

ORDINANCE NO. 2024- _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENIFEE,
CALIFORNIA APPROVING DEVELOPMENT AGREEMENT NO. PLN 21-
0338 BY AND BETWEEN THE CITY OF MENIFEE AND MINOR RANCH,
LLC**

WHEREAS, on June 8, 2021, the applicant, Minor Ranch, LLC (“Applicant”) filed a formal application with the City of Menifee for Development Agreement No. PLN 21-0338 which proposes a statutory development agreement between the Applicant and the City of Menifee (“Development Agreement” or “DA”) concerning the development of The Menifee Valley Specific Plan (MVSP) (“Project”) for establishment of provision for development of the Project such as, but not limited to infrastructure improvement, park benefits, vesting of development rights and timing of public improvements; and

WHEREAS, the application for the DA is being processed concurrently with applications for a Specific Plan No. PLN 21-0217 which establishes land uses and development standards for 590.3 acres, including the Project area, a General Plan Amendment (GPA) No. PLN 21-0336 to change the General Plan land use map to include the MVSP land use designation and remove the portion of Menifee Valley Ranch Specific Plan No. 301 (SP 301) proposed to be removed under Specific Plan Amendment (SPA) No. PLN 21-0221, a Change of Zone (CZ) No. PLN 21-0335 to revise the City Zoning Map to include the MVSP zone, a SPA No. PLN 21-0221) (listed above), a Tentative Tract Map (TTM) No. PLN 22-0033 for a subdivision for conveyance purposes and mass grading, and a DA No. PLN 21-0338 for the establishment of provision for development of the Project such as, but not limited to infrastructure improvement, park benefits, vesting of development rights and timing of public improvements (collectively, the applications are referred to as the “Project,” “Menifee Valley Specific Plan,” or “MVSP”); and

WHEREAS, City has found that development agreements will strengthen the public planning process, encourage private participation in comprehensive planning by providing a greater degree of certainty in that process, reduce the economic costs of development, allow for the orderly planning of public improvements and services, allocate costs to achieve maximum utilization of public and private resources in the development process, and ensure that appropriate measures to enhance and protect the environment are achieved; and

WHEREAS, on January 10, 2024, the Planning Commission, held a duly noticed Public Hearing on the Project, considered all public testimony as well as materials in the staff report and accompanying documents, which hearing was publicly noticed by a publication in *The Press Enterprise* (a newspaper of general circulation), an agenda posting, notices placed on the project site, and notice to property owners within 300 feet of the Project boundaries, and to persons requesting public notice; and

WHEREAS, at the January 10, 2024 Planning Commission public hearing, based upon the materials in the staff report and accompanying documents, public comments, and Planning Commission discussion, the City of Menifee Planning Commission recommended the City Council approve DA No. PLN 21-0338; and

WHEREAS, on February 7, 2024, the City Council held a duly noticed public hearing on the Project, considered all public testimony as well as all materials in the staff report and accompanying documents for the Project, which hearing was publicly noticed in *The Press Enterprise*, a newspaper of general circulation, an agenda posting, on-site posting, notice to property owners within 300 feet of the Project boundaries, and to persons requesting public notice; and

WHEREAS, the DA has been prepared, processed, reviewed, heard, and approved in accordance with applicable law, including but not limited to Section 65864 et seq. of the Government Code and is attached hereto as “Exhibit A” of this Ordinance.

NOW, THEREFORE, the City Council of the City of Menifee does ordain as follows:

Section 1: *The proposed DA is consistent with the objectives, policies, general land uses and programs specified in the General Plan and any applicable specific plan.*

The proposed DA provides for the following key points:

- 15-year agreement with option for an additional 5 years subject to completion of minimum 75,000 SF of commercial retail.
- Development Impact Fees (DIF) credits based on facility construction.
- Public facility site dedication of graded pad with utilities.
- Fire Station cash contribution for City construction of the station.
- Pre-established timelines for completion of the sports park, aquatics center, pedestrian bridge, paseos, private recreation center/clubhouse, and retail commercial spaces.
- Administrative approvals and allowances for subsequent approvals with specific conditions.
- Plan check/inspection effort to maintain 3 week/2week timeframe.
- Transportation improvements constructed pursuant to specific development milestones.

The DA also ensures the following project economic impacts:

- Excess Public benefits of \$37 million
- Payment of DIF and Transportation Uniform Mitigation Fees (TUMF) estimated at over \$65 million
- Payment of fair share contributions in excess of \$4.7 million

The Project is consistent with the Specific Plan land use designation. In addition, the Project will provide the residential uses envisioned in the General Plan and will generating economic growth and supplying needed infrastructure, services and amenities envisioned in the General Plan.

In addition, the Project and associated DA are consistent with the following City of Menifee General Plan policies:

- *Policy LU-1.1: Concentrate growth in strategic locations to help preserve rural areas, create place and identity, provide infrastructure efficiently, and foster the use of transit options.*

The Project places appropriate uses within an area designated Specific Plan per the General Plan. Growth has been concentrated in this strategic location to help preserve rural areas. Through the land use plan, development standards, and the design guidelines, the Specific Plan will create a unique place and develop its own identity. The Land Use Plan, Circulation Plan, Grading Plan, and Phasing Plan of the

Specific Plan will ensure that that development will provide infrastructure efficiently. A combination of pathways, paseos, walkways, or similar pedestrian accesses are provided that connect the individual Planning Areas in the Specific Plan to commercial areas and recreation areas.

The DA implements and is consistent with Land Use Plan, Circulation Plan, Grading Plan, and Phasing Plan of the Specific Plan.

- *Policy LU-1.2: Provide a spectrum of housing types and price ranges that match the jobs in the city and make it possible for people to live and work in Menifee and maintain a high quality of life.*

The Project provides a variety of lot sizes that can accommodate different housing types and price ranges. The Project contains residential, school, recreation, conservation, public facility civic node, business park, and commercial uses, which makes it possible for people to live and work in Menifee and maintain a high quality of life.

- *Policy LU-1.5: Support development and land use patterns, where appropriate, that reduce reliance on the automobile and capitalize on multimodal transportation opportunities.*

The Project provides pedestrian connections, trails, and bike lanes to facilitate multimodal transportation. The Project was designed to promote walkability. In addition, a pedestrian connection was added from the residential portion to the future potential transit stop at the southwest corner of the Project site adjacent to the existing rail lines. In addition, the Project site provides paths of travel to encourage walking of future residents to the future commercial uses and the existing sports park within the Heritage Lake community to the south across the BNSFRR rail lines.

- *LU-1.7 Ensure neighborhood amenities and public facilities (natural open space areas, parks, libraries, schools, trails, etc.) are distributed equitably throughout the City.*

The proposed Project provides planning areas which allow for and anticipate these types of amenities and public facilities, such as a K-5 school, green spaces, recreational amenities, and agri-commercial uses such as a community farm. The parks and paseos are distributed strategically through the Project area so that recreational amenities are nearby residents.

- *LU-2.1 Promote infill development that complements existing neighborhoods and surrounding areas. Infill development and future growth in Menifee is strongly encouraged to locate within EDC areas to preserve the rural character of rural, estate, and small estate residential uses.*

The proposed Project is located within an urbanized area, surrounded by SR-74, Menifee Road, BNSFRR rail lines, and Briggs Road. The

areas surrounding the Project site consist of a mix of land uses, including industrial, residential, and public/quasi-public facilities. The proposed Project will promote infill development and complement these existing and proposed adjacent land uses.

- *Policy C-1.1 Require roadways to: Comply with federal, state and local design and safety standards.*

The TTM proposes improvements for roadways, including but not limited to, Menifee Road, Briggs Road, McCall Boulevard, SR-74, McLaughlin Road and Matthews Road/Case Road, which are consistent with the City's General Plan and the City's Public Works and Engineering Department Standard Details.

- *Policy C-2.2 Provide off-street multipurpose trails and on-street bike lanes as our primary paths of citywide travel and explore the shared use of low-speed roadways for connectivity wherever it is safe to do so.*

The Project provides bike lanes and trails consistent with the General Plan.

- *Policy CD-1.3: Strengthen the identity of individual neighborhoods/communities with entry monuments, flags, street signs, and/or special tree streets, landscaping, and lighting.*

The Project includes entry monuments with a common architectural theme that will strengthen the identity of the development. Special trees and landscaping have been incorporated into the overall design and streetscapes. Expanded parkways are also included on several streets to enhance the streetscapes. A round-about is provided within the Project to add to the community identity as well.

- *CD-3.8 Design retention/detention basins to be visually attractive and well integrated with any associated project and with adjacent land uses.*

The MVSP has been designed to include substantial landscaping and to be screened from adjacent roadways.

- *CD-6.1 Recognize the importance of street trees in the aesthetic appeal of residential neighborhoods and require the planting of street trees throughout the City.*

The proposed Project will include street trees throughout the project site.

- *HE-2.4 Parks and Recreation. Enhance neighborhood livability and sustainability by providing parks and open spaces, planting trees, greening parkways, and maintaining a continuous pattern of paths that encourage an active, healthy lifestyle.*

As described above, the Project provides parks and open spaces, including expanded parkways, trees and a pattern of pathways that encourage an active healthy lifestyle.

- *HE-2.5 Public Facilities and Infrastructure. Provide quality community facilities, infrastructure, traffic management, public safety, and other services to promote and improve the livability, safety, and vitality of residential neighborhoods.*

The Project incorporates quality community facilities, including parks, is conditioned to install infrastructure including sewer, water, roadways, and will promote and improve the livability, safety and vitality of the proposed residential neighborhoods and surrounding existing neighborhoods.

- *OSC-1.2: Require a minimum of five acres of public open space to be provided for every 1,000 City residents.*

Menifee Municipal Code requires 5 acres of parkland for every 1,000 residents. The overall Specific Plan proposes 1,718 dwelling units with an estimate of 5,220 residents¹ (using 3.12 person per single-family residential household and 2.48 persons per multi-family household)². Based on the proposed residents, 26.1 acres of parkland would be required. The proposed Specific Plan proposes 29.8 acres of public parkland (Planning Areas 7A, 8A, and 8B) on the project site.

Section 2: *Consistency with the Zoning Code. The proposed DA is compatible with uses authorized in, and the regulations prescribed for, the zone in which the real property will be located.*

The General Plan land use and zoning designation of the site is SP 301; however, the proposed DA is being concurrently processed with a SPA to remove the Project site from SP 301 and a Specific Plan application to include the Project site within a new Specific Plan (MVSP). In addition, the Project is being processed concurrently with a GPA to change the General Plan land use map to include the MVSP land use designation and remove the portion of SP 301 proposed to be removed under SPA No. PLN 21-0221 and a CZ to revise the City Zoning Map to include the MVSP zone. The Specific Plan includes the allowed uses and development standards applicable to property within the Specific Plan.

The DA contains administrative approvals and allowances for subsequent approvals with specific conditions, which would supersede the City current

¹ 87.2 percent of residential development is single-family; 12.8 percent of residential development is multi-family (per the MVSP)
 $87.2\% \times 1,718 = 1,498$ single-family units; $12.8\% \times 1,718 = 220$ multi-family units
 $3.12 \text{ persons per unit} \times 1,498 \text{ units} = 4,674$ persons (single-family households); $2.48 \text{ persons per unit} \times 220 \text{ units} = 546$ persons (multi-family households)
 $4,674 + 546 = 5,220$ persons

² United States Census Bureau. 2019. 2015-2019 5-Year Estimates. Table DP02.
<https://data.census.gov/cedsci/table?q=persons%20per%20household&t=Family%20Size%20and%20Type%3AHousehold%20and%20Family&g=1600000US0646842&tid=ACSDP1Y2019.DP02&moe=false>. Accessed March 2, 2022.

Zoning Code. However, the DA will strengthen the public planning process, encourage private participation in comprehensive planning by providing a greater degree of certainty in that process, reduce the economic costs of development, allow for the orderly planning of public improvements and services, allocate costs to achieve maximum utilization of public and private resources in the development process, and ensure that appropriate measures to enhance and protect the environment are achieved.

Section 3: *The proposed DA is in conformity with and will promote public convenience, general welfare and good land use practice.*

The Project would facilitate the development of a Specific Plan that includes a mix of land uses, including industrial, residential, commercial, and public/quasi-public facilities. The residential uses proposed are similar to existing development surrounding the Project site. Commercial uses proposed within the Project are located adjacent to SR-74 away from existing and planned residences and a buffer is established between the industrial park component of the Project and existing and proposed residential uses.

The Project is compatible with the surrounding land uses, general plan land use designations and zoning classifications. The Project incorporates quality design, trails, parks, landscaping and other improvements which will enhance the area upon construction. The proposed DA provides for the orderly construction of road improvements, utilities, drainage and other improvements. The proposed DA is consistent with the Specific Plan and will assist the Applicants in implementation of the Specific Plan. The proposed DA is in conformity with and will promote public convenience, general welfare and good land use practice.

Section 4: *The DA will not create conditions materially detrimental to the public health, safety and general welfare within the City.*

The DA will not result in conditions detrimental to public health, safety, or general welfare. The associated entitlements have been reviewed and conditioned by the City of Menifee Community Development Department, Engineering, and Office of the Fire Marshal to ensure that it will not create conditions materially detrimental to the surrounding uses. Conditions of approval include substantial landscaping, park and other amenities to support the proposed residential component, roadway improvements consistent with the General Plan, expanded sidewalks and a network of bike lanes to encourage non-vehicular travel, fire infrastructure, and drainage improvements that will benefit the project site and surrounding areas.

In addition, environmental impacts resulting from the implementation of the Project have been analyzed in an Environmental Impact Report (EIR). The EIR determined that potential impacts would all be less than significant with the necessary mitigation incorporated, except for significant and unavoidable impacts to Air Quality, Greenhouse Gas, Land Use and Planning and Transportation.

A Statement of Overriding Considerations is included for the EIR stating that the impacts of the project are acceptable and outweighed by the benefits of

the Project. With the exception of these environmental categories (Air Quality, Greenhouse Gas, Land Use and Planning and Transportation) the proposed entitlements are not anticipated to create conditions materially detrimental to the public health, safety and general welfare or injurious to or incompatible with other properties or land uses in the project vicinity.

The proposed DA does not contain any provisions that would create conditions materially detrimental to the public health, safety and general welfare or injurious to or incompatible with other properties or land uses in the Project vicinity and within the City.

Section 5: *Orderly Development. The DA would not adversely affect the orderly development of property and surrounding area, or the preservation of property values.*

The proposed DA would assist with and would not interfere with the Specific Plan and implementing maps/land use entitlements. The timing of infrastructure, including parks, was carefully considered and coordinated consistent with the EIR for the Project and Project construction and phasing. Therefore, the DA would not adversely affect the orderly development of the surrounding area. The proposed DA would not alter the land uses as proposed in the Specific Plan. The proposed DA would not conflict with surrounding existing and planned land uses and would not have the potential to adversely affect property values. The proposed DA would assist with the implementation of the Specific Plan, which includes improvements to surrounding roads and the construction of parks. The improvements associated with the Specific Plan implementation are anticipated to enhance and improve the surrounding area and not adversely affect property values.

Section 6: *Encourage Development. The DA would promote and encourage the development of the proposed project by providing a greater degree of requisite certainty.*

The assurances provided to the Applicant through the proposed DA, such as vesting and timing for public improvements, would provide greater certainty and reduced risk that would encourage development as approved under the Specific Plan and the infrastructure associated with it that would serve the surrounding area.

Section 7: *The proposed DA that includes a subdivision, and any tentative map prepared for the subdivision, will comply with the provisions in Government Code Section 66473.7.*

The DA includes a subdivision as described above. A Water Supply Assessment was prepared and approved by the Eastern Municipal Water District for the project. The Project complies with the provisions of Government Code Section 66473.7

Section 8: California Environmental Quality Act (CEQA) Compliance. The MVSP EIR (SCH# 2022030233) has been completed for the Project and certified by the City Council pursuant to a separate Resolution. The DA at issue is consistent with the EIR, which the City Council has considered as part of its proceedings. The EIR includes a finding made

pursuant to Cal. Pub. Res. Code Section 21081 (a)(3) that specific economic, social, or other considerations make infeasible mitigation measures or Project alternatives identified in the EIR.

Section 9: Adoption of the Development Agreement. The City Council finds that the facts present within the public record and within this Ordinance provide the basis to adopt DA No. PLN 21-0338.

Section 10: The City Manager, or his or her designee, is directed and authorized to do all the following:

- a. Make all necessary and appropriate clerical, typographical, and formatting corrections to the adopted First Amendment to Development Agreement No. 21-0338 prior to execution and recording; and
- b. To implement the Development Agreement, in accordance with its terms.

Section 11. Recording. Pursuant to Government Code Section 65868.5 and Section 9.45.150 of the Menifee Municipal Code, the City Clerk shall prepare a final version of the Development Agreement for recording within ten (10) days of the Effective Date that fully reflects the action of the City Council in adopting the Development Agreement.

Section 12: Effective Date.

The Ordinance shall take effect and be in full force and operation thirty (30) days after its second reading and adoption.

Section 13: Severability.

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivision, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

Section 14: Notice of Adoption.

The City Clerk is authorized and directed to cause this Ordinance to be published within fifteen (15) days after its passage in a newspaper of general circulation and circulated within the City in accordance with Government Code Section 36933(a) or, cause this Ordinance to be published in the manner required by law using the alternative summary and posting procedure authorized under Government Code Section 36933(c).

Section 15: The documents and materials that constitute the record of proceedings on which this Ordinance has been based are located at the Community Development Department – Planning Division, 29844 Haun Road, Menifee, CA 92586. This information is provided in compliance with Public Resources Code Section 21081.6.

THIS ORDINANCE WAS INTRODUCED AND READ on the 7th day of February 2024 and **PASSED, APPROVED AND ADOPTED** this 21st day of February 2024.

Menifee Valley Specific Plan - DA
February 7, 2024

Bill Zimmerman, Mayor

Attest:

Sarah Manwaring, City Clerk

Approved as to form:

Jeffrey T. Melching, City Attorney