



staff report

TO: Honorable Mayor and Members of the City Council

ATTENTION: Jeffrey L. Stewart, City Manager

FROM: Jim DellaLonga, Director of Economic Development
Elizabeth Hause, Management Analyst I

SUBJECT: Consideration and possible action to adopt Resolution No. 16-XX – A Resolution adopting policies and procedures for distributing Economic Development Funds to business and/or property owners participating in the Economic Development Business Attraction Program – Downtown Bellflower Restaurant Assistance and Expansion (Element No. 2).

DATE: April 25, 2016

EXECUTIVE SUMMARY

Staff is recommending the adoption of the Economic Development Business Attraction Program - Downtown Bellflower Restaurant Assistance and Expansion Program (Element No. 2) (the Program), which will provide assistance to property owners and business owners who want to create a new restaurant use or improve an existing restaurant use on Bellflower Boulevard, both in the Downtown area and the portion of Bellflower Boulevard south of the 91 Freeway.

RECOMMENDATION TO CITY COUNCIL

- 1) Adopt Resolution No. 16-XX; or
- 2) Alternatively, discuss and take other action related to this item.

FISCAL IMPACT

Grants under this program are available up to a maximum amount of \$25,000 for tenants. For significant project improvements, an additional \$15,000 could be made available to the property owner of a joint tenant-property owner project. Funds for this program are available and have been budgeted in Account No. 510-44410-4002 with an annual allocation of \$220,000 in the current 2015-17 Operating Budget.

DISCUSSION

On October 8, 2013, in an effort to promote economic development on a local level, the Governor signed Senate Bill No. 470, allowing communities to enact local strategies and programs that promote job creation, economic opportunity, and tax revenue. Subsequently, on June 8, 2015, the City Council approved the City's Operating Budget for Fiscal Years 2015-2016 and 2016-2017, in which \$220,000 was approved in each fiscal year for special economic development programs. The Program, through this designated budget, will provide

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assistance to property owners and business owners who want to create a new restaurant use or improve an existing restaurant use on Bellflower Boulevard, both in the Downtown area and the portion of Bellflower Boulevard south of the 91 Freeway.

Additionally, it will help meet the following goals of the City Council:

- Beautification of Bellflower Boulevard
- Reduction of vacancies
- Variety of eateries
- Increase the success rates of local restaurants
- Increase the foot traffic in the downtown corridor
- Increase property values
- Increase sales tax revenues

The Program boundary encompasses the Downtown Bellflower Corridor on Bellflower Boulevard from the southerly city boundary to the former Pacific Electric Railroad right-of-way within the CG Zone-Town Center District. The Program is designed to assist with the establishment of new restaurants as well as the expansion of existing restaurants within the Program boundary. Both property owners and tenants are eligible to apply for the Program and may apply together.

Permanent interior and exterior building improvements are considered eligible improvements, and may include, but are not limited to, the following:

- Plumbing Improvements
- Electrical Improvements
- Kitchen Construction/Improvements
- Major Built-In Kitchen Equipment
- Significant Dining Room Improvements
- Booths or other anchored seating
- Flooring
- Lighting
- Interior walls
- Counter refurbishing
- Americans with Disabilities Act (ADA) Improvements
- New and/or upgraded wall signs and/or projecting signs
- Windows, Doors, Awnings/Canopies, Paint, Exterior Lighting, Security Lighting
- Permanent Patio/Outdoor Seating Improvements
- New murals and/or mural restoration
- Design and/or Architecture Costs

Applicants of the Program will be required to complete the program application and provide all necessary attachments (Attached). Tenant applicants are required to provide approval of the property owner.

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Applications will be rated by the Economic Development Department based on the completion of the application and required attachments as well as how the proposed improvements meet the goals and objectives of the Program. All Grants will require final approval from City Council.

Once approved, applicants will be responsible for any construction improvements and/or renovations, including obtaining any necessary City permits and approvals for improvements. The City will disburse funds to the applicant as work progresses on a reimbursement basis. Applicants will also subscribe to a 90-day trial of Main Street Hub services, which will assist in social media management. The Applicant will be responsible for the initial \$149 set up fee, but may use Program funds to pay for the 90-day trial.

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CITY OF BELLFLOWER

RESOLUTION NO. 16-XX

A RESOLUTION ADOPTING POLICIES AND PROCEDURES FOR DISTRIBUTING ECONOMIC DEVELOPMENT FUNDS TO BUSINESS AND/OR PROPERTY OWNERS PARTICIPATING IN THE ECONOMIC DEVELOPMENT BUSINESS ATTRACTION PROGRAM – DOWNTOWN BELLFLOWER RESTAURANT ASSISTANCE AND EXPANSION (ELEMENT NO. 2)

THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1. The City Council finds and declares as follows:

- A. On October 8, 2013, the Governor signed Senate Bill No. 470 Community development: economic opportunity, in an effort to promote economic development on a local level so that communities can enact local strategies to increase jobs, create economic opportunity, and generate tax revenue for all levels of government;
- B. On June 8, 2015, the City Council approved the City's Operating Budget for Fiscal Years 2015-16 and 2016-17, in which \$220,000 was approved in each fiscal year for special economic development programs related to marketing, business retention, tenant improvements, web/social media business support, façade/sign improvements, restaurant attraction, and other financial assistance to business operators and developers;
- C. Because the budgeted amount of funds for the economic programs described above is limited, this Resolution is intended to establish a program that is reasonably equitable to all applicants; and
- D. For the reasons set forth above, and as reflected in the entire record, the City Council finds it is in the public interest to adopt this Resolution.

SECTION 2. *Program Established, Findings.* The Downtown Bellflower Restaurant Assistance and Expansion Program Element 2 is established pursuant to this Resolution. Subject to the terms and conditions set forth in this Resolution, and such additional administrative policies and procedures that may be promulgated by the City Manager to implement this Resolution, Grant amounts may be distributed to Business Owners and Property Owners as set forth below subject to final approval by the City Council. The Program is necessary to implement the public purpose set forth in Government Code § 52200.4.

SECTION 3. *Definitions.* Unless the contrary is stated or clearly appears from the context, the following definitions govern the construction of the words and phrases used in this Resolution.

- A. “Applicant” means a Tenant or a Tenant and Landlord combination applying to the Program.
- B. “Application” means the form provided by the Program Manager to be filled out in its entirety in order for an Applicant to be considered for the Program.
- C. “Eligible Improvements” mean permanent, restaurant related interior and exterior building improvements including, without limitation, plumbing improvements, electrical improvements, kitchen construction/improvements, major built-in kitchen equipment, Americans with Disability (ADA) improvements, windows, doors, new and/or upgraded signage, awnings/canopies, exterior paint, exterior lighting, security lighting, significant dining room improvements, patio/outdoor seating improvements, new murals and/or mural restoration, and design and/or architecture costs.
- D. “Grant” means funding provided by the City of Bellflower for Eligible Improvements for which payback of the funds is not required.
- E. “Program” means the Downtown Bellflower Restaurant Assistance and Expansion Program – Element No. 2.
- F. “Program Boundary” means the Town Center District (TC); the Bellflower Village Overlay Zone (BVOZ); the Bellflower Village Overlay Zone – North (BVOZ-N); the Design for Development (DFD) area; and south of Cedar Street extending to the southerly City boundary, encompassing those properties on both sides of Bellflower Boulevard zoned General Commercial (C-G).
- G. “Program Manager” means the City Manager, or designee.
- H. “Property Owner” means the owner of property within the Program Boundary.
- I. “Tenant” means a renter or lessee of real property within the Program Boundary.
- J. “Business Owner” means the owner of the business within the Program Boundary.

SECTION 4. *Administration.* The Program Manager is authorized to administer the Program. The City Manager is authorized to promulgate such administrative policies and procedures that are needed to implement the Program. All Grants must be approved by City Council.

SECTION 5. *Application.* Applicants seeking a Grant must file an application with the Program Manager. The application must be executed under penalty of perjury and include the following information:

- A. The Applicant's name, address, and phone number(s),
- B. The address of the business owned by or proposed by the Applicant,
- C. Evidence that the Applicant is the owner of the business,
- D. For existing businesses, proof of City business license,
- E. Written confirmation from the Property Owner for approving the Application,
- F. If a Tenant files a joint application with the Property Owner:
 - 1. Evidence that the Property Owner owns the Property in fee simple;
 - 2. Evidence, in the form of an executed lease agreement or letter of intent that the Property will be occupied by the Tenant.
- G. Evidence that Eligible Improvements will assist in the creation or retention one (1) job for the Business, pursuant to Government Code § 52200.2.
- H. Such additional, reasonably related, information deemed desirable by the Program Manager.

SECTION 6. *Verification, Eligibility.* Upon receiving a Grant application, the Program Manager will exercise due diligence and verify the information set forth in the application to the extent practicable. Persons who cannot meet the definition, as defined in Section 3 of this Resolution, of a Business Owner and/or Property Owner are ineligible for a Grant.

SECTION 7. *Notification.* The Program Manager will attempt to provide written notice to Applicants that appear to be eligible to apply for a Grant.

SECTION 8. *Grant Agreements, Authorization.* To receive a Grant, an Applicant must execute a grant agreement in a form approved by the City Attorney. No alterations may be made to such grant agreement except as they pertain to Applicant's identifying information. Grant agreements must include a hold harmless clause and release. The City Manager or designee is authorized to execute such grant agreements on the City's behalf.

SECTION 9. The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of Bellflower, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

SECTION 10. **This Resolution will become effective immediately upon adoption.**

PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF BELLFLOWER THIS _____ DAY OF _____, 2016.

Dan Koops, Mayor

Attest:

Mayra Ochiqui, City Clerk

APPROVED AS TO FORM:

Karl H. Berger, City Attorney



CITY OF BELLFLOWER DOWNTOWN RESTAURANT ASSISTANCE AND EXPANSION PROGRAM

GUIDELINES

Program Goals & Objectives

The goals and objectives of this program are to help provide the residents and businesses of Bellflower a thriving Downtown with activity and vitality during the day and in the evenings with a mix of restaurants/food businesses that create a destination for the population at a regional level as well as at the local level. In addition to enhancing the appearance of the streetscape, successful improvement projects help new and established businesses attract customers, leverage private investment from building owners and inspire improvements to neighboring buildings. This program has been created to provide assistance to landowners and tenants who want to create a new restaurant use or improve an existing restaurant use in the Downtown in order to meet the following goals of the City Council:

- Beautification of Bellflower Boulevard
- Reduction of vacancies
- Variety of eateries
- Increase the success rates of local restaurants
- Increase the foot traffic in the downtown corridor
- Increase property values
- Increase sales tax revenues

Program Boundary

This program would apply to the Town Center District (TC); the Bellflower Village Overlay Zone (BVOZ); the Bellflower Village Overlay Zone – North (BVOZ-N); the Design for Development (DFD) area; and south of Cedar Street extending to the southerly City boundary, encompassing those properties on both sides of Bellflower Boulevard zoned General Commercial (C-G). Essentially, the program area spans the portion of Bellflower Boulevard from the Greenway/Bikeway at the north to the City Boundary on the south. Please see the attached map for reference.

Program Eligibility

New restaurants and restaurant expansions within the Program Boundary area are eligible for the program. Property owners and tenants are eligible to apply for the program and may apply together.

Program Assistance Description

Based upon available funding, as determined by the City's current budget, grants under this program are available up to a maximum amount of \$25,000 for tenants. For

significant project improvements, an additional \$15,000 could be made available to the property owner of a joint tenant-property owner project. The Applicant will be responsible for any construction improvements and/or renovations, including obtaining any necessary City permits and approvals for improvements. The Applicant will be responsible for the cost of all City permit fees. The City will disburse funds to the Applicant as work progresses on a reimbursement basis.

Eligible Improvements

Permanent interior and exterior building improvements which may include, without limitation, the following:

- Plumbing Improvements
- Electrical Improvements
- Kitchen Construction/Improvements
- Major Built-In Kitchen Equipment
- Significant Dining Room Improvements
 - Flooring
 - Lighting
 - Booths or other anchored seating
 - Interior walls
 - Counter refurbishing
- Americans with Disabilities Act (ADA) Improvements
- New and/or upgraded wall signs and/or projecting signs
- Windows, Doors, Awnings/Canopies, Paint, Exterior Lighting, Security Lighting
- Permanent Patio/Outdoor Seating Improvements
- New murals and/or mural restoration
- Design and/or Architecture Costs

Application Requirements and Criteria

Applicants of the Restaurant Assistance Program will be required to complete the program application and provide all attachments. Tenant applicants are required to provide approval of the property owner. Applications will be rated by the Economic Development Department based on the completion of the application and required attachments as well as how the proposed improvements meet the goals and objectives of the program.

- Completion of the Downtown Restaurant Assistance and Expansion Program Application.

- Demonstration that participation in the Program will result in the creation of at least one (1) job pursuant to Government Code § 52200.2. Certification of Job Creation form must be signed.
- Business Plan for the proposed new restaurant or restaurant expansion.
- Total amount of tenant/business owner investment.
 - List of tenant/business owner proposed improvements.
- Amount of property owner investment.
 - List of property owner proposed improvements.
- Marketing Plan for the proposed new restaurant or restaurant expansion.
- Cost estimates for proposed improvements (actual contractor estimates).
 - Three bids for the approved improvements will be required.
- Existing businesses must have a current City of Bellflower Business License.
- New/proposed businesses must acquire a City of Bellflower Business License prior to receiving a Certificate of Occupancy.
- Tenant/business owner applicants must have the approval of all the legal property owners of the property as indicated by signatures on the grant application.
- Property owner applicants are required to provide proof of notification of the tenant/business owners of the building being improved.
- In accordance with California Labor Code (Sections 1770 et seq.), prevailing wages are required for all improvements completed through the Program. Participants in the Program are responsible for ensuring that the improvements are in compliance with the Public Works/Prevailing Wage Law.
- Maintenance Agreement

Applicant and Property Owner agree to maintain the improved Premises in a satisfactory manner for a period of not less than three (3) years after their completion. Specifically, Applicant and Property Owner will certify that it has:

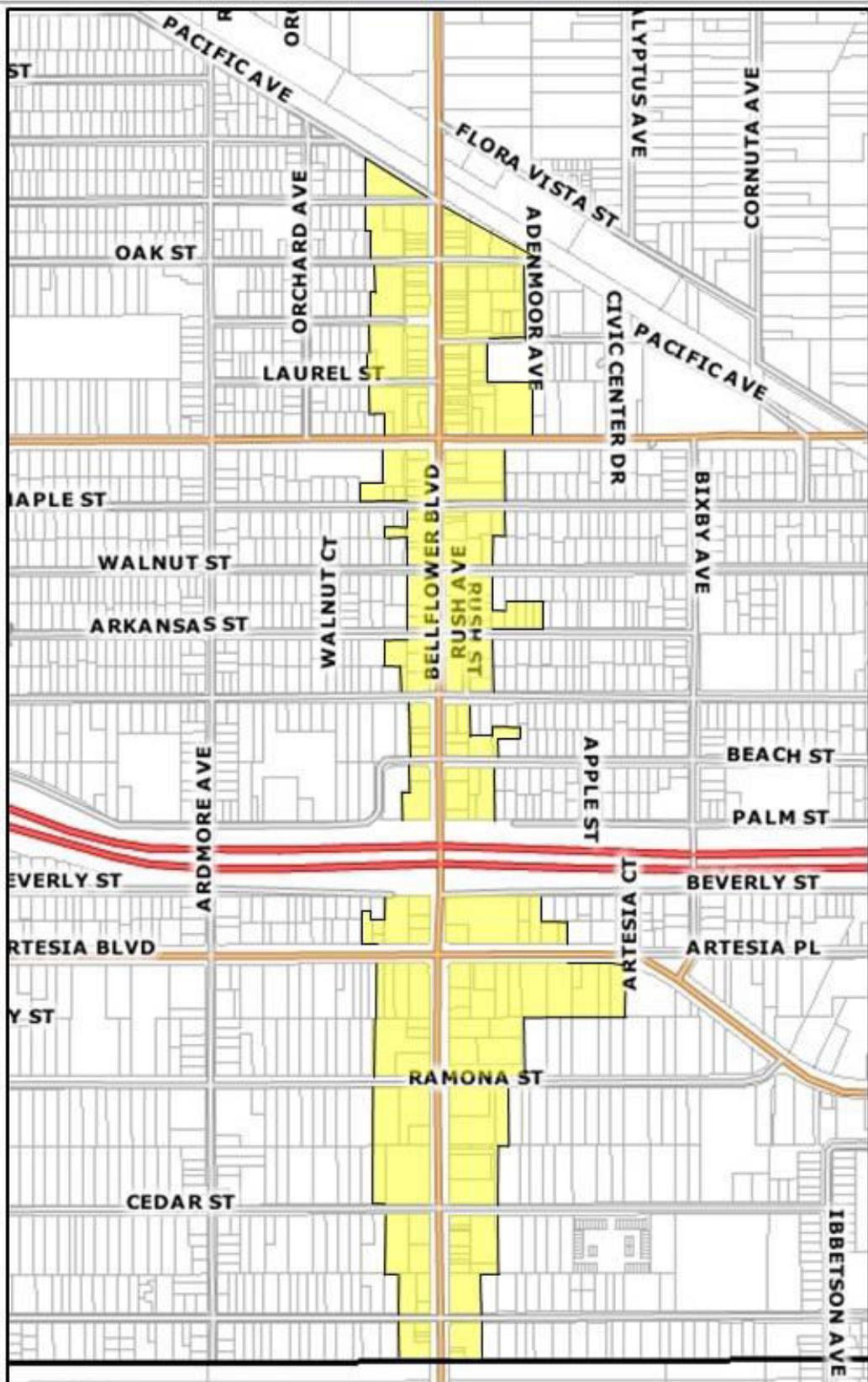
 - Maintained the Premises and the Improvements funded through the Agreement in good condition including maintenance of the building interior and exterior and perimeter clean and free of graffiti, and the adjacent sidewalks clear and free of litter in accordance with industry health and safety standards and in accordance with this Agreement.
 - Maintain the building façade in good condition clean and free of graffiti and litter.
 - Maintain any building signage in good condition, in which signage will not be removed or changed without the written approval of the City except for signage changes made necessary by changes in tenancy.
- Bellflower Marketing – The Applicant will promote the City of Bellflower in all of their advertising and marketing materials and promotion. In addition, the Applicant will agree to provide an endorsement for the City of Bellflower for any

future applications submitted by the City of Bellflower for awards, marketing, and other similar activities.

- ❑ Subscription to Main Street Hub – The Applicant will subscribe to a 90-day trial of Main Street Hub services, which will assist in social media management. The Applicant will be responsible for the initial \$149 set up fee, but may use Program funds to pay for the 90-day trial. For established businesses, the 90-day trial must start once the improvements are completed. For new businesses, the 90-day trial must start once business is open to customers.
- ❑ Lease/Rental Restrictions
 - New restaurants must have a minimum of 3 years on their lease or have a letter of intent (LOI) from the property owner for a 3 year option on the lease.
 - Existing restaurants must have a minimum of 3 years remaining on their lease or have a letter of intent (LOI) from the property owner for a 3 year option or extension on the lease.
- ❑ Continuation of the Program is subject to sufficient funding as appropriated by the City Council.

The City reserves the right to cancel or modify this Program at any time prior to grant approval, without notice.

DOWNTOWN RESTAURANT ASSISTANCE AND EXPANSION PROGRAM PROGRAM BOUNDARY



Doc 337379



**CITY OF BELLFLOWER
DOWNTOWN RESTAURANT ASSISTANCE AND
EXPANSION PROGRAM

APPLICATION PACKET**

City of Bellflower
Downtown Restaurant Assistance and Expansion Program
Element No. 2
Grant Application



Section 1: Grant Information

Qualified business owners/operators may receive a Restaurant Assistance Grant of up to \$25,000 per location. An additional \$15,000 could be made available to the property owner of a joint business owner-property owner project.

I am requesting a Restaurant Assistance Grant in the amount of \$_____ from the City of Bellflower.

Section 2: Applicant Information

Name of Restaurant: _____

Name(s) of Restaurant Owner/Operator: _____

Address of Restaurant: _____

Telephone: _____ Fax: _____ Website: _____

Owner/Operator's Federal Tax ID #: _____

Owner/Operator's Bellflower Business License #: _____

New Restaurant Existing Restaurant

Owner/Operator's Address: _____

City: _____ State: _____ Zip: _____

Owner/Operator's Telephone: _____ Owner/Operator's Fax: _____

Owner/Operator's Email: _____

Section 3: Property Owner's Role in Application (Choose ONLY One Option)

This is a joint project, with both the Applicant and the Property Owner contributing to building improvements.

This is the Applicant's project, with the Applicant being the sole contributor to building improvements. The property owner is giving permission for the improvements, but will NOT be partaking in the project.

Section 4: Property Owner Information

Assessor's Parcel Number (APN): _____

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____ Email: _____

Federal Tax ID #: _____

Property Owner's Bellflower Business License #: _____

Section 5: Attachment Checklist

- | | |
|--|---|
| <input type="checkbox"/> Tenant Lease Agreement | <input type="checkbox"/> Bids from General Contractor (a minimum of 3 bids required) |
| <input type="checkbox"/> Credit Report | <input type="checkbox"/> Description of Proposed Improvements that will be funded by the Grant and how they will improve or enhance business operations |
| <input type="checkbox"/> Business Plan | <input type="checkbox"/> Total amount of tenant's investment, including a list of the tenant's proposed improvements |
| <input type="checkbox"/> Marketing Plan | <input type="checkbox"/> Total amount of property owner's investment, including a list of the property owner's proposed improvements |
| <input type="checkbox"/> Certification of Job Creation form | |
| <input type="checkbox"/> Bellflower Business License (for existing businesses) | |
| <input type="checkbox"/> Profit and Loss Statement for previous year (for existing businesses) | |

The undersigned hereby applies for participation in the Restaurant Assistance Program of the City of Bellflower (City). I (We) understand that upon approval of this application by the City, I (we) will be required to enter into the Maintenance Agreement, which provides, in part:

The Applicant will be responsible for completion of all aspects of the Scope of Development for the project, including compliance with all City policies, coordination with appropriate City staff, and attaining contractor services for work to be performed.

The Applicant will be responsible for any construction improvements and/or renovations, including obtaining any necessary City permits and approvals for improvements. The Applicant is responsible for the cost of all City permit fees. The City will disburse funds to the Applicant as work progresses on a reimbursement basis.

The Applicant will subscribe to a 90-day trial of Main Street Hub services, which will assist in social media management. The Applicant will be responsible for the initial set-up fee, but may use Program funds to pay for the 90-day trial.

The Applicant must have a current Business License issued by the City of Bellflower.

The Applicant and/or Property Owner is responsible for any unrelated violations of the Bellflower Municipal Code which may be identified after inspection of the premises.

Both the Applicant and Property Owner must sign this Application. The Property Owner is authorizing the Applicant to make improvements to the building. **The Property Owner verifies that the Applicant is in good standing and that the lease is not in default.**

I/We hereby state that all of the information included in this application and all attached documents is true and accurate.

Applicant

Signature

Print Name

Date

Property Owner

Signature

Print Name

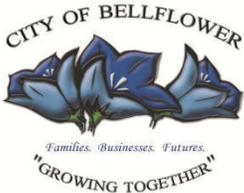
Date

For City Use Only

Received by: _____

Date: _____

City of Bellflower
Downtown Restaurant Assistance and Expansion Program
Element No. 2
Certification of Job Creation



Section 1: Applicant Information

Name of Restaurant: _____

Name(s) of Restaurant Owner/Operator: _____

Address of Restaurant: _____

Telephone: _____ Fax: _____ Website: _____

Owner/Operator's Federal Tax ID #: _____

Owner/Operator's Bellflower Business License #: _____

Section 2: Self-Certification

The applicant hereby certifies the following:

The applicant understands that this grant is made pursuant to the requirements set forth by Government Code Section 52200.2. As such, the City of Bellflower requires that at least one (1) full-time equivalent (FTE) permanent job must be created in return for the assistance provided by the Downtown Restaurant Assistance and Expansion Program.

Applicant

Signature

Print Name

Date

For City Use Only

Received by: _____

Date: _____

APPLICATION CHECKLIST

Please use this checklist to complete the application package:

All documents provided are to be copies unless otherwise noted

Completed and Signed Grant Application

Please make sure that both the Owner/Operator's and the Property Owner's Signatures are on the Application.

Tenant Lease Agreement

A copy of Lease Agreement with the Property Owner (evidencing a minimum 3-year lease term).

Credit Report

If an existing business, please provide a copy of the business credit report. If a new business, please provide your (the Owner/Operator) personal credit report.

Bellflower Business License (if application is for an existing restaurant)

A copy of your valid Business License issued by the City of Bellflower and proof of most recent payment. New/proposed businesses must acquire a City of Bellflower License prior to receiving a Certificate of Occupancy.

Profit and Loss Statement for the previous year (if application is for an existing restaurant)

A copy of your Profit and Loss Statement for the previous year.

Business Plan

Include a description of the business, its goals and how the business will achieve its goals. The plan may include the following: overall budget, current and projected financing, a market analysis, marketing strategy approach, projected revenues and expenses for a certain period of time and a description of operational activity and costs related to the business.

Marketing Plan

Describe your advertising and marketing efforts for the coming year. You may include a statement of the marketing situation, a discussion of target markets and company positioning and a description of the marketing mix you intend to use.

Demonstration of the creation of at least one (1) job pursuant to Government Code § 52200.2

Fill out the Certification of Job Creation form provided by the City, along with any information you deem applicable.

Bids from General Contractor (minimum of 3)

Copy of construction/rehabilitation bid for labor and materials cost of project. **NOTE:** In accordance with California Labor Code (Sections 1770, et seq.), prevailing wages must be paid for all improvements completed through the Program. Participants in the Program are responsible for ensuring that the improvements are in compliance with the Public Works/ Prevailing Wages Law.

Description of Proposed Improvements that will be funded by the Program

Please provide a brief description and list of improvements you are proposing to make using Program funds and how they will improve or enhance business operations.

Total amount of Owner/Operator's investment, including a list of the Owner/Operator's proposed improvements

If applicable, please provide a brief description and list of improvements you (the Owner/Operator) are proposing to make and why.

Total amount of property owner's investment, including a list of the property owner's proposed improvements

If applicable, please provide a brief description and list of improvements the property owner is proposing to make and why.

Doc 338356