

# **Construction Mitigation Grant**

**City Council B Session**



Presented by Brenda Hicks-Sorensen  
Director, Economic Development Department  
March 19, 2025

# Prior Grant Programs



## FY 22 COVID 19 IMPACT GRANT

- Additional \$10,000 available to awardees located in construction zones
- 135 awardees received the funds

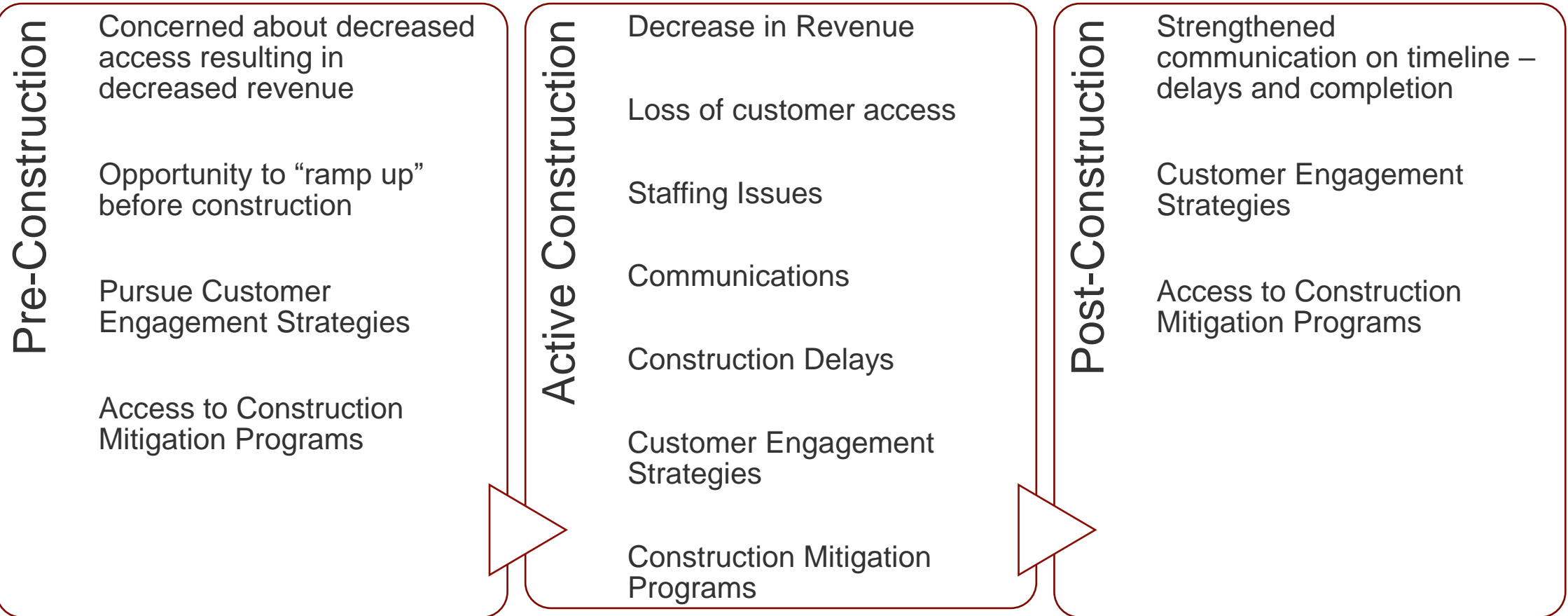
## FY 23 COVID/CONSTRUCTION RECOVERY GRANT

- \$2.45M in ARPA funds
- 91 small business recipients
- \$26,856 average grant

## FY 24 SMALL BUSINESS CONSTRUCTION SUPPORT GRANT

- \$1.4M in ARPA funds
- 63 small business recipients
- \$22,106 average grant

# Feedback from Businesses



# Proposed FY 25 Construction Mitigation Grant Program

FY 2025  
Allocation:  
\$1.4 million in  
General Funds



# Active Construction Grant



## Overview

The grants will be available for small, for-profit businesses that are impacted by City-Initiated Construction projects.

## Grant Information

- Budget: \$1,000,000
- Grant amount up to \$35,000
- Assist up to 40 Small Businesses

## Use of Funds

- ✓ Working capital
- ✓ Machinery and equipment
- ✓ Payroll/health care benefits
- ✓ Contract labor
- ✓ Supplier payments
- ✓ Rent, lease or mortgage payments (business property only)
- ✓ Utility payments (business property only)
- ✓ Cost of critical business operations

# Eligible Corridors



City-initiated  
construction zone



Planned duration of at  
least 12 months



Ongoing as of  
April 1, 2025

Project/Area	CD	Estimated Businesses *	Started	End
Zona Cultural Streets	1 & 5	236	January 2022	Summer 2025
South Alamo Street	1	74	December 2022	Spring 2026

*\*Source: Data Axle business intelligence tool; 2024.*



# Business Criteria



- Must be located in identified eligible construction zone
- Established in current location as of January 1, 2023
- Minimum \$10,000 gross sales in 2023
- Must have experienced \$5,000 reduction in net revenues in 2024 when compared to 2023
- Retail or service business that requires customer foot traffic for operations
- Meet U.S. Small Business Administration's size standards for small businesses for 6-digit NAICS code
- Be in operation and not filed for bankruptcy at time of application
- Grant applicant must be majority owner of business

## EXCLUSIONS

Businesses cannot be in the following categories:

- Non-Profits
- Gambling/gaming businesses;
- Franchisors;
- Sexually oriented businesses;
- Payday & auto loan providers;
- Vape shops;
- Liquor stores; and
- Businesses in which a City employee or officer has a financial interest, *as defined in Sec. 2-53 of the City's Ethics Code*

# Proposed Changes



- Construction duration impact of 5 points
  - 36 months vs 30 months
- All but 8 potentially eligible businesses have an income-only Equity Atlas score of 4-5

## Construction Project Duration

36 months or more	20
19 – 35 months	15
18 months or less	10

## Equity Atlas – Income-Only Scores

4 – 5	20
3	10



# Updated Scoring Criteria

Applications will be scored according to **assessed need**.

Funds will not be disbursed on a first-come, first-served basis.

Prior Assistance Received (2024 and/or 2023 Grants)	Points (Max. 100)
No prior assistance received	30
Net Revenue Loss (2024 vs. 2023)	
50% or greater	50
30% or greater	30
10% or greater	10
Pre-Existing Business	
> 5 years before construction start	20
2 – 5 years before construction start	15
< 2 years before construction start	10

- Scoring criteria changes are recommended based on the specific construction projects recommended for this round of grants.
- **Should the eligible construction projects change, scoring criteria should revert to original recommendation.**

# Pre-Construction Pilot (FY2025)



## Overview

This is an early-stage grant to help businesses prepare for upcoming construction with enhanced marketing and promotion of their business.

## Grant Information

- Budget: \$80,000
- Grant amount is \$2,000
- Assist up to 40 Small Businesses

## Eligible Use of Grant Funds

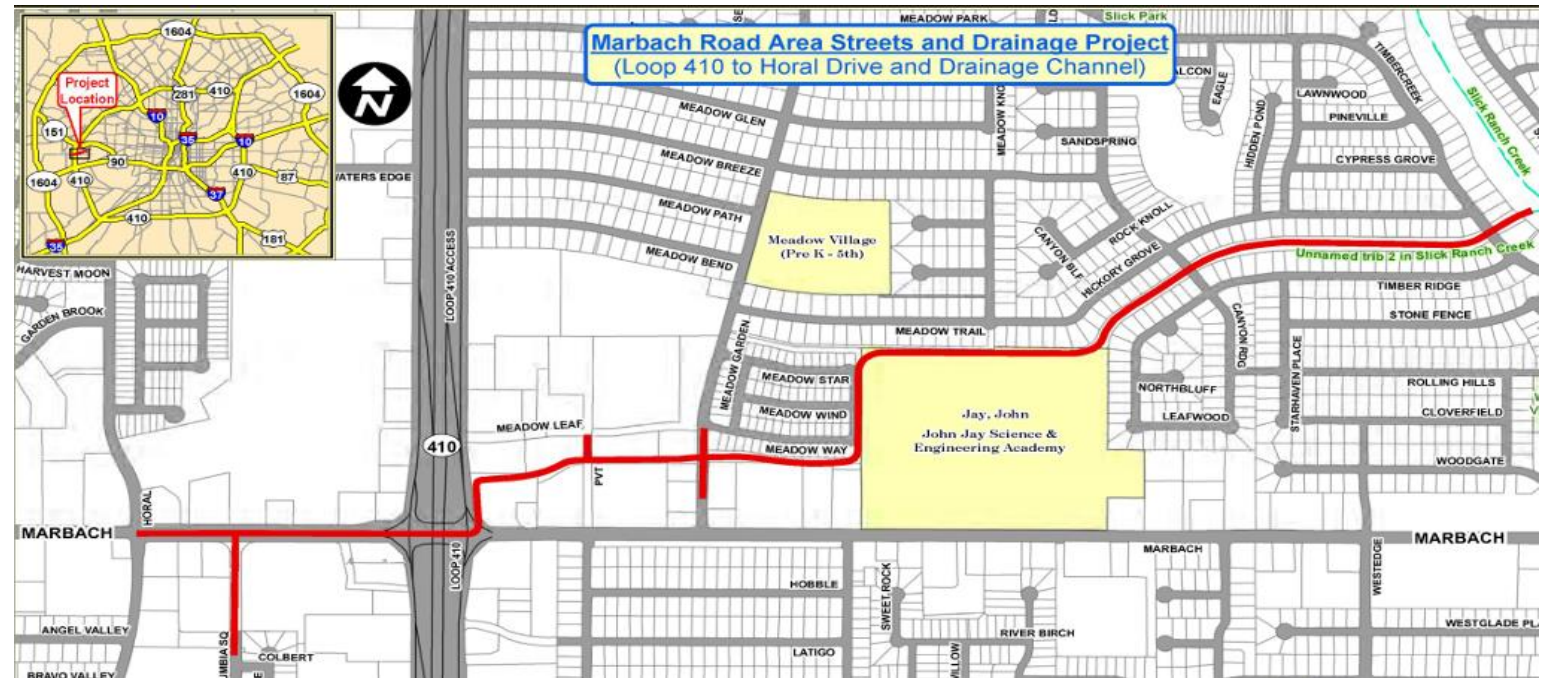
- |                          |                           |
|--------------------------|---------------------------|
| ✓ Social Media marketing | ✓ Marketing Consultants   |
| ✓ Signage                | ✓ Marketing Products      |
| ✓ Marketing Services     | ✓ Online Delivery Service |

# Eligible Corridor

City-initiated  
construction zone

## Planned duration of at least 12 months

Project/Area	CD	Estimated Businesses*	Start	End
Marbach Road Area Streets & Drainage	4 & 6	164	Fall 2025	Winter 2029



*\*Source: Data Axle business intelligence tool; 2024.*

# Post-Construction Pilot



## Overview

Supporting local small businesses that have recently been impacted by City construction to improve the exterior or interior of their business establishment.

## Grant Information

- Budget: \$120,000
- Grant amount is \$5,000
- Assist up to 24 Small Businesses

## Eligible uses of Grant Funds

- ✓ Exterior or Interior Painting
- ✓ Exterior Power washing
- ✓ Signage repair/installation
- ✓ Outdoor seating
- ✓ Exterior or Interior Lighting
- ✓ Landscaping
- ✓ Floor cleaning/replacement



# Eligible Corridors



City-initiated  
construction zone



Planned duration of at  
least 12 months

Project/Area	CD	Estimated Businesses*	End
Bynum Ave Phase 2	4	13	Fall 2024
Bulverde Road Phase 1	10	23	Fall 2024
Broadway Street Corridor	1 & 2	208	Fall 2024



# Business Criteria for Pre & Post Construction



- Must be located in the identified eligible construction corridor
- Business registered and in good standing with the Secretary of State of Texas
- Retail or service business that requires customer foot traffic for operations
- Meet U.S. Small Business Administration's size standards for small businesses for 6-digit NAICS code
- Be in operation in eligible corridor and not filed for bankruptcy at time of application
- Grant applicant must be majority owner of business

## EXCLUSIONS

Businesses cannot be in the following categories:

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# Marketing and Outreach



## Distribute Program Information

- Public webpage with all program information
- Social media posts
- Share materials with small business serving organizations and Council offices



## Outreach to Eligible Corridors

- Postcard mailed to eligible addresses
- Block walking in-person outreach
- Phone calls and emails to businesses in eligible corridors



## Information Sessions

- Host at least two information sessions (prior to application opening and during application period) with live translation



## Application Days

- Host at least two application days, providing technical assistance in high-density areas

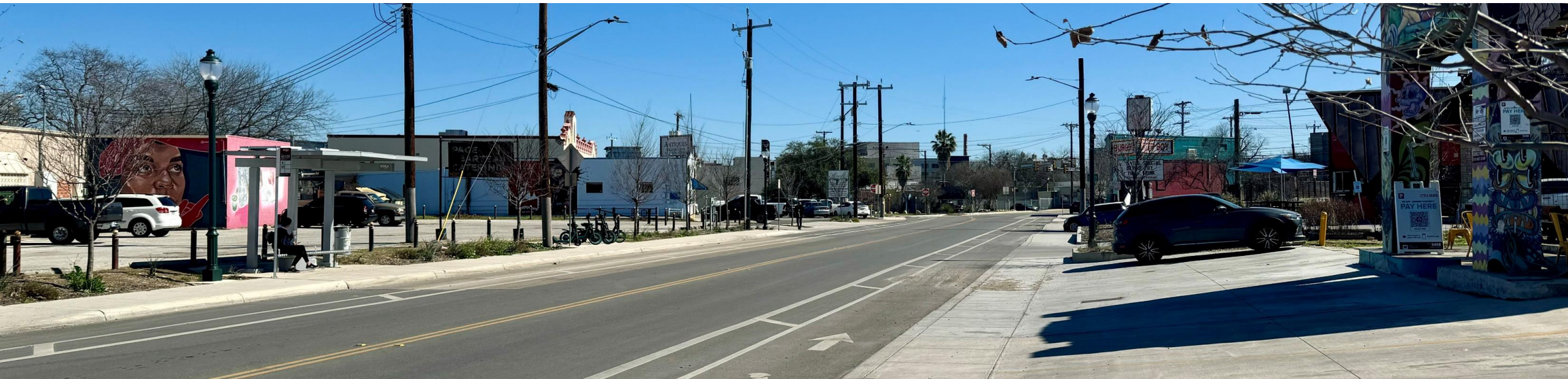
**Budget: \$15,000**



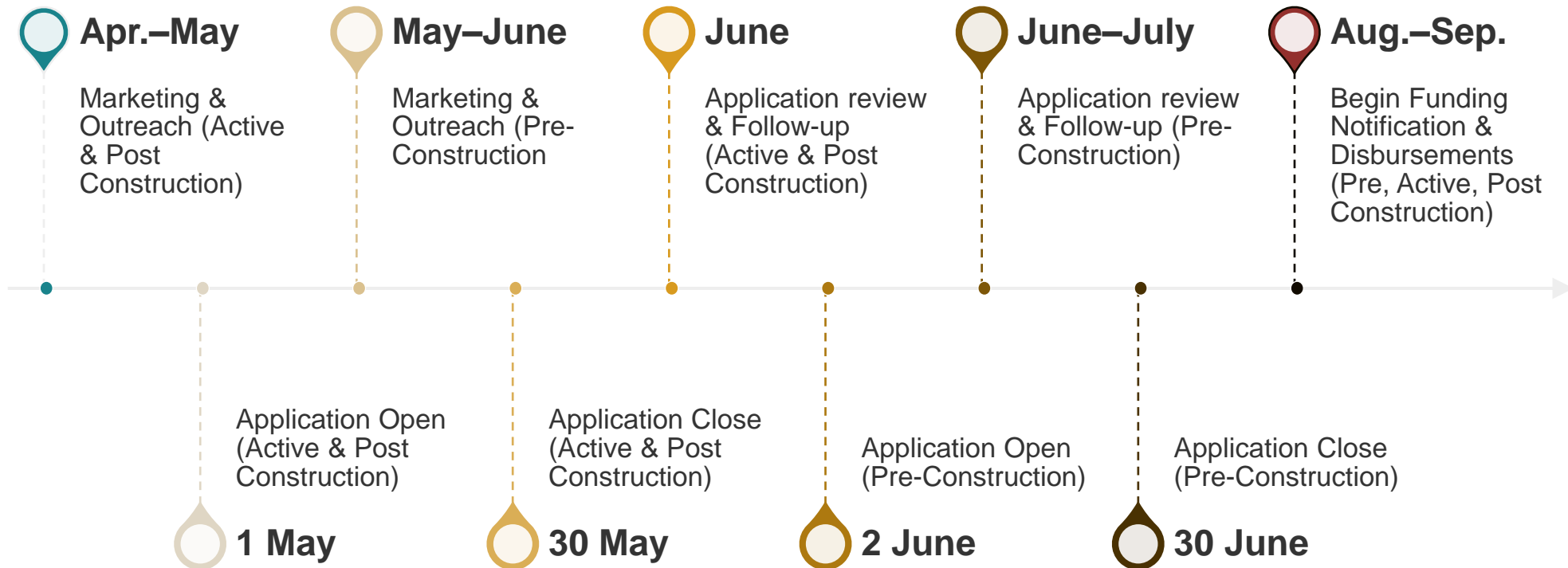
# Next Step

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- March 27 – City Council consideration of agreement with LiftFund for program administration
  - Total Administration Fee: \$185,000 (~13%)



# Program Timeline





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