



## Staff Report

**TO:** City Council

**FROM:** Robert L. Vestal, Public Works Director  
Darron Usher, Principal Management Analyst

**DATE** June 3, 2025

**SUBJECT:** Acceptance and Execution of the Potrero Extension Benefit Area Reimbursement Agreement

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**Description** Approve the Reimbursement Agreement with Potrero Extension Benefit Area developers for the cost share of the Nexus Study and authorize the City Manager to execute the agreement.

### **Background and Analysis:**

On December 3, 2024, City Council received an update on the infrastructure challenges and planning efforts associated with the Potrero Extension Benefit Area (PEBA), which lies west of Pennsylvania Avenue and south of I-10. The proposed developments in this area comprise more than 30 million square feet of industrial and commercial uses, with many seeking annexation into the City of Beaumont.

To address infrastructure constraints and the need for coordinated development, the City contracted Fehr & Peers to conduct a focused Nexus Study and infrastructure delivery plan. The study evaluates roadway alignments, connection points, and cost estimates, and identifies each development's fair share of infrastructure needs. The Nexus Study was funded upfront by the City to expedite planning.

The Reimbursement Agreement formalizes cost participation from four key developers—Legacy Highlands, Beaumont Commerce Center, Inland Harbor, and Beaumont Heights—who collectively agreed to reimburse the City a combined total of \$275,000. This includes \$252,560 for the Nexus Study and \$22,440 for associated review costs. The agreement establishes that each developer's contribution is voluntary, non-refundable, and non-reimbursable.

City staff recommends approving and executing the Reimbursement Agreement to secure reimbursement of study costs and affirm cooperative planning with the private sector for backbone infrastructure delivery.

**Fiscal Impact:**

Approval of the Reimbursement Agreement will result in the recovery of \$275,000 to the City of Beaumont for costs previously advanced to support infrastructure planning in the Potrero Extension Benefit Area. This amount includes \$252,560 for the Nexus Study prepared by Fehr & Peers and \$22,440 for associated staff review and administrative costs. The reimbursement will restore General Fund resources used to expedite planning efforts and supports a fair-share cost distribution among participating developers. There are no additional fiscal impacts associated with executing this agreement. Please see the details below in Table 1.

**Table 1. Industrial Fairshare Analysis**

<b>Industrial Development Fairshare Analysis</b>		
<b>Project Name</b>	<b>Total SQF</b>	<b>Fair Share</b>
<b>Legacy Highlands</b>	<b>15,048,740</b>	<b>\$150,666</b>
<b>Beaumont Commerce Center</b>	<b>6,234,338</b>	<b>\$62,417</b>
<b>Inland Harbor</b>	<b>1,037,498</b>	<b>\$10,387</b>
<b>Beaumont Heights</b>	<b>5,146,891</b>	<b>\$51,530</b>
<b>Total</b>	<b>27,467,467</b>	<b>\$275,000</b>

<b>Traffic Study</b>	<b>\$</b>	<b>252,560</b>
<b>Review</b>	<b>\$</b>	<b>22,440</b>
<b>Total</b>	<b>\$</b>	<b>275,000</b>

The estimated cost of preparing this staff report is \$300.

**Recommended Action:**

Approve the Reimbursement Agreement with the Potrero Extension Benefit Area developers, and;

Authorize the City Manager to execute the agreement on behalf of the City.

**Attachments:**

- A. Reimbursement Agreement and Proposal