

**RESOLUTION NO. 26-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERCULES APPROVING A TIERED BUSINESS ATTRACTION GRANT PROGRAM AND APPROVING AN APPROPRIATION OF \$200,000 FROM THE GENERAL FUND RESERVE FOR THE PROGRAM**

**WHEREAS**, the City of Hercules values its locally owned small businesses, including restaurants, and seeks to attract additional small businesses; and

**WHEREAS**, the City of Hercules seeks to encourage restaurants, wine bars, micro-breweries and micro-distilleries to locate in vacant retail spaces in Hercules to bring increased vibrancy and provide public gathering places; and

**WHEREAS**, businesses offering food and beverage service also have significant costs for furnishings, fixtures and equipment, such as commercial appliances, point of sale systems, furniture and tableware; and

**WHEREAS**, by assisting with these costs, the City could lower the bar for entry of desired types of new businesses, which could lead to higher sales tax revenues; and

**WHEREAS**, a pilot Business Attraction Grant program for eating & drinking establishments was approved by the City Council on June 13, 2023 and successfully supported four new businesses in building out their new spaces; and

**WHEREAS**, larger retail spaces that are currently vacant represent an opportunity to attract desired types of businesses that generate sales tax revenue in categories in which Hercules currently experiences “leakage” of retail spending to other jurisdictions; and

**WHEREAS**, on July 15, 2025, the City Council’s Economic Development Subcommittee received a report on potential business retention and attraction activities and requested that staff develop a tiered Business Attraction Grant program with larger grants and broader eligibility criteria for larger vacant spaces; and

**WHEREAS**, on October 15, 2025, the City Council’s Economic Development Subcommittee reviewed draft program guidelines and requested that the item be brought to the full City Council; and

**WHEREAS**, on January 27, 2023, the City Council reviewed draft program guidelines and requested that staff return for an appropriation of funds;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Hercules as follows:

1. The City Council hereby approves the establishment of a tiered Business Attraction Matching Grant Program.
2. The City Council hereby approves the program guidelines attached hereto as Exhibit A.
3. The City Council hereby approves an appropriation of \$200,000 from the General Fund reserve for this program.

The foregoing Resolution was duly and regularly adopted at a regular meeting of the City Council of the City of Hercules held on the 24<sup>th</sup> day of February 2026 by the following vote of the Council:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Chris Kelley, Mayor

ATTEST:

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Eibleis Melendez, City Clerk

## **EXHIBIT A – Program Guidelines**