

THE CITY OF SALINAS



FROM STREETFRONT TO STOREFRONT: PROGRAM PROPOSAL

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PROGRAM OVERVIEW



The Pop-Up Program: From StreetFront to StoreFront is an exciting initiative by the City of Salinas to support entrepreneurs who are ready to take the next step in growing their business.

This pilot program will temporarily place selected businesses into vacant storefronts in Downtown Salinas, at reduced cost and with support, giving them an opportunity to operate in a real retail environment without the full financial risk of a more long-term lease.

The program will solely be targeting innovative, out-of-the-box businesses that can bring foot-traffic and vibrancy to Downtown Salinas.

Benefits?

- Promote Salinas as a Vibrant Destination
- Increase temporary activation of underutilized spaces
- Attract New Businesses
- Highlights the City's competitive advantage
- Promotes Public Safety (reduces chances of vandalism & trespassing in vacant spaces)

This is a chance to build visibility, reach new customers, and gain valuable experience in a commercial setting.



BACKGROUND

“Success does not mean leaving Salinas, it means investing in it.”

— Aessa Lynn

BACKGROUND

The City of Salinas has grown to raise many young and eager entrepreneurs, from arts and crafts to authentic retail. The people of Salinas have a strong work ethic and have contributed positively to the community around them.

Many California cities – including San Jose, Fairfield, and Santa Cruz—have implemented successful Pop-Up Shop programs that encourage unique retail activation through small businesses. These programs have led to millions of dollars in sales as well as an overall boost in community engagement and enthusiasm.

By researching and developing off of these successful programs, Salinas too can create a space for small business creativity as well as exciting community destinations.

HOW DOES IT WORK?

The City enters a master lease with willing Downtown Salinas vacant property owners at a below-market rate. Eligible businesses apply for the program, are selected, and enter a sub-lease with the City to be placed in a temporary storefront.

IDEAL OUTCOME

The City works with the business to ensure it abides by all regulations and offers further support for the business's success. A local small business gains experience in a brick-and-mortar space, the property owner earns some revenue, and the location is advertised to prospective owners.

POP-UP BUSINESS OWNERS & PROPERTY ELIGIBILITY



To ensure the upmost success program applicants must meet the following minimum qualifications to ensure a high quality and successful pop-up operation:

Pop-Up Business Owners

- Operational Experience: Applicants must demonstrate knowledge in operation and management in their **retail** business.
- Licenses & Insurance: We strongly encourage applicants to have a valid business licenses as well as insurance.
- Financial Capacity: Applicants must demonstrate sufficient financial capacity to cover initial lease costs, security deposit, and ongoing operating expenses.
- Managerial Resources: The applicant must show they have adequate managerial and staffing resource throughout the pop-up term.

Property

- Permits: We require the properties to be permitted for retail use and require no extra renovations.
- Program Alignment & Concept: The proposed pop-up concept should align with property owners! Program goals of activating vacant spaces and enhancing downtown vibrancy with complimentary, not duplicative, uses.
- Willingness: Property owners must be willing and open to the program and understand potential risks, as outlined in the lease.

LEASE STRUCTURE & RESPONSIBILITIES



LEASE STRUCTURE

01.

The City would enter a master lease with the property owners of the vacant spaces in Downtown Salinas. This lease would guarantee base rent at a heavily reduced rate, providing revenue while also maintaining affordability for the City and the pop-up business owners.

The average rate per square foot in Downtown Salinas is \$2.25 sq ft per month.

Thus, we suggest that the City provide a base rent of \$1.00 sq ft per month, in addition to 10% of the monthly revenue earned by the pop-up business (up to a maximum of \$2.00 sq ft per month).

RESPONSIBILITIES

02.

The responsibilities of the program would be split based on the master lease. Given that the purpose of the program is to allow the small business to flourish in a brick-and-mortar the responsibilities would be split between the master lease holder (The City), the property owners, and the sub-tenants.

The City of Salinas:

- Rent up to 6 months (at reduced rate)
- Business Support
- \$1,000 New-Tenant Grant (for minor tenant improvements)

Pop-Up Business Owners:

- 10% of Monthly Sales (given to Master Lease Holder)
- Security Deposit
- Insurance
- Utilities



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