



CITY OF DESERT HOT SPRINGS

**REGULAR MEETING OF THE CITY COUNCIL
And the City Council Serving as the Successor Agency to the
Redevelopment Agency Board**

ACTION MINUTES

MARCH 21, 2017

5:30 P.M. – CLOSED SESSION

6:00 P.M. – REGULAR SESSION

**CITY COUNCIL CHAMBERS
Carl May Community Center
11711 West Drive, Desert Hot Springs, California**

CALL TO ORDER

Mayor Matas called the Closed Session to order at 5:30 P.M.

ROLL CALL

Present:

Council Members: Russell Betts; Joe McKee; Anayeli Zavala

Mayor Pro Tem: Yvonne Parks

Mayor: Scott Matas

PUBLIC COMMENTS

None.

CLOSED SESSION - 5:30 P.M.

Jennifer Mizrahi, City Attorney, announced the Closed Session Items.

Council Member Betts and Council Member McKee recused from Closed Session Item 1.

CLOSED SESSION

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8:

Property: South West Corner of Palm Drive and Pierson Boulevard
(APNs: 641-041-049, 050, 051, 020, 023, and 047)

Agency Negotiator: Charles L. Maynard, City Manager/Executive Director
Jennifer Mizrahi, City Attorney/General Counsel
Joseph M. Tanner, Administrative Services Director

Negotiating parties: Umberto Bagnara; Howard Lee; Suresh Shaw; and Eric Pontius (641-041-023 only)

Under negotiation: Price and Terms

2. CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (d)(2) of Section 54956.9: (1 case). The facts and circumstances involve issues pertaining to a certain developer who has threatened litigation against the City, although no formal claim has been filed.

3. CONFERENCE WITH LEGAL COUNSEL—PENDING LITIGATION

(Paragraph (4) of subdivision (d) of Section 54956.9).

The City has received a claim pursuant to the Government Claims Act.

RECESS

REGULAR SESSION - 6:00 P.M.

CALL TO ORDER

Mayor Matas called the Regular Session to order at 6:00 P.M.

ROLL CALL

Present:

Council Members: Russell Betts; Joe McKee; Anayeli Zavala

Mayor Pro Tem: Yvonne Parks

Mayor: Scott Matas

INVOCATION

Pastor Paul Miller gave the Invocation.

PLEDGE OF ALLEGIANCE

Council Member McKee led the Pledge of Allegiance.

CITY ATTORNEY REPORT ON CLOSED SESSION

Jennifer Mizrahi, City Attorney, advised that there was no reportable action taken.

APPROVAL OF THE AGENDA

Mayor Matas read a statement regarding Ordinance 580; and stated that he would recuse from Item 5; and requested that Item 5 be moved to the end of the agenda.

Action: Betts moved to approve the March 21, 2017 regular meeting agenda as presented, and approving the Consent Calendar in its entirety, motion seconded by Zavala, motion carried 2/3 by the following vote:

<u>Vote:</u>	AYES: 2 - Zavala, Betts
Failed	NOES: 3 - Parks, Matas, McKee

Action: Parks moved to approve the March 21, 2017 regular meeting agenda with Item 5 moved to the end of the agenda, and approving the Consent Calendar in its entirety, motion seconded by McKee, motion carried 3/2 by the following vote:

<u>Vote:</u>	AYES: 3 - Parks, Matas, McKee
Passed	NOES: 2 - Zavala, Betts

PUBLIC COMMENTS

Eddy Johnson spoke regarding Veterans.

Jusy Shea spoke regarding various topics.

Ricardo Ibarra expressed concerns regarding code enforcement violations that he has received.

James Fields expressed concerns regarding the stop sign at Cuando Way and Hacienda Avenue.

Jeff Ridge spoke regarding Proposition 64 and recreational marijuana, and suggested a recreational charitable dispensary.

Mike Picardi made various announcements.

Sam Messler made announcements regarding Diversity DHS.

Nancy Cobb (Palm Springs resident) spoke regarding the "Desert X" art exhibit in Desert Hot Springs.

CITY MANAGER REPORT

None.

MAYOR AND COUNCIL MEMBER REPORTS

Mayor Pro Tem Parks reported on the various meetings and events she attended.

Council Member McKee reported on the various meetings and events he attended.

Council Member Betts reported on the various meetings and events he attended.

Council Member Zavala reported on the various meetings and events she attended.

Mayor Matas reported on the various meetings and events he attended.

PUBLIC HEARINGS:

4. [Conditional Use Permit No. 29-16 and Development Agreement DA 18-16, for the Development of Two \(2\) Warehouse Style Cultivation Buildings Approximately 49 Feet 6 Inches in Height and Totaling \(Combined\) Approximately 69,000 Square Feet on a 2.3 Acre Site Located on the Southeast Corner of Little Morongo Road and San Gorgonio Lane in the I-L \(Light Industrial\) Zone](#)

Applicant: Stark Venture, LLC and Pulse Investment Group, LLC (Contact: Michael Torosian)

Acting Community Development Director, Daniel Porras, P.E.

Recommendation:

- 1) Staff Report;
- 2) Entertain Questions of Staff from City Council;
- 3) Open the Public Hearing;
- 4) Take Testimony from Applicant;
- 5) Take Public Testimony;
- 6) Opportunity for Applicant Rebuttal;
- 7) Close the Public Hearing;
- 8) City Council discussion and questions to Staff; and
- 9) Approve: A) a Mitigated Negative Declaration for the Stark Venture and Pulse Investment Group Cultivation Project; B) Conditional Use Permit No. 29-16; and C) Ordinance approving Development Agreement No. 18-16; for the construction of two (2) two-story cultivation buildings to be constructed on the southeast corner of Little Morongo Road and San Gorgonio Lane in the I-L (Light Industrial) District. (APN 665-040-001)

Scott Taschner, Associate Planner, presented the Staff report and responded to questions.

Mayor Matas opened the Public Hearing.

Paul DePalatis, MSA Consulting, spoke on behalf of the Applicant.

Mayor Matas closed the Public Hearing.

Action: Betts moved to approve staff recommendation with a condition that inspection and approval for extraction be either through the Fire Department or another qualified person with approval by the City Manager, motion seconded by McKee, motion carried 5/0 by the following vote:

Vote: AYES: 5 - Zavala, Parks, Betts, Matas, McKee
Passed NOES: 0 - (None)

5. [\(Continued from February 21, 2017\)](#)

Appeal of the Planning Commission's Decision to Deny the Extension of Tentative Tract Map Nos. 35009 and 35448 (Appeal of Planning Case Number AP-1-16)

Acting Community Development Director, Daniel Porras, P.E.

Recommendation: 1) Conduct City Council discussion and questions to staff;
2) City Council action to either:
A. Uphold the Planning Commission's decision to deny First Extension of Time - Tentative Tract Maps 35009 & 35448: Located West of State Route 62 within the Rancho Royale Specific Plan encompassing most of Section 20, Range 4 East, Township 2 South; San Bernardino Baseline and Meridian; and Adopt the Resolution upholding the decision and denying the project with the appropriate findings contained therein in the attached Resolution (Exhibit 1), which such findings can be amended as the City Council deems fit; OR
B. Overturn the Planning Commission's decision to deny the project and adopt appropriate findings as made by the City Council.

Item 5 was considered following Item 10.

Mayor Matas recused and exited the meeting.

Jennifer Mizrahi, City Attorney, advised that public comments would be allowed pursuant to the Brown Act, however, any comments would not be part of the administrative record as the Public Hearing was previously closed.

Kerry Puckett spoke opposed to the extension.

Kathryn Butterfield spoke opposed to the extension.

Jason Bruecks spoke opposed to the extension.

Catherine Romero spoke opposed to the extension.

David Malgra, Jr. spoke opposed to the extension.

John Pavelak spoke in favor of granting the extension.

Ed Adkinson, Applicant, addressed the City Council, distributed an exhibit.

Action: Zavala moved to uphold Planning Commission's decision, motion seconded by Betts, motion carried 2/2 by the following vote:

Vote: AYES: 2 - Zavala, Betts
Failed NOES: 2 - Parks, McKee

Action: McKee moved to continue 45 days, motion seconded by Parks, motion carried 2/2 by the following vote:

Vote: AYES: 2 - Parks, McKee
Failed NOES: 2 - Zavala, Betts

Jennifer Mizrahi, City Attorney, advised that due to no action, the underlying Planning Commission's decision stands.

ADMINISTRATIVE CALENDAR:

6. Appointments to the Health and Wellness Foundation, Board of Directors

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: 1) Appoint City Manager Charles Maynard to the Desert Hot Springs Health and Wellness Foundation Board of Directors; and
2) Appoint a second Board of Director to the Desert Hot Springs Health and Wellness Foundation board filling the final open position to be appointed by the City Council.

Action: Betts moved to appoint the City Manager and Council Member Russell Betts, motion seconded by McKee, motion carried 5/0 by the following vote:

Vote: AYES: 5 - Zavala, Parks, Betts, Matas, McKee
Passed NOES: 0 - (None)

7. (Successor Agency)

Resolution Approving Purchase and Sale Agreement and Joint Escrow Instructions with Calvin Chun for Real Property Located at the Southwest Corner of 6th Street and Palm Drive

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Adopt a Resolution of the Successor Agency approving a Purchase and Sale Agreement and Joint Escrow Instructions between the Successor Agency to the former Desert Hot Springs Redevelopment Agency and Calvin Chun with respect to the Real Property located at the southwest corner

of 6th Street and Palm Drive, Desert Hot Springs, California (APNs: 639-211-011, -012, -013, -014, -015) and approving certain related actions.

Action: Betts moved to approve staff recommendation and adopt *Resolution No. SA-2017-005*, motion seconded by Zavala, motion carried 4/1 by the following vote:

Vote: AYES: 4 - Zavala, Parks, Betts, Matas
Passed NOES: 1 - McKee

8. **(Successor Agency)**

Resolution Approving Purchase and Sale Agreement and Joint Escrow Instructions with Jay H. Lee for Real Property Located Between 4th Street and 5th Street along Palm Drive

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Adopt a Resolution of the Successor Agency approving a Purchase and Sale Agreement and Joint Escrow Instructions between the Successor Agency to the former Desert Hot Springs Redevelopment Agency and Jay H. Lee with respect to the Real Property located between 4th Street and 5th Street along Palm Drive, Desert Hot Springs, California (APNs 639-212-019, -020, -021, -022, and -023) and approving certain related actions.

Action: Betts moved to approve staff recommendation and adopt *Resolution No. SA-2017-006*, motion seconded by Zavala, motion carried 4/1 by the following vote:

Vote: AYES: 4 - Zavala, Parks, Betts, Matas
Passed NOES: 1 - McKee

9. **(Successor Agency)**

Resolution Approving Purchase and Sale Agreement and Joint Escrow Instructions with Scott Parker for Real Property Located at 66550 and 66620 Pierson Boulevard

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Adopt a Resolution of the Successor Agency to the Redevelopment Agency of the City of Desert Hot Springs approving Purchase and Sale Agreement and Joint Escrow Instructions between the Successor Agency to the Redevelopment Agency of the City of Desert Hot Springs and Scott Parker with respect to the real property located at 66550 and 66620 Pierson Boulevard, Desert Hot Springs, California (APNs 639-293-023, -024, -025, -026, -027, -028) and approving certain related actions.

Council Member Betts recused due to a potential conflict of interest.

Action: Parks moved to approve staff recommendation and adopt *Resolution No. SA-2017-007*, motion seconded by Zavala, motion carried 3/1 by the following vote:

Vote: AYES: 3 - Zavala, Parks, Matas
Passed NOES: 1 - McKee

10. Funding Request from Coachella Valley Association of Governments (CVAG) to Support Regional Homelessness Efforts

Council Member, Russell Betts; and Council Member, Joe McKee

Recommendation: Take whatever action the City Council deems appropriate.

Council Member McKee presented the report.

Action: Betts moved to approve a budget placeholder, motion seconded by McKee, motion carried 5/0 by the following vote:

Richard Finn requested to participate on the homelessness committee.

Vote: AYES: 5 - Zavala, Parks, Betts, Matas, McKee
Passed NOES: 0 - (None)

The City Council recessed at 7:33 P.M.

The City Council reconvened at 7:42 P.M.

Item 5 was considered at this time.

CONSENT CALENDAR:

11. City Council Regular Meeting Minutes: February 7, 2017

City Clerk, Jerryl Soriano, CMC

Recommendation: Approve Minutes as submitted; or as corrected.

12. Approve Second Reading and Adopt an Ordinance of the City Council Approving Development Agreement No. 17-16 with Yucca Mesa Holdings, LLC (Contacts: Terra Nova Planning)

Acting Community Development Director, Daniel Porras, P.E.

Recommendation: Approve Second Reading, read by title only and adopt "An Ordinance of the City Council approving Development Agreement No.17-16 with Yucca Mesa Holdings" establishing a medical marijuana building complex on a 2.52 acre lot located on the northwest corner of Palomar Lane and Cabot Road in the Light Industrial (I-L) zoning district.

Ordinance No. 604

13. [Resolution of Intention to Annex One \(1\) Parcel \(DHS Property Investments\) to the City of Desert Hot Springs Community Facilities District No. 2010-1 \(Services\) \(Annexation No. 9\)](#)

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Adopt a Resolution of Intention to annex one parcel to the City of Desert Hot Springs Community Facilities District No. 2010-1 (Services)

Resolution No. 2017-009

14. [Resolution of Intention to Annex One \(1\) Parcel \(CV Wellness\) to the City of Desert Hot Springs Community Facilities District No. 2010-1 \(Services\) \(Annexation No. 10\)](#)

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Adopt a Resolution of Intention to annex one parcel to the City of Desert Hot Springs Community Facilities District No. 2010-1 (Services)

Resolution No. 2017-010

15. [Resolution of Intention to Create a Special Tax Area Zone for Property, \(DHS Property Investments\) to the Desert Hot Springs Special Public Safety Tax Area](#)

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Adopt a Resolution of Intention, which establishes the time and place of the Public Hearing to establish Zone 19 within the Special Public Safety Tax Area for Police and Fire Protection Services, and authorizing an election

Resolution No. 2017-011

16. [Second Reading and Adoption of an Ordinance Amending the Desert Hot Springs Municipal Code Regarding Fences, Walls and Hedges](#)

City Clerk, Jerryl Soriano, CMC

Recommendation: Approve Second Reading, read by title only and adopt: "An Ordinance of the City Council of the City of Desert Hot Springs amending Desert Hot Springs Municipal Code Section 17.40.110 "Fences, Walls and Hedges."

Ordinance No. 605

17. [Second Reading and Adoption of an Ordinance Increasing the Salary for Planning Commissioners and Adding a Salary for City Commissioners and Committee Members](#)

City Clerk, Jerryl Soriano, CMC

Recommendation: Approve Second Reading, read by title only and adopt: "An Ordinance of the City Council of the City of Desert Hot Springs: 1) Amending Section 2.32.050 of Chapter 2.32 of the Desert Hot Springs Municipal Code increasing the salary of City Planning Commissioners; 2) Adding Section 2.36.050 to Chapter 2.36, Section 2.40.050 to Chapter 2.40, and Section 2.44.060 to Chapter 2.44 of the City's Municipal Code adding a salary for City Commissioners and Committee Members.

Ordinance No. 606

18. [Payment Register and City Council Expenditures Report for the Month of January 2017](#)

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Receive and File.

19. [Contracts Management Report as of March 21, 2017](#)

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Receive and File.

20. [Treasurer's Report as of January 31, 2017](#)

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Receive and File.

[FUTURE AGENDA ITEMS](#)

None.

[PUBLIC COMMENTS](#)

None.

[ADJOURN](#)

Mayor Pro Tem Parks adjourned the meeting at 8:16 P.M.

Jerryl Soriano, CMC, City Clerk