



ECONOMIC VITALITY COMMITTEE REPORT

October 19, 2023
Economic Development

TITLE: RECEIVE UPDATE ON BUSINESS ASSISTANCE AND SUPPORT PROGRAMS

BACKGROUND

In August 2023, the City Council adopted the updated Economic Development Strategic Plan which the Economic Vitality Committee uses as the foundation for its work. The plan comprises of 5 Implementation Plan Priorities:

- 1.0 Economic Development Capacity Building
- 2.0 Business Retention, Expansion & Attraction
- 3.0 Local Revenue Growth
- 4.0 Entrepreneurship & Innovation Outreach
- 5.0 Major Projects Accelerator Program

There are specific actions items under Priority 3.0 Local Revenue Growth that are related to the Business Assistance and Support Programs:

- 3.1 Expand Citywide Retail and Tenant Support Program**
 - b. Manage, monitor, and report on Temporary COVID Business Assistance Programs (Business Support Loan Program, Outdoor Dining and Downtown Parklet Grant Programs)
- 3.3 Manage and enhance City's Support Local Program**
 - a. Implement City's Support Local Marketing Plan Strategies to encourage patronage from residents, employees, and visitors to Pleasanton

DISCUSSION

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 local revenue growth as a priority area so the City can continue to provide high quality public services and amenities for the benefit of the community.

Business Support Loan Program

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 creation of a \$3 million Business Support Fund to provide zero-interest, short-term loans to independently or locally owned small businesses.

Loan amounts ranged from \$10,000 to \$21,600 depending on the number of employees the business employed and if they were in the downtown district or outside of downtown. One hundred fifteen businesses received loans for a total of \$1,336,500.

The program guidelines state that repayment would commence on the first day of the month after the COVID-19 local emergency declaration is lifted. To coincide with the State of California's COVID-19 State of Emergency termination on February 28, 2023, the City Council adopted Resolution 23-1361 at its meeting on February 7, 2023, to lift the local State of Emergency. City staff notified businesses by written correspondence on March 1, 2023, that repayment of the funds dispersed as part of the Business Support Loan program would commence on April 1, 2023, through automatic electronic payment. Businesses were able to update their financial institutions or accounts if any changes were needed prior to April 1.

Loan Repayment Status

Six businesses paid their balances in full for a total amount of \$43,200. One business returned the loan check in the amount of \$10,800 and no longer owes the City. Three businesses contacted City staff to request an alternative repayment option which consists of a 72-month repayment period instead of 36 months, thus lowering the monthly payment by half.

Eleven businesses are currently delinquent with either no payments received due to closed accounts or payments ceased after the first or second month. Finance and Economic Development staff have made several attempts through written correspondence and mailed invoices to contact the business owners. Nine of these businesses have closed or changed ownership, while two are currently open. Additional attempts will be made to collect payments before the City takes action through a collections agency.

Downtown 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. Approved parklet applicants may apply for the grant program through June 30, 2024, until available funding has been exhausted, or until a date otherwise determined by the City Council. The City received and approved 8 grant applications for a total amount of \$67,703.47.

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](#).

The 8 approved parklets are located at Nonni's Bistro, Beer Baron, Oyo, Lokanta, Icicles, Tri-Valley Bistro, Baci Bar & Bistro, and Locanda Amalfi. Icicles and Locanda Amalfi parklets were constructed using the City's standard design. Annual parklet agreements, which include a \$1,000 parklet fee, are in the process of being renewed for 6 of the 8 parklets. The annual parklet fee was waived for the first year. As two parklets were recently constructed, their agreements will be renewed next year.

Outdoor Dining Installation Grant Program

At its March 15, 2022, meeting, the City Council approved to allocate \$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. Approved applicants may apply for the grant program through June 30, 2024, until available funding has been exhausted, or until a date otherwise determined by the City Council. The City received and approved one application submitted by Sunshine Saloon for a total of \$10,000.

Support Local Program

In December 2022, the City began working with a marketing consulting firm, Uptown Studios to develop a support local brand marketing plan to establish a stronger brand presence with target audiences and outline a variety of marketing strategies and objectives to increase shopping, dining, and visits to Pleasanton. Uptown performed an analysis of Pleasanton's demographics as the primary target audience as well as secondary and tertiary target audiences such as neighboring cities and the Bay Area. A SWOT analysis was also completed as part of the process. The final plan was completed in May 2023 for implementation to begin in FY2024.

The primary marketing objectives include:

1. Increase inPleasanton.com website traffic
2. Increase Instagram social media followers
3. Increase Facebook social media followers
4. Increase Gift Pleasanton eGift card sales

To reach these objectives and to support businesses this holiday shopping season, the following programs and activities are planned:

2023 Pleasanton Holiday Gift Guide

New this year, the City is offering an opportunity for retail, restaurants, personal services, fitness studios, and entertainment businesses to advertise in a Holiday Gift Guide to highlight what makes Pleasanton unique and all the holiday offerings from

businesses this season. The City will contribute to the overall design of the 24-page guide. Businesses pay for an advertising space to feature their business.

The holiday gift guide is mailed to over 34,000 households in the Tri-Valley through the *Your Town Monthly* December publication. Additionally, a digital version of the guide, which will be shared through the City's inPleasanton social media platforms, will maximize multimedia reach and online visibility. The City will also have 1,500 printed gift guides at city facilities and other public locations throughout the holiday season.

Business ad buys range from \$45 to \$250 depending on the ad size, which include business listing with logo, 1/6-page, 1/4-page, and 1/2-page ad sizes. So far, 50 Pleasanton businesses have confirmed ad space in the inaugural gift guide.

Gift Pleasanton eGift Card Program

Pleasanton's eGift card program, *Gift Pleasanton* keeps spending local in Pleasanton. 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. Launched in 2021, over 40 Pleasanton businesses participate and accept *Gift Pleasanton* eGift cards. There is no cost to participate.

Customers purchase eGift cards at www.inPleasanton.com. To make a purchase using eGift cards in store, recipients show the card on a mobile device or printout. To date, over \$39,000 in eGift cards have been purchased and about \$25,000 have been redeemed at participating businesses.

To encourage customers to purchase eGift cards, "Buy 1, Get 1" bonuses are offered throughout the year. An initial amount of \$10,000 was allocated for the program in 2021, and an additional \$4,000 was added this year. Funds cover bonus cards and associated fees.

To encourage customers to purchase *Gift Pleasanton* eGift cards this holiday season, the City is sponsoring holiday bonuses with purchase beginning on November 24, the day before Small Business Saturday. Bonus amounts will be available with purchase through December 31, 2023, or until all allocated funds are used. Customers that buy \$25 or more, get a \$10 bonus card; buy \$50 or more, get a \$20 bonus card, or buy \$100 or more, get a \$40 bonus card. Three bonus cards are allowed per purchaser, while supplies last. Bonus cards are redeemable through March 1, 2024, to encourage purchasers to use cards as soon as possible so businesses can receive those dollars. The campaign will be promoted with a print ad in the Pleasanton Weekly, City's inPleasanton social media platforms, paid Instagram and Facebooks ads, and electronic ads on the Pleasanton Weekly website and Express emails. Social media posts will highlight participating businesses that accept *Gift Pleasanton*.

Small Business Saturday

The City and Pleasanton Downtown Association (PDA) partner each year on the Small Business Saturday campaign to highlight the contributions small businesses make to the Pleasanton community. Small Business Saturday is on November 25, 2023, the Saturday after Thanksgiving. The PDA is working with downtown businesses to

celebrate the day by offering special holiday offerings. Commemorative tote bags, sponsored by the City, will be provided to downtown businesses to distribute to customers that make minimum purchases.

The campaign was founded by American Express in 2010 and is branded as *Shop Small*. Businesses can visit www.shopsmall.com to obtain free tools to market their stores. The campaign will be promoted on the City's inPleasanton and PDA's social media platforms through posts and paid advertising and two Pleasanton Weekly print ads. While the PDA will focus its efforts on the downtown district, the City's promotional efforts will be spread citywide to support all Pleasanton small businesses.

Results from these campaigns and activities will be measured and reported to the EVC in the new year.

ACTION: RECEIVE UPDATE ON BUSINESS ASSISTANCE AND SUPPORT PROGRAMS