



City of Takoma Park

City Manager Jamal T. Fox

MEMORANDUM

DATE: May 2, 2022

TO: City Council

FROM: Jamal Fox, City Manager
Ira Kowler, Economic Development Manager

COPY: Jessica Clarke, Deputy City Manager
David Eubanks, Acting Director, Department of Housing & Community
Development

SUBJECT: Budget Reconciliation Request - Neighborhood Commercial Center
Improvements

This memorandum is to provide additional information on the \$100,000 in Capital Improvement Program (CIP) funding requested for Neighborhood Commercial Center Improvements in FY2023, which will be a part of the reconciliation discussion tonight. These funds are a continuation of the \$58,000 previously allocated by the Council for commercial facade improvements and will be utilized to incentivize physical improvements in commercially-zoned properties. We continue to receive interest from our businesses in this type of support and our Economic Development Division intends to spend the proposed allocation in full.

Program Description

Due to high commercial rents and low vacancy rates, it can be challenging for resident or minority-owned businesses to find the capital necessary to establish a physical location or grow their businesses. The Neighborhood Commercial Center Improvements funding allows the Housing & Community Development Department to meet two important economic development goals: 1) assisting the growth of local small businesses by supporting traditional start-up costs and 2) increasing investment in commercial properties through funding for exterior, physical property improvements. This need for this type of City investment is particularly acute in the City's lower visibility commercial corridors and has been highlighted in studies dating back to the New Hampshire Avenue Corridor Concept Plan.

We envision the funds being available for an expanded version of our existing facade grant, whereby businesses would be eligible for matching grant funds to support exterior property



City of Takoma Park

City Manager Jamal T. Fox

improvements such as signage, lighting, ADA accessibility projects, permanent landscaping, etc. and interior capital investments to help grow local businesses. These funds would also be targeted to commercial corridors and/or minority-owned businesses that do not receive high amounts of private investment.

Differences from Other Economic Development Programs

The Neighborhood Commercial Center Improvements funding differs greatly in use from several other HCD budgeted projects outlined below:

- Small Business Support - these funds are intended to support small businesses, all of which have been heavily impacted by the ongoing COVID-19 pandemic. This support will be granted directly to local businesses to support their daily operations rather than new investments.
- Workforce Development - these funds will be used to directly support local hiring and workforce certification efforts for Takoma Park residents. This assistance is targeted to resident job seekers, not businesses.
- Takoma-Langley Business Incubator - these funds have been allocated to assist in the in-fill development of real estate for a business incubator in the Takoma-Langley Crossroads. This funding will likely be site specific and incentivize equitable private development near the ongoing Purple Line redevelopment.