



City of Arts & Innovation

Economic Development Committee

TO: ECONOMIC DEVELOPMENT COMMITTEE DATE: NOVEMBER 20, 2025

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT WARDS: ALL

SUBJECT: TENANT IMPROVEMENT PROGRAM

ISSUES:

Receive a report on the tenant improvement process, business feedback, and streamline improvements.

RECOMMENDATIONS:

That the Economic Development Committee:

1. Receive and file a report on the tenant improvement process, business feedback, and streamline improvements.

BACKGROUND:

Businesses are the cornerstone of Riverside's local economy, driving job creation, community vitality, and long-term economic resilience. From national retailers and local shops to service providers and entrepreneurs, supporting their success is essential to maintaining a dynamic and thriving city.

However, business owners often face challenges navigating City codes, policies, and regulatory processes—particularly during the startup and tenant improvement phases. Complex requirements for entitlements, plan checks, permitting, and inspections, while essential for public health and safety, can be daunting for those unfamiliar with municipal procedures. Resulting delays and unexpected costs can strain new and expanding businesses, sometimes discouraging investment or prompting relocation to other jurisdictions.

As part of the Streamline Riverside Initiative, staff continually seeks to improve development and permitting processes. Through ongoing engagement and feedback from the business community, staff identifies inefficiencies and opportunities to enhance communication within the One Stop Shop. Recent feedback underscores the need for clearer guidance, simpler processes, and stronger interdepartmental coordination. Business owners cite lengthy approval timelines and inconsistent communication as key pain points leading to strain on businesses, sometimes

discouraging them from pursuing their ventures or choosing a different jurisdiction to locate.

By improving communication, offering targeted support, and streamlining permitting and inspection processes, the City can reduce barriers to entry and foster a more business-friendly environment. Initiatives such as tenant improvement workshops, early coordination meetings, and simplified permitting pathways not only support new and existing businesses but also demonstrate Riverside's ongoing commitment to cultivating a business-friendly community.

DISCUSSION:

Tenant improvement plans are reviewed concurrently across these divisions and departments, and the common challenges and opportunities for streamlining are outlined below.

Planning:

Before a building permit review, plans are routed to the Planning Division for Planning Clearance. This ensures the proposed use is permitted at the site and determines whether additional entitlements (e.g., MCUP, CUP, Design Review) are required. If the use is permitted and no additional approvals are needed, the business may proceed with the building permit application.

Challenges:

Issues often arise when a business leases or occupies a space without confirming whether the proposed use is permitted, conditionally permitted, or prohibited. Examples include businesses involving alcohol service, uses requiring conditional review due to potential impacts, or projects involving significant site or exterior modifications.

Streamline Strategies:

Planning staff actively track recurring challenges within the Zoning Code—such as outdated standards, unclear language, or changes in State law—and address them through tri-annual Omnibus Code Updates presented to the Planning Commission and City Council. Recent updates have simplified reviews for uses such as daycare facilities, personal services, vehicle charging stations, and restaurant alcohol sales.

The division also coordinates streamline meetings that bring together all relevant departments/divisions and business representatives to improve interdepartmental communication and expedite next steps. Front counter staff provide early feedback and solutions to help businesses prepare complete submittals, while updated handouts, checklists, and web resources support better navigation of City processes.

Building & Safety:

The Building & Safety Division guides applicants through the tenant improvement process—from plan review to inspection and occupancy—ensuring compliance with State and local building codes. The division prioritizes public health, life safety, and accessibility while striving for efficient, business-friendly service.

Challenges:

Common issues include incomplete design documents, misunderstanding of code requirements, and confusion over submittal procedures, leading to delays and added costs.

Streamline Strategies:

- Early Engagement and Support- Pre-Submittal Consultations: Permit applicants can schedule personalized appointments with plan review staff and inspectors. This tailored guidance sets the groundwork for a smoother process.
- Project Concierge and Ombudsman Services**: Our dedicated staff assist applicants in navigating the permitting landscape, clarifying submittal requirements, and identifying potential code triggers early in the process.
- Streamlined Plan Review Processes - Self-Certification Program: Qualified licensed professionals can self-certify code-compliant plans for specific TI projects, significantly reducing permit issuance to five days
- Concurrent Department Review: All relevant departments including Fire, Planning, and Public Works review plans simultaneously, eliminating bottlenecks associated with sequential reviews.
- AI-Assisted Plan Screening: We are exploring artificial intelligence tools to identify common errors and omissions during intake, enhancing first-cycle approval rates.
- Expedited Review Pathways: Projects and remodels can qualify for fast-track processing, ensuring timely progress.
- Inspection and Occupancy Enhancements - QR Code Scheduling Contractors and business owners can conveniently schedule inspections using QR codes, boosting scheduling flexibility and reducing.
- Temporary Certificate of Occupancy (TCO) Policy: This allows safe occupancy before full project completion when minor items remain,
- 8 Field Coordination Teams: Our inspectors work directly with plan reviewers and other city departments to rapidly address field issues, reducing correction cycles and promoting consistency in the review process.
- One Stop Shop Collaboration: Coordination meetings with Planning, Fire, and Public Works ensure consistent guidance, aligned review timelines, and effective resolution of complex project challenges.

Fire Department – Fire Prevention

The Fire Prevention Division plays a critical role in the tenant improvement process.

Challenges:

Challenges often occur when businesses remodel, upgrade equipment, or change use without obtaining required permits and inspections. These issues can create financial hardships and delays, but they are avoidable with proactive communication and early collaboration between Fire Prevention and the business owner.

Streamline Strategies:

To encourage a supportive business environment, the Fire Prevention Division offers free Fire Clearance inspection. This collaborative on-site review helps identify which permits may be required and establishes a clear path forward before construction begins. Early engagement allows businesses to avoid costly corrections later in the process and ensures compliance with municipal and state fire codes before opening to the public.

The Fire Clearance inspection also provides an opportunity to educate business owners about ongoing fire-life safety requirements, including emergency exits, fire extinguishers, signage, and suppression systems. Many first-time entrepreneurs are unaware of these obligations until inspections are performed late in the process, which can delay openings or increase expenses.

By making expectations clear at the outset, the City empowers business owners to make informed decisions, budget appropriately, and complete improvements efficiently.

Additionally, Fire Prevention collaborates with other divisions to create consistent guidance materials, checklists, and outreach tools. This interdepartmental coordination ensures that businesses receive aligned direction, reducing confusion and reinforcing Riverside's commitment to help businesses succeed safely and responsibly.

Public Works

The Public Works – Sewer Division, Environmental Compliance (EC) section plays an active role in the permitting process. Plans are concurrently routed to EC for review. As part of this review, EC determines the type of construction proposed—such as retail, service-based business, or light industry—and issues specific forms tailored to the business type. These forms may include the Wastewater Discharge Survey, Water Softening Memo, Spill Containment Memo, RCRA Information, and Permit Applications (Class I or Class II–VI).

The purpose of these forms is to gather more detail about business operations and to determine what additional measures may be needed to protect the sewer collection system and the Regional Water Quality Control Plant. For businesses engaged in food service or preparation, unit fixture counts and a review of proposed operations may trigger requirements for grease interceptors. These requirements are governed by the California Plumbing Code, the Riverside County Department of Environmental Health, and the City of Riverside Municipal Code.

In 2008, the City approved a Sewer Services Charge structure for residential, commercial, institutional, and industrial customers. As part of this structure, City Council directed the Public Works Department to create a program that would encourage reductions in both the intensity and quantity of wastewater discharges. Lowering discharges reduces wear on the collection system, decreases the use of treatment chemicals, and helps control long-term operations and maintenance costs. The result was the Sewer Public Benefits (SPB) Program, designed to focus on three key factors: flow, Chemical Oxygen Demand (COD), and Total Suspended Solids (TSS).

In 2011, a fourth factor—fats, oils, and grease (FOG)—was added to address the impacts of these constituents on the sewer system. Businesses that prepare or serve food are among the largest potential contributors of FOG.

Challenges:

Many facilities throughout the City predate requirements for modern control technology and installation of systems can be expensive systems without support.

Streamline Strategies:

By including FOG and similar contaminants in the SPB Program, the City has been able to incentivize the installation of technologies that improve system performance and benefit the community and are available to various pretreatment methods.

The City recognizes the significant cost incurred by business owners and provides the SBP program to assist in offsetting the cost. The SPB Program reimburses up to 50% of the cost of purchasing and installing an approved pretreatment system. For example, the average cost of a grease interceptor is approximately \$40,000, with the program reimbursing about \$20,000 of that cost. Since its adoption, this program has significantly reduced the occurrence of Sanitary Sewer Overflows, with the City achieving an 80% reduction since 2011.

Alternate pre-treatment methods can also be considered on a case by case basis but would need to continue to meet State and local requirements. In these cases, the SPB Program would also be available to assist businesses.

By leveraging existing staff capacity, coordination among departments, and programs such as the Sewer Public Benefits (SPB) Program, the City can continue supporting business development and process efficiency without immediate budgetary increases.

Overall, these proactive initiatives—focused on personalized engagement and streamlined reviews—demonstrate Staff’s commitment to supporting Riverside’s business community. The goal is to help applicants confidently navigate the permitting process and successfully open their doors. Staff continues to welcome feedback from the business community to refine and enhance the process over time.

FISCAL IMPACT:

There is no direct fiscal impact associated with receiving this report. Implementation of potential program enhancements, workshops, or process improvement initiatives discussed within the Tenant Improvement Program would be accommodated within existing departmental resources. Should additional funding be required for expanded outreach, technology improvements, or interdepartmental coordination efforts, those requests would be evaluated during the annual budget process and brought forward for City Council consideration at a later date.

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Attachment:
Presentation