



City of Grover Beach

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PRESS RELEASE
FOR IMMEDIATE RELEASE
Friday, June 12, 2009

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Grover Beach City Council Endorses Development of a Local Stimulus Program

On Monday, June 8, 2009, the Grover Beach City Council endorsed the development of a Grover Beach Stimulus Program. Recognizing the impact of the local economy on businesses and residents, the Grover Beach City Council directed staff to implement, as quickly as possible, several programs geared to stimulating the local economy and job retention or creation.

At the direction of the Council, staff rolled out a total of seven program concepts for the Council's review. Included in the programs reviewed were: a Local Business Preference for City Purchases Program, a "Shop Grover Beach" Program, a Business Loan and Retention Program, and a Home Repair Program, among others.

Once implemented, the **Local Business Preference for City Purchases Program** will require the City to offer a 5% preference to Grover Beach businesses when the City purchases, materials, supplies, equipment or services utilizing a competitive bid or quotation process. For Public Works projects, the City would extend the preference to local contractors submitting a bid that is within 5% or \$5,000 (whichever is lower) of the lowest qualified bid amount submitted by any contractor. This program is intended to promote employment and business opportunities for local residents and businesses.

In an effort to support local retailers, the **"Shop Grover Beach" Program** is targeted at businesses that produce local sales tax. The City intends to develop an incentive program to reward local residents who shop and make taxable purchases at businesses in Grover Beach. The program will capitalize on the theme "Shop Local, Shop Loyal" as coined by the Grover Beach Chamber of Commerce. At the direction of the Council, City staff will be working closely with the Chamber of Commerce in recruiting merchants to participate in the program.

The City intends to match a \$10,000 grant received from Rabobank with a \$10,000 contribution coming from the City's Redevelopment Agency to assist local businesses in the **Business Loan Retention Program**. The combined funds will be used to provide short-term loans / grants based on need to local businesses. The amount of the assistance is expected to range between \$1,000 and \$5,000. The Council directed staff to work closely with the Economic Vitality Corporation in the implementation of this program.

Using proceeds from the Improvement Agency's "Housing Fund", the City intends to offer a Home Repair Program that will provide loans to income-qualified homeowners or property owners renting to income-qualified residents. Staff recommended the loan size be capped at \$20,000. Proceeds would be made available for a variety of home improvement projects that could improve both the interior and exterior of the homes.

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In addition to the programs outlined above, the City intends to offer a **20% Reduction in Building Permit Fees** for a month (to be determined at a later date), a **Business Tax Certificate Amnesty Program**, and a **Water Conservation Program**.

In developing the concepts for the Council's review, staff stressed the fact that the programs were developed with the intent of minimizing their impact on the City's General Fund, while providing meaningful assistance to the City's businesses and residents. The City's General Fund is the primary funding source for the City's essential services, including Police, Fire, and Public Works, and its primary funding source is local property tax, which may be the subject of reallocation by the State.

In completing its review of the programs, the Council directed staff to coordinate the Stimulus Program details and implement it as soon as possible. July 1st has been tentatively selected for the Program's launch date.

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