



**CITY COUNCIL
AGENDA REPORT**

MEETING DATE: 09/17/2024
AGENDA HEADING: Regular Business

AGENDA TITLE:

Consideration and possible action to approve the Western Avenue Storefront Improvement Program.

RECOMMENDED COUNCIL ACTION:

- 1) Approve the Western Avenue Storefront Improvement Program ("Program") consisting of the program guidelines documents, grant agreement template, grant application form; and,
- 2) Direct Staff to initiate the Program.

FISCAL IMPACT: The City Council has appropriated \$100,000 in General Fund in the Fiscal Year (FY) 2024-25 operating budget to implement this Program. *VR*

Amount Budgeted:	\$100,000
Additional Appropriation:	N/A
Account Number(s):	101-400-4120-5101 (General Fund – Planning – Profess/Tech) <i>VR</i>

ORIGINATED BY: Brandy Forbes, AICP, Community Development Director *BF*

REVIEWED BY: Same as Below

APPROVED BY: Ara Mihranian, AICP, City Manager *AM*

ATTACHED SUPPORTING DOCUMENTS:

- A. Western Avenue Commercial Storefront Improvement Program Guidelines (Page A-1)
- B. Western Avenue Storefront Improvement Program Map (Page B-1)
- C. Western Avenue Storefront Improvement Sampe Grant Agreement (Page C-1)
- D. Western Avenue Storefront Improvement Grant Application (Page D-1)

BACKGROUND:

In Fiscal Year 2024-25, the City Council identified a Quality of Life goal that includes supporting local businesses and growing business with high-quality jobs as a priority project. At the City Council March 13, 2024 goal setting session, Staff presented a potential new program called the Western Avenue Storefront Improvement Program to align with the objective of supporting local businesses. In the interest of implementing this

program, City Council approved \$100,000 of General Fund as part of the FY 2024-25 operating budget.

The Community Development Department has drafted program guidelines that set forth the framework and application requirements for participants, as well as a draft application and a template grant agreement for City Council consideration.

DISCUSSION:

The revitalization of the Western Avenue commercial area has been discussed by City Council on several occasions with an interest to stimulate economic development. During the FY 2024-25 goal setting session, City Council expressed interest in including a Western Avenue Storefront Improvement Program under the Quality of Life goal. On June 4, 2024, City Council adopted their FY 2024-25 goals and on June 18, 2024 they approved the City's operating budget for FY 2024-25, in which \$100,000 was approved for the Program to provide assistance to commercial businesses and property owners to help improve their building facades.

With the authorization and funding of this program, City Staff have prepared the Program Guidelines (Attachment A), Program Application Form (Attachment C), and Grant Agreement template (Attachment D). A map of the Program Area (Attachment B) is included with the Program Guidelines, demonstrating the program boundaries as those commercially zoned properties in the City along Western Avenue between Westmont Drive (on the north end) and the southerly City boundary just south of Summerland Street (on the south end).

Per the proposed Program Guidelines, applicants must own a business or a building within the Program Area and must apply for one of three Tiers of funding, ranging from \$5,000 to \$20,000, depending on the Tier designation and amount of work proposed. Applicants also 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 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, permanent landscaping, entire storefront re-facing, 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 applicable).

If approved for grant funding under the Program, applicants must sign a Grant Agreement (Attachment D) 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.

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. Grantee must have all City permits and fee obligations paid prior to reimbursement with Program grant funds.

The proposed schedule for implementation is as follows:

9/17/2024	City Council to consider approving the program guidelines, application form, and grant agreement template and direct staff to initiate the program.
10/1/2024	Staff to advertise the program and provide outreach to property and business owners in the Program Area regarding the program.
10/15/2024	Application period begins.
12/1/2024	Close of application period and begin review panel process.
2/1/2025	Review panel finalize recommendations to City Council for grant awards.
2/18/2025	City Council to consider grant awards.
3/15/2025	Grant agreements executed and grant work to begin.
6/15/25	Expected completion of Tier One grants.
9/15/25	Expected completion of Tier Two and Three grants.

CONCLUSION:

Staff is requesting that City Council consider approving the program guidelines, application form, and grant agreement template and direct staff to initiate the program.

ALTERNATIVES:

In addition to Staff's recommendations, the following alternative actions are available for the City Council's consideration:

1. Take no action and simply receive and file this report.
2. Take such other action as the Council deems appropriate.

CITY OF RANCHO PALOS VERDES
WESTERN AVENUE COMMERCIAL STOREFRONT IMPROVEMENT PROGRAM
GUIDELINES (FY 2024-25)

The City of Rancho Palos Verdes offers a Commercial Storefront Improvement Program (the Program) that provides up to a 50% matching grant to qualified businesses and property owners (the Program Grantee) along the Western Avenue Commercial Corridor for the completion of storefront improvements. This document contains information regarding grant funding, eligibility, evaluation criteria, and other program guidelines. Please contact the Community Development Department at _____ with any questions.

I. GRANT FUNDS

A. Funding Available

The Program provides matching grants to eligible applicants located within the Program Area (see Section II.A). The Program match requirement is set at a maximum of 50% of eligible costs. However, the City reserves the right to flex the match requirement on a case-by-case basis. Three tiers of grant funding are available to applicants:

Tier 1: To be used for non-architectural elements such as paint, signage, and awnings. The Program reimburses 50% of the Program Grantee's cost up to a maximum grant amount of \$5,000.

Tier 2: May be used for all Tier 1 type improvements as well as additional significant storefront improvements including, but not limited to, structural upgrades, storefront tile or stone accents, complete window replacement, or upgrading entryways for ADA compliance. See Section II.C for a complete list of eligible improvements. The Program reimburses 50% of the Program Grantee's costs up to a maximum grant amount of \$10,000.

Tier 3: Multiple tenant commercial buildings, consisting of three or more tenants, are eligible for the Program under Tier 3. Grant funds may be used for Tier 1 or Tier 2 type improvements. The Program reimburses 50% of the Program Grantee's costs up to a maximum grant amount of \$20,000.

B. Requests for Proposals

The FY 2024-2025 Program round will be open for applications **October 15, 2024**. The submission deadline is **December 1, 2024**.

	Maximum Grant Amount	Match Required	Total Improvement Cost
Tier 1: Mini Grants	\$5,000	50%	\$10,000 or greater
Tier 2: Significant Storefront Improvements	\$10,000	50%	\$20,000 or greater
Tier 3: Multiple Tenant Commercial	\$20,000	50%	\$40,000 or greater

The grant amount has a ceiling as noted in the chart above. Applicants may request less than the maximum amount of the grant for any level or contribute more than 50% of the improvement costs. Applicants must wait to submit their applications until the application round is opened. Once the round is closed, no further applications will be accepted.

II. ELIGIBILITY

A. Program Area

Properties eligible for the Program must be located in the Western Avenue Commercial Corridor, including properties zoned for commercial use located within the City of Rancho Palos Verdes along Western Avenue between Westmont Drive (on the north end) and the southerly City boundary just south of Summerland Street (on the south end).

Please refer to the attached Program Area Map for Program boundaries.

B. Business Type

Applicants of the Program must be commercial businesses located within the Program Area. Franchises and chain retailers are eligible under the Program.

C. Improvements

Improvements assisted by the Program should enhance or restore the physical condition or appearance of the building. Proposed improvements must be visible from the street. Types of improvements include but are not limited to:

- Exterior paint
- Removal of old signs, awnings, and other exterior clutter
- Repair or replacement of exterior siding, stucco, or other exterior finishes
- Installation of new entry doors that meet ADA accessibility requirements
- Repair and replacement of windows
- Installation of awnings
- Installation of signs
- Installation of exterior lighting
- Installation of permanent landscaping
- Entire storefront re-facing
- Remediation of city and state code violations
- Construction of outdoor dining and gathering spaces

Improvements not listed above but that contribute to the overall upgrade to a storefront may be considered for grant funding on a case-by-case basis.

Up to \$1000 of the requested grant funds may be used for architectural and design services.

Improvements must comply with:

- All local, state and federal laws and regulations
- Design Review Requirements

D. Applicants

Applicants may be either an owner of, or tenant within, a proposed project. Both the owner and the tenant may apply to the Program if improvements are to different areas of the façade. If the applicant is a tenant, the property owner must also sign the Commercial Storefront Improvement Grant Application.

E. Maintenance Requirements

Approved applications will require that the applicant enter into a Grant Agreement with the City of Rancho Palos Verdes for a term not to exceed 3 years (sample Grant Agreement is attached). The Grant Agreement details the terms and conditions associated with the Program, as well as required future maintenance obligations. Improvements funded through the Program must be maintained for a minimum of 3 years (unless they are tenant-specific, in which a change in tenancy requires a change in the improvements, e.g. signs). If the improvements

are not maintained, the City may consider this a breach of contract and exercise the option to require the grant funds be returned to the City. The City may also require grant funds be returned if within the 3-year term the property or business is sold or transferred.

F. Improvements Ineligible for grants:

- Construction of or improvements to new buildings
- Chain-link fencing with or without slats
- Already completed projects or improvements
- Residential property improvements
- Assembly use facility improvements (e.g., theaters, community centers, churches)
- Improvements by other governmental entities

III. APPLICATION PROCESS

See the Program Application for a step-by-step summary of the application process, and a detailed checklist of required materials. Program Applications are available at the City of Rancho Palos Verdes Community Development Department, 30940 Hawthorne Boulevard, Rancho Palos Verdes, CA 90275 or online at _____.

Prior to formally submitting an application, applicants are encouraged to meet with Community Development Department staff to discuss their proposed project.

IV. REVIEW PROCESS

A. Storefront Improvement Program Committee Review

A committee consisting of City staff from the Community Development Department and the City Manager's office (the Committee) will review applications. The Committee will: 1) approve; 2) disapprove; or 3) approve with conditions. If approved or approved with conditions, the Committee will also decide the amount of Program Grant for the Project. If approved with conditions, the Committee may request that the applicant make specific changes to the proposed improvements, or that the Applicant address pre-existing conditions prior to grant approval. All Grant Agreements will be forwarded to the City Council for review and consideration of final approval.

B. Evaluation Criteria

Program Applications will be reviewed and evaluated based on the criteria listed below. Proposed improvements that best meet these criteria will be most competitive for grant funding.

- Project's contribution to the vitality of the Western Avenue Commercial Corridor
- Amount of street frontage improved
- Total contribution from the Program Grantee

- Prominence of the improved property within the Western Avenue Commercial Corridor
- Design elements
- Property owner participation
- Impact on City fiscal resources
- Current condition of business/property
- Previous grant award history

V. NOTIFICATION AND NEXT STEPS

After Committee review is completed, Program applicants will be notified via email (if available) and postal mail about the Committee's decision. As noted, the Committee may:

- Approve, including the amount.
- Disapprove.
- Approve with conditions, including the amount. If approved with conditions, the Committee may request that the Applicant make specific changes to the proposed improvements, or that the Applicant address pre-existing conditions prior to grant approval.

A. Approved Scope of Work

When a Committee review results in changes to the scope of work submitted with the application, an updated and approved Scope of Work (SOW) will be provided to the Program Grantee for review and signature. The signed approved SOW will be attached to and made a permanent part of the Application.

The Program Grantee must complete the Project in substantial conformance with the approved application and SOW. Any changes made after the Grant is awarded must be reviewed and approved by the Committee (e.g., changes to a paint or awning color, sign or architectural design, material choices, etc.).

B. Required Forms

Upon Grant award, the Program Grantee will be required to complete the following forms:

- **Grant Agreement** which details the Terms and Conditions associated with the grant.

These forms must be returned to City staff within 3 weeks of the date the award is granted.

C. City Council Approval

All Grant Agreements require City Council consideration and approval.

D. Permits and Design Review

All necessary planning, building, and other permits must be secured before construction is initiated. Permits can be obtained from the City of Rancho Palos Verdes Community Development Department, located at City Hall.

E. Deadline to Complete Work

- For Tier One grants, improvements must be completed within **three months** of execution of the Grant Agreement. A one-time extension of 30 days may be granted by the Director of Community Development for good cause.
- For Tier Two and Three grants, all work must be complete within **six months** of execution of the Grant Agreement. A one-time extension of 60 days may be granted by the Director of Community Development for good cause.

F. Reimbursement

After the proposed improvements are completed, the Program Grantee must submit the following to the Community Development Department to receive reimbursement:

- Owner's sworn statement stating that proposed improvements have been completed
- Contractor's sworn statement showing the full cost of the work and each separate component amount due to the contractor and each and every subcontractor involved in furnishing labor, materials, or equipment in the work
- Proof of payment of the contract cost pursuant to the contractor's statement and final lien waivers from all contractors and subcontractors
- Before and after photographs of the improvements.

If applicable, the Program Grantee shall also submit to the City a copy of the architect's statement of fees for professional services for preparation of plans and specifications.

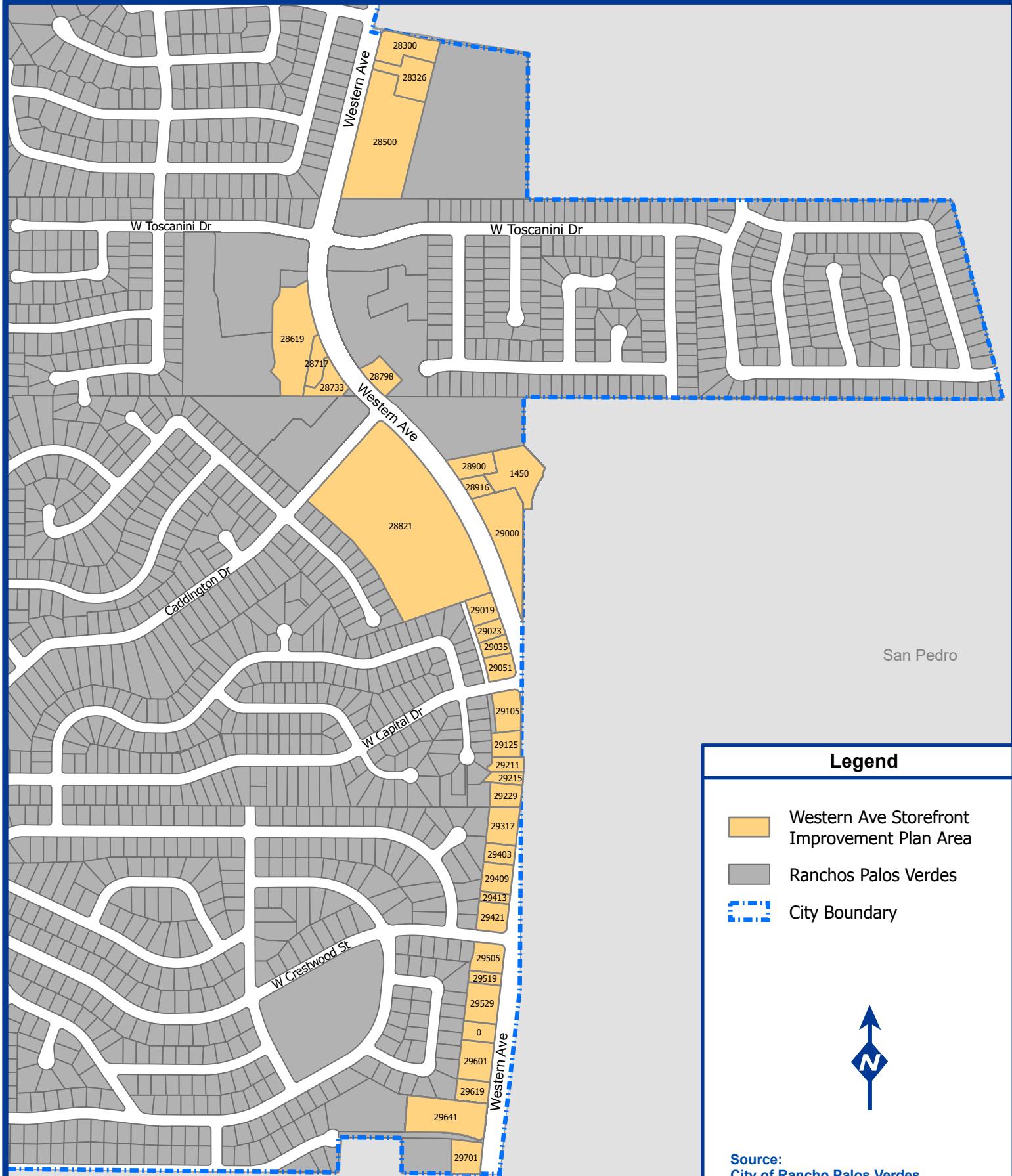
All reimbursements will be made to the Program Grantee only. No reimbursement will be administered to a contractor or vendor.

All proposed improvements are subject to City inspection. Grants are processed in the normal City accounts payable cycle of net 60 days. The Program Grantee must have all City permits and fee obligations paid, and all permits finalized, prior to reimbursement with Program grant funds.

VI. GENERAL

- Contracts for improvements shall be between the Program Grantee and their chosen contractor.
- The availability of Program funds is subject to funding approval by the City Council each fiscal year.

Western Avenue Storefront Improvement Plan



GRANT AGREEMENT

This Grant Agreement ("Agreement") is entered into effective _____, 2024, by and between the CITY OF RANCHO PALOS VERDES, a general law city (the "City") on the one hand, and _____, an individual on behalf of _____ (the "Grantee"), a business located at _____, Rancho Palos Verdes, CA 90275 ("Project Property"), on the other hand. The foregoing are collectively referred to as the "Parties."

RECITALS

A. The City has established a Commercial Storefront Improvement Program (the "Program") pursuant to the adopted Commercial Storefront Improvement Program Guidelines ("Program Guidelines") for the public purpose of encouraging the improvement and revitalization of the exterior facades of existing commercial buildings in the Western Avenue Commercial Corridor.

B. The Program is administered by the City and funded by the General Fund.

C. The Project Property is a commercial business located within the Western Avenue Commercial Corridor and is eligible for participation in the Program.

D. The City agrees to reimburse the Grantee for a percentage of eligible costs for the completion of storefront improvements at the Project Property as described in Exhibit A.

E. The Grantee desires to participate in the Program pursuant to the terms and provisions of this Agreement, and in compliance with the Program Guidelines.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, it is agreed as follows:

SECTION 1: GRANT FUNDING

The City agrees to reimburse the Grantee for _____ % of eligible costs associated with the completion of storefront improvements at the Project Property in an amount not to exceed \$_____, upon submittal of all properly executed and notarized forms set forth in Section 4 of this Agreement, and upon the City's approval of all costs.

The improvement costs that are eligible for City reimbursement include all labor, materials, equipment, and other contract items necessary for the proper execution and completion of the scope of work as shown on the plans, design drawings, specifications and estimates approved by the City. Such plans, design drawings, specifications, and estimates are attached hereto as **Exhibit A**.

SECTION 2: WORK COMPLETION

Grantee agrees that all work will be completed by a licensed contractor within _____ days of the date of this Agreement, unless otherwise authorized by the City. The City's program coordinator, or an authorized representative, shall periodically review the progress of the

contractor's work on the storefront improvement pursuant to this Agreement. Grantee agrees to allow the City or its agents access to buildings and the storefront improvements at the Project Property, when convenient to all parties, for inspection of the Storefront Improvement Program work. Such inspections shall not replace any required permit inspections by the City's Building Inspectors. If the work is not in conformance with the approved plans, design drawings, and specifications, Grantee shall not be eligible for Grant funds unless and until it is brought into compliance.

SECTION 3: FAILURE TO COMPLETE WORK

If the Grantee, or their designated contractor, should fail to complete the improvements in conformity with the approved plans and specifications, or in conformance with any of the provisions of this Agreement, the City's financial obligation shall cease.

SECTION 4: REIMBURSEMENT REQUIREMENTS

Upon completion of the improvements by the Grantee, and upon final inspections by the City, the Grantee shall submit to the City the following properly executed and notarized forms: 1) property owner's sworn statement that the improvement costs have all been paid; 2) a statement by the architect for design work showing the full cost of the work (if applicable); 3) contractor's sworn statement showing the full cost of the work and each separate component amount due to the contractor and each and every subcontractor involved in furnishing labor, materials, or equipment in the work; and 4) proof of payment of the contract costs per the contractor's statement, and final lien waivers from all contractors and subcontractors. If applicable, the Grantee shall also submit to the City a copy of the architect's statement of fees for professional services for preparation of plans and specifications. The City shall prepare a reimbursement request for the Grantee within sixty (60) days of receiving a completed owner's statement, architect's statement (if applicable), contractor's statement, proof of payment and final lien waivers, for the approved costs as set forth in Section 1. Failure by the Grantee to submit all required documents (or), to comply with the provisions of this Agreement, (or) complete all improvements in accordance with the approved plans and specifications in the time specified will be deemed a breach of this Agreement.

SECTION 5: MAINTENANCE OF WORK, REMEDIES FOR BREACH

Upon completion of the work pursuant to this Agreement and for the duration of the Term (defined below), the Grantee and any subsequent operator of the Project Property, such as a new lessee, shall properly maintain the completed work in finished form and without change or alteration. The foregoing maintenance obligations shall include all such obligations set forth in the Program Guidelines. For the duration of the Term, the Grantee and any subsequent operator of the Project Property shall not enter into any contract for or take any other steps to alter, change, or remove any or all of the completed work, nor shall the Grantee or any subsequent transferee undertake any other changes, by contract or otherwise, to the improvements made per the Agreement, unless the proposed changes are first reviewed and approved by the City. Approval shall not be unreasonably withheld if the proposed changes do not substantially alter the original design concept of the improvements as specified in the plans, design drawings, and specifications approved pursuant to this Agreement.

In the event the Grantee or any subsequent operator breaches this Section 5 (Maintenance of Work), the City may thereupon recover the entire amount of the grant from

the Grantee and/or the subsequent operator of the Project Property, together with reasonable attorney fees and costs incurred in enforcing this provision.

In the event the Project Property is sold within three (3) years of this Agreement, the property owner, whether they are the original applicant or not, agrees to repay the City a prorated amount equal to the proportion of the three (3) years remaining, rounded to the nearest year.

SECTION 6: INDEMNIFICATION

To the maximum extent permitted by law, the Grantee hereby agrees, at its sole cost and expense, to defend protect, indemnify, and hold harmless the City, its elected and appointed officials, officers, employees, volunteers, attorneys, and agents (collectively, the "Indemnitees") from and against any and all claims, including, without limitation, claims for bodily injury, death or damage to property, demands, charges, obligations, damages, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens, penalties, liabilities, costs and expenses of every kind and nature whatsoever, in any manner arising out of, incident to, related to, in connection with or arising from any act, failure to act, error or omission of the Grantee's performance or work hereunder (including any of its officers, agents, employees, Contractors) or its failure to comply with any of its obligations contained in the Agreement, or its failure to comply with any current or prospective law, except for such loss or damage which was caused by the sole negligence or willful misconduct of the City. The Grantee's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Grantee or by the Indemnitees. This indemnification obligation shall survive this Agreement and shall not be limited by any term of any insurance policy required under this Agreement.

- a. Nonwaiver of Rights. The Indemnitees do not and shall not waive any rights that they may possess against the Grantee by way of acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement.
- b. Waiver of Right of Subrogation. The Grantee, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees.

SECTION 7: ADDITIONAL WORK

Nothing contained in this Agreement is intended to limit, restrict, or prohibit the Grantee from undertaking additional work in or about the subject premises, which is unrelated to the approved improvements provided for in this Agreement.

SECTION 8: TERM

This agreement shall be binding upon the City and upon the Grantee and their successor(s) to the Project Property for a period of three (3) years after the execution of this Agreement. It shall be the responsibility of the Grantee to inform subsequent owner(s)/lessee(s) of the Project Property of the provisions of this Agreement.

SECTION 9: GRANT FORFEITURE

The Grantee acknowledges that they will forfeit the grant for failure to pay any outstanding fees or taxes to the City of Rancho Palos Verdes or for failure to correct any

violations of city codes and ordinances on the Project Property.

IN WITNESS THEREOF, the parties have executed this Grant Agreement as of the day and year set forth above.

“CITY”

City of Rancho Palos Verdes, a general law city

“GRANTEE”

[Individual's name] for [Business name]

....., Mayor

[Name, Title]

ATTEST:

Teresa Takaoka, City Clerk

APPROVED AS TO FORM
Aleshire & Wynder LLP

Elena Q. Gerli, City Attorney

CONSENT OF PROPERTY OWNER
Property owner has read the foregoing and consents to the proposed improvements as described in Exhibit A.

[Name, Title, Name of Business]

EXHIBIT A

The City agrees to reimburse the Grantee for a percentage of eligible costs for the completion of storefront improvements as the Project Property as described in the Scope of Work below and as shown in the following estimates and elevations.

Scope of Work

Costs

Improvement	Cost
[Line Items of Improvements]	\$
Total Estimated Project Cost	\$
Total Grant Funds Approved:	\$

Builder License

Elevations

**City of Rancho Palos Verdes
Western Avenue
Storefront Improvement Program
Program Application FY24-25**



Section 1: Applicant Information

Name: _____

Check all that apply: Property Owner Business Owner/Tenant

Business Name: _____

Property Address: _____

Mailing Address: _____

Assessor's Parcel No.: _____ Street Frontage: _____ LF (lineal feet)

Daytime Phone Number: _____ Email: _____

Total Number of Businesses in Building: _____

Name(s) of Other Businesses: _____

Section 2: Property Owner Information (complete if tenant is applicant)

Property Owner Name: _____

Property Owner Mailing Address: _____

Property Owner Daytime Phone Number: _____

As the legal owner of the above property, I hereby grant authorization to complete the storefront improvements indicated on this application.

Signature: _____ Date: _____

Section 3: Funding Request

Grant (please choose only one option):

Tier 1: Mini Grant

(50% of project cost up to a maximum of \$5,000 in grant funds)

Tier 2: Significant Storefront Improvement Grant

(50% of project cost up to a maximum of \$10,000 in grant funds)

Tier 3: Multiple Tenant Commercial Grant

(50% of project cost up to a maximum of \$20,000 in grant funds)

Grant Amount Requested: \$_____

Estimated Total Project Cost: \$_____

I will be using a portion of approved grant funds for Architectural/Design services
(up to \$1,000 of approved grant funding)

**City of Rancho Palos Verdes
Western Avenue
Storefront Improvement Program
Program Application FY24-25**



Section 4: Scope of Work

Description of Proposed Improvements (attach additional pages if needed):

Section 5: Checklist

Required Attachments:

- Copy of Business License
- Contractor Bids/Estimates (minimum of 3)
- Photos of Current Storefront (minimum of 3, depicting areas for proposed improvements)
- Designs/samples of proposed improvements (e.g. color swatch for new paint, design of new signage/awnings, etc.)
- Site Plans (for Tier 2 and Tier 3 applicants)
- Exterior Elevations (for Tier 2 and Tier 3 applicants)

Section 6: Acknowledgment

We certify that the owner is the property owner of record.

I have read and understand the Program Guidelines and accept them.

I certify that I am qualified and will abide by such conditions set forth in this application and all reasonable conditions which may be issued by the City of Rancho Palos Verdes in the implementation of this project including the obligation to maintain the improvements for a minimum of 3 years.

Property Owner(s) Signature:

Business Owner(s) Signature: _____ Date: _____