

REPORT TO THE CITY COUNCIL



DATE: December 12, 2018

TITLE: Zoning Map Amendment (ZMA) 02-18 and General Plan Amendment (GPA) 03-18: Applications to Change the Zoning and General Plan Land Use Designations from R-R (Rural Residential) to I-L (Light Industrial) on an 84 Acre Site Located on the East Side of Palm Drive South of Dillon Road and North of the Desert Dunes Golf Course

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Reviewed by: Rebecca Deming, Community Development Director

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 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. 02-18; and C) General Plan Amendment No. 03-18, applications to change the land-use designation from Rural Residential (R-R) to I-L (Light Industrial) on a 84+ acre site located on the east side of Palm Drive south of Dillon Road and north of the Desert Dunes Golf Course. (APN's 657-230-009; 010; 017; 020; 022)

EXECUTIVE SUMMARY

The Applicant, My Desert Garage, LLC, has filed a request for a Zone Map Amendment to re-designate a vacant 84.66-acre site from R-R (Rural Residential) to I-L (Light Industrial). A corresponding General Plan Amendment has also been requested which, if approved, would make the requested Zone Map Amendment consistent with the General Plan. The project site is vacant and is adjacent to the east side of Palm Drive, south of Dillon Road and north of the Desert Dunes Golf Course. The project site does not include the southeast corner of Dillon Rd. and Palm Dr.

The applicant has indicated that they intend on developing the site with a high-end recreational vehicle (RV) storage facility, and that at some point in the future they may consider applying for a condominium map to subdivide the above ground airspace and to allow them to sell off individual units. Currently the applicant is only seeking a change in land-use designation before they move forward with development plans. Future development of the site will require obtaining corresponding entitlements, all associated approvals, public hearings, environmental clearances, etc., based on the actual proposed development at that time. Staff has reviewed the proposed Zone Map Amendment and General Plan Amendment and has provided a more detailed analysis, below.

BACKGROUND

The subject property is located within the area that was annexed by the City from Riverside County in 2010. With the annexation process the City was required to bring in the County's Zoning and General Plan Designations which resulted in R-R (Rural Residential) designation for these properties. The applicant now wishes to process a change and re-designate their corresponding properties from R-R (Rural Residential) to I-L (Light Industrial) to accommodate their future project.

ANALYSIS

SITE INFORMATION

Existing Zoning/General Plan Land Use: R-R (Rural Residential)
Existing Use: Vacant Land
Total Project Area: 84.66 acres
Assessor's Parcel Number: APN: 657-230-009, 010, 017, 020, and 022

The subject property is located along the east side of Palm Drive in a largely vacant and undisturbed area just south of Dillon Road and does not include the corner lot on the southeast corner of Dillon Road and Palm Drive. The project site contains slight to moderate amounts of typical desert vegetation (creosote brush, scrub and low-lying plants). Topographically, the site is predominantly flat and drains to the south/southeast.

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

Surrounding Land Uses and Zoning:

	Current Land Use	Current Zoning & General Plan Designations	2019 Citywide Update - Proposed General Plan Designation
North	Vacant, Car Dealership	Rural Residential (R-R) Commercial General (C-G) Low Density Residential (R-L)	Mixed-Use Commercial (MU-C)
West	Vacant, Gas Station	Rural Residential (R-R)	Mixed-Use Commercial (MU-C)
South	(Riverside County) Vacant, Golf Course	(Riverside County) Low Density Residential, Specific Plan (R-L/SP)	County R-L
East	Vacant, A Few Residential Units	Rural Residential (R-R)	R-H/R-M

The proposed Zone Map & General Plan Amendments seek to change the land-use designation and allowable uses on the property to allow for development of the site with light industrial uses. Conceptually, the applicant has suggested that they intend on developing majority of the property (approx. 78 acres) with a high-end temperature- controlled RV storage facility, leaving approximately an area of 6.58 acres for mixed-use commercial/retail development along the Palm Drive frontage.

Citywide General Plan Update

The City is currently completing the Citywide Comprehensive General Plan Update which is analyzing the designations of the entire City. Although the current designation of Rural Residential (R-R) is being evaluated, the applicant would like to proceed with the change at

this time to ensure and expedite the change of the current designation. The applicant has worked with staff to set aside the Palm Drive frontage for future mixed-use commercial / retail, but the applicant has not requested the frontage be another land use designation at this time (other than I-L Light Industrial). Staff is therefore adding a Condition No. 1, in the Conditions of Approval (attached as Exhibit No. 1) to preserve the Palm Drive frontage for mixed-commercial retail uses.

Change to Light Industrial Designation

This proposed change in land-use designation to I-L (light industrial) would not preclude the property owner from filing an application proposing to develop the site with a cannabis cultivation facility or cannabis distribution center at some point in the future. All future entitlement applications would be subject to a discretionary review, public noticing and Planning Commission approval.

Site Planning

There are various uses directly adjacent to the proposed site, therefore Staff is recommending that the north side of the project and the east side of the project provide a buffer area to the nearby residential uses. This will mitigate potential impacts coming from the project, such as noise and light, when the application for actual construction/development of the site is being evaluated. (Staff has added Condition No. 2 to address this concern).

All future development will require all applications be submitted for architectural and design review and will require a discretionary review by the Planning Commission (and possibly the City Council, depending on the type of application), and corresponding required approvals. The future applications for development will also be conditioned so that development of the site includes all necessary site and street improvements including but not limited to curb, gutter, sidewalks, streetlights, landscaping, etc. And, to protect sensitive receptors (i.e., residential properties to the east), landscape buffers, sound attenuation walls, and decreased building heights would be proposed on the north and east sides of the project and incorporated as mitigation measures into the final environmental documents and City's conditions of approval.

The parcels are suitable for the proposed type of mixed-use development that the applicant has suggested (i.e., RV storage and designated commercial off Palm Drive). The site 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. The proposed future project could provide many forms of economic development for the City.

REQUIRED FINDINGS

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 I-L (Light Industrial) to allow for future light industrial and 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 Zone Map & General Plan amendment to allow a light industrial use (i.e., storage facility) and 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 it would also be consistent with the current designations (and land uses) in the immediate area (e.g., Car Dealership, Gas Station, Retail Business, and vacant land). Staff would like to note that even with the current designations in the area the future

project (utilizing the light industrial designation and proposed commercial uses off Palm Drive) would consider its proximity to residential uses and would be subject to City staff and Planning Commission conditions and mitigation measures. In addition, the applicant has indicated a willingness to incorporate landscape buffers, sound attenuation walls, and to decrease building heights where appropriate. Another consideration when evaluating a future development's compatibility to other uses in the area, is that the future smaller- scale commercial uses will provide for a level of convenience and services to the residential neighborhoods in the vicinity. And as part of the 2019 Citywide General Plan update, Staff and the City's consultant are both proposing change in the General Plan Land Use Designation to (MU-C) Mixed-Use Commercial Zoning District along the Palm Drive frontage south of Dillon Rd.

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 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 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 I-L (Light Industrial) to allow for future light industrial and 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 Zone Map & General Plan amendment to allow a light industrial use (i.e., storage facility) and 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 it would also be consistent with the current designations (and land uses) in the immediate area (e.g., Car Dealership, Gas Station, Retail Business, and vacant land). Staff would like to note that even with the current designations in the area the future project (utilizing the light industrial designation and proposed commercial uses off Palm Drive) would consider its proximity to residential uses and would be subject to City staff and Planning Commission conditions and mitigation measures to limit the impacts on neighboring properties. In addition, the applicant has indicated a willingness to incorporate landscape buffers, sound attenuation walls, and to decrease building heights where appropriate. Another consideration when evaluating a future development's compatibility to other uses in the area, is that the future smaller-scale commercial uses will provide for a level of convenience and services to the residential neighborhoods in the vicinity. And as part of the 2019 Citywide General Plan update, Staff and the City's consultant are both proposing change in the General Plan Land Use Designation to (MU-C) Mixed-Use Commercial Zoning District along the Palm Drive frontage south of Dillon Rd.

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

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 I-L (Light Industrial) to allow for future light industrial and 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 Zone Map & General Plan amendment to allow a light industrial use (i.e., storage facility) and 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 it would also be consistent with the current designations (and land uses) in the immediate area (e.g., Car Dealership, Gas Station, Retail Business, and vacant land). Staff would like to note that even with the current designations in the area the future project (utilizing the light industrial designation and proposed commercial uses off Palm Drive) would consider its proximity to residential uses and would be subject to City staff and Planning Commission conditions and mitigation measures. In addition, the applicant has indicated a willingness to incorporate landscape buffers, sound attenuation walls, and to decrease building heights where appropriate. Another consideration when evaluating a future development's compatibility to other uses in the area, is that the future smaller- scale commercial uses will provide for a level of convenience and services to the residential neighborhoods in the vicinity. And as part of the 2019 Citywide General Plan update, Staff and the City's consultant are both proposing change in the General Plan Land Use Designation to (MU-C) Mixed-Use Commercial Zoning District along the Palm Drive frontage south of Dillon Road.

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 I-L (Light Industrial) to allow for future commercial uses would amend the Zoning & General Plan Land Use Map for the vacant 84.66-acre site. The site is predominantly flat and rectangularly-shaped to allow for development according to the City's standards and guidelines.

Three public streets fronting the north and west and south (unimproved) 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 industrial and designated commercial uses off Palm Drive 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. That said, staff believes the subject parcel is physically suitable for the requested (I-L) 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 I-L (Light Industrial) to allow for future industrial and designated commercial uses off Palm Drive 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 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 I-L (Light Industrial) to allow for future light industrial and 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 Zone Map & General Plan amendment to allow a light industrial use (i.e., storage facility) and 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 it would also be consistent with the current designations (and land uses) in the immediate area (e.g., Car Dealership, Gas Station, Retail Business, and vacant land). Staff would like to note that even with the current designations in the area the future project (utilizing the light industrial designation and proposed commercial uses off Palm Drive) would consider its proximity to residential uses and would be subject to City staff and Planning Commission conditions and mitigation measures. In addition, the applicant has indicated a willingness to incorporate landscape buffers, sound attenuation walls, and to decrease building heights where appropriate. Another consideration when evaluating a future development's compatibility to other uses in the area, is that the future smaller- scale commercial uses will provide for a level of convenience and services to the residential neighborhoods in the vicinity. And as part of the 2019 Citywide General Plan update, Staff and the City's consultant are both proposing change in the General Plan Land Use Designation to (MU-C) Mixed-Use Commercial Zoning District along the Palm Drive frontage south of Dillon Rd.

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.

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 if they wished to proceed with formal consultation. The request for consultation period began on September 6th, 2018 (and will concluded on December 5th, 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 and to make sure there are mitigation measures and conditions that will protect cultural and historic resources and to 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) Statutes & 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) Current Land Uses: Map
- 3) Project Site – Proposed Designation Boundary Map
- 4) Site Aerial
- 5) Street view looking North East from Palm
- 6) Street view looking east from Dillon and Palm
- 7) Storage Business Plan
- 8) Conceptual Site Plan
- 9) Resolution approving the Zone Map Amendment (ZMA 02-18) & The General Plan Amendment (GPA 03-18)