

## REPORT TO THE CITY COUNCIL

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**DATE:** July 7, 2020

**TITLE:** Development Agreement No. 20-1: A Development Agreement Between the City of Desert Hot Springs and Marapharm DHS California, LLC

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

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### 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 public testimony;
- 6) Opportunity for Applicant rebuttal;
- 7) Close the Public Hearing;
- 8) City Council discussion and questions to Staff; and
- 9) Introduce for First Reading and read by title only, "An Ordinance of the City Council of the City of Desert Hot Springs, California, Approving the Development Agreement by and Between the City of Desert Hot Springs and Marapharm DHS California LLC."

### PRIOR ACTIONS

On March 21, 2017, the City Council approved Conditional Use Permit 25-16 and Development Agreement 18-16 for the development of two (2) warehouse style cultivation buildings approximately 49 feet 6 inches in height and totaling (combined) approximately 69,000 square feet (sf) on a 2.3-acre site.

On April 4, 2017 The City Council adopted an Ordinance of the City Council approving Development Agreement No. 18-16 with Stark Ventures & Pulse Investment (previous project owners).

### BACKGROUND

The applicant, Marapharm DHS California LLC, applied for the development agreement amendment to update the name on the development agreement to the current owner of the project.

The Desert Hot Springs Municipal Code (17.84 Development Agreements) and State law provide that the City and a developer may enter into a development agreement for the purpose of providing the developer with assurances that their development entitlements will not be subject to revocation, termination or modification because of future changes in the City's zoning, planning and land use regulations. In exchange, the City receives certain benefits in the form of revenue, improvements, etc. that the City could not otherwise legally impose on the particular project for a variety of reasons. Such reasons include, but are not limited to, (a) the lack of a nexus between a certain condition of approval and the scope of the project's impacts on the environment or surrounding neighborhood or (b) the legal exclusion of a certain use from the imposition of certain fees or taxes. Development agreement authority is essentially one of the only exceptions to the general principle that prohibits cities from contracting away their future police powers. Moreover, development agreement authority has served as an effective means for cities to encourage economic development, which has become increasingly important to some cities in the absence of redevelopment authority.

The project was noticed to neighboring owners within a 300-foot radius of the project site on Tuesday, June 23, 2020 and was advertised in the Desert Star Weekly on Friday, June 26, 2020 per state noticing requirements. No public comments have been received as of this writing of this Staff Report.

### **ENVIRONMENTAL ANALYSIS**

On March 21, 2017, the City Council approved a Mitigated Negative Declaration (MND). Pursuant to Section 15162(a) of the CEQA regulations, once an MND has been adopted for a project, no subsequent environmental review needs to be completed unless there are substantial changes in the project that warrant additional review. No significant changes are proposed as a part of the proposed project.

### **FISCAL IMPACT**

The proposed applicant has paid all required fees for the processing of the Development Agreement.

### **EXHIBIT(S)**

- 1) Proposed Ordinance and Development Agreement