



CITY OF BANNING STAFF REPORT

TO: PLANNING COMMISSION

FROM: David Newell, Community Development Director

PREPARED BY: David Newell, Community Development Director

MEETING DATE: November 5, 2025

SUBJECT: Consideration of Applications By NP Banning Industrial, LLC for the Sunset Crossroads Project, including (1) a Specific Plan (Case No. SP 20-2002) to Allow for the Development of Industrial and Commercial Uses on 533.8-acres of Land Located South of I-10 and the Union Pacific Railroad, and West of Sunset Avenue (Specific Plan Area); (2) a General Plan Amendment (Case No. GPA 20 -2501) and Zone Change (Case No. ZC 20-3502) to Amend the General Plan Land Use and Zoning of the Specific Plan Area to General Commercial (GC), Industrial (I), Opens Space- Parks (OS-P), and Open Space-Resources (OS- R), including Pre-zoning for Annexation of Portions of the Specific Plan Area into the City of Banning's Jurisdictional Boundary; (3) a Development Agreement to Establish Vested Development Rights in Exchange for Public Benefits as Specified in the Agreement; (4) a Tentative Parcel Map (Case No. TPM 38118) for a Subdivision of the Specific Plan Area into Thirty-four Parcels and Five Lettered Lots Ranging in Size from One Acre to Seventy-eight Acres Consistent with the Nineteen Planning Areas in the Specific Plan; and (5) a Final Environmental Impact Report (Sch No. 2021020011) Including Findings of Fact, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program.

PROJECT APPLICANT:

NP Banning Industrial, LLC
12977 N. Outer 40 Road, Suite 203
St. Louis, MO 63141

BACKGROUND:

On September 10, 2025, the Planning Commission held a public hearing on the subject project. The project consists of the following applications:

- Specific Plan application, Case SP 20-2002, to establish the Sunset Crossroads Specific Plan for the development of industrial and commercial uses on a 533.8-acre site, including up to 268,400 square feet of medical office, professional office, education, recreation, and commercial uses, a travel center with refueling uses, and a 125-room hotel (approximately 90,000 sf) on 47.9-acres; and up to 5,545,000 square feet of industrial uses (including up to 330,000 square feet of cold storage uses) on 392.0 acres. The Specific Plan text identifies the permitted land uses, development standards, design guidelines, and implementation provisions. The Specific Plan Area includes land located south of Interstate 10 between Highland Home Road and Sunset Avenue extending south to include land south of the City's current border (Assessor Parcel Numbers (APNs): 537-110-003 through -005, 537-110-011 through -014, 537-120-013, 537-120-025, and

537-120-028 through -036). The Planning Commission shall review the Specific Plan application for conformance to the criteria listed in Banning Zoning Ordinance (BZO) Section 17.96.060.

- General Plan Amendment and Zone Change for Specific Plan Area (GPA 20-2501 & ZC 20-3502) to amend the General Plan land use designations and re-zoning of the Specific Plan Area to General Commercial (GC), Industrial (I), Open Space – Parks (OS-P), and Open Space – Resources (OS-R), including pre-zoning for annexation of approximately 254-acres of land of the Specific Plan Area into the City of Banning. The Planning Commission shall review the General Plan Amendment for conformance to the criteria listed in BZO Section 17.64.070.
- Development Agreement (DA) between the City and Applicant to establish terms and obligations for the development of the Project and financing, acquisition, and construction of infrastructure. The DA grants the Applicant vested rights to develop the Project in and other City approvals in exchange for certain financial contributions and other considerations received by the City. The Planning Commission shall review the Development Agreement application for conformance to the criteria listed in BZO Section 17.60.030.
- Tentative Parcel Map application, Case TPM 38118, for the subdivision of the 533.8-acre site into 34 lots for development purposes ranging in size from one acre to 78.7 acres in size and five lettered lots for common area or public purposes. The Planning Commission shall review the Tentative Parcel Map application for conformance to the criteria listed in Section 66474 of the Subdivision Map Act and Banning Municipal Code Title 16.
- Environmental Impact Report (EIR), Case EA 20-1506, (SCH No. 2021020011) for the Project to analyze its potentially significant environmental impacts, identify discuss mitigation measures for those impacts found to be significant, and discuss feasible alternatives to the Project. A Draft EIR was posted and circulated for review and comment from December 15, 2023 through January 30, 2024. The Final EIR incorporates responses to all written comments that the City received on the Draft EIR. Before approving the Project, the City must certify the Final EIR and adopt certain required findings and a Mitigation Monitoring and Reporting Program. Because the Final EIR concludes that the Project would cause certain significant and unavoidable impacts, the City must also adopt a Statement of Overriding Considerations. The Planning Commission will provide a recommendation to the City Council on certifying the Final EIR.

After opening the public hearing on September 10, 2025 and receiving considerable public comment, the Commission closed the hearing. The Commission deliberated the project applications and made a motion that failed to pass with only two Commissioners in support. The purpose of rescheduling this matter on the Commission's November 5, 2025 meeting is to allow the Planning Commission to deliberate further and provide a recommendation to City Council on the project applications that has support from a minimum of three Commission members.

The full background on the proposed project is provided in the attached September 10, 2025 Planning Commission Staff Report.

DESCRIPTION:

The full description of the proposed project is provided in the attached September 10, 2025 Planning Commission Staff Report.

FINDINGS:

To recommend approval of the proposed Project applications, the Planning Commission must make all of the applicable findings in the affirmative for each application. The basis for making such findings can be found in the Planning Commission Resolution 2025-10, and the General Plan Consistency Analysis contained in the Final EIR. An analysis of the Project applications is also below.

General Plan Amendment:

BZO Section 17.64.070 requires that four findings be met to justify approval of a General Plan Amendment application. Staff analyzed the application against these findings for General Plan Amendment, Case No. 20-2501, below:

Finding A: The proposed amendment is internally consistent with the General Plan.

Finding of Fact: California Government Code Section 65302 requires that a General Plan consist of seven (7) State-mandated elements, including Land Use, Circulation, Housing, Conservation, Open Space, Noise, and Safety. The Land Use Element is one of the seven State-mandated elements of the General Plan and includes the Land Use Map for the City of Banning. The Land Use map and the Zoning map are 100% consistent with one another and, therefore, the same map doubles to serve both purposes. The proposed Project will not create an incompatible land use as discussed in Table 4.11.A: Development Project Consistency Analysis with the City of Banning General Plan, found in the Draft EIR. This Table evaluates how the proposed Project is internally consistent with each element of the General Plan.

Finding B: The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

Finding of Fact: The proposed General Plan Land Use Map Amendment and Zone Change will allow for the orderly development of the proposed Sunset Crossroads development project in an industrial area, further strengthening economic development and job opportunities, while not damaging the public interest, health, safety, convenience, or welfare of the City. As set for the in the Final EIR, the related CEQA Findings, and Statement of Overriding Considerations, the adverse significant environmental effects of the Project would be reduced to the extent feasible by incorporation of project design features, taking into account required regulatory measures and adopting the mitigation measures identified in the MMRP, and the social, economic and other benefits of the Project outweigh the potential unavoidable significant impacts and render those potential significant impacts acceptable.

Finding C: The proposed amendment would maintain the appropriate balance of land uses within the City.

Finding of Fact: Table III-3, of the Community Development Chapter of the City's General Plan details that 252.1 acres of vacant land is designated as General Commercial, and 274.1 acres of vacant land is designated as Industrial. The Project will increase the amount of vacant General Commercial land by 47.9 acres, and will increase the amount of vacant Industrial land by 392 acres which provide a statistically significant positive change in the balance of vacant non-residential land uses within the City. A transfer of the residential density currently identified within the Sunset Crossroads Specific Plan boundary will transfer to another nearby location, resulting in no net loss of residential density, as required under state law and General Plan Housing Element goals and programs. As such, the balance of land use designations will not be negatively impacted by the Project.

Finding D : The amendment is physically suitable for the surrounding environment; including, but not limited to site access, the provision of utilities, and compatibility with adjoining land uses, including the absence of any physical constraints, for the requested land use designation(s) and the anticipated land use development(s).

Findings of Fact: The Sunset Crossroads Project envisions the development of industrial and commercial uses on a 533.8-acre site through adoption of the Sunset Crossroads Specific Plan, including up to 268,400 square feet of medical office, professional office, education, recreation, and commercial uses, a travel center with refueling uses, and a 125-room hotel on 47.9-acres; and up to 5,545,000 square feet of industrial uses (including up to 330,000 square feet of cold storage uses) on 392.0 acres. The Specific Plan text identifies the permitted land uses; development standards, design guidelines; and implementation provisions. The Development Project includes a General Plan Amendment and Zone Changes amending the land use designations on-site to General Commercial (GC), Industrial (I), Open Space – Parks (OS-P), and Open Space – Resources (OS-R). Approximately 65.6 acres of the Project site would be retained as Open Space - Resources (OS-R) and/or Open Space – Parks (OS-P) use, including a five-acre passive park. Approximately 253.7 acres of the site are located outside the current City boundary within the City's sphere of influence (SOI); therefore, the Project envisions annexation of this area into the city. A Plan of Services and a Water Supply Assessment prepared for the project indicates that site access and infrastructure for utility conveyances is available and provisions for service have been planned. The

Project will implement Policy 8 of the Community Development Chapter of the General Plan, which requires that the City assure the provision of adequate utilities, infrastructure, and other capital facilities” (General Plan, Page III-44). The Project will implement Program 4.B, which “requires the City make regular assessments of infrastructure capacity and evaluate the necessary expansion and improvements needed to carry out responsible growth management” (General Plan, Page VI-19).

Specific Plan:

BZO Section 17.96.040 requires that four findings be met to justify approval of a Specific Plan application. Staff analyzed the application against these findings for Specific Plan, Case SP 20-2002, below:

Finding A: The proposed plan is consistent with the General Plan;

Finding of Fact: The Specific Plan is consistent with the City’s General Plan by allowing additional economic growth opportunities, while balancing land use, circulation, housing, and economic development with the corresponding general plan amendments to establish the use at the project site and transfer residential to an off-site location adjacent to a higher-education campus. The Specific Plan supports development and job creation as outlined in the General Plan goals and policies and aligns with policies related to walkability, infrastructure upgrades, and community amenities.

Finding B: The proposed plan would not be detrimental to the environment, or to the public interest, health, safety, convenience, or welfare of the City;

Finding of Fact: The Environmental Impact Report (EIR) prepared for the Project identifies potentially significant impacts but includes mitigation measures to reduce impacts to less than significant where feasible. The City determined that, with mitigation and overriding considerations, the plan will not be detrimental to the environment or public interest, health, safety, or welfare. The Statement of Overriding Considerations justifies this by citing long-term economic and community benefits. Additionally, consistent with state law requirements, the proposed Specific Plan describes a comprehensive plan for land use, circulation and infrastructure to ensure the plan accommodates necessary utilities and services to protect the public interest, health safety, convenience and welfare.

Finding C: The subject property is physically suitable for the requested land use designation(s) and the anticipated development(s);

Finding of Fact: The property is physically suitable for the intended land uses. The site is largely undeveloped, has appropriate access to major roadways, and will be served by necessary infrastructure improvements (e.g., sewer, water, traffic). The project underwent geotechnical, hydrology, and environmental analyses that confirmed suitability for the scale and type of development.

Finding D: The proposed plan shall ensure development of desirable character which will be compatible with existing and proposed development in the surrounding neighborhood.

Finding of Fact: The project design reflects a desirable and compatible character, incorporating landscaping, architectural standards, buffers, and traffic planning. Adjacent uses include residential, commercial, and institutional land uses, and the project includes transitions in use intensity and design to ensure compatibility.

Zone Change:

BZO Section 17.116.050 requires that three findings be met to justify approval of a Zoning Ordinance Amendment application. Staff analyzed the application against these findings for Zoning Ordinance Amendment, Case No. 20-3502, below:

Finding A: The proposed Amendment is consistent with the goals and policies of the General Plan.

Finding of Fact: The proposed amendment will establish a land use pattern consistent with the corresponding general plan amendment, allowing for General Commercial and Industrial districts while preserving natural on -site arroyos and open spaces with Open Space designations. The proposed

zoning will also create economic opportunities consistent with the goals and policies in the General Plan Economic Development Element, such as the following:

Goal: A balanced, broadly-based economy that provides a full range of economic and employment opportunities, while maintaining high standards of development and environmental protection.

Policy 2 The City shall take a proactive role in the retention of existing businesses and the recruitment of new businesses, particularly those that generate and broaden employment opportunities, increase discretionary incomes, and contribute to City General Fund revenues.

Program 6.B Preserve highway commercial land use designations at interchange locations, and encourage the location of high quality freeway-serving businesses.

Finding B: The proposed Amendment is internally consistent with the Zoning Ordinance.

Finding of Fact: The proposed Project shall require an amendment to Banning Municipal Code Section 17.96.080 - Specific plan zoning districts and zoning map designations. Inclusion of the Sunset Crossroads Specific Plan in the BMC will immediately make it consistent with the zoning ordinance. A key element of the project involves a transfer of residential density from Sunset Crossroads development project site to the Mt. San Jacinto Community College site to accommodate the commercial/industrial development project. The transfer of residential development capacity is consistent with state housing law in that it ensures no net loss in the residential development capacity identified in the City's General Plan. The proposed density transfer can be accommodated on an approximately 41-acre site because the proposed density range is from 24 to 30 dwelling units per acre, consistent with the Zoning Ordinance and development standards for the Very High Density Residential zone.

Finding C: The City Council has independently reviewed and considered the requirements of the California Environmental Quality Act.

Finding of Fact: The Sunset Crossroads FEIR has been prepared for the Project in accordance with the California Environmental Quality Act (CEQA). The Planning Commission has conducted an independent review and the Planning Commission is recommending that the City Council certify the Sunset Crossroads FEIR and adopt the related CEQA Findings, Statement of Overriding Consideration, and Mitigation Monitoring and Reporting Program for the Project.

Development Agreement:

BZO Section 17.60.030 requires that two findings be met to justify approval of a Development Agreement application. Staff analyzed the application against these findings for Zoning Ordinance Amendment below:

Finding A: The Development Agreement is consistent with the General Plan, any applicable Specific Plans, and the Zoning Ordinance.

Finding of Fact: In accordance with the Banning Municipal Code, the Development Agreement contains provisions that set forth a defined term, the specific types, density, and intensity of uses allowed, reservations or dedication of land for public purposes, a limited stay on future development fee increases; and processes for reviewing related future approvals and amending the Development Agreement. Approval of the Development Agreement would provide for the orderly development of the Project and necessary infrastructure improvements.

Finding B: The Development Agreement will promote the welfare and public interest of the City.

Finding of Fact: The Development Agreement incorporates provisions for financing, acquisition, and construction of infrastructure, for the Sunset Crossroads Specific Plan, as well as acquisition and development of adequate levels of open space. The Agreement would grant the applicant vested rights to develop the Project in exchange for certain financial contributions, including substantial public benefit fees and land dedications, and other consideration to be received by the City.

Tentative Parcel Map:

Pursuant to Section 66474 of the Subdivision Map Act, there are seven findings that must be met to justify approval of a Tentative Map application. Staff analyzed the application against these findings for

Tentative Parcel Map, Case TPM 38118, below:

Finding A: The proposed Tentative Parcel Map is consistent with all applicable general and specific plans.

Finding of Fact: The City's General Plan land use designation and Zoning Map will be amended as part of the overall project approvals. The proposed tentative map will be consistent with the designation of the project site as "Specific Plan," and the proposed map provides for the accommodation of nineteen (19) planning areas, consisting of a variety of commercial and industrial uses, lot types and sizes ranging from 1-acre to 194.3-acres, common open spaces, and circulation and other public improvements. The proposed map furthers the objectives and policies of the General Plan in that 440 acres of the project area is dedicated to commercial and industrial development, with no net loss of residential density.

Finding B: The design and improvements of the proposed Tentative Parcel Map is consistent with the zone in which the property is located.

Finding of Fact: The corresponding Specific Plan establishes criteria for circulation and rights-of-way for public street accessing each of the developable parcels proposed within the Tentative Map. Proposed street widths and section are consistent with the Specific Plan criteria. Utilities will be provided consistent with the Specific Plan.

Finding C: The site is physically suited for this type of development.

Finding of Fact: The 533.8- acre Project site is currently vacant and undeveloped. The site's elevation ranges from approximately 2,399–2,523 feet above mean sea level (amsl) . There is a difference of approximately 124 feet of elevation change from the southeast extent of the site to northwest extent of the Project site. The topography is fairly level with gentle slopes, and several watercourses transect the site. Pershing Creek flows in a northwest to southeast direction through the eastern portion of the Development Site and Smith Creek flows in a north-south direction. Highland Wash is a smaller drainage course and tributary to Smith Creek that confluences with Smith Creek near Westward Avenue. The subject site encompasses 533.8 acres, including 253.7 acres making up approximately the south half of the development project is presently outside of the current City limits and within the City's Sphere of Influence. These 253.7 acres will be annexed into the City of Banning upon approval of the Sunset Crossroads Specific Plan. The proposed map as conditioned, including the mitigation measures contained within the Final Environmental Impact Report and the Mitigation Monitoring Reporting Program will ensure that the Project's development is in accordance with and will implement the public improvements and mechanisms whereby the necessary facilities and resources will be available for future uses.

Finding D: The subject site is physically suitable for the proposed density of development.

Finding of Fact: The subject site consists of 533.8-acres of vacant and undeveloped land and is planned to provide development opportunities for commercial/retail and industrial uses. However, no residential density is proposed.

Finding E: The design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.

Finding of Fact: With the exception of the significant and unavoidable environmental effects of the project identified in the FEIR and the MMRP, the design of the subdivision and proposed improvements are not expected to cause substantial environmental damage or to substantially injure fish or wildlife or their habitat. The project site is not in a linkage designated under the MSHCP that is a connection between substantial habitat blocks with adequate size, configuration, and vegetation characteristics to generally provide for "live-in" habitat and/or provide for genetic flow for identified covered species. Significant cumulative effects of the project on the MSHCP-covered plans and wildlife, wildlife movement, riparian/riverine areas and habitat connectivity are fully mitigated by the City of Banning's signatory status under the MSHCP and the requisite measures for mitigation of project -specific impacts to the burrowing owl, Los Angeles pocket mouse and Stephens' kangaroo rat and these species' habitat. Cumulative effects not specially covered under the MSHCP are nevertheless mitigated to less than

significant levels by the broad range of habitats covered by the MSHCP, project design features and mitigation measures required for the proposed project, and payment of the MSHCP mitigation fee.

Finding F: The design of the subdivision or type of improvements is not likely to cause serious public health problems.

Finding of Fact: All parcels planned for development within the subdivision will have access to utilities, including water, wastewater and electricity. Emergency services such as police and fire, are also available to serve the properties as these parcels develop. As a result, no public health problems are anticipated.

Finding G: The design of the subdivision or type of improvements will not conflict with easements, acquired by the public at large, for access through or use of the property within the proposed subdivision.

Finding of Fact: The subdivision proposes to dedicate public streets that will be consistent with the criteria planned by the Sunset Crossroads Specific Plan. With the improvement of the development, this will allow safe access through the site and provide each newly established parcel with access.

Alternate Findings:

At the conclusion of the public hearing on September 10, 2025, the Planning Commission considered the above findings and voted 2 in support and 3 opposed to accept the findings, resulting in a failed motion to recommend approval. While an additional motion was not made, there were comments from one Planning Commissioner on the project not meeting findings for the General Plan Amendment application related to Finding A and internal General Plan consistency, noting inconsistencies with the truck route and trails plan. The other applications identify the project must be consistent with the General Plan - see first finding for each application above. Consequently, if the majority of the Commission cannot make the first finding for the General Plan Amendment, the Commission would also be required to determine the other applications are inconsistent with the existing General Plan as the first finding for each application, resulting in the Commission recommending denial of the above applications. If the Commission chooses these alternate findings after deliberating further, a new resolution would be prepared based on the Commission's ultimate decision and brought back to the next meeting for adoption to memorialize this decision.

ENVIRONMENTAL DETERMINATION:

The full description of the proposed project, including information on the proposed environmental determination, is provided in the attached September 10, 2025 Planning Commission Staff Report.

PUBLIC COMMUNICATION:

A notice of public hearing was mailed to owners within 300 feet of the project site, notifying the public that the subject applications would be considered by the Planning Commission at a public hearing on November 5, 2025. This notice was also published in the Record Gazette, a newspaper of general circulation within the City of Banning, on October 10, 2025. Several comment letters were received prior to the September 10, 2025 hearing, which are included as an attachment to this report. Two additional letters of support were received and also included as an attachment.

ATTACHMENTS:

1. [Draft PC Reso - 11-5-25 Sunset Crossroads](#)
2. [Draft Community Development Conditions](#)
3. [Draft Public Works Conditions](#)
4. [PC Staff Report 9-10-2025](#)
5. [Development Agreement Sunset Crossroads](#)
6. [Sunset Crossroads Specific Plan 2024-09-25](#)
7. [Tentative Map, TPM 38118 - 2024-9-16](#)
8. [Link to Draft and Final EIR Documents Online](#)
9. [CEQA Findings and SOOC - Sunset Crossroads](#)

10. CEQA Memorandum 10-23-25
11. [Map Exhibits of Site and Surrounding](#)
12. [Public Comments Prior to 9-10-2025 Meeting.pdf](#)
13. [Public Comments 9-10 to 10-31-2025.pdf](#)