



Coachella Civic Center, Hearing Room  
53-462 Enterprise Way, Coachella, California  
(760) 398-3502 ♦ [www.coachella.org](http://www.coachella.org)

**AGENDA**  
OF A REGULAR MEETING  
OF THE  
CITY OF COACHELLA  
PLANNING COMMISSION MEETING

**December 04, 2019**  
6:00 PM

---

**CALL TO ORDER:**

**PLEDGE OF ALLEGIANCE:**

**ROLL CALL:**

**APPROVAL OF AGENDA:**

**“AT THIS TIME THE COMMISSION MAY ANNOUNCE ANY ITEMS BEING PULLED FROM THE AGENDA OR CONTINUED TO ANOTHER DATE OR REQUEST THE MOVING OF AN ITEM ON THE AGENDA.”**

**APPROVAL OF THE MINUTES:**

1. Minutes for the Planning Commission Meeting of November 20th, 2019.

**WRITTEN COMMUNICATIONS:**

**PUBLIC COMMENTS (NON-AGENDA ITEMS):**

“The public may address the Commission on any item of interest to the public that is not on the agenda, but is within the subject matter jurisdiction thereof. Please limit your comments to three (3) minutes.”

**REPORTS AND REQUESTS:**

**NON-HEARING ITEMS:**

2. Request for a second 12-month time extension for Conditional Use Permit (CUP 293) and Architectural Review No. 17-14, approving a 67,240 square foot cannabis cultivation facility on 3.2 acres in the M-W (Wrecking Yard) zone located at 84-801 Avenue 48.

**PUBLIC HEARING CALENDAR (QUASI-JUDICIAL):**

3. Resolution No. PC2019-37 recommending to the City Council approval of the La Entrada Development Agreement (DA) – First Amendment to extend the milestone dates for commencement of grading and construction activities for an additional five years, and to amend provisions in the Development Agreement

regarding affordable housing and make conforming amendments.  
*LLC (Co-Applicants).*

*PSAV, LLC and LLSE Holdings*

**INFORMATIONAL:**

**ADJOURNMENT:**

*Complete Agenda Packets are available for public inspection in the  
Planning Department at 53-990 Enterprise Way, Coachella, California, and on the  
City's website [www.coachella.org](http://www.coachella.org).*

THIS MEETING IS ACCESSIBLE TO PERSONS WITH DISABILITIES



## MINUTES

OF A REGULAR MEETING  
OF THE CITY OF COACHELLA

PLANNING COMMISSION

**November 20, 2019**

6:00 PM

---

### CALL TO ORDER:

The Regular Meeting of the Planning Commission of the City of Coachella was called to order at 6:07 p.m. in the Coachella Permit Center at City Hall by 6:07 p.m.

### PLEDGE OF ALLEGIANCE:

The pledge of allegiance was led by Chair Soliz.

### ROLL CALL:

Present: Alternate Commissioner Leal, Commissioner Navarrete, Commissioner Gonzalez, Commissioner Huazano, Vice Chair Virgen, Chair Soliz.

NOES: None.

Abstain: None.

Absent: None.

### APPROVAL OF AGENDA:

“At this time the Commission may announce any items being pulled from the agenda or continued to another date or request the moving of an item on the agenda.”

Director requests to change order of items on agenda and listen to Public Hearing Item first then the Non Hearing Item.

### APPROVAL OF THE MINUTES:

Minutes from the Planning Commission Meeting October 16th, 2019.

Motion to approve the Minutes for the October 16th, 2019 Planning Commission Meeting.

Made by: Vice Chair Virgen.

Seconded by: Commissioner Huazano.

Motion passes by the following vote:

AYES: Commissioner Navarrete, Commissioner Gonzalez, Commissioner Huazano, Vice Chair Virgen, Chair Soliz.

NOES: None.

Abstain: None.  
Absent: None.

**WRITTEN COMMUNICATIONS:**

None.

**PUBLIC COMMENTS (NON-AGENDA ITEMS):**

“The public may address the Commission on any item of interest to the public that is not on the agenda, but is within the subject matter jurisdiction thereof. Please limit your comments to five (5) minutes.” None.

**REPORTS AND REQUESTS:**

None.

**NON-HEARING ITEMS:**

2. Pueblo Viejo Implementation Strategy – Approved Design Guidelines.

**PUBLIC HEARING CALENDAR (QUASI-JUDICIAL):**

3. Conditional Use Permit No. 316 is a request to serve alcohol (Beer and Wine) ABC License Type 41) at an existing 2,432 square feet restaurant located at 49-405 Grapefruit Boulevard (dba: JC’s Burgers). The subject site is in the C-G (General Commercial) zone within an existing shopping center.

Motion to approve item 3. Conditional Use Permit No. 316 is a request to serve alcohol (Beer and Wine) ABC License Type 41) at an existing 2,432 square feet restaurant located at 49-405 Grapefruit Boulevard (dba: JC’s Burgers). The subject site is in the C-G (General Commercial) zone within an existing shopping center.

Made by: Commissioner Gonzalez.

Seconded by: Chair Soliz.

Motion passes by the following vote:

AYES: Commissioner Navarrete, Commissioner Gonzalez, Commissioner Huazano, Vice Chair Virgen, Chair Soliz.

NOES: None.

Abstain: None.

Absent: None.

**INFORMATIONAL:**

None.

**ADJOURNMENT:**

Meeting Adjourned at 6:54 p.m. by Chair Soliz.

Respectfully Submitted by,

\_\_\_\_\_  
Yesenia Becerril  
Planning Secretary

*<sup>i</sup> Any writing or documents pertaining to an **open session** item provided to a majority of the Committee less than 72 hours prior to the meeting, shall be made available for public inspection at the first counter of City of Coachella Permit Center 53-990 Enterprise Way, Coachella, California during normal business hours.*

THIS MEETING IS ACCESSIBLE TO PERSONS WITH DISABILITIES



**STAFF REPORT**  
12/4/2019

**TO:** Planning Commission Chair and Commissioners

**FROM:** Juan Carrillo, Associate Planner

**SUBJECT:** Request for a second 12-month time extension for Conditional Use Permit (CUP 293) and Architectural Review No. 17-14, approving a 67,240 square foot cannabis cultivation facility on 3.2 acres in the M-W (Wrecking Yard) zone located at 84-801 Avenue 48.

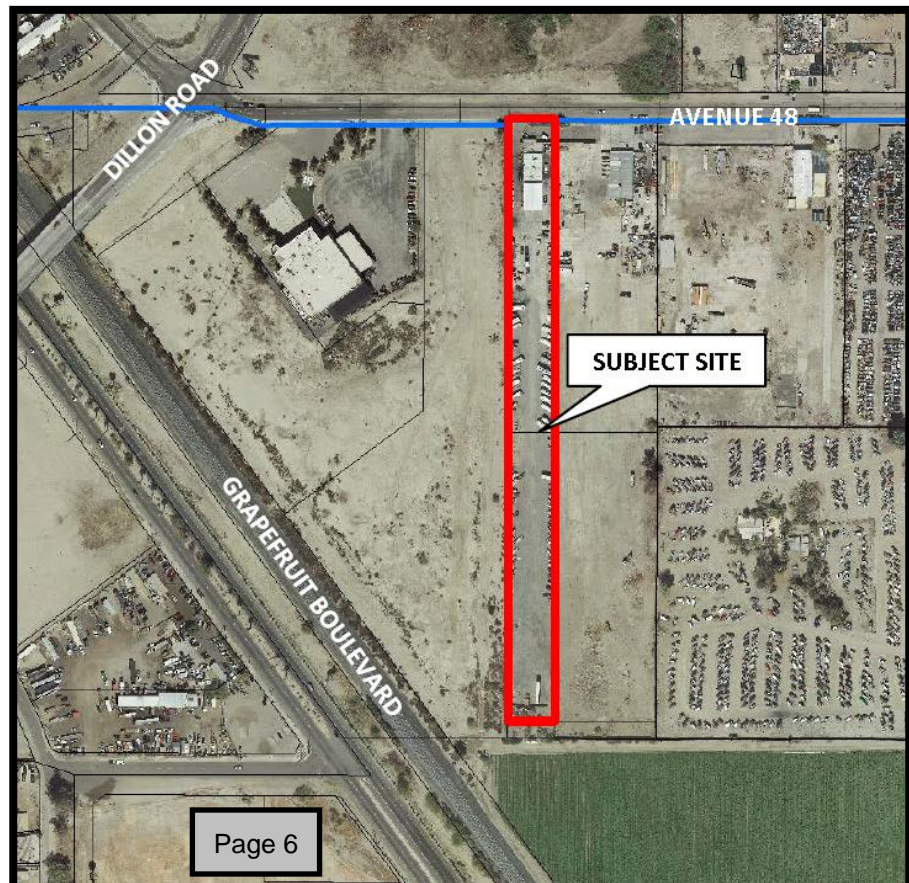
**STAFF RECOMMENDATION:**

Staff recommends that the Planning Commission grant a second 12-month time extension for Conditional Use Permit No. 293 and Architectural Review No. 17-14, making the new expiration date November 28, 2020.

**BACKGROUND:**

On November 28, 2017 the Planning Commission approved the CannTech Cannabis Cultivation Facility on a 3.2-acre irregularly-shaped property that was historically used for auto repair, outdoor storage, and auto dismantling uses at 84-801 Avenue 48.

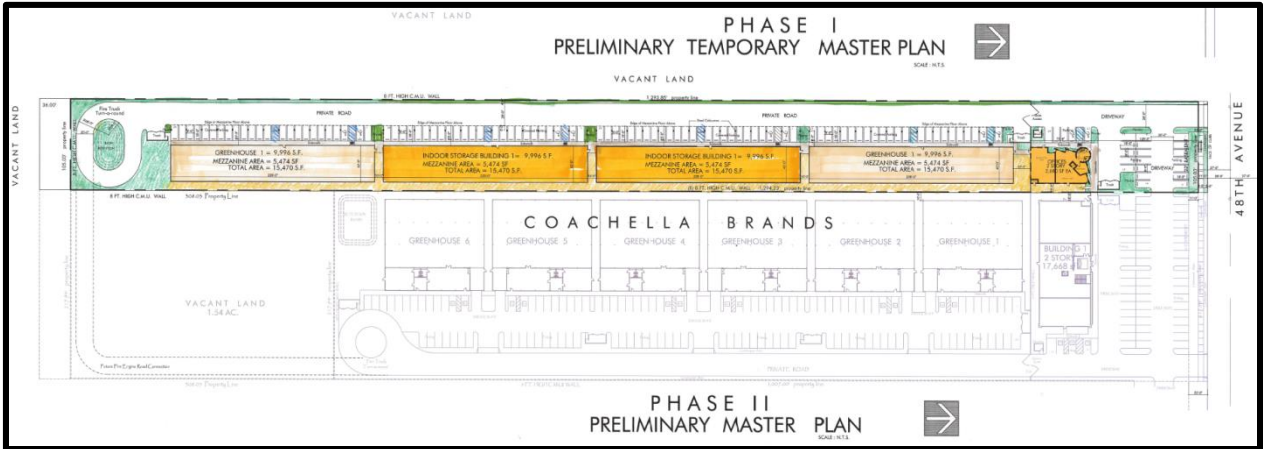
The property is located on the south side of Avenue 48, east of Dillon Road (previously “Marcelo’s



Auto Repair”) as shown in the aerial photo to the right. The applicant submitted a time extension request on September 7, 2018 and the Planning Commission granted the first time extension on November 7, 2018. On October 8, 2019 Staff received a second time extension request from the applicant.

**DISCUSSION/ANALYSIS:**

The current landowner, Marcelo Morales, took back possession of the subject property which was previously leased to CannTech Industries, LLC. The subject site is within the M-W (Wrecking Yard) zone which allows Cannabis Cultivation Facilities subject to a conditional use permit. The approved project included demolition of the existing buildings totaling 6,100 square feet and the phased development of a new 67,240 square foot commercial cannabis cultivation facility. The original applicant obtained project entitlements that included Conditional Use Permit No. 293 to allow a commercial cannabis cultivation facility, including an interim use facility. Additionally, Architectural Review No. 17-14 was approved by the Commission to review the proposed site improvements, landscaping, and exterior building finishes. The front parking areas of the site was to continue to be accessible through the adjoining parking lot on the east side of the property which has a reciprocal access driveway. Additionally, a new reciprocal access easement was presented for the southernmost portion of the site to have secondary “emergency only” access with the property to the east. The approved site plan for the build-out scenario (Phase 2) is depicted below:



As shown in the site plan above, the approved parking lot circulation includes reciprocal access with the property to the east (Coachella Brands) such that the public parking area from Avenue 48 will retain a shared parking driveway aisle. Additionally, the circular drive at the southerly terminus of the property will have a secondary “emergency access” roadway and gate with the

Coachella Brands property. The project was further approved with an “interim use facility” as part of the first phase of the project which would operate during the construction phases of the permanent facility. The interim use facility was to include a temporary “nursery incubator” facility for new cannabis cultivators occupying the “future” building pad locations. Mr. Morales applied for a Cannabis Regulatory Permit to convert the front buildings into a cannabis cultivation and distribution use under the entity name of “Coachella Herb Plantation, Inc.” and has presented plans for a façade renovation and parking lot repair for the immediate conversion of the buildings. Due to the costs associated with extensive improvements needed to meet current Building and Fire Codes, the interim use facility will be limited in scope, and the owner wishes to start construction of the Phase 2 buildings in the coming months. As such, the owner would simply convert the existing buildings into the interim use facility, but obtain building permits for the first permanent cultivation building to the rear of the site as soon as possible. Similarly, based on the conditions of approval, he will be required to build the front two-story office building in the earlier phases of development. The interim use facility will be limited to a term of 12 months as originally conditioned.

**UPDATE AND CONCLUSIONS:**

The current owner was involved in a landlord-tenant dispute with his lessee who secured the approvals of CUP #293 and related Architectural Review. Additionally, due to the lack of power infrastructure in the larger vicinity, this cannabis cultivation facility cannot realize construction investment activity in the near future. These factors have caused significant delays and the owner did secure building permits to convert the auto repair buildings into an interim use facility for cannabis cultivation and distribution that included a façade renovation project. However, until a new electrical substation is provided in the larger vicinity, Mr. Morales is in need of a second time extension. Staff is recommending approval of the time extension request.

Attachment: Applicant Letter



10-08-19

Marcelo D. Morales

84-801 Avenue 48

Coachella 92236

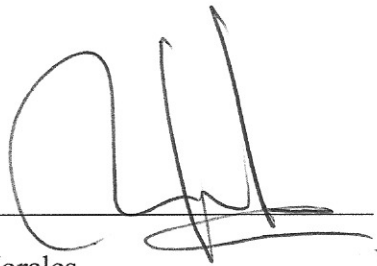
To : City of Coachella (Atte. Juan Carrillo)

I would like to request a 12-month time extension for conditional use permit No. 293 and Architectural review No. 17-14 approving a 67,240 square foot cannabis cultivation facility on 3.2 acres in the M-W (wrecking yard) zone located at 84-801 Avenue 48.

Please do not hesitate to contact me if you need further information.

Sincerely,

Signature

A handwritten signature in black ink, appearing to be 'M. Morales', written over a horizontal line.

Marcelo D. Morales

Telephone: (760) 699-1332



**STAFF REPORT**  
**12/4/2019**

**TO:** Planning Commission Chair and Commissioners

**FROM:** Luis Lopez, Development Services Director

**SUBJECT:** Resolution No. PC2019-37 recommending to the City Council approval of the La Entrada Development Agreement (DA) – First Amendment to extend the milestone dates for commencement of grading and construction activities for an additional five years, and to amend provisions in the Development Agreement regarding affordable housing and make conforming amendments. *PSAV, LLC and LLSE Holdings LLC (Co-Applicants).*

---

**STAFF RECOMMENDATION:**

Staff recommends that the Planning Commission approve the attached resolution recommending to City Council approval of the La Entrada Development Agreement – First Amendment allowing for additional time to commence construction activities and to amend the provisions for affordable housing.

**EXECUTIVE SUMMARY:**

The La Entrada Development Agreement outlines the developer's obligations for commencement of construction and timing of improvements, fee credits and financing of public improvements, and related City and Applicant responsibilities. The First Amendment to the La Entrada Development Agreement is proposed by the owner/developer in order to extend the milestone dates for commencement of grading and construction activities for an additional five years, and to amend the provisions in the Development Agreement regarding affordable housing, and making conforming amendments.

**BACKGROUND:**

Sections 65864-65869 of the California Government Code provide a framework for the creation, drafting and processing of development agreements in all jurisdictions in the State. The Government Code specifies certain requirements of a development agreement including: periodic (at a minimum annual) review of the agreement, the duration of the agreement, the permitted uses of the property, the density or intensity of use, the maximum height and size of proposed buildings, and provisions for reservation or dedication of land for public purposes.

On June 11, 2014 the City Council approved Ordinance No. 1067 which authorized the La Entrada Development Agreement (“DA”) between the City of Coachella and PSAV, LLC and LLSE Holdings, LLC. This agreement vested the previously-approved entitlements pursuant to the “La Entrada Specific Plan and Environmental Impact Report (EIR)” project for 15 years including three 5-year term extensions. The DA grants the City and the owner/developer certain benefits and obligations related to the phased development of the La Entrada Community which will allow up to 7,800 dwelling units and 1.5 million square feet of mixed use/commercial development on 2,200 acres.

**DISCUSSION/ANALYSIS:**

On July 31, 2019, the City Council gave staff direction to work with the La Entrada Specific Plan developer regarding the owner’s request for first amendment to the Development Agreement, and to negotiate an increase in the amount of affordable housing units for the overall project, as outlined in Section 13.3 of the DA which currently reads as follows:

*“13.3 Affordable Housing. Prior to or concurrent with the submittal of the first Master Tentative Map, an affordable housing plan must be submitted to, and approved by, the City that provides for the following:*

- 1. A minimum of five hundred (500) affordable dwelling units must be identified and constructed as follows, in accordance with the terms and provisions of Section 26 herein:*
  - i. Two hundred forty (240) affordable dwelling units must be identified and constructed within the first two (2) phases of the La Entrada Project; Phase 1 will contain a minimum of one hundred fifty (150) affordable dwellings units and Phase 2 will contain the balance of ninety (90) affordable dwelling units; and*
  - ii. Two hundred sixty (260) affordable dwelling units must be identified and constructed within the remaining three (3) phases of the La Entrada Project.*

*Affordable housing, as that term is used in this Agreement, shall include, but not be limited to, housing for low-income residents, seniors, veterans, and the disabled. The affordable dwelling units will be evenly distributed within the mixed-use, highdensity residential and medium-density residential land use designations of the La Entrada Specific Plan.*

*The maximum sales or rental rates for the affordable units shall not exceed the maximum levels established by the City of Coachella consistent with the provisions of the Housing Element and State law.*

*All affordable housing units in La Entrada shall remain restricted to the corresponding income households for a minimum of thirty (30) years through a restrictive covenant, unless otherwise specified by State law or the City’s density bonus provisions contained in Chapter 17.88 of the City’s Municipal Code.”*

### **Requested Amendments:**

The owner/developer has requested the following changes to the milestone obligation timelines in Section 13.1 of the DA, to extend them by five years, as highlighted below.

*§13.1 In order to preserve and maintain the provisions of this Agreement, Landowner must commence Construction on the Project within ~~five (5)~~ **ten (10)** years from the Effective Date of the Agreement. For purposes of this section, “Construction” is defined as any one or more of the following: rough grading, finished grading, utility construction, infrastructure construction, and any other physical preparations or building construction either on-site or off-site for the project.*

*Notwithstanding any other provisions of this Agreement, Landowner shall be required to perform the following additional construction obligations:*

- a. A minimum of eight hundred (800) Units shall receive certificates of occupancy within the ~~first ten (10)~~ **fifteen (15)** years of the Effective Date.*
- b. A minimum of fifty thousand (50,000) square feet of commercial or retail uses, including at least one grocery store, shall be constructed and occupied within the first ~~ten (10)~~ **fifteen (15) years** of the Effective Date.*
- c. A minimum of 140 hotel or motel rooms shall be constructed and available for reservations within the first fifteen (15) ~~twenty (20)~~ years of the Effective Date.*

Staff has included the above amendments in the DA – First Amendment document attached to this staff report. Additionally, staff has included a clarifying sentence in the above section to read as follows:

**“Landowner must have an approved Master Tentative and approved and recorded Master Final Map for that phase prior to the start of any Construction.”**

### **Negotiated Amendments – Affordable Housing:**

As previously stated, staff was directed by City Council to increase the amount of affordable housing that is currently required under the La Entrada DA. After numerous discussion meetings and exchanges between the owner and city staff, the following show the proposed changes to the affordable housing provisions, including some minor changes to the implementation of the affordable housing plan for the project.

*§13.3 Affordable Housing. Prior to or concurrent with the ~~submittal~~ **approval** of the first Master Tentative Map, an affordable housing plan must be submitted to, and approved by, the City **Council** that provides for the following:*

1. A minimum of ~~five hundred (500)~~ **one thousand (1,000)** affordable dwelling units must be identified and constructed as follows, in accordance with the terms and provisions of Section 26 herein:
  - (i) ~~Four hundred eighty (480)~~ **Two hundred forty (240)** affordable dwelling units must be identified and constructed within the first two (2) phases of the La Entrada Project; Phase 1 will contain a minimum of ~~one hundred fifty (150)~~ **three hundred (300)** affordable dwellings units and Phase 2 will contain the balance of ~~ninety (90)~~ **one hundred eighty (180)** affordable dwelling units; and
  - (ii) ~~Five hundred twenty (520)~~ **Two hundred sixty (260)** affordable dwelling units must be identified and constructed within the remaining three phases of the La Entrada Project.

Additionally, staff has included the following paragraph to provide more specificity regarding implementation of the required Affordable Housing Plan:

*Prior to the issuance of the first building permit for any phase, Landowner must have an approved Builder's Tentative and approved and recorded Builder's Final Map for that phase and the City Planning Director shall approve the specific method of implementation of affordable housing in furtherance of the City Council approved affordable housing plan for that phase.*

### **Conforming Amendments – Minor Changes:**

In addition to the amendments explained above, staff has included some conforming amendments that require the developer to pay the current DA Fees, as specified in the Municipal Code (which were not in place when the original project was approved). All affordable housing projects are exempt from the one-time DA Fee that is assessed at the time that a building permit is issued. Secondly, there is a conforming amendment adding a 5% transfer and assignment fee, to make up for the time value of money that is being created by the additional 5 years of delay in construction milestones.

### **ENVIRONMENTAL REVIEW:**

The La Entrada Specific Plan, previously approved by the City on November 13, 2013 subject to conditions of approval, proposes the development of a master-planned community in the northeastern portion of the City on approximately 2,200 acres. The Specific Plan includes a mix of residential, commercial, open space, education, and recreational uses, as well as associated infrastructure to support buildout of the Specific Plan. An Environmental Impact Report (EIR) for the La Entrada Specific Plan was also certified on November 13, 2013 (SCH #2012071061), which analyzed the environmental impacts from development of the Specific Plan and imposed mitigation measures.

The City and property owner (“Owner”) first entered into a Development Agreement on July 25, 2014, to facilitate the development of the La Entrada Project, consisting of the construction of

7,800 single and multi-family units, commercial, retail and offices uses and community/public facilities within the Specific Plan area. On May 22, 2019, the Owner requested an amendment to the La Entrada Development Agreement (“Amendment”) for an additional five (5) years to commence construction on the project.

The Amendment is a minor timing correction that does not modify the Project or the mitigation measures contained in the certified EIR. Specifically, the mitigation measures (such as those related to traffic) are required prior to approval of a Tentative Map for each phase, which doesn’t conflict with the new terms in the Development Agreement, as the Amendment requires an approved Master Tentative and Master Final map prior to the start of any Construction. The Amendment revises the timing of the conditions of approval for the Specific Plan to from “prior to or concurrent with submittal of a Master Tentative Map” and “prior to or concurrent with submittal of a Builder’s Tentative Map or Commercial Map” to “prior to or concurrent with approval of a Master Tentative Map” and “prior to or concurrent with approval of a Builder’s Tentative Map or Commercial Map”. The amendment does not affect the conditions themselves. Where mitigation contained in the conditions of approval requires studies be completed, such as traffic studies, the conditions already contain language that they be prepared “prior to or concurrent with approval.”

Accordingly, no new information of substantial importance exists under Public Resources Code 21166 or State CEQA Guidelines 15162 showing that any new or substantially increased significant impacts would arise from the Amendment. The Amendment extends the timing for the commencement of construction by five years and increases the number of affordable dwelling units without increasing the total number of units to be constructed. The Amendment does not modify the Project or change the significance conclusions of the previously certified EIR and no new mitigation is required as a result of the Amendment. Therefore, no further CEQA review is required.

**ALTERNATIVES:**

1. Approve Resolution No. 2019-37 recommending approval of the La Entrada DA – First Amendment
2. Make findings to recommend denial of the La Entrada DA – First Amendment request.
3. Continue this item and provide staff with direction.

**RECOMMENDED ALTERNATIVE(S):**

Staff recommends Alternative #1 as noted above.

Attachments: Resolution No. PC2019-37  
Exhibit A - La Entrada DA (First Amendment)

**RESOLUTION NO. PC2019-37**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COACHELLA, CALIFORNIA, RECOMMENDING APPROVAL OF A FIRST AMENDMENT OF THE LA ENTRADA DEVELOPMENT AGREEMENT TO MODIFY MILESTONE DATES FOR COMMENCEMENT OF CONSTRUCTION AND TO INCREASE THE NUMBER OF AFFORDABLE HOUSING UNITS FOR THE 2,200-ACRE LA ENTRADA SPECIFIC PLAN PROJECT LOCATED ON THE SOUTH SIDE OF THE I-10 FREEWAY, EAST OF THE ALL-AMERICAN CANAL AND NORTH OF AVENUE 52. PSAV, LLC. (APPLICANT)**

**WHEREAS**, PSAV, LLC, a Delaware limited liability company filed an application for a Development Agreement in conjunction with the La Entrada Specific Plan and EIR Project which allows for the phased development of a 2,200-acre master planned community consisting of up to 7,800 dwelling units and 1,510,879 square feet of retail and office commercial and approximately 720 units of high density residential, located on the south side of the I-10 Freeway, east of the All-American Canal, and north of Avenue 52 (“Project); and,

**WHEREAS**, the Coachella Planning Commission (“Planning Commission”) of the City of Coachella (“City”) has found that development agreements 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 April 16, 2014 the Planning Commission adopted Resolution No. PC2014-01 recommending to the City Council approval of the La Entrada Development Agreement to vest land use entitlements, allow for infrastructure financing schemes, and development impact fee credits, and to create mutual benefits and obligations between the City and the Developer and the Commission hereby acknowledges the prior pre-ambles acknowledged for the project in said Resolution; and,

**WHEREAS**, the Planning Commission has considered the requested amendments to the Project Development Agreement, considered the City Council’s direction, and concurs that the construction milestones should be modified and that the number of affordable housing units for the Project should be increased; and,

**WHEREAS**, the Planning Commission of the City of Coachella held a duly noticed and published Public Hearing on December 4, 2019 at which time interested persons had an opportunity to testify in support of, or opposition to, the Development Agreement (First Amendment) and at which time the Planning Commission considered the Development Agreement (First Amendment) together with the recommendations of the Development Services Director and all written and oral evidence within the record or provided at the public hearing; and,

**WHEREAS**, The Planning Commission finds that the La Entrada Specific Plan, previously approved by the City on November 13, 2013 subject to conditions of approval, proposes the development of a master-planned community in the northeastern portion of the City on approximately 2,200 acres. The Specific Plan includes a mix of residential, commercial, open space, education, and recreational uses, as well as associated infrastructure to support buildout of the Specific Plan. An Environmental Impact Report (EIR) for the La Entrada Specific Plan was also certified on November 13, 2013 (SCH #2012071061), which analyzed the environmental impacts from development of the Specific Plan and imposed mitigation measures. And, the City and property owner (“Owner”) first entered into a Development Agreement on July 25, 2014, to facilitate the development of the La Entrada Project, consisting of the construction of 7,800 single and multi-family units, commercial, retail and offices uses and community/public facilities within the Specific Plan area. On May 22, 2019, the Owner requested an amendment to the La Entrada Development Agreement (“Amendment”) for an additional five (5) years to commence construction on the project. The Amendment is a minor timing correction that does not modify the Project or the mitigation measures contained in the certified EIR. Specifically, the mitigation measures (such as those related to traffic) are required prior to approval of a Tentative Map for each phase, which doesn’t conflict with the new terms in the Development Agreement, as the Amendment requires an approved Master Tentative and Master Final map prior to the start of any Construction. The Amendment revises the timing of the conditions of approval for the Specific Plan to from “prior to or concurrent with submittal of a Master Tentative Map” and “prior to or concurrent with submittal of a Builder’s Tentative Map or Commercial Map” to “prior to or concurrent with approval of a Master Tentative Map” and “prior to or concurrent with approval of a Builder’s Tentative Map or Commercial Map”. The amendment does not affect the conditions themselves. Where mitigation contained in the conditions of approval requires studies be completed, such as traffic studies, the conditions already contain language that they be prepared “prior to or concurrent with approval.” Accordingly, no new information of substantial importance exists under Public Resources Code 21166 or State CEQA Guidelines 15162 showing that any new or substantially increased significant impacts would arise from the Amendment. The Amendment extends the timing for the commencement of construction by five years and increases the number of affordable



dwelling units without increasing the total number of units to be constructed. The Amendment does not modify the Project or change the significance conclusions of the previously certified EIR and no new mitigation is required as a result of the Amendment. Therefore, no further CEQA review is required.

**WHEREAS**, the Planning Commission makes the following findings:

A. The Development Agreement (First Amendment) is consistent with the objectives, policies, general land uses and programs specified in the City's general plan for the Specific Plan District designation of the subject site.

B. The Development Agreement (First Amendment) is compatible with the uses authorized in and the regulations prescribed for the land use district in which the real property is located in that there are no uses proposed that are in conflict with the approved La Entrada Specific Plan.

C. The Development Agreement (First Amendment) is in conformity with the public necessity, public convenience, general welfare and good land use practices which includes the development of a phased master-planned community with public infrastructure, schools, neighborhood serving commercial and open space with trails and transportation linkages providing a high quality of life.

D. The Development Agreement (First Amendment) will not be detrimental to the health, safety and general welfare in that the orderly development of the project would be a beneficial use of the existing native desert hillside terrain providing economic development opportunities, affordable housing opportunities, and an enhanced tax base and employment base for the City of Coachella.

E. The Development Agreement (First Amendment) will not adversely affect the orderly development of property or the preservation of property values in that there are no sensitive uses in or near the subject site that would otherwise be affected by the development of the project.

F. The Development Agreement (First Amendment) will have a positive fiscal impact on the city based on the approved fiscal impact study that is a part of the original Development Agreement.

**NOW, THEREFORE BE IT RESOLVED**, that the Planning Commission, in light of the whole record before it, including but not limited to the recommendation of the Development Services Director as provided in the Staff Report dated December 4, 2019 and documents incorporated therein by reference and any other written and oral evidence within the record or provided at the public hearing of this matter, hereby recommends that the City Council approve the La Entrada Development Agreement (First Amendment), attached hereto as Exhibit "A".

**PASSED APPROVED and ADOPTED** this 4<sup>th</sup> day of December 2019.

---

Javier Soliz, Chairperson  
Coachella Planning Commission

**ATTEST:**

---

Yesenia Becerril  
Planning Commission Secretary

**APPROVED AS TO FORM:**

---

Carlos Campos  
City Attorney

I HEREBY CERTIFY that the foregoing Resolution No. PC-2019-28, was duly adopted at a regular meeting of the Planning Commission of the City of Coachella, California, held on the 4<sup>th</sup> day of December 2019, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Yesenia Becerril  
Planning Commission Secretary

**FIRST AMENDMENT TO THE  
LA ENTRADA DEVELOPMENT AGREEMENT**

THIS FIRST AMENDMENT TO THE LA ENTRADA DEVELOPMENT AGREEMENT (“First Amendment”) is made and entered into as of \_\_\_\_\_, 2019 (“Agreement Date”) by and between the CITY OF COACHELLA, a municipal corporation organized and existing under the laws of the State of California (“City”), and PSAV LLC, a Delaware limited liability company and LLSE Holdings LLC, a New Jersey limited liability company (collectively “Owner”). City and Owner are referred to individually as “Party,” and collectively as the “Parties.”

**RECITALS**

A. On July 25, 2014, the Parties made and entered into a Development Agreement (the “La Entrada Development Agreement”) for the construction of 7,800 single and multi-family units, commercial, retail and offices uses and community/public facilities, on approximately 2,200 acres located immediately south of and adjacent to I-10 and east of the Coachella Branch of the All American Canal.

B. On May 22, 2019, the Owner requested an amendment to the La Entrada Development Agreement for an additional five (5) years to commence construction on the project as set forth in Section 13.1.

C. The City is willing to grant Owner an additional five (5) years to commence construction on the project so long as there is an increase in affordable housing units, the Development Agreement Fee is updated to reflect the City’s current municipal code, and transfer, sale, and assignment fees are increased by five (5) percent.

Except as specifically set forth herein, all other terms and conditions of the La Entrada Development Agreement shall remain in full force and effect.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, City and Owner agree as follows:

**AGREEMENT**

1. The following language of Paragraph 3.36 is amended:

“FIA” is defined in Section 13.8.2.

shall be amended to read:

“FIA” is defined in Section 13.9.2.

2. The following language of Paragraph 5 is amended:

Landowner Representations and Warranties. The Landowner is PSAV, LLC and LLSE Holdings, LLC. For purposes of this Agreement, the Landowner’s office address is: c/o New West Communities, 5055 West Patrick Lane #101, Las Vegas, Nevada 89118.

shall be amended to read:

Landowner Representations and Warranties. The Landowner is PSAV, LLC and LLSE Holdings, LLC. For purposes of this Agreement, the Landowner's office address is: c/o New West Communities, 5055 West Patrick Lane #105, Las Vegas, Nevada 89118.

3. The following language of Paragraph 13.1 is amended:

Construction Milestones. In order to preserve and maintain the provisions of this Agreement, Landowner must commence Construction on the Project within five (5) years from the Effective Date of the Agreement. For purposes of this section, "Construction" is defined as any one or more of the following: rough grading, finished grading, utility construction, infrastructure construction, and any other physical preparations or building construction either on-site or off-site for the Project.

Notwithstanding any other provisions of this Agreement, Landowner shall be required to perform the following additional construction obligations:

- a. A minimum of eight hundred (800) Units shall receive a certificate of occupancy within the first ten (10) years of the Effective Date.
- b. A minimum of fifty thousand (50,000) square feet of commercial or retail uses, including at least one grocery store, shall be constructed and occupied within the first ten (10) years of the Effective Date.
- c. A minimum of 140 hotel or motel rooms shall be constructed and available for reservations within the first fifteen (15) years of the Effective Date.

Fiscal Reviews of the Project will be performed as further discussed in Section 13.11. If the Fiscal Reviews determine the results of the FIA show a net annual deficit, Master Developer Funding may be required as discussed in Section 13.11.

shall be amended to read:

Construction Milestones. In order to preserve and maintain the provisions of this Agreement, Landowner must commence Construction on the Project within ten (10) years from the Effective Date of the Agreement. Landowner must have an approved Master Tentative and approved and recorded Master Final Map for that phase prior to the start of any Construction. For purposes of this section, "Construction" is defined as any one or more of the following: rough grading, finished grading, utility construction, infrastructure construction, and any other physical preparations or building construction either on-site or off-site for the Project.

Notwithstanding any other provisions of this Agreement, Landowner shall be required to perform the following additional construction obligations:

- a. A minimum of eight hundred (800) Units shall receive a certificate of occupancy within the first fifteen (15) years of the Effective Date.

- b. A minimum of fifty thousand (50,000) square feet of commercial or residential uses, including at least one grocery store, shall be constructed and occupied within the first **fifteen (15)** years of the Effective Date.
- c. A minimum of 140 hotel or motel rooms shall be constructed and available for reservations within the first **twenty (20)** years of the Effective Date.

Fiscal Reviews of the Project will be performed as further discussed in **Section 13.12**. If the Fiscal Reviews determine the results of the FIA show a net annual deficit, Master Developer Funding may be required as discussed in **Section 13.12**.

4. The following language of **Paragraph 13.3** is amended:

Affordable Housing. Prior to or concurrent with the submittal of the first Master Tentative Map, an affordable housing plan must be submitted to, and approved by, the City **Council** that provides for the following:

- 1. A minimum of five hundred (500) affordable dwelling units must be identified and constructed as follows, in accordance with the terms and provisions of Section 26 herein:
  - (i) Two hundred forty (240) affordable dwelling units must be identified and constructed within the first two (2) phases of the La Entrada Project; Phase 1 will contain a minimum of one hundred fifty (150) affordable dwellings units and Phase 2 will contain the balance of ninety (90) affordable dwelling units; and
  - (ii) Two hundred sixty (260) affordable dwelling units must be identified and constructed within the remaining three phases of the La Entrada Project.

shall be amended to read:

Affordable Housing. Prior to or concurrent with the **approval** of the first Master Tentative Map, an affordable housing plan must be submitted to, and approved by, the City that provides for the following:

- 1. A minimum of one thousand (1,000) affordable dwelling units must be identified and constructed as follows, in accordance with the terms and provisions of Section 26 herein:
  - (i) **Four hundred eighty (480)** affordable dwelling units must be identified and constructed within the first two (2) phases of the La Entrada Project; Phase 1 will contain a minimum of **three hundred (300)** affordable dwellings units and Phase 2 will contain the balance of **one hundred eighty (180)** affordable dwelling units; and
  - (ii) **Five hundred twenty (520)** affordable dwelling units must be identified and constructed within the remaining three phases of the La Entrada Project.

Prior to the issuance of the first building permit for any phase, Landowner must have approved Builder's Tentative and approved and recorded Builder's Final Map for that phase and the City Planning Director shall approve the specific method of implementation of affordable housing in furtherance of the City Council approved affordable housing plan for that phase.

5. The following language of **Paragraph 13.8** is amended:

Development Agreement Fee. Upon issuance of a certificate of occupancy for a Unit within the Project, Owner shall pay to the City a one-time Development Agreement Fee of Two Thousand Five Hundred Dollars (\$2,500.00) for that Unit as set forth below:

A development agreement fee shall be imposed on all new privately-constructed buildings subject to a city building permit on properties affected by a development agreement as a condition for issuance of said building permit. The development agreement fee shall be calculated as two percent of the construction project valuation of the new building, as determined by the city's building official at the time the building permit is issued.

shall be amended to read:

Development Agreement Fee. Upon issuance of a certificate of occupancy for a Unit within the Project, Owner shall pay to the City the applicable Development Agreement Fee pursuant to Section 17.100.030 of the City's Municipal Code as written on the Agreement Date as set forth below:

A development agreement fee shall be imposed on all new privately-constructed buildings subject to a city building permit on properties affected by a development agreement as a condition for issuance of said building permit. The development agreement fee shall be calculated as two percent (2%) of the construction project valuation of the new building, as determined by the city's building official at the time the building permit is issued.

Affordable dwelling units shall be exempt from the Development Agreement Fee.

6. The following language of **Paragraph 13.10** is amended:

Funding for Permanent Fire Station. Upon issuance of the 1st building permit, the Master Developer shall provide a bond to the City sufficient to secure construction of a permanent fire station within the Project at a time as required by the fire department. The amount of the bond shall be determined based on the costs for a permanent facility as outlined in the then-current City's Fee Nexus Study. Compliance with the requirements contained in Section 13.9 and provision of the bond outlined in this Section constitutes full satisfaction of the Fire Facilities portion of the Project's Development Impact Fee.

shall be amended to read:

Funding for Permanent Fire Station. Upon issuance of the 1st building permit, the Master Developer shall provide a bond to the City sufficient to secure construction of a permanent fire station within the Project at a time as required by the fire department. The amount of the bond shall be determined based on the costs for a permanent facility as outlined in the then-current City's Fee Nexus Study. Compliance with the requirements contained in Section 13.9 and provision of the bond outlined in this Section constitutes full satisfaction of the Fire Facilities portion of the Project's Development Impact Fee.

7. The following language of Paragraph 23.1(3) is amended:

3. Concurrent with any transfer, sale, or assignment pursuant to this Section, the transferring, selling or assigning party shall be obligated to pay the City a fee for such transfer, sale or assignment based on the following requirements:

(i) If the transfer, sale or assignment is from one Master Developer to another, or involves more than 2,500 lots, the amount of the fee shall be Fifty Thousand Dollars (\$50,000) ;

(ii) If the transfer, sale or assignment involves the sale of 1,000-2,500 lots, the amount of the fee shall be Twenty Five Thousand Dollars (\$25,000) ; or

(iii) If the transfer, sale, or assignment involves the sale of less than 1,000 lots, the amount of the fee shall be Five Thousand Dollars (\$5,000) .

(iv) A final sale of a Unit to an end user, or a final sale of a commercial lot to an end user, shall not be assessed a fee pursuant to this Section.

shall be amended to read:

3. Concurrent with any transfer, sale, or assignment pursuant to this Section, the transferring, selling or assigning party shall be obligated to pay the City a fee for such transfer, sale or assignment based on the following requirements:

(i) If the transfer, sale or assignment is from one Master Developer to another, or involves more than 2,500 lots, the amount of the fee shall be Fifty Thousand Dollars (\$50,000) plus an additional five (5) percent thereof;

(ii) If the transfer, sale or assignment involves the sale of 1,000-2,500 lots, the amount of the fee shall be Twenty Five Thousand Dollars (\$25,000) plus an additional five (5) percent thereof; or

(iii) If the transfer, sale, or assignment involves the sale of less than 1,000 lots, the amount of the fee shall be Five Thousand Dollars (\$5,000) plus an additional five (5) percent thereof.

(iv) A final sale of a Unit to an end user, or a final sale of a commercial lot to an end user, shall not be assessed a fee pursuant to this Section.



8. The following language of the heading in Exhibit F “Conditions of Approval” at Page 5 is amended:

**Prior to or concurrent with submittal of a Master Tentative Map**

shall be amended to read:

**Prior to or concurrent with approval of a Master Tentative Map**

9. The following language of the heading in Exhibit F “Conditions of Approval” at Page 6 is amended:

**Prior to or concurrent with submittal of submittal a Builder’s Tentative Map or Commercial Map**

shall be amended to read:

**Prior to or concurrent with approval of a Builder’s Tentative Map or Commercial Map**

10. Counterparts: This First Amendment may be executed by each Party on a separate signature page, and when the executed signature pages are combined, shall constitute one single instrument.

11. Authority: Each party to this First Amendment represents and warrants that the person or persons executing this First Amendment on such party’s behalf has the authority to bind his or her respective Party and that all necessary board of directors’, shareholders’, partners’, city councils’, or other approvals have been obtained.

12. The following language of Paragraph 31. “Notice” at page 47 is amended as follows:

**Landowner:** PSAV, LLC  
LLSE Holdings, LLC  
c/o New West Communities  
5055 West Patrick Lane #101  
Las Vegas, NV 89118

**With a copy To:** Lewis Brisbois Bisgaard & Smith, LLP  
Attn: Kelly M. Alhadeff-Black  
One Ridgeway Drive, Suite 245  
Temecula, CA 92590

shall be amended to read:

**Landowner:** PSAV, LLC  
LLSE Holdings, LLC  
c/o Lighthouse Group  
Attn: Joseph Teichman  
1985 Cedar Bridge, Ste. 1  
Lakewood, NJ 08701

**With a copy To: Gresham Savage  
Attn: Jonathan Shardlow  
550 E. Hospitality Lane, Ste. 300  
San Bernardino, CA 92408**

IN WITNESS WHEREOF, City and Owner have executed this Development Agreement as of the date first set forth above.

**OWNER:**

PSAV LLC,  
a Delaware limited liability company, and  
LLSE Holdings LLC,  
a New Jersey limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

**CITY:**

CITY OF COACHELLA,  
a California municipal corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTESTATION:**

By: \_\_\_\_\_  
Angela M. Zepeda, City Clerk

**APPROVED AS TO FORM:**

BEST BEST & KRIEGER LLP

By: \_\_\_\_\_  
City Attorney