



ECONOMIC DEVELOPMENT AUTHORITY

AGENDA SECTION	BUSINESS ITEMS
MEETING DATE	7/5/2022

ITEM:	Façade Improvement Grant Program Expansion, Central Ave	
DEPARTMENT:	Community Development	BY/DATE: Mitchell Forney, 6/15/22

BACKGROUND:

During the last EDA meeting commissioners brought up concerns about a few businesses that are still not included in the range of the Façade Improvement Grant program. During the discussion the commission gave staff the guidance to further research the effects of expanding the grant program further up central Ave. Some of the commissioners expressed concern about the inclusion of the many franchises that inhabit the northern part of Central Ave. Below, staff have brought forth a few options along with examples of how changes to the program may include or exclude certain businesses.

The First option in increasing the coverage of central avenue is to expand the program from 47th to 50th. Making this expansion adds 17 new businesses to the eligible business list. 11 of these have locations solely in Columbia Heights. Some examples would be Big Marina, Asia Chow Mein, Heights Bakery, and Crafty Crab. While 6 franchised/multiple location businesses would be included in the expansion. For example, Sonic, Taco Bell, Jimmy Johns, and Savers.

The second option is very similar to option number one but extends the Façade Improvement Grant to encompass all Central Avenue. This change would add 38 new businesses to the eligible business list. 16 of these have locations solely in Columbia Heights. Some examples that extend beyond those in the first option are: Griffis Car Care, Quick Fix, E & M Beauty Supply, Great Health Nutrition, and Diaa Barber. While 22 franchised/ multiple location businesses would be included in the expansion including Chipotle, La Casita, Domino's, Wendy's, and Speedway.

It is important to note that in the past the EDA has approved certain local, regional, and nationally recognized chains and franchises. For example, Dairy Queen and Midas, which received grants in 2020 and 2018, are nationally recognized franchises which are locally owned. Previous decisions prioritized improvements made to the existing structure rather than the type of business that applied.

The very first option researched by staff was to put a limit on the age of approved buildings. Staff dove into the idea of excluding any buildings built after the year 2000. In compiling data staff chose to focus on the section of central in question 47th to 53rd in Columbia heights. Of the 22 franchised/multiple location businesses, 12 would be unable to receive the grant. Some examples are chipotle, KFC, taco bell, and sonic. While regionally and nationally recognized franchises make up a large part of northern Central Ave. Many of the buildings were built in the 70's and 80's and have been retrofitted for their current use. Staff did not review all the properties in the grant area but from a widespread blanket review the exclusion of buildings built after 2000 would have little effect on the rest of the grant area.

Community development staff also explored the idea of eliminating franchises from the program. In speaking with the City attorney this would be a legal gray area requiring more research and would be unfavorable if

there are other ways available to achieve the EDA's goals. By eliminating all franchises from the program, locally owned and locally active franchises would also be barred from utilizing the program.

To date the Façade Improvement Grant Program has been an effective and selective program. 6 applicants have been rejected due to not meeting the grant programs criteria or by recommending improvements which were deemed not enough of a change/improvement. This is exemplified by a business located at 4111 Central Ave. Which applied two years in a row for a signage update. The EDA determined not to approve the application because the sign was just an updated version of the current one. In the end, the EDA has ultimate authority over whether or not to approve a Façade Improvement Grant applicant for a multitude of reasons. If, the Authority can clearly articulate why an improvement does not meet the programs guidelines or goals. This is clearly articulated in the application agreement on page 2. By utilizing the current language, the EDA can limit applications that attempt to utilize the grant to cover normal maintenance. If the EDA would like to take it, one step further. Language such as "Projects determined by the EDA to be normal maintenance are considered ineligible." could be added to the program. While this language would more directly mitigate the issues brought forth by the EDA. It would also limit certain projects that in the past were seen as good improvements.

If the EDA would like to include more small businesses in the program while limiting the use of the grant for routine maintenance. Community Development staff recommend expanding the program from 47th to 50th and maintaining the current language of the program. By engaging in selective processing of grant applications. Which is currently done. The EDA maintains the Authority to be flexible but decisive in how the program achieves its goals. By only expanding the from 47th to 50th. The EDA limits the number of franchises and newer buildings that are included in the grant area. While adding 11 small businesses which could really utilize the program.

ATTACHMENT(S):

- 1. 2022 Façade Improvement Grant Application**
- 2. Maps of Central Business Sector North of 47th**