

Ordinance NO. 2026-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, APPROVING THE DEVELOPMENT AGREEMENT AMENDMENT (DA-2025-11) FOR THE NUGG HUBB LOCATED AT 570 CENTRAL AVENUE SUITE D-1 (APN: 377-410-037)

Whereas, Todd Davis, The Nugg Hubb, has filed an application with the City of Lake Elsinore (City) requesting approval of Development Agreement (DA) No. 2025-11 (Attachment 2) to amend the DA to revise the Community Benefit Fee (CBF) and establish a separate CBF rate for retail (e.g. storefront, delivery to customers) versus non-retail (e.g. cultivation, distribution, manufacturing and testing laboratory) cannabis operations. The proposed amendment also includes revisions to the definitions and general provisions. The project is located at 570 Central Avenue Suite D-1 (APN: 377-410-037);

Whereas, Section 6.0 of the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP) requires that all discretionary projects within a MSHCP Criteria Cell undergo the Lake Elsinore Acquisition Process (LEAP) and Joint Project Review (JPR) to analyze the scope of the proposed development and establish a building envelope that is consistent with the MSHCP criteria;

Whereas, Section 6.0 of the MSHCP further requires that the City adopt consistency findings demonstrating that the proposed discretionary entitlement complies with the MSHCP Criteria Cell, and the MSHCP goals and objectives;

Whereas, pursuant to Chapter 19.12 (Development Agreements) of the Lake Elsinore Municipal Code (LEMC) the Planning Commission (Commission) has been delegated with the responsibility of reviewing and making a recommendation to the City Council (Council) whether the development agreement is consistent with the City's General Plan and whether to approve the development agreement; and

Whereas, on January 20, 2026, at a duly noticed public hearing, the Commission has considered evidence presented by the Community Development Department and other interested parties with respect to this item, and adopted a resolution recommending that the Council approve Development Agreement Amendment No. 2025-11; and

Whereas, on February 24, 2026, at a duly noticed Public Hearing, the Council has considered the recommendation of the Commission as well as evidence presented by the Community Development Department and other interested parties with respect to this item.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1: That in accordance with the MSHCP, the Council makes the following findings for MSHCP consistency:

1. The Project is not subject to the City's LEAP and the Western Riverside County Regional Conservation Authority's (RCA) JPR processes as it is not located within a Criteria Cell.
2. The Project is consistent with the Riparian/Riverine Areas, Vernal Pools Guidelines, and the Fuel Management Guidelines as the Project is wholly located within an existing

building and does not include any earth disturbing activities therefore Sections 6.1.2 or 6.3.1 of the MSHCP are not applicable.

3. The Project is consistent with the Protection of Narrow Endemic Plant Species Guidelines and the Additional Survey Needs and Procedures because the project is not located within any Narrow Endemic Plant Species Survey Areas or Critical Species Survey Areas.
4. The Project is consistent with the Fuels Management Guidelines because the Project site is not within or adjacent to any MSHCP Criteria Cell or conservation areas.
5. The Project has been conditioned to pay any applicable MSHCP Local Development Mitigation fees.

Section 2: The Council hereby finds and determines that the Project is categorically exempt from California Environmental Quality Act (Cal. Publ. Res. Code §§21000 et seq. "CEQA") and CEQA Guidelines (14. Cal. Code Regs. §§15000 et seq.), specifically pursuant to Section 15301 (Class 1 – Existing Facilities), because the proposed project is an existing cannabis business that is operating within a fully developed site and building. The proposed amendment to the business' development agreement would not result in new construction, additional square footage, or expansion of the existing use.

Section 3: That in accordance with California Planning and Zoning Law and the Section 19.12.080.B. of the LEMC, the Council makes the following findings regarding Development Agreement Amendment No. 2025-11:

1. It is consistent with the objectives, policies, general land uses and programs specified in the General Plan and any applicable specific plan.

The proposed development agreement amendment will continue to help offset the potential costs incurred by the City associated with the establishment of a cannabis facility within an industrial district. The project site's General Plan Land Use designation is Limited Industrial (LI). The proposed project is consistent the LI land use designation and with the objectives, policies, general land uses and programs specified in the General Plan.

2. It is compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is located.

The proposed development agreement amendment will continue to facilitate the establishment of the cannabis facility within an existing industrial building. The cannabis facility has been in operation which includes manufacturing and storage uses consistent with other similar businesses within the Limited Industrial (LI) General Plan Land use designation and the Limited Manufacturing (M-1) Zoning designation.

3. It is in conformity with public convenience, general welfare and good land use practices.

The existing cannabis facility has been operating in a manner that has not resulted in negative impacts to the public and its general welfare. The proposed development agreement amendment will ensure the cannabis facility continues to have beneficial impacts to the surrounding community. Furthermore, the project has been reviewed and conditioned by all applicable City departments to reduce the potential for any adverse effects.

4. It will not be detrimental to the health, safety and general welfare.

The proposed development agreement amendment will not be detrimental to the health, safety, and general welfare of the community because the existing cannabis facility has been operation without negative impacts or concerns. The development agreement amendment will ensure the cannabis facility continues to operate in a safe manner. Furthermore, the proposed project has been reviewed and conditioned by all applicable City departments to reduce the potential for any adverse effects to the health, safety, and general welfare.

5. It will not adversely affect the orderly development of property or the preservation of property values;

The cannabis facility is an existing business that has been operation without land use issues and has not caused adverse impacts for existing businesses and future developments. The proposed development agreement amendment will ensure the cannabis facility continues to operate as such.

6. It is consistent with the provisions of Government Code Sections 65864 through 65869.5.

The proposed development agreement amendment includes all mandatory provisions required by Government Code § 65865.2 and does not include any provisions that are not authorized by the Development Agreement Act.

Section 4: Approval. The City Council hereby approves the Development Agreement Amendment No. 2025-11 attached hereto as Exhibit A with such modifications as approved by the City Attorney. The Mayor and City Clerk are hereby authorized and directed to execute and attest, respectively, the Development Agreement Amendment on behalf of the City of Lake Elsinore. The City Clerk is directed to transmit the Development Agreement Amendment to the County Recorder for recordation no later than ten (10) days after the adoption of this ordinance.

Section 5: Severability. If any provision of this Ordinance or its application is held invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions, sections, or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end each phrase, section, sentence, or word is declared to be severable.

Section 6: Effective Date. This Ordinance shall become effective at 12:01 a.m. on the thirty-first (31st) day after the date of adoption.

Section 7: Certification. The City Clerk shall certify to the passage of this Ordinance and shall cause a synopsis of the same to be published according to law

Passed and Adopted on this _____ day of _____, 2026.

Bob Magee,
Mayor

Attest:

Candice Alvarez, MMC
City Clerk

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF LAKE ELSINORE)

I, Candice Alvarez, City Clerk of the City of Lake Elsinore, California, do hereby certify that the foregoing Ordinance No. 2026-_____ was introduced at the Regular meeting of January 20, 2026 and adopted by the City Council of the City of Lake Elsinore, California, at a Regular meeting of _____, 2026, by the following vote:

AYES
NOES:
ABSTAIN:
ABSENT:

I further certify that said Synopsis was published as required by law in a newspaper of general circulation in the City of Lake Elsinore, California on the _____ day of _____, 2026, and on the _____ day of _____, 2026.

Candice Alvarez, MMC
City Clerk