



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
DESERT HOT SPRINGS PUBLIC FINANCING AUTHORITY
DESERT HOT SPRINGS FINANCING CORPORATION**

ACTION MINUTES

FEBRUARY 21, 2017

4:00 P.M. – STUDY SESSION

5:00 P.M. – CLOSED SESSION

5:30 P.M. – PRESENTATIONS

6:00 P.M. – REGULAR SESSION

**MISSION SPRINGS WATER DISTRICT
Board Room**

66575 2nd Street, Desert Hot Springs, California

STUDY SESSION - 4:00 P.M.

1. [I-10 Corridor Study](#)

Interim Community Development Director, Charles Rangel

Recommendation: Provide Staff with direction on how the City Council would like to proceed with its vision for the land abutting or near the I-10 Freeway.

Item 1 was withdrawn from the Agenda and re-scheduled to March 7, 2017.

CLOSED SESSION PUBLIC COMMENTS

There were no comments.

CLOSED SESSION - 5:00 P.M.

CLOSED SESSION

2. [CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION](#)

(Paragraph (1) of subdivision (d) of Section 54956.9)

Name of case: Kirk Clymer v. City of Desert Hot Springs, United States District Court, Central District of California

Case No. 5:16-cv-02055-BRO-JCx.

3. **CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION** (Paragraph (1) of subdivision (d) of Section 54956.9) Name of case: Gough v. City of Desert Hot Springs, County of Riverside Superior Case Number (Small Claims) – INS1700077
4. **CONFERENCE WITH LEGAL COUNSEL—POTENTIAL INITIATION OF LITIGATION**
(Paragraph (4) of subdivision (d) of Section 54956.9)
The facts and circumstances related to this matter are possible breach of contract.
5. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
Pursuant to Government Code Section 54956.8:
Property: Vacant Property at 6th Street and Palm Drive (APNs 639-211-011, 012, 013, 015)
Agency Negotiator: Charles L. Maynard, City Manager/Executive Director
Jennifer Mizrahi, City Attorney/General Counsel
Joseph M. Tanner, Administrative Services Director
Negotiating parties: Suresh Shah
Under negotiation: Price and Terms
6. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
Pursuant to Government Code Section 54956.8:
Property: Vacant Property on Palm Drive (APNs: 639-212-019, 020, 021, 022, 023)
Agency Negotiator: Charles L. Maynard, City Manager/Executive Director
Jennifer Mizrahi, City Attorney/General Counsel
Joseph M. Tanner, Administrative Services Director
Negotiating parties: Suresh Shah and Calvin Chun
Under negotiation: Price and Terms
7. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
Pursuant to Government Code Section 54956.8:
Property: 66620 and 66550 Pierson Blvd. (APNs: 639-293-023, 024, 025, 026, 027, 028)
Agency Negotiator: Charles L. Maynard, City Manager/Executive Director
Jennifer Mizrahi, City Attorney/General Counsel
Joseph M. Tanner, Administrative Services Director
Negotiating parties: Lorenzo Brooks and Meridian Devco; Chris Miller; Dan Watson; Chris Chun; and Halferty Devco
Under negotiation: Price and Terms
8. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
Pursuant to Government Code Section 54956.8:
Property: Vacant Property 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: Jeffrey Eugene Ridge; Chris Baik; and Suresh Shah
Under negotiation: Price and Terms

9. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Pursuant to Government Code Section 54956.8:

Property: West Drive and Ironwood (APN: 641-191-008)

Agency Negotiator: Charles L. Maynard, City Manager/Executive Director

Jennifer Mizrahi, City Attorney/General Counsel

Joseph M. Tanner, Administrative Services Director

Negotiating parties: Nuno

Under negotiation: Price and Terms

PRESENTATIONS - 5:30 P.M.

10. **Sara Thomas Proclamation**

Mayor, Scott Matas

Mayor Matas and the City Council presented a Proclamation in memory of Sara Thomas, CAL FIRE Firefighter.

11. **Black History Month**

Mayor, Scott Matas

Mayor Matas and the City Council presented Certificates of Recognition and a Proclamation recognizing Black History Month.

REGULAR SESSION – 6:00 P.M.

CALL TO ORDER

Mayor Matas called the meeting 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

A Moment of Silence was held in memory of Sara Thomas.

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.

APPROVAL OF THE AGENDA

Action: Betts moved to approve the February 21, 2017 regular meeting agenda, moving Item 21 to be considered following Item 17, motion seconded by Zavala, motion carried 5/0 by the following vote:

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

PUBLIC COMMENTS

Eddie Johnson expressed concerns regarding dog feces and vandalism at Veterans Park.

Mike Picardi gave various updates and announcements.

Judy Shea announced the annual Womens Club Fashion Show.

CITY MANAGER REPORT

Joe Tanner, Administrative Services Director, announced that life insurance benefits were increased at no additional cost to the City.

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.

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

PUBLIC HEARINGS:

12. [\(Desert Hot Springs Public Financing Authority - Special Meeting Item\)](#)
Resolution Establishing Regular Meetings, Appointing Officers and Approving Related Actions
Administrative Services Director, Joseph M. Tanner, Jr.
Recommendation: Adopt a Resolution of the Desert Hot Springs Public Financing Authority establishing regular meetings, appointing officers and approving related actions.

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

David Fama, Jones Hall Bond Counsel, addressed the City Council 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 and adopt *Resolution No. PFA-2017-001*, motion seconded by Zavala, motion carried 5/0 by the following vote:

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

13. (City of Desert Hot Springs / Desert Hot Springs Public Financing Authority / Successor Agency)

Resolutions Approving and Adopting a Debt Management Policy

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: 1) Adopt a Resolution of the City Council of the City of Desert Hot Springs adopting a Debt Management Policy;
2) Adopt a Resolution of the Desert Hot Springs Public Financing Authority adopting a Debt Management Policy;
and
3) Adopt a Resolution of the Successor Agency to the Redevelopment Agency of the City of Desert Hot Springs adopting a Debt Management Policy.

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

Michael Busch, Urban Futures, addressed the City Council and responded to questions.

Mayor Matas opened the Public Hearing.

There was no testimony.

Mayor Matas closed the Public Hearing.

Action: Betts moved to approve staff recommendation with edits to the Debt Management Policy and adopt *Resolution Nos. 2017-006, PFA-2017-002, and SA-2017-003*, motion seconded by McKee, motion carried 5/0 by the following vote:

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

14. (Desert Hot Springs Public Financing Authority - Regular Meeting Item)
Resolution Approving Documents and Actions Relating to the Issuance of 2017 Bonds for Refinancing of 2004 Certificates of Participation and 2004 Judgement Obligation Bonds

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Adopt a Resolution of the Desert Hot Springs Public Financing Authority Authorizing the Issuance and Sale of 2017 Refunding Lease Revenue Bonds, and Approving Related Documents and Official Actions.

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: Parks moved to approve staff recommendation and adopt *Resolution No. PFA-2017-003*, motion seconded by McKee, motion carried 4/0 by the following vote:

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

15. (City Council)

Resolution Approving Documents and Actions Relating to the Refinancing of 2004 Certificates of Participation and 2004 Judgment Obligation Bonds

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Adopt a Resolution of the City Council of the City of Desert Hot Springs Approving Documents and Actions Related to the Refinancing of 2004 Certificates of Participation and 2004 Judgment Obligation Bonds.

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. 2017-007*, motion seconded by Parks, motion carried 4/0 by the following vote:

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

16. (City of Desert Hot Springs Financing Corporation)

Resolution Approving Documents and Actions Relating to the Refinancing of 2004 Certificates of Participation and Funding Additional Capital Improvements

Joseph M. Tanner Jr., Administrative Services Director

Recommendation: Adopt the Resolution of the City of Desert Hot Springs Financing Corporation approving documents and actions relating to the Refinancing of 20014 Certificates of Participation and Financing Additional Capital Improvements.

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. PFA-2017-004*, motion seconded by Zavala, motion carried 4/0 by the following vote:

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

17. (Successor Agency)

Resolution Approving the Issuance of Bonds in Order to Refund Certain Prior Bonds of the Former Redevelopment Agency of the City of Desert Hot Springs, Approving the Execution and Delivery of an Indenture of Trust and an Escrow Agreement, and Providing for Other Matters Properly Relating Thereto

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 the Issuance of Bonds in order to refund certain prior bonds of the Former Redevelopment Agency of the City of Desert Hot Springs, Approving the Execution and delivery of an Indenture of Trust and an Escrow Agreement, and providing for other matters properly relating thereto.

Jennifer Mizrahi, City Attorney, advised that this item was not specifically related to the new city hall project.

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: Parks moved to approve staff recommendation and adopt *Resolution No. SA-2017-004*, motion seconded by Zavala, motion carried 5/0 by the following vote:

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

Item 21 was considered at this time.

18. Conditional Use Permits (CUP Nos. 09-15, 18-16, 01-16, 19-16), Tentative Parcel Map (TPM No. 37065), and Development Agreements (DA Nos. 08-15 and 01-16) for Construction of Four (4) 36,000 Square Foot Industrial Buildings for the Purpose of Indoor Cultivation of Medical Marijuana on a 6.29 Acre Site Located on the East Side of Cabot Road, Approximately 670 Feet South of Two Bunch Palms Trail in the Light Industrial (I-L) Zone (One Project Site)

(Applicants: Rob Allen/Alan Cooper on behalf of Cabot Building Partners; and Amanda Bui on behalf of DHS Therapeutics)

Interim Community Development Director, Charles Rangel

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;
7) Opportunity for Applicant Rebuttal;
6) Close the Public Hearing;
8) City Council discussion and questions to Staff;
9) Approve: A) Mitigated Negative Declaration for the Cabot Project; B) Mitigated Negative Declaration for the DHS Therapeutics Project; C) Tentative Parcel Map 37065; and D) Conditional Use Permit Nos. 09-15, 01-16, 18-16, 19-16; E) an Ordinance approving Development Agreement Nos. 08-15 (Cabot Building Partners); and F) an Ordinance approving Development Agreement 01-16 (AB & D Holdings) for the Cultivation Project Located on the East Side of Cabot Road, approximately 670 Feet South of Two Bunch Palms Trail in the Light Industrial (I-L) Zone (APNs: 665-030-066, 038).

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

Mayor Matas opened the Public Hearing.

Bob Minero, representing the Applicant, responded to questions concerning retention basins.

There was no testimony.

Mayor Matas closed the Public Hearing.

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

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

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

Interim Community Development Director, Charles Rangel

Recommendation: 1) Receive Staff Report;
2) Questions of Staff from City Council;
3) Open the Public Hearing;
4) Take Testimony from Applicant;
5) Take Testimony from those supporting the project;
6) Take Testimony from those opposing the project;
7) Take testimony from anyone else;
8) Rebuttal of Applicant;
9) Close the Public Hearing;
10) Conduct City Council discussion and questions to staff;
11) 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.

Charles Rangel, Interim Community Development Director, presented the staff report and responded to questions.

Mayor Matas opened the Public Hearing.

Ed Adkison, Appellant, addressed the City Council.

Alisha Winterswyk, (Best Best & Krieger), representing the Appellant, addressed the City Council.

John Pavelak, Watermarke Homes, spoke in support.

Jason Elsasser, spoke opposed.

Donna Poyuzina, spoke opposed.

Laraine Turk, Morongo Basin Conservation Association, spoke opposed.

Kerry Puckett, Mission Creek Preserve, spoke opposed.

Meg Foley, Joshua Tree National Park Association, spoke opposed.

Jack Thompson, Wildlands Conservancy, spoke opposed.

Mayor Matas closed the Public Hearing.

Ed Adkison, Appellant, addressed the City Council and provided rebuttal.

Alisha Winterswyk, representing the Appellant, addressed the City Council and provided rebuttal.

The City Council recessed at 8:59 P.M.

The City Council reconvened at 9:08 P.M.

A discussion ensued.

Action: Betts moved to continue the City Council debate portion for 30 days (March 21, 2017), motion seconded by McKee, motion carried 5/0 by the following vote:

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

ADMINISTRATIVE CALENDAR:

20. Appointment to the Community and Cultural Affairs Commission to Fill Vacancy for Unexpired Term

City Clerk, Jerryl Soriano, CMC

Recommendation: Ratify Mayor Scott Matas' appointment to the Community and Cultural Affairs Commission (CCAC) to fill one (1) vacancy consisting of an unexpired term ending January 2018.

Action: Betts moved to appoint Breanna Sewell to the CCAC, motion seconded by McKee, motion carried 5/0 by the following vote:

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

21. Professional Services Agreement with The Lew Edwards Group for Services Related to the Public Safety Ballot Measure

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Authorize the City Manager to negotiate and execute a Professional Services Agreement with The Lew Edwards Group related to a possible ballot measure in an amount not to exceed \$149,600.00; with approval as to form by the City Attorney.

Item 21 was considered following Item 17.

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

A discussion ensued.

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

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

22. Ordinance Amending the Desert Hot Springs Municipal Code to Change the City's General Municipal Election Dates to Coincide with Statewide General Elections in November of Even-Numbered Years Pursuant to the Provisions of Senate Bill 415 ("California Voter Participation Rights Act")

City Clerk, Jerryl Soriano, CMC

Recommendation: Introduce for First Reading and read by title, "An Ordinance of the City Council of the City of Desert Hot Springs, California, amending Section 2.04.060 ("Change of Election Day") of Article II ("Elections") of Chapter 2.04 ("City Council") of the Desert Hot Springs Municipal Code relating to moving the City's General Municipal Elections to the first Tuesday after the first Monday in November of each even-numbered year, which General Municipal Election Shall Commence November of 2018.

Jerryl Soriano, City Clerk, presented the staff report and responded to questions.

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

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

CONSENT CALENDAR:

23. City Council Regular Meeting Minutes: January 17, 2017

City Clerk, Jerryl Soriano, CMC

Recommendation: Approve Minutes as presented; or as corrected.

24. Second Reading and Adoption of an Ordinance Approving a Development Agreement (DA 16-16) with AGreenCulture DHS, Inc. (Contact: Dmitry Margusov)

Interim Community Development Director, Charles Rangel

Recommendation: Approve Second Reading, read by title only and adopt an Ordinance of the City Council approving Development Agreement No. 16-16 to establish an approximate 29,000 square foot medical marijuana cultivation facility on a 1.23 acre site located on the northeast corner of Little Morongo Road and 15th Avenue in the I-L (Light Industrial) Zone. (APNs: 665-050-021, 027, and 030)

Ordinance No. 598

25. [Second Reading and Adoption of an Ordinance Restricting Camping on Private Property](#)

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 Chapter 12.04 "Camping Restrictions" of Title 17 "Streets, Sidewalks and Public Places" of the Desert Hot Springs Municipal Code to restrict camping on private property."

Ordinance No. 600

26. [Second Reading and Adoption of an Ordinance Requiring Landscape-Related Businesses to Complete a Course on Water Efficiency](#)

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 Title 5 "Business Licenses and Regulations" of the City of Desert Hot Springs Municipal Code to repeal and readopt Chapter 5.04.040 "License Required" with a required landscaper course on Water Efficiency for issuance of a Business License to landscape-related businesses in the City of Desert Hot Springs in its entirety."

Ordinance No. 599

27. [Payment Register and City Council Expenditures Report for the Month of December 2016](#)

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Receive and file.

28. [Contracts Management Report as of February 21, 2017](#)

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Receive and file.

29. [Treasurer's Report as of December 31, 2016](#)

Administrative Services Director, Joseph M. Tanner, Jr.

Recommendation: Receive and file.

PUBLIC COMMENTS

None.

ADJOURN

The City Council adjourned to Closed Session at 10:01 P.M.

Jerryl Soriano, CMC, City Clerk