

Organization: Baltimore Development Corporation

Community Size: Large (More than 200,000)

Name of Program: BDC Cluster Façade Improvement Grant (FIG) Program

Contributions to Best Practices: The City of Baltimore Development Corporation (BDC) has a long-standing Façade Improvement Grant (FIG) program to assist businesses in Baltimore City. The grants are used to enhance the appearance of individual building façades, including signage, awnings, lighting, and other exterior improvements. Both businesses and property owners are eligible to participate in the program. The main purpose of the FIG program is to encourage private investment by offering assistance with dollar-for-dollar contributions. However, the original FIG program focused solely on individual businesses. After discussions about whole blocks of commercial buildings that could benefit from this program, particularly in lower-income commercial districts where business owners have fewer resources to meet match requirements, a new branch of the FIG program was established: The Cluster FIG Program. This new program has demonstrated a successful method of locating and targeting whole blocks that need investment in order to assist business owners in creating more aesthetically pleasing storefronts that are much more inviting to patrons.

The Cluster FIG program has already been implemented in three locations: North Howard Street, East Monument Street, and Liberty Heights. BDC staff selected these three locations after discussions about which distressed commercial corridors could benefit the most from the program. From that point, BDC released a Request for Qualifications for designs from architects and contractors. After selecting architects and contractors, a set of potential designs for the selected blocks was presented to the business owners in those locations. This offered BDC the opportunity to demonstrate to the owners the potential that their businesses have, and how BDC is willing to assist through a program that recognizes the challenges of the traditional FIG program. In the Cluster FIG program model, BDC coordinates the project on behalf of the businesses, solicits the designs and bids, manages the contractors, and waives the match requirement. Despite being a fairly new approach, it has already inspired the commencement of other cluster programs throughout the city and state. This includes the state-sponsored program “Enhancing Baltimore’s Business Districts” (EBBD), which is a partnership between BDC and the Department of Housing and Community Development that has assisted business corridors beyond BDC’s pilot program, and it has just been extended with additional state dollars.

The Cluster FIG Program has helped to revitalize commercial districts through its strategic, whole-block approach to improvements.

Coordination of Partnerships: BDC recognized the importance of the strong coordination required in order to make the program a success. BDC staff serves the project management role charged with overseeing a number of moving pieces. From soliciting bids and concept designs from architects, getting buy-in from businesses and property owners, working with the

design team to incorporate business owners' feedback into the final designs, coordinating between the business owners and contractors completing the work, and working with city agencies to ensure timely review and issuance of permits, the program involves a true team-based approach. In order to ensure timely delivery of projects, BDC used different teams for each cluster. In the case of contracting work for the East Monument Street cluster, BDC partnered with Living Classrooms Foundation, a Baltimore-based non-profit dedicated to reducing poverty through various programming and workforce development initiatives.

Leverage of Resources: The funding for these cluster improvements comes from the Capital Improvement Program (CIP) funding that BDC applies for every year from the City of Baltimore. The grants were anywhere from about \$20,000-\$25,000 per business building. Through BDC operating as a "project manager" overseeing architects for comparable design and contractors for similar work, the Cluster FIG program enables a streamlined process that benefits businesses while limiting expenses and time that would occur from individual façade improvements.

Innovation and Creativity: The cluster program is a unique full-block grant designed to beautify a commercial area to improve overall success of businesses and help grow the economy of the city. Although there are façade programs that match private investment with public investment, the Cluster FIG program uniquely offers unmatched funding to struggling commercial blocks for façade enhancement. The program also does not solely focus on currently inhabited spaces; if a vacant building is within the cluster boundaries it may also garner the benefits of the program. In addition, the program created a streamlined process for the business owners; once they sign a contract with BDC to grant access to the property, BDC coordinates the rest of the work, allowing owners to focus on their business without needing to worry about soliciting bids, completing paperwork, and other steps that may hinder the speed of the façade work. This new approach makes a broader impact in making the commercial district more inviting for employers, patrons, and new businesses.

The program incorporated a workforce development component to achieve its goals. By partnering with Living Classrooms, the program provided an on-the-job opportunity for members of a workforce development program geared to those with barriers to employment.

Another creative approach was utilizing all Baltimore City-based architecture firms and contractors, and engaging in the design process early with business owners. By having the architects create a set of design concepts, BDC could show business owners the great potential of their businesses if they opt into joining the program. The striking before photos juxtaposed with the potential after renderings improved buy-in from businesses. By integrating lighting upgrades, each cluster project enhances public safety. In the case of the Howard Street cluster, which falls within the Bromo Arts and Entertainment District, the improvements also included an artistic component by painting multiple buildings' roll-down security grates.

Jobs (before): 0

Jobs (after): 0

Source of Fund (public investment): Baltimore City Capital Improvement Program funds

Source of Funds (private investment): N/A - Unlike the standard FIG program, business owners do not have to match the publicly contributed funding.

Leverage of Resources (initial investment): 565301.80

Leverage of Resources (total investment): 565301.80

Expansion of tax base (before): 0

Expansion of tax base (after): 0

ROI: With the investment from BDC, a qualitative ROI can be seen through revitalization of commercial districts by making whole-block, visible improvements. This also provides investment in lower-income commercial districts that would likely not otherwise occur. Ultimately, the façade improvement program seeks to keep businesses open and functioning so that they can continue to employ Baltimore residents in the area, enhance the appearance of the district, and help drive additional investment to the retail corridor. While the Cluster FIG program is solely funded through the City's CIP fund, BDC's contributions leverage matching funding from the State for MD HCD's spinoff cluster FIG program, EBBD.

Budget and Source of Funding: The Cluster FIG program used the funding it received to better commercial corridors that needed facade assistance. This came in the form of lighting, painting, window and door replacement. Over the past few years, the Cluster FIG program has invested in various locations throughout the city. Some examples include:

- East Monument Corridor: The Cluster FIG Program investment totaled \$176,024.58.
- North Howard Corridor: The Cluster FIG Program investment totaled \$271,607.22.
- Liberty Heights Corridor: The Cluster FIG Program investment totaled \$117,670.

Impact on Employment: The Cluster FIG program makes it possible for businesses to upgrade storefronts to be more inviting and appealing to customers. The businesses are also able to improve their façades without worrying about funding the changes themselves or arranging work with contractors, both of which have proven to be sufficient barriers for businesses in lower-income commercial districts. The combination of increased customers and saving money enables the businesses to retain current staff and hire more as sales grow. By investing in our commercial districts through cost-efficient interventions like façade improvements, we create an environment that helps businesses succeed and grow.

Expansion of Impact on Tax Base: A specific impact on the tax base is not known, but we expect positive tax benefits will be accrued through increased employment, business revenues, and real property improvements.

Diversification of Economy: Through its focus on funding improvements for businesses in more distressed commercial corridors and hiring locally to complete the work, the Cluster FIG program is an example of BDC's efforts to promote equitable economic development. More broadly, as we make commercial districts more appealing, we hope to attract new businesses that meet community needs that will be more likely to locate in the retail district due to improved conditions.

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