



**MEMORANDUM**

**DATE:** November 19, 2019  
**TO:** Christine Daniel, City Manager  
**FROM:** Charles S. Bryant, Community Development Director  
**SUBJECT:** **Resolution Of The City Council Of The City Of Emeryville Approving Round II Façade Improvement Grant Awards And Authorizing The City Manager To Execute Façade Improvement Grant Contracts With The Grant Awardees**

**RECOMMENDATION**

Staff recommends that the City Council adopt the above-entitled resolution approving the Round II Façade Improvement Grant awards recommended by the Economic Development Advisory Committee (EDAC), and authorizing the City Manager to execute Façade Improvement Grant Contracts with the grant awardees.

**BACKGROUND**

On May 16, 2017, the City Council passed Resolution No. 17-73, establishing a revived Façade Improvement Grant Program ("Program"). The primary intent of the program is to encourage business retention and development, and is included in the City's Economic Development Strategy as a priority action in the "Marketing and Incentives" area.

On May 1, 2018, the City Council passed Resolution No. 18-44, which authorized the City Manager to execute Façade Improvement Grant Program Contracts ("Contracts") with five awardees as recommended by the EDAC for Round I of the Program. Of the five Round I awardees, three have completed their projects and two are in process. The completed projects include signage and landscaping upgrades for the commercial component of the Andante mixed use development, landscaping and repainting at Fantasy Junction, and a comprehensive seismic study for the Park Business Center. On November 5, 2019, the Council considered extensions of the Contracts for two of the Round I awardees, whose Contracts were delayed due to the extended length of time needed to complete the comprehensive seismic study for the Park Business Center. All of the awardees' projects have remained on or below budget.

On September 19, 2018, staff provided the EDAC with a summary report of the Round I projects and discussed potential revisions to the Program prior to proceeding with a second round of grants. Due to the high demand for the Program as demonstrated by the number of applications for Round I, the EDAC recommended proceeding with a second round of Façade Improvement Grants before considering revisions to the Program.

On July 11, 2019, a selection panel met to review the applications received for Round II and scored the applications based on the criteria set forth in the Program Guidelines. The EDAC met on September 18, 2019 and recommended that the City Council award funds for the top three scoring applications, discussed further below.

## DISCUSSION

The City received fewer Round II applications than it received for Round I. However, the program continues to be well received by the business community and applications submitted exceed the funds available. The Program Guidelines provide specific criteria for the selection of awardees. Exhibit A of the attached resolution provides the selection panel scoring results and funding recommendations for the various applications received based on the criteria set forth in the Guidelines.

The scoring criteria favor improvements that result in long-term benefit to the commercial infrastructure of the City over an individual business' immediate goals. The scoring criteria include the following:

- Length of Tenancy, with a longer term or owner occupancy (i.e. business' commitment to the site) receiving a higher score value;
- Vacancy Period, with longer vacancy periods given a higher score value (this facilitates movement forward on difficult to rent/improve locations);
- Existing Building Condition, as evaluated by the City's Building Division. Buildings in worse condition receive higher score values.
- Long Term Benefit, focusing on the relative overall economic development potential of the application. The higher the potential for revenue generation and contribution to the streetscape and/or active creation of local community amenities and business resources, the higher the score assigned.

As noted above, the Program is oversubscribed. Consequently, the following distribution of funds is based on the hierarchy of scores as determined by the scoring criteria. Given the scoring distribution, with a significant difference between the top two scoring applications and the third and fourth ranked applications, the EDAC considered two options, both of which included full funding of the top two applications, with the remaining funds distributed via one of two methods:

Option 1 fully funds the two top scoring applications from Campaign and Daryl M. Rush Builder, with the remaining funds distributed to the next highest scoring application from Escuela Bilingue International ("EBI"). The fourth (lowest) ranked application from Rising Sun Center for Opportunity ("Rising Sun") would not receive funding due to its ranking and in consideration of an outstanding Code compliance issue related to the application.

Option 2 fully funds the two top scoring applications from Campaign and Daryl M. Rush Builder, with the remaining funds equally split between the applications ranked in third and fourth place, from EBI and Rising Sun, respectively. This option could only be exercised if Rising Sun is able to resolve its outstanding code compliance issues related to the placement and use of a shipping container on the project site.

The EDAC unanimously voted to recommend that the City Council award Program funds pursuant to Option 1, after hearing public comment from EBI representatives that indicated

that they could move forward with their project with the partial funding as proposed under Option 1, but not with the lesser funding under Option 2.

### **FISCAL IMPACT**

The City Budget for Fiscal Years 2019-2020 through 2020-2021 includes \$200,000 per fiscal year for grants funded by the Program in line item "Façade Grants" (Account 87380) from the Economic Development Fund (Fund 202).

### **STAFF COMMUNICATION WITH THE PUBLIC**

Staff has discussed the proposals with the grant applicants and their respective authorized agents. The EDAC considered the applications at its meeting of September 18, 2019, as discussed above.

### **CONCLUSION**

The proposed grant awards are in keeping with the intent of the Façade Grant Program and approving the grant awards would help improve business retention and expansion while improving the appearance of the applicants' commercial buildings, resulting in economic benefits for the community at large in addition to the property owners and business community.

**PREPARED BY:** Emi Thériault, Community and Economic Development Coordinator II

**REVIEWED BY:** Chadrick Smalley, Economic Development and Housing Manager

### **APPROVED AND FORWARDED TO THE CITY COUNCIL OF THE CITY OF EMERYVILLE:**



Christine Daniel, City Manager

### **ATTACHMENTS**

- Applicant Location Map
- Draft Resolution
  - Exhibit A - EDAC Grant Application Scoring and Recommendation
  - Exhibit B - Grant Contract Template and Contract Exhibit