



Council Agenda Form

MOTION #		DRAFT #
DATE SUBMITTED:	DATE TO GO BEFORE COUNCIL: LEAVE BLANK	
SUBMITTED BY: Councilmember Waszczak		
CO-SPONSORS:		
DEPARTMENT: Legislative		

TITLE OF MOTION: Hyattsville Pops! Storefront Activation Program

RECOMMENDATION:

I move that the Mayor and Council dedicate \$325,000 in American Recovery Plan Act (ARPA) funding to *Hyattsville Pops!*, a new storefront activation program that will support the recovery, stabilization and expansion of Hyattsville's commercial sector by providing six-month pop-up spaces for emerging small businesses, artists and ARPA-funded City services.

SUMMARY BACKGROUND:

In the wake of the COVID-19 pandemic, many communities are taking steps to reduce commercial vacancies, lower the barriers to brick-and-mortar entry for emerging businesses, and reduce the risk to property owners of taking on new tenants. By activating underutilized spaces along our main streets, the City can jumpstart the local economy, support our small business community and local artists, and encourage businesses that went virtual during the pandemic to run in-person operations again (a key ingredient to placemaking).

In their *Pop-Up Vacant Storefront Activation Toolkit*, the State of Massachusetts wrote: "Empty spaces, whether a vacant storefront, a blank wall, or an unused lot, cause blank spaces as people walk along the street, negatively impacting the economic and streetscape vitality of a downtown area. Studies have shown that people strolling with no agenda need something to engage them every 25 feet or so. This keeps them walking, and in the downtown context, that means more people on the street increasing safety, creating a sense of community, and passing by stores with the potential to shop. Addressing vacant storefronts and vacant or underutilized properties head on is a priority and can bring vibrancy back to downtown. Filling vacant spaces can create a series of effects:

- improving the look of downtown, communicating care and promoting community pride;
- generating foot traffic to support businesses;
- creating social opportunities for the community connect;
- increasing the experience of safety; and
- serving as an incubator to give an economic boon to the area."

The City of Hyattsville Business Retention and Expansion Plan (published Fall 2021) identified our three primary business zones: the Arts District along Baltimore Avenue/Route 1, the West Hyattsville zone on Hamilton Street, and the Hyattsville Crossing zone (formerly called University Town Center/Mall at Prince George's) along East West Highway. (need map from CED to depict zone boundaries) Vacant storefronts within these zones would be eligible for this program.

The City maintains a database of property listings that includes vacant properties in these zones. This listing may not be comprehensive, however current data on storefront vacancies indicates that:

- The Arts District has x vacancies
- West Hyattsville has y vacancies
- Hyattsville Crossing has z vacancies

(need this info from CED)

Through the program, the City will enter a master lease agreement with up to three (3) property owners in each of Hyattsville's three (3) business zones. The City will provide a guaranteed minimum rent of \$1 per square foot, and then sub-leases spaces to various pop-up tenants for a six-month term. Long term lease options may be negotiated with the broker or property owner based on initial six-month term. Tenants in the program would pay the City rent equal to five percent of their sales. In turn, the City would supplement the minimum rent so the landlord receives up to \$2 per square foot. Any additional rent collected would be reserved by the City on the tenant's behalf to support each tenant's future expansion.

The City will dedicate \$325,000 in ARPA funding to storefront activation, to support up to nine (9) storefront activations (i.e., three in each zone at \$36,000 per activation), depending on the size and availability of spaces and tenants. The storefronts will serve as:

- Pop-up shops for emerging businesses
- Pop-up galleries for local artists to rebuild a local following
- Temporary community centers where residents can:
 - Attend capacity building workshops geared toward current and prospective small business owners (e.g., City of Hyattsville Small Business Roundtables, technical assistance sessions by the Hyattsville Community Development Corporation, workshops by the Prince George's County Department of Permitting, Inspections and Environment the **State of Maryland xyz**), and
 - Attend capacity building workshops for homeowners (e.g., workshops offered by the City's Housing Manager, the Maryland Mortgage Program).
 - Participate in recreation programs for youth and seniors; and
 - Get COVID vaccines and boosters through an agreement with a local health care provider.

The City will seek emerging businesses with sound business concepts, established businesses ready to expand or prototype new products or concepts, and other creative pop-ups designed to activate and invite the community. Preference will be given to Hyattsville business owners and artists, women, and people of color.

ANTICIPATED STAFF RESOURCES REQUIRED TO IMPLEMENT:

City of Hyattsville Community and Economic Development (CED) staff will identify property owners who have one or more vacant storefronts and are amenable to this storefront activation program. During a Small Business Roundtable or during one on one visits (in person or by phone), the City will explain the program to those property owners. CED staff will work together to plan and implement a six-month storefront activation campaign.

NEXT STEPS:

- Reach out to other cities to learn about their storefront activation programs.
- Confirm the number and location of vacant storefronts in the Arts District, West Hyattsville and Hyattsville Crossing.
- Identify the property owners of these vacant storefronts and contact them to assess their interest in this program.

CITY ADMINISTRATOR / DEPARTMENT DIRECTOR COMMENT:

SUPPORTING DOCUMENTATION:

- As part of its Recovery Plan, the City of Chicago created a Small Business Storefront Activation Program to amplify once-in-a-generation emergency relief funding. They are leveraging an equity-based investment strategy to catalyze sustainable economic recovery from the pandemic, investing in communities and

industries that were hardest hit. Their \$2m program funded 55 storefront activations at \$36k per storefront. They awarded grants to community development corporations, chambers of commerce, cultural centers, business alliances, etc.

- The City of Santa Cruz planned and implemented *Downtown Pops!*
<https://www.choosesantacruz.com/information-for-businesses-in-response-to-covid-19/downtown-pops-pilot-program>



Pop-up Vacant
Storefront Activation

- The State of Massachusetts created a storefront activation program:

FISCAL IMPACT: Need input from CED

COMMUNITY ENGAGEMENT:

This storefront activation idea was suggested by several Hyattsville residents, business owners and entrepreneurs. Further community engagement should be conducted to flesh out this program/this motion.

STRATEGIC GOALS AND ACTIONS:

Goal 2 – Ensure the long-term health of the City, Action 2.4 – Support high quality, low-impact development and private investment that enhances the community

Goal 3 – Enhance a safe and pleasant community, Action 3.2 – Provide effective, data-driven public safety and property standards services

Action 3.3 – Effectively manage and invest in community amenities and City infrastructure including streets, sidewalks and other public facilities

Goal 5 – Strengthen the City’s identity as a diverse, creative, and welcoming community, Action 5.4 – Work with other organizations and communities to broaden the range of resources and services provided to City residents

LEGAL REVIEW REQUIRED?: