



# CITY OF MURRIETA

## City Council Meeting Agenda

### Report

9/2/2025  
Agenda Item No. 9.

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: David Chantarangsu, AICP, Development Services Director

PREPARED BY: David Chantarangsu, AICP, Development Services Director

SUBJECT: Introduction of an Ordinance Authorizing a Development Agreement between the City of Murrieta and Domenigoni Barton Properties, LLC., and Tres Estrellas, LLC.  
Related to the Development of the Triangle

### **RECOMMENDATION**

Conduct the Public Hearing;

Find that the adoption of the ordinance authorizing the Development Agreement is consistent with the approved 2024 Addendum to the Subsequent Environmental Impact Report certified for the Triangle Specific Plan (State Clearinghouse No. 2008061104) as described in this staff report and the proposed ordinance; and

Introduce and conduct the first reading of Ordinance No. 623-25 entitled: *An Ordinance of the City Council of the City of Murrieta Approving Development Agreement 2024-00004 with Tres Estrellas, LLC and Domenigoni Barton Properties, LLC for the Shops at the Triangle Project Located on Approximately 64.3 Acres Located on the South Side of Murrieta Hot Springs Road between Interstate 15 and Interstate 215 (Development Agreement).*

### **PRIOR ACTION/VOTE**

On August 20, 2024, the City Council took several actions approving the 2024 Addendum, Specific Plan Amendment 2023-00003, Tentative Tract Map 38622 (TTM-2022-2706), and Development Plan 2022-2705 (Vote: 5-0).

On September 3, 2024, the City Council adopted Ordinance No. 607-24 approving and adopting Triangle Specific Plan Amendment No. 2 (Specific Plan Amendment 2023-00003), to Specific Plan No. 276 (Vote: 5-0).

On August 13, 2025, after conducting a public hearing, the Planning Commission voted to recommend that the City Council find that adoption of an ordinance approving the proposed Development Agreement was consistent with the approved 2024 Addendum to the Subsequent Environmental Impact Report certified for the Triangle Specific Plan (State Clearinghouse No. 2008061104), and recommended approval of the proposed Development Agreement (Vote: 3-0-1-1).

Prior to the most recent City actions referenced above, the County of Riverside and City took actions to

approve development on the site in 1990 and 2013, respectively, for development of the property at issue.

## **CITY COUNCIL GOAL**

Aggressively pursue economic development.

## **DISCUSSION**

The development history of the project goes back to 1990, when, prior to the City of Murrieta's (City) incorporation, the County of Riverside approved a specific plan for the property (Specific Plan 276, or SP-276) for the development of the Murrieta Springs Mall. It anticipated a 1.76 million-square-foot retail shopping center. The County entered into Development Agreement (DA) No. 54, vesting the Specific Plan, which remained effective even after the City's incorporation. The City approved amendments to DA No. 54, recording an amendment on February 23, 1994.

The terms of the DA No. 54 continued into 2023, but the agreement has now expired. In 2013, the City approved the first amendment to SP-276, changing the project's name to "The Triangle." The amendment anticipated an outdoor mall instead of an indoor mall, changing development standards accordingly, and changed the amount of retail, office, restaurant, and entertainment square footage to be developed as shown below:

### **Specific Plan Amendment No. 1 Anticipated Development**

<b>Land Use</b>	<b>Anticipated Building Area (Square Feet)</b>
Retail	640,914
Office	779,082
Hotel (220 Rooms)	148,000
Entertainment	74,660
Restaurant	125,258
<b>Maximum Area</b>	<b>1,767,914</b>

In 2024, the City approved Specific Plan (SP) Amendment No. 2 to SP-276 and further modified development standards, approved a new tentative map to establish new parcel boundaries over the site, updated the project environmental documents, and approved an updated site plan. The approved site plan builds on the outdoor retail center approach, providing approximately 279,500 square feet of retail development on 36.46 acres to begin development in an initial phase, accounting for approximately 25 buildings with twelve (12) pad buildings located along Murrieta Hot Springs Road. Larger retail buildings are "in-line" towards the rear of the first phase development area and accommodate retailers with larger building footprints. The approved 2024 entitlements are hereinafter referred to as "Project." Approximately 26 acres will remain undeveloped for future phases, and .72 acres are designated for public road purposes. The approved site plan is attached as Attachment 1.

### **Development Agreement Summary**

The City has a strategic interest in creating pathways forward on specific development issues or removing obstacles to facilitate the Project. Rising development costs, a difficult construction financing environment, and the constantly changing nature of retail add risk to the Developer (Domenigoni Barton Properties, LLC., and Tres Estrellas, LLC.) that could further delay development of the Project. Cities use DAs to provide more certainty to developers who are undertaking large projects by reducing developer risk in exchange for benefits

for the general public.

Through a DA, cities can minimize risk for the benefit of project development by using powers and authorities under state law that are only reserved for public agencies in exchange for obtaining public benefits. For the proposed DA, the Developer has requested assistance in addressing specific issues that help reduce Project costs for the items described below:

- **Billboard Relocation**

The site has two static billboards located on Interstate 15. The Developer requests that these billboards be allowed to be converted into a digital format through a future Relocation Agreement. Advertising revenue would be a Project benefit to the Developer to help offset Project costs. Typically, the City's Zoning Code (Title 16 of the Murrieta Municipal Code) requires removal of billboards rather than allowing them to be relocated and upgraded. Section 5 of the proposed DA addresses this topic. The terms of the Billboard Relocation will be subject to the Relocation Agreement, which will need to be approved by the City Council.

- **Off-Site Traffic Improvements**

The development of the Project has always required improvement of an off-site intersection located on the north side of Murrieta Hot Springs Road at Sparkman Drive, across from the Project. The intersection improvements would align with the Project's western driveway and will require the acquisition of land from property located at the northwest corner of Murrieta Hot Springs Road and Sparkman Drive for intersection widening. The current intersection is being improved in conjunction with the development of a multi-family project known as the Terraces, but it does not include widening the intersection beyond the existing Sparkman Drive public right-of-way.

Staff notes Sparkman Drive will eventually become Monroe Avenue. The proposed DA would allow the City to assist the Developer with property acquisition if needed, although the Developer must initially attempt acquisition of land needed to widen the intersection through private negotiation. Should the private negotiations fail, the City could seek to acquire the property needed through condemnation proceedings. The Developer would contribute funds to the acquisition activities based on an appraisal approach commonly used for acquiring public rights-of-way. The City would cover the cost of its attorney's fees and the cost of land over the Developer's appraised value of the property to be acquired. This topic is covered in Sections 3.8 and 3.9 of the proposed DA.

- **Public Benefits**

A number of public benefits are listed in Section 4 of the DA. The benefits are strategic in nature and include: 1) Expanding economic development opportunities and facilitation of job creation in the City by establishing new retail uses on vacant land in a developing area; 2) Assisting the region in achieving jobs/housing balance region-wide by attracting new businesses to the City providing additional job opportunities in a housing rich area, and thereby providing a more equal jobs-housing balance in the Riverside County/Inland Empire area, which will reduce the need for members of the local workforce to commute outside the area for employment; and 3) Providing for uses that will generate tax revenue for the City including, but not limited to, increased property and sales tax, in order to support the City's ongoing municipal operations. Estimated job increases and revenues to the City are contained in the Fiscal Impact section below. The construction of off-site improvements described above are also a public benefit.

- **Miscellaneous Provisions**

In addition to the topics described above, the DA includes other sections that are typically found in development agreements addressing term, cancellation, amendments, insurance and indemnification, and defaults and remedies. In order to track the implementation of the DA over time, an annual review process is included in Section 6.1. The proposed DA would have a term of 10 years.

## **FISCAL IMPACT**

The development of the Project will increase the amount of retail development occurring within the City, which is anticipated by and consistent with the General Plan. The demand for City services will increase proportionally with the addition of commercial development.

Using established average employment, sales tax standards, and construction costs, development of the Project's initial phase will result in approximately 900 new permanent jobs, over 500 construction jobs, and at least a \$210 million increase in improvement value to the property from new buildings and site improvements. Property tax revenue would be roughly \$283,000 per year to the City based on a \$210 million increase in improvement value. The estimated sales tax revenue at build-out could reach an average of \$900,000 per year, depending on tenants and economic factors. Potential revenue sharing through a billboard relocation agreement could result in \$500,000 per year to the City, based on recent revenue estimates prepared for other revenue sharing agreements the City is involved in with digital billboard advertising. It is estimated that the City's one-time financial commitment to potential off-site property acquisition would be less than \$1 million.

## **ENVIRONMENTAL**

On August 20, 2024, the City Council considered and approved an Addendum (2024 Addendum) to the previously adopted Subsequent Environmental Impact Report pursuant to the California Environmental Quality Act Guidelines (Cal. Code Regs. Title 14) Sections 15162 and 15164 by adopting Resolution No. 24-4779 for The Shops at the Triangle project. The proposed DA is consistent with the 2024 Addendum, as it was a contemplated subsequent activity that was anticipated to be carried out in the 2024 Addendum.

## **ATTACHMENTS**

1. Approved Site Plan
2. Ordinance 623-25
3. Planning Commission Staff Report and Resolution