

REPORT TO THE CITY COUNCIL



DATE: December 12, 2018

TITLE: Zoning Map Amendment (ZMA) 01-18, and General Plan Amendment (GPA) 02-18: Applications to Change the Zoning and General Plan Land Use Designations from R-R (Rural Residential) to C-N (Commercial Neighborhood) on a 9.1 Acre Site Located at the Southwest Corner of Palm Drive and Claire Avenue (APN: 657-050-003)

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Reviewed by: Rebecca Deming, Community Development Director

RECOMMENDATION

- 1) Staff Report;
- 2) Entertain Questions of Staff from City Council;
- 3) Open the Public Hearing;
- 4) Take testimony from Applicant;
- 5) Take testimony from those in favor;
- 6) Take testimony from those opposed;
- 7) Take testimony from those in a neutral position;
- 8) Opportunity for Applicant Rebuttal;
- 9) Close the Public Hearing;
- 10) City Council discussion and questions to Staff; and
- 11) Consider a recommendation from the Planning Commission to the City Council to **APPROVE** the request for: A) An Exemption to CEQA, pursuant to Section 15061(b)(3), General Rule, of the California Environmental Quality Act (CEQA); B) Zone Map Amendment No. 01-18; and C) General Plan Amendment No. 02-18, a change in land use designations from Rural Residential (R-R) to Commercial Neighborhood (C-N) for the 9.1-acre parcel located at the southwest corner of Palm Drive and Claire Avenue. (APN 657-050-003)

EXECUTIVE SUMMARY

The Applicant, Chester Allen, has filed a request for a Zoning Map Amendment to re-designate a vacant 9.1-acre parcel from R-R (Rural Residential) to C-N (Commercial Neighborhood). A corresponding General Plan Amendment has also been requested which, if approved, would make the requested Zoning Map Amendment consistent with the General Plan.

PRIOR ACTIONS

On November 13, 2018, the Planning Commission heard the staff report, took public testimony and made a recommendation to the City Council to **APPROVE** (4-0-1 vote, with De La Torre abstaining) the Zone Map and General Plan Amendment subject to the attached Conditions of Approval (with no additional conditions).

BACKGROUND & SETTING

Existing Zoning/General Plan Land Use:

R-R (Rural Residential)

Existing Use:

Vacant Land

Total Project Area:

9.1 acres

Assessor's Parcel Number:

APN: 657-050-003

The subject property is located along the west side of Palm Drive in a largely vacant and undisturbed area just north of Dillon Road. The project site contains slight to moderate amounts

of typical desert vegetation (scrub brush and low-lying plants). Topographically, the site is

relatively flat and drains to the south/southeast. The current applications are only for re-designation of the land use district, to allow for a higher and better use of the property and to take advantage of the Palm Drive frontage and the proximity to Dillon Road. The applicant has indicated that they intend on developing the property with a gas station, two drive-thru restaurants, a commercial/retail strip center and the back 5+ acres with mixed-use office/warehousing facilities. The future development will ultimately require applications for architectural design and site plan review and will require a discretionary action by the Planning Commission. The future applications for development will also be conditioned so that development of the site includes all necessary site and street improvements.

Below is a table which evaluates the existing land uses and the surrounding land-use designations.

Surrounding Land Uses and Zoning:

	<u>Current Land Use</u>	<u>Current Zoning & General Plan Designations</u>	<u>2019 Proposed General Plan Designation</u>
North	Vacant	Specific Plan (Walmart)	MU-C (Mixed-Use Commercial)
West	Vacant	Low Density Residential (R-L)	Low Density Residential (R-L)
South	Vacant	Rural Residential (R-R)	MU-C (Mixed-Use Commercial)
East	Vacant	Rural Desert (R-D)	Low Density Residential (R-L)

ANALYSIS

The proposed Zone Map & General Plan Amendments seek to change the allowable uses on the property to allow for development of the site with mixed commercial uses. The applicant has indicated that they plan to develop the property with a possible gas station, drive-thru restaurants, retail commercial, service commercial, and some office/small warehousing in the back portion of the property as shown on Exhibit No. 6 (attached). Although the current designation of Rural Residential (R-R) is being evaluated by the City as part of the current Comprehensive General Plan Update, the applicant would like to proceed with the change on their own to ensure and expedite a change of the current designation. The applicant has requested a change to C-N (Commercial Neighborhood) which is probably the most suitable commercial land use designation for the proposed uses on the property and for a commercial designation that is in close proximity to residential uses. Staff would also like to note that the City is already considering a change of designations along the Palm Drive frontage to a mixed-use commercial zone as part of the Citywide Comprehensive General Plan Update.

BACKGROUND

The project site is located within the area that was annexed by the City in 2010 (what is commonly referred to as the I-10 annexation). This is an area that was annexed from the County, and at that time, the City was required to bring in the County's Zoning and General Plan Designations as part of the annexation. Unfortunately, much of the Zoning in that area was not consistent with the county's General Plan designations, and the county was still using old designations that go back many decades when the area was zoned largely for ranch land, mining resources, 5 and 10 acreage residential, keeping of animals, etc. City staff and City officials have been considering changing this area along the Palm Drive frontage since the

annexation and the City is currently in the process of updating the Citywide Comprehensive General Plan.

That said, the applicant does not want to wait for the Citywide update and has therefore requested a change for the whole lot to C-N (Commercial Neighborhood).

After evaluating the request and the City's General Plan, staff has determined that the C-N land use designation is the most appropriate commercial designation for properties which are in close proximity to residential zones and/or land uses, as stated in the City's Current General Plan (adopted September 2000):

"This designation provides for neighborhood scale shopping centers conveniently located near residential areas. These developments are typically anchored by supermarkets and super drugstores. A wide range of other uses, including banking, barbers/beauty salons, dry cleaners, restaurants, service businesses, offices and other related activities are typically found in these planned centers. Typical sizes are 8 to 10 acres providing approximately 80,000 to 100,000 square feet of gross leasable floor area."

From a site planning perspective, the parcels are physically suitable for the proposed type of mixed-use development that the applicant has suggested and has nearby access to existing sewer, water, and electric infrastructure. The site is also relatively flat, which would be conducive for conventional development types and techniques. Staff would also like to note that the city would benefit from the taxes that future commercial businesses would generate.

GENERAL PLAN AMENDMENT FINDINGS

Under Section 17.100.050 of the Desert Hot Springs Municipal Code, an amendment to the General Plan may be adopted only if all of the following findings are made:

A. That the proposed amendment is internally consistent with the General Plan;

The proposed amendment has been evaluated against the General Plan of the City of Desert Hot Springs to identify any potential internal inconsistencies. The proposed change in land use designations from R-R (Rural Residential) to C-N (Commercial Neighborhood) to allow for future commercial uses is consistent with the City's intention to use the Palm Drive frontage for future commercial business. The proposed Zoning & General Plan amendments to allow future smaller-scale commercial project(s) on this site will be compatible with the City's proposed future designations along the Palm Drive frontage in the immediate area. In addition, any future development project will take into consideration the adjacent land uses and will mitigate any impacts through thoughtful development of the site.

Staff would like to note that even with the current designations in the area the commercial neighborhood (C-N) designation considers a closer proximity to residential uses than other commercial designations and it also provides for smaller-scale commercial uses that provide for a level of convenience to the residential neighborhoods in the vicinity. The site to the north was also approved by the City Council with a Walmart Specific Plan. Although certain entitlements for the Walmart development have expired, the Specific Plan is still in place, which allows for commercial uses. In addition, staff is proposing a Mixed-Use Commercial Zoning District along the Palm Drive frontage in this area as part of the Citywide Comprehensive General Plan Update.

Also of note, is that any future development (applications) would be subject to a discretionary review and would be evaluated based on compatibility with surrounding uses including design characteristics, site planning, access, impacts, aesthetics, viewsheds,

building heights, setbacks, adequate/required parking, as well as a host of other characteristics, all to ensure the project's compatibility with the neighboring properties and that any potential impacts are mitigated to a level of "less than significant".

Staff has concluded that the proposed amendments to the City's Zoning Map, and to the General Plan land-use designation for this site, is not internally inconsistent with the current, adopted General Plan.

B. That the proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City;

The proposed amendment from R-R (Rural Residential) to C-N (Commercial Neighborhood) to allow for future commercial uses has been evaluated against the General Plan of the City of Desert Hot Springs to identify any potential internal inconsistencies. The proposed change in land use designations from R-R (Rural Residential) to C-N (Commercial Neighborhood) to allow for future commercial uses is consistent with the City's intention to use the Palm Drive frontage for future commercial business. Although the Citywide Comprehensive General Plan Update has not yet been adopted, the proposed Zoning & General Plan amendment to allow future smaller-scale commercial project(s) on this site would not only be consistent with the City's proposed future designations along the Palm Drive frontage in the immediate area, but it will be compatible with the current designations and uses in the immediate area. Staff would like to note that even with the current designations in the area the commercial neighborhood designation considers a closer proximity to residential uses than other commercial designations and it also provides for smaller-scale commercial uses that provide for a level of convenience to the residential neighborhoods in the vicinity.

Also of note, is that any future development (applications) would be subject to a discretionary review and would be evaluated based on compatibility with surrounding uses including design characteristics, site planning, access, impacts, aesthetics, viewsheds, building heights, setbacks, adequate/required parking, as well as a host of other characteristics, all to ensure the project's compatibility with the neighboring properties and that any potential impacts are mitigated to a level of "less than significant".

Any future development project would also include provisions for public and private improvements to address vehicular circulation, including emergency services, as well as drainage, air quality and other environmental factors. Staff has concluded that the proposal would not be detrimental to the public interest, health, safety, convenience or welfare of the City.

C. That the proposed amendment would maintain the appropriate balance of land uses within the City; and

The proposed amendment has been evaluated against the General Plan of the City of Desert Hot Springs to identify any potential internal inconsistencies. The proposed change in land use designations from R-R (Rural Residential) to C-N (Commercial Neighborhood) to allow for future commercial uses introduces uses which would be compatible with some of the surrounding, and existing land uses. The location, along the west side of Palm Drive, is an appropriate location for this type of development and is consistent with the City's intention to use the Palm Drive frontage for future commercial business. Although the Citywide Comprehensive General Plan Update has not yet been adopted, the proposed Zoning & General Plan amendment to allow future smaller-scale commercial project(s) on this site would not only be consistent with the proposed designations along the Palm Drive frontage in the immediate area but is consistent with the current designations in the immediate area. Staff would like to note that even with

the current designations in the area the commercial neighborhood (C-N) designation considers a closer proximity to residential uses than other commercial designations and it also provides for smaller-scale commercial uses that provide for a level of convenience to the residential neighborhoods in the vicinity. The site to the north was also approved by the City Council with a Walmart Specific Plan. Although certain entitlements for the Walmart development have expired, the Specific Plan is still in place, which allows for commercial uses. In addition, as a part of the Comprehensive General Plan update, staff is proposing a Mixed-Use Commercial Zoning District along the Palm Drive frontage in this area. If the applicant had not applied for this change it is likely that the frontage would have been re-designated anyway.

Finally, any future project would be a discretionary action by the City and would allow for mitigation measures to be implemented to reduce any negative impacts on the surrounding area/properties. Staff believes that the amendment will maintain the appropriate balance of land uses within the City.

- D. That in the case of an amendment to the General Plan Land Use Map, the subject parcel(s) is physically suitable (including, but not limited to access, provision of utilities, compatibility with adjoining land uses, and absence of physical constraints) for the requested land use designation(s) and the anticipated land use development(s).*

The proposed amendment / change in land use designations from R-R (Rural Residential) to C-N (Commercial Neighborhood) to allow for future commercial uses would amend the Zoning & General Plan Land Use Map for the vacant 9.1-acre site.

The site is generally flat and rectangularly-shaped to allow for development according to the City's standards and guidelines. Two public streets fronting the north (unimproved) and east sides of the property boundaries will be conditioned to provide adequate access, and no physical constraints to the proposed development have been identified. The General Plan Amendment provides for a mix of neighborhood commercial uses that would be compatible with surrounding residential and commercial zones. The City is also in the process updating the Citywide Comprehensive General Plan, including the evaluation of the Palm Drive frontage in this area for a potential land-use re-designation to a Mixed-Use Commercial (MU-C) land use district. There have also been approvals for a Walmart Specific Plan directly adjacent and to the north of this site. And, although many of the entitlements for the Walmart Project have since expired, the Specific Plan, which allows for commercial uses, is still in place. That said, staff believes the subject parcel is physically suitable for the requested (C-N) land use designation and the anticipated future development.

ZONING ORDINANCE AMENDMENT FINDINGS

Zoning Code Amendments (changes either to the map or the text) are regulated under Section 17.88 of the Desert Hot Springs Municipal Code. According to Section 17.88.050, an amendment to the Zoning Ordinance may be adopted only if the following findings are made:

- A. The proposed amendment is consistent with the General Plan;*

The proposed amendment / change in land use designations from R-R (Rural Residential) to C-N (Commercial Neighborhood) to allow for future commercial uses has been evaluated against the General Plan of the City of Desert Hot Springs to identify any potential inconsistencies. The proposed Zone Map Amendment introduces limited retail industrial/commercial uses to a site presently designated R-R (Rural Residential) but provides for adequate public and private improvements to avoid conflicts with the General Plan Land Use, Circulation, Housing and other Elements of the Community Development Chapter; as well as with Environmental Resources, Environmental

Hazards, and Public Facilities and Facilities Chapters. Staff has identified no inconsistencies between the proposed Zone Map Amendment and the General Plan.

- B. The amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.*

The proposed amendment from R-R (Rural Residential) to C-N (Commercial Neighborhood) to allow for future commercial uses has been evaluated against the General Plan of the City of Desert Hot Springs to identify any potential internal inconsistencies. The proposed change in land use designations from R-R (Rural Residential) to C-N (Commercial Neighborhood) to allow for future commercial uses is consistent with the City's intention to use the Palm Drive frontage for future commercial business. Although the Citywide Comprehensive General Plan Update has not yet been adopted, the proposed Zoning & General Plan amendment to allow future smaller-scale commercial project(s) on this site would not only be consistent with the proposed designations along the Palm Drive frontage in the immediate area but is consistent with the current designations in the immediate area. Staff would like to note that even with the current designations in the area the commercial neighborhood designation considers a closer proximity to residential uses than other commercial designations and it also provides for smaller-scale commercial uses that provide for a level of convenience to the residential neighborhoods in the vicinity.

Also of note, is that any future development (applications) would be subject to a discretionary review and would be evaluated based on compatibility with surrounding uses including design characteristics, site planning, access, impacts, aesthetics, viewsheds, building heights, setbacks, adequate/required parking, as well as a host of other characteristics, all to ensure the project's compatibility with the neighboring properties and that any potential impacts are mitigated to a level of "less than significant".

Any future development project would also include provisions for public and private improvements to address vehicular circulation, including emergency services, as well as drainage, air quality and other environmental factors. Staff has concluded that the proposal would not be detrimental to the public interest, health, safety, convenience or welfare of the City.

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AGENCY & PUBLIC REVIEW

Public Agency Review

The ZMA/GPA request was routed to all relevant public agencies and departments for review. There are no review comments at this time.

Senate Bill 18 Review

The General Plan Amendment is subject to review by local Native American Tribal organizations, under Senate Bill 18 (SB 18) requirements. Per SB 18 requirements, the Community Development Department sent notice to the potentially affected Native American Tribes, identified by the Native American Heritage Commission, requesting their response within 90-days for formal consultation. The request for consultation period began on June 11, 2018 and concluded on September 11, 2018. Only the Agua Caliente Band of Cahuilla Indians, and the Soboba Band of Luiseno Indians have responded to date, and their request was for consultation with the city on all projects, not this specific project. The local tribes typically only request consultation to periodically review our standard conditions of approval to make sure

there are mitigation measures and conditions that will protect cultural and historic resources and notify them in the event that something is found during ground disturbance activities.

Public Hearing Notice

The project was duly noticed prior to the Planning Commission hearing on November 13, 2018, and an additional public hearing notice for the December 12th, 2018 City Council hearing was advertised in the Desert Star Weekly on Friday November 30th, 2018 and was mailed to all property owners within a 300-foot radius of the subject property on Thursday, November 29, 2018. As of this writing, staff has not received any public comments.

ENVIRONMENTAL ASSESSMENT

Pursuant to Section 15061(b)(3) & Section of the California Environmental Quality Act (CEQA) Guidelines, staff has determined that the Zone Map & General Plan Amendment is exempt by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty, (as in the case of a Zone Map & General Plan Amendment which only changes the designation and does not propose any construction or require any improvements) that there is no possibility that the activity in question (ZMA/GPA) may have a significant effect on the environment, the activity is not subject to CEQA.

FISCAL IMPACT

The applicant has paid all required fees as part of the Zone Map & General Plan Amendments and will be required to pay all fees associated with future development entitlements and building permits. Any future commercial/mixed-use development will also be subject to annual property taxes as well as any sales taxes generated from retail uses.

EXHIBITS:

- 1) Draft Conditions of Approval
- 2) Existing Land Use Designations
- 3) Site Aerial
- 4) Site Photograph
- 5) Conceptual Site Plan, Commercial Frontage
- 6) Conceptual Site Plan, Full package
- 7) Draft Site Analysis, cover
- 8) Draft Site Analysis
- 9) Excerpt of County Designations - "R-R" Rural Residential Land Use & Development Standards
- 10) Draft Resolution, approving the Zone Map Amendment (ZMA 01-18) & General Plan Amendment (GPA 02-18)