

La Mesa, flush with federal cash, is now accepting pitches for new businesses

Applicants can receive up to \$20,000 to fill local vacancies

By Blake Nelson

LA MESA — Got an idea for a business?

If you're willing to open in La Mesa, the city's open to giving you \$20,000.

Applications opened Friday for the La Mesa Entrepreneurship Accelerator Program, known as LEAP, potentially making the city the first in the region to use federal relief funds toward new stores.

"This program is gonna fill a gap," Mayor Mark Arapostathis said in an interview. Residents were constantly asking for more retail and restaurants, he said, and this allowed the city to take a more direct role in supporting entrepreneurs, who in turn could fill buildings that emptied amid the pandemic.

An estimated 5.5 percent of local storefronts were recently vacant, a higher rate than the region's, officials have said.

The project is inherently risky.

Nationwide, about a fifth of new businesses fold within the first two years, according to a U.S. Bureau of Labor Statistics analysis stretching from 1994 through 2015.

La Mesa hopes to beat that trend through intensive coaching and training.

Applicants must commit to working one-on-one with an advisor, analyzing potential sites and attending classes like "Business Loan Readiness" and "Pitching Your Product to Retail Store Buyers."

That could add up to 10 or more hours a week for months, depending on the proposal, officials said.

As participants advance, they can receive an initial \$10,000 and up to two additional \$5,000 payments to hire staff, pay rent and cover other expenses — and it's not a loan. If the businesses tanks, the money doesn't need to be returned.

Leaders also noted that, unlike programs that nurture small businesses in exchange for partial ownership, the city isn't interested in equity. Officials just want a more vibrant community. (And maybe some taxes.)

"If I live in La Mesa, and I work in La Mesa, it's a lot easier for me to go to volunteer at my kid's school, or to go coach their soccer team," said James Sly, head of the East County Economic

Development Council, which will help oversee the program with the Small Business Development Center.

Applications can be filed online at eastcountyedc.org/leap-program.

Existing businesses that want to expand their brick-and-mortar sites are also eligible, according to program guidelines, though officials said they plan to steer away from chains.

The application window closes at the end of July. Another round is possible, depending on the pitches received this month.

La Mesa hopes to eventually support at least 40 proposals, out of \$800,000 the City Council set aside from the American Rescue Plan Act. About \$80,000 of that money will go to administrative costs.

La Mesa received more than \$10.8 million overall.

The program is scheduled to last through 2026, the deadline for spending federal aid, though leaders expressed hope that a high success rate could lead to more funding.

Questions can be directed to Lyn Dedmon, assistant to the city manager, at 619-667-1339 or ldedmon@cityoflamesa.us.