

RESOLUTION NO. 2018-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DESERT HOT SPRINGS, CALIFORNIA, CERTIFYING ENVIRONMENTAL IMPACT REPORT (SCH NO. 2017051070) AND ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS AND A MITIGATION MONITORING PROGRAM FOR SPECIFIC PLAN NO. 01-16. GENERAL PLAN AMENDMENT NO. 01-16 , ZONING MAP AMENDMENT NO. 01-16, AND VESTING TENTATIVE TRACT MAP NO. 37185 FOR THE DESERT LAND VENTURES SPECIFIC PLAN.

WHEREAS, Hunsaker Associates, (“Applicant”) has filed application with the City of Desert Hot Springs (“City”) for a General Plan Amendment No. 01-16 and Zoning Map / Text Amendment No. 01-16 to incorporate the project site into the Desert Land Ventures Specific Plan Overlay area, a Specific Plan No. 01-16 to provide development regulations and guidelines for the development of a mixed use commercial and industrial project which will allow up to 1.9 million square feet of commercial and industrial development on a vacant 123.4 acre property located along the north side of Interstate 10, along both sides of Varner Road, and approximately one-half mile west of Palm Drive (APN: 669-150-001 and -002) in the R-D (Rural Desert) and I-L (Light Industrial) zones, and within the City of Desert Hot Springs, California (“Site”); and

WHEREAS, the City prepared an Initial Study under the California Environmental Quality Act, Public Resources Code Sections 2100, *et seq.* (“CEQA”) to determine whether an Environmental Impact Report (“EIR”) or a negative declaration would be prepared for the Project. The Environmental Assessment from that Initial Study indicated that the Project would have significant adverse environmental impacts, and the City directed the applicant to have an EIR prepared. The consulting firm, the Altum Group, prepared the environmental document for the City, issued and circulated a Notice of Preparation (“NOP”) on May 22, 2017; and

WHEREAS, the City circulated a Draft Environmental Impact Report (“Draft EIR” or “DEIR”), State Clearinghouse No. 2017051070, on January 5, 2018, for review and comment by affected agencies, adjacent landowners, and interested members of the public; and

WHEREAS, the 45-day comment period closed on February 19, 2018. All written responses have been incorporated into the Final Environmental Impact Report (“Final EIR” or “FEIR”); and

WHEREAS, the Altum Group, on behalf of the City prepared written responses to comments received during the comment period, as well as the required MMP, which were provided to the City Council on April 17, 2018; and

WHEREAS, after careful consideration of the staff report and all of the information, evidence, and testimony presented at a public hearing, the City Council found as follows:

1. All elements of the Final EIR have been prepared, publicized, circulated and reviewed in accordance with CEQA and the CEQA Guidelines, Cal. Code of Regs., Title 17, Section 15000 *et seq.* (“CEQA Guidelines”); and

2. All elements of the Final EIR constitute an adequate, accurate, objective and complete Environmental Impact Report in compliance with applicable legal standards; and
3. All elements of the Final EIR contain a reasonable range of alternatives and provide sufficient information about each alternative to allow meaningful, analysis, and comparison with the proposed project; and
4. The Responses to Comments provide clarification to the information contained in the Draft EIR and do not add significant new information; thus, not requiring recirculation pursuant to CEQA Guidelines, Section 15088.5; and

WHEREAS, after reviewing the Draft EIR, the Findings and Statement of Overriding Considerations, the Comments and Responses document, the Mitigation and Monitoring Program("MMP"), and all available testimony and evidence in the record, the Planning Commission directed that a Final EIR be prepared for review and action by the Desert Hot Springs City Council. The Final EIR consists of the Initial Study/Environmental Assessment, the Draft EIR, the Comments and Responses document, the Mitigation and Monitoring Program, and all documents incorporated by reference therein. The Final EIR, including all comments and responses, were published and made available to affected agencies; and

WHEREAS, notice of a public hearing of the City Council of the City of Desert Hot Springs to consider the Final EIR was given in accordance with applicable law; and

WHEREAS, on April 17, 2018 a public hearing on the Final EIR and the required MMP was held by the City Council of the City of Desert Hot Springs; and

WHEREAS, after careful consideration of the staff report and all of the information, evidence, and testimony presented at the Public Hearing, the City Council of the City of Desert Hot Springs thereafter certified the following:

1. The Final EIR has been completed in accordance with the California Environmental Quality Act and the CEQA Guidelines; and
2. The Final EIR has been presented to the City Council and the City Council has reviewed and considered the information therein; and
3. The Final EIR reflects the independent judgment and analysis of the City Council, and

WHEREAS, the City of Desert Hot Springs is the custodian of the administrative record, including all CEQA documents and the other background documents and material, shall constitute the record of the proceedings upon which the City Council decision is based; and

WHEREAS, the administrative record is located at 65950 Pierson Boulevard, Desert Hot Springs, California; and

WHEREAS, CEQA Guidelines Section 15091 requires one of three (3) findings ("Findings") listed in Section 15091(a), to be made for each of the significant environmental effects identified in an EIR for the purpose of ensuring that all significant environmental impacts are identified and appropriate findings are made; and

WHEREAS, the Findings list the significant impacts and mitigation measures to be identified in the Final EIR and set forth the corresponding required findings. The Findings list the project impacts that are less-than-significant and, where appropriate, the applicable mitigation measures and also identify unavoidable impacts; and

WHEREAS, for purposes of CEQA and the Findings, the record of administrative proceedings presented to the City Council includes, but is not limited to, the following:

- (1) The Final EIR, which includes the Initial Study/ Environmental Assessment, the Draft EIR, the Comments and Responses document, the Mitigation and Monitoring Program, and all documents incorporated by reference therein;
- (2) All City staff reports on the Plan and the EIR, including those reports prepared by Contract Planners on behalf of the City;
- (3) All studies conducted for the Plan and the EIR, and contained or incorporated by reference in the EIR, including appendices;
- (4) All public reports and documents prepared for the Planning Commission, the City Council or the City;
- (6) The minutes, transcripts, and other records for all public hearings related to the Plan and the EIR;
- (7) All applicable City ordinances, resolutions and planning documents;
- (8) All matters of common knowledge to the City Council, including, but not limited to (1) the City's fiscal status; (2) the City's policies and regulations; (3) reports, projections and correspondence related to development within and surrounding the City; and (4) state laws, regulations, and publications, including all reports and guidelines published by the California Office of Planning and Research; and
- (9) All public records in files maintained by the City relative to the Plan and the EIR.

WHEREAS, each and all of the findings and determinations identified herein are based upon competent and substantial evidence, both oral and written, contained in the entire record relating to the Project; and

WHEREAS, each and all of the findings and determinations constitute the independent findings and determinations of the City Council in all respects; and

WHEREAS, all summaries of information relating to the Project are based on the referenced environmental documents and other substantial evidence in the record. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact. Moreover, the summaries set forth below, including, without limitations, summaries of impacts, mitigation measures and alternatives, are only summaries. Cross-references to the Final EIR and other documents in the record have been made and the reader should refer directly to those documents for more precise information regarding the facts on which the summary is based; and

WHEREAS, the Findings are based upon the numerous mitigation measures set forth in the Final EIR which reduce or eliminate potential impacts, all of which shall be implemented in connection with the adopted MMP; and

WHEREAS, the City Council finds that the mitigation measures set forth in the Final EIR and the MMP can reasonably be expected to reduce adverse impacts related to the Project; and

WHEREAS, the City Council finds that certain potential impacts evaluated in the Final EIR will cause a less-than-significant impact and do not require mitigation. These less-than-significant impacts are listed in the Summary of Findings, pages 1-33 of the Final EIR, and as shown in Exhibit “A” attached hereto and incorporated herein by this reference; and

WHEREAS, the City Council finds that certain potential impacts evaluated in the Final EIR will cause, or may cause, a significant adverse environmental effect prior to mitigation. The City Council finds that the adoption of the mitigation measures identified in the Final EIR will reduce these significant or potentially significant impacts to below a Level of Significance. These significant or potentially significant adverse environmental impacts are listed in the Summary of Findings pages 33-74 of the Final EIR, and as shown in Exhibit “A” attached hereto and incorporated herein by this; and

WHEREAS, the Final EIR summarizes the Project’s significant, unavoidable impacts in Summary of Findings for the EIR, pages 74-78, and as shown in Exhibit “A” attached hereto and incorporated herein by this reference, and more particularly discussed in Chapter 5, “Cumulative Impacts” and Chapter 7, “Additional Topics Required by CEQA”; and

WHEREAS, the City Council finds that the Project has avoided all potentially significant impacts to the extent feasible but for the impacts to Air Quality, resulting from cumulative effects, which remain identified as significant unavoidable impacts, even with implementation of the project specific mitigation measures identified in the Final EIR; and

WHEREAS, the proposed Project would create significant air quality impacts from long term operation activities that would exceed thresholds for CO, ROC, and NOX due to cumulative effects more specifically described and discussed in Chapter 4 of the Draft EIR and these impacts remain significant after mitigation; and

WHEREAS, the City Council has considered the following mitigation measures analyzed in the Summary of Findings for the Final EIR (collectively “Mitigating Measures:”):

Air Quality

Construction Measures

Mitigation Measures AQ-1 *Architectural coatings applied to buildings within the project site are to be limited to 10 grams per liter VOC and traffic paints shall be limited to 100 grams per liter VOC content and shall be verified by the City Building Official or his/her designee, prior to application of coatings and/or traffic paint.*

Mitigation Measures AQ-2 *The project proponent shall require that all applicable SCAQMD Rules and Regulations (as detailed in Section 4.3.2*

of the DEIR) are complied with during construction and the construction contractor use construction equipment that has Tier 4 final engines, level 3 diesel particulate filters (DPF), with oxidation catalyst that have a 20 percent reduction in emissions.

Operational Measures

Mitigation Measures AQ-3 The project proponent shall require the use of the onsite sustainability design features, including: solar panels on all industrial building rooftops (except cultivation buildings) and carport shade structures and a solar farm and/or wind farm; that will provide at least 10 percent of the electrical energy needs for the project site.

Mitigation Measures AQ-4 The project proponent shall require that: all faucets, toilets and showers installed in the proposed structures utilize low-flow fixtures that would reduce indoor water demand by 20 percent per CalGreen Standards, water-efficient landscaping practices are employed onsite.

Mitigation Measures AQ-5 The project proponent shall require recycling programs that reduces waste to landfills by a minimum of 75 percent (per AB 341).

Mitigation Measures AQ-6 The project proponent shall require that high-efficiency lighting (such as LED lighting that is 34 percent more efficient than fluorescent lighting) be installed onsite.

Mitigation Measures AQ-7 The project proponent shall require that employee vanpool/ride share programs shall be provided for at least 80 percent of onsite employees.

Mitigation Measures AQ-8 Re-application of architectural coatings to protect buildings will be limited to 10 grams per liter VOC and traffic paints shall be limited to 100 grams per liter VOC content.

Mitigation Measures AQ-9 The project proponent shall provide sidewalks onsite. Will maintain consistency with the City's General Plan Policy 3 (Air Quality Goals, Policies and Programs) regarding development of pedestrian-oriented retail centers.

Mitigation Measures AQ-10 The project proponent shall require that all building structures meet or exceed 2016 Title 24, Part 6 Standards and meet 2016 Green Building Code Standards.

Mitigation Measures AQ-11 If a distribution center with more than 100 daily truck trips is constructed within the project site within 1,000 feet from the property lines of existing single-family detached residential dwelling units located to the southeast of the project site, then the project proponent will require that the individual applicant proposing development prepare a Health Risk Assessment (HRA) to ensure that the cancer risk to existing sensitive uses does not exceed the SCAQMD MICR TAC

threshold of 10 in 1 million. If the SCAQMD MICR TAC threshold of 10 in 1 million is exceeded, then the proposed distribution center shall be redesigned to ensure MICR TAC levels are below the threshold.

Mitigation Measure AQ-12 *The project applicant shall require the use of 2010 model year diesel haul trucks that conform to 2010 EPA truck standards or newer diesel haul trucks (e.g., material delivery trucks and soil import/export) during construction and operation, and if the Lead Agency determines that 2010 model year or newer diesel haul trucks are not feasible, the Lead Agency shall use trucks that meet EPA 2007 model year NOx emissions requirements, at a minimum. This requirement shall be stipulated in all contract documents between the applicant and his/her contractors as applicable which shall be available upon request from City staff.*

Mitigation Measure AQ-13 *The project applicant shall ensure that*

240-Volt electrical outlets or Level 2 chargers are installed in parking lots

that would enable charging of NEVs and/or battery powered vehicles. This shall be verified prior to occupancy of each building as it is developed.

Mitigation Measure AQ-14 *The project applicant shall require the use of electric or alternatively fueled sweepers with HEPA filters. This shall be verified periodically during operation by City Code Enforcement.*

Mitigation Measure AQ-15 *The project applicant shall require the use of electric lawn mowers and leaf blowers. This shall be verified periodically during operation by City Code Enforcement.*

WHEREAS, the City Council finds that the Project has avoided all potentially significant impacts to the extent feasible but for the impacts of Greenhouse Gases Emissions, resulting from cumulative effects, which remain identified as significant unavoidable impacts, even with implementation of the project specific mitigation measures identified in the Final EIR; and

WHEREAS, the proposed Project would create significant air quality impacts that would exceed thresholds for DPM and NOX due to construction operations and cumulative effects more specifically described and discussed in Chapter 4 of the Draft EIR and these impacts remain significant after mitigation; and

WHEREAS, the City Council has considered the following mitigation measures analyzed in the Summary of Findings for the Final EIR (collectively "Mitigating Measures:):

Mitigation Measure AQ-1 *Architectural coatings applied to buildings within the project site are to be limited to 10 grams per liter VOC and traffic paints shall be limited to 100 grams per liter VOC content and shall*

be verified by the City Building Official or his/her designee, prior to application of coatings and/or traffic paint.

Mitigation Measure AQ-2 *The project proponent shall require that all applicable SCAQMD Rules and Regulations (as detailed in Section 4.3.2 of the DEIR) are complied with during construction and the construction contractor use construction equipment that has Tier 4 final engines, level 3 diesel particulate filters (DPF), with oxidation catalyst that have a 20 percent reduction in emissions.*

Mitigation Measure AQ-12 *The project applicant shall require the use of 2010 model year diesel haul trucks that conform to 2010 EPA truck standards or newer diesel haul trucks (e.g., material delivery trucks and soil import/export) during construction and operation, and if the Lead Agency determines that 2010 model year or newer diesel haul trucks are not feasible, the Lead Agency shall use trucks that meet EPA 2007 model year NOx emissions requirements, at a minimum. This requirement shall be stipulated in all contract documents between the applicant and his/her contractors as applicable which shall be available upon request from City staff.*

Mitigation Measure AQ-13 *The project applicant shall ensure that*

240-Volt electrical outlets or Level 2 chargers are installed in parking lots

that would enable charging of NEVs and/or battery powered vehicles. This shall be verified prior to occupancy of each building as it is developed.

WHEREAS, the City Council finds that the Project has avoided all potentially significant impacts to the extent feasible except for the impacts to the historic and cultural significance of Varner Road, resulting from construction activities and project requirements for street improvements, which remain identified as significant unavoidable impacts, even with implementation of the project specific mitigation measures identified in the Final EIR; and

WHEREAS, the proposed Project would create requirements for street improvements that would impact the historic and cultural significance of Varner Road more specifically described and discussed in Chapter 4 of the Draft EIR and these impacts remain significant after mitigation; and

WHEREAS, the City Council has considered the following mitigation measures analyzed in the Summary of Findings for the Final EIR (collectively "Mitigating Measures:");

Mitigation Measures CR-1 *The portion of Varner Road located within the project site shall be documented following the guidelines of the Historical American Engineering Record (HAER) as stated in the Secretary of the Interior's Standards and Guidelines for Architectural and*

WHEREAS, the City Council finds that the Project has avoided all potentially significant impacts to the extent feasible but for the impacts of Greenhouse Gases Emissions (MTCO₂e) resulting from cumulative effects, which remain identified as significant unavoidable impacts, even with implementation of the project specific mitigation measures identified in the Final EIR; and

WHEREAS, the proposed Project would create significant air quality impacts that would exceed thresholds for MTCO₂e due to construction operations and cumulative effects more specifically described and discussed in Chapter 4 of the Draft EIR and these impacts remain significant after mitigation; and

WHEREAS, the City Council has considered the following mitigation measures analyzed in the Summary of Findings for the Final EIR (collectively “Mitigating Measures:”):

Mitigation Measure GHG-1 *The project applicant(s) shall implement onsite sustainability design features, including solar panels on all industrial building rooftops (except cultivation buildings) and carport shade structures, and a solar farm and/or wind farm that will provide at least 10 percent of the DLVSP’s electrical energy needs.*

Mitigation Measure GHG-2 *The project applicant(s) shall ensure that all faucets, toilets and showers installed in the proposed structures utilize low-flow fixtures that would reduce indoor water demand by 20 percent per CalGreen Standards, water-efficient landscaping practices are employed onsite.*

Mitigation Measure GHG-3 *The project applicant(s) shall implementation of recycling programs that reduce waste to landfills by a minimum of 75 percent (per AB 341).*

Mitigation Measure GHG-4 *The project applicant(s) shall ensure that high-efficiency lighting (such as LED lighting that is 34 percent more efficient than fluorescent lighting) be installed onsite.*

Mitigation Measure GHG-5 *The project applicant(s) shall ensure that employee vanpool/ride share programs are provided for at least 80 percent of onsite employees.*

Mitigation Measure GHG-6 *The project applicant(s) shall ensure that the re-application of architectural coatings to protect buildings is limited to 10 grams per liter VOC, and traffic paints are limited to 100 grams per liter VOC content.*

Mitigation Measure GHG-7 *The project applicant(s) shall provide sidewalks onsite.*

Mitigation Measure GHG-8 *The project applicant(s) shall require that*

all building structures meet or exceed 2016 Title 24, Part 6 Standards and meet 2016 Green Building Code Standards.

WHEREAS, due to threshold standards, the potentially significant adverse impacts resulting from the construction and operation of the Project cannot be mitigated below a level of significant, as more particularly described in Chapter 4 of the Draft EIR; and

WHEREAS, in their independent opinion, after considering the Mitigating Measures, the City Council finds them to be infeasible for specific, legal, social, technological or other considerations pursuant to Public Resources Code Sections 21002 and 21081(a)(3), and CEQA Guidelines Section 15091(a)(3). For CEQA purposes, “feasible” means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, technological, and legal factors. (Public Resources Code Section 21061.1, CEQA Guidelines Section 15364.)

WHEREAS, as set forth below, the City Council has considered the alternatives to the Project analyzed in Chapter 6 of the Draft EIR and finds them to be infeasible for specific economic, legal, social, technological, or other considerations pursuant to Public Resources Code Sections 21002 and 21081(a)(3), and CEQA Guidelines Section 15091(a)(3).

WHEREAS, the City Council adopts the Draft EIR's analysis and conclusions regarding alternatives eliminated from further consideration, both during the scoping process and in response to comments.

WHEREAS, the Draft EIR evaluated a reasonable range of alternatives to the Project. These alternatives were (1) the No Project/No Built Alternative; (2) the General Plan Consistent Alternative, and (3) the Reduced Intensity Alternative. The analysis, incorporated herein, examined the feasibility of each alternative, the environmental impacts of each alternative, and the ability of each alternative to meet the project objectives. The City developed its project objectives after considering the underlying City policies and the pertinent economic, environmental, social, technological concerns of the community. In developing and applying its project objectives, the City made policy decisions balancing these competing concerns and thus alternatives which do not comply with the City's project alternatives are considered infeasible.

WHEREAS, The City of Desert Hot Springs objective are to encourage growth in the area. The economic development principles and objectives established by the City for this 4,000-acre area state that the annexation was undertaken in order to take advantage of additional economic opportunities that can occur due to direct visibility from and convenient access to the I-10 freeway, a major regional transportation corridor in the Coachella Valley. The 4,000-acre area provides expanded opportunity for the City to increase its sales-tax base and reduce sales-tax leakage through development of additional retail uses, and to expand its job base through additional commercial and industrial development. Such economic expansion would also help to balance the City's jobs-to-housing ratio that is currently skewed to the housing side. As new jobs are created in the I-10 Community Annexation area and other areas where industrial and commercial land uses are allowed, there will be pressure for residential development to start up again creating new opportunities for employees to live and work in the City of

Desert Hot Springs. Therefore, the growth-inducing aspects of the DLVSP project are considered by the City to be a beneficial/positive impact.

WHEREAS, City Council certifies that it has independently reviewed and considered the information on alternatives provided in the EIR and in the record. The EIR and this Section reflect the Council's independent judgment as to alternatives; and

WHEREAS, under Alternative 1, the No Project/No Built Alternative, the Project would not be built and assumes the site would remain under its current use. Alternative 1 would produce no changes on the project site, effectively eliminating those project impacts discussed in this EIR. Alternative 1 would not result in new adverse air quality impacts associated with the consumption of natural gas, landscape fuel consumption, consumer products, and vehicular emissions. Thus, all of the significant unavoidable impacts would be avoided by this alternative. However, because no development would occur, none of the City's project objectives would be met under this alternative. Therefore, because the No Project/No Built Alternative meets none of the project objectives, the City Council finds Alternative 1 infeasible.

WHEREAS, Alternative 2, General Plan Consistent Alternative, would develop the approximately 7 single-family residential units on the Rural Desert Zoned portion of the property and would be subdivided with a Tentative Tract Map. Under this alternative the project site consists of approximately 74 gross acres of Rural Desert property, and up to 49 acres of Light Industrial property and area associated with existing roads Varner Road, Mihalyo Road and West Street. For the purposes of this alternative, 40 acres of developable area for Light Industrial uses were considered. At a site development density of .75 (as set forth in Zoning Code Section 17.16, Table 17.16.01, *Industrial Zones Development Standards*), up to approximately 1.3 million square feet of industrial uses, including incidental commercial uses could be developed. Using a similar buildout scenario of 80 percent Light Industrial and 20 percent commercial, a reduction of approximately 600,000 square feet of industrial and commercial uses would occur.

Although Alternative 2 – Buildout Under the General Plan would result in a 40 percent reduction in the size of the proposed project, it would not reduce the significant and unavoidable impacts that would be caused by the proposed project. Therefore, this alternative is not an Environmentally Superior Alternative. In addition, this alternative would not meet the City's goals and policies regarding development in this area that would generate jobs and increase in sales tax revenue.

WHEREAS, Alternative 3, the Reduced Intensity Alternative, would only develop the south side of Varner Road for a total developable area of 84.7 acres with up to 19.8 acres for road and other infrastructure improvements. The solar farm would be developed using 20 acres of the site with an electrical substation. 40 acres would be developed with light industrial uses and 5 acres would be developed with mixed-commercial uses.

The increase in the acreage to be utilized for a solar farm and electrical substation would provide a significant amount of electricity to power the proposed project and would reduce the amount of greenhouse gas emissions associated with electrical generation from more traditional sources. Likewise, moving all development to the south side of Varner Road and out of the Willow Hole Conservation Area would remove that impact although the CVMSHCP does allow the development of 10 percent of a conservation

area. Nevertheless, to be able to have all development associated with the project out of the conservation area means that all of the Willow Hole Conservation Area within the boundaries of the project site would remain in conservation. Finally, although the Water Supply Assessment showed that there was adequate water to supply the proposed project over the next 20 years without causing a significant impact on water supply, reducing the size of the proposed project by 57 to 60 percent would result in a related reduction in water consumption. However, even with this reduced intensity alternative, significant environmental impacts would occur in Air Quality and greenhouse gas emissions due to the number of traffic trips that would be generated by the mixed use industrial and commercial elements. Although reducing the size of the project by 57 to 60 percent would result in a related reduction in air and greenhouse gas emissions associated with traffic trips and generation of electricity. Finally, a reduction in the size of the proposed project, the elimination of any development within the conservation area, and the increase in the size of the solar field, would result in the reduction in air and greenhouse gas emissions as well as a reduction in the amount of energy used, the amount of water used, and the number of vehicle trips generated. Therefore, this alternative is considered to be the environmentally superior alternative and would assist the City in implementing the vision, goals and policies of the General Plan, as well as the objectives of City's I-10 Community Annexation, to accommodate a range of land uses that meet the economic, environmental, and social needs of the City, while taking advantage of emerging trends in demand for land use and economic growth.

WHEREAS, as set forth in the preceding sections, the City's approval of the Project will result in significant adverse environmental impacts that cannot be avoided even with the adoption of feasible mitigation measures. The City Council nonetheless chooses to accept these impacts because, in its view, the economic, social and other public benefits that the Project will produce ("overriding considerations") will outweigh the unavoidable adverse effects; and

WHEREAS, the following statements identify why, in the City's judgment, the benefits of the Project outweigh its significant unavoidable impacts. The City Council further finds that any one of these overriding considerations is sufficient to render the Project's significant unavoidable impacts acceptable. The substantial evidence supporting these overriding considerations can be found in these CEQA findings, and in the documents found in the record of proceedings, as defined above:

1. Increased Tax Revenue: The first overriding consideration is that this project will receive on-going revenue from marijuana related business taxes. Based on maximum allowed cultivation and processing space of 1,154,068 square feet, total marijuana tax revenue is estimated to be \$11,585,680 annually, which will help to stabilize the city and provide funds to improve public safety, city services public infrastructure, construction of new public facilities, renovation of aging public facilities, new or renovated parks, more street lights, better intersection control, etc.
2. Employment: The second overriding consideration is that the project creates additional employment-generating opportunities for the City of Desert Hot Springs and surrounding communities;
3. Increased Customer Base: The third overriding consideration is that the Project would contribute to the I-10 Community Annexation completed in 2010 to provide

opportunity for the City to increase its sales-tax base and reduce sales-tax leakage through development of additional retail uses, and to expand its job base through additional commercial and industrial development;

4. Economic Viability: The fourth overriding consideration is the project provides for development that improves and maximizes economic viability within the City by the orderly transition of underutilized land into productive industrial and commercial uses;
5. Dedication of Open Space / CVMSHCP: The fifth overriding consideration is that the Project and the Desert Land Ventures Specific Plan provides for a significant dedication of permanent open space.
6. Freeway Visibility: The sixth overriding consideration is that the project will result in development along the I-10 Freeway which would encourage new economic opportunities that occur due to direct visibility from and convenient access to the I-10 Freeway.
7. Renewable Energy: The seventh overriding consideration is the project will bring more renewable energy to the City by providing solar fields and wind energy conservation systems.
8. Public Improvements: The eighth overriding consideration is that the project and Desert Land Ventures Specific Plan development will provide desirable public improvements and necessary infrastructure through the site and adjacent areas.
9. Traffic Mitigation: The ninth overriding consideration is that the Project would provide traffic mitigation measures to address project specific and cumulative circulation impacts, thereby contributing to improvements at critical intersections and roads.

NOW THEREFORE, the City Council of the City of Desert Hot Springs does hereby resolve as follows:

1. That the aforementioned findings are hereby approved;
2. That the City Council has independently reviewed and considered the Initial Study/Environmental Assessment, Final EIR, Response to Comments, and Mitigation and Monitoring Program, and all documents incorporated by reference therein, which reflects the independent judgment of the City Council and hereby determine that the Findings, Statement of Overriding Considerations, and Mitigation and Monitoring Program, and all documents incorporated by reference therein and incorporated into this Resolution to be adequate for the purposes of CEQA;
3. That the City Council of the City of Desert Hot Springs hereby certify Environmental Impact Report (SCH No. 2017051070), as shown in Exhibit "B" attached hereto and incorporated herein by this reference, and adopt its Findings, the Statement of Overriding Considerations, and the Mitigation Monitoring Program, as shown in Exhibit "C" attached hereto and incorporated herein by this reference, for General Plan Amendment No. 01-16, Zoning Map Amendment No. 01-16, Specific Plan No.

01-16, and Vesting Tentative Tract Map No. 37185 for the Desert Land Ventures Specific Plan; and

4. That the City Clerk shall certify to the adoption of this Resolution and shall mail by first class, prepaid, United States mail, a certified copy of this Resolution to the Applicant.

PASSED AND ADOPTED by the City Council of the City of Desert Hot Springs at a regular meeting held on the 17th day of April 2018 by the following vote:

AYES, and in favor thereof, Council members:

NAYS, Council members:

ABSENT, Council members:

ABSTAINING, Council members:

ATTEST:

APPROVED:

Jerryl Soriano, City Clerk

Scott Matas, Mayor

APPROVED AS TO FORM:

Jennifer Mizrahi, City Attorney

Charles Maynard, City Manager