

SUPPORTING SMALL BUSINESS GROWTH AND INVESTMENT

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Across all eight communities, there are real barriers to creating thriving small business environments that go beyond the rise of online shopping. Startup risk is too high for local entrepreneurs. Tenant improvement costs are unaffordable without subsidies. Rising costs from insurance (especially for older historic buildings), utilities, labor and minimum wage, and/or permitting and compliance such as Americans with Disabilities Act (ADA) improvements.

Outside of business costs and competition concerns, the communities also highlighted the need for building repairs as the first step for improving small business success. Revitalization cannot be tenant-led alone; buildings must often be fixed first.

Why it Matters

A thriving small business community and a supportive business environment are the foundation of a successful downtown. Together, they create jobs, foster community pride, attract investment, and transform downtowns into vibrant centers of economic activity and social connection. When small businesses succeed, the entire community benefits.

Step by Step Actions: Strategies for Growing Main Street Businesses

This section will contain examples of ways to address some of these barriers by supporting and nurturing small businesses, reducing barriers, creating an entrepreneurial environment, etc.



Pop-up Retail

Pop-ups are temporary retail locations that utilize communal spaces or small existing retail venues to briefly sell items and/or provide services. Most often, this approach is used to sell seasonal goods or take advantage of fads/trends. However, pop-up retail can be used by governments and organizations looking to grow small business presence by integrating them into revitalization programming. Pop-up retail can be an effective tool to help budding small businesses take the first step. One of the core challenges of opening a small business is high start-up costs. Pop-up retail directly confronts start-up barriers by reducing the cost and timelines of leases while reducing required inventory.

Example: Ontario, California used the “pop-up” style approach, supplying local business owners with access to short-term rentals in a city-owned commercial space for \$1 a month and free access to utilities/internet.

- 1. Outreach and Relationship Building** - City government departments should spearhead the program in partnership with successful business owners and aspiring entrepreneurs.
- 2. Establish Program Selection Criteria, Goals, and Offerings** - Based on an understanding of the needs of small businesses, program planners can commit to goals achieved through program offerings, like free or low rent, and incorporate these considerations into program selection criteria.
- 3. Identify Funding** - Getting the space ready for opening and maintaining the facility will likely require the bulk of the cost and may require outside funds if the city does not have them available.
- 4. Secure Tenant Space** - The primary offering would be the physical space, and choosing a location that connects to pre-existing business corridors will increase the likelihood of customer traffic.
- 5. Develop and Implement a Call for Proposals / Identify Selection Committee / Review and Select Participating Businesses** - It is likely that more businesses will be interested than the program can immediately support, so crafting a call for proposals like the one [linked here](#) from Ontario can help ensure that tenants fit program goals and meet the needs of new business owners. While receiving proposals, identify a combination of local business owners and economic development practitioners to ensure a range of perspectives are considered when choosing which businesses to host. Participating businesses should fit original program goals and criteria such as expressed need, demonstrated potential, and startup readiness.
- 6. Build Community Engagement** - An engaged community can increase customer foot traffic. Build excitement through an opening day event, strong communication, and dynamic visual tools.
- 7. Maintain Tenant Space** - The host space will require regular physical maintenance and should also consider cost coverage of utilities/services such as water, internet, electricity, office supplies, etc.
- 8. Repeat with new businesses along an established timeline** - Pop-ups are temporary by nature, so the program should identify run length for each proposal period and continue new calls for participating businesses to reach as much of the community as possible.



Key Partners

City government offices, established small businesses, economic development advisors, philanthropic funders, state funders

Costs

Building purchase, construction, renovation, physical maintenance, utilities, internet, supplies, outreach, events, staff capacity

Micro-grants and facade grants

Small business micro-grants are small amounts of money that do not need to be repaid and typically come from government agencies, private philanthropy, or non-profit organizations. Depending on the program and funder, different micro-grant or microenterprise assistance programs will provide varying levels of financial assistance and require varying levels of qualifications. Some of these programs are also known as “facade grants” and address tenant improvement costs by funding exterior refinishing, equipment and furniture, curb appeal enhancements, and the establishment of outdoor dining areas. Micro-grants are an effective way to combat start-up costs and/or revitalize existing businesses in need of financial assistance. They are typically less competitive, faster to implement, and easier to administer. Facade grants are key to addressing a key barrier from the focus groups: tenant improvement costs.



Example: Manteca, California runs a grant program that supplies funds to small businesses for storefront facade improvements, expansion of outdoor dining areas, ADA compliance upgrades, and enhancing interior tenant spaces to improve the overall customer experience. Additionally, [this database](#) provides resources for micro-grants available in California in 2026.

- 1. Develop Grant Roadmap** - Establish funding timelines, identify funding sources, and begin building selection criteria. This could include stakeholder interviews to clarify local businesses' financial needs.
- 2. Notice of Funding Opportunity** - Call for applications from businesses, as has been done in Manteca.

- 3. Announce Awardees** - Build excitement and use this as an opportunity for dynamic public engagement by pairing with public events.
- 4. Track Implementation** - Build opportunities to track implementation into grant reporting requirements and celebrate wins through public highlights/ribbon cuttings.
- 5. Program Wrap-Up** - Online or in person event to reflect on successes and gather feedback. As much as possible report on estimated return on investment.

Key Partners

City government offices, potential funders, local business owners, financial advisors

Costs

Grant funds, events, staff capacity



Community Benefit District/Business Improvement District Model

Community Benefit Districts (CBDs) are public-private partnerships within a certain area of a city or county that [“provide services like cleaning, safety, and economic development”](#) to improve neighborhoods and business environment. A Business Improvement District (BID) is like a CBD but can sometimes differ based on who manages it and how funds are collected. City of San Francisco Office of Economic and Workforce Development’s page on CBDs contains a range of reports, 101 information fundamentals, and contact information for communities looking to implement similar models.

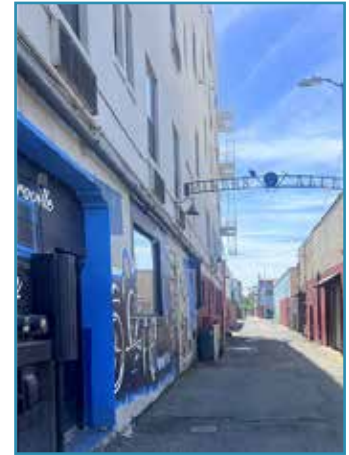
CBDs typically function as mechanisms to improve safety and cleanliness in a neighborhood or area. However, funds can also be diverted toward broader economic development goals, such as small business marketing campaigns. The model is a creative way to raise communal funds that aid in achieving shared goals; how those funds are implemented can be as personalized to the community as stakeholders see fit.

Example: There are [12 BIDs in Washington, DC](#) that raise funds through a surcharge on the real property tax liability on small businesses. Each BID is managed by its own non-profit organization made up entirely of business and property owners, who then control how funds are used to improve the district.

[Anne Arundel County, Maryland](#) supports CBDs across the county through services like road and property maintenance, facility improvements, and pest control. [This document](#)

includes county codes, charters, and articles that could serve as a governance example if implementing on a county-wide level.

- 1. Consult Successful Models** - Although San Francisco is a much larger city, begin by reaching out to them or other successful CBDs to understand the governance model, funding structure, and management approach.
- 2. Secure Business/Property Owner Buy-In** - Host town halls, webinars, door-knocking, surveys, open office hours, etc. to ensure that potential CBD participants understand and want to use the model.
- 3. Confirm the CBD in City/County Legislation** - Work with local government to write the chartering article, typically built into Business and Tax Regulations Code, that clearly lays out how funds are raised, what body manages fund collection/use, and what the boundaries of the CBD are. This writing process should be collaborative across all potential stakeholders.
- 4. Build the Board** - With business and property owner buy-in and enabling legislation, it's time to launch the non-profit or managing organization that will oversee the funds. Funds should be completely controlled by business/property owners, with the local government supporting administrative tasks.
- 5. Launch your CBD** - Begin collecting funds and working with stakeholders to identify goals and uses.
- 6. CBD Maintenance** - Track funds and uses so that public annual reports can demonstrate the impact of the model and highlight areas needing improvement or change.



Key Partners

City and/or county government, local government maintenance staff, business owners, property owners, other city governments

Costs

Districts across the country report operating CBDs on budgets anywhere between \$250,000 and \$580,000, with some districts surpassing \$1 million. Target CBD budget will depend on each community's size/scale.

One-Stop Permitting Centers

One-stop permitting centers are a single website/web portal for business and property owners to use that consolidate the location of permitting agencies. This simplifies permitting processes, saving business owners time and resources. With the numerous challenges facing small businesses, one way that local governments can ease entrepreneurial burdens is by enabling regulatory ease.

Example: [New Orleans One-Stop](#) is a web portal/app used to search, track, and apply for permits.

- 1. Consult a Web Developer/Service Provider** - This process may require some research, putting out bids, and speaking with providers to get a sense of how what they can offer may meet the needs of your community. It's also possible to use free form tools, spreadsheets, basic municipal web pages, etc.
- 2. Consolidate Permitting Offices** - Complete an internal review of permitting processes, staff, paperwork, and fees to eliminate inefficiencies.
- 3. Launch Your Website** - Create an interface that is friendly and easy to use; pair its launch with community outreach raising awareness of the new system.
- 4. Support Business Owners** - Community members may be unsure about how to use the new system. Create how-to guides, including videos, in addition to public meetings allowing space for questions.
- 5. Track Feedback** - Share regular surveys and calls for feedback to understand if the new system is helping or if changes need to be made.

Key Partners

Web developer, business owners, internal local government staff

Costs

Primary expenses are for website development. Potential additional costs for optional outreach and informational events.

Fee Waivers/Deferrals

[Fee deferrals and fee waiver programs](#) are tools local governments can use to reduce upfront development costs for businesses and property owners. Fee waivers eliminate certain local government fees for eligible projects, while fee deferrals allow fees to be paid later in the development process rather than at permit issuance. This tool reduces upfront



and permitting costs to small businesses, making it easier for businesses and developers to move forward on projects. These programs have been used in many communities to support business retention and expansion and can be focused on specific geographic areas depending on where increased investments are most needed.

Example: [The City of El Centro's Downtown Development Fee Waiver Program](#) waives eligible planning, zoning, permitting, and impact fees for qualifying businesses in downtown El Centro.

[Pierce County, Washington](#) allows eligible applicants to defer payment of certain impact fees and connection charges until later in the development process. The most relevant for small businesses is likely sewer connection charges.

- 1. Identify Specific Goals** - Determine whether the goal is to encourage investment in a specific area, encourage new business development, or retain existing businesses.
- 2. Determine Eligible Fees** - Review development fees; identify which may be appropriate for waiver/ deferral.
- 3. Establish Eligibility Requirements** - Define which projects, businesses, and/or locations qualify. Programs may focus on specific business types or targeted districts to support community priorities.
- 4. Create an Application Process** - Develop a clear procedure and require applications to be submitted alongside other development/permitting applications when appropriate. This process can be built into the "one-stop shop" approach mentioned earlier.
- 5. Establish Deferral Procedures** - If fees are not waived, determine when fees will become due and how local government will secure payment.
- 6. Monitor Program Performance** - Track participation levels, fees waived/deferred, project outcomes.

Key Partners

Economic development staff, planning departments, permitting offices, business and property owners, broader community stakeholders

Costs

Beyond administrative costs, it is valuable to take in considerations for forgone or delayed fee revenue.



Experiential Retail and Community Events

[Experiential retail](#) focuses on creating memorable, in-person experiences that give customers reasons to visit businesses beyond simply purchasing goods. Individual businesses can utilize experiential retail in their shops, while cities can support these efforts through broader arts and culture programming. Community events, arts and cultural programming, pop-up activities, public art, and placemaking initiatives can help turn downtowns and commercial districts into destinations that attract visitors, increase foot traffic, and support local businesses. Linking experiential retail and events with arts and culture programming can further contribute to downtown revitalization by activating public spaces, attracting visitors, and adding beauty.



Online businesses offer convenience, but they cannot replace the social interaction, entertainment, and sense of place that physical downtowns can offer. Community events and experiential retail encourage people to spend more time in commercial districts while strengthening community identity.

Examples: California Cultural Districts can serve as a model. The state process included the following elements:

- Three steps: The review had an open call for letters of intent, site visits for semi-finalists, and an invited finalist application. A peer panel also reviewed the letters of intent.
- Required groundwork: Finalists had to complete at least a preliminary cultural asset survey or inventory. The council emphasized authentic, homegrown assets.
- Term: Each district received the designation for five years.

How each district approached it

[Eureka](#): Eureka built on planning that was already underway. The city planner explained that creating a Cultural Arts District was already a project in the city's arts plan, so they used it as the basis for the state application. The application was a collaboration among the city, Eureka Main Street, and Ink People Center for the Arts. That came after decades of arts-based downtown revitalization, including an earlier local "Cultural Arts Resource District" and the monthly Arts Alive! art walk. That local district grew out of a partnership among the

city's redevelopment agency, the Eureka Art and Culture Commission, the Humboldt Arts Council, Ink People, and Eureka Main Street.

Redding: An arts council led it, with philanthropic and Main Street backing. The Shasta County Arts Council was the lead agency. Redding mapped several areas on both sides of the river as its district. Viva Downtown Redding, a Main Street organization, was also a founding partner.

Truckee: This was a town, chamber, and grassroots effort. The Truckee Chamber of Commerce, the Truckee Public Arts Commission, and the Town of Truckee worked together on the application. The Truckee Arts Alliance, a grassroots group formed in 2015, also played an informal role. The Nevada County Arts Council served as fiscal sponsor for the Alliance. The district's pitch was also distinctive as a rural, high-alpine district. Truckee was one of only four rural designations.

Grass Valley-Nevada City: The Nevada County Arts Council was the central organizer. It is the county's state-local partner with the California Arts Council, by resolution of the Board of Supervisors. It later ran district mini-grants and built a cultural asset map and an economic impact study.

Common ingredients

- A **lead organization**, usually an arts council or a Main Street group, with a cross-sector coalition behind it
- A **defined geographic boundary** with a documented concentration of cultural assets
- **Local government buy-in** from the city or town
- An **existing track record** to point to, such as art walks, planning documents, or prior grants

Key Partners

Business owners, chambers of commerce, downtown associations, art and culture organizations, parks and rec departments, broader community residents

Costs

Costs can vary significantly with these types of initiatives, ranging from the level of involvement the city chooses to take. If you serve primarily as a resource for businesses looking to integrate more programming into daily activities, costs can be low, but investing in physical infrastructure and broader events could increase expenditures.

