



## **CITY OF MENIFEE**

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**SUBJECT:** Land Uses in the Economic Development Corridor – Northern Gateway

**MEETING DATE:** May 21, 2025

**TO:** Mayor and City Council

**PREPARED BY:** Fernando Herrera, Senior Planner

**REVIEWED BY:** Orlando Hernandez, Acting Community Development Director

**APPROVED BY:** Armando G. Villa, City Manager

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### **RECOMMENDED ACTION**

1. Review and discuss the Land Uses in the Economic Development Corridor – Northern Gateway.

### **DISCUSSION**

#### **Background**

In November 2024, the City Council requested a future agenda item regarding the Economic Development Corridor – Northern Gateway land uses and how it relates to the General Plan.

On October 1, 2008, the City of Menifee incorporated. On December 18, 2013, the City Council adopted a comprehensive General Plan for the City, including Goals and Policies for safe and responsible growth and development within the community, which established the Economic Development Corridor (EDC) land use designation and applied the EDC designation to over 2,200 acres of land in five different areas (subdistricts) located along the I-215 Freeway and major corridors running through the City. The EDC subdistricts include the Northern Gateway (EDC-NG), McCall Boulevard (EDC-MB), Newport Road (EDC-NR), Community Core (EDC-CC) and Southern Gateway (EDC-SG).

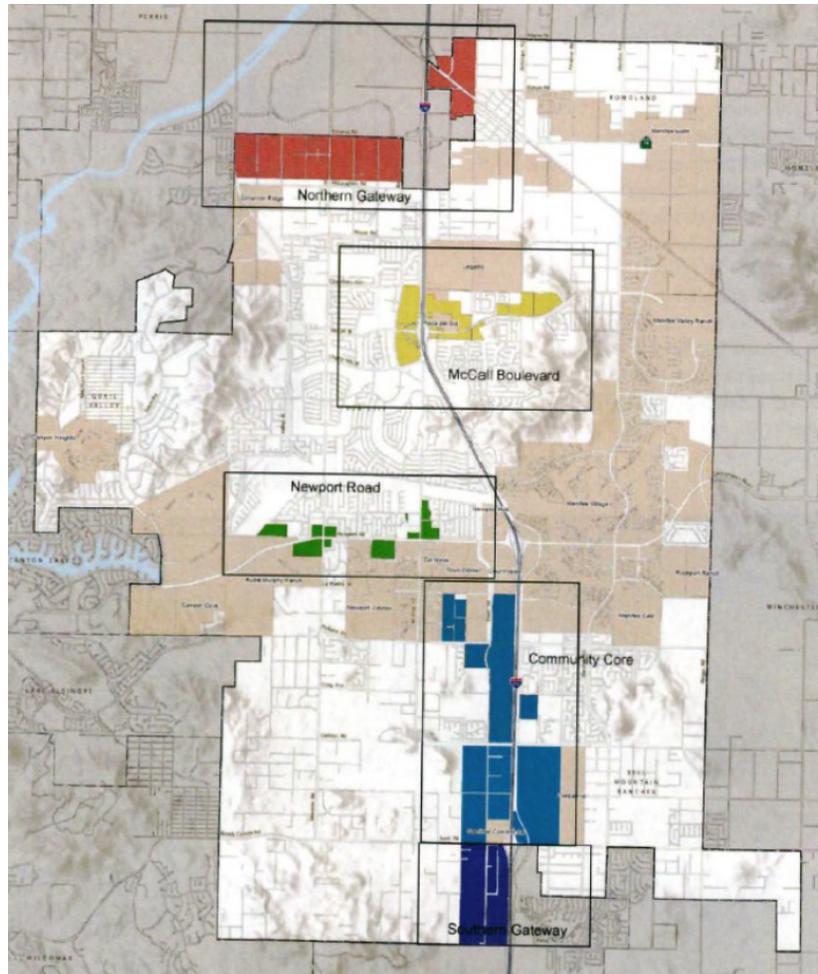
On November 4, 2015, the City Council adopted Ordinance No. 2015-180, establishing the EDC chapter of the Development Code; the EDC designation is intended to provide economic vitality and flexibility in land use options to promote economic development along major corridors. This Ordinance amended the County Development Code adopted by the City when the City incorporated.

#### **Economic Development Corridors**

The City has identified the properties next to I-215 as EDCs that provide important opportunities to stimulate new economic development opportunities and provide a positive visual image of

Menifee. These areas are a “window” into the community and can reflect the economic success and vitality of the City. The properties were identified as areas that could accommodate new growth desired by the City, which would also help to ensure that the rural and residential nature of Menifee’s existing neighborhoods can be preserved. Each of the corridors is proposed to have a unique character and mix of uses.

**FIGURE 1: EDC SUBDISTRICTS**



The EDC-NG subdistrict is approximately 594 acres consisting of two areas, both east and west of I-215 freeway. The area west of the freeway is mostly vacant or underutilized properties with some residential scattered between Murrieta Road and Goetz Road. The EDC-NG is envisioned as an employment center that focuses on providing opportunities for business park development with more intensive industrial uses (less office) than envisioned for the Scott Road EDC area. The area provides a buffer and transition between the commercial/residential uses in the City of Perris to the north and the residential uses in Menifee south of McLaughlin Road. Smaller industrial buildings are envisioned to be oriented along primary street frontages, specifically on Ethanac Road. The envisioned preferred mix is as follows:

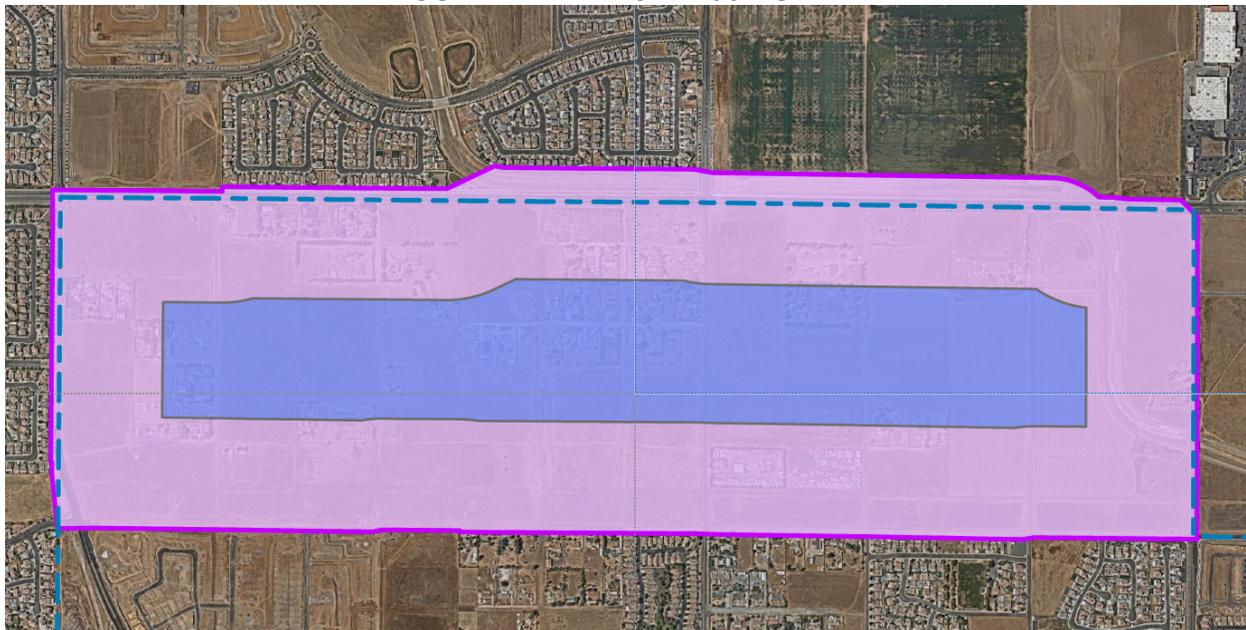
**Preferred Mix of Land Uses**

Residential	5%
Commercial	5%
Industrial	90%

Although the General Plan envisions a mixture of uses that promote economic growth in the EDC-NG, development in general is dictated by market demands. Comprehensive updates to the General Plan should typically occur every 15 to 20 years so the City can plan for future growth in a way that considers changes that have occurred since the Plan's adoption, such as societal, market, and technological changes, and community priorities. The attached Allowable Land Uses List illustrates the different uses allowed by the Development Code in the different EDC subdistricts. The allowed uses are based on and consistent with the intent and vision of the General Plan specific to each subdistrict.

The recent passing of Assembly Bill (AB) 98 on September 29, 2024, limits the development of Industrial Warehousing and Logistic uses in the Northern Gateway. The following exhibit shows a 900-foot buffer as required by the AB 98 from the residential properties surrounding the EDC-NG. The exhibit illustrates the area that could potentially be developed with logistics/distribution uses with additional requirements (area in blue).

**FIGURE 2: EDC-NG AB 98 BUFFER**



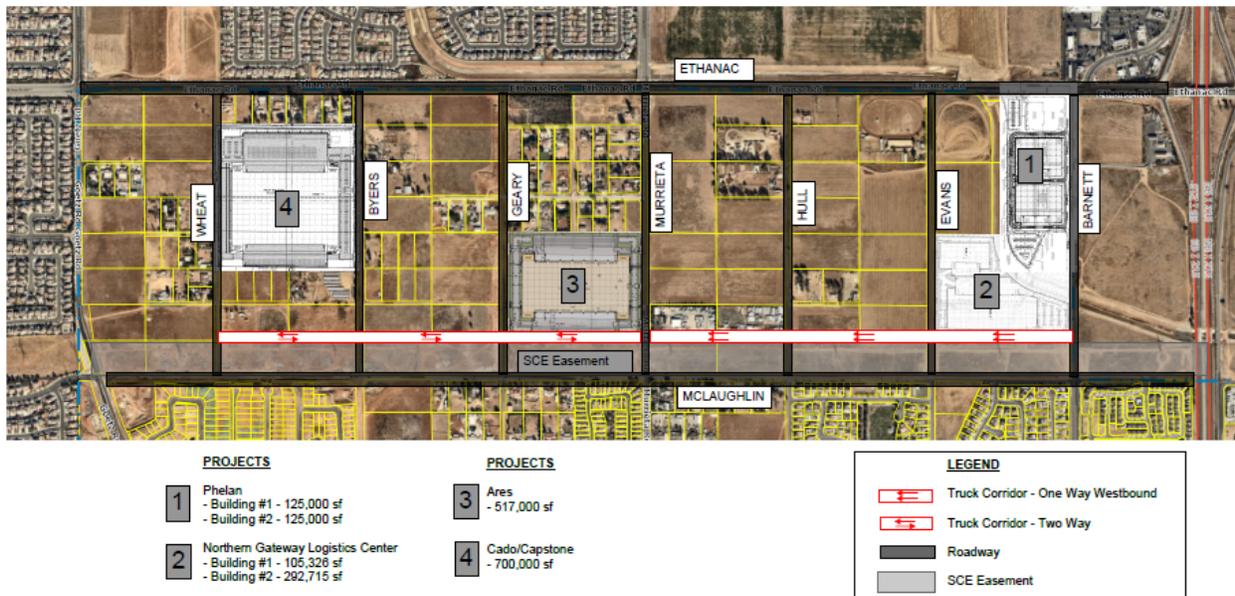
The area shown in blue in Figure 2 above has existing sensitive receptors as defined by AB 98, such as residential homes which would need to be replaced by a 2 to 1 ratio and a 12-month rent allowance buy out for any tenants evicted because of site development. These requirements make it more difficult to assemble and develop land. The costs imposed by AB 98 have negatively impacted the underlying land values and the financial viability of development projects in the EDC-NG.

The development of the EDC-NG has been further impacted as a result of the uncertainty caused by litigation initiated by the City of Perris. This uncertainty has significantly impaired Menifee’s ability to do economic development in the region and attract jobs and generate sales tax/property tax revenue, which Menifee in turn utilizes to provide for public safety through police, fire and public works services.

The EDC-NG was intended to be a job centered development area to help address the needs of the 90% of Menifee residents that must leave our City for jobs/work. AB 98 and the uncertainty caused by the litigation actions taken by the City of Perris are making it more difficult for our City to attract companies and bring jobs closer to home for the talented workforce that calls Menifee home. Bringing jobs closer to home improves the quality of life for many of our residents and improves the environmental impacts caused by increased Vehicle Miles Traveled (VMT) on our state freeway system.

There are several industrial logistics and warehouse development applications in the EDG-NG that were submitted prior to the September 30, 2024 deadline imposed by AB 98. Due to the softening of the development market (post COVID) and the litigation initiated by the City of Perris, both of which have created uncertainty, some developers have made the decision to walk away from their entitlement applications.

**FIGURE 3: CURRENT EDC-NG PROJECTS**



There continues to be several land uses within the EDC-NG that are permitted, some of which have been highlighted in Table 1 on the following page

**TABLE 1: PERMITTED EDC-NG LAND USES**

Selected Possible Uses	
Breweries, distilleries, and wine making facilities with onsite tasting room and sales for off-site consumption	P
General Retail	P
Hospital	C
Hotels and Resort Hotels	P
Live/Work Units	C
Offices (Professional and Medical)	P
Restaurants	P
Theaters	C
Wholesale Stores and Distributors	C

Economic development is a high priority for the City. As such, staff will continue to foster the conditions needed to attract a diverse economic base that serves the residents of Menifee. Below is a hypothetical build out of the EDC-NG utilizing the entitled and pending industrial logistics and warehouse land uses considered in combination with the possible uses identified in Table 1 above.

**FIGURE 4: EXAMPLE OF POSSIBLE EDC-NG BUILD OUT**



**STRATEGIC PLAN OBJECTIVE**

Connectivity and Mobility, Unique Identity, and Thriving Economy

**FISCAL IMPACT**

There is no fiscal impact associated with this recommended action.

**ATTACHMENTS**

1. Allowable Land Uses List