



Attachment 2- Planning Commission Documents



CITY OF MURRIETA

Legislation Text

File #: 25-1565, **Version:** 1

TO: HONORABLE CHAIR AND MEMBERS OF THE PLANNING COMMISSION

FROM: Carl Stiehl, City Planner

PREPARED BY: David Chantarangsu, AICP, Development Services Director

SUBJECT: **Consideration of a Development Agreement related to the development of the Triangle Project.**

RECOMMENDATION

1. Open the public hearing and receive public comment;
2. Find that the action is consistent with the approved 2024 Addendum to the Subsequent Environmental Impact Report certified for the Triangle Specific Plan (State Clearinghouse [SCH] No. 2008061104) as described in this staff report and the attached Resolution; and,
3. Approve the attached Resolution recommending that the City Council approve the proposed Development Agreement attached as an exhibit to the Resolution.

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 Development Agreement is consistent with the 2024 Addendum as it contemplates activities that were anticipated to be carried out.

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.

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.

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.

EXECUTIVE SUMMARY

The Planning Commission will make a recommendation to the City Council on a proposed Development Agreement (DA) for the development of the Triangle retail development project. The proposed DA addresses Billboard Relocation for two existing billboards located on the site, and potential assistance to the Applicant (Domenigoni Barton Properties, LLC., and Tres Estrellas, LLC.) for off-site property acquisition for street widening purposes at the intersection of Murrieta Hot Springs Road and Sparkman Drive.

BACKGROUND

The development history of the project goes back to 1990 when prior to the City's 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 54 (DA No. 54) vesting the Specific Plan which remained effective even after City's incorporation. The City approved amendments to the DA, recording an amendment on February 23, 1994. The terms of the DA continued into 2023 but is now expired. In 2013, the City approved the first amendment to SP-276 changing the name to "The Triangle". The amendment anticipated an outdoor mall instead of an indoor mall, changed development standards accordingly, and changed the amount retail, office, restaurant, and entertainment square footage to be developed as shown below: Specific Plan Amendment No. 1 Anticipated Development Land Use Anticipated Building Area (Square Feet) Retail 640,914 Office 779,082 Hotel (220 Rooms) 148,000 Entertainment 74,660 Restaurant 125,258 **Maximum Total for all Land Use Categories 1,767,914** In 2024, the City approved Specific Plan 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 for 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) of the buildings being 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. **Proposed 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 constant changing nature of retail add risk to the Developer that could further delay development of the Project. Cities use development agreements (DAs) to provide more certainty to developers who are undertaking large projects by reducing developer risk. Through a DA, cities can take on risk for the benefit of project development by using powers and authorities under state law that are only reserved for public agencies. 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 each freeway frontage. The Developer requests that these billboards be allowed to be converted into a digital format through a future Relation 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 is 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 but would 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. The DA requires the Developer to initially attempt acquisition of land needed to widen the intersection through private negotiation. Should the private negotiations fail, the City could 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. 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 the proposed DA at Section 6.1. Staff notes the proposed DA would have a term of 10 years.

ATTACHMENTS

Attachment 1 - Resolution and Proposed Development Agreement

**PLANNING COMMISSION
RESOLUTION NO. 2025-07**

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MURRIETA, RECOMMENDING THAT THE CITY COUNCIL ADOPT ORDINANCE NO. [NEXT IN ORDER] APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF MURRIETA AND DOMENIGONI BARTON PARTNERS, LLC., AND TRES ESTRELLAS, LLC., AND FINDING THE DEVELOPMENT AGREEMENT IS CONSISTENT WITH THE PREVIOUSLY APPROVED ADDENDUM TO THE PREVIOUSLY ADOPTED SUBSEQUENT ENVIRONMENTAL IMPACT REPORT (STATE CLEARINGHOUSE NO. 2008061104) FOR THE TRIANGLE SPECIFIC PLAN.

WHEREAS, 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 (Project), and also approved Specific Plan Amendment 2023-00003, Tentative Tract Map 38622 (TTM-2022-2706) and Development Plan 2022-2705 consisting of approximately 279,500 square feet of commercial development on 36.46 acres in an initial phase; and

WHEREAS, pursuant to state law and Murrieta Municipal Code Chapter 16.54, a Development Agreement must be approved by ordinance following public hearings by the Planning Commission and City Council; and

WHEREAS, the City proposes an Ordinance approving a Development Agreement with Domenigoni Barton Properties, LLC and Tres Estrellas, LLC (Developer) addressing the relocation of existing billboards situated on the property and off-site property acquisition, among other things; and

WHEREAS, the proposed Development Agreement establishes obligations of the City and the Developer and also sets forth the benefits to be received by the City; and

WHEREAS, the Development Agreement is consistent with the August 20, 2024 approvals described above; and

WHEREAS, on August 13, 2025, the City of Murrieta Planning Commission held a duly noticed public hearing on the proposed Ordinance approving the Development Agreement, at which a staff report was presented and evidence was provided in the record to support the findings required by Murrieta Development Code Section 16.54.070; and

WHEREAS, the Planning Commission considered and discussed the public comments and written information provided at the public hearing and has determined that the proposed Ordinance approving the Development Agreement is appropriate; and

WHEREAS, the Planning Commission has considered the potential for environmental effects as a result of the proposed Development Agreement pursuant to the California Environmental Quality Act (CEQA) and concurs with staff's recommendation.

NOW, THEREFORE, the Planning Commission of the City of Murrieta does resolve as follows:

A. The foregoing recitals are true and correct and are incorporated by this reference as if set forth in full.

B. The Planning Commission makes the following findings based on the following facts:

1. In accordance with Section 16.54.070 of the Murrieta Development Code, 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.

FACTS: The proposed Development Agreement will facilitate the development of the Project which is a major land use initiative within the City's General Plan. The Project, and by association the proposed Development Agreement, implements the following General Plan policies:

- General Plan Goal LU-1 - "A complimentary balance of land uses throughout the community that meets the needs of existing residents and businesses as well as anticipated growth, and achieves the community's vision."
- Policy LU-1.2, Ensure future development provides for a variety of commercial, industry, and housing that serve the spectrum of incomes within the region.
- Policy LU-1.3, Establish a range of residential density and non-residential intensities to encourage a wide range of development opportunities.
- Policy LU-1.5, Encourage a wide variety of retail and commercial services, such as restaurants, and cultural arts/entertainment, in appropriate locations. Goal LU-7 "Economically viable, vital, and attractive commercial centers throughout the City that serve the needs of the community."
- Policy LU-7.1, Work with property owners of vacant commercially zoned property to develop their sites into appropriate, economically viable projects.
- Policy LU7.5, Provide convenient freeway access for regionally-serving commercial centers to attract a regional customer base.
- Policy LU-7.6, Focus commercial retail centers adjacent to major transportation corridors
- Policy LU-7.8, Encourage consolidation of parking and reciprocal access agreements between adjacent business and commercial center property owners.
- Policy LU-7.9, Encourage opportunities for complementary retail and service uses to serve local residents and the daytime employment population.
- Policy LU-7.10, Encourage a range of retail uses that serve local residents in the region. Goal LU-8 –"A community that provides opportunities for mixed use and/or transit-oriented development." 4
- Policy LU-8.1, Encourage integrated development that incorporates a mix of uses (residential, commercial, office) in mixed use or transit-oriented development areas.
- Policy LU-8.6, Encourage higher density residential, commercial, and employment development near a future Metrolink or High Speed Rail Station, along other major public transportation routes, and at other suitable locations. Goal LU-12 –"A focused development and economic development strategy that emphasizes specialized land use policies within identified Focus Areas."
- Policy LU-12.1, Provide for the highest level of retail and job-creating uses in areas adjacent to the I-15 and I-215 freeways. This includes the North Murrieta Business Corridor, Golden Triangle

North (Central Murrieta), and South Murrieta Business Corridor Focus Areas. Goal ED-1- “A highly visible and attractive commercial mixed-use regional hub located at the confluence of the I-15 and I-215 freeways in central Murrieta” and policies ED-1.1 & ED-1.3. The project provides the opportunity for a variety of commercial uses including retail, food/restaurant, and service uses which is conveniently located near two major freeways that will serve the region and the local residents. The planned additional services, employment opportunities, and potential fiscal revenue sources are intended to bring further balance to the existing and planned future residential uses in the city. The Specific Plan allows for a higher intensity of development and the Development Plan represents a phase within the specific plan with additional vacant land remaining for future development. Other specific goals and policies the Project is consistent with are: General Plan Goal CIR1. “A circulation system that serves the internal circulation needs of the City, while also addressing the inter-community or through travel needs and corresponding policies” (Policy CIR-1.1, CIR-1.2, CIR-1.3, CIR-1.10), Goal CIR-6 “Alternative travel modes and facilities are available to serve residents and employers/employees and reduce vehicle miles traveled”. (Policy CIR-6.8, CIR-6.9, and CIR-6.13).

The Project meets Infrastructure Element Goal INF-1, “New development and redevelopment is coordinated with the provision of adequate infrastructure for water, sewer, storm water, and energy.” and corresponding policies INF-1.1, INF-1.4, and INF1.21. The project will construct facilities both on- and off-site to support the area and help protect off-site areas from inundation. These facilities will be constructed by the Developer and then dedicated to the appropriate public agency for ownership.

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.

FACTS: The proposed Development Agreement establishes the responsibilities of the City and Developer in carrying out the Project. 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 constant changing nature of retail add risk to the Developer that could further delay development of the Project. The proposed Development Agreement allows the Developer to rely on the City to help facilitate specific activities required to develop the Project – relocation of existing billboards and off-site acquisition of property for public right-of-way purposes if needed.

3. The proposed Development Agreement is internally consistent with other applicable provisions of the Development Code.

FACTS: The proposed Development Agreement is consistent with applicable provisions of the Development Code by implementing the Project as approved by the City Council.

4. The proposed Development Agreement is in compliance with the provisions of the California Environmental Quality Act (CEQA).

FACTS: The approval of the proposed Development Agreement is a contemplated subsequent activity covered by the 2024 Addendum approved for the development of the Project by the City Council on August 20, 2024. The proposed Development Agreement implements activities required to carry out the Project covered by the proposed Development Agreement.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Planning Commission of the City of Murrieta, California, held on the 13th day of August, 2025.

Dennis Vrooman

Planning Commission Chairperson

ATTEST:

Carl Stiehl

Carl Stiehl, City Planner

I, Carl Stiehl, City Planner, City of Murrieta, California do hereby certify under penalty of perjury that the foregoing Resolution was duly adopted at a regular meeting of the Planning Commission on the 13th day of August, 2025 by the following roll call vote:

AYES: Vrooman, DeSena, Rose

NOES: None

ABSENT: LaPaglia

ABSTAINED: None

RECUSED: Wojcik

Carl Stiehl

Carl Stiehl, City Planner