



## Staff Report

**TO:** Mayor, and City Council Members  
**FROM:** Kyle Warsinski, Economic Development Manager  
**DATE** March 17, 2020  
**SUBJECT: Economic Development Strategic Plan Update**

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### Background and Analysis:

On July 2, 2019, City Council approved Beaumont's first Economic Development Strategic Plan. The Strategic Plan was created with input from numerous community stakeholders, City staff and the City Council. The plan included a mission statement and eight main goals.

*The City of Beaumont strives to create a balanced, sustainable and diverse economic environment by leveraging existing local business, recruiting targeted industries, and encouraging outside investment, that will enhance Beaumont's quality of life and support community values.*

1. Develop an economically balanced community,
2. Recruit new business, while retaining and expanding local business, that promote growth of primary jobs and/or sales tax revenue,
3. Develop an online Economic Development presence to provide business owners and site selectors resources they need,
4. Create a Quality of place that establishes Beaumont as a community to build and grow a business, as well as attract and retain talent,
5. Connect with and assist local small business start-ups and entrepreneurs,
6. Ongoing review of development review processes and identify streamlining and efficiency techniques,
7. Work with regional workforce development partners to provide needed resources to the area and begin to develop a retraining program for positions under threat of automation, and
8. Leverage the City's strengths to maximize business opportunities.

The plan included 13 major strategy areas designed to accomplish these goals. These areas are detailed in terms of 43 specific action items (Attachment A). The 13 major strategy groups are:

1. EDSP Organization and Operation (i.e., internal capacity building to support implementation of the Plan);
2. Economic Development Marketing;
3. Existing-Business Retention and Expansion;
4. Industry Targeting (local-serving businesses);
5. Industry Targeting (employers);
6. Entrepreneurial Development;
7. Real Estate Development and Redevelopment/Revitalization;
8. Development Streamlining;
9. Interface with City's Fiscal and Other Policies;
10. Infrastructure Development Coordination;
11. Workforce Development;
12. Placemaking Initiatives; and
13. Quality of Life Initiatives.

Since July, staff has been working to implement the plan and accomplish the high priority action items. The first step was to create an overall implementation approach and establish a system of partners who will participate in the action items contained within the plan.

#### Strategy Group 1: EDSP Organization and Operations

Work has been completed to create a list of deliverables, consisting of meetings, working documents, and programs. Staff has completed its work to create the system of partners and have firm commitments from outside organizations and internal staff from other departments. Staff is currently finalizing the list of persons to be included on the Economic Development Taskforce.

#### Strategy Group 2: Marketing

Staff has completed certain marketing pieces and is refining those materials developed for distributor at major economic development events such as the ICSC conference in May 2020. The marketing strategy is derived from the strategic communications plan and highlights Beaumont as a place to live, work and play. This incorporates the City's mission concepts related to sustainability, quality of life and citizen values. The City has utilized these materials in the Inland Empire Magazine advertisements and is exploring other ways to reach corporate executives and site selectors.

By the end of the fiscal year staff will have completed its review of marketing programs used by economic development partners and competitors to determine the City's current marketing position in the region.

### Strategy Group 3: Business Retention and Expansion (BRE)

Staff is currently scheduling business site visits with 12 key businesses within the community which will be held this year. The City conducted a funding your business seminar in November 2019, and will be hosting two other information events before July. The Mayor's Roundtable held in February 2020, served as a great forum to perform BRE functions. The City will also be hosting two more events this year, a developer and broker forum and a public agency forum to expand the City's engagement with outside entities and increase communication.

### Strategy Group 4: Industry Targeting, Local Serving

Staff has completed a sales tax surplus / gap analysis which has been attached for review (Attachment B). Upon completion of the analysis, staff identified which businesses in each sector are expanding within the region and made contact. Staff is also working closely with commercial developers and brokers to attract certain local serving businesses to reduce our sales tax leakage and provide more goods and services to the residents.

Part of attracting the right business is maximizing the resources the City has available. City Council's approval of temporary moratoriums on storage facilities and tire sales has aided the economic development departments efforts in attracting the right businesses to the City.

### Strategy Group 5: Industry Targeting, Employers

Staff has concluded meetings with industrial landowners in the City and continues to target businesses that meet the target industry analysis report contained in the EDSP. These include e-commerce facilities, manufacturing facilities, healthcare, datacenters, and professional offices.

### Strategy Group 6: Entrepreneurial Development

Staff has a series of entrepreneurial meetings slated for the year, in which staff meets with business owners and startups to provide information on what the City and its partners can do to help a business grow. Staff has completed tours of the regions three closest business development centers and/or incubators and met with management at each facility to establish a partnership between the City and the facility to provide access to Beaumont residents. Staff has started attending local entrepreneurial networking, One Million Cups, meetings in Riverside.

### Strategy Group 7: Real Estate Development and Revitalization

Staff continues to coordinate with developers, prioritize industry targets, and facilitate an orderly entitlement process at City Hall with other departments. Staff has prepared an initial assessment of market incentives options: attraction incentives, downtown incentives, expedited processing with fees, etc.

### Strategy Group 8: Development Streamlining

Staff is currently observing the development approval process and exploring options to streamline the process, if needed.

### Strategy Group 9: City Fiscal Interface

Significant fiscal planning is being conducted to ensure the City's sustainability. Economic development staff has taken the Long-Term Financial Forecast Model developed by the finance department and combined the economic development absorption model to determine the impact new development could have on the long-term fiscal outlook of the City. This updated model may be used to coordinate general policy positions and maximize development opportunities. Staff has also had multiple meetings with two of the regions leading economists to better understand the state of the economy, nationally and regionally, and how the economy impacts the City of Beaumont.

### Strategy Group 10: Infrastructure Development Coordination

Staff has been coordinating with the Public Works Department on capital improvements that could affect industry-targeting, BRE, and other economic development functions.

### Strategy Group 11: Workforce Development

Critical partners include Riverside County Economic Development Agency and workforce development division, Mount San Jacinto Community College, Coachella Valley Economic Partnership, and the University of California Riverside. The monthly career development center program with Mount San Jacinto Community College is a direct product of this action step.

### Strategy Group 12: Placemaking

Staff is focusing on new and revitalization efforts throughout the community for welcoming visitors, providing public spaces for residents to congregate, and working with project developers to implement similar concepts in their own projects.

#### Strategy Group 13: Quality of Life Enhancements

Staff is working closely with other departments to support the need for affordable housing and attract employers which can aid in employing local residents. Coordination of these efforts is reflected in policy positions at the state level and work conducted by the City with the recent Regional Housing Needs Assessment process. Staff is working closely with current and potential homebuilders to provide economic development materials.

#### **Fiscal Impact:**

None.

#### **Recommended Action:**

Receive and file.

#### **Attachments:**

- A. EDSP Strategy Groups and Action items
- B. Sales Tax Surplus / Gap Analysis