

## REPORT TO THE CITY COUNCIL

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**DATE:** November 19, 2019

**TITLE:** Zoning Map Amendment (ZMA) 01-19, and General Plan Amendment (GPA) 01-19: Applications to Change the Zoning and General Plan Land Use Designations from R/VS-L (Residential Visitor Serving Low Density) and R-L (Low Density Residential) to V-S-V (Visitor Serving Village) on a 108 Acre Site Located on Both Sides of Yerxa Road North of San Gorgonio Street

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

**Reviewed by:** Rebecca Deming, Community Development Director

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### RECOMMENDATION

- 1) Staff Report;
- 2) Entertain questions of Staff from City Council;
- 3) Open the Public Hearing;
- 4) Take testimony from the 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) A) Find that the Project is exempt from CEQA Under Section 15061(B)(3) of the California Code of Regulations, Title 14, Sections 15000 Et Seq. (The "Guidelines");  
B) Approval of the project subject to the proposed Conditions of Approval;  
C) Adopt a "Resolution of the City Council of the City of Desert Hot Springs, California, 1) Finding That the Project Described Herein Is Exempt from CEQA Under Section 15061(B)(3) of the California Code of Regulations, Title 14, Sections 15000 Et Seq. (The "Guidelines"), and 2) Approving General Plan Amendment No. 01-19 and Zoning Map Amendment No. 01-19 Amending the General Plan Land Use Designation from R/Vs-L (Residential Visitor Serving Low Density) & R-L (Low Density Residential) to V-S-V (Visitor Serving Village)"; and  
D) Introduce for First Reading and read by title only "An Ordinance of the City Council of the City of Desert Hot Springs, California, 1) Finding That the Project Described Herein Is Exempt from CEQA Under Section 15061(B)(3) of the California Code of Regulations, Title 14, Sections 15000 Et Seq. (The "Guidelines"), 2) and Amending the City's Zoning Map 01-19 to Reflect a Change in Zoning Map from R/Vs-L (Residential Visitor Serving Low Density) & R-L (Low Density Residential) to V-S-V (Visitor Serving Village) for the 108 Acre Site Located at the Bubbling Wells Ranch Site on Both Sides of Yerxa Road North of San Gorgonio Street (APN's: 656-140-002, 005, 007, 011, 016, 014, 018 & 656-255-003, 005, 007 and 656-150-011)"

### EXECUTIVE SUMMARY

The applicant, Courtney Moe on behalf of the Bubbling Wells Ranch Resort & Spa, is requesting Zone Map & General Plan Amendments to change the land use designation of several properties from R/VS-L (Residential Visitor Serving Low Density) and R-L (Low Density Residential) to V-S-V (Visitor Serving Village) on a 108-acre site located on both sides of Yerxa

Road north of San Gorgonio Street. No development or ground breaking is proposed at this time. Future development will require additional review and compliance with the California Environmental Quality Act.

### **PRIOR ACTIONS**

On September 10, 2019, the Planning Commission made a recommendation to the City Council to approve the project as presented.

### **DESCRIPTION OF FUTURE PROJECT**

The resort will consist of 110 stand-alone, single story cabins, seasonal tipis, a lobby/reception area, several event spaces, an area designed as a small old west town, a lake, several natural mineral swimming pools, a spa facility, a ranch house, and a hilltop restaurant, as well as other amenities. The applicant states that “wellness is the main focus where guests can relax or explore an immersive and experiential journey through the American Southwest, where they are transported through a myriad of tranquil landscapes bathed in the unrefined, organic, and mystical beauty that can only be found in this part of the world. Guests will be able to partake in unique activities including group yoga, day parties at the lake, daily tea parties, and sunset cocktails, all designed to spur interaction and provide endless photo opportunities in nature.” Staff has attached a conceptual site plan and brochure that outlines some of the proposed uses and how the property will be utilized (Exhibits 3 & 5).

### **SITE INFORMATION**

<i>Existing Zoning/General Plan Land Use:</i>	R/VS-L (Residential Visitor Serving) & R-L (Low Density Residential)
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<i>Existing Use:</i>	Vacant Land
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<i>Total Project Area:</i>	107.7 acres
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<i>Assessor's Parcel Number:</i>	APNs: 656-140-002, -005, -007, -011, -014, -016, -018 & 656-255-003, -005, -007 & 656-150-011
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The proposed project is located on the Bubbling Wells Ranch site at Yerxa Road north of San Gorgonio Street in what is currently the R-L and R/VS-L zoning districts. Yerxa Road leads into the ranch going northbound, becoming a gated private access drive at San Gorgonio Road. The 108-acre site has some elevational undulations and has several water wells that access both hot and cold water resources. The Mission Creek branch of the San Andreas Fault runs through the property at an angle, from the southeast side of the property, towards the northwest side virtually bisecting the property in half. Any future development of the property will likely require a geotechnical study of the property and no new development/structures will be permitted to be constructed within 50 feet of any active faults. The property also has some natural drainage courses that may require review from the California Department of Fish & Wildlife, once the applications for development have been submitted.

The site has a host of existing structures including a main house, several guest houses, old mining town style buildings, and a stage. There is a small 2-acre lake surrounded by trees and vegetation, with a nearby workout room/gym. Staff has attached a series of site photographs and aerial imagery to help demonstrate the existing natural setting (see Exhibits 6-11).

Note that the current applications are only for re-designation of the land use district, to allow for the future development of the resort hotel and spa. The future development will ultimately require applications for architectural and design review and will require a discretionary review by the Planning Commission. The future applications for development will also be conditioned so that development of the site includes all necessary on-site and off-site improvements.

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

#### **Surrounding Land Uses and Zoning**

	<b><u>Current Land Use</u></b>	<b><u>Zoning Designations</u></b>	<b><u>Current General Plan Designations</u></b>
<b>North</b>	Vacant & Single-Family Residential	Low Density Residential (R-L)	R/VS-L & R-L
<b>West</b>	Vacant	R/VS-L & R-L	Low Density Residential (R-L)
<b>South</b>	Vacant & Single-Family Residential	Low Density Residential (R-L)	Low Density Residential (R-L)
<b>East</b>	Vacant	Low Density Residential (R-L)	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 a resort hotel and spa. Although the current designations of the properties are R/VS-L and R-L (Residential Visitor Serving Low Density and Low Density Residential) the City is currently undergoing a Citywide General Plan Update, which is already considering a change in land use designations for these eleven properties to V-S-V (Visitor Serving Village), the intent of which, proposes use of the property to be for commercial resort type businesses, especially those which take advantage of the hot mineral waters available to properties that are located near the fault lines.

While the City's General Plan is nearing completion, the applicant has indicated that they have a timeline and investors to consider and have chosen to proceed with the requests for a General Plan Amendment and Zone Map Amendment on their own schedule.

#### **Consistency with the City's General Plan**

The property is currently split into two different zoning designations, which makes development of the site with one congruous development, difficult. The southern portion of the site has a designation of R-L (Low Density Residential) which does not allow for the proposed resort hotel (commercial) use and the northern portion has a designation of R/VS-L which allows for development of the site with a resort hotel & spa. The R-L designation intends for development to comply with the following statement:

***"This low density designation provides for single-family residential development on individual lots of not less than 9,000 sq. ft. These lands serve to buffer more dense residential development from estate residential uses, and may be appropriate in areas with some site constraints. This designation typically provides for moderately low density single family subdivisions and Planned Residential Developments (PRDs). It serves to transition between lower and more moderate (medium) residential densities."***

While the R/VS-L designation was created with different intended development in mind:

***"This land use designation recognizes the predominant residential character of lands which also include numerous spa-type hotels. It is meant to foster compatible development to serve permanent and seasonal residents, as well as the vacationing public visiting resorts, hotels and motels. To this end, this***

***designation is followed by a suffix (L, M & H) designating permitted residential densities.”***

As can be seen, there is a discrepancy between the two designations and their intended uses, and understandably, the property owner would like to develop the 108-acre site with one cohesive development. Hence, the request for the change in land use designations.

Staff has evaluated the proposed uses of the property and has determined that from a site planning perspective, the parcels are physically suitable for the proposed health and wellness-related resort hotel and spa that the applicant has suggested. The site will provide access to existing sewer, water, and electric infrastructure. Staff would like to note that the City would benefit from the taxes that future business would generate and that there is the potential to bring some free advertising to the City as a world-class resort destination. The increased tourism would also likely bring additional patrons to our local businesses.

#### **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/VS-L & R-L (Residential Visitor Serving Low Density & Low Density Residential) to V-S-V (Visitor Serving Village) to allow for future development of a resort hotel and spa with ancillary uses and amenities would be allowed on the northern portion of the project site under the current Zoning & General Plan land use designation (R/VS-L). The southern portion of the property is owned by the same property owner and currently has a designation of R-L (low density residential). Both the northern and southern portions are currently being utilized as a large ranch style residential oasis with many structures including guest houses, a gym, several wells, a lake, and entertainment areas, along with many other amenities. The zoning on the southern portion would allow for a bed & breakfast (with a conditional use permit); similar properties of this size, which are zoned R-E (Residential Estate), allow for development of resort hotels with a Conditional Use Permit. It is also noteworthy that the City is currently updating the Citywide General Plan and the intention is to change the General Plan land use designations of this project site to V-S, which would allow for development of the site with resort hotels and spas. Although the Citywide Comprehensive General Plan Update has not yet been adopted, City Staff has evaluated the land in question for the proposed future development of the site with a health & wellness resort hotel and spa business and has determined that the low-density nature of the proposed uses as well as the large setbacks and minimal heights of structures makes the proposed project more consistent with the current land use designations and with what the City is considering as the best use of the property. The applicant also has the desire to remove the split zoning that currently exists on the project site to enable development of the site with a harmonious project that will utilize the hot mineral water resources, provide a benefit to the community, and will help to bolster tourism in the City.

Staff has concluded that the proposed amendments to the City's Zoning Map, and to the General Plan land-use designation for this site, are internally consistent with the current, adopted General Plan. Staff recommends this finding.

***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/VS-L & R-L (Residential Visitor Serving Low Density & Low Density Residential) to V-S-V (Visitor Serving Village) to allow for future development of a resort hotel and spa with ancillary 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 is consistent with the City's intention to use the Bubbling Wells Ranch area for future resort hotel and spa uses with ancillary commercial businesses. Staff would like to note that the project site has nearly 108 acres, of which most will be left vacant and undisturbed providing a low density and intensity as part of the characteristics of any future development. This type of lower intensity development will also help to provide open spaces between nearby residential units. The project will also utilize lower building heights by occupying existing structures which will help to preserve scenic viewsheds. Staff has evaluated the proposed conceptual plan and the current request for changes in land use designations and has determined that the current applications will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

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. Staff recommends this finding.

***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/VS-L & R-L (Residential Visitor Serving Low Density & Low Density Residential) to V-S-V (Visitor Serving Village) to allow for future development of a resort hotel and spa with ancillary uses introduces uses which would be compatible with some of the surrounding, and existing land uses. The location, in a largely vacant area south of the existing Two Bunch Palms Resort and near the hot water resources produced by the San Andreas fault, is an appropriate location for this type of development and is consistent with the City's intention to use the area for Visitor Serving Commercial activities. The City is currently evaluating the subject land for just such uses as part of the Comprehensive General Plan Update. Staff has therefore concluded that a change in land use designation to V-S-V would maintain an appropriate balance of land uses within the City. Staff recommends this finding.

***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 from R/VS-L & R-L (Residential Visitor Serving Low Density & Low Density Residential) to V-S-V (Visitor Serving Village) to allow for future development of a resort hotel and spa with ancillary 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 is consistent with the City's intention to use the Bubbling Wells Ranch

area for future resort hotel and spa uses with ancillary commercial businesses. Staff would like to note that the project site has nearly 108 acres, of which most will be left vacant and undisturbed providing a low density and intensity as part of the characteristics of any future development. This type of lower intensity development will also help to provide open spaces between nearby residential units. The project will also utilize lower building heights by occupying existing structures which will help to preserve scenic viewsheds. Staff has evaluated the proposed conceptual plan and the current request for changes in land use designations and has determined that the current applications will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

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. Staff recommends this finding.

Staff has evaluated the proposed uses of the property and has determined that from a site planning perspective, the parcels are physically suitable for the proposed health and wellness-related resort hotel and spa that the applicant has suggested. The site will provide access to existing sewer, water, and electric infrastructure. Staff would like to note that the City would benefit from the taxes that future business would generate and that there is the potential to bring some free advertising to the City as a world-class resort destination. The increased tourism would also likely bring additional patrons to our local businesses.

## **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 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/VS-L & R-L (Residential Visitor Serving Low Density & Low Density Residential) to V-S-V (Visitor Serving Village) to allow for future development of a resort hotel and spa with ancillary uses and amenities would be allowed on the northern portion of the project site under the current Zoning & General Plan land use designation (R/VS-L). The southern portion of the property is owned by the same property owner and currently has a designation of R-L (low density residential). Both the northern and southern portions are currently being utilized as a large ranch style residential oasis with many structures including guest houses, a gym, several wells, a lake, and entertainment areas, along with many other amenities. The zoning on the southern portion would allow for a bed & breakfast (with a conditional use permit); similar properties of this size, which are zoned R-E (Residential Estate), allow for development of resort hotels with a Conditional Use Permit. It is also noteworthy that the City is currently updating the Citywide General Plan and the intention is to change the General Plan land use designations of this project site to V-S, which would allow for development of the site with resort hotels and spas. Although the Citywide Comprehensive

General Plan Update has not yet been adopted, City Staff has evaluated the land in question for the proposed future development of the site with a health & wellness resort hotel and spa business and has determined that the low-density nature of the proposed use as well as the large setbacks and minimal heights of structures makes the proposed project more consistent with the current land use designations and with what the City is considering as the best use of the property. The applicant also has the desire to remove the split zoning that currently exists on the project site to enable development the site with a harmonious project that will utilize the hot mineral water resources, provide a benefit to the community and will help to bolster tourism in the City.

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 internally consistent with the current, adopted General Plan. Staff recommends this finding.

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

The proposed amendment from R/VS-L & R-L (Residential Visitor Serving Low Density & Low Density Residential) to V-S-V (Visitor Serving Village) to allow for future development of a resort hotel and spa with ancillary uses and amenities 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 to allow for a future resort hotel and spa where "wellness is the main focus" will provide a valuable resource for the community, the Coachella Valley, and for valley tourism. The resort will provide a place where "guests can relax or explore an immersive and experiential journey through the American Southwest where they are transported through a myriad of tranquil landscapes bathed in the unrefined, organic, and mystical beauty that can only be found in this part of the world".

The amendment will allow for applications to be submitted for the future development of the proposed resort. At that time, City staff will review the application for environmental impacts, vehicular access, traffic, required on-site and off-site improvements, water, sewer, public services such as Fire and Police, and will condition the project to make a necessary improvement to make the project a good project for the City and a project that will not be detrimental to the public interest, health, safety of welfare of the City and its residents. Staff recommends this finding.

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 for formal consultation. The request for consultation period began on August 15, 2019 and concluded on November 15, 2019 (November 13, 2019 is 90 days; notice is deemed

received 2 days after mailing). 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 that they will receive notification in the event that something is found during ground disturbance activities. As of this writing, staff has not received any comments or requests for consultation.

### **Public Hearing Notice**

A public hearing notice was advertised in the Desert Star Weekly on Friday, November 8, 2019 and was mailed to all property owners within a 300-foot radius of the subject property on Wednesday, November 6, 2019. As of this writing staff has received one (1) letter in opposition to the proposed Zone Map & General Plan amendments. Staff has addressed those comments by revising the recommended findings of fact. The letter is attached as Exhibit No. 13.

### **ENVIRONMENTAL ASSESSMENT**

Pursuant to Section 15061(b)(3) 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 (applications to change the land use designation) may have a significant effect on the environment, the activity is not subject to CEQA.

### **FISCAL IMPACT**

There will be no impact to the City's General Fund as a result of this action. Various development fees, related to the processing the entitlements have been collected. Additional fees will be collected once the application(s) for development of the site are submitted to the City and once the proposed project is completed, the City will receive ongoing transit occupancy taxes.

### **RECOMMENDATION**

A recommendation from the Planning Commission to the City Council for approval of the CEQA Exemption, Zone Map Amendment No. 01-19 and General Plan Amendment No. 01-19, subject to the attached conditions of approval and the findings contained herein.

### **EXHIBITS:**

- 1) Proposed Resolution – General Plan Map Amendment
- 2) Proposed Ordinance – Zoning Map Amendment
- 3) Draft Conditions of Approval
- 4) Proposed Zoning Map and General Plan Map
- 5) Conceptual Site Plan
- 6) Parcels & Easements
- 7) Brochure Pt. 1
- 8) Brochure Pt. 2
- 9) Photo – Old West Town
- 10) Photo Lake
- 11) Aerial Looking North
- 12) Aerial 1
- 13) Aerial 2
- 14) Aerial 3
- 15) Letter of Opposition, dated September 8, 2019
- 16) Draft Resolution (General Plan Amendment)
- 17) Draft Ordinance (Zone Change)