



CITY OF BANNING STAFF REPORT

TO: PLANNING COMMISSION

FROM: Matthew Bassi, Interim Community Development Director

PREPARED BY: Mark Staples, Planning Manager

MEETING DATE: September 2, 2026

SUBJECT: Specific Plan Amendment No. 26-0001 by NP Banning Industrial, LLC for the Sunset Crossroads Specific Plan

STAFF RECOMMENDATION:

Staff recommends the Planning Commission take the following actions:

1. Determine that Specific Plan Amendment No. 2026-01 does not require further environmental review in accordance with Section 15183 of the California Environmental Quality Act (CEQA) Guidelines; and
2. Adopt a Resolution entitled:

PC RESOLUTION NO. 2026-03

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF BANNING, CALIFORNIA, RECOMMENDING CITY COUNCIL APPROVAL OF SPECIFIC PLAN AMENDMENT No. 26-0001 TO AMEND TABLE 3-1 OF THE SUNSET CROSSROADS SPECIFIC PLAN AND MAKE A DETERMINATION THAT SPECIFIC PLAN AMENDMENT No. 26-0001 DOES NOT REQUIRE FURTHER ENVIRONMENTAL REVIEW IN ACCORDANCE WITH SECTION 15183 OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) GUIDELINES

PROJECT APPLICANT:

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

BACKGROUND:

The Sunset Crossroads Specific Plan project was approved by the City Council on March 10, 2026, approving Specific Plan (SP 20-2002), General Plan Amendment (GPA 20-2501), Zone Change (ZC 20-3502), Tentative Parcel Map No. 38118, a Development Agreement (adopted under Ordinance No. 1618), and certified the Environmental Impact Report (EIR) for the project (SCH No. 2021020011). During the Planning Commission and City Council public hearings, Commissioners and Councilmembers (as well as the general public) expressed their concerns regarding the allowing industrial buildings in the specific plan area that could be used for Immigration and Customs Enforcement (ICE) detention facilities, Data Centers, and Battery Energy Storage Systems (BESS). It was believed that these specific uses can create significant land use and environmental impacts and are not a desirable use to be allowed within the Sunset Crossroads Specific Plan.

Therefore, the applicant, NP Banning Industrial LLC, in recognizing these concerns, committed to processing a minor specific plan amendment to prohibit these uses. Hence, the submittal of Specific Plan Amendment No. 26-0001. The Applicant has submitted a "Justification Letter" acknowledging their intent and understanding in this regard (refer to Attachment 4).

DESCRIPTION:

Project Summary:

NP Banning Industrial, LLC submitted their Specific Plan Amendment No. 26-0001 on June 15, 2026, proposing to amend Table 3-1 to prohibit ICE Detention Facilities and Data Centers in the General Commercial and Industrial land use districts of the SP, and to allow the use of a BESS systems in the Industrial land use district as an ancillary use to a primary industrial use (i.e., not as a primary/stand-alone use) when required by the California Building Code. Stand-alone BESS facilities are already prohibited in Table 3-1 for the General Commercial SP District. The amended Table 3-1 reflecting these proposed changes is provided as Exhibit A to PC Resolution No. 2026-03 (Attachment 1)

Detention facilities, data centers, and stand-alone BESS facilities/systems are incompatible with the other permitted and conditionally permitted uses outlined in Table 3-1 of the Specific Plan as they could significantly impact other retail commercial and light industrial uses across the specific plan project area. A detention facility, data center, and BESS facility/system (stand-alone) would also likely result in significant local impacts and create nuisance concerns within the specific plan project area and surrounding neighborhoods.

As a logical step to remedy the concerns related to these uses, the Applicant is requesting Planning Commission support to amend Table 3-1 to prohibit ICE Detention Facilities and Data Centers in the Industrial zone districts of the specific plan, allow BESS systems as ancillary use only and recommend City Council approval of Specific Plan Amendment No. 26-0001. The City Council, pending a recommendation from the Planning Commission (for or against), is scheduled to review the specific plan amendment at their October 13, 2026, meeting.

At-Risk Determination:

The Applicant has submitted an At-Risk letter (see Attachment 5) recognizing that the adopted Sunset Crossroads Specific Plan and Development Agreement approved by City Council (Ordinance No. 1618, 1619, and 1620) are subject to a current local referendum that will be placed on the November 3, 2026, general election. Although there is a referendum in process, the City Attorney has confirmed that the Applicant may proceed with this specific plan amendment.

Recognizing the Sunset Crossroads Specific Plan (including the proposed amendment) is effected by the referendum and could not be officially effective until the outcome of the referendum is determined on November 3, 2026, the City Attorney has recommended special language be added to PC Resolution No. 2026-03 that will "stay" the effective date of the Council Resolution (if approved) until after the outcome of the November 3, 2026, vote and certification of the three ballot measures. Refer to Section 5 of PC Resolution No. 2026-03. The specific language the City Attorney is recommending reads as follows:

"This Planning Commission Resolution No. 2026-03 recommending approval of the proposed Specific Plan Amendment No. 26-0001 is contingent upon approval of Ordinances Nos. 1618, 1619, and 1620 by the electorate which are subject to a referendum vote on November 3, 2026. It is recommended that if ballot Measures U, V, and W all receive a majority "Yes" vote, then the City Council approval of the proposed Specific Plan Amendment No. 26-0001 should become effective 15 days after certification of the November 3, 2026, election. It is also recommended that should the Measures receive a majority "No" vote, then the City Council approvals of Specific Plan Amendment No. 26-0001 should be null and void."

In summary, staff believes amending the Sunset Crossroads Specific Plan to prohibit ICE Detention Facilities and Data Centers in the General Commercial and Industrial land use districts of the SP, and to allow the use of a BESS systems in the Industrial land use district as an ancillary use to a primary industrial use (i.e., not as a primary/stand-alone use) when required by the California Building Code is a logical amendment.

PROJECT ANALYSIS/FINDINGS OF FACTS:

In accordance with Section 17.96.060 of the Banning Municipal Code, the Planning Commission is required to make four (4) findings to approve the proposed specific plan amendment. The Planning Commission of the City of Banning does hereby recommend that the City Council find and determine that Specific Plan, Amendment No. 26-0001, can be approved because the following required findings can all be met in the affirmative:

A. The proposed plan is consistent with the General Plan.

Evidence: The Specific Plan Amendment is consistent with the City's General Plan in that adding prohibited uses and limiting certain uses outlined in Table 3-1 will ensure the project will continue to avoid adverse impacts, while allowing economic growth opportunities and balancing land use, circulation, housing, and economic development priorities within specific plan project. Further, the amendment to Table 3-1 to prohibit ICE Detention Facilities and Data Centers, and to limit BESS systems will continue to support development and job creation opportunities within the specific plan area as encouraged and continue to align with policies related to walkability, infrastructure upgrades, and community amenities in the General Plan.

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

Evidence: An Environmental Impact Report (EIR) was prepared and certified (SCH No. 2021020011) for the Sunset Crossroads Specific Plan project that identified potentially significant impacts and included mitigation measures to reduce impacts to less than significant where feasible. The City Council determined that, with mitigation and overriding considerations, the plan would not be detrimental to the environment or public interest, health, safety, or welfare. The adopted Statement of Overriding Considerations as allowed by CEQA guidelines maintains the projects' long-term economic and community benefits. Additionally, consistent with state law requirements, the approved Specific Plan achieves a comprehensive plan for land use, circulation and infrastructure within the specific plan area and surrounding area to ensure the project accommodates necessary utilities and services to protect the public interest, health safety, convenience and welfare.

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

Evidence: The property continues to be physically suitable for the intended permitted and conditionally permitted 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, streets). The project underwent geotechnical, hydrology, and environmental analyses, during the EIR review, that confirmed suitability for the scale and type of development. The proposed amendment will prohibit and limit incompatible land uses that are not physically suitable for the Plan area.

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

Evidence: The Sunset Crossroads Specific Plan project design reflects desirable and compatible land uses and features, 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. The proposed amendment will prohibit and limit incompatible land uses that are inconsistent with the desirable character of the Plan area and the surrounding neighborhood.

ENVIRONMENTAL DETERMINATION:

Pursuant to the California Environmental Quality Act (CEQA) (Cal. Pub. Res. Code § 21000 et seq.), the State Guidelines (14 Cal. Code Regs. § 15000 et seq.), City Staff have determined that the proposed project is exempt from further environmental review per Section 15183 of the CEQA Guidelines. The proposed amendments to prohibit the ICE Detention Facilities and Data Centers, and to limit BESS systems, are consistent with the General Plan and the Sunset Crossroads Specific Plan Table 3-1 Permitted Uses. The prohibited and limited uses have the potential of causing additional environmental impact and nuisance concerns. The prohibited and limited uses are inconsistent with the other permitted and conditionally permitted in uses in Table 3-1 that were reviewed in the certified Environmental Impact Report (EIR SCH No. 2021020011) and a Notice of Exemption will be filed.

PUBLIC COMMUNICATION:

On August 12, 2026, a notice of public hearing was published in the Press Enterprise, a local newspaper of general circulation within the City of Banning, and the same notice of public hearing was mailed to property owners within a 300-foot radius of the project site, notifying the adjacent property owners that the subject application (SPA 26-0001) would be considered by the Planning Commission at a public hearing on September 2, 2026. Staff also emailed the public hearing notice to the Sunlakes HOA .

ATTACHMENTS:

1. [PC Resolution 2026-03 and Exhibit A \(Table 3-1\).pdf](#)
2. [Project Area Map.pdf](#)
3. [NP Banning Industrial LLC Letter of Justification.pdf](#)
4. [NP Banning Industrial LLC At-Risk Letter.pdf](#)
5. [Copy of the Public Hearing Notice Published 8-12-26.pdf](#)