

The BOULEVARD

El Cajon Boulevard Business Improvement Association
www.theboulevard.org

Business Resource Guide

The El Cajon Boulevard Business Improvement Association receives numerous inquiries regarding the availability of assistance for the purchase, development, and/or rehabilitation of property along the Boulevard. In addition, the Association is approached about starting, acquiring, or expanding businesses.

There are a host of tools available to meet those goals. Included here are brief summaries of a few of those options.

Redevelopment

Examples of redevelopment tools:

- Ability to assemble land for development
- Ability to utilize tax increment and issue bonds
- Ability to invest in infrastructure to "lure" private enterprise
- Ability to create affordable housing opportunities

What are the benefits to residents and businesses within and surrounding a Redevelopment Project Area?

As offices, industries, services and shops leave deteriorated areas, the jobs and dollars that would have been spent there are lost. Through redevelopment, a project area receives focused attention and financial investment to reverse deteriorating trends, create jobs, revitalize the business climate, rehabilitate and add to the housing stock, as well as gain active participation and investment by residents and local business which would not otherwise occur. These revitalization efforts have positive effects that spill over the project area boundaries and improve the entire community.



The Renaissance mixed-use project utilized various funding sources, including North Park Redevelopment funds

Redevelopment resources are primarily intended to assist in the development or rehabilitation of properties that address conditions of blight. The Enterprise Zone was established to assist small businesses in maintaining and expanding within limited geographic areas. The small business loan programs provide financial assistance, many times where other options do not exist.

Contact information is included for each activity.



The 90 unit Talmadge Senior Village was partially funded by the City Heights Redevelopment Agency

Examples of activities/benefits generated through redevelopment:

- Commercial mixed-use projects
- New/Rehabilitated affordable and market-rate housing
- New and revitalized schools
- Increased investment in the area
- Living wage job creation
- Transportation facilities
- Sales, hotel and utility tax revenue
- Youth recreation and service centers
- Community beautification
- Renewed civic pride

Program Contact information:

The Redevelopment Agency of the City of San Diego
1200 Third Avenue, 14th Floor, MS 56D
San Diego, CA 92101
(619) 236-6700
www.sandiego.gov/redevelopment-agency/

Storefront Improvement

The Storefront Improvement Program (SIP) revitalizes building facades visible to customers, neighboring merchants, and residents. The City of San Diego provides design assistance and financial incentives to small business owners who wish to make a creative change to their storefronts. Awards to the applicant are for one-third of the construction costs, up to a maximum of \$5,000. Qualifying historic and public art projects awards the applicant for one-half of the construction costs up to a maximum of \$7,500.

Eligible Improvements: Repair, replacement or new applications of awnings, windows, doors, lighting, paint, landscaping, tile or other decorative material, and signs. Also eligible for rebate is removal of security bars and code compliance for signage violations.



A recent Storefront Improvement Program participant

Enterprise Zone

What is an Enterprise Zone?

An Enterprise Zone is an economically disadvantaged area in which businesses can receive substantial state tax credits and other competitive advantages. Enterprise Zones are geographically defined and created by the state of California to encourage business investments in areas where they are traditionally low and to spur job growth in areas of high unemployment.

The San Diego Regional Enterprise Zone was established in 2006. It includes portions of El Cajon Boulevard between 36th and the La Mesa border.

How do businesses benefit from being in the San Diego Regional Enterprise Zone?

Businesses within the Enterprise Zone are eligible for tax credits on their California Business income tax. Tax credits are more beneficial than tax deductions. If the tax credits exceed the amount of taxes owed for that year, unused tax credits can be carried forward to future tax years.

Tax Benefits:

- **Sales or Use Tax Credit:** A tax credit of up to \$1.35 million annually may be claimed for sales tax on purchases of new manufacturing or production equipment.
- **Hiring Credit:** Tax credits may be claimed on up to 50 percent of the wages paid to qualified new employees over a five-year period. This credit could exceed \$34,000 per eligible employee.
- **Loss Deduction:** All net operating losses may be carried forward as a deduction in future years.
- **Net Interest Deduction for Lenders:** Both private and commercial lenders are allowed a deduction on the net interest earned from loans made to Enterprise Zone businesses. Qualified loans include business loans, mortgages and loans from noncommercial sources. This means easier loan approval for Enterprise Zone businesses.

Additional Enterprise Zone benefits:

- **Employee Finder:** No-cost job referral service that can be used to find qualified employees whose wages can be claimed as tax credits.
- **Permit Assistance:** City staff can expedite and assist with development permit applications.
- **Fee Reduction:** Waived or reduced development fees.
- **Tax Savings:** Tax savings for Enterprise Zone employees.

Small Business Loan Fund

The City of San Diego matched a \$750,000 grant from the Economic Development Administration (EDA) to develop the Small Business Micro Revolving Loan Fund. The \$1.5 million fund operates in targeted areas of San Diego to provide small business assistance.

Eligibility

To be eligible for assistance under the Small Business Micro Revolving Loan Fund, a business must:

- Be located in an eligible census tract. The entire El Cajon Boulevard Business Improvement District is eligible.
- Create new employment opportunities.
- Have firm financial commitments for other components of the project to be financed.
- Be willing to comply with all regulations, guidelines, policies, and requirements, as they relate to the program.
- Demonstrate that financing is not otherwise available on terms or conditions that would permit completion and/or the successful operation or accomplishment of the project activities to be financed.
- Demonstrate credit worthiness and the ability to repay the loan.

Financing

- **Loan Size:** Minimum loan of \$25,000, maximum loan of \$150,000.
- **Minimum Required Equity** is 10% to 30% depending on the Project.
- **Loan Terms:** Loans will be direct loans fully amortized over three to seven years.
- **Interest Rates:** Rates will be fixed and will generally be Prime Rate Plus 2% or 3%.

Contact information for programs included on this page:

City of San Diego
Economic Development Division
1200 Third Avenue, 14th Floor
San Diego, CA 92101
Tel: (619) 236-6700
email: sdbusiness@sandiego.gov

