



**COVID-19
90-DAY ECONOMIC
RECOVERY PLAN
MAY 5, 2020 – AUGUST 3, 2020**

ECONOMIC DEVELOPMENT DEPARTMENT



COVID-19 ECONOMIC RECOVERY PLAN

To meet the moment, address economic challenges and provide support to Chula Vista businesses, Economic Development staff has drafted a 90-Day Economic Recovery Plan. This plan will continuously be updated every 90 days which allows ultimate responsiveness from the City and flexibility for determining the best course of action in the future as the pandemic and economic impact evolve. This plan will include a recovery program of local resources to focus on local businesses which are the backbone of Chula Vista's economy.

The plan will be re-evaluated often in response to the current situation and with the knowledge that any re-opening of the economy will be done gradually and incrementally to protect the public's health and prevent a resurgence of cases.

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Small businesses are the backbone of Chula Vista's economy. 98% of local businesses have 10 or fewer employees.

*Source: HdL 2020 Business License Data
Pictured above: Novo Brazil in Otay Ranch Town Center*

EXECUTIVE SUMMARY: CORE TENETS OF THE PLAN

The 90-Day Economic Recovery Plan will be updated every 90 days with new actions and status updates on the previously identified actions. As time and the pandemic evolves, the five overarching core tenets of the plan will remain unchanged. The plan will provide assistance in the following five identified areas:



FINANCIAL ASSISTANCE

In addition to federal and state financial assistance, several local programs are available to provide financial assistance to Chula Vista businesses. Local financial assistance is available through the Small Business Relief Fund, the On-the-Job Training Program, the Direct Financial Assistance Loan Program for small businesses, the TechHire Job Training Program and the Restaurant Loan Program.



TECHNICAL ASSISTANCE

City staff and local partners will continue to provide technical assistance to businesses. Technical assistance is provided through city communications, business assistance and concierge services, technical assistance for federal and state programs, an economic recovery survey and industry working groups.



MARKETING AND PROMOTION

Businesses need assistance in marketing and promoting their operations now more than ever. Staff is prepared to help small businesses with marketing and promotion through the development and launch of a community-wide business support marketing campaign and local business promotion and marketing with the Colu App. These programs will reinforce the importance of shopping, dining and staying local to support Chula Vista.



BIZ FRIENDLY CITY POLICIES (CUT RED TAPE)

City policies and programs have been reviewed and staff is proposing a myriad of changes that will encourage a more business friendly environment that will minimize additional costs, burdens and barriers to re-entry to do business in Chula Vista.



CONTINUE ECONOMIC DEVELOPMENT CATALYST PROJECTS

The progress achieved to-date working on the Bayfront, Millenia, University-Innovation District and revitalizing Third Avenue cannot be halted due to COVID-19. The completion of these projects all offer significant economic gain for Chula Vista and staff will continue moving these projects forward.

FINANCIAL ASSISTANCE

In addition to federal and state financial assistance, several local programs are available to provide financial assistance to Chula Vista businesses. Local financial assistance is available through the Small Business Relief Fund, the On-the-Job Training Program, the Direct Financial Assistance Loan Program for small businesses, the TechHire Job Training Program and the Restaurant Loan Program. These programs are summarized below.

Small Business Relief Fund

In partnership with the City of San Diego, a \$6.1 million Small Business Relief Fund was established. The \$6.1 million is inclusive of a \$2.1 million Regional Revolving Loan Fund that businesses in Chula Vista and San Diego were eligible to compete for. A total of 3,200 applications were submitted, of which 273 were from Chula Vista businesses. Regional revolving loans range from \$10,000-\$20,000 with interest rates as low as 2.5% with no payments due and no interest accrued for the first six months of the loan term. Loan terms are anticipated to range between three to four years. Funding is limited and has already been exhausted. There have been a total of 20 Chula Vista businesses who have been asked to submit documentation demonstrating they are experiencing economic hardship due to COVID-19 so that they may be advanced to the next stage of the Revolving Loan Fund review process. Chula Vista applications are being reviewed by Economic Development staff with assistance from the South County Economic Development Council.

On-the-Job Training Program

OJT helps offset the cost of hiring and training employees by reimbursing employers up to 50% of a new hire's hourly wage for a maximum of 1,040 hours. This would be a helpful resource to businesses to apply for prior to reopening their business post-COVID. [Additional information on OJT](#) is available from the San Diego Workforce Partnership.

Direct Financial Assistance Loan Program for Small Businesses

Staff is currently working with the Housing Division on the update of their Consolidated Plan to program approximately \$820,000 in CDBG and CDBG-CV funds for COVID-19 related response and recovery. \$600,000 of the \$820,000 is proposed for direct assistance to small businesses. Staff will create a direct assistance loan program and is considering forgivable loans with conditions. Staff is considering structuring the loan program to benefit restaurants because they employ the highest number of people and offer the greatest potential return on our local investment, in that they typically generate about \$40,000 annually per location in normal operations. The program would prioritize funding for smaller "mom-and-pop" restaurant locations, of which there are approximately 140 in the City. The restaurant industry has different challenges than retail because of their high restart costs associated with buying all new inventory, PPE, hiring and training.

TechHire Job Training Program

Staff is coordinating with the San Diego Workforce Partnership on a Chula Vista TechHire Program. TechHire is part of a nationwide movement to level the playing field for tech jobs and matches talent with internships and/or employment opportunities in computer programming, IT network and support, multimedia and design, analytics and all other tech fields, such as robotics. Participants will receive access to career coaches and job leads, career-readiness preparation and other resources for internships or paid work experiences. TechHire is a program in alignment with the City's Inclusive Economic Development vision. \$200,000 of the \$820,000 CDBG/CDBG-CV allocation is programmed for the TechHire Job Training Program.

Restaurant Loan Program

South County Economic Development Council (SCEDC) is offering one-time, zero interest loans up to \$5,000 to South Bay restaurants to assist in staying open and continuing to serve food. To-date, 20 restaurants have been awarded loans from SCEDC and seven are Chula Vista restaurants. 15 applications are still being processed.



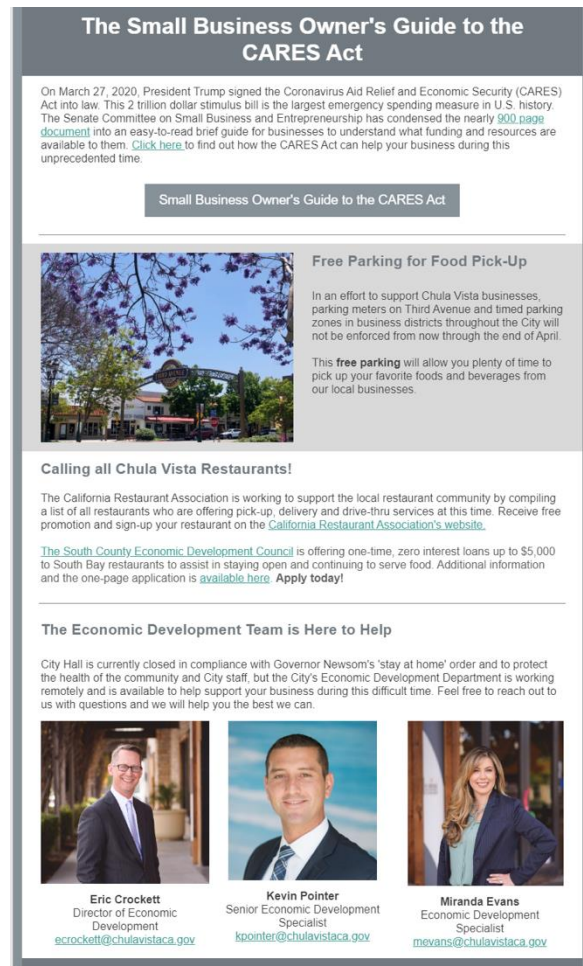
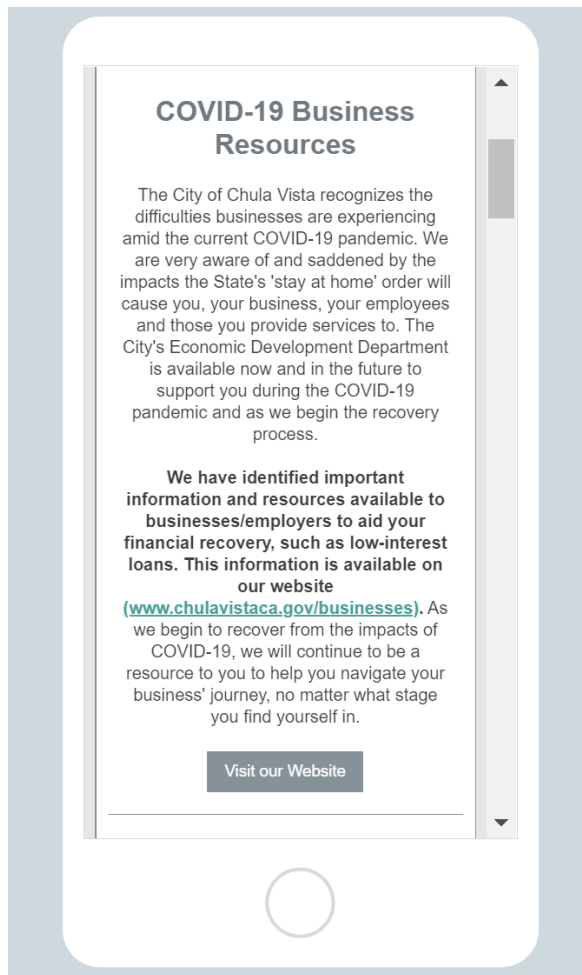
Mangia Italiano, pictured above, is one of seven local restaurants who have been awarded funding from SCEDC's Restaurant Loan Program thus far.

TECHNICAL ASSISTANCE

City staff and local partners such as SCEDC and the Small Business Development Center (SBDC) will continue to provide technical assistance to businesses. Technical assistance is provided through city communications, business assistance and concierge services, technical assistance for federal and state programs, an economic recovery survey and industry working groups. These forms of technical assistance are outlined below.

City Communications to Businesses

Following Governor Newsom's Stay at Home Order, Economic Development staff expeditiously created a webpage with business resources specific to the crisis. This webpage is updated as new programs and funding opportunities become available. Staff has also begun sending out timely email newsletters via Constant Contact to business license holders with pertinent information, updates and resources. Five campaigns have been sent as of the writing of this report which has included 50,454 sent emails with an average open rate of 46%. The standard open rate for email campaigns is 15-20%.



Businesses Assistance and Concierge Services

Economic Development staff continues to provide business assistance to inquiries received through the website and email. As of the writing of this report, approximately 60 web requests have been responded to. Concierge services and support are also still provided to applicants moving through the discretionary permitting process.

Technical Assistance for Federal and State Programs

Economic Development staff is allocating \$20,000 of CDBG/CDBG-CV funds to SCEDC to assist the business community navigate the nuances of the state and federal funding application processes.

Economic Recovery Survey

In partnership with SCEDC, [an economic recovery survey](#) has been created to gain data on anticipated recovery timing across sectors and to continue to have a feedback loop with small businesses to understand their needs. Staff has sent this survey out to over 10,000 email addresses and has also provided the link to the Chula Vista Chamber of Commerce and Third Avenue Village Association (TAVA) requesting they distribute the link to their business members.

Industry Working Groups

Per a suggestion from City staff, SCEDC has agreed to provide their leadership and expertise to convene virtual working groups in the restaurant, retail and hotel/tourism industries. These working groups will be facilitated by SCEDC and attended by city staff to listen to and assist businesses as we move towards economic recovery. The working groups will also provide an arena for local support, connection and collaboration within industries. These working groups are planned to begin in May. Staff has also contacted TAVA and the Chula Vista Chamber regarding conducting working groups with their memberships as well.

MARKETING AND PROMOTION

Businesses need assistance in marketing and promoting their operations now more than ever. Economic development staff has reached out to local businesses to seek their input on what services and assistance would be valuable as they start to re-open post-COVID. The majority of businesses surveyed have requested assistance from the city with marketing and promotion of their business and services. Staff is prepared to help small businesses with marketing and promotion through the development and launch of a community-wide business support marketing campaign and local business promotion and marketing with the Colu App. These programs will reinforce the importance of shopping, dining and staying local to support Chula Vista.

Community-wide Business Support Marketing Campaign

Staff plans to launch a community-wide business support marketing campaign to promote the importance of shopping, dining and staying local and the importance of unity within the community during the COVID-19 crisis and throughout our economic recovery. The campaign is intended to tell the personal stories of local business owners, humanize their business and encourage local patronage. Economic Development staff recommends this campaign be an extension and expansion of the THIS is Chula (#THISisChula) campaign and will coordinate this effort with the Communications team.

Local Business Promotion and Marketing with Colu App

Staff explored options and associated costs and has selected Colu for a six-month pilot program for \$15,000 under the City Manager’s signatory authority. Colu is a smart city technology designed to incentivize and gametize civic engagement using a unique City Coin that can be redeemed. The first campaign with Colu will be targeted at promoting local businesses and fueling the local economy. Staff anticipates being able to launch the app in approximately 90 days. Following the conclusion of the six-month pilot program, staff will analyze Colu’s ROI and decide whether or not to continue use of the app as a tool for economic recovery and small business support. Chula Vista will be the first city in California to use this smart city technology.



City

1 Defining a relevant city goal, allocating a reward budget and launching a campaign on the app



2 Residents

Learning about what's happening in their cities. After performing a recommended action, receiving City Coins which **can be spent only in small local businesses**.

3 Businesses

Attracting residents to redeem their City Coin and enjoying increased customer traffic

BUSINESS FRIENDLY CITY POLICIES

City policies and programs have been reviewed and staff is proposing a myriad of changes that will encourage a more business friendly environment that will minimize additional costs, burdens and barriers to re-entry to do business in Chula Vista.

Prioritize Tenant Improvement Permits

Staff recommends prioritizing TI permits over the production of housing in order to support and encourage new businesses opening and doing so quickly. Businesses may need to process TI's quickly in order to comply with appropriate social distancing guidelines like the removal or relocation of bars, booths, installation of pony walls and other barriers or improvements.

Eliminate Transportation Development Impact Fees for Change of Use of an Existing Structure

This proposed change would reduce costs for new businesses re-using an existing structure.

Temporary Deferral of Sewer Capacity Fees

A deferral of sewer capacity fees would provide businesses, mostly restaurants but some manufacturing facilities, with additional time to pay their sewer fees to create an opportunity to direct their resources towards other, more critical, expenses. Fees would still need to be paid at the end of a determined period of time.

Extend Fee Deferral Program for Community Facilities District No. 17-1 (Western Chula Vista DIF Financing Program)

Staff recommends extending CFD No. 17-1 for another 60 months. This would allow the continued deferral of fees for all high-density, commercial and industrial developments in western Chula Vista.

No Proactive Enforcement of the Sign Ordinance (CVMC Chapter 19.60)

Allow operational restaurants and other essential businesses to post large signs and banners and or/additional signs to advertise their services. Once non-essential businesses are permitted to open, this would also apply to them. In the interest of promoting businesses, there will be no proactive enforcement on the sign ordinance for 90 days.

Business Encroachment into the Right-of-Way When Feasible

Staff is analyzing safe ways to allow queuing outside of businesses to maintain social distancing inside and outside the storefronts. When safe and feasible, this could also potentially allow restaurants and other businesses to enlarge their operating space in order to accommodate more patrons using appropriate social distancing. For example, allowing businesses to utilize parking in front of their businesses for seating and queuing of the public may allow proper social distancing protocols while assisting in

occupancy loads. As we continue to work with businesses along Third Avenue and within our various shopping centers, we need to allow flexibility for them to secure space outside of their business for queuing or dining which could be monitored through a no-fee permit. Staff is coordinating with Engineering and Development Services to find appropriate methods as there is no one-size-fits-all approach. Staff is also exploring the “slow street” concept per SANDAG guidance which would allow the temporary closure of streets to create additional space for pedestrians to maintain social distancing.

Free Parking on Third Avenue and along Commercial Corridors

Continue the extension of free parking through August 3, 2020 to incentivize patronage to businesses.

Advocacy for Businesses to the Department of Alcoholic Beverage Control

Staff will advocate to the Department of Alcoholic Beverage Control (ABC) to support businesses adding outdoor dining in compliance with social distancing protocols to be allowed to serve alcohol outside and to expedite the approval process. This advocacy is anticipated to come in the form of a letter from the Mayor or City Manager requesting approval for all restaurants.

Coordination with Utility Providers on Payment Plans

[SDG&E will waive late payment fees](#) and will not disconnect service for business customers experiencing financial hardship and unable to pay their gas and electricity bills. Businesses are encouraged to contact the SDG&E Contact Center at 1-800-411-7343 for more information and to make late payment arrangements. Staff has begun conversations with SDG&E regarding payment plans without interest which would assist businesses with avoiding ballooning fees on a case-by-case basis. Additionally, [Sweetwater Authority](#) is currently suspending water shutoffs for failure to pay water bills. [Otay Water District](#) has also temporarily suspended shutting off water and is not charging late fees until further notice.

CONTINUE ADVANCING ECONOMIC DEVELOPMENT PROJECTS

The progress achieved to-date working on the Bayfront, Millenia, University-Innovation District and revitalizing Third Avenue cannot be halted due to COVID-19. The progress and completion of these projects all offer significant economic gain for Chula Vista and staff will continue moving these projects, and other essential work, forward.

Supply Chain Analysis

Staff is researching tools and assistance to obtain and analyze local supply chain data. This information will provide data to staff to understand local supply chains and explore opportunities for businesses to buy local and stay local to help bolster Chula Vista's economy and potentially reduce costs for businesses.

Sanitation and Social Distancing Protocol Permit

Staff has created a mandatory permit for businesses requiring the posting and adherence to sanitation and social distancing protocols. This permit will be required immediately for operational essential businesses and will be required for non-essential businesses to comply with prior to their re-opening. Businesses will be inspected to ensure they are complying with their protocols. Violation of the protocols or failure to obtain a permit will result in a violation of the municipal code. Staff will use the permit and inspection process as an opportunity for a personal interaction with the business to also check on what support and unique needs each business has.

Harvard Summer Fellowship

Through the Bloomberg-Harvard City Leadership Initiative and Innovation track, the City was given the opportunity to have a Harvard fellow provide assistance on a project of choice over summer 2020. City staff interviewed five excellent candidates and selected Irene Liu, a dual degree MPP and MBA Candidate for the class of 2022. Ms. Liu was initially going to be assisting Economic Development staff with their grant award from the National League of Cities on developing an inclusive economic development strategy; however, given the current events with COVID-19, staff and Harvard advisors agreed it practical to pivot and have Ms. Liu assist with COVID-19 response, resiliency and recovery efforts. The fellowship will likely be virtual and the exact scope of Ms. Liu's work is still being solidified as of the writing of this report.

Continued Progress on Key Development Projects

Staff will continue working diligently to achieve progress on the City's key development projects. These are the projects that hold the greatest economic promise for Chula Vista's future. Recent efforts are summarized below.

- *Bayfront Development:* Staff is engaged in continued efforts in coordinating with the Port and participating with JEPA to finalize the plan of finance and accompanying agreements for the 535-acre Bayfront Development Project. It is now anticipated that the 1,600 room Gaylord of the Pacific Hotel will break ground in 2021.

- *Millenia Office Development:* Staff is coordinating with Chesnut Properties on a Purchase and Sale Agreement which would enable the 324,000 Think Campus office building, the first phase of the 3M square foot class A office building, to start construction.
- *University-Innovation District:* Progress is being made on several fronts with the University-Innovation District. As of March, the City has entered into a two-party agreement with Impact USA Group for university recruitment services and formal letters of interest have been received from Purdue University and Saint Louis University. Efforts are continuing with developing the overlay zone in partnership with HomeFed Development Corporation and AECOM. A marketing plan is currently being developed for the University and Innovation District. Staff is awaiting the findings of the CSU capacity assessment study which is still scheduled to be completed by July 1, 2020.
- *Third Avenue Revitalization:* Staff is continuing to offer concierge services to businesses throughout the City and on Third Avenue to continue revitalization efforts.



Bayfront Development



Millenia Office Think Campus



University-Innovation District



Third Avenue