



## CITY OF BANNING STAFF REPORT

**TO:** CITY COUNCIL

**FROM:** Robert Fisher, Acting City Manager

**PREPARED BY:** David Newell, Community Development Director

**MEETING DATE:** June 24, 2025

**SUBJECT:** Consideration of Second Reading and Adoption of Ordinance 1609, Approving a Development Agreement By and Between the City of Banning and JDJN Enterprises, LLC, a Missouri Limited Liability Corporation

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### **RECOMMENDATION:**

Waive the second reading of text in its entirety, read by title only, and adopt Ordinance 1609.

### **BACKGROUND:**

At its regular meeting of May 13, 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 continued the applications to its next regular meeting of May 27, 2025, when the Council voted 5-0 to approve the Project as follows:

1. Adopt Resolution 2025-59. This resolution approved the Design Review and Tentative Parcel Map applications for the Banning Commerce Center Project.
2. Adopt Resolution 2025-60. This resolution certified Banning Commerce Center Project's EIR, adopted statements of overriding considerations and established the Mitigation Monitoring and Reporting Program.
3. Introduce and conduct first reading of, by title only, Ordinance 1609: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF BANNING AND JDJN ENTERPRISES, LLC, A MISSOURI LIMITED LIABILITY CORPORATION

This report provides for the City Council to waive further reading and adopt Ordinance 1609 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 May 13, 2025 and May 27, 2025 and adopted the required findings included in the draft ordinance attached to this report.

### **Environmental Determination:**

Second reading of Ordinance 1609 remains consistent with the Council's action to certify the EIR under

Resolution 2025-60.

**FISCAL IMPACT:**

Fiscal impacts 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 receive 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.

As noted in the fiscal impact analysis report, it is anticipated that the 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 1609, Development Agreement with JDNJ Enterprises.docx](#)
2. [Draft Development Agreement](#)
3. [Aerial and Vicinity Maps](#)
4. [05-27-2025 CC Staff Report](#)