



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Grant Yates, City Manager
Prepared by: Justin Kirk, Principal Planner

Date: February 14, 2017

PROJECT: Planning Application 2016-04: A proposed development agreement for an approximately 520,000 square foot indoor commercial sports facility on 23.12 acres of disturbed vacant land.

APPLICANT: Stephen Harrison, The Harrison Company

Recommendation

adopt AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE APPROVING DEVELOPMENT AGREEMENT 2016-01 FOR AN APPROXIMATELY 520,000 SQUARE FOOT INDOOR COMMERCIAL SPORTS FACILITY ON 23.12 ACRES OF DISTURBED VACANT LAND.

Background

Campbell Street Remnant Parcel Sale

At the July 19, 2016, regular Planning Commission meeting the Planning Commission adopted Resolution 2016-57 finding that the sales of the Campbell Street remnant parcel was consistent with the General Plan and finding the action categorically exempt from further environmental review.

At the October 25, 2016, regular City Council meeting the City Council adopted Resolution 2016-122 finding that the sales of the Campbell Street remnant parcel was consistent with the General Plan and finding the action categorically exempt from further environmental review.

Planning Application 2016-04

At the October 18, 2016 regular Planning Commission, meeting the Planning Commission adopted Resolutions 2016-71 through 2016-75 recommending that the City Council adopt Addendum #1 to the Diamond Specific Plan EIR (SCH 2009031084), find that PA 2016-04 (Tentative Parcel Map 37149, Conditional Use Permit 2016-02, and Commercial Design Review

2016-02) is consistent with MSHCP, approve Tentative Parcel Map 37149, approve Conditional Use Permit 2016-02, and approve Commercial Design Review 2016-02.

At the October 25, 2016, regular City Council meeting the City Council adopted Resolutions 2016-123 through 2016-127 adopting Addendum #1 to the Diamond Specific Plan EIR (SCH 2009031084), finding that PA 2016-04 (Tentative Parcel Map 37149, Conditional Use Permit 2016-02, and Commercial Design Review 2016-02) was consistent with MSHCP, and approving Tentative Parcel Map 37149, approve Conditional Use Permit 2016-02, and approve Commercial Design Review 2016-02.

Development Agreement 2016-01

At the February 14, 2017, regular Planning Commission meeting the Planning Commission adopted Resolution 2017- recommending that the City Council approve Development Agreement 2016-01.

Discussion

Project Request

The applicant is requesting the approval of a development agreement to facilitate the development of a previously approved 520,000 square foot sports arena.

Project Location

The Project site is located on 23.12 acres, and is generally located northeast of the intersection of Pete Lehr and Diamond Drive, and is more specifically referred to as Assessor Parcel Numbers 373-210-037, 373-210-038, 373-210-039, 373-210-043, 363-150-006, 363-161-029, 363-161-030, 363-161-031, 363-161-032, 363-161-033, 363-161-034 and 363-161-035.

Environmental Setting

	EXISTING LAND USE	ZONING	GENERAL PLAN
Project Site	Vacant Land	Specific Plan	Specific Plan
North	Commercial	C-2	General Commercial
South	Baseball Stadium	Specific Plan,	Specific Plan
East	Vacant/Commercial	CMU/SP	CMU
West	Residential	Specific Plan	Specific Plan

Project Description

The proposed development agreement would have a seven (7) year term from and after the Effective Date, unless this Agreement is terminated, modified, or extended upon mutual written consent. The proposed agreement amongst other items would memorialize the following items:

- **Vested Rights:** The development agreement provides certainty in the development process by providing a vested right in the existing entitlements (Tentative Parcel Map 37149, Conditional Use Permit 2016-02, and Commercial Design Review 2016-02) and in the applicability of the City's existing land use regulations to the development of the Project. During the term of the agreement, the Project will be exempt from newly adopted City land use regulations and fees.

- Existing Development Fees: During the term of this agreement, the City shall impose and Vested Party shall be required to pay only existing development fees in connection with the development of the Property and the processing of applications for Land Use Entitlements submitted by Vested Party. This limitation does not apply to impact fees, exactions, assessments or fair share charges or other similar fees or charges imposed by other governmental entities regardless of whether the City is required to collect or assess such fees (e.g., school district impact fees pursuant to Government Code Section 65995).
- Deferred Development Impact Fees: Collection of development impact fees would be deferred from the issuance of a building permit to the issuance of the Certificate of Occupancy.
- Allocation of Project Traffic Impact Fees (TIF): All TIF fees will be allocated to the Diamond Specific Plan or East Lake Specific Plan Areas.

Analysis

The proposed Development Agreement has been negotiated by the City Attorney and the applicant's Legal Counsel. The proposed Development Agreement is an instrumental document in the facilitation of the development of the Lake Elsinore Diamond Sports Complex. The Lake Elsinore Diamond Sports Complex has been found to be a significant benefit to the City and would encourage future development in the immediate adjacent community and the City in general. The proposed development agreement has been reviewed for consistency with respect to the State Government Code and the Lake Elsinore Municipal Code and has been found to meet all legal requirements.

Environmental Determination

The environmental documentation prepared and adopted/approved by the City, as lead agency, for the Diamond Specific Plan pursuant to CEQA adequately addresses the potential environmental impacts under this Agreement. In particular, there are no substantial changes to the Property or the circumstances under which the Property is to be regulated and developed under this Agreement when viewed against the Existing Land Use Regulations, including the Diamond Specific Plan, and there is no new information of substantial importance which would require preparation of another CEQA document pursuant to CEQA Guidelines Section 15162. The vesting of the Existing Land Use Regulations, including the General Plan and Diamond Specific Plan through this Agreement is exempt from the requirements of CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because there is no possibility that this Agreement will have any significant direct, indirect, or cumulative environmental impacts apart from or beyond those already analyzed, addressed, and mitigated as stated in the environmental documentation prepared and adopted/approved for the Diamond Specific Plan pursuant to CEQA.

Fiscal Impact

The Lake Elsinore Diamond Sports Complex is a catalyst project which will stimulate economic development of hotels, restaurants, and a variety of other retail and services businesses. Additionally, the project is estimated to generate \$6.9 million in permit and development impact fees, as follows:

DESCRIPTION	CITY FEES	OTHER AGENCIES	TOTAL FEES
MSHCP - RCA	\$ -	\$ 149,160	\$ 149,160
TUMF - WRCOG	-	2,178,125	2,178,125
KRAT - RCHCA	-	11,000	11,000
CITY PERMIT FEES	929,998	-	929,998
CITY IMPACT FEES	1,074,590	-	1,074,590
EVMWD FEES	-	2,312,479	2,312,479
SCHOOL DISTRICT FEES	-	291,110	291,110
TOTALS	\$ 2,004,588	\$ 4,941,874	\$ 6,946,462

The project is paying for City fees any other business would pay to develop. There has been no waiver or reduction provided other than a TIF credit of approximately \$500,000 for offsite improvements that the developer will construct on the City's behalf.

Prepared by: Justin Kirk,
Principal Planner

Approved by: Grant Taylor,
Community Development Director

Exhibits:

- A. DA Ordinance
- B. DA
- C. Vicinity Map
- D. Aerial Map