

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BEAUMONT APPROVING AN OFF-SITE TRAFFIC IMPROVEMENTS REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF BEAUMONT AND BEAUMONT REGENCY AVG, LLC TO CONSTRUCT SPECIFIED STREET AND RELATED IMPROVEMENTS WITHIN OAK VALLEY PARKWAY AND PROVIDE REIMBURSEMENT OF ACTUAL COSTS

WHEREAS, On June 17, 2025, the City Council of the City of Beaumont (“City”) conducted the first reading of an ordinance authorizing a Development Agreement with Beaumont Regency AVG (“Developer”) (the “Development Agreement”) pursuant to which the City vested Developer with certain land use entitlements for development of a commercial shopping center and provided for reimbursement of actual costs for certain Off-Site Traffic Improvements on the terms and conditions set forth therein (“Project”); and

WHEREAS, the Development Agreement does not become effective until all of the following occur: (i) the Ordinance adopting the Development Agreement becomes effective, and (ii) the Developer acquires fee title to the Property identified in Exhibit A to the Development Agreement, but in any event before June 30, 2026; and

WHEREAS, as a condition to issuance by the City of a certificate of occupancy for the first building in the Project, to offset impacts from the Project due to vehicular traffic and other causes, the City conditioned the Developer to (i) widen and improve the south side of Oak Valley Parkway to its full width improvement standard the entire length of the Project frontage and extending an additional 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, (ii) install 2 new traffic signals and ancillary intersection improvements at Desert Lawn Parkway and Elm Avenue, (iii) modify 3 existing traffic signals and ancillary intersection improvements on Oak Valley Parkway at Oak View Drive, Golf Club Drive, and Oak Valley Plaza, (iv) widening and intersection improvements for a Project driveway on Oak Valley Parkway between the I-10 Freeway and Golf Club Drive, (v) Install necessary underground utilities (water, sewer, gas, etc.) to support the Project and adjacent properties, and (vi) underground overhead electrical, cable, phone, and related line utilities in accordance with the Beaumont Municipal Code (the “Off-Site Traffic Improvements”); and

WHEREAS, the City and the Developer will benefit from a coordinated plan of design, engineering and construction of the Off-Site Traffic Improvements and the development of the Project; and

WHEREAS, the City and Developer desire that the Developer initially finance and construct the Off-Site Traffic Improvements, subject to reimbursement payment(s) from the City for actual costs incurred upon completion and satisfaction of all conditions precedent pursuant to the terms, conditions, requirements and procedures set forth in the Development Agreement; and

WHEREAS, Section 2.7.1 of the Development Agreement provides that the City and Developer shall enter into an Offsite Traffic Improvement Reimbursement Agreement to establish

procedures for the City's reimbursement of the actual cost of completing the Off-Site Traffic Improvements in an amount not to exceed \$6,000,000 payable from development impact fees or other eligible funding sources; and

WHEREAS, Section 2.7.1 requires that the City and Developer execute the Reimbursement Agreement contemporaneously with and subject to the effectiveness of the Development Agreement; and

WHEREAS, provided that Developer has (i) substantially completed the Offsite Traffic Improvements, (ii) substantially completed the on-site improvements (i.e. horizontal work including grading, asphalt, landscape, utilities, concrete, parking lot lighting, etc. in all material respects), and (iii) either (A) a major retailer with a nation-wide presence having at least 125,000 square feet of floor space has opened within the Project, or (B) Owner obtained 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 City has received at least one dollar of sales tax revenue originating from a business located within said improvements, City shall reimburse Developer for the actual cost of the construction of the Offsite Traffic Improvements within thirty (30) days after City receives the Developer's written request for reimbursements provided such request meets all of the submittal requirements in the Development Agreement and is in compliance with the Reimbursement Agreement; and

WHEREAS, in connection with such reimbursement Developer shall provide to City copies of receipts for paid invoices for all labor, materials, equipment and other amounts incurred by Developer to construct the Offsite Traffic Improvements in a lien free condition; and

WHEREAS, it is intended that the Offsite Traffic Improvements will be subject to prevailing wages, but that the reimbursement of the same shall not trigger the payment of prevailing wages for any of the other private elements of the Project under Labor Code Section 1720(c)(2) providing that (i) where public funds are paid solely for Off-Site Traffic Improvements on an otherwise private development project and those Off-Site Traffic Improvements are required as a condition of regulatory approval, and (ii) the public entity contributes no more money or assistance to the project than what is required to fund the cost of those Off-Site Traffic Improvements, and (c) the public entity does not retain a proprietary interest in the overall project, then only the Off-Site Traffic Improvements shall be subject to the requirement for payment of prevailing wage; and

WHEREAS, the City, by its approval of this Agreement, has determined that it will obtain no advantage from undertaking the construction by the City directly of the Off-Site Traffic Improvements and that the provisions of this Agreement require that the Off-Site Traffic Improvements constructed by the Developer be constructed as if they had been constructed under the direction and supervision of the City; and

WHEREAS, the City Council will provide for the Maximum Reimbursement Amount in the City's Capital Improvement Program and Budget at the time of approving the Ordinance adopting this Agreement so that such reimbursement is documented, scheduled and committed to as a part of the standard budgeting process.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Beaumont as follows:

Section 1. The above recitals are true and correct.

Section 2. The agreement entitled “Off-Site Traffic Improvements Reimbursement Agreement” between City of Beaumont and Beaumont Regency AVG is approved as to form. A copy of the Reimbursement Agreement shall be kept on file in the office of the City Clerk.

Section 3. The Off-Site Traffic Improvements Reimbursement Agreement shall be executed by the parties contemporaneously with the Effectiveness of the Development Agreement.

Section 4. This resolution is effective immediately upon adoption.

MOVED, PASSED AND ADOPTED this 17th day of June 2025, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____, Mayor

ATTEST:

Deputy City Clerk