



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

SEPTEMBER 5, 2017

3:00 P.M. – STUDY SESSION

CLOSED SESSION

(Immediately Following the Study Session)

5:30 P.M. – PRESENTATIONS

6:00 P.M. – REGULAR SESSION

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

STUDY SESSION - 3:00 P.M.

CALL TO ORDER

Mayor Matas called the Study Session to order at 3:00 P.M.

ROLL CALL

Present:

Council Members: Russell Betts, Joe McKee, Anayeli Zavala
Mayor Pro Tem: Yvonne Parks
Mayor: Scott Matas

1. Coachella Valley Association of Governments ("CVAG") Discussion
City Council

A discussion ensued regarding CVAG's role, powers, and authority with respect to matters that affect specific member jurisdictions.

Erica Felci, CVAG Governmental Projects Manager, addressed the City Council.

CLOSED SESSION PUBLIC COMMENTS

There were no public comments.

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

The City Council recessed to Closed Session at 3:49 P.M.

Council Member McKee recused from Closed Session Item 4.

CLOSED SESSION **(Immediately Following the Study Session)**

2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8:

Property: Vacant Parcel on Palm Drive (APN: 641-113-004)
Agency Negotiator: Charles L. Maynard, City Manager / Executive Director
Jennifer Mizrahi, City Attorney / General Counsel
Joseph M. Tanner, Administrative Services Director
Negotiating parties: 1) Nick Krespis; 2) Jeffrey Ridge; and 3) Thuy Kao
Under negotiation: Price and Terms

3. 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 a certain developer who has threatened litigation against the City, although no formal claim has been filed.

4. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

(Paragraph (1) of subdivision (d) of Section 54956.9) Name of case: Suresh Shah, as Trustee of the Shah Family Trust dated 7/31/200 v. City of Desert Hot Springs, County of Riverside Superior Case Number PSC1703427

PRESENTATIONS - 5:30 P.M.

5. Recognition Presented to Andres Gutierrez-Wilms for his Selfless and Courageous Actions During an Incident that Occurred on May 8, 2017

Chief of Police, Dale R. Mondary

Dale Mondary, Chief of Police presented a Commendation to Andres Gutierrez-Wilms.

Mayor Matas and representatives from Riverside County Supervisor, Manuel Perez; Congressman Raul Ruiz, M.D.; Assemblymember Eduardo Garcia; and Senator Jeff Stone, presented Certificates of Recognition.

6. **Recognition of Officer Yesenia Barriola, Inaugural Recipient of the "Vega-Zerebny Award" from Christopher's Clubhouse**
Chief of Police, Dale R. Mondary

Dale Mondary, Chief of Police, introduced Mika Moulton, Founder of Christopher's Clubhouse.

Mika Moulton provided an overview of the Christopher's Clubhouse Organization and creation of the "Vega-Zerebny Award." She described the selection process where Desert Hot Springs Police Officer, Yesenia Barriola was selected to receive the award.

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

None.

PLEDGE OF ALLEGIANCE

Desert Hot Springs Scouts, Troop 1606, presented the colors and 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

Action: McKee moved to approve the September 5, 2017 Regular Meeting Agenda and approving the Consent Calendar in its entirety, motion seconded by Parks, motion carried 5/0 by the following vote:

Vote:
Passed

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

PUBLIC COMMENTS

Glenn Miller, representing Senator Jeff Stone's Office, spoke regarding grants; the City's needs and concerns; and bills of interest.

Steve Brown, representing Assemblymember Eduardo Garcia's Office, spoke regarding the current legislative session and bills of interest.

Judy Shea spoke regarding her veteran's center project; and Deferred Action for Childhood Arrivals (DACA).

Barbara Eastman thanked the Fire Department for their response to an incident that occurred at Vista Montana; and spoke in support of Measures B and C.

Eddie Johnson expressed thanks for Palm Drive landscaping improvements.

Russ Martin spoke in support of Measures B and C.

Mike Picardi gave various updates and announcements.

CITY MANAGER REPORT

Charles Maynard, City Manager, gave a brief report and announced the Two Bunch Palms and Palm Drive widening project.

MAYOR AND COUNCIL MEMBER REPORTS

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

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

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

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

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

PUBLIC HEARINGS:

Item No.16 was considered at this time.

7. [Annexation No. 15 to the City of Desert Hot Springs Community Facilities District No. 2010-1 \(Services\) for APN 665-030-058 Located South of 14th Avenue, East of Little Morongo Road and West of Palm Drive \(Bunch Palms Trail LLC\)](#)

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: 1) Staff Report;
2) Entertain questions of staff from the City Council;
3) Open the Public Hearing;
4) Take public testimony;
5) Close the Public Hearing;
6) City Council discussion and questions of Staff;
7) Adopt a Resolution calling an election to submit to the qualified electors the question of levying a special tax within the area proposed to be annexed to Community Facilities District No. 2010-1 (Services) (Annexation No. 15)
8) Hold the election;
9) Canvass the election; and
10) Adopt a Resolution declaring election results for annexation to Community Facilities District No. 2010-1 (Services) (Annexation No. 15)

Joe Tanner, Administrative Services Director, presented the staff report.

Mayor Matas opened the Public Hearing.

There was no testimony.

Mayor Matas closed the Public Hearing.

Action: McKee moved to approve staff recommendation and adopt *Resolution No. 2017-082 (Calling an Election)*, motion seconded by Zavala, motion carried 4/1 by the following vote:

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

Jerryl Soriano, City Clerk, canvassed the election and advised that the land owner voted in favor of the Annexation.

Action: McKee moved to approve staff recommendation and adopt *Resolution No. 2017-083 (Declaring Election Results)*, motion seconded by Zavala, motion carried 4/1 by the following vote:

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

8. Appeal of the Planning Commission's decision to DENY Conditional Use Permit No. 20-17 and Variance No. 01-17 - A Request for Development of a Single-Story Bed and Breakfast Establishment and a Reduction in the Required Side Yard Setbacks on a Vacant 7,743 Square Foot Lot in the V-S-C (Visitor Serving Commercial) District (APN 642-143-005) (Applicant: Elyon Development)

Community Development Director, Daniel Porras, P.E.

Recommendation: 1) Staff Report;
2) Entertain Questions of Staff from the 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) That the City Council either:

Conditional Use Permit:

A) Overturn the decision of the Planning Commission thereby APPROVING Conditional Use Permit No. 20-17, for the development of a Bed and Breakfast facility at 12900 Inaja Street; OR

B) Uphold the decision of the Planning Commission thereby DENYING Conditional Use Permit No. 20-17, for the development of a Bed and Breakfast facility at 12900 Inaja Street

Variance:

A) Overturn the decision of the Planning Commission, thereby APPROVING the request for a Variance for the proposed Bed and Breakfast at 12900 Inaja Street; OR

B) Uphold the decision of the Planning Commission, thereby DENYING the request for a Variance for the proposed Bed and Breakfast at 12900 Inaja Street.

Scott Taschner, Senior Planner, presented the staff report; and responded to questions.

A discussion ensued.

Mayor Matas opened the Public Hearing.

Chris Ifeanyi representing the Applicant, Elyon Development, addressed the City Council and responded to questions.

Richard DeCarlo expressed concerns.

Cynthia Carone spoke in favor of upholding the Planning Commission's decision.

The Applicant provided rebuttal.

Mayor Matas closed the Public Hearing.

A discussion ensued.

Action: Zavala moved to overturn the decision of the Planning Commission, thereby approving the Conditional Use Permit (CUP 20-17) and Variance (Staff recommendation for setbacks of 8 feet and 6 feet), motion seconded by Parks, motion carried / by the following vote:

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

9. Conditional Use Permit No. 28-16 and Development Agreement 19-16 for the Development of an Indoor Marijuana Cultivation Facility with a Total Floor Area of 16,288 Square Feet on a 1.26 Gross Acre Site Located on the North Side of Palomar Lane, Approximately 400 Feet East of Little Morongo Road in the Light Industrial (I-L) Zone (Applicant: Palomar DHS LLC / Lior Stolin)

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 Conditional Use Permit No. 28-16 and Development Agreement 19-16 for the development of an indoor marijuana cultivation facility for a total area of 16,288 square feet on 1.26 gross acres located on the north side of Palomar Lane, approximately 400 feet east of Little Morongo Road in the Light Industrial (I-L) Zone (APN: 665-040-015).

Scott Taschner, Senior Planner, presented the staff report; and responded to questions.

A discussion ensued regarding truck parking.

Mayor Matas opened the Public Hearing.

Lior Stolin, Applicant, addressed the City Council.

Mayor Matas closed the Public Hearing.

Action: McKee moved to approve staff recommendation, motion seconded by Betts, motion carried 5/0 by the following vote:

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

The City Council recessed at 8:02 P.M.

The City Council reconvened at 8:10 P.M.

10. Conditional Use Permit No. 01-17 and Development Agreement 15-17 for the Development of an Indoor Marijuana Cultivation Facility with a Total Floor Area of 20,664 Square Feet on a 1.26 Gross Acre Site Located on the North Side of 15th Avenue, Approximately 1,400 feet East of Little Morongo Road in the Light Industrial (I-L) Zone (Applicant: D-9 Farms / Timothy Santos)

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) Continue the Public Hearing to September 19, 2017 so the Applicant can complete their revisions to the Development Agreement.

Scott Taschner, Senior Planner, presented the Staff Report and responded to questions.

Mayor Matas opened the Public Hearing.

There was no testimony.

Mayor Matas closed the Public Hearing.

Action: McKee moved to approve staff recommendation, motion seconded by Parks, motion carried 5/0 by the following roll call vote:

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

11. Conditional Use Permit No. 05-17 and Development Agreement No. 03-17 for the Development of a Two-Story Cultivation Building Totaling Approximately 35,320 Square Feet on a 1.26 Acre Site Located on San Gorgonio Lane Between Little Morongo Road and Cabot Road in the I-L (Light Industrial) Zone (Applicant: MIRO, LLC)

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 Desert Springs Cultivation project; (B) Conditional Use Permit 05-17; and (C) Development Agreement 03-17 for the development of a 35,320 square foot cultivation facility on a vacant 1.26 acre site located within the I-L (light industrial) zoning district. (APN 665-040-010).

Scott Taschner, Senior Planner, presented the staff report and responded to questions.

Mayor Matas opened the Public Hearing.

There was no public testimony.

Mayor Matas closed the Public Hearing.

Action: McKee moved to approve staff recommendation, motion seconded by Parks, motion carried 5/0 by the following vote:

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

12. Conditional Use Permit No. 09-17 and Development Agreement 07-17 for Development of an 8,389 Square Foot Two-Story Building for Medical Marijuana Cultivation and Associated Parking and Other Improvements on a Vacant Parcel Totaling 0.37 Gross Acres Located on the North Side of Palomar Lane, Approximately 1,200 Feet East of Little Morongo Road and Within the General Plan Light Industrial (I-L) Zone (Applicant: Yang Guang)

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 Conditional Use Permit No. 09-17 and Development Agreement 07-17 for the development of an 8,389 square foot two-story building for medical marijuana cultivation as well as associated parking and other improvements on a vacant parcel totaling 0.37 gross acres located on the north side of Palomar Lane, approximately 1200 feet east of Little Morongo Road and within the General Plan Light Industrial (I-L) Zone. (APN 665-040-022)

Scott Taschner, Senior Planner, presented the staff report and responded to questions.

Mayor Matas opened the Public Hearing.

There was no public testimony.

Mayor Matas closed the Public Hearing.

Action: McKee moved to approve staff recommendation, motion seconded by Parks, motion carried 5/0 by the following vote:

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

13. Conditional Use Permit No. 11-17 and Development Agreement 09-17 for the Development of a 35,435 Square Foot Two-Story Building for Medical Marijuana Cultivation and Associated Parking and Other Improvements on a Vacant Parcel Totaling 1.26 Gross Acres Located on the North Side of San Gorgonio Lane, Approximately 500 Feet East of Little Morongo Road and Within the General Plan Light Industrial (I-L) Zone (Applicant: NR Trading / Feliks Akopyan)

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 Conditional Use Permit No. 11-17 and Development Agreements 09-17; for the development of a 35,435 square foot two-story building for medical marijuana cultivation as well as associated parking and other improvements on a vacant parcel totaling 1.26 gross acres located on the north side of San Gorgonio Lane, approximately 500 feet east of Little Morongo Road and within the General Plan Light Industrial (I-L) Zone (APN: 665-040-022).

Scott Taschner, Senior Planner, presented the staff report and responded to questions.

Mayor Matas opened the Public Hearing.

There was no public testimony.

Mayor Matas closed the Public Hearing.

Action: McKee moved to approve staff recommendation, motion seconded by Betts, motion carried 5/0 by the following vote:

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

14. **URGENCY Ordinance Amending Chapter 17.180 (Medical Marijuana Facilities Operation and Location) to Eliminate the Requirement for Developers to Enter into Development Agreements in Certain Circumstances**

Community Development Director, Daniel Porras, P.E.

Recommendation: 1) Staff Report;
2) Entertain Questions of Staff from the City Council;
3) Open the Public Hearing;
4) Take Public Testimony;
5) Close the Public Hearing;
6) City Council discussion and questions to Staff; and
7) Adopt an Urgency Ordinance of the City Council, amending Chapter 17.180 (Medical Marijuana Facilities Operation and Location) to eliminate the requirement for developers to enter into Development Agreements in certain circumstances (requires a 4/5 vote of the entire City Council to pass).

Jennifer Mizrahi, City Attorney, presented the staff report and responded to questions.

Mayor Matas opened the Public Hearing.

Paul DePalatis, MSA Consulting, spoke in support.

Kenny Dickerson spoke in support.

Mayor Matas closed the Public Hearing.

Action: McKee moved to approve staff recommendation and adopt *Urgency Ordinance No. 628*, motion seconded by Parks, motion carried 5/0 by the following vote:

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

15. **An Ordinance of the City Council of the City of Desert Hot Springs, Amending Chapter 17.180 (Medical Marijuana Facilities Operation and Location) to Eliminate the Requirement for Developers to Enter into Development Agreements in Certain Circumstances.**

Community Development Director, Daniel Porras, P.E.

Recommendation: 1) Staff Report;
2) Entertain Questions of Staff from the City Council;
3) Open the Public Hearing;
4) Take Public Testimony;
5) Close the Public Hearing;
6) City Council discussion and questions to Staff; and
7) A recommendation from the Planning Commission to the City Council to introduce and approve for First Reading: An Ordinance of the City Council of the City of Desert Hot Springs, amending Chapter 17.180 (Medical Marijuana Facilities Operation and Location) to eliminate the

requirement for developers to enter into development agreements in certain circumstances.

Mayor Matas opened the Public Hearing

There was no public testimony.

Mayor Matas closed the Public Hearing.

Action: McKee moved to approve staff recommendation, motion seconded by Parks, motion carried 5/0 by the following vote:

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

ADMINISTRATIVE CALENDAR:

16. (Continued from July 5, 2017) Appointment to the Planning Commission to Fill Vacancy for Unexpired Term

City Clerk, Jerryl Soriano, CMC

Recommendation: Ratify Council Member Anayeli Zavala's appointment to the Planning Commission to fill one (1) vacancy consisting of an unexpired term ending January 2018.

Action: Betts moved to ratify Council Member Zavala's appointment of Jan Pye to the Planning Commission, motion seconded by Parks, motion carried 5/0 by the following vote:

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

17. Limited Obligation Improvement Bonds, City of Desert Hot Springs, Assessment District No. 92-1 (Arroyo Vista) Surplus Funds After Maturity

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Adopt a Resolution of the City Council authorizing refunding the remaining surplus funds for Assessment District No. 92-1 (Arroyo Vista) Limited Obligation Improvement Bonds to properties within Tract Map 23866 that have paid the assessments securing the Bonds, based on the original assessment amount.

Joe Tanner, Administrative Services Director, presented the staff report and responded to questions.

Action: McKee moved to approve staff recommendation, motion seconded by Zavala, motion carried 4/0 by the following vote:

Vote: AYES: 4 - Zavala, Parks, Matas, McKee
Passed NOES: 0 - (None)
RECUSED: 1 - Betts

18. [Limited Obligation Improvement Bonds, City of Desert Hot Springs, Assessment District No. 93-2 \(Arroyo Vista\) Surplus Funds After Maturity](#)

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Adopt a Resolution of the City Council authorizing refunding the remaining surplus funds for Assessment District No. 93-2 (Arroyo Vista) Limited Obligation Improvement Bonds to properties within Tract Map 23866 that have paid the assessments securing the bonds, based on the original assessment amount.

Action: McKee moved to approve staff recommendation, motion seconded by Zavala, motion carried 4/0 by the following vote:

Vote: AYES: 4 - Zavala, Parks, Matas, McKee
Passed NOES: 0 - (None)
RECUSED: 1 - Betts

CONSENT CALENDAR:

19. [Resolution of Intention to Annex One Parcel \(Annexation No. 23\) Located at the Northeast Corner of 14th Ave and Little Morongo Rd. \(APN 663-280-025\) to the City of Desert Hot Springs Community Facilities District No. 2010-1 \(Services\)](#)

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Adopt a Resolution of the City Council of the City of Desert Hot Springs declaring its intention to annex territory to Community Facilities District No. 2010-1(Services) of the City of Desert Hot Springs, adopting a map of the area proposed to be annexed (Annexation No. 23), and to authorize the levy of special taxes therein.

20. [Resolution of Intention to Create a Special Tax Area Zone for Property, APN 660-160-010 Located Northeast of Interstate 10 and West of Palm Drive, 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 23 within the Special Public Safety Tax Area for Police and Fire Protection Services, and authorizing an election.

FUTURE AGENDA ITEMS

Council Member Betts requested a future agenda item in regards to streetlights.

PUBLIC COMMENTS

None.

ADJOURN

Mayor Matas adjourned the meeting at 8:52 P.M.

Jerryl Soriano, CMC
City Clerk