

OFFICE OF THE CITY MANAGER

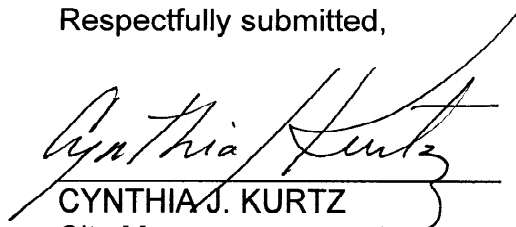
OCTOBER 18, 2007

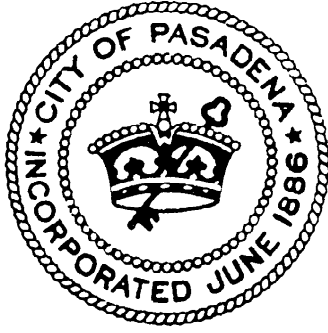
TO: CITY COUNCIL
FROM: CITY MANAGER
RE: ECONOMIC DEVELOPMENT & TECHNOLOGY COMMITTEE
STOREFRONT IMPROVEMENT PROGRAM
(PROGRAM REVISIONS)

On October 17, 2007, the Economic Development & Technology Committee reviewed and approved the staff recommendations related to the Storefront Improvement Program. The following revision was recommended by the Economic Development & Technology Committee:

The entirety of the East Washington Boulevard business district be included as a target outreach area.

Respectfully submitted,


CYNTHIA J. KURTZ
City Manager



Agenda Report

DATE: October 22, 2007
TO: Community Development Commission/City Council
THROUGH: Economic Development & Technology Committee (October 17, 2007)
FROM: Chief Executive Officer/City Manager
SUBJECT: STOREFRONT IMPROVEMENT PROGRAM (PROGRAM REVISIONS)

RECOMMENDATION

It is recommended that the Community Development Commission and the City Council approve the proposed changes to the Storefront Improvement Program (formerly known as the Façade Improvement Program) which includes the following:

Update the "Storefront Improvement Program" to:

1. Specified target areas will be given priority over other areas of the City.
2. Increase financial assistance up to \$25,000.
3. Utilize the City's MASH employees for certain commercial building improvements.
4. Utilize contract architects to help develop improvement concepts and to motivate owners (applicants).
5. Allow for phased reimbursement.

COMMUNITY DEVELOPMENT COMMITTEE RECOMMENDATION

On May 24, 2007, the Community Development Committee reviewed the recommendations included in ATTACHMENT A and voted to forward a recommendation of approval of the proposed changes to the Community Development Commission.

EXECUTIVE SUMMARY

Staff is recommending the proposed changes in an effort to increase awareness and participation in the Storefront Improvement Program. The proposed changes are the following: identify and target specific locations throughout the City for program

participation; increase the funding available to program participants; make available to applicants architectural services (if necessary); create a phased reimbursement schedule; and, make available the City's MASH program for minor improvements such as painting and minor repairs.

BACKGROUND

Created in 1992, the City of Pasadena's PACE (Project Area Community Enhancement) program which is currently known as the Storefront Improvement Program provides assistance to commercial business and property owners in the redevelopment project areas. The purpose of the program is to stimulate efforts to improve business storefronts and, to restore and preserve the city's many historic storefronts. Typical storefront improvements include but are not limited to: awnings, doors, exterior lighting, paint, signs, tile, windows and permanent landscape. The program (as it currently exists) is included in this report as ATTACHMENT B.

Knowledge of the storefront improvement program during certain years has been accomplished through staff mailing flyers to promote the program. However this effort usually resulted in the owners (applicants) asking to use the money for regular maintenance to their buildings. Attempts were made to target specific buildings. However, the owner/applicants still had a problem paying the money up front. The aforementioned efforts resulted in the completion of only 1 -2 projects per year.

Marketing

In an attempt to aggressively market the program, staff has identified several target areas in the City where the program will be focused. The recommended areas are: Northwest Pasadena; East Colorado Boulevard; and East Washington Boulevard. These areas represent the commercial areas which have yet to experience the visual improvements experienced by some of the more successful commercial areas of the City. In addition to identifying the specific areas, it further recommended that specific buildings within the area be identified. Priority will be given to projects involving historic storefronts and older local businesses. If there is a request for a project outside of the target areas, staff would defer the project(s) to a later date to retain the focus on the identified areas. The "target outreach areas" and the "potential storefront candidates" are included in ATTACHMENT C.

Increased funding and new project categories

The maximum City contributions identified in the program have not kept up the high cost of construction. As stated, the current City contributions are \$10,000 for a conventional storefront and \$15,000 for a storefront with local historic merit. The majority of the eligible projects receive the maximum city contribution. And while the City's existing contributions help, they rarely actually cover 50% of the eligible storefront improvement project expenses. An increase in participation will provide more incentive to participate in the program. Therefore, it is recommended that the potential Commission

participation be increased to \$20,000 for conventional storefronts and \$25,000 for storefront with local historic merit.

Two new categories of storefront types will be introduced to the program, multi-tenant structures and historic businesses.

Most of the storefront improvement projects to date have been either individual storefronts or stand alone buildings. However, there have been inquiries from the tenants of multi-tenant structures. When considering multi-tenant structures for the program there are two issues of concern. One of the characteristics of the multi-tenant building is that, it is a single structure with many storefronts with a single architectural theme. Any storefront improvement design solution for these type structures should be approached from a position of looking at the entire building instead of the individual storefronts. Processing applications for individual storefronts has the potential to result in a disjointed aesthetic. It is recommended that a new category (multi-tenant structure) be created to address the unique characteristics of these structures. The maximum allowance will be \$10,000 per storefront and will require property owner approval.

There has been a request to consider funding for historic business in the City. Historic businesses are defined as those businesses that have been a Pasadena business at least 20 years and that support Pasadena's unique history. Historic businesses will be eligible for the same monetary funding as the conventional, historic, and multi-tenant structure categories.

Local architects

Many of the applicants who participate in the program are small business owners who are hesitant to spend money on professional architectural design services. This is not a problem when the improvement is limited to painting and/or repair and replacement projects. However, if the improvement includes a major redesign and/or building renovation, poorly rendered drawings and/or a weak design concept can hinder staff's ability to adequately review the project. Drawings that are clearly rendered and illustrate a strong design concept allow both parties (applicant/ City) to clearly understand of what is being proposed. Therefore it is recommended that the City contract with 2-3 local architects for services. As an incentive to get the projects moving, the City would advance the funding for design services and these expenses would be included as part of the City's reimbursement to the applicant.

MASH participation

In order to encourage owners of neglected buildings to participate, it is recommended that the City's MASH program be used for those projects that include minor improvements such as painting and minor repairs. This would allow the City to leverage its painting contribution in exchange for the owner paying for signage and other improvements.

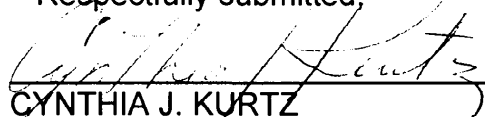
Phased reimbursement process

As mentioned, many of the applicants who participate in the program are small business owners who have limited financial resources. Currently the program requires that the project is completed before the applicant is reimbursed. This can create a financial burden because the applicant is required to pay all the project money up-front. A phased reimbursement is proposed which would allow the applicant to receive 50% of the City's reimbursement at the 50% completion date of the project and the balance of the payment at the 100% completion of the project.

FISCAL IMPACT

The funding sources as identified in the adopted budget for FY 2008 include 1) tax increment revenue (\$85,000); 2) General Fund (\$30,000); and 3) Enterprise Zone Fund Vouchers (\$53,400) for a total of \$168,000.

Respectfully submitted,


CYNTHIA J. KURTZ
City Manager/Chief Executive Officer

Prepared by:


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Approved by:


RICHARD BRUCKNER
Director of Planning and Development