

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: September 26, 2024

PREPARED BY: Mariela Salazar, Management Analyst
Eric Ceja, Director of Economic Development

SUBJECT: APPROVAL OF THE UNITE PALM DESERT BUSINESS EMERGENCY ASSISTANCE PROGRAM (BEAP)

RECOMMENDATION:

1. Approve the Unite Palm Desert Business Emergency Assistance Program (BEAP).
2. Authorize Director of Finance to transfer \$100,000 from the Business Enhancement Program funds to Account No. 4254430-4393000 for the Business Emergency Assistance Program (BEAP).
3. Authorize the City Manager to modify evaluation guidelines and criteria for BEAP
4. Authorize City Manager to execute all documents required to effectuate the program.

BACKGROUND/ANALYSIS:

On April 17, 2024, a fire at the Plaza de Monterey Shopping Center destroyed four local businesses forcing them to temporarily close their doors. The fire has had a negative impact on the community, shopping center, business owners, and employees. Business owners are facing financial hardship due to lost revenue, property damage, and the cost of rebuilding.

In response, City Staff recommends the implementation of the Business Emergency Assistance Program (BEAP), which provides immediate financial relief to businesses affected by emergencies. The proposed program aims to protect the economic vitality of the City by offering financial support and resources to businesses in need, with the goal of reopening as soon as possible.

This program is designed to alleviate some of the financial burdens local businesses face as they rebuild. The City of Palm Desert is committed to supporting the local business community, recognizing that small and medium-sized enterprises are vital to the City's economic health.

Program Design:

BEAP aims to cover up to \$10,000 in City fees that businesses would typically incur during the rebuilding and recovery process. The City will assist by offsetting city-imposed fees, including but not limited to permit fees and inspection fees. This program will help provide crucial support to businesses in recovery efforts and help sustain the local economy. By offsetting these costs and providing services, the City aims to expedite the recovery process, allowing affected businesses to focus their resources on rebuilding and resuming operations as quickly as possible.

In addition, the City will provide businesses with state and government resources, relocation assistance, expedited permit support, and assistance with job placement for employees experiencing unemployment due to business closures. BEAP represents a vital step in supporting the City of Palm Desert's local businesses during times of crisis. By waiving city-

imposed fees up to \$10,000, the program will provide essential financial relief, helping businesses recover and thrive.

1. Eligibility Criteria:

- a. Businesses must be a licensed commercial business located within city limits.
- b. Businesses must demonstrate they have been adversely impacted by an emergency (e.g., natural disaster, public health emergency, significant building damage requiring a rebuild (fire/flood), and other unforeseen circumstances).
- c. Priority will be given to small and medium-sized businesses with fewer than 50 employees.
- d. Applicants must provide documentation to support their request for fee waivers, such as financial statements, tax returns, or other relevant records.

2. Fee Waivers:

- a. The program will cover various city-imposed fees, including but not limited to building permit fees, inspection fees, and other city regulatory fees.
- b. The maximum waiver amount per business is \$10,000.
- c. Fee waivers will be granted on a first-come, first-served basis, subject to availability of funds.

3. Application Process:

- a. Applications will be reviewed by a committee comprised of representatives from the City's Economic Development Department. This committee will ensure that the review process is impartial and adheres to established criteria.
- b. Applications must demonstrate direct impact from the emergency, including physical damage or significant operational disruption. Photos, repair estimates, or temporary closure records will be required.
- c. Applicants must provide documentation to support their request for fee waivers, such as financial statements, tax returns, or other relevant records.
- d. Approved fee waivers will be applied directly to the City fees related to the rebuild.
- e. Authorize the City Manager to establish evaluation guidelines and criteria for BEAP.

4. Evaluation Guidelines:

- a. Criteria for Assessing Impact:
 - Direct Impact: Applications must demonstrate that the business has been directly affected by the emergency.
 - Physical Damage: Evidence such as photos, repair estimates, or documentation of structural damage.
 - Operational Disruption: Records showing temporary closure or significant interruptions in business operations.
- b. Financial Documentation:
 - Financial Statements: Recent balance sheets and income statements demonstrating financial hardship.
 - Tax Returns: Business tax returns for the previous year to assess overall financial health.
 - Additional Records: Bank statements, invoices, or other relevant records that show the impact of the emergency on the business's finances.
- c. Fee Waiver Application and Approval:

- Application for Fee Waivers: Applicants must specify the City fees they wish to have waived and provide documentation supporting the request.
- Fee Waiver Application Process: Applicant must list the requested fees and verify their relation to the emergency.
- Approval and Application: Approved fees will be applied directly to the rebuilding or recovery efforts. The City Finance Department will handle the application of these waivers.

5. Program Duration:

- a. The program will be in effect for a period of two years from the date of approval, with the possibility of extension based on the needs of the business community and availability of funding. These funds will be first-come, first-served and are not to exceed the \$100,000 budget.

Strategic Plan:

Implementation of the BEAP accomplishes the following Strategic Plan priorities:

1. Economic Development – Priority 1 – *“Expand and raise awareness of business friendly services in order to retain and attract business.”*
2. Land Use, Housing, and Open Space – Priority 1 – *“Enhance Palm Desert as a first-class destination for premier shopping and nation retail businesses.”*

Outreach and Support

If approved, staff will work with the Public Affairs Department to promote BEAP to businesses. Staff’s approach would be to provide businesses with information of the implementation of this program geared towards emergency assistance.

Legal Review:

This report has been reviewed by the City Attorney’s Office.

FINANCIAL IMPACT:

Staff is recommending an initial budget of \$100,000 for this program. It will assist 10 businesses with City fees, not exceeding \$10,000 per business. Eligible businesses will receive assistance with City fees, relocation, and resources to ensure a smooth transition. Ensuring a healthy and resilient business community aids in employment and tax generation to support ongoing City services. Funds for this purpose may be transferred from the Business Enhancement Program funds to Account No. 4254430-4393000.

ATTACHMENTS:

1. BEAP Guidelines
2. BEAP Application