



## Staff Report

**TO:** City Council  
**FROM:** Joseph Cale, Management Analyst  
**DATE:** September 3, 2024  
**SUBJECT:** Downtown Grease Trap Improvement Program – Funding Agreement –  
410 E. Sixth Street (ED2024-0003)

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**Description** Consideration of a Funding Agreement for installation of a grease interceptor at the property located at 410 E. Sixth Street.

### **Background and Analysis:**

On September 1, 2021, the City received a new Statewide Waste Discharge Requirements Order for sanitary sewer systems. One of the requirements of this order was to require certain existing restaurants to install new facilities, a grease trap or grease interceptor. Discharge compliance from all restaurants and other industrial users within the City is necessary for the City's adherence to the state order, which results in groundwater quality preservation, reduced spills, lower environmental impacts, and reduced sewer rates.

On December 6, 2022, the 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
- Grease Trap Program
- Fire Sprinkler Installation Program (added in September 2023)

The Grease Trap/Interceptor incentive program was developed to support the few restaurants which were open and in operation as of that date.

Business retention and encouraging expansion of these restaurants within the downtown area stimulates private investment, supports customer patronage and retains dining opportunities leading to preservation of sales tax revenues.

Staff has received an application for the grease trap incentive program for the property located at 410 E. Sixth Street. The subject site contains a commercial building roughly 1,300 square feet in size, which was occupied by Casa Palacios at the time of install. The application requests funding for reimbursement under the program for the installation of a grease interceptor for a business which was open and in operation as of September 1, 2021. The installation of the grease interceptor has already taken place, and the business is in compliance with our Wastewater departments regulations.

The application contains the required two (2) bids to perform the work, and a letter explaining their challenges obtaining a third bid. The lowest bid totals \$27,850. The applicant opted to select another bid in the amount of \$33,200. The applicant made this decision with the understanding that the City's incentive program dictates that reimbursement of funds will be based on the lowest responsible bid (Grease Trap Program Guidelines Section III.B.b).

The funding agreement (Attachment A) provides for a 1:1 dollar match for eligible improvements. Based on the lowest bid, the maximum program grant amount for this project is \$13,925.00. The agreement specifies the requirements of the program in accordance with the program policies and procedures. Some of these requirements include paying prevailing wage, obtaining a building permit for the work to be performed, passing a final inspection, and submitting receipts and proof of payment for the work performed.

Staff will review the receipts, proof of payment, and confirm the project was performed in compliance with the funding agreement. Upon approval, the City will reimburse the awardee up to \$13,925.00 pursuant to the attached agreement.

**General Plan Consistency:**

The proposed project is in conformance with the General Plan Economic Development and Fiscal Implementation Action EDF23 to establish and continue to improve City programs providing grants or loans for commercial rehabilitation and improvement. EDF23 is a medium, ongoing priority for Economic Development that is consistent with the General Plan Implementation by providing multiple incentive programs to the areas of the core downtown.

**Fiscal Impact:**

Staff estimates the cost to prepare this staff report and funding agreement, including legal review to be \$300.

There is currently \$176,389 allocated to incentive program costs in the FY2024-25 Budget GL Fund 100-1235-7096. Sufficient funds exist should the City Council approve the proposed agreement.

The total not to exceed amount under the agreement is \$13,925.00.

**Recommended Action:**

Approve the Funding Agreement with David Shimshon for Grease Trap Improvements for the property located at 410 E. Sixth Street.

**Attachments:**

- A. Funding Agreement – Grease Trap Improvements 410 E. Sixth Street

**Incorporated by Reference:**

- City of Beaumont General Plan
- City of Beaumont Zoning Ordinance
- City of Beaumont Municipal Code Section 13.09.130
- Contents of City of Beaumont Department Project File ED2024-0003
- Grease Trap Program Guidelines
- Grease Trap Program Flyer