal and adopted several related objectives as part of the City's previous Strategic Plans. One objective was the implementation of a Storefront Improvement Program ("Program"), which was initially launched with \$100,000 in funding approved by the City Council as part of the FY2017-2018 Operating Budget. Additional funding was approved by Council in 2018 in the amount of \$50,000 and a second round of the Program was opened.

As part of the FY2021-2022 Operating Budget, the Program was re-funded in the amount of \$100,000. For the City Council's review and consideration, the Waterfront and Economic Development Department ("WED") is presenting previously approved Program guidelines that set forth the framework and application requirements for participants in the Program. For consideration, staff has also attached a previously submitted Budget Response Report that explored the prospect of expanding the Program to other commercial areas within the City. As currently written, the Guidelines provide grant funding ranging from \$2,500 to \$15,000 to support improvements/upgrades to storefronts and façades within the defined corridor areas. If the Program is approved, the City will be conducting outreach to the businesses and property owners in the corridors and expects to open the application process on August 16, 2021. The application round will close on November 1, 2021, and the application review will begin immediately thereafter.

## **BACKGROUND**

The City Council has identified the revitalization of the Artesia/Aviation Commercial Corridors as a primary goal and adopted several related objectives including the implementation of a storefront improvement program for the Artesia/Aviation Commercial Corridors. As part of the FY2017-2018 Operating Budget, the Storefront Improvement Program ("Program") was created and launched in January 2018. The Program was funded again as part of the FY2018-2019 Operating Budget with an additional \$50,000 in grant funds made available. The last Program round closed on March 1, 2019.

On June 22, 2021, the City Council approved the City's Operating Budget for FY2021-2022, in which \$100,000 was allocated for the re-funding of the Program for the Artesia Boulevard and Aviation Boulevard Commercial Corridors. The Program, through this designated budget, will provide assistance to 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 commercial corridors;
- Enhance the appearance of the streetscape;
- Reduce vacancies in the Artesia/Aviation Corridors;
- 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 must own a business or building within the Program Area, which is defined as follows:

Artesia Boulevard Commercial Corridor: consists of commercial properties located in Redondo Beach along Artesia Boulevard between Axenty Way on the west end and Hawthorne Boulevard on the east end.

Aviation Boulevard Commercial Corridor: consists of properties located in Redondo Beach along Aviation Boulevard between Artesia Boulevard on the north end and Harper Avenue on the south end.

Applicants to the Program will have the option of applying for one of three Tiers of funding. Tier funding caps have remained unchanged from previous Program rounds, though the Council may consider increasing these limits in an effort to attract new applicants and larger façade revitalization projects. As currently written, Tier 1 funds are to be used for non-architectural elements such as paint, signage, and awnings. Tier 1 funding will reimburse 50% of the grantee's cost up to a maximum grant amount of \$2,500. Tier 2 funds may be used for all Tier 1 type improvements as well as additional significant façade improvements including, but not limited to, structural upgrades, façade tile or stone accents, complete window replacement or upgrading entryways for ADA compliance. Tier 2 funding will reimburse 50% of the grantee's cost up to a maximum grant amount of \$10,000. Tier 3 funding is available to multiple tenant commercial buildings, consisting of three or more tenants. 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. 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 (attached) 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.

If approved for grant funding under the Program, applicants must sign a Grant Agreement with the

City for a term not to exceed three years. The Grant Agreement details the terms and conditions associated with the Program, as well as required future maintenance obligations. All Grant Agreements will be forwarded to the City Council for review and consideration of final approval.

Grants will be disbursed on a reimbursement basis. Once the proposed improvements are completed, applicants will be required to submit to the City all documentation listed in the Guidelines demonstrating completion of the approved improvements. 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.

Outreach for the Program will occur via the City's website and through local business groups to ensure that business and property owners within the Program Area are aware of the Program and the related deadlines. The Program will be open for applications beginning August 16, 2021. Similar to the City's previous application submittal periods, the application round will close on November 1, 2021 and the application review will begin immediately thereafter. Applications that best meet the criteria of the Program will be selected and forwarded to the City Council for final approval.

For the Council's consideration, staff has also attached a 2019 Budget Response Report exploring the prospect of expanding the Program to other commercial areas within the City. The City Council's decision at the time was not to expand the Program boundaries and to continue focusing on promoting and implementing the Program along the Artesia and Aviation Boulevard Corridors.

### **COORDINATION**

The Program Guidelines and Application were developed in consultation with the Community Development Department and the City Manager's Office. WED will continue work closely with the Community Development department to ensure that Program applicants are in compliance with all local regulations pertaining to façade upgrades.

### **FISCAL IMPACT**

Funding for the Program was allocated from the General Fund when the City Council approved the Operating Budget for Fiscal Year 2021-2022. Total funds available for the Program is \$100,000.

### **APPROVED BY:**

*Joe Hoefgen, City Manager*

### **ATTACHMENTS**

FY2021-2022 Storefront Improvement Program Guidelines

FY2021-2022 Storefront Improvement Program Application

2019 Budget Response Report: Storefront Improvement Program Expansion