



Staff Report

TO: City Council
FROM: Kyle Warsinski, Economic Development Manager
DATE: September 5, 2023
SUBJECT: Downtown Business Incentive Program – Fire Sprinklers

Description Consideration of a New Downtown Business Incentive Program.

Background and Analysis:

The Elevate Beaumont 2040 General Plan adopted on December 1, 2020, included an Area Plan for downtown Beaumont. This plan included new land use designations, new and revised zoning districts, improved development standards and new street sections.

On December 6, 2022, City Council approved the establishment of the Downtown Incentive Program which was launched in 2023. The program included the following incentives:

- Downtown Façade Improvement Program or Business Improvement Program
- Business Attraction and Expansion Program
- Pre-Application Fee Waiver
- Building Investigation Fee Waiver
- Sewer Connection Fee Deferral and Grease Trap Program

The program was developed after analyzing the feedback received at the first business meeting, multiple economic development committee meetings, and one-on-one meetings with business owners and landowners. The program is aimed at achieving the following results within the downtown area:

- Improve the look, feel, and climate
- Encourage private investment
- Attract new industry groups to act as catalyst projects to build synergy
- Encourage existing businesses to expand and grow
- Encourage new business ideas
- Reduce certain barriers of entry that exist for specific industry types

Since the launch of the program, staff has identified another barrier of entry for various targeted industry groups within the downtown, the need to install fire sprinkler systems when triggered by the building code. A change of use to an A occupancy 3,600 sq. ft. or over, or with an occupant load of 100 or more persons, or expansion which hits those triggers creates a need for fire sprinklers in order to meet code requirements.

To help combat this barrier of entry, staff is proposing the creation of an additional incentive program to aid in the installation of fire sprinkler systems in older buildings where sprinkler systems are absent. The proposed program is detailed on Exhibit A:

- Eligible Uses:
 - Premium Casual Restaurants
 - Sit Down Fine Dining
 - Bars and Cocktail Lounges
 - Breweries, Distilleries, small scale alcohol production
 - Entertainment Uses
- Maximum per Application: \$1 per \$1 match, of 50% of total project cost, not to exceed \$50,000 on a project totaling \$100,000 or more.

At its meeting April 12, 2023, the Economic Development Committee voted to recommend City Council approve the attached Downtown Business Incentive Program.

Fiscal Impact:

There is no fiscal impact with this report. Total funds budgeted for the Downtown Business Incentive Program include \$500,000 for FY2023-24 and \$500,000 of unspent funds was included in the FY2022-23 budget. The unspent FY2022-23 funds will be requested as a carryover at a later date. Should the carryover request be approved total available funding for the program will be \$1,000,000.

Staff estimates the cost to prepare this staff report and draft program, including initial legal review to be \$200.

Recommended Action:

Approve the New Downtown Business Incentive Program as presented.

Attachments:

- A. Draft Downtown Business Incentive Program – Fire Sprinklers