



ECONOMIC VITALITY COMMITTEE REPORT

February 17, 2022
Economic Development

TITLE: REVIEW AND PROVIDE FEEDBACK ON DRAFT OUTDOOR DINING INSTALLATION GRANT PROGRAM

ECONOMIC DEVELOPMENT STRATEGIC PLAN

In 2013, the City Council adopted the current Economic Development Strategic Plan which the Economic Vitality Committee uses as the foundation for its work. As noted below, included in the plan is a goal focused on sustaining Pleasanton's economic health so that the City can continue to provide high-quality public services and amenities supported by strategies to establish programs to improve the performance of small retail centers and recruit new types of retail development.

The City's Economic Development Strategic Plan comprises 3 focus areas:

- Priority Area A: Business Development and Communication
- Priority Area B: Built Environment and Workforce
- Priority Area C: Economic Health and Resilience

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To assist businesses that were experiencing financial loss of income due to the pandemic, the City developed a framework for a Business Assistance Program designed to share information and resources and provide relief to local businesses so they can bridge the gap until allowed to reopen and fully operate. The program is aligned with the goals and objectives of Priority Area C: Economic Health and Resilience so the City can continue to provide high quality public services and amenities for the benefit of the community. The assistance program has been in operation for 21 months. Through the Business Support Fund loan program, 115 businesses have received over \$1.3 million in financial assistance. Thirty-eight of the businesses, which received funding, are eating establishments.

BACKGROUND

To provide additional business support, the City allowed businesses to temporarily expand dining and other business activities outdoors into private parking lots, sidewalks, and the public parking spaces – these temporary areas were known as “pop-ups.” At the January 20, 2022, Economic Vitality Committee meeting, the EVC was informed of the details of the newly developed Downtown Parklet Program as approved by City Council, as a replacement for the temporary pop-ups. At that same meeting, the EVC was presented with a proposed Downtown Parklet Grant Program for input prior to Council's consideration. Comments from committee members were broadly supportive of both the parklet program and parklet grant program. Several members proposed

expanding the availability of grant funds to restaurants throughout the city; this feedback was shared with the City Council at its February 1, 2022, meeting. The City Council approved the proposed Downtown Parklet Grant Program as outlined and directed staff to explore grants for expanded outdoor dining elsewhere in the city for Council review and consideration.

Based on the City Council's direction, staff has drafted an Outdoor Dining Installation Grant Program, which is similar to the Downtown Parklet Grant Program in that it provides financial assistance to businesses interested in installing a semi-permanent outdoor area for dining. In developing the draft program, staff researched similar existing grant programs and talked with staff at other cities who have offered grant programs for outdoor operations.

DISCUSSION

The proposed program is consistent with elements provided in similar grant programs, particularly the amount proposed, eligibility requirements, and restrictions.

Program Description

The Outdoor Dining Installation Grant Program will provide financial assistance to eating establishments interested in constructing a semi-permanent outdoor area for dining. The program will reimburse eligible expenses incurred by the business related to the design and installation of an outdoor eating area.

Grant Amounts

- Grants up to 50% of the total cost, not to exceed \$10,000 for improvements.
- Total funds allocated for the Outdoor Dining Installation Grant Program will not exceed \$250,000.

Business Eligibility Requirements and Restrictions

Under the Outdoor Dining Installation Grant Program, eligibility criteria include, but are not limited to:

- Obtain necessary permits from the City of Pleasanton by submitting plans to the Permit Center
- Not be otherwise eligible for grant funding from the City of Pleasanton through the Downtown Parklet Grant program
- Be physically located in the City of Pleasanton
- Possess an active City of Pleasanton Business License
- Be in good standing with the City and have demonstrated compliance with the County Health Orders
- Be an eating or drinking establishment (e.g., restaurant, bakery, bar, brewery, café, coffee/tea, etc.).

The following businesses or entities are not eligible to apply:

- Corporately owned formula businesses (i.e., chain/franchise establishments) defined for the purposes of this program as a business that has more than three establishments in operation (in Pleasanton and elsewhere), typically with standardized food and beverage options, décor, standardized signage, etc.
- Home-based businesses

- Hotels
- Property owners who are not also the owner of the business.

Eligible Expenses

Under the Outdoor Dining Installation Grant Program, eligible expenses include, but are not limited to:

- Outdoor furniture
- Umbrellas or other City-approved weather protection
- Lights, heaters, menu boards, host stations, planters, etc. that are used within the outdoor dining area.
- Construction materials, such as roofing (if permitted), flooring, railing, or barriers around the outdoor dining area, as approved by the City of Pleasanton
- Construction services for outdoor dining improvements or installation
- Cost of architecture/design services - limit of up to \$5,000.

Expenses not eligible for reimbursement include, but are not limited to:

- Business furniture that is not associated with the outdoor dining area or approved by the City (i.e., indoor furniture, back patio furniture, etc.)
- Façade and other site improvements not specifically listed or approved by the City
- Branded or sponsor-type products or structures.

Process for Reimbursement of Expenses

Once a business receives the necessary permits to begin construction of the outdoor dining installation through the required City processes, the business can apply for the grant program by submitting an application and required documentation of expenses (e.g., paid invoices, receipts, etc.) to the Economic Development Department for review. Grants are provided as a reimbursement for qualified expenses.

Timeline

Applications will be accepted on a first-come, first-served basis beginning April 1, 2022. Businesses which have received approval by the City may apply through April 1, 2023, until available funding has been exhausted, or until a date otherwise determined by the City Council.

The EVC is asked to provide input on the proposed Outdoor Dining Installation Grant Program.

ACTION: PROVIDE FEEDBACK ON DRAFT OUTDOOR DINING INSTALLATION GRANT PROGRAM