



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Arturo Vela, Acting City Manager

PREPARED BY: David Newell, Community Development Director

MEETING DATE: August 26, 2025

SUBJECT: Consideration of Second Reading and Adoption of Ordinance 1611, Approving a Development Agreement By and Between the City of Banning and JDNJ Enterprises, LLC, a Missouri Limited Liability Corporation

RECOMMENDATION:

Waive the second reading of text in its entirety and adopt Ordinance 1611.

BACKGROUND:

At its regular meeting of July 8, 2025, the City Council held a public hearing and considered three applications (Case DR21-7017, TPM 38756 and a Development Agreement) for the Banning Commerce Center Project, which is a proposed industrial warehouse development of 1,320,284 square feet on 131.28-acre site located north of the I-10 freeway/E. Ramsey Street, east of N. Hathaway Street and bisected by Wilson Street. After closing the public hearing and deliberating, the Council voted 5-0 to approve the Project as follows:

1. Adopt Resolution 2025-107. This resolution certified Banning Commerce Center Project's EIR, adopted statements of overriding considerations and established the Mitigation Monitoring and Reporting Program.
2. Adopt Resolution 2025-106. This resolution approved the Design Review and Tentative Parcel Map applications for the Banning Commerce Center Project.
3. Introduce and conduct first reading of, by title only, Ordinance 1611. An Ordinance of the City Council of the City of Banning, California, Approving a Development Agreement by and between the City of Banning and JDNJ Enterprises, LLC, a Missouri Limited Liability Corporation.

Since the Council's meeting on July 8, 2025, staff has finalized the Development Agreement for execution, including the addition of (1) missing dates and references; (2) text to Section 17.C. to toll agreement and approvals in the event there is a third party challenge; (2) names for each party under signature lines; and (3) the current development impact fees applicable to the project in Exhibit B.

This report provides for the City Council to waive further reading and adopt Ordinance 1611 for approving the Development Agreement. The ordinance shall be effective 30-days from adoption.

JUSTIFICATION:

In order to approve the Development Agreement application, the City Council is required to make findings pursuant to BZO Section 17.60.030(C) (Development Agreement). The Planning Commission recommended approval of these applications pursuant to the findings in Planning Commission Resolution 2025-04. The Council conducted a hearing on July 8, 2025 and adopted the required findings

included in the draft ordinance attached to this report.

Environmental Determination:

Second reading of Ordinance 1611 remains consistent with the Council's action to certify the EIR under Resolution 2025-107.

FISCAL IMPACT:

As described in the July 8, 2025 City Council Staff Report, fiscal impacts of the project will be offset by fees and improvement costs paid by the developer, including permit applications, impact fees, and roadway and other public improvements. In addition, the City will directly benefit financially by the following negotiated items, which are beyond the typical fees paid by a development application if the development agreement is approved:

1. \$9,000,000 in payments to the City for funding transportation-related costs toward roadways/interchanges
2. \$357,000 payment for per megavolt-amperes (MVA), based on the requested electrical load
3. \$0.10 per sq. ft. annually (with annual CPI escalator) as part of a community facilities district to pay for on-going maintenance costs of public streets, public facilities and parks, and other related improvements and maintenance in the District; this would amount to over \$132,000 in annual revenue to offset maintenance costs and other city services as specified in the CFD once established.

A fiscal impact analysis report prepared by the Developer's consultant anticipates this project would result in a net increase of recurring revenues amounting to \$505,215 annually. The report cites total recurring revenues of \$869,954 annually and total recurring expenditures of \$364,739 annually, which results in the net increase of \$505,215 to the City's annual revenues. The CFD would augment the annual revenue generated by the Project and provide an additional \$132,000 annually toward maintenance and services within the boundary of the CFD once established, which further reduces impacts to the City's finances.

ALTERNATIVES:

Provide alternative direction to staff.

BUDGETED?:

No

CONTRACT/AGREEMENT:

Yes

ATTACHMENTS:

1. [Ordinance 1611](#)
2. [Development Agreement - Banning Commerce Center - Redline CC 8-26-25.docx](#)
3. [Development Agreement - Banning Commerce Center - Clean-Copy CC 8-26-25.docx](#)