



Staff Report

TO: City Council

FROM: Gustavo J. Romo, Deputy City Manager
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DATE June 17, 2025

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

Description An ordinance authorizing 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). 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:

City Council Action

On June 17, 2025, the City Council held a public hearing to introduce the ordinance to authorize the agreement where staff presented the scope of the agreement. The City Council asked clarifying questions of staff regarding the terms of the Development Agreement (DA). No comments or questions from the public were made during the public hearing. Once staff addressed the questions, the City Council approved the recommended action to adopt resolutions, waived the first full reading and signified intent to approve by title only, an ordinance to authorize the entering into an agreement.

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 reductions in parking and open space, and a 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 general plan and zoning compliance findings to approve a development agreement.

The DA states 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. An ordinance is required to approve and authorize the DA.

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 sales and property taxes, job creation, and access to new area services

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 including the inability to implement changes in land use preferences for up to 15 years, forecasted revenue delays, and reimbursement obligations prior to full realization of revenue.

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 reimbursement date. 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**

City of Beaumont
CIP

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

Estimated General Fund Investment Payback
Regency Oak Valley Village Project

Year #	FY	Phase	Stage	Regency GF Reimbursement Payment	General Fund Revenues					Annual Revenue Total	General Fund Cashflow	Running Total Net GF Investment
					Net On-Site Sales	County/State 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.

Amendment No. 6 to the FY25-29 CIP reallocated General Funds from projects proposed for closing or deferral in the amount of \$2,000,000. This necessitated 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. Resolutions amending the CIP and Budget were adopted consistent with the proposed ordinance authorizing the DA.

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 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:

Waive the second full reading and adopt by title only, “An Ordinance of the City Council of the City of Beaumont Approving a Development Agreement by and between the City of Beaumont and Beaumont Regency AVG LLC.”

Attachments:

- A. Ordinance of the City Council Approving Development Agreement
- B. Development Agreement
- C. City Council June 17, 2025, Staff Report and Attachments