



## CITY OF BANNING STAFF REPORT

**TO:** CITY COUNCIL

**FROM:** Elizabeth Gibbs, City Manager

**PREPARED BY:** Mark Staples, Planning Manager  
Matt Bassi, Interim Community Development Director

**MEETING DATE:** April 14, 2026

**SUBJECT:** Conduct Second Reading and Adoption of Ordinance Nos. 1618 and 1620, Approving an Amendment to the City of Banning Official Zoning Map and Approving Zone Change No. 20-3502 Rezoning Certain Territory in the City Located South of I-10 and the Union Pacific Railroad, and West of Sunset Avenue (Assessor's Parcel Numbers (APNs): 537-110-003 through -005, 537-110-011 through -014) and Pre-Zoning Prior to Annexation Certain Territory in the Sphere of Influence of the City Located South of the Northern Boundary of Western Avenue and West of Sunset Avenue (APNs 537-120-013, 537-120-025, and 537-120-028 through -036): AND Approving a Development Agreement by and Between the City of Banning and NP Banning Industrial, LLC, a Missouri Limited Liability Corporation.

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### **RECOMMENDATION:**

Conduct second reading and Adopt of Ordinance Nos. 1618 and 1620

### **BACKGROUND:**

### **PROJECT APPLICANT:**

NP Banning Industrial, LLC

12977 N. Outer 40 Road, Suite 203

St. Louis, MO 63141

### **BACKGROUND:**

On March 10, 2026, the City Council held a continued public hearing for the Sunset Crossroads project that included a General Plan Amendment, a Specific Plan, Zone Change, Development Agreement, Tentative Parcel Map, and an Environmental Impact Report covering the Specific Plan Area. After the public hearing was closed and the Council deliberated, the City Council adopted resolutions to certify the Environmental Impact Report, and approved the General Plan Amendment, Specific Plan, and Tentative Parcel Map.

The Council also adopted Ordinances No. 1618 and 1620, for first reading, approving the proposed Zone Change and Development Agreement between the applicant and the City. Below are the project

descriptions of the Zone Change for the Specific Plan Project Area and Development Agreement portions of the Sunset Crossroads project.

Zone Change for the Specific Plan Area (ZC 20-3502) to amend the 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.

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 as proposed in the Specific Plan, including specifics outlined in the DA, in exchange for certain financial contributions and other considerations received by the City.

The March 10, 2026, staff report for the Sunset Crossroads project along with all other project materials and attachments can be found here:

<https://d2kkoa27fdvtw.cloudfront.net/banningca/60dda6b84661f6ba058445a1700fdff20.pdf>

## **JUSTIFICATION:**

### **FINDINGS:**

#### **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 as 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 City Council has conducted an independent review and is moving to 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.

### **Environmental Determination**

On March 10, 2026, the City Council adopted Resolution No. 2026-28 certifying the Environmental Impact Report for the Sunset Crossroads Specific Plan Area, including the adjacent Mt. San Jacinto College GPA and ZC project area. A copy of Resolution No. 2026-28 is attached for reference. The Draft EIR and Appendices, Final EIR, Appendices, Findings and Mitigation Monitoring and Reporting Program can be found here:

<https://www.banningca.gov/762/Sunset-Crossroads-Specific-Plan>

On April 1, 2026, a Notice of Determination, for the Sunset Crossroads and MSJC project sites, was filed with the Riverside County Assessor-County Clerk-Recorder's office where the Applicant paid the \$4,227.50 California Department of Fish and Wildlife filing fee and the \$50.00 County Clerk Handling Fee. A supplemental Notice of Determination will be filed with the Riverside County Assessor-County Clerk-Recorder's office after the adoption and second readings of Ordinance Nos. 1618, 1620, and 1619.

### **FISCAL IMPACT:**

The Sunset Crossroads project is anticipated to result in increased property tax and sales tax revenues to the City from the development of commercial and industrial properties, including development impact fees and other fee revenue outlined in the Development Agreement.

**ATTACHMENTS:**

1. [6.4a ZC CC Ordinance No. 1618.pdf](#)
2. [6.4b DA CC Ordinance No. 1620.pdf](#)
3. [6.4c CC Resolution No. 2026-28.pdf](#)
4. [6.4d Sunset Crossroads MSJC NOD 3-25-26\\_County Filed 4-1-26.pdf](#)