

**ORDINANCE NUMBER 1406**

***AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, APPROVING DEVELOPMENT AGREEMENT AMENDMENT 21-05053 (MODIFYING DEVELOPMENT AGREEMENT 10-04-0010) FOR SITE 3 OF THE SOUTH PERRIS INDUSTRIAL PROJECT AND ADOPTING FINDINGS IN SUPPORT THEREOF***

**WHEREAS**, on July 13, 2010, the City of Perris (“City”) City Council approved the South Perris Industrial Project (“Original Project”), which was submitted by FR/Cal Ellis, LLC, and approved a related Development Agreement 10-04-0010 (“DA”) in accordance with Perris Municipal Code (“PMC”) Section 18.19.010 et seq. and Government Code Section 65864 et seq. (“Development Agreement 10-04-0010”); and

**WHEREAS**, on June 9, 2020, the City Council approved a Major Modification to the Original Project (“MM19-05332” or “2020 Modification”), and approved an Amendment (20-05063) to the DA; and

**WHEREAS**, the developer for the Project (IDIL PERRIS NORTH 3, L.P. a limited partnership and IDIL PERRIS LOGISTICS CENTER NORTH, L.P.,) is the successor in interest of FR/Cal Ellis, LLC’s interest and rights in the Original Project and Development Agreement 10-04-0010 (“Project Proponent”); and

**WHEREAS**, the Original Project involved three non-contiguous sites and the current action affects only the northernmost of the three non-contiguous sites of approximately 215.7 acres at the northeast corner of Ellis and Redlands Avenues (“site,” or “Site III”); and

**WHEREAS**, On September 17, 2020, IDI Logistics submitted Major Modification (MM) 20-05166 of TPM 35877 and DPR 08-01-0007; Development Agreement (DA) Amendment 21-05053; Tentative Parcel Map 37998 (TPM 21-05119); Conditional Use Permit (CUP) 21-05133; and EIR Addendum #2 (21-05054) to adjust the parcel sizes, and modify the overall building square footage (SF) of the Original Project’s approval in 2010 (i.e., DPR 08-01-0007 at 3,166,456 SF) and the Major Modification approval in 2020 (MM 19-05332 at 2,358,347 SF) to allow construction of three industrial buildings totaling 2,840,836 SF and to create five parcels to facilitate three buildings, detention basins, and a conservation parcel with a rail spur serving Parcel 3 on a 215.6-net-acre vacant site located at the northeast corner of Redlands Avenue and Ellis Avenue within the Light Industrial zone (Assessor Parcel Nos (APN): 310-170-006, 007, 008, 310-220-050 and 330-090-027) (the “Project”); and

**WHEREAS**, since the approval of the Original Project, there has not been development on Site III, but additional infrastructure in the area has been constructed, and the surrounding area has generally become more developed/urbanized; and

**WHEREAS**, the “Project” to develop 2,840,836 square feet of industrial warehouse space in three buildings represents a reduction of 325,773 square feet from the Original Project approval; and

**WHEREAS**, the Project includes a rail spur located between Ellis Avenue and Case Road and an outdoor storage area screened by a 14-foot tall concrete wall, which requires the submission of Conditional Use Permit (CUP 21-05133) by the Project Proponent pursuant to the PMC; and

**WHEREAS**, the City of Perris also received an application for an amendment to Development Agreement 10-04-0010 from the Project Proponent concerning development of Site III of the South Perris Industrial Project pursuant to the Original Project in accordance with PMC Section 18.19.010 *et seq.* and Government Code section 65864 *et seq.*, and the Project Proponent further desires to enter into said modification of Development Agreement 10-04-0010 with the City (“Development Agreement Amendment 21-05053”); and

**WHEREAS**, the Project is partially located in Western Riverside Multiple Species Habitat Conservation Plan (“MSHCP”) Criteria Cell No. 3470 and participated in the Habitat Evaluation and Acquisition and Negotiation Strategy (“HANS”) negotiation process for Site III required by the MSHCP and City Resolution No. 3162 to determine appropriate conservation areas for habitat preservation; and

**WHEREAS**, the MSHCP Compliance Report was reviewed by the City, the Riverside County Regional Conservation Authority (“RCA”), and the US Fish and Wildlife Service and the California Department of Fish and Game (the Wildlife Agencies) through the Joint Project Review process and a Determination of Project Consistency was made by the City for Sites II and III of the Original Project and approved by the RCA; and

**WHEREAS**, through the Joint Project Review process, it was determined that the designated conservation areas for the South Perris Industrial Project will total approximately 76 acres in three discontinuous sites along the San Jacinto River within City limits, and the City intends to convey these parcels to the RCA for permanent conservation; and

**WHEREAS**, on July 13, 2010, the City certified the South Perris Industrial Final Environmental Impact Report (SCH No. No. 2008071060) (“EIR”) for the Original Project pursuant to CEQA and the State CEQA Guidelines by adopting City Council Resolution No. 4323, and which incorporates the Final EIR, the Draft EIR with changes and revisions thereto, written Responses to Comments made during the CEQA review period, and the Mitigation and Monitoring Program; and

**WHEREAS**, on June 9, 2020 and pursuant to CEQA, the city adopted an Addendum to the EIR which was prepared for the 2020 Modification and was determined by City Council that no new or more severe significant impacts than those addressed in the EIR result from the 2020 Modification (“Addendum #1 to the EIR”) which reduced the square footage on the site when compared with the Original Project, therefore reducing a number of associated impacts on the environment compared to those impacts addressed in the EIR; and

**WHEREAS**, pursuant to CEQA, an Addendum to the EIR (21-05054) has been prepared for the Project (“Addendum to the EIR #2”) and it has been determined that no new or more severe significant impacts than those addressed in the EIR result from the Project, which reduces the square footage that will be developed on the site when compared with the Original Project, therefore reducing a number of associated impacts on the environment compared to those impacts addressed in the EIR; and

**WHEREAS**, the City Council has reviewed the Addendum to the EIR #2 and accompanying attachments; and

**WHEREAS**, the City Council received recommendations from the Planning Commission to make findings related to and approve the Addendum to the EIR#2, Major Modification (MM 20-05166), Tentative Tract Map 37998, Conditional Use Permit (CUP 21-05133), and Development Agreement Amendment 21-05053; and

**WHEREAS**, the City Council now desires to approve Development Agreement Amendment 21-05053 as it relates to the Project, which incorporates changes to the Original Project as provided in Major Modification (MM 20-05166) Tentative Tract Map 37998, Conditional Use Permit (CUP 21-05133); and

**WHEREAS**, prior to taking action, the City Council has heard, been presented with, and/or reviewed all of the information and data which constitutes the administrative record for the above-mentioned approvals, including all oral and written evidence from City staff and members of the public presented at all Proposal and Project meetings and public hearings, including the previously certified EIR for the Original Project.

***NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS DOES HEREBY ORDAIN AS FOLLOWS:***

***Section 1.*** Recitals Incorporated. The City Council finds the above recitals are true and correct and incorporated herein by this reference.

***Section 2.*** CEQA. Based upon the forgoing and all oral and written statements and reports presented by City staff and members of the public, including but not limited to, such statements and reports presented at the City Council’s public hearing on July 27, 2021, the City Council has reviewed and considered the environmental documentation and information referenced in its Resolution (next in order), which is incorporated herein by this reference, prior to action on the application for Development Agreement Amendment 21-05053, which modifies Development Agreement 10-04-0010, and finds and determines that the Addendum to the EIR #2 meets the requirements of CEQA and State CEQA Guidelines, and finds that no new or increased significant impacts than those addressed in the previously certified EIR, which remains relevant, result from the Project, including Development Agreement Amendment 21-05053.

***Section 3.*** Findings. Based upon the forgoing and all oral and written statements and reports presented by City staff and members of the public, including but not limited to, such statements and reports presented at the City Council’s public hearing on July 27, 2021, the City Council makes the following findings required by PMC section 18.19.100 for approval of the

proposed Development Agreement Amendment 21-05053 associated with Site III and which modifies Development Agreement 10-04-0010 as follows:

- 1) Development Agreement Amendment 21-05053 complies with Government Code section 65867.5(b) in that the provisions of the Development Agreement are consistent with the City's General Plan and any applicable special plans.

Development Agreement Amendment 21-05053 implements the Project which is consistent with the General Plan and zoning of Light Industrial, and the existing land uses in the area. The location and size, density and intensity of the modified Project and the required improvements are the same or less intense than the approved Original Project for this site, including reduced square footage resulting in reduced traffic.

- 2) Development Agreement Amendment 21-05053 is consistent with the objectives, policies, general land uses and programs specified in the General Plan and any applicable specific plans.

In addition to Development Agreement Amendment 21-05053 being consistent with the General Plan and zoning, the Project is consistent with General Plan Goal III, Policy III.A, of the General Plan Land Use Element, which seeks to provide jobs for residents at all economic levels through commerce and industry and to diversify the local economy.

- 3) Development Agreement Amendment 21-05053 is compatible with the uses authorized in, and the regulations prescribed for, the zoning district in which the real property is located. The findings in Sections 3 and 4 of City Council Resolution No. 20-07 are incorporated herein by this reference, which findings include, but are not limited to the following:

- a. Modification of the Original Project (Major Modification (MM 20-05166))

- i. Development Agreement Amendment 21-05053 is consistent with the findings for the Original Project because location, size, design, and density and intensity of the proposed Project is consistent with the City's General Plan (LI), any applicable Specific Plans (none), the purposes and provisions of the City's Zoning Code, the purposes of the Zone (Light Industrial) in which the site is located, and the development policies and standards of the City.

1. There is no change in the size of the site, the architectural design and site circulation have been improved, and the square footage of the Project is substantially reduced from the Original Project. The proposed development is consistent with the General Plan zoning Light Industrial (LI) designation on the site, and with the existing land uses in the area. The Project, as conditioned, meets or exceeds all design and development criteria of the underlying LI zoning district, which implements the development standards and policies of the City.

- ii. The proposed Project site is physically suitable, including but not limited to parcel size, shape, access, and availability of utilities and services, for the type of development proposed.
  - 1. The proposed Project is physically suitable in terms of parcel size, shape, access and availability to utilities and services, as the site is located at the northeast corner of Ellis and Redlands Avenues, which allows for adequate two-way access from both frontages and provides for the logical extension of infrastructure to service the site. Since the approval of the Original Project, there has not been development on Site III, but additional infrastructure in the area has been constructed, and the surrounding area has generally become more developed/urbanized. Utility service connections are available to service the site and will be designed, installed and maintained consistent with City and service agency requirements.
- iii. The proposed Project and the conditions under which it would be operated or maintained is compatible with abutting properties and will not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity.
  - 1. The Project is adjacent to other light industrial, governmental and recreational uses that are compatible with the e-commerce/warehousing uses proposed on the site. The Project would augment the City's economic base, create employment-generating opportunities for the citizens of Perris and surrounding communities, and provide modern industrial distribution centers that allow for the efficient storage and distribution of various goods due to the Project's location adjacent to regional transportation corridors and rail lines.
- iv. The architecture of the proposed Project includes updated and enhanced architecture which is compatible with community standards and protects the character of adjacent development.
  - 1. As designed, the proposed architecture meets or exceeds the intent of the architectural design standards in the Light Industrial zone. The architecture proposed is an upgrade and update from the architecture approved for the Original Project. Additionally, the proposed architecture will be compatible with and protect the character of the existing and future light industrial uses through the application of enhanced development standards, landscaping, setbacks, site design and improvements, which aesthetically enhance the site and protects the character of the adjacent development.

v. The proposed Project's landscaping plan ensures visual relief and provides an attractive environment for the public's enjoyment.

1. As conditioned, the proposed Project meets or exceeds the on-site and off-site landscape standards for the Light Industrial (LI) zoning district as outlined in Chapter 19.70 of the Zoning Code, by providing a mix of specimen native and drought-tolerant trees, shrubs, ground cover and annual color throughout the site to ensure visual relief and effectively frame, soften and embellish access points, building entries, parking areas and trash enclosures. As required, all areas not covered by structures, drive aisles, parking or hardscape have been landscaped, which will provide an attractive environment for the public's enjoyment.

vi. The safeguards necessary to protect the public health, safety and general welfare have been required for the proposed Project.

1. The proposed Project provides the safeguards necessary to protect the public health, safety, and general welfare through the conditions of approval and mitigation measures, which will ensure that the Project is developed in compliance with City and affected service agency codes and policies and mitigate potential impacts to the environment.

b. Tentative Parcel Map 37998 (TPM 21-05119)

i. The proposed map is consistent with applicable general and specific plans.

1. The proposed tentative parcel map has been reviewed by the City Engineering Department and the Planning Department to ensure compliance with the city codes and all other applicable regulations. The project site is not located within a specific plan, but has land use and zoning designations of "LI" (Light Industrial). The proposed warehouses are permitted in the "LI" zone. According to the General Plan, the proposed development is located in Planning Area 8 "Perris Valley Airport" which is primarily designated for General and Light Industrial land uses. Therefore, City staff has determined that subject sites created by TPM 37998 are consistent with the applicable general and specific plan designations.

ii. That the design or improvement of the proposed subdivision is consistent with applicable general and specific plans.

1. The General Plan land use and Zoning designations are Light Industrial for this site. The proposed project is consistent with this designation. The site is not located within a specific plan, as it was

removed from the New Perris Specific Plan, as revised August 2020. The Light Industrial land use designation is intended for an industrial development that supports a wide range of manufacturing and nonmanufacturing uses, from warehousing and distribution facilities to industrial activities.

- iii. That the site is physically suitable for the type of the proposed development.
  1. The proposed Project site is relatively flat and is physically suitable in terms of parcel size, shape, access and availability to utilities and services, as the site is located at the northeast corner of Ellis and Redlands Avenues, which allows for adequate two-way access from both frontages and provides for the logical extension of infrastructure to service the site. Since the approval of the Original Project, there has not been development on Site III, but additional infrastructure in the area has been constructed, and the surrounding area has generally become more developed/urbanized with other governmental and industrial uses that the proposed development would be compatible with. Utility service connections are available to service the site and will be designed, installed and maintained consistent with City and service agency requirements.
- iv. That the site is physically suitable for the density of the proposed development.
  1. The 215.7-acre site consists of relatively flat land and regularly shaped parcels with frontage on Redlands Avenue, and Ellis Avenue. The Perris Municipal Code design criteria for Light Industrial allows up to 50% lot coverage and 0.75 floor area ratio. No parcel within the Project exceeds 46.9% lot coverage or 0.47 floor area ratio.
- v. That the design of the subdivision or the proposed improvements will not cause substantial environmental damage or substantially and unavoidably injure fish or wildlife or their habitat.
  1. Pursuant to the California Environmental Quality Act and the Guidelines for Implementation of the California Environmental Quality Act, an EIR (State Clearinghouse No. 200807160) was prepared for the Project that determined that less than significant impacts to wildlife and their habitat would occur as a result of the Project with implementation of the required mitigation measures. The site consists of vacant land consisting of mixed tilled soils and overgrown vegetation. The Mitigation Monitoring and Reporting Program is included in the Conditions of Approval, attached to the

Final EIR, and is available for review at the City of Perris Development Services Department or on the City website.

- vi. That the design of the subdivision or the type of improvements will not cause serious public health problems.
  - 1. The Project EIR determined that less than significant impacts to people would occur as a result of the project, except for certain identified environmental impacts that will result from the construction and operation of the proposed Project, even with implementation of mitigation measures. See the CEQA Findings for the Project.
  
- vii. The design of the subdivision of the type of improvements will not conflict with easements of record or easements established by court judgment, acquired by public at large, for access through or use of property within the proposed subdivision. In this connection the planning director may recommend approval of a map if he/she finds that alternate easements, for access or for use, will be provided, and that these will be substantially equivalent to the ones previously acquired by the public.
  - 1. The Project, as conditioned, will not conflict with easements of any kind that provide access through or use of the property. Parcels are being consolidated and unneeded easements vacated to create five parcels, three for development, one from detention basins and one for conservation. The three development parcels are fully accessible from public streets. Some adjacent vacant parcels take access via Ellis Avenue, which is a dirt road at this time. The project, as conditioned, “shall be responsible for providing access to the properties located east of the railroad spur all the time.” Utility easements through the site are being retained.
  
- viii. All requirements of CEQA have been met.
  - 1. See Section 2, above.
  
- ix. That the discharge of waste from the proposed subdivision into an existing community sewer system would not result in violation of existing requirements prescribed by a state regional water quality control board pursuant to division 7 (commencing with section 13000) of the Water Code.
  - 1. The project area is located within the Santa Ana Regional Water Quality Control Board (RWQCB District 8) jurisdiction. Prior to grading permit issuance for the Project a Notice of Intent shall be



filed with District 8 for coverage under the State National Pollutant discharge Elimination System (NPDES) General Construction Permit for discharge of storm water associated with construction. The Project is also required to prepare and provide a Storm Water Pollution Prevention Plan (SWPPP) and Project-specific Water Quality Management Plans (WQMPs), which comply with the City of Perris Water Quality Ordinance 1194, which revised Chapter 14.22 of the City of Perris Municipal Code. These will assure that all surface and storm water run-off does not violate RWQCB District 8 requirements.

In addition, the Project will not discharge waste into an existing sewer system that would result in a violation. Eastern Municipal Water District (EMWD) is responsible for wastewater collection and treatment in Perris. The project is conditioned to construct an upgrade to the Case Road sewer siphon at the Case Road bridge over the San Jacinto River. The Perris Valley Regional Water Reclamation Facility (PVRWRF) will serve this site. The PVRWRF has adequate current and future capacity to serve the Project and therefore is not at risk of resulting in a water quality violation.

c. Outdoor Storage (Conditional Use Permit (CUP 21-05133))

- i. The proposed location of the conditional use as provided in the Project is in accord with the objectives of the Perris Municipal Code and the purposes of the zone in which the site is located.
  1. The zoning and General Plan designation of the site is Light Industrial. This zone permits light industrial uses and related activities including manufacturing, research, warehouse and distribution, assembly of non-hazardous products/materials, and retail related to manufacturing. The outdoor storage for which this conditional use permit is required is not located adjacent to local streets and is screened from views from I-215 with 14-foot tall concrete screen walls. As conditioned, no materials stored outdoors are allowed to exceed the height of the screen walls; therefore, the Project meets or exceeds the objectives of the Light Industrial zone.
- ii. The proposed Project is consistent with the findings for the Original Project and the City's General Plan (LI), and conforms to all specific plans, zoning standards (Light Industrial), applicable subdivision requirements, and other ordinances and resolutions of the city.
  1. The Project will conform to the applicable Original Project conditions of approval and EIR mitigation measures. The goals

of the General Plan and Zoning Code are achieved because the Project complies with the development standards of the Light Industrial Zone and provides reduced environmental impacts, and superior site design and building architecture.

- iii. The proposed location of the conditional use and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity.
  1. The Project is adjacent to other light industrial, governmental and recreational uses that are compatible with the e-commerce/warehousing uses proposed on the site. The outdoor storage for which Conditional Use Permit 21-05133 is required is located away from adjacent uses and is screened from views from I-215. The Project would augment the City's economic base, create employment-generating opportunities for the citizens of Perris and surrounding communities, and provide modern industrial distribution centers that allow for the efficient storage and distribution of various goods due to the Project's location adjacent to regional transportation corridors and rail lines.
- iv. The architecture of the proposed Project includes updated and enhanced architecture which is compatible with community standards and protects the character of adjacent development.
  1. As designed, the proposed architecture meets or exceeds the intent of the architectural design standards in the Light Industrial zone. The architecture proposed is an upgrade and update from the architecture approved for the Original Project. Additionally, the proposed architecture will be compatible with and protect the character of the existing and future light industrial uses through the application of enhanced development standards, landscaping, setbacks, site design and improvements, which aesthetically enhance the site and protects the character of the adjacent development.
- v. The landscaping plan ensures visual relief and provides an attractive environment for the public's enjoyment.
  1. Good quality landscaping is provided throughout the site, including street trees along Ellis and Redlands Avenues, multi-layered, drought-tolerant landscaping including flowering trees and shrubs, and trails are provided in large landscape areas along and within the setback areas. ensures visual relief and provides an attractive environment for the public's enjoyment.

- 4) Development Agreement Amendment 21-05053 is in conformity with and will promote public convenience, general welfare and good land use practice.

Development Agreement Amendment 21-05053 implements the Project which is consistent with the General Plan land use guidance and policies. Therefore, Development Agreement Amendment 21-05053 promotes the general welfare and good land use practice.

- 5) Development Agreement Amendment 21-05053 will not be detrimental to the health, safety and general welfare.

The Project would augment the City's economic base, create employment-generating opportunities for the citizens of Perris and surrounding communities, and provide modern industrial distribution centers that allow for the efficient storage and distribution of various goods due to the Project's location adjacent to regional transportation corridors and rail lines. Combined with the reduction of square footage and truck traffic resulting from implementation of the Project, Development Agreement Amendment 21-05053 will not be detrimental to the health, safety and general welfare.

- 6) Development Agreement Amendment 21-05053 will not adversely affect the orderly development of the property or the preservation of property values.

The Project implements the General Plan which identifies industrial uses in this portion of the city near Perris Valley Airport which will provide orderly development. The upgraded architecture, quality landscaping and e-commerce user will preserve property values.

- 7) Development Agreement Amendment 21-05053 will promote and encourage development of the proposed Project by providing a greater degree of requisite certainty.

Development Agreement Amendment 21-05053 assures the current landowner is now responsible for improvements and gives certainty to both the City and developer regarding what is required to develop the land.

***Section 4.***     Approval of Development Agreement Amendment 21-05053.

Based upon the forgoing and all oral and written statements and reports presented by City staff and members of the public, including but not limited to, such statements and reports presented at the City Council's public hearing on July 27, 2021, the City Council hereby approves Development Agreement Amendment 21-05053 relating to Site III of the Project and which amends Development Agreement 10-04-0009. Development Agreement Amendment 21-05053 is attached hereto as Exhibit 1 and incorporated herein by this reference.

***Section 5.***     Severability. If any subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance or any part thereof is for any reason held to be unconstitutional or otherwise unenforceable, such decision shall not affect the validity of the remaining portion of this Ordinance or any part thereof. The City Council hereby declare that they would have passed each subsection, subdivision, paragraph, sentence, clause, or phrase thereof, irrespective of the fact that

any one or more subsection, subdivision, paragraph, sentence, clause, or phrase be declared unconstitutional or otherwise unenforceable.

**Section 5.** Effective Date. This Ordinance shall take effect 30 days after its adoption.

**Section 6.** Certification. The City Clerk shall certify as to the passage and adoption of this Ordinance and shall cause the same to be posted at the designated locations in the City of Perris.

**ADOPTED, SIGNED and APPROVED** this 31<sup>st</sup> day of August, 2021.

\_\_\_\_\_  
Michael M. Vargas, Mayor

ATTEST:

\_\_\_\_\_  
City Clerk, Nancy Salazar

STATE OF CALIFORNIA    )  
COUNTY OF RIVERSIDE   )  
CITY OF PERRIS            )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, DO HEREBY CERTIFY that the foregoing Ordinance Number 1406 was introduced by the City Council of the City of Perris at a regular meeting of said Council held on the 27<sup>th</sup> day of July, 2021 and was duly adopted by the City Council of the City of Perris at a regular meeting of said Council held on the 31<sup>st</sup> day of August, 2021, and that it was so adopted by the following vote:

AYES: ROGERS, NAVA, CORONA, RABB, VARGAS  
NOES: NONE  
ABSENT: NONE  
ABSTAIN: NONE

\_\_\_\_\_  
City Clerk, Nancy Salazar

Attachment : Development Agreement Amendment 21-05053

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

City of Perris  
Attn: City Clerk  
101 North "D" Street  
Perris, CA 95270

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(Space Above For Recorder's Use)

## **SECOND AMENDMENT TO DEVELOPMENT AGREEMENT**

This Second Amendment to Development Agreement ("Second Amendment") is made and entered into as of this \_\_\_\_th day of \_\_\_\_, 2021, by and between the CITY OF PERRIS, a municipal corporation ("City") on the one hand, and IDIL PERRIS NORTH 3, L.P. a limited partnership and IDIL PERRIS LOGISTICS CENTER NORTH, L.P., a limited partnership ("Developer") on the other. Collectively, City and Developer may be referred to as "Parties" and individually, each as a "Party".

### **RECITALS**

A. On July 13, 2010, the City Council introduced for first reading (and ultimately adopted in August 2010) Ordinance No. 1271, which approved a General Plan amendment, a Specific Plan amendment, a zone change to allow 3,166,857 square feet of industrial warehouse space in four buildings on approximately 215.7 acres of property in the City ("the Site"), as well as a Development Agreement, DA 10-04-0010 ("Agreement"), recorded by the County of Riverside Assessor, County Clerk and Recorded as document number 2014-0092090. On that same day, the City Council adopted Resolution No. 4326 certifying the South Perris Industrial Project Environmental Impact Report ("EIR") pursuant to the California Environmental Quality Act ("CEQA") and approving TPM 35877, a HANS negotiation, and DPR 08-01-0007. Collectively, all of these approvals are referred herein to as the "Original Development Approvals". The Site is more particularly described in Exhibit "B" to the Agreement.

B. The Agreement defines the Development Plan to mean the development of the Site pursuant to the Development Approvals, including the Subsequent Development Approvals, the Infrastructure Concept Plans, and the Public Improvements.

C. On May 20, 2020, following a duly noticed and conducted public hearing, the City's Planning Commission approved Resolution No. 20-07, which recommended approval of modifications to the Original Development Approvals so that the Development Plan would now allow the development of approximately 2,358,347 square feet of industrial/warehouses in three buildings, as well as a rail spur, plus surface improvements, including parking, landscaping, storm water improvements, and necessary street, water and sewer infrastructure to accommodate the development of the Plan ultimately selected by the Developer, and revised elevations (the "2020 Project").

D. On June 9, 2020, following a duly noticed and conducted public hearing, the City Council approved Resolution No. 5676 approving the 2020 Project. Also on June 9, 2020, the City Council held a first reading of, and on July 28, 2020, adopted after a second reading, Ordinance No. 1392 approving the First Amendment to the Development Agreement (“First Amendment”) to conform the Agreement to the revised Project and public improvement obligations, vest the entitlements related thereto throughout the Term of the Agreement, as well as substitute in the current Developer for the entity that was the original party to the Agreement, FR/CAL ELLIS, LLC.

E. When approving the 2020 Project, the City Council approved the 2020 Addendum to the EIR (“2020 Addendum”), and in so doing, found in its independent judgment that, pursuant to CEQA Guidelines section 15162, all of the impacts of the proposed 2020 Project on the environment have been previously analyzed in, and are fully covered by, the certified EIR, and there are no new or increased significant impacts or changed circumstances requiring or allowing the preparation of a subsequent or supplemental EIR.

F. On July 7, 2021, following a duly noticed and conducted public hearing, the City’s Planning Commission approved Resolution No. 21-13, which recommended approval of modifications to the Original Development Approvals and 2020 Project, so that the Development Plan would now allow the development of approximately 2,840,838 square feet of industrial/warehouses in three buildings, as well as a rail spur, plus surface improvements, including parking, landscaping, storm water improvements, and necessary street, water and sewer infrastructure necessary to accommodate the development of the project, other offsite improvements, and revised elevations (the “Project”).

G. On July 27, 2021, following a duly noticed and conducted public hearing, the City Council approved Resolution No. 5842 (“Resolution”) approving the Project. The Resolution includes, as attachments, the Project’s approved site plans, elevations, and all conditions of approval, as modified from the Original Development Approvals and the 2020 Project, including updated and revised required public improvements, public improvement fee offsets, and other applicable fee amounts. The Resolution is incorporated by reference into this Second Amendment.

H. Also on July 27, 2021, the City Council held a first reading of, and on August 31, 2021, adopted after a second reading, Ordinance No. 1406 (“Ordinance”) approving and authorizing the execution of this Second Amendment to conform the Agreement to the revised Project and vest the entitlements related thereto.

I. When approving the Project that is the subject of this Second Amendment, the City Council approved the 2021 Addendum to the EIR (“2021 Addendum”), and in so doing, found in its independent judgment that, pursuant to CEQA Guidelines section 15162, all of the impacts of the proposed Project on the environment have been previously analyzed in, and are fully covered by, the certified EIR, and there are no new or increased significant impacts or changed circumstances requiring or allowing the preparation of a subsequent or supplemental EIR.

J. Concurrent with the 2010 approval of the Agreement (then called the “Phase 3 Development Agreement”), the City approved development agreements for two related sites, called the “Phase 1 Development Agreement” and the “Phase 2 Development Agreement”. The

foregoing Second Amendment, the Resolution, Ordinance, and 2021 Addendum apply only to the Phase 3 Development Agreement and shall not be construed to affect any obligations of the City or the respective developers/owners of the Phase 1 or Phase 2 Development Agreements.

K. On or about June 30, 2021, IDIL Perris Fulfillment Center, LLC, the previous Developer under the Agreement, assigned its interest in the Site and this Agreement to IDIL Perris North 3, L.P., and IDIL Perris Logistics Center North, L.P., pursuant to Section 2.3 of the Agreement, in the manner set forth in a June 28, 2021 letter to the City and exhibits thereto including legal descriptions. These assignments were accepted and approved by the City pursuant to the terms of the Agreement.

### **AGREEMENT**

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Developer. The definition of the term “Developer,” as used in the entirety of the Agreement and all Exhibits thereto (specifically including Exhibits “I” and “J”), is hereby amended to replace “IDIL Perris Fulfillment Center, LLC, a limited liability company,” with “IDIL Perris North 3, L.P., a limited partnership and IDIL Perris Logistics Center North, L.P., a limited partnership,” specifically including the introductory paragraph of the Agreement, the definition of Developer in Section 1.1.4 of the Agreement, and the introductory paragraph and signature block of Exhibit “D” (Assignment and Assumption Agreement) to the Agreement.

2. Recitals. The Recital section of the Agreement is hereby amended to add two Recitals, Recital P and Recital Q, as follows:

P. On July 7, 2021, following a duly noticed and conducted public hearing, the City’s Planning Commission approved Resolution No. 21-3, which recommended approval of a modification to the previously approved Development Approvals (“2021 Modification”), so that the Development Plan now allows the development of approximately 2,840,838 square feet of industrial/warehouse uses in three buildings, as well as a rail spur, plus surface improvements, parking, landscaping, storm water improvements, and necessary street, water and sewer infrastructure necessary to accommodate the development of the project, other offsite improvements, and revised elevations.

Q. On July 27, 2021, following a duly noticed and conducted public hearing, the City Council approved Resolution No. 5842 (“Resolution”) approving the Modification. The Minor Modification is expressly included in the definition of Development Approvals, as that term is defined in this Agreement. When approving this Resolution, the City Council approved the 2021 Addendum to the South Perris Industrial Environmental Impact Report (“EIR”), and in so doing, found in its independent judgment that, pursuant to CEQA Guidelines section 15162, all of the impacts of the proposed Project on the environment have been previously analyzed in, and are fully covered by, the certified South Perris Industrial Project EIR, and there are no new or increased significant impacts or changed circumstances requiring or allowing the preparation of a subsequent or supplemental EIR.

3. Development Plan. Section 1.1.7 of the Agreement is replaced in its entirety to read as follows:

“*Development Plan*” means the proposed plan for Development of a portion of the Property pursuant to the Development Approvals, including the Subsequent Development Approvals and the Infrastructure Concept Plans (as such term is hereafter defined). The Development Plan contemplates the development of the Property with a total of approximately 2,840,838 square feet of industrial/warehouse uses in three buildings, as well as a rail spur, on approximately 215.7 acres, plus necessary street, water, and sewer infrastructure to accommodate the Project, as well as other offsite improvements. The Development Plan also includes the Public Improvements described in Section 1.1.15.

4. Term. Section 2.5 of the Agreement is amended to replace to words “fifteen (15) years” with “seventeen (17) years,” so that the Term of the Agreement is extended to September 30, 2028.

5. Replacement Exhibits. The following original exhibits to the Agreement are hereby replaced in their entirety by the exhibits attached to this Second Amendment as Exhibit “1” through Exhibit “5”, respectively: Exhibit “A” (Depiction of the Property); Exhibit “C” (Infrastructure Concept Plans); Exhibit “E” (Phasing of Public Improvements); Exhibit “F” (TUMF Facilities, Estimated Full Costs of Constructing TUMF Facilities and Estimated Maximum TUMF Offset Eligibility); and Exhibit “G” (City DIF Facilities, Estimated Full Costs of City DIF Facilities and Estimated Maximum City DIF Offset Eligibility).

6. Exhibit “I”. Exhibit “I” (TUMF Credit and Reimbursement Agreement) to the Agreement is hereby amended as follows:

4.1. The second and third recitals of the original Exhibit “I,” which were replaced by four recitals in the First Amendment, are all hereby replaced in their entirety with the following four recitals:

**WHEREAS**, the Developer obtained approvals from the City consisting of General Plan Amendment No. 08-05-0023 (Resolution No. 4326), Specific Plan Amendment No. 08-05- 002 (Resolution No. 1271), Tentative Parcel Map No. 35886, a Development Agreement (Ordinance No. 1269), Street Vacation Case No. 08-05-0025, Development Plan No. 08-01-0007 and certification of Environmental Impact Report SCH # 2008071060 (Resolution No. 4323) (“Original Project Approvals”). The Project Approvals permit, subject to conditions of approval, the development of the Property with a total of approximately 3,166,857 square feet of industrial/warehouse uses in four buildings on approximately 215.7 acres (the “Original Project”), plus necessary street, water, and sewer infrastructure to accommodate the Project;



**WHEREAS**, Developer and City have entered that certain Development Agreement, dated September 30, 2011, and recorded in Riverside County Official Records on March 12, 2014 as Instrument No. 2014-0092090 (“Development Agreement”);

**WHEREAS**, On July 27, 2021 following a duly noticed and conducted public hearing, the City Council approved a major modification to the Original Development Approvals so that the Development Plan would now allow the development of approximately 2,840,838 square feet of industrial/warehouse uses in three buildings, as well as a rail spur, plus surface improvements, including parking, landscaping, storm water improvements, and necessary street, water and sewer infrastructure necessary to accommodate the development of the Development Plan, as well as other offsite improvements and revised elevations (collectively, the “Project”);

**WHEREAS**, on July 27, 2021 the City Council held a first reading of, and on August 31, 2021, adopted after a second reading, Ordinance No. 1406 (“Ordinance”) approving and authorizing the execution of the Second Amendment to the Development Agreement to conform the Agreement to the revised Project;

4.2 Exhibit “A” to Exhibit “I” is hereby replaced in its entirety with Exhibit “1” to this First Amendment.

4.3 Exhibit “B” to Exhibit “I” is hereby replaced in its entirety with Exhibit “4” to this First Amendment.

7. Exhibit “J”. Exhibit “J” (City DIF Credit and Reimbursement Agreement) to the Agreement is hereby amended as follows:

5.1 The first recital of Exhibit “J,” as amended by the First Amendment, is hereby replaced in its entirety with the following:

**WHEREAS**, on July 27, 2021 following a duly noticed and conducted public hearing, the City Council approved a major modification to the Original Development Approvals so that the Development Plan would now allow the development of approximately 2,840,838 square feet of industrial/warehouse uses in three buildings, as well as a rail spur, plus surface improvements, including parking, landscaping, storm water improvements, and necessary street, water and sewer infrastructure necessary to accommodate the development of the Development Plan, as well as other offsite improvements and revised elevations (collectively, the “Project”);

5.2 The second recital of Exhibit “J” is hereby replaced in its entirety with the following:

WHEREAS, Developer and City have entered that certain Development Agreement, dated September 30, 2011, and recorded in Riverside County Official Records as Instrument No. 2014-0092090, as amended by that certain First Amendment to the Development Agreement (“First Amendment”), dated \_\_, 2020 and recorded in Riverside County Official Records as Instrument No.\_\_\_\_\_, and that certain Second Amendment to the Development Agreement (“Second Amendment”), dated \_\_\_\_, 2021 and recorded in Riverside County Official Records as Instrument No.\_\_\_\_ (collectively, the “Development Agreement”);

5.3 Exhibit “A” to Exhibit “J” is hereby replaced in its entirety with Exhibit “3” to this First Amendment.

5.4 Exhibit “B” to Exhibit “J” is hereby replaced in its entirety with Exhibit “5” to this First Amendment.

8. Conflict. Except as otherwise provided in this Second Amendment, the terms of the Agreement, as amended by the Second Amendment, shall remain in full force and effect. In case of any inconsistency between this Second Amendment and the Agreement, the provisions containing such inconsistency shall first be reconciled with one another to the maximum extent possible, and then to the extent of any remaining inconsistency, the terms of this Second Amendment shall control.

9. No Effect on Other Agreements. Concurrent with the 2010 approval of the Agreement (then called the “Phase 3 Development Agreement”), the City approved development agreements for two related sites, called the “Phase 1 Development Agreement” and the “Phase 2 Development Agreement”. This Second Amendment, the Resolution, Ordinance, and 2021 Addendum apply only to the Phase 3 Development Agreement and shall not be construed to affect any obligations of the City or the respective developers/owners of the Phase 1 or Phase 2 Development Agreements.

10. Successors and Assigns. This Second Amendment shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns, subject to any limitations on assignment set forth in the Agreement.

11. Counterparts; Governing Law. This Second Amendment may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Second Amendment. This Second Amendment shall be governed by the laws of the State of California.

**[END OF TEXT; SIGNATURES FOLLOW IMMEDIATELY ON NEXT PAGE]**

IN WITNESS WHEREOF, the parties have executed this Second Amendment to the Development Agreement as of the date first set forth above.

CITY:

CITY OF PERRIS, a Municipal Corporation

By: \_\_\_\_\_

Clara Miramontes  
City Manager

APPROVED AS TO FORM:

By: \_\_\_\_\_

Eric Dunn  
City Attorney  
City of Perris

DEVELOPER:

IDIL Perris Fulfillment Center, LLC, a limited liability company

By: \_\_\_\_\_

Its:

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
(insert name and title of the officer)

Notary Public, personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the  
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
(insert name and title of the officer)

Notary Public, personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the  
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
(insert name and title of the officer)

Notary Public, personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the  
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

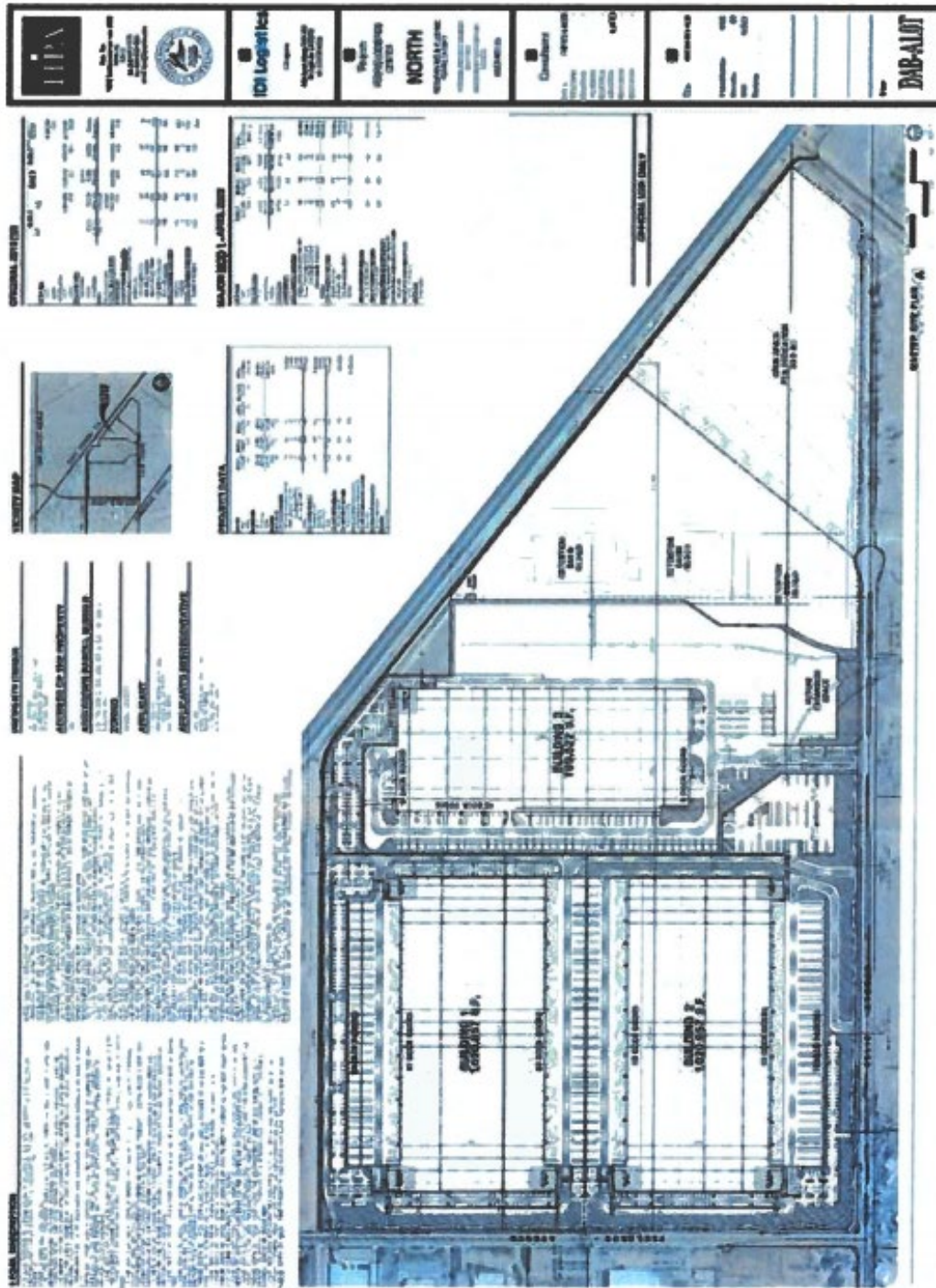
**EXHIBIT “1”**

[Replacement Exhibit on Following Page]

**EXHIBIT “1”**

EXHIBIT "A"

**DEPICTION OF THE PROPERTY**



**EXHIBIT “2”**

[Replacement Exhibit on Following Page]

**EXHIBIT “2”**



# EXHIBIT "C" INFRASTRUCTURE MAP



**EXHIBIT “3”**

[Replacement Exhibit on Following Page]

**EXHIBIT “3”**

Exhibit "E"

**LIST OF PUBLIC IMPROVEMENTS**

Street

Case Road (800' North of Ellis Avenue to I-215 including  
Bridge construction)

Ellis Avenue (From Case Road to 3,300' east of Redlands)

Redland Avenue (4<sup>th</sup> Street to Ellis Avenue)

Intersections/Signals

Ellis and Case (Signal)

Ellis and Redlands (Signal)

Case and Murrieta (Signal)

Case and Mapes (Signal)

Case and Bonnie (Signal)

Case and I-215 SB Ramp (Signal)

**EXHIBIT “4”**

[Replacement Exhibit on Following Page]

**EXHIBIT “4”**

Exhibit "F"

TUMF Facilities, Estimated Full Costs of Constructing TUMF Facilities and Estimated maximum TUMF offset eligibility

Phase 3 - TUMF Facilities Offset	Estimated Full Cost of Construction	Maximum TUMF Offset Eligibility
<u>Street - TIA</u>		
Case Road (800' North of Ellis Avenue to I-215) Including Bridge construction	\$25,426,695	\$14,014,746

These fee credits are based upon mutual agreement between the developer and the City of Perris in the interpretation of the WRCOG TUMF Nexus Study dated 2016 (TUMF Nexus). Reconstruction of bridge on Case Road will qualify for the fee credits in the TUMF Nexus respectively and is not required to be constructed to a 100-year flood standard.

**EXHIBIT “5”**

[Replacement Exhibit on Following Page]

**EXHIBIT “5”**

Exhibit "G"

City DIF Facilities  
Estimated Full Costs of City DIF Facilities and  
Estimated Maximum City DIF Offset Eligibility

Phase 3 - DIF Facilities	Estimated Full Cost of of Construction	Maximum DIF Offset Offset Eligibility
<u>Street - TIA</u>		
Ellis Avenue (From Case Road to 3,300' east of Redlands)	\$10,020,800	\$2,040,000
Case Road	\$21,091,695	\$2,136,500
Case Road Bridge	\$4,335,000	\$2,800,000
Redlands Avenue (4 <sup>th</sup> Street to Ellis Avenue)	\$2,807,300	\$1,260,000
<u>Intersections/Signals</u>		
Ellis and Case	\$472,100	\$250,000
Ellis and Redlands	\$315,200	\$250,000
Case and Murrieta	\$278,000	\$250,000
Case Road and Mapes Road	\$351,000	\$250,000
<u>Mapes Road and Bonnie Road</u>	<u>\$250,000</u>	<u>\$250,000</u>
	\$39,921,995	\$10,486,500

These fee credits are based upon mutual agreement between the developer and the City of Perris DIF Justification Study dated February 25, 2006 (DIF Nexus). Reconstruction of bridge on Case Road will qualify for the fee credits in the DIF Nexus is not required to be constructed to a 100-year flood standard.