



Staff Report

TO: City Council
FROM: Kyle Warsinski, Economic Development Manager
DATE: December 6, 2022
SUBJECT: Downtown Business Incentive Program

Description Consideration of a Downtown Business Incentive Program in response to downtown business meetings.

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.

The area plan recognizes the historic central business district (CBD) area as the heart of the City providing a diverse economic, residential and cultural opportunities. Pursuant to the Specific Plan, this vision will be achieved by creating a core area with locally oriented businesses and service establishments as well as recreational and cultural amenities. It is imperative that the built environment creates a sense of place built upon pedestrian-oriented design concepts.

At the first Downtown Business meeting, staff presented the downtown area plan to downtown business owners and landowners, in which they shared their challenges, desires, and informed the City on which barriers of entry currently exist. On June 21, 2022, City Council approved its Annual Budget for Fiscal Year 2022-23. The budget included \$500,000 to be used for downtown business incentives.

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, staff drafted a Downtown Business Incentive Program 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.

That draft incentive program was presented at a Downtown Business meeting held on September 14, 2022, where staff received additional feedback. The program was further discussed and modified at the October 2022 and November 2022 Economic Development Committee meetings and contains the following components:

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

The detailed draft Downtown Business Incentive Program is attached (Attachment A).

At its November 9, 2022, meeting, the Economic Development Committee voted to recommend City Council approve the attached Downtown Business Incentive Program.

Fiscal Impact:

The program totals \$500,000 in available funds split into different packages as presented. The program total equals the budget allocation approved by City Council in the FY2022-23 budget in GL Fund 100-1235-7068.

As part of the program staff is recommending two fee waiver programs. Staff is proposing these fee waivers be approved as a reduction of revenues for those respective departments, as opposed to using the program budget to backfill each departments budget for each fee waiver granted.

Staff estimates the cost to prepare this staff report and draft program, including initial legal review to be \$2,000.

Recommended Action:

Approve the Downtown Business Incentive Program as presented.

Attachments:

- A. Draft Downtown Business Incentive Program