

## REPORT TO THE CITY COUNCIL

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**DATE:** May 1, 2018

**TITLE:** Second Reading and Adoption of an Ordinance Approving Development Agreement No. 01-18 with Desert Land Ventures III, LLC (APNs 669-150-001 and -002)

**Prepared by:** Scott Taschner, Senior Planner

**Reviewed by:** Daniel Porras, Community Development Director

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### **RECOMMENDATION**

**Approve Second Reading, read by title and adopt, "An Ordinance of the City Council approving Development Agreement No. 01-18 by and between the City of Desert Hot Springs and Desert Land Ventures III, LLC," for the development of a mixed use commercial/industrial business park.**

### **BACKGROUND**

On April 17, 2018, the City Council held a Public Hearing on the draft Development Agreement, associated Ordinance, Specific Plan 01-16, General Plan Amendment 01-16, Zone Map and Text Amendment 01-16, and Vested Tentative Tract Map 37185. The Ordinance (Exhibit 1) was then introduced and approved for first reading. As requested previously, the staff report and Final Draft Conditions of Approval are attached for reference (Exhibits 3 and 4).

The project establishes development regulations and guidelines, a Vesting Tentative Tract Map to subdivide two properties into thirteen lots plus streets, and an associated Development Agreement (Exhibit 2) to allow up to 1.9 million square feet of commercial and industrial development on a vacant 123.4 acre project site located on the north side of the I-10 Freeway, along both sides of Varner Road, and approximately one-half mile west of Palm Drive.

### **FISCAL IMPACT**

Development of this project will generate revenues to the City's General Fund in the form of building permit fees to compensate for plan check and inspection costs (for each project phase). In addition, the City will receive on-going revenue from marijuana taxes. Based on maximum allowed cultivation and processing space of 1,154,068 square feet, total annual marijuana tax revenue is estimated to be \$11,585,680 (\$75,000 + \$ 11,510,680).

### **EXHIBITS:**

- 1) Development Agreement No. 01-18, Map & Legal Description
- 2) Ordinance Approving Development Agreement with Desert Land Ventures III, LLC
- 3) City Council Staff Report from 17 April 2018
- 4) Final Draft Conditions