

**Citrus Heights Economic Development Incentive Initiative**  
**ECONOMIC DEVELOPMENT SUPPORT FUND – PART II**  
**SIGN IMPROVEMENT GUIDELINES**

**INTRODUCTION**

The City of Citrus Heights created the Sign Improvement Program (Program) to assist small businesses in the City make improvements to their sign(s), eliminate blight, and encourage economic development. The improvements made by the property owner are maintained through acquisition of a Sign Improvement Covenant. The covenant commits property owners to preserve the improvements to their sign(s) on their existing commercial property located within the City.

The Program's use of a Sign Improvement Covenant is intended to enhance and preserve sign improvements and establish a continuing maintenance agreement for those improvements. All improvements are paid for by the applicant and approved by the City prior to purchase of the covenant. The value of the Sign Improvement Covenant will be calculated based on the eligible improvements. The intent of the program is to physically enhance the properties within the City's commercial districts. The funds are not intended for standard maintenance, repair, or to allow larger, taller, brighter, or more prominent signs simply because the business believes it is necessary. Projects that exemplify the City Design Guidelines will receive priority funding.

The City's investment in the Sign Improvement Covenant furthers its goals of supporting the revitalization of commercial properties and improving the economic vitality within the City's commercial corridors.

The key features of the Program are:

- Participant will convey a Sign Improvement Covenant to the City which will place certain terms and conditions on the development and maintenance of the building signs for a three-year term.
- A Sign Improvement Covenant at a value of up to 50% of eligible improvement costs, up to a maximum value of \$5,000 (City's share) and a minimum value of \$1,000 (City's share), may be purchased by the City.
- The Sign Improvement Covenant serves to preserve the character of the building and property.
- Improvements will be inspected annually to ensure the improvements are preserved in the same character, quality, and condition as that which was in place on the Project Site on the day the City purchased the Sign Improvement Covenant from Participant.
- Sign Improvement Covenant will be provided on a first-come, first-serve basis. In the event that more applications are received than funding available, the City will prioritize applications based on the location within the City's commercial areas, the benefit the project has upon the City and the level of financial participation by the property owner.

This program is a subprogram to the Economic Development Support Fund. The primary purpose of the Economic Development Support Fund is to provide sponsorships and grants that promote the City of Citrus Heights' commerce and increase business activity to help do the following:

- Increase job base
- Increase tax base

- Attract new shoppers/expand trade zone
- Promote/market a specific commercial area/City
- Create or enhance a sense of place
- Improve aesthetics of a commercial area
- Improve the perception and/or practice of the City as business friendly

The Economic Development Support Fund receives an annual program allocation, established by City Council.

This document serves as guidance for staff to ensure that transactions are handled in a fair and uniform manner and to provide consistency in the daily operations of the Program. Periodically, this Policy will be updated to address any necessary changes.

## I. GENERAL ELIGIBILITY REQUIREMENTS

### A. ELIGIBLE PROJECT AREAS

The Sign Improvement Program is available to commercially-zoned properties in the City of Citrus Heights

### B. ELIGIBLE APPLICANTS

1. An Applicant is defined in Section IV, Definitions. Eligible Applicants include the following:
  - a. All owners of small businesses/commercial properties within the Eligible Project Areas.
  - b. All tenants of commercial properties within the Eligible Project Areas, subject to submittal of written approval from the property owner.

### C. INELIGIBLE APPLICANTS

1. Applicants that have previously received City funding for Sign Improvements
2. Public Assembly Uses
3. Residential Uses, including Home-based Businesses
4. Uses prohibited by the Zoning Code
5. Personal Services-Restricted as referenced in the Zoning Code, Liquor Stores, and Bar/Taverns as standalone uses. (These uses as part of a larger project may be eligible subject to Community and Economic Development Director approval)
6. Businesses that do not meet the definition of small business as defined by this document

### D. ELIGIBLE/INELIGIBLE PROJECTS

1. Eligible Projects, include, but are not limited to, the following:
  - a. Signage consistent with the sign types allowed by the Zoning Code.
2. Ineligible Projects, include, but are not limited to, the following:
  - a. Improvements completed prior to the City's approval of the Sign Improvement Program application
  - b. Regular Maintenance
  - c. Temporary signage
  - d. Signage not allowed per the City Zoning Code
  - e. City of Citrus Heights Permit Fees
  - f. Other items as deemed inappropriate by the City

## II. SIGN IMPROVEMENT PROGRAM DESCRIPTION

### A. GENERAL

1. **Purpose and Goals:** The purpose of the Program is to promote joint public/private action and investment which will complement and enhance revitalization efforts in the City through the provision of a Sign Improvement Covenant. The Program also addresses the City's goals of promoting and assisting the development of needed retail

and commercial activities and undertaking beautification efforts to eliminate visual blight within the City.

2. **Eligibility:** In order to qualify for the Sign Improvement Program, the Applicant(s) must meet all General Eligibility Requirements.
3. **Value of Sign Assistance:** The Program shall allow the purchase of a Sign Improvement Covenant for a value in an amount up to 50% of the cost of the eligible improvements, ranging from a minimum amount of \$1,000 (City's share) to a maximum amount of \$5,000 (City's share).
4. **Funding Availability:** All applications are to be reviewed on a first-come, first-serve basis and will be subject to available funding. The City reserves the right to designate how much funding is allocated annually. The City also reserves the right to cancel the Program at any time.
5. **Funding:** In consideration of Participant's agreement to preserve the Improvements in the same character, quality and condition at Participant's own expense, a Sign Improvement Covenant may be purchased by the City based on a value established by documentation submitted by the Applicant for eligible improvement costs incurred.
6. **Security:** The Program Covenant is a mechanism for the City to acquire the property owners covenant to preserve in the same character, quality, and condition as that which was in place on the Project Site on the day the City purchased the Covenant from the Participant, for a minimum of three (3) years, the improvements approved by this Program and as agreed to in the Covenant.
7. **Cumulative Grants:** Each Property (as determined by the City Manager) shall be limited to a maximum of two sign grants.

#### B. TERMS AND CONDITIONS

1. **Pre-Application:** After review of the Program's General Eligibility Requirements, the applicant will meet with City staff to discuss the desired work to be completed. If the proposed work is consistent with the General Eligibility Requirements as determined by City staff, a completed application will be submitted.
2. **Code Compliance:** The eligible improvements shall comply with all applicable building code, land use and planning laws, design guidelines and rules and regulations of the City of Citrus Heights.
3. **Permits:** Before commencement of construction, Applicant shall secure any and all permits which may be required by the City of Citrus Heights or any other governmental agency affected by such construction and shall schedule all required inspections which may be required by the City or any other governmental agency.

4. **Site Maintenance:** Prior to the completion of the eligible improvements, the portion of the site undergoing construction shall be maintained in a neat and orderly condition to the extent practicable and in accordance with applicable health and safety standards. Existing Code violations will disqualify the project from receiving funding until the violations are resolved.
5. **Program Participation Signage:** During the construction period, the City may place a sign at the project site at a location selected by the Applicant and the City indicating participation in the Sign Improvement Program.
6. **Completion of Improvements:** Construction of the eligible improvements shall be completed pursuant to the approved final design and final budget within six months of application approval by the Community and Economic Development Director, unless otherwise approved in writing by the City. In the event the improvements are not completed within six months, the City reserves the right to decline the Application in order to dedicate the funds elsewhere.

The improvements shall be constructed in accordance with the approved final design drawings and final budget, except as changes that may be mutually agreed upon in writing between the Applicant and City staff.

7. **Disbursement:** Prior to the execution of the Sign Improvement Covenant and subsequent disbursement of any funds, the Applicant shall notify the City and request a Project Site inspection to confirm the improvements have been completed. The Applicant is the sole party responsible for making all payments to the contractor(s) providing services to complete the eligible improvements. Once the project has been inspected and approved by the City, the Applicant must submit paid receipts or invoices itemizing the total project costs. Staff will review the submitted documents and calculate the value of the Sign Improvement Covenant in accordance with this policy. After final approval, a Sign Improvement Covenant will be executed by both parties and recorded by the City. Within 10 days of recordation of the Sign Improvement Covenant the City will disburse funds to the Applicant.
8. **On-Going Maintenance:** Once the eligible improvements are completed, the signage shall be maintained in good repair and in a neat and orderly condition. Any damage to the sign is to be repaired within 10 business days by the Participant so that the improvements remain in good condition and positively contributes to the business area.
9. **Annual Certification:** During the three-year term of the Covenant, the City or its designated representative shall inspect the eligible improvements on an annual basis. If the improvements are found to be inadequately maintained in accordance with Section II(B)(9) of this Policy, the Participant shall immediately commence and diligently proceed to repair the improvements within ten (10) days after receipt of written notice from the City. Failure or delay by Participant to comply with the request of the City will constitute a default of this Covenant.

**10. Termination:** The City shall have the right to terminate the Sign Improvement Covenant upon written notice to the Participant in the event that the Participant fails to comply with any of the provisions of the Sign Improvement Covenant. Prior to the termination, the City shall provide written notice to the Participant specifying the reasons for termination, and give the Participant reasonable opportunity to comply with the guidelines of the Program and the Covenant. Following such notice, the City may terminate the Agreement and seek reimbursement in accordance with Section III of this Policy and Procedures.

**11. Ownership of Documents:** The originals of all reports and documents generated by the Program shall become the property of the City.

**12. Right to Refusal:** The Community and Economic Development Director shall have the right to refuse issuance of a Sign Improvement grant based on design, conflict of interest, conflict with city policy or other reason deemed appropriate by the director.

### III. DEFAULT

A. Failure or delay by either party to perform any term or provision of the Covenant constitutes a default under the Sign Improvement Covenant. The injured party shall give written notice of the default to the party in default, specifying the default complained of by the injured party. The party who has defaulted must commence to cure such default in thirty (30) days of receipt of notice of default, and shall complete such cure with reasonable diligence and during any period of curing shall not be in default.

B. If the Participant breaches or violates any provision of the (1) Covenant; or (2) applicable Program regulations, the City shall give written notice to the Participant stating the violation and requiring the Participant to cure the breach or violation within a period of not less than 30 days from such notice. If the breach or violation is not cured to the satisfaction of the City within the specified period of time, the City, at its option, may declare a default under the relevant document and seek remedies for the default, including, but not limited to proceedings to compel specific performance by the Participant in default. Proceedings may include, but are not limited to, reimbursement of the Sign Improvement Covenant amount from Participant equal to the sum of the following:

1. If the default occurs within year one of recording the Covenant, Participant will reimburse the City the full value of the Covenant approved;
2. If the default occurs within year two of recording the Covenant, Participant will reimburse the City two-thirds (2/3) of the value of the Covenant approved;
3. If the default occurs within year three of recording the Covenant, Participant will reimburse the City one-third (1/3) of the value of the approved.

As an alternate matter of recourse, the City shall have the right to perform all acts necessary to cure any default and to receive from Participant the City's costs in taking

such action which includes the City's right to enforce or establish a lien or other encumbrance against the Project Site.

#### **IV. APPEALS PROCESS**

- A. Any Participant whose interest is adversely affected by any determination or requirement of the City may appeal in writing to the City Manager of the City of Citrus Heights requesting a review of the adverse action.
- B. The appeal must be in writing and fully describe the specific circumstances to be reviewed and the determination, action, or policy in question.
- C. The City Manager's determination shall not violate the Programs Policy. The Manager's determination shall be final and shall be transmitted in writing to the Participant no later than fourteen (14) days after submittal of the written appeal.

#### **V. NON-DISCRIMINATION POLICY**

The City shall not discriminate against any Applicant on the basis of race, color, religion, sex, sexual preference, marital status, ancestry, national origin, disability, pregnancy disability, medical condition, sexual orientation, gender, or transgender.

#### **VI. DEFINITIONS**

The following definitions shall apply to this document unless another meaning is clearly apparent from the context.

**APPLICANT** shall mean either an owner or tenant of commercial property in the Eligible Project Areas.

**CITY** shall mean the City of Citrus Heights.

**CITY MANAGER** shall mean the City Manager for the City of Citrus Heights or their designee.

**COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR** shall mean the Community & Economic Development Director for the City of Citrus Heights or their designee.

**ELIGIBLE IMPROVEMENTS** shall mean signage improvements to commercial properties located within the Eligible Project Areas.

**ELIGIBLE PROJECT AREAS** shall mean those commercial properties located within the City of Citrus Heights.

**PARTICIPANT** shall mean the owner of commercial property within the Eligible Project Areas pursuant to Sacramento County records executing the Sign Improvement Covenant.

**PROGRAM** shall mean the Sign Improvement Program.

**PROJECT SITE** shall mean the location where the eligible improvements are to be constructed.

**TENANT** shall mean a person who rents or is otherwise in lawful possession of commercial property within the Eligible Project Areas, which is owned by another.

**SHOPPING CENTER** shall mean a group of retail or other commercial establishments that is planned, developed, owned and/or managed as a single property but may include multiple adjacent structures under common ownership.

**SIGN IMPROVEMENT COVENANT** shall mean the document the Participant and City execute and record to secure the right by the City to enforce the terms and conditions of such document.

**SMALL BUSINESS** shall mean one of the following:

1. Stand-alone properties less than 25,000 SF in Floor Area
2. Tenant spaces less than 10,000 SF in Floor Area
3. Shopping Centers with a cumulative floor area of less than 50,000 SF

## **VII. SIGN IMPROVEMENT PROGRAM PROCEDURES**

### **A. INITIAL APPLICATION**

1. Applicant completes and submits the City's application.
2. Following review of the application and verification of available funding, City staff will contact Applicant to discuss the procedures of the Program and to schedule an on-site meeting to discuss the goals of the proposed project.

### **B. DESIGN DRAWINGS AND COST ESTIMATE**

1. Following the on-site visit, Applicant will prepare a preliminary sign design of with an estimated budget for submittal to City for review.
2. City staff will review and approve Applicant's preliminary design and calculate the value of the Sign Covenant.
3. Following City approval, Applicant will prepare final design drawings and cost estimate.

### **C. RECEIPT OF BIDS**

1. Following the receipt of final design drawings, Applicant shall solicit bids from sign companies. The City requires the applicant get a minimum of three (3) bids.

### **D. CONSTRUCTION**

1. Following City Approval, the Applicant must secure any and all permits which may be required by the City of Citrus Heights or any other governmental agency affected by such construction and shall schedule all required inspections which may be required by the City or any other governmental agency.
2. Applicant enters into agreement with the sign vendor for the completion of the specified eligible improvements. Applicant is solely responsible for the payment of services rendered on said project.
3. Applicant must complete the eligible improvements within six months of the application approval by the City unless otherwise approved in writing by the City.

E. EXECUTION OF SIGN IMPROVEMENT COVENANT

1. Once eligible improvements have been completed, Applicant is to submit associated receipts and/or invoices to the City showing that the contractor(s) have been paid in full.
2. After reviewing receipts and/or invoices for accuracy, City staff will inspect the improvements.
3. Upon verification that the eligible improvements have been completed according to the final design drawings, final budget and specifications, City staff will prepare the Covenant and contact the Participant for execution of the Covenant.
4. Within 10 days of recording the Covenant by the Participant the City will disburse funds to the Applicant.

F. COVENANT SERVICING

1. City staff will be responsible for:
  - Maintaining Covenant records;
  - Monitoring Participant's compliance with the conditions of the Sign Improvement Covenant, including annual maintenance inspections of the eligible improvements;
  - Overseeing any defaults involving the assisted project.