

TO: HONORABLE CHAIR AND MEMBERS OF THE PLANNING COMMISSION

FROM: Carl Stiehl, City Planner

PREPARED BY: David Chantarangsu, AICP, Development Services Director

SUBJECT: Murrieta Marketplace Development Agreement (DA) 2026-00008

RECOMMENDATION

Staff recommends that the Planning Commission:

1. Conduct a public hearing on the Development Agreement with Murrieta Marketplace Holdings LP, A California Limited Partnership, Bonsall Service Station, LP a California Limited Partnership and Scott-Murrieta Service Station, LP a California Limited Partnership, as tenants-in-common (Development Agreement);
2. Recommend to the City Council that the proposed Development Agreement is in compliance with the provisions of the California Environmental Quality Act (CEQA) Guidelines, Section 15162 and that no further analysis is required under CEQA in connection with the approval of the Development Agreement;
3. Find that the adoption of the Development Agreement is consistent with the General Plan; and
4. Adopt a Resolution recommending that the City Council Approve the Development Agreement.

ENVIRONMENTAL

Staff recommends that the Planning Commission recommend that the City Council find that the proposed Development Agreement is in compliance with the provisions of the California Environmental Quality Act (CEQA) Guideline Section 15162 and that no further analysis is required under CEQA in connection with the approval of the Development Agreement.

PRIOR ACTION/VOTE

On June 27, 2018, the City Planning Commission adopted Resolution No PC-2018010 approving development plan (DP-2017-1370), and conditional use permit (CUP) CUP 2018-1568 for the operation of a car wash and CUP 2017-1442 for outdoor display and equipment rental for approximately 49 acres located at the northwest corner of Clinton Keith Road and Winchester Road (Site). The development approvals authorized development of a commercial center containing up to 518,817 square feet of building area and 2,155 parking stalls including 20 buildings on 10 building pads, including two gas stations and private and public infrastructure on and adjacent to the Site. The Planning Commission approval included consideration of previously

adopted Environmental Impact Report State Clearinghouse No. 2005031028 (EIR) and a prior addendum. The Commission's 2018 action included adoption of a further addendum to the EIR.

The City Planner acted administratively to approve substantial conformance determination (SC-2022-2701) on March 24, 2025 making minor changes to the previous approval and adopting revised conditions of approval and modifying the site plan approved by the Planning Commission on June 27, 2018.

On October 8, 2024 the City Planner acted administratively to approve an Extension of Time 2019-2021 for Murrieta Marketplace Development Plan (DP) 2017-1370, Conditional Use Permit (CUP) 2017-1442 and Conditional Use Permit (CUP) 2018-1568 granting an extension of time for the foregoing entitlements until June 27, 2026.

On March 24, 2025 the Development Services Director acted to administratively approve (SC) 2022-2701 making site plan modifications and revising conditions of approval to the project as approved in 2018 along with subsequent revisions.

EXECUTIVE SUMMARY

In 2018 the Planning Commission approved the development of a commercial shopping center consisting of a commercial shopping center containing up to 518,817 square feet of building area and 2,155 parking stalls consisting of 20 buildings on 10 building pads, including two gas stations and private and public infrastructure on and adjacent to the Site. Anticipated uses include variety of retail and restaurant uses on the Site such as a gas station, retail buildings, fast food restaurants, fast casual restaurants and restaurants with drive-thrus, in up to five phases. The entitlements expire in June, 2026.

The Development Agreement will extend the entitlements for 10 years. This will allow sufficient time for the construction of the Project which will benefit the City by providing new restaurants, retail uses, and a gas station for residents and City visitors to patronize which will generate sales tax payable to the City.

BACKGROUND

Murrieta Marketplace Holdings LP, a California Limited Partnership, Bonsall Service Station, LP a California Limited Partnership and Scott-Murrieta Service Station, LP a California Limited Partnership, as tenants-in-common (collectively, Developer) applied for a Development Agreement to extend the term of the referenced entitlements described above (Entitlements). The Entitlements were approved for the Site, which is an undeveloped lot of approximately 49.7 acres of land located at the northwest corner of Winchester Road Hwy 79 and Clinton Keith Road consisting of the following APNs: 963-060-065, 963-060-066, 963-450-001 through 963-450-019, 480-100-073 and 480-100-074.

Pursuant to state law and Murrieta Development Code Chapter 16.54, a Development Agreement, which is essentially a contract between the City and the Developer, must be approved by ordinance following public hearings by the Planning Commission and City Council. This public hearing before the Planning Commission was properly noticed pursuant to Murrieta Municipal Code (MMC) Section 16.54.060 and Chapter 16.76 and Government Code Section 65867. At the

conclusion of the public hearing, the Planning Commission must make a written recommendation to the City Council that the City Council approve, conditionally approve, or disapprove the application with appropriate findings in compliance with MMC Section 16.54.070.

For the Planning Commission to recommend that the City Council adopt the ordinance approving the Development Agreement, the Planning Commission must make three findings:

1. In accordance with MMC Section 16.54.070, the proposed Development Agreement will be consistent with the objectives, policies, general land uses, and programs of the general plan, any applicable specific plan, and the Development Code.
2. In accordance with Section 16.54.070 of the Murrieta Development Code, the proposed Development Agreement will be in the best interest of the City.
3. The proposed Development Agreement is internally consistent with other applicable provisions of the Development Code.

The proposed Development Agreement is consistent with the objectives, policies, general land uses, and programs of the Murrieta General Plan and the provisions of the Murrieta Development Code because the Agreement does not modify the Project, land use designation, zoning classification, or development standards applicable to the Site. The Development Agreement only extends the duration of previously approved entitlements from 2018 for the Murrieta Marketplace commercial center, which were approved by the Planning Commission after a comprehensive review for consistency with the General Plan and Development Code. The 2018 approvals included Development Plan (DP-2017-1370), and conditional use permits (CUP-2018-1568) for operation of a car wash and CUP 2017-1442 for outdoor display and equipment rental, which were granted by Planning Commission Resolution No PC-2018010. The Site is designated Commercial in the Murrieta General Plan and zoned Regional Commercial (RC) under the Development Code. The Project, consisting of a commercial shopping center including fueling, retail, and service uses, was previously determined to be consistent with these designations and applicable development standards. The Development Agreement does not alter those approvals and therefore maintains consistency with the City's adopted land use framework and regulatory requirements. Because the Development Agreement only provides additional time for the implementation of an already approved project and does not authorize any changes to the approved land uses, density, intensity, or development standards, the Agreement remains fully consistent with the objectives, policies, and implementation programs of the General Plan and with the provisions of the Development Code.

The proposed Development Agreement is in the best interests of the City because it provides certainty regarding the continued implementation of a previously approved commercial development that will provide retail services, employment opportunities, and tax-generating uses for the community. The Agreement facilitates the orderly development of the Site by allowing the approved project additional time to proceed while maintaining all previously adopted conditions of approval and development standards. The Development Agreement also benefits the City by encouraging investment in commercial development at a prominent intersection along Winchester Road (State Route 79) and Clinton Keith Road, a key commercial corridor within the community. Implementation of the approved commercial center will contribute to the City's economic base through the provision of retail services and the generation of sales tax and other local revenues that support municipal services. By providing development certainty while preserving the City's regulatory authority through the existing conditions of approval and applicable municipal

regulations, the Development Agreement promotes economic development, supports the City's long-term planning objectives, and therefore serves the best interests of the City.

The proposed Development Agreement is internally consistent with the provisions of the Murrieta Development Code because it implements the procedures and authority established in Murrieta Municipal Code Chapter 16.54, which allows the City to enter into development agreements consistent with State law. The Agreement extends the duration of the previously approved entitlements while maintaining all applicable Development Code standards and regulations governing the project. Because the Development Agreement operates within the authority provided by the Development Code and does not conflict with any of its provisions, the Agreement is internally consistent with the City's adopted land use regulations. Lastly, the Planning Commission is asked to make a finding on whether the approval of the proposed Development Agreement complies with the California Environmental Quality Act (CEQA). Staff recommends that that Planning Commission find that the proposed Development Agreement is in compliance with the provisions of CEQA Guideline Section 15162 and that no further analysis is required under CEQA in connection with the approval of the Development Agreement. This finding can be made because the proposed Development Agreement does not alter the approved Project, the proposed Development Agreement only extends time for the entitlements. Accordingly, no new environmental impacts will be created as a result of the approval of the Development Agreement and the prior CEQA Approvals remain adequate.

ATTACHMENTS

Attachment 1 - Resolution