

REPORT TO THE PLANNING COMMISSION



DATE: July 14, 2020

TITLE: Coachillin Specific Plan Amendment (SP-20-4) and Mitigated Negative Declaration Addendum (ENV-20-1)

Prepared by: Rebecca Deming, Community Development Director

RECOMMENDATION

- 1) Staff Report
- 2) Entertain questions of Staff from the Planning Commission;
- 3) Open Public Hearing;
- 4) Take testimony from Applicant;
- 5) Take public testimony for those in favor;
- 6) Take public testimony from those opposed;
- 7) Take public testimony from those in a neutral position;
- 8) Opportunity for Applicant rebuttal;
- 9) Close the Public Hearing
- 10) Planning Commission discussion and questions to Staff; and
- 11) Recommendation that the Planning Commission approve “A Resolution Of The Planning Commission Recommending That The City Council Of The City Of Desert Hot Springs, California, 1) Certify The Addendum To The Mitigated Negative Declaration; 2) Adopt The Mitigation Monitoring Plan; 3) Approve Coachillin’ Specific Plan Amendment No. Sp-20-4, Amending The Coachillin Specific Plan In The City; and 4) Approve An Ordinance Amending Chapter 17.200”

EXECUTIVE SUMMARY

The applicant, *Coachillin’ Holdings, LLC*, is proposing a Specific Plan amendment, The Coachillin’ Industrial Cultivation and Ancillary Canna-Business Park (Specific Plan #01-17) is located on 46 parcels (APNs 666-340-008 through 666-340-055) located on 153.71 gross acres bounded by 18th Avenue to the north, 19th Avenue to the south, Indian Canyon Drive to the west, and Calle de los Romos to the east (Figures 1-1 and 1-2).

PRIOR ACTIONS

On October 17, 2017, the City Council approved Conditional Use Permit No. 17-17, Tentative Parcel Map (TPM) No. 37158 and an Addendum to the Mitigated Negative Declaration for the Coachillin Cultivation and Ancillary-Canna Business Park Project. Conditional Use Permit No. 17-17 was for the development of a permanent lab facility and various long-term temporary medicinal marijuana structures totaling approximately 219,000 SF. TPM No. 37158 proposed the subdivision of 153.71 gross acres into 43 parcels, in addition to creating 13 lettered lots for street purposes and 3 parcels designated as retention basins. The CUP *construction* project site is located within parcels 32 and 33 of the TPM.

On November 7, 2017 The City Council approved Specific Plan 01-17, General Plan Amendment 02-17, and Zoning Amendment for the Coachillin Specific Plan.

BACKGROUND

The Coachillin’ Industrial Cultivation and Ancillary Canna-Business Park (Specific Plan #01-17) (Coachillin’ Specific Plan) is located on parcels APNs 666-340-008 through 666-340-053 located on 153.71 gross acres bounded by 18th Avenue to the north, 19th Avenue to the south, Indian Canyon Drive to the west, and Calle de los Romos to the east (Figure 1-1 and Figure 1-2). Until 2010, these parcels were under the land use authority of Riverside County (County). In

2008, an industrial development of approximately 2,952,000 square feet (sf) of warehousing on approximately 161 gross acres was approved by the County. That project consisted of a Change of Zone (Change of Zone No.7597) from W-2 (Controlled Development) to I-P (Industrial Park) and M-SC (Manufacturing Service Commercial), a Plot Plan approval (Plot Plan No. 23155) for a 2,952,500-sf industrial center including a one-mile offsite sewer line extension, and a Mitigated Negative Declaration (MND) (State Clearinghouse Number 2008081058). The parcels were annexed to the City of Desert Hot Springs in 2010 and the County approvals were adopted for the project site in the Development Permit process (DP 05-11 and EA 41621).

In 2017, the project applicant proposed changes to the County-approved project to reflect changing market conditions. A Specific Plan was submitted to the City, which was adopted on October 17, 2017. The approval of the Specific Plan included the following approvals: General Plan Amendment #02-17, Specific Plan #01-17, Tentative Parcel Map #37158, Final Map, and Conditional Use Permit #17-17. These project approvals were supported by an MND Addendum supported by an Initial Study and updated technical studies for air quality, biological resources, wetland delineation, cultural resources, paleontological resources, geotechnical/geologic resources, greenhouse gas emissions, hazards/hazardous materials, hydrology and water quality, noise, water supply assessment, and traffic impact analysis. The Initial Study described the environmental impacts of the Specific Plan and compared them to the impacts of the project previously approved by the County. The Initial Study determined that the environmental impacts were similar to or less than for the previously-approved industrial project and were less than significant after mitigation. Therefore, an Addendum to the original MND was prepared and adopted on October 17, 2017 along with other project approvals.

The Proposed Project is an amendment to the Specific Plan that would modify the allowed land uses in the Specific Plan Mixed Use Zone along with accompanying changes in the Development Standards and Design Guidelines to allow potential hotel and amphitheater uses on Parcels 30 and 31, respectively (Figure 2-1). The proposed hotel would include 175 guest rooms within a 4-story; 150,000 square foot building. The proposed amphitheater would seat approximately 5,000 people and host at most one event per week. The proposal would also allow additional uses in the Mixed-Use designation. Additionally, the 7-acre Parcel 25 was originally provided for Southern California Edison (SCE) power stations and systems to serve the Specific Plan projects. SCE no longer requires this lot; therefore, the Amendment proposes to re-designate Parcel 25 as Industrial Energy & Utilities (IE) to provide space for private power generation and other industrial uses. The uses in the Agriculture zone have also been clarified to include other types of crops. Please note that this project description summarizes the major changes to the Specific Plan. There have also been minor changes to clarify meaning.

Since the adoption of the Previous Project MND and the approval of the Specific Plan in 2017, site work has been initiated to support the development of the Specific Plan. All rough grading has been completed on the site and infrastructure is complete or in progress. Parcels 30 and 31 are currently being used for construction staging. A description of work completed since 2017 is provided in Section 1.1 of the proposed Specific Plan.

DISCUSSION

The project applicant is proposing proposed an Amendment to the Specific Plan that would modify the allowed land uses in the Specific Plan Mixed Use Zone along with accompanying changes in the Development Standards and Design Guidelines to allow potential hotel and amphitheater uses on Parcels 30 and 31, respectively (Proposed Project). The major changes are further described below. Deleted text is shown in ~~strike through font~~, and added text is shown in underlined font.

Updates to Development Regulation

The development standards (Specific Plan Table 3-5 and Figure 3-4) have been updated to reflect a new structure height maximum limit for Parcel 30. The structure height for Parcel 30 is

proposed to be 65 feet maximum. The maximum height for interior parcels remains at 65 feet. The maximum height for all other parcels adjacent to Indian Canyon Drive, 18th Avenue, 19th Avenue, and Calle De los Romos remain 55 feet; however, the 2-story maximum has been removed. All parcels remain subject to the Design Guidelines.

Flexibility language has been added (as shown below) to allow for requirement leniency in certain cases to be handled administratively.

[This Specific Plan is intended to allow some flexibility in its requirements. Should an applicant have a unique idea, design, or other situation related to only the following 1\) height, 2\) setbacks, 3\) screening or 4\) parking requirements that renders the strict application of the Specific Plan infeasible, the applicant may apply to the POA & Planning Commission for approval of their project/structure. The consideration of the application by the Planning Commission need not be a public hearing. The Planning Commission's determination of the application shall be discretionary and up to the Planning Commission. The Planning Commission's decision may be appealed to the City Council pursuant to DHSMC Chapter 17.104, as may be amended.](#)

Updates to Specific Plan Section 3.4.3 Allowable Land Uses

The Allowable Land Uses discussion and table (Table 3-4 in the Specific Plan) has been updated. The changes include the elimination of the Public Utilities (PU) zone, because SCE will no longer be constructing a substation on Parcel 25. The addition of hotel land uses in the Mixed-Use zone has been reflected. At the suggestion of staff, the *Allowed Uses Requiring a Development Plan (D)* category has been eliminated to simplify the planning process; a development permit, with approval by the Community Development Director is required for uses that are compatible with an adopted Specific Plan. Text changes have also been made to reflect the fact that SCE will no longer be constructing a substation on Parcel 25.

- **“Permitted Uses” (P)** requiring ~~design review~~ Development Permit for approval by the Community Development Director;
 - Permitted Uses (P) under this Coachillin' Specific Plan may also be referred to as **“Specific Plan-NRC” (SP-NRC)** Specific Plan Not Requiring a Conditional Use Permit (aka “by-right” permitted use) throughout this document;
- ~~“Allowed Uses” (D) requiring a Development Plan Permit~~
 - ~~Allowed Uses (D) under this Coachillin' Specific Plan may also be referred to as “Specific Plan-NRC” (SP-NRC) Specific Plan Not Requiring a Conditional Use Permit (aka “by right” allowed use throughout this document);~~
- **“Conditional Uses” (C)** requiring a Conditional Use Permit;
- **“Temporary Use” (T)** requiring a Temporary Use Permit;
- **“Not Allowed” (X)** not allowed in project.

Language has been added to regarding Temporary facilities as shown below:

[Temporary Facilities are only allowed in the Coachillin' Industrial Cultivation & Ancillary Canna-Business Park under the following circumstances:](#)

- a. [property has an approved Development Permit;](#)
- b. [permanent facility plans must be in the plan check process;](#)
- c. [special Property Owners Association \(POA\) approval has been granted; and](#)
- d. [temporary facilities are limited to 18 months of operation, after obtaining a Temporary Certificate of Occupancy from the City.](#)
 - [Should the property owner wish to make the temporary facilities permanent, then an administrative approval process may proceed, and an updated development permit must be obtained.](#)

Table 3-4 of the Specific Plan is a table of allowable uses, including uses that require a Conditional Use Permit. Listed below are uses added as part of this proposed update.

- Outdoor Amphitheater: Permitted in Mixed Use and Light Industrial
- Convenience Stores: Permitted in Mixed Use and Light Industrial
- Hotels/Motels: Permitted on Parcel 30 only
- Cannabis Non-storefront retail: Permitted in Mixed Use, Light Industrial, and Industrial Energy



Addition of Section 4.1 Sign Program (Project Monument Signs)

This complete section has been added to the Specific Plan. Due to a formatting error it is not shown in redlined formatting, but it is a new section added text and Exhibits.

The proposed monument signs include one vertical identification pylon signs and two digital monument signs. Section 4.1.2 includes the regulations for the use of the electronic sign including:

- On site and non-commercial messages only, not off-site messages are permitted
- Displays shall not be animated or appear to be moving
- Each display shall appear for at least eight seconds and shall remain blank for one second between images.



NEC of Indian Canyon Drive (betw. 18th Ave. and 19th Ave.)
City of Desert Hot Springs, CA. 92240



Proposed Sign ③
Total: 200.28 Sq. Ft.



Proposed Sign ②
Total: 87.59 Sq. Ft.
(Double-Sided Vertical ID Ground Sign)



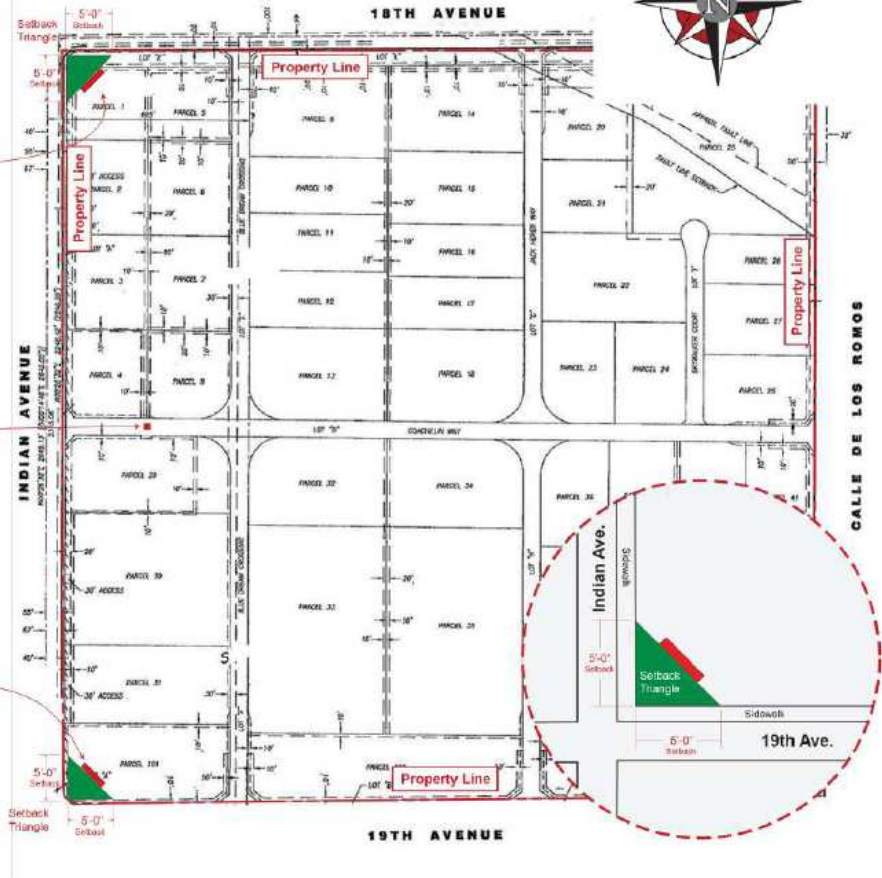
Proposed Sign ①
Total: 200.28 Sq. Ft.

Site Plan & Property

Scale: 1" = 100'



North



Addition of Section 5.3:

Applicant has outlined the guide for planning of special events at the proposed amphitheater venue on parcel #31

SPECIAL Events: Traffic Management Plans

Reference Appendix 10.9 to for proposed Traffic Management Plans (TMP) during events hosted in Coachillin' Park (i.e. during any events with large attendance at the Amphitheater Venue and/or Hotel Resort Located on Parcel #30 & Parcel #31). Additionally, all events shall require approval of a Special Event Permit.

Development of TMP.

Prior and as a condition precedent to issuance of a certificate of occupancy for the Amphitheater Event Venue (Parcel #31), the Applicant shall develop a TMP for approval by the City Manager, which TMP shall be developed in coordination with DHSPD, and Riverside County FD.

Contents of TMP

The TMP shall provide the framework and details for managing all aspects of transportation for events within the Amphitheater area. The TMP shall include transportation management measures as well as policies and programs to reduce auto trips, through promoting and encouraging increased transit use and auto vehicle

occupancies, and encouraging walking and bicycling. Unless otherwise approved by the City Manager, the TMP shall address the following:

1. Specific Plan area Description and Operations
2. Event Coordination Plan
3. Trip Generation Levels
4. Overall Parking Strategy
5. Parking Management and Access/Egress Plans
6. Transit Service
7. Pedestrian Circulation
8. Transportation Demand Management and Trip Reduction (visitors and employees)
9. Traffic Management

Addition of Section 5.8.4

This section has been added to clarify discharge remediation uses that have been proposed by the applicant for use in Agricultural zoned basins on southern side of the project site.

WASTEWATER DISCHARGE & PHYTOREMEDIATION

Applicant intends to use the three (3) PRODUCING AGRICULTURE BASINS for outdoor crop production (Vegetable, Herb, Date & Citrus Groves, etc.) (Parcels #101, #102 & #103) to be located in the WQMP retention basins on the south side of the property zoned for Agriculture (AG).

Within these basins, an Agricultural wastewater clarification & phytoremediation system will be used to handle wastewater discharge from cultivation facilities on-site. This system is an outdoor production facility located in (AG Basin #101, #102, #103) used to Phyto-remediate cannabis wastewater generated within the Park naturally restoring cannabis waste water to a clean state and allowing its re-use or surface recharge of the local aquifer.

Addition of Section 6.5

This section has been added to give the flexibility to Coachillin to either pay the art in public places fee or submit for council for the installation or art.

Update to Design Guidelines

Many of the changes in the Design guidelines include clean up and changes already addressed in the Specific Plan changes. Additional changes to the design guidelines include:

- Equipment may encroach in the setbacks, including the front setback, provided that the equipment is screened from sidewalks and crosswalks (but not interior streets).
- Private street parking may be used for required parking numbers. Additionally, up to 5% of the required parking may be allocated to the Parcel #25 Community Parking area.
- Added the technology command center/server basement to the security building
- Added project-wide emergency and fire access plan
- Added detail to Video Management System under General Prevention Measures: “All operations within the Coachillin’ Canna-Business Park must conform to the unified surveillance system requirements as required by Coachillin’ Technology LLC (CTECH).”
- Updated the site plan w/ master security and fencing plan

- Updated approved perimeter landscape plan from MSWD

Staff Recommended Conditions

Staff is recommending approval of the draft Conditions of Approval (Exhibit 1), however staff would like to point out the below conditions included:

- The City, and any agency or instrumentality thereof, and/or any of its officers, employees and agents, including the Community Development Department, shall not under any circumstances whatsoever be responsible for ensuring compliance with Property Owner Association requirements, which requirements are private in nature. The City, and any agency or instrumentality thereof, and/or any of its officers, employees and agents is not responsible for ensuring that the Property Owners Association has approved an application/project before the City approves an application and/or issuance of permits.
- All events shall have an approved Special Event Permit and shall comply with all conditions related to the permit.
- Any crop production within Parcels 101, 102, and 103 shall not limit and/or change the overall site hydrology and/or hydraulic capabilities of the retention basins' design and function. Any modifications to the grading and/or hydrology will require a resubmittal and approval of grading plans and hydrology report and any other studies required per the City Engineer.

SPECIFIC PLAN APPROVAL FINDINGS

Under Section 17.128.070 of the Desert Hot Springs Municipal Code, a Specific Plan may only be adopted only if all of the following findings are made:

A. The proposed plan is consistent with the General Plan;

The proposed Coachillin' Specific Plan has been evaluated against the General Plan of the City of Desert Hot Springs to identify any potential inconsistencies (Specific Plan Section 8.4). The proposed Specific Plan introduces limited retail commercial uses to a site presently designated I-L (Light Industrial) 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 Specific Plan and the General Plan.

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

The proposed Coachillin' Specific Plan provides for development of a mixed-use commercial / industrial development, including provisions for public and private improvements to address vehicular circulation, including emergency services, as well as drainage, air quality and other environmental factors. The proposed Specific Plan implements General Plan economic goals through the establishment of policies and regulations supporting a medical marijuana cultivation facility. Staff has concluded that the proposal would not be detrimental to the public interest, health, safety, convenience or welfare of the City.

C. The subject property is physically suitable for the requested land use designation(s) and the anticipated land use development(s);

The proposed Coachillin' Specific Plan would amend the General Plan Land Use Map for the vacant 153.7-acre site to establish Planning Areas to support development of a mixed-use commercial / industrial complex. The site is generally flat and rectangularly-shaped to allow for

development according to the Specific Plan's standards and guidelines. Public streets fronting all property boundaries of the site provide adequate access, and no physical constraints to the proposed development have been identified. The Specific Plan's amendment to the Land Use Map provides for a mix of uses that are compatible with surrounding industrial and commercial zones. Staff believes the subject parcel is physically suitable for the requested land use designation and anticipated development.

D. The proposed plan shall ensure development of desirable character which will be compatible with existing and proposed development in the surrounding neighborhood; and

The proposed Coachillin' Specific Plan includes development regulations (zoning standards), design guidelines and review procedures to assure that future development of the site is of a desirable character, both functionally and esthetically. These regulations, guidelines and procedures will also assure that the commercial and industrial uses allowed on the site are compatible with surrounding commercial and industrial development.

E. The proposed plan will contribute to a balance of land uses so that local residents may work and shop in the community in which they live.

The proposed Coachillin' Specific Plan will convert a small amount (21.5 acres) of industrially zoned land to commercial use. The mix of commercial and industrial uses on the site, including a medical marijuana cultivation complex, will create employment and shopping opportunities for the Desert Hot Springs community. Staff believes that the proposed Specific Plan will contribute to a balance of land uses, within which local residents may both work and shop.

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 Coachillin' Specific Plan, including its proposed zoning map and text amendments, has been evaluated against the General Plan of the City of Desert Hot Springs to identify any potential inconsistencies (Specific Plan Section 8.4). The proposed Specific Plan introduces limited commercial uses to a site presently designated I-L (Light Industrial) 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 Specific Plan 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 Coachillin' Specific Plan, including its proposed zoning map and text amendments, provides for development of a mixed-use commercial / industrial development, including provisions for public and private improvements to address vehicular circulation, including emergency services, as well as drainage, air quality and other environmental factors. The proposed Specific Plan implements General Plan economic goals through the establishment of policies and regulations supporting a medical marijuana cultivation facility. Staff has concluded that the proposal would not be detrimental to the public interest, health, safety, convenience or welfare of the City.

Staff has analyzed all the required findings for the proposed project and its associated approvals and recommends that the Planning Commission adopt these findings as its own findings of fact for the project.

NOTICING REQUIREMENT

The project was noticed to neighboring owners within a 300-foot radius of the project site on May 28, 2020 and was advertised in the Desert Star Weekly on May 29, 2020 per state noticing requirements. No public comments have been received as of this writing.

FISCAL IMPACTS

The applicant has paid all application fees related to the Specific Plan Amendment and environmental review. Additionally, the proposed amendment includes adding a Hotel to the allowable uses. This new use would add Transit Occupancy Tax (TOT) revenue to the City when complete.

ENVIRONMENTAL ANALYSIS

An Initial Study was prepared for the proposed Amendment of Specific Plan #01-17, Coachillin' Industrial Cultivation and Ancillary Canna-Business Park (Proposed Project). According to the California Environmental Quality Act (CEQA) Guidelines Section 15063, an Initial Study shall be prepared to determine if a project would have a significant effect on the environment. In the case of the Proposed Project, where the Specific Plan was analyzed in a previous CEQA document, the Initial Study can be used to determine, pursuant the adopted mitigated negative declaration, which of a project's effects were adequately examined by adopted mitigated negative declaration.

The Initial Study determined that impacts from the Proposed Project would be similar to those described in the Previous Project MND, with the exception of air quality, energy, greenhouse gas, noise, and traffic. The Initial Study recommended further study of these resources to determine the appropriate CEQA document. The analysis from these technical studies is summarized in this MND Addendum (Proposed Project MND Addendum).

It should be noted that the State of California updated the CEQA Guidelines, including the Initial Study checklist, in December 2018. This MND Addendum and the Initial Study in Appendix A are consistent with the updated Guidelines.

EXHIBITS

1. Draft Conditions of Approval
2. Proposed Resolution
3. Proposed Resolution Exhibit A 2020 Mitigated Negative Declaration Addendum
4. Proposed Resolution Exhibit B Specific Plan
5. Proposed Resolution Exhibit C Chapter 17.200 changes
6. Specific Plan Appendix 10.3 - Coachillin Design Guidelines
7. Specific Plan Redlines
8. Design Guidelines Comparison
9. 2017 Approved Design Guidelines
10. 2008 County Approved Mitigated Negative Declaration
11. 2017 City Approved Mitigated Negative Declaration Addendum
12. 2020 Environmental – Noise Impact Analysis
13. 2020 Environmental – Traffic Impact Analysis
14. 2020 Environmental – Air Quality, Climate Change, and Energy Impact Analysis