

CITY OF SAN DIEGO, CALIFORNIA COUNCIL POLICY

SUBJECT: STOREFRONT IMPROVEMENT PROGRAM
POLICY NO.: 900-17
EFFECTIVE DATE: March 11, 2009

BACKGROUND:

Originated in 1986, the Storefront Improvement Program (SIP) provides financial incentives to small business or property owners to improve their storefronts consistent with design standards for their commercial areas. The SIP has been a successful program in the Office of Small Business (OSB) and was funded initially by Industrial Development Bond (IDB) proceeds and Community Development Block (CDBG) monies. In 1995, the City Council adopted the Small Business Enhancement Program (SBEP), with an annual General Fund appropriation equivalent to \$20 per small business registered with the City. SBEP provides a more stable funding source for both hard and soft costs of storefront improvements.

PURPOSE:

To establish policy guidelines and procedures regarding the SIP application process, selection process, design process, incentive awarding, and fees associated with the administration of the program.

PROGRAM POLICY

Storefront Improvement Program Mission

The SIP mission is to generate additional revenues to businesses and the City by stimulating private investment in the city's commercial areas to make the business and surrounding communities more attractive.

Project Qualifying Criteria

The City will accept applications only from small businesses in the City of San Diego and from property owners who lease space to small businesses. "Small business" means a business that employs 12 or fewer employees that possess a valid Business Tax Certificate.

The following are excluded from participating in the program:

- Former SIP incentive recipients (until 5 years after an incentive award);
- National franchises;
- Large office buildings in excess of 80,000 square feet;
- Government owned and occupied buildings;

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- Non-profit organizations;
- Residential rental buildings (apartments) and
- Churches and other religious institutions.

Standard Incentive

All projects for a single small business may be considered for the standard incentive.

Multi-Tenant Property Owner Incentive

A San Diego property owner leasing to three or more street-facing small business tenants may be considered for the property owner incentive.

Historic Incentive

To qualify for the historic incentive, the subject property must be eligible for designation by the Historic Resources Board as a historic structure, or be eligible to be classified as a contributing structure to a historic district, or be included on a locally defined historic building inventory, and that any improvements be consistent with the historical character of the property. The historic incentive will be available once per property with preference given to the property owner

Public Art Incentive

To qualify for the public art incentive incentive, the property owner must show evidence of the engagement of an Artist as defined by San Diego Municipal Code Chapter 2, Article 6, Division 7: Commission for Arts and Culture. An Artist must be engaged to participate in designing, or specifying, or designing and fabricating elements related to the storefront improvement. Property owners intending to apply for the Public Art Incentive are encouraged to share information about potential Artists with the SIP manager early in the development of the storefront improvement project to learn whether the Artists meet the requirements. The SIP manager may consult with the Commission for Arts and Culture to determine compliance.

Project Implementation

Program Management: Overall program management shall be the responsibility of the Office of Small Business.

Procedures shall include:

- a. Marketing and Outreach: In partnership with other agencies such as Centre City Development Corporation, the South Eastern Economic Development Corporation, Business Improvement Districts, and Micro Districts, the OSB will actively engage in marketing and outreach efforts in order to generate participation from the business sector.

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- b. Application process: On behalf of the OSB, the SIP manager will receive applications year round. The SIP manager will determine which incentive category the project qualifies for.
- c. Selection process: The OSB/SIP Manager will select projects that will provide the greatest public benefit to a community as determined by the program manager. The OSB, however, reserves the right to prioritize projects and refuse applicants. To select and prioritize the SIP projects, the SIP Manager may consider the following factors:
 - (1) Complements City's public improvement strategies
 - (2) Coincides with City revitalization activities
 - (3) Community need/demand for change
 - (4) Creative value of the project
 - (5) Current condition of the building/facade
 - (6) Neighborhood Code compliance issues
 - (7) Conformity to community design guidelines
 - (8) Contribution to equitable allocation of funds across Council Districts
 - (9) Feasibility of implementing applicant's goals within the specified budget and timeframe

Upon selection, applicants will receive an orientation packet including a form to verify ownership and a notification of the application fee.

- d. Fees: Applicant will be required to pay an application deposit to ensure the applicants commitment to the completion of the project. The application deposit will be made payable to the City Treasurer. The application deposit is refundable upon City's acceptance of completed project.
- e. Conceptual Design Process: Once an application is selected, the applicant will be notified. The Project Manager will review design criteria with applicant, assign an architect, and discuss eligible exterior improvements (e.g. paint, awnings, signage, landscaping, parking, windows).
- f. Allowable Incentive: The Incentive formula(s) will be determined by the Small Business Advisory Board.

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- g. Documentation Process: The SIP manager will work with the applicant to assemble all the required documents and forms. Business tenants must obtain written approval from the property owner stating that the owner does not object to the business tenant completing the proposed improvements to the property. Authorization from the property owner for a business tenant to utilize the Historic Incentive will be requested concurrently with the owner's approval of the proposed improvements.
- h. Business Tax Certificate(s): All participants and the contractors, subcontractors, and material providers they hire must hold valid City of San Diego Business Tax Certificates.
- i. Award Process: Once the project is complete,
 - 1. Applicant must submit:
 - a. Evidence of payment - "Paid in full" receipt(s) and canceled check copy(s) (front and back check copies or bank statement) related to the approved bid(s)
 - b. Federal Tax Identification number or Social Security number
 - c. Two 8" x 10" color photos of the finished building
 - 2. Copies of all permits that were pulled must be given to the program manager with the eligible expenses documentation.
 - 3. If all the obligations under program procedures have been met, the City shall issue the incentive award within thirty days after receipt of eligible expenses documentation.

REFERENCES:

Resolution R-286636
City Manager Report CMR-95-239
Small Business Advisory Report dated April 21, 2000
Small Business Advisory Report dated May 22, 2000

HISTORY:

Adopted by Resolution R-295442 09/10/2001
Adopted by Resolution R-304702 03/11/2009