



## ECONOMIC VITALITY COMMITTEE REPORT

January 19, 2023  
Economic Development

**TITLE:           RECEIVE UPDATE ON BUSINESS ASSISTANCE PROGRAM AND  
                      PROVIDE FEEDBACK ON OTHER BUSINESS SUPPORT PROGRAMS**

Businesses are an integral part of the Pleasanton community, from the jobs they provide for residents to the essential services and amenities supported by the revenues they generate. Business continuity was severely affected when the COVID-19 pandemic necessitated temporary closures and restrictions. To assist in retaining 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 the City's Economic Development Strategic Plan, which specifically identifies economic health and long-term resilience as a priority area so the City can continue to provide high quality public services and amenities for the benefit of the community.

The City Council declared a local state of emergency on March 17, 2020, which was ratified by City Council Resolution No. 20-1139 on March 23, 2020. On April 15, 2020, the City Council approved the Business Assistance Program framework, which includes the following four key program elements:

- Four-month deferral of Transient Occupancy Tax (TOT) payments without incurring penalties;
- City Utility Waiver and Deferrals to waive late fees and initial deposits for water and sewer accounts;
- Creation of a \$3 million Business Support Fund to provide zero-interest, short-term loans to small businesses; and
- Business Communication and Promotion

The following serves as an update on the Business Assistance Program, in addition to other actions, activities, and programs the City engaged in to support its businesses.

### **Business Assistance Program**

#### Transient Occupancy Tax Penalties Waiver

Transient Occupancy Tax (TOT) quarterly payments were due on March 31, 2020 for the January-February-March quarter, and June 30, 2020 for the April-May-June quarter respectively. To allow the hotels to utilize the collected funds for near-term operating

costs and employee retention due to loss of revenues, this program element suspended fines, penalties and interest for TOT payments as imposed by the Pleasanton Municipal Code. Both quarterly payments were due in full to the City on July 31, 2020.

As Pleasanton is a city partner along with Danville, Dublin and Livermore in administering the Tri-Valley Tourism Business Improvement District assessment that funds Visit Tri-Valley, to be similarly in alignment regarding TOT payment collection, each of the four jurisdictions waived associated penalties and allowed the deferral of TOT payments as noted. Four Pleasanton hotels provided a written request for the waiver to the Director of Finance.

### City Utilities Penalties and Deposit Deferral

To provide relief for residential and businesses customers to remain in place during the local emergency, the City Council approved Resolution 201143 which waives fines and penalties on existing accounts and defers new City utility account deposits. New account deposits were also suspended and applied to the utility bill and will be due when the local emergency declaration is lifted; for reference, the required deposit amounts are:

- Residential - \$200 deposit
- Commercial and Irrigation - \$300 deposit
- Multifamily Residential - \$700 deposit

Late charges on existing City utility accounts are waived throughout the local emergency declaration period (and will not be recovered by the City) and service will not be shut-off.

### Business Support Fund Loan Program

The City Council approved a \$3 million special fund to provide zero-interest, unsecured, short-termed loans to independently or locally owned small businesses. The loan program opened on May 8, 2020, and 79 businesses were approved for a total of \$208,300. On August 18, 2020, the City Council approved the addition of professional services as an eligible business type, lengthened the repayment period from 24 months to 36 months, and increased loan amounts as follows:

- \$10,000 loan amount (\$10,800 for downtown) for **micro-enterprise businesses employing 2-10 employees**
- \$20,000 loan amount (\$21,600 for downtown) for **businesses employing 11-25 employees**

Previous applicants were eligible to request the increased loan amounts. The loan program is closed. One hundred fifteen businesses received loans for a total of \$1,336,500. The types of businesses that received loans and their location are summarized in Table 1. The funding totals based on business type and location are provided in Table 2.

Table 1: Number of Businesses Approved Based on Business Type & Location

Business Type	Downtown	Outside Downtown	Total
Auto/Construction/Computer	2	8	10
Daycare/Homecare	0	4	4
Recreation/Instruction	2	14	16
Fitness	3	6	9
Personal Services	6	9	15
Professional Services	3	10	13
Restaurant	22	16	38
Retail	5	5	10
<b>Total</b>	<b>43</b>	<b>72</b>	<b>115</b>

Table 2: Funding Totals Based on Business Type & Location

Business Type	Downtown	Outside Downtown	Total
Auto/Construction/Computer	\$21,600	\$57,500	\$79,100
Daycare/Homecare	\$0	\$70,000	\$70,000
Recreation/Instruction	\$21,600	\$145,000	\$166,600
Fitness	\$24,500	\$70,000	\$94,500
Personal Services	\$75,600	\$92,500	\$168,100
Professional Services	\$32,400	\$92,500	\$124,900
Restaurant	\$362,200	\$172,500	\$534,700
Retail	\$46,100	\$52,500	\$98,600
<b>Total</b>	<b>\$584,000</b>	<b>\$752,500</b>	<b>\$1,336,500</b>

The program guidelines state that repayment would commence on the first day of the month after the COVID-19 local emergency declaration is lifted. At its meeting on February 21, 2023, the City Council will consider lifting the local emergency declaration to align with the statewide end of the COVID-19 State of Emergency on February 28, 2023. City staff will notify businesses that repayment of the funds dispersed as part of the Business Support Loan program would commence on April 1, 2023, to allow a 30-day notice before automatic payments begin.

### Communication and Promotion

Outgoing communication with the business community was paramount during the pandemic to ensure that businesses were aware of available resources and programs. Several new City webpages were developed to provide information and promote local business support. A business resources newsletter was sent weekly or as needed to over 4,000 business license holders; 90 newsletters have been sent to date. Social media platforms were used to help promote restaurants, retail, and other businesses.

### **Other Business Support Programs**

#### Temporary 15% Cap on Food Delivery Services Commission Charges

On October 6, 2020, the City Council approved an urgency ordinance establishing a temporary 15% cap on commission charges by third-party food delivery services on Pleasanton restaurants during the pandemic. Since public health restrictions imposed by the county and state limited indoor dining, take-out and food delivery increased. Restaurants were experiencing charges up to 30% of the purchase price of an order, thereby reducing revenues. The original ordinance was set to expire one year from adoption on October 6, 2021. The City Council extended the temporary 15% cap for an additional six months on September 21, 2021, and a second extension was approved on March 15, 2022. The temporary 15% cap ended on October 6, 2022.

#### *Shop Small, Support Local*

The City collaborated with the Pleasanton Downtown Association to introduce a new campaign, *Shop Small, Support Local*, in advance of the 2020 holiday season to highlight downtown businesses and educate the community on the contributions small businesses make to Pleasanton. The City provided commemorative tote bags for downtown businesses to distribute to customers that made minimum purchases. Twenty-one downtown businesses participated. *Shop Small, Support Local* mugs were also provided to the PDA to sell and use profits to reinvest into downtown programs and campaigns. *Shop Small, Support Local* was promoted on social media and with the Pleasanton Weekly ads. The campaign was also executed during the 2021 holiday season. In 2022, the Pleasanton Downtown Association launched the program on Small Business Saturday and provided city-sponsored tote bags to participating businesses.

While a focus was highlighted in the downtown district through the partnership with the PDA, the *Support Local* message was promoted throughout the City to support all Pleasanton small businesses. Messaging continues to be communicated to support

local, primarily using social media. Staff is embarking on the development of a *Support Local* marketing plan. The plan will be shared with the EVC at a later meeting.

#### Alameda County CARES Grant Program

The City partnered with Alameda County and other Alameda County cities in providing financial assistance to businesses as part of the Alameda County CARES Grant Program. In November 2020, the Alameda County Board of Supervisors established the Alameda County CARES Grant Program by redirecting \$5 million in CARES Act funds for a small business grant program in response to the economic, health and safety impacts of the COVID-19 pandemic. The program provided eligible businesses a one-time grant of \$5,000.

The Board of Supervisors also authorized the redirection of up to \$3 million in additional funds for cities in Alameda County as matching funds to expand the available pool of funds to support additional small business grants in participating cities. The City of Pleasanton committed \$100,000 toward the city match pool, increasing the total of \$200,000 available to Pleasanton businesses.

East Bay Economic Development Alliance administered the program and reported that over 7,700 applications were received countywide. About 1,900 businesses throughout Alameda County received grant assistance totaling approximately \$9.5 million. Since the number of grant applications submitted exceeded available funding levels, grants were awarded by lottery. Three hundred seventy-five eligible Pleasanton businesses were initially placed in the city's lottery for \$200,000. Businesses that were not chosen in the city's lottery were then placed in the County lottery. One hundred nine Pleasanton businesses were awarded grants in the total amount of \$545,000.

#### Tri-Valley Regional Marketing Campaign

In partnership with Visit Tri Valley and the cities of Dublin, Livermore, San Ramon, and Town of Danville, Pleasanton launched the *Tri-Valley Recovery Marketing Campaign* on May 1, 2021. Pleasanton's contribution to the campaign totaled \$25,000. The robust media and print campaign encouraged residents to explore their city and make a promise to support local businesses by spending at least \$25 beyond what is normally spent. A vital element of the campaign included a free citywide savings pass available for participants to use at participating businesses. Forty-four Pleasanton businesses in the food, retail, service, or activity categories participated in the savings pass by offering a special discount or deal. Customers accessed savings through their mobile device. The campaign ran through the end of June and the savings pass was available through November.

#### Gift Pleasanton eGift Card Program

Pleasanton's eGift card program, *Gift Pleasanton*, geared to keep spending local launched on June 1, 2021. The program provides businesses with an electronic gift card platform through the City's digital partner, Yiftee, which benefits businesses that do not offer gift cards. Forty-two Pleasanton businesses participate and accept *Gift Pleasanton* eGift cards. Staff regularly sends information to Pleasanton businesses about the

program through email and the business newsletter and encourages them to sign up as a *Gift Pleasanton* merchant.

Customers purchase eGift cards at [www.inPleasanton.com](http://www.inPleasanton.com). To make a purchase using eGift cards in store, recipients show the card on a mobile device or printout. An initial amount of \$10,000 was allocated for the program and an additional \$4,000 added in December 2022. Funds cover bonus cards and associated fees.

To date, 581 eGift cards have been purchased for a total of \$30,215. Over \$15,400 have been redeemed at participating Pleasanton businesses. To encourage consumers to purchase eGift cards, “Buy 1, Get 1” (BOGO) bonuses are offered throughout the year. The 2022 Holiday BOGO campaign, which the City promoted through a short media campaign with radio and digital advertising, resulted in about \$14,000 of eGift card sales.

The program is promoted through the City’s inPleasanton.com social media platforms as well as paid electronic advertisements on the Pleasanton Weekly website, Instagram, and Facebook. Social media posts highlight participating businesses that accept *Gift Pleasanton*.

#### Business Recovery Survey

In September 2021, the City completed a formal bid process to hire a consultant firm, FM3 to conduct a business recovery/needs survey of local businesses. The survey would provide an understanding of needs and concerns as businesses recover from the COVID-19 pandemic.

The survey was conducted from January 18 – February 18, 2022, and consisted of 313 completed online and telephone interviews with Pleasanton businesses owners and managers. Survey results may be viewed [here](#).

#### Downtown Outdoor Parklet Grant Program

At its February 1, 2022 meeting, the City Council approved to allocate \$250,000 of the previously approved \$3 million to fund the Downtown Parklet Grant Program. To support downtown businesses interested in participating in the Downtown Outdoor Parklet Program, the City offers grants up to 50% of the total cost, not to exceed \$10,000 for reimbursement of qualified expenses related to the outdoor parklet. The online grant application is available at [www.cityofpleasantonca.gov/eddsupportfund](http://www.cityofpleasantonca.gov/eddsupportfund). Approved parklet applicants may apply for the grant program through March 1, 2023, until available funding has been exhausted, or until a date otherwise determined by the City Council.

The City has received 5 applications for the grant program; 3 have been approved for a total amount of \$25,753.80. Additional documentation is needed to complete the review process for the remaining 2 applications.

To be eligible to receive grant funds, the business must obtain approval from the City to construct a parklet. Information on the Downtown Parklet program is available [here](#). To

date, 9 parklet applications have been submitted to the City; 6 are approved and one is in the encroachment permit process. The 6 parklets that have been approved are: Nonni's Bistro, Beer Baron, Oyo, Lokanta, Icicles, and Tri-Valley Bistro. Icicles is the only parklet that uses the City's standard design.

### Outdoor Dining Installation Grant Program

At its March 15, 2022 meeting, the City Council approved to allocated \$250,000 of the previously approved \$3 million to fund the Outdoor Dining Installation Grant Program. To provide financial assistance to eating establishments interested in constructing a semi-permanent outdoor dining area, the City offers grants up to 50% of the total cost, not to exceed \$10,000 for reimbursement of eligible expenses related to the design and installation of the outdoor eating area. The online application is available at [www.cityofpleasantonca.gov/eddsupportfund](http://www.cityofpleasantonca.gov/eddsupportfund). Approved applicants may apply for the grant program through April 1, 2023, until available funding has been exhausted, or until a date otherwise determined by the City Council. The City has received one application, which is currently in the review process.

### Local Preference Policy

On January 20, 2020, the City Council approved an ordinance to amend municipal code Chapter 3.28 to add a local preference for Pleasanton-based businesses when tie bids are submitted and provide a bid calculation preference of 5% up to \$5,000 per transaction for General Goods and Services (i.e., equipment, office supplies, repair services); and adopt a resolution with related changes to the purchasing procedures manual.

The policy interests for these local preferences include the City benefiting from sales tax revenues staying in the local economy, improved local economic vitality, and City support of Pleasanton-based businesses.

The Local Preference Policy is as follows:

- If city-based vendors' or contractors' bids are greater than non-city based vendors or contractors, when calculating and comparing bids from vendors, or contractors providing supplies, equipment or trade services, the city shall deduct five percent (5%) from the total bid of any city-based vendor or contractor, except that the amount of the local preference deduction shall not exceed five thousand dollars (\$5,000) for any single purchase order or contract.
- Such local preference shall be utilized only when allowed by state and federal law, and the requirements of the underlying funding source. Such local preference is not required in the event of an emergency.

The above policies are applicable for purchase amounts ranging between \$0 to \$10,000, which requires department head approval, \$10,001 to \$100,000, which requires City Manager approval, and \$100,001 and above, requiring City Council approval.

The policy was incorporated in the City’s Purchasing Manual as stated above after approval by City Council and the Executive Team was informed of the addition and advised to share with department staff. Table 3 summarizes the total funds paid to Pleasanton-based vendors.

Table 3: Total Funds Paid to Pleasanton-based Vendors

	FY 2020	FY 2021	FY 2022
<b>Total Amount</b>	\$3,966,660	\$5,551,362	\$3,827,035

Bids and contracts awarded based on the local preference policy will be tracked in the City’s finance system. Effective February 1, 2023, departments will be required to designate all local preference-related contracts and purchase orders in the City’s finance system regardless of dollar amount. This update will provide the ability to track local preference-related contracts and purchase orders and identify payments or invoices for a specific period.

**EVC Input**

The EVC is asked to provide input on the following items:

1. Downtown Parklet Grant Program
  - a. Approved parklet applicants may apply for the grant program through March 1, 2023, until available funding has been exhausted, or until a date otherwise determined by the City Council.
  - b. Consider a one-year extension to March 1, 2024.
2. Outdoor Dining Installation Grant Program
  - a. Approved parklet applicants may apply for the grant program through April 1, 2023, until available funding has been exhausted, or until a date otherwise determined by the City Council.
  - b. Consider a one-year extension to April 1, 2024.

**ACTION: RECEIVE UPDATE ON BUSINESS ASSISTANCE PROGRAM, AND PROVIDE FEEDBACK ON OTHER BUSINESS SUPPORT PROGRAMS**