



Staff Report

TO: City Council

FROM: Gustavo J. Romo, Deputy City Manager
Robb Steel, Economic Development Consultant
Melody Arechiga, Senior Planner

DATE June 17, 2025

SUBJECT: Development Agreement by and between the City of Beaumont and Beaumont Regency AVG LLC (PLAN2025-0177)

Description Conduct a Public Hearing for Consideration and Approval of a Development Agreement (DA) between the City of Beaumont and Beaumont Regency AVG LLC for the development of a 279,941 square-foot (sf) commercial shopping center at Oak Valley Parkway and the I-10 Freeway (Project) on a 28.95 acre site (Site), Adoption of a Resolution Approving the Off-Site Traffic Improvements Reimbursement Agreement (RA), Adoption of a Resolution to approve Amendment No. 6 to the City Five-Year Capital Improvement Plan for Fiscal Years 2025-2029 (CIP), and Amend the Fiscal Year 2024-2025 Budget. The DA has been determined exempt under Article 12, Section 15183 (Projects Consistent with a Community Plan or Zoning) of the California Environmental Quality Act (CEQA).

Background and Analysis:

Planning Commission Action

On May 28, 2025, the Planning Commission conducted a public hearing, approved a Plot Plan for the retail center layout and design, Variances for reduction in parking and open space, and Sign Program for the subject development with conditions of approval and findings in accordance with Section 15183 of the CEQA Guidelines identifying the Project as exempt from further environmental review. The Commission also recommended approval of the DA to the City Council by adoption of an ordinance of the City Council.

Applicant

On December 19, 2024, Beaumont Regency AVG LLC, a limited liability company formed between the landowner (Oak Valley Village LLC, a California Limited Liability Company) and Regency Centers LP, a Delaware corporation (Applicant) submitted requests for the Project entitlements, including a DA. Regency Centers is a national

owner, operator, and developer of shopping centers across the United States specializing in anchored shopping centers within suburban communities.

Development Agreements

California Government Code (Section 65864 et. seq.) and City of Beaumont Resolution 1987-34 authorize the negotiation and approval of development agreements.

Development agreements eliminate uncertainty with respect to the development process and promote more orderly and efficient development, thereby improving the local economy. The City wishes to grant such certainty to induce development that creates jobs, provides goods and services to residents, and generates revenues to support public services. Development agreements typically vest certain land use entitlements and provide other support in exchange for consideration that may include extraordinary land dedications, expanded public improvements, accelerated development timing, or general project inducement.

Resolution 1987-34 requires that the City Council, after receiving a recommendation from the Planning Commission, conduct a public hearing and make the following findings to approve a development agreement:

- A. The provisions of the agreement are consistent with the general plan and any applicable specific plan; and
- B. The development agreement complies with all applicable zoning, subdivision, and building regulations and with the general and any specific plan.

The DA must state the specific duration of the agreement, the permitted uses of the property, the density and intensity of use, the maximum height and size of proposed buildings, and any specific provisions for reservation of dedication of land. The City Council must approve the DA by adoption of an ordinance.

The proposed DA incorporates the required content, and the staff report addresses the required findings.

Development Agreement Negotiation Goals

The Applicant and the City negotiated the DA to accomplish the following goals:

- Develop the Site into a high-quality commercial development that will reduce retail sales leakages, maximize tax revenues to the City, create job opportunities, and provide goods and services currently lacking in the community.

- Develop a modern community shopping center anchored by a major general merchandise retailer and grocery store, accompanied by an assortment of specialty retail, restaurant, and service businesses.
- Offset the cost of public improvements, thereby rendering the Project economically feasible to develop and operate for the Applicant.
- Structure the transaction to limit the Applicant's obligation to pay prevailing wages to the public improvements of the Project by structuring the DA in accordance with State statutory requirements.

In accordance with Labor Code Section 1720(c), if the City "requires the developer to perform construction ...work on a public work of improvement as a condition of regulatory approval of an otherwise private development project, and the City contributes no more money, or the equivalent of money, to the overall project than is required to perform this public improvement work, and the state or political subdivision maintains no proprietary interest in the overall project, then only the public improvement work shall thereby become subject to the payment of prevailing wages."

To minimize the risk that the DA triggers an obligation to pay prevailing wages for the construction of the private improvements, the DA only offers reimbursement of actual costs for the public improvements imposed as a condition of regulatory approval and the City does not maintain a proprietary interest in the Project. Consequently, the parties intend that prevailing wage obligations only apply to the construction of the public improvements. The Applicant must defend, indemnify, and hold the City harmless from any claim related to prevailing wage liability, and the parties agree to cooperate to address any such claims to avoid such exposure.

Site Description

The larger property consists of eight (8) vacant parcels totaling 64.3 acres on the south side of Oak Valley Parkway, easterly of the I-10 freeway. The Applicant will carve a 28.95-acre development site area (Site) from the larger property for the purposes of the Project by processing a lot line adjustment and dedicating remaining portions of the property for habitat conservation, stormwater detention, and other purposes. The Site currently lacks public improvements along its full frontage. The landowner also owns a vacant parcel to the east of the Site that is not part of the current Project but proposed for later development (although it will benefit from the proposed Oak Valley Parkway improvements).

Project Description

The Project would develop in two (2) phases totaling approximately 280,000 square feet (sq. ft., rounded) of commercial uses. The Phase I Project consists of approximately

230,000 sq. ft. of commercial uses, anchored by an approximately 148,000 sq. ft. Target general merchandise store and an approximately 24,000 sq. ft. Sprouts grocery store. In-line shop space and pads would add another 58,000 sq. ft. of commercial space. Targeted tenants for the shop space and pads include a variety of fast casual restaurants and service establishments including Cava, Chipotle, Philz Coffee, Starbucks, Bath & Body Works, and Famous Footwear. The Applicant intends to ground lease pads to Target and several outparcel tenants, while also developing its own vertical improvements for direct lease to other tenants.

The Phase II Project would add another large format retailer of approximately 50,000 sq. ft. with parking on approximately five (5) usable acres of the Phase II Site. Potential tenants include, but would not be limited to, Dick's Sporting Goods, Burlington, or TJ Maxx/Marshalls.

If facilitated by an approved and adopted DA, the Applicant would construct horizontal on and off-site improvements for the Phase I Site and the Phase II Site during initial construction to achieve scale economies, minimize future construction disruption, and encourage development of the Phase II Project. During the Phase I Project, the Applicant is required to also rough grade the Phase II Site and construct the detention basin and the slope protection improvements along Noble Creek along with the retaining walls next to the freeway offramp. The Applicant would be responsible to construct the off-site improvements along the full frontage on Oak Valley Parkway from the westbound I-10 freeway off-ramp to a point approximately 700 feet easterly of Oak View Drive ensuring not less than 4 travel lanes in both directions easterly on Oak Valley Parkway. The Project would access Oak Valley Parkway via two full-access signalized intersections at Golf Club Drive and at Oak Valley Plaza and one right in/right out only driveway.

Freeway Sign (Digital Display)

The Applicant seeks a waiver of the moratorium on billboard signs from the City for a future "Gateway" digital pylon sign/billboard permitting on and off-site advertising. The proposed location would be at the southeast corner of the Site adjacent to the westbound freeway off-ramp within the Phase II Site. The Applicant also submitted a Sign Program that includes pylon signage, monument signage, and storefront signage for individual tenants. The subject freeway sign is not a part of the approved Sign Program. Therefore, the sign would have to be submitted separately through an amendment to the Sign Program and reviewed through a public hearing by the City's Planning Commission. In addition, the Applicant would be solely responsible for securing permits from other governmental entities with jurisdiction for the digital pylon sign/billboard.

Except as otherwise provided in the DA, Applicant shall assume all Project costs.

Term

The proposed term of the DA is ten (10) years from the Effective Date. The Effective Date means the later of (i) 30 days after adoption of the ordinance approving the DA, and (ii) the date the Applicant acquires the Property, but in any event not later than June 30, 2026. The Applicant and any successors would be able to request extension of the term for an additional five (5) years subject to the City approval. The ordinance approving the DA would be a legislative act subject to referendum.

Land Use Entitlements (Project Approvals, Applicable Rules and Reserved Rights)

Development of the Project would be subject to the approved land use entitlements, consisting of the Project Approvals, Applicable Rules and Reserved Rights as summarized below. The Project Approvals consist of the land use entitlement applications submitted to, and approved by, the Planning Commission using adopted rules, regulations, ordinances and official policies of the City regarding land development as of the Effective Date (the Applicable Rules). With limited exceptions (the Reserved Rights in Section 2.8.2), the DA would grant the Applicant a vested right to develop the Project in accordance with the Project Approvals and the Applicable Rules.

Project Approvals: The Applicant submitted the following land use entitlement applications to the City and the Planning Commission for its Project Approvals (the Planning Commission Staff Report dated May 28, 2025, is attached hereto as Attachment A, providing details regarding the Project Approvals):

- Plot Plan (P2024-0059)
- Parking Variance (V2024-0019)
- Open Space Variance (V2025-0031)
- Sign Program (Plan 2024-0157)

On May 28, 2025, the Planning Commission conducted a public hearing, approved the subject applications, imposed conditions of approval, and made findings in accordance with Section 15183 of the CEQA Guidelines that the Project is exempt from further environmental review because it is consistent with a previously approved general plan and certified environmental impact report. In addition, the Site was the subject of a certified environmental impact report for a larger commercial project in 2007. The Applicant filed a Notice of Exemption with the State Clearinghouse and County Clerk on May 30, 2025 (SCH #2025051384). The Planning Commission adopted Resolution No. 2025-02 making the findings required by Resolution 1987-34 and recommending that the City Council approve the Development Agreement (Attachment B).

The proposed DA defines the above enumerated land use entitlement approvals as the Planning Entitlements. The Project Approvals encompass the Planning Entitlements and the DA.

Applicable Rules: The Applicable Rules mean: (a) the land use regulations of the City as of the Effective Date of the Ordinance, and (b) future rules that are not inconsistent with the current land use regulations and the proposed DA and agreed upon in writing by Applicant and the City.

The Project may require subsequent ministerial or discretionary permits, licenses, environmental findings, or other similar approvals to develop the Project. The City must impose Conditions of Approval consistent with the Project Approvals and Applicable Rules unless otherwise agreed by the Applicant.

Reserved Rights: The Project would remain subject to all Federal and State Laws, Police Powers, and Uniform Codes as they exist today or as modified in the future. These include building codes, public improvement construction standards, and other health and safety regulations. If the Applicant proposes to modify the Project in the future, such changes are not Project Approvals, and the Applicant does not retain the vested rights with respect to those changes.

The Applicant and Project would be subject to any lawfully imposed conditions of approval imposed by other governmental agencies. The Project and its occupants would remain subject to all taxes of general applicability (such as sales taxes, transient occupancy taxes, or property taxes).

The Development Agreement does not bind the Applicant to any specific schedule of performance for the private improvements.

Development Fees

The Applicant would also be required to pay all customary planning processing and permit fees for the Project in accordance with the applicable City planning, engineering, building, and development fee schedules. The Applicant would also pay, or cause to be paid, any required processing fees by other regulatory agencies with jurisdiction over the Project at the time and in the manner prescribed. Applicant would solely be responsible for all costs of land use entitlement and building permit issuance/inspection.

The Developer (or its purchaser/users) would be required to pay all Development Impact Fees imposed by the City in accordance with the schedule in effect at the issuance of building permits. The City currently levies 11 distinct capital facility impact

fees to mitigate the costs of growth upon the City's infrastructure and burden development for its fair share of those costs. The Phase 1 Project would be expected to pay a total of between \$3.6 million and \$5.0 million in development impact fees to the City, depending upon when building permits are issued (before December 31, 2025, or after as illustrated in the table). The Phase 1 Project would be expected to pay a total of \$2.5 million to \$3.5 million to the Streets & Bridges (Transportation) Account from which the reimbursement payment for public improvements is proposed. Refer to Fiscal Impact for DIF balance discussion.

Development Impact Fee Estimate
Regency Centers
Oak Valley Village (Target & Other Retail)

	Fees Effective 7/01/25				Fees Effective 1/01/26			
	Fee/Unit	Target	Other BSF	Project	Fee/Unit	Target	Other BSF	Project
Fire Protection Facilities	0.360	53,231	29,621	82,851	0.430	63,581	35,380	98,961
Police Facilities	0.270	39,923	22,216	62,139	0.350	51,752	28,798	80,550
Public Facilities	0.150	22,179	12,342	34,521	0.160	23,658	13,165	36,823
Streets and Bridges	10.700	1,582,134	880,396	2,462,530	15.050	2,225,338	1,238,314	3,463,652
Railroad Crossings	2.810	415,495	231,207	646,702	4.240	626,939	348,867	975,806
Sewer Facilities	0.250	36,966	20,570	57,536	0.310	45,838	25,507	71,344
Recycled Water Facilities	0.140	20,701	11,519	32,220	0.140	20,701	11,519	32,220
Sewer Capacity Low Strength	0.900	133,077	48,737	181,814	0.940	138,991	50,903	189,894
Sewer Capacity High Strength	2.060	-	57,944	57,944	2.190	-	61,600	61,600
General/Advanced Planning	0.010	1,479	823	2,301	0.010	1,479	823	2,301
Emergency Preparedness	0.002	296	165	460	0.002	296	165	460
Storm Drain Facilities	0.010	1,479	823	2,301	0.020	2,957	1,646	4,603
City of Beaumont Fees		2,306,959	1,316,361	3,623,320		3,201,530	1,816,687	5,018,216
Fees/BSF		15.60	16.00	15.74		21.65	22.08	21.80

The Developer would be required to pay any development impact fees levied by other regulatory agencies with jurisdiction over the Project at the time and in the manner prescribed, including but not limited to Transportation Uniform Mitigation Fee (TUMF), Multiple Species Habitat Conservation Plan (MSHCP), Beaumont Unified School District (BUSD), and Beaumont-Cherry Valley Water District (BCVWD). The Developer (or its purchaser/users) would be required to pay any or all Fair Share Fees imposed by the City or other regulatory agencies with jurisdiction over the Project at the time and in the manner prescribed. The Applicant would be able to seek credit or reimbursement for eligible costs incurred under these programs.

Public Improvements

The Applicant requested a City contribution toward the cost of public improvements imposed as a condition of regulatory approval for the Project. The Public Improvements generally consist of the following:

- Widening the south side of Oak Valley Parkway to its full width improvement standard the entire length of the Project frontage and extending to a point 700 feet easterly of the centerline of Oak View Drive to provide not less than four full lanes of travel easterly on Oak Valley Parkway (and along the full frontage of landowner's property, including property not included in the current Project).
- Installation of two (2) new traffic signals and ancillary intersection improvements at Desert Lawn Parkway and Elm Avenue.
- Modifications to three (3) existing traffic signals and ancillary intersection improvements on Oak Valley Parkway at Oak View Drive, Golf Club Drive, and Oak Valley Plaza.
- Widening and intersection improvements for a Project driveway on Oak Valley Parkway between the I-10 Freeway and Golf Club Drive.
- Install necessary underground utilities (water, sewer, gas, etc.) to support the Project and adjacent properties.
- Underground overhead electrical, cable, phone, and related line utilities in accordance with the Beaumont Municipal Code.

The estimated hard cost of this scope of work is anticipated to be \$7.6 million per the Applicant's estimates (the estimate is included as Exhibit D to the Development Agreement). The DA would obligate the City to make a Maximum Reimbursement payment of \$6 million toward the "actual" hard and soft costs of these public improvements in accordance with the terms of an Off-Site Traffic Improvements Reimbursement Agreement. Only public improvements that will be owned and maintained by the City of Beaumont are subject to reimbursement per the agreement.

The Nexus Study for the Streets & Bridges development impact fee does not specifically identify the Oak Valley Parkway improvements. In order to make the Maximum Reimbursement payment from this Account as proposed in the Fiscal Impact Section of this staff report, the City's Nexus Study consultant (Willdan) recommended that the City (1) include the new project in the Capital Improvement Program (CIP) and provide a description why it is a reasonable substitute for the project(s) being replaced, and (2) identify the substituted project in the annual AB 1600 report and addressing the other AB 1600 reporting requirements. Staff proposes to amend the 2025-2029 CIP to add a new capital project (R25-16 Oak Valley Widening and Traffic Signals Update Project) in the amount of \$6,000,000. Partial funding in the amount of \$2,100,000 from the Streets and Bridges Account derives by replacing the following projects from the CIP and from the Nexus Study:

1.	R26-04 Traffic Signal Installation at Future Location	\$ 600,000
2.	R27-04 Traffic Signal Installation at Future Location	\$ 600,000
3.	R28-04 Traffic Signal Installation at Future Location	\$ 600,000
4.	R25-07 Traffic Signal at OVP and Palm Avenue	<u>\$ 300,000</u>
	Total:	\$2,100,000

The remaining funding of \$3,900,000 is proposed from General Funds as described in the Fiscal Impact section of this report.

Off-Site Traffic Improvements Reimbursement Agreement

The specific procedures for administering the public improvement project and submitting a reimbursement request are included in the Offsite Traffic Improvement Reimbursement Agreement attached as Attachment C. The Applicant would be required to comply with specified elements of the Public Contract Code and pay prevailing wages to all eligible workers on this component of the Project. The Applicant would be required to secure its obligations by posting bonds for not less than 100% of the estimated project costs. Upon completion, the City would inspect and, if applicable, accept the public improvements as complete, receive post-completion maintenance guarantees and as-built drawings among other items. Thereupon, the Applicant would submit a Reimbursement Request documenting all eligible actual costs of constructing the public improvements by providing invoices, checks, and other documentation reasonably required by the City. The City would review the Reimbursement Request within 30 days after receipt, and if approved, pay the claim within 30 days after approval.

Further, the Applicant must satisfy the following conditions before the City must make the final Maximum Reimbursement payment:

1. Substantially complete the Offsite Traffic Improvements, and
2. Substantially complete the on-site improvements (i.e., horizontal work including grading, asphalt, landscape, utilities, concrete, parking lot lighting, etc. in all material respects), and either:
3. Cause a major retailer with a nation-wide presence having at least 125,000 square feet of floor space to open for business within the Project, or
4. Obtain certificates of occupancy from the City for not less than 50,000 square feet of building space for the Project (to include, as a portion of such square footage, a

grocery store of at least 20,000 square feet in size) and ensure the City has received at least one dollar of sales revenue originating from the Project.

The projected satisfaction date for these conditions is the 2nd quarter of 2027 with a payment due date in the 3rd quarter of 2027 assuming the Applicant submits a complete reimbursement request.

Permit and Improvement Deferral

It is expected that the Owner/Applicant will diligently pursue all necessary permits from Caltrans for work within the Caltrans right-of-way and related Caltrans facilities within a reasonable timeframe following project approval. However, the Owner/Applicant is concerned with potential Caltrans delays. In the event that the required Caltrans permit is delayed beyond the completion of other public improvements or issuance of the Certificate of Occupancy, it has been the City's practice to allow Owners/Applicants to apply for an Improvement Deferral Agreement. This agreement may allow for the deferral of Caltrans-specific improvements for a period not exceeding one (1) year beyond the issuance of the Certificate of Occupancy. This practice is intended to give tenants the assurance that their Certificates of Occupancy will not be delayed due to circumstances beyond their control.

Digital Display

The Applicant proposes a digital display sign that promotes on and off-site products and opportunities. A conceptual plan that would be considered at a separate public hearing is attached hereto as Attachment D.

Beaumont Municipal Code Section 17.070.030 defines a billboard as a permanent sign structure used for the display of offsite commercial messages. Section 17.070.030.G finds that "the City already has a sufficient number of billboards to satisfy the community's needs for offsite commercial messages, and that any new or additional billboards, which by their very nature cause serious esthetic harm, would negatively impact the appearance of the City. For these reasons, the City completely prohibits the construction, erection or use of any billboards, other than those which legally exist in the City, or for which a valid permit has been issued and has not expired, as of the date on which this provision is first adopted, except for the relocation of existing billboards pursuant to this section."

The Applicant requests an exception to this prohibition for the Project. The City Council may, via the Development Agreement authorized by ordinance, grant an exception to this prohibition for this Project and for no other within the City. Section 2.2.1 of the proposed DA treats the approval of the digital display sign as a subsequent discretionary approval and the Applicant would be required to submit an application for sign permit approval to the Planning Commission, which will address location, design,

and operating conditions of approval. The Applicant would also be required to secure all approvals from other jurisdictional authorities including Caltrans under the California Outdoor Advertising Act. If approved, the Applicant would agree to indemnify and hold harmless the City from any and all claims associated with failure to obtain other agency's approval of the digital display.

The Applicant has stated a willingness to discuss public service announcements for the City in the future.

Development Agreement Benefits/Costs

The DA would mitigate uncertainty for the Applicant and improve project feasibility by contributing up to \$6 million of City funds to offset the cost of extraordinary public improvements. The City's cost would be recaptured from the following benefits:

- **Sales Taxes:** Upon Phase 1 Project completion, the City would realize potential gross sales tax revenues of \$750,000 per year and net sales tax revenues of \$675,000 per year (after assuming a 10% intracommunity transfer factor). Phase 2 could add another \$150,000 per year in gross sales taxes upon completion (\$135,000 net). The City would also recognize an increase in state and county pool allocations based upon a growing share of the regional sales tax base, with an estimated increase of approximately \$81,000 per year upon buildout of Phases 1 and 2 based upon an assumed 10% share of the state and county pool allocations.
- **Property Taxes:** The completed Phase 1 Project produces net new assessed valuations of approximately \$77 million. Phase 2 would add another \$12 million for total buildout assessed valuations of \$89 million. This assessed valuation increase would produce approximately \$104,000 per year in new property taxes to the City of Beaumont. In addition, the City would recognize an estimated increase of \$85,000 per year in motor vehicle in lieu subventions due to the increased property valuation.
- **Jobs:** Using standard employment multipliers for commercial space, the Project would create an estimated 450 new full and part-time jobs with Phase 1. Phase 2 would add another 100 jobs to the employment base.
- **New Goods and Services for Residents:** The Project would provide additional shopping and dining opportunities for Beaumont residents, including general merchandise, grocery, specialty retail, and dining. Currently, Beaumont suffers retail sales leakages to surrounding communities for all these merchandise categories.

Upon completion and stabilized occupancy of Phases 1 and 2, the City should receive approximately \$1.1 million in net new General Fund revenue annually from sales and

property taxes, thus, recovering the \$3,900,000 initial impact on the General Fund within 3 to 4 years.

Development Agreement Risks

The City accepts certain risks under the terms of the proposed Development Agreement:

- **Changes in Land Use Preferences:** The DA would generally restrict the City from modifying the land use regulations that apply to the Project for a period of 10-15 years. Neither a future City Council nor the resident voters of Beaumont would impair the development of the Project as approved for the term of the Development Agreement.
- **Public Revenues may not materialize in the amount projected:** The forecasted revenues are based upon expected tenancies and sales volumes. The DA would provide no minimum revenue guarantee and no assurance that any specific tenant would open for business at the location. General economic conditions (recessions, inflation, consumer trends) would impact the actual performance of the Project and the City's anticipated public improvement investment payback.
- **Applicant may become entitled to the Maximum Reimbursement amount, but Major Retailer does not construct and or operate a store.** Under the terms of the proposed DA, the City may be obligated to make the reimbursement payment for public improvements without the major retailer in operation. The major retailer may have an executed lease with the Applicant, but the Applicant does not have an operating covenant from the major retailer – in other words, an obligation to open a store for business. The public revenues would substantially diminish in this unlikely event; however, the Applicant would be highly motivated to find a suitable replacement tenant(s) to maximize the value of the shopping center.

Importantly, under any of these outcomes, the City would nevertheless benefit from the installed infrastructure and improvements to the circulation system on Oak Valley Parkway. The Site would also be fully improved and ready for immediate development.

Environmental


On May 28, 2025, the Planning Commission determined that the Project Approvals were exempt from CEQA under Article 12, Section 15183 of the CEQA Guidelines because the Project is consistent with a community plan and zoning. On May 30, 2025, the Applicant filed a Notice of Exemption with the County Clerk and State Clearinghouse. The proposed DA is likewise exempt pursuant to Section 15183, and if approved and adopted, the Applicant will file a Notice of Exemption after the second reading of the ordinance.

Fiscal Impact:

By amending the CIP and the Nexus Study to add the Oak Valley Widening and Traffic Signals Update Project (R25-16), the City may contribute up to \$2,100,000 from the Streets & Bridges Development Impact Fee Account. The Applicant and other Project developers would be required to pay an estimated \$2.5 million to \$3.5 million in Streets & Bridges Development Impact Fees at Phase 1 build out (with an additional \$0.75M for Phase 2). Other developments within the City would also contribute to the Streets & Bridges Account prior to the date for reimbursement. The CIP Amendment would establish a priority claim on the Streets & Bridges Account to make the Reimbursement Payment to the Applicant after fulfilling all current obligations against the Account.

If the Streets & Bridges Account does not have adequate funding to make the full Reimbursement Payment, the General Fund would assume responsibility for any residual obligation. The General Fund would loan the shortfall to the Streets & Bridges Account and recover the advance from future developer deposits into the Streets & Bridges account.

The General Fund is obligated for the \$3,900,000 residual obligation payable from the following adjustments in the CIP:

 CAPITAL IMPROVEMENT PROGRAM- CHANGE LOG FY25-29 AMENDMENT NO. 6 <div>City of Beaumont CIP</div>				
CIP Project	Budget Changes	Funding Source	FY Funding	Update
R25-16 Oak Valley Widening and Traffic Signals Update Project	\$ 2,100,000	DIF - Transportation	2025	New Project
R25-16 Oak Valley Widening and Traffic Signals Update Project	\$ 1,000,000	F25-02 Fire Truck Purchase	2025	New Project
R25-16 Oak Valley Widening and Traffic Signals Update Project	\$ 400,000	R25-11 Street Name Sign	2025	New Project
R25-16 Oak Valley Widening and Traffic Signals Update Project	\$ 600,000	R25 California Storm Drain Replacement	2025	New Project
R25-16 Oak Valley Widening and Traffic Signals Update Project	\$ 1,900,000	General Fund	2025	New Project
F25-02 Fire Engine	\$ (1,000,000)	General Fund	2025	Budget Change
R25-11 Street Name Sign	(400,000)	General Fund	2025	Close/ Defer
R25 California Storm Drain Replacement	(600,000)	General Fund	2025	Close /Defer

Proposed Amendment No. 6 to the FY25-29 CIP reallocates General Funds from projects proposed for closing or deferral in the amount of \$2,000,000. This necessitates a supplemental General Fund allocation of \$1,900,000 to fulfill the \$6,000,000 Maximum Reimbursement.

Section 2.7.1 of the DA would require that the City provide for the Maximum Reimbursement in the City's Capital Improvement Program and Budget at the time of adopting the ordinance. City staff noticed a public hearing concurrent with DA consideration to fulfill this proposed obligation by adopting resolutions amending the CIP and Budget.

The General Fund recovers its total contribution of \$3,900,000 from the direct and indirect revenue streams, notably sales taxes, property taxes, and motor vehicle in-lieu taxes. The table below projects the Project revenues and expenses to illustrate the

Estimated General Fund Investment Payback Regency Oak Valley Village Project											
Year #	FY	Phase	Stage	Regency GF Reimbursement Payment	General Fund Revenues					General Fund Cashflow	Running Total Net GF Investment
					Net On-Site Sales	County/State Pool Allocations	Gen Levy Property Tax	Motor Vehicle In Lieu	Annual Revenue Total		
1	2026	Phase 1	Construction	-	-	-	-	-	-	-	-
2	2027	Phase 1	Construction	-	-	-	-	-	-	-	-
3	2028	Phase 1	Lease Up	(3,900,000)	675,000	68,000	89,000	73,000	905,000	(2,995,000)	(2,995,000)
4	2029	Phase 1	Leased/P2 Const	-	675,000	68,000	89,000	73,000	905,000	905,000	(2,090,000)
5	2030	Phase 1 & 2	Stablized Occupancy	-	810,000	81,000	104,000	85,000	1,080,000	1,080,000	(1,010,000)
6	2031	Phase 1 & 2	Stablized Occupancy	-	810,000	81,000	104,000	85,000	1,080,000	1,080,000	70,000
7	2032	Phase 1 & 2	Stablized Occupancy	-	810,000	81,000	104,000	85,000	1,080,000	1,080,000	1,150,000
8	2033	Phase 1 & 2	Stablized Occupancy	-	810,000	81,000	104,000	85,000	1,080,000	1,080,000	2,230,000
9	2034	Phase 1 & 2	Stablized Occupancy	-	810,000	81,000	104,000	85,000	1,080,000	1,080,000	3,310,000
10	2035	Phase 1 & 2	Stablized Occupancy	-	810,000	81,000	104,000	85,000	1,080,000	1,080,000	4,390,000

Notes:
1. Revenues and expenses are not inflated nor discounted.
2. Pool allocations conservatively assumed at 10% of net on-site sales.

anticipated payback period. Based upon the assumptions, the General Fund recovers its initial investment in FY 2031, four years after the Applicant receives the Reimbursement Amount.

Recommended Action:

Conduct Public Hearing and then:

Waive the first full reading and adopt by title only, "An Ordinance (**Attachment E**) of the City Council of the City of Beaumont Approving a Development Agreement (**Attachment F**) by and between the City of Beaumont and Beaumont Regency AVG LLC" and making findings that the Development Agreement is exempt from CEQA in accordance with Section 15183 of the CEQA Guidelines.

Adopt Resolution of the City Council (**Attachment G**) approving the Off-Site Traffic Improvements Reimbursement Agreement to be effective only with the Development Agreement.

Adopt by title only “A Resolution of the City Council (**Attachment H**) approving Amending the Five-Year Capital Improvement Plan for Fiscal Years 2025-2029” to include the Maximum Reimbursement Amount of \$6 million from the Streets & Bridges Development Impact Fee Account.

Attachments:

- A. Planning Commission Staff Report and Attachments
 - a. CEQA 15183 Exemption Analysis
 - b. Draft Conditions of Approval
 - c. Draft Resolution
 - d. Development Agreement and Off-Site Traffic Improvements Reimbursement Agreement
 - e. Development Plans
 - f. Sign Program
 - g. General Plan Land Use Designation Map
 - h. Zoning Map
 - i. Aerial Photograph
 - j. Parking Variance Request
 - k. Open Space Variance Request
 - l. CA ABC License Report 438.22
 - m. Radius Map and Certification
 - n. Proof of Publication
- B. Planning Commission Resolution No. 2025-02
- C. Off-Site Traffic Improvements Reimbursement Agreement
- D. Billboard Sign – Conceptual Drawing – Reference Only
- E. Ordinance of the City Council Approving Development Agreement
- F. Development Agreement
- G. City Council Resolution Approving the Off-Site Traffic Improvements Reimbursement Agreement
- H. City Council Resolution Amending FY25 CIP
- I. Notice of City Council Public Hearing/Proof of Publication
- J. Budget Adjustment Form