

MUSEUM MARKET PLAZA SPECIFIC PLAN

DRAFT ENVIRONMENTAL IMPACT REPORT

I. INTRODUCTION AND PROJECT DESCRIPTION

A. Lead Agency

The City of Palm Springs is the Lead Agency for this Environmental Impact Report (EIR). The person to contact regarding this document at the City is Mr. Craig A. Ewing, AICP, Director of Planning Services. Mr. Ewing's address is City of Palm Springs, 3200 East Tahquitz Canyon Way, Palm Springs, CA 92262. Mr. Ewing's telephone number is (760) 323-8245.

B. Introduction

The City of Palm Springs determined that the Museum Market Plaza Specific Plan (Case No. 5.1204) is a "project" as defined by the California Environmental Quality Act (CEQA). The City undertook a preliminary review of the potential environmental impacts associated with the build out of the Specific Plan, and further determined that these impacts may be potentially significant, and that an Environmental Impact Report must be prepared. This EIR documents the analysis of all the potential environmental impacts identified in the Initial Study prepared for the proposed project, the level of impact, and the mitigation measures required to reduce impacts to less than significant levels wherever possible. This document also identifies those impacts which cannot be reduced to less than significant levels, and are therefore "significant and unavoidable."

This EIR is intended to be used as an information database for the general public, and the City's appointed and elected officials, as they consider the Specific Plan. The EIR summarizes

technical data collected from a number of sources, and analyzes Specific Plan impacts within this context. The basis for the analysis are the land use intensities, and associated development standards proposed in the Specific Plan.

A number of issues were identified as requiring analysis in the EIR, including:

- Land use compatibility
- Traffic and circulation
- Flooding and drainage
- Geotechnical and seismic safety
- Water resources
- Hazards and hazardous materials
- Air quality
- Historic and archaeological resources
- Noise
- Aesthetics and visual resources
- Population and housing
- Public services and utilities, and
- Recreational resources

Section II of this document describes the regional environmental setting, and identifies environmental resources and constraints. This section includes a brief discussion of the environmental resources and constraints in the region, the City, and the project's vicinity.

Section III focuses on the environment within and surrounding the Specific Plan project boundary. The potential impacts to the physical environment of the proposed Specific Plan are also discussed. Mitigation measures are presented where warranted and appropriate, to reduce impacts that may result from implementation of the Specific Plan. This Section also provides a determination, or conclusion, as to whether the impacts associated with the Specific Plan can be reduced to less than significant levels.

Section IV addresses those unavoidable significant impacts identified in Section III. Project alternatives are described and analyzed in Section V; and short-term use and long-term productivity of the affected environment in Section VI. The irreversible and irretrievable commitment of resources, including water resources, energy and air quality are assessed in Section VII. Growth inducing and cumulative impacts associated with adoption of the Specific Plan are examined in Section VIII. Section IX provides a bibliography and a listing of persons, organizations and documents consulted or referenced in the document.

CALIFORNIA

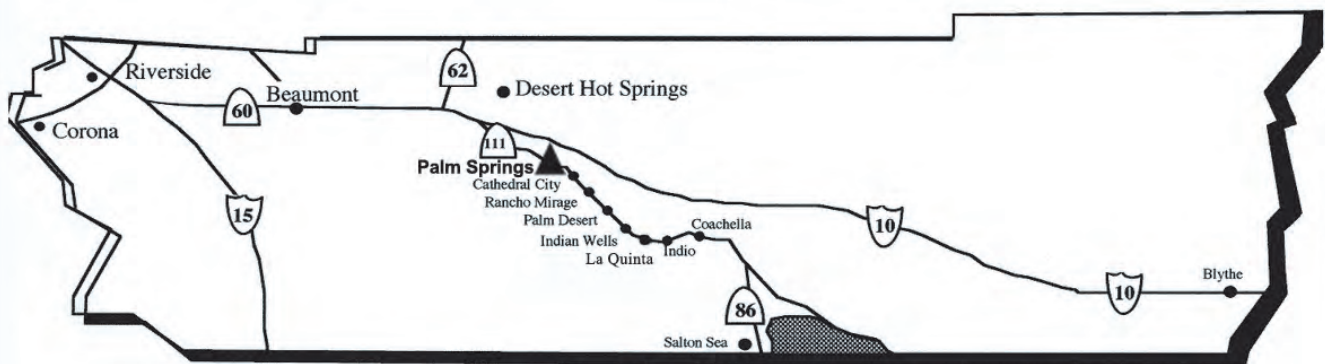


Pacific Ocean

Mexico



No Scale



RIVERSIDE COUNTY



TERRA NOVA[®]
Planning & Research, Inc.

Museum Market Plaza Specific Plan Draft EIR
Regional Map
Palm Springs, California

Exhibit

I-1



Source: Google, 2007

C. CEQA and Other Requirements

The California Environmental Quality Act (CEQA) Statutes (Public Resources Code Section 21000-21177) and CEQA Guidelines of 2008 (California Code of Regulations Section 15000 et. seq.), as amended, provide the basis for this EIR. CEQA requires that the adoption of a Specific Plan, and associated Change of Zone, require that the Lead Agency make findings concerning the identified significant environmental effects (Title 14, California Code of Regulations Section 15088). The EIR must be supported by substantial evidence and must explain how significant effects have been, or should be, mitigated.

Section 15080 of the CEQA Guidelines requires the preparation of an Initial Study (see Appendix A), as the first step in the environmental review process. If the Lead Agency determines through the preparation of the Initial Study that potentially significant environmental impacts may result from implementation of the project, an EIR must be prepared.

This EIR has been prepared as an informational and analytical document that provides decision-makers, the general public, and other responsible or interested agencies with an objective assessment of the environmental impacts associated with the proposed Specific Plan. The mitigation measures proposed herein are intended to eliminate or reduce the level of environmental impacts associated with the Specific Plan to the greatest extent possible.

The EIR, and the mitigation measures set forth in it, shall become part of the approval of the proposed project, and an integral part of the Specific Plan. If, after completion of the Final EIR, the City Council chooses to approve the Specific Plan without applying the mitigation measures set forth in the EIR to reduce impacts to less than significant levels, or if it is determined that unavoidable significant impacts will result from implementation of the proposed project, then Findings and a “Statement of Overriding Considerations” must be prepared, demonstrating how the benefits of the proposed project outweigh the unavoidable significant environmental impacts which may result from its implementation.

Public Comment and Issues of Concern

The City transmitted a Notice of Preparation (NOP) and Initial Study (IS) for the proposed Specific Plan on June 13, 2008. The public comment period for the NOP was from June 16, 2008 to July 17, 2008. The City received a number of comments on the NOP. These comments have been addressed in this EIR. The NOP and all comments received on the NOP can be found in Appendix A.

A Public Scoping Meeting was conducted for the EIR on July 1, 2008, during the NOP comment period. The Scoping Meeting was advertised in the Desert Sun newspaper, and notices of the meeting were sent to Responsible Agencies. Ten members of the public attended the meeting and spoke to the project. A number of questions were asked, but no new issues were identified as a result of the input provided by these participants.

In addition to the City departments responsible for reviewing this document, certain local, regional, state and federal agencies will be responsible for reviewing and commenting on this draft EIR. These agencies include, but are not limited to, the California Office of Planning and

Research, Southern California Association of Governments (SCAG), South Coast Air Quality Management District (SCAQMD), Coachella Valley Association of Governments (CVAG), Palm Springs Unified School District (PSUSD), and utility providers serving the planning area. Other public, quasi-public, and private organizations will also review the document.

This EIR is intended to address project approvals and permits which may be required immediately or in the future, and are listed below.

- | | |
|---------------------------------|--------------------------------------|
| • Specific Plan of Land Use | City of Palm Springs |
| • Change of Zone | City of Palm Springs |
| • Tentative Parcel Map(s) | City of Palm Springs |
| • Grading and Building Permits | City of Palm Springs |
| • Major Architectural Review(s) | City of Palm Springs |
| • Water Supply Assessment | Desert Water Agency |
| • Drainage Plan | City of Palm Springs |
| • NPDES Permits | Regional Water Quality Control Board |

No Impact Determination

The Initial Study and Notice of Preparation identified certain environmental issues which would not be impacted by the proposed project. These included agricultural resources, biological resources, and mineral resources. These issue areas are not further discussed in this document. In addition, the Initial Study identified a number of specific thresholds where the project would have “No Impact” on the environment. These thresholds are not further analyzed in this EIR. These thresholds are enumerated below:

Cultural Resources

- a) Cause a substantial adverse change in the significance of an archaeological resource as defined in Section 15064.5;
- c) Directly or indirectly destroy a unique paleontological resource or site or unique geological feature;
- d) Disturb any human remains, including those interred outside of formal cemeteries.

Geology and Soils

- a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:
 - i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault.
- d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code, creating substantial risks to life or property.
- e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste disposal systems where sewers are not available for the disposal of wastewater.

Hazards and Hazardous Materials

- c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school.
- d) Be located on a site, which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would create a significant hazard to the public or environment.
- e) Result in a safety hazard for people residing or working in the project area for a project located within an airport land use plan or, where such a plan has not yet been adopted, within two miles of a public airport or public use airport.
- f) Result in a safety hazard for people residing or working in the project area for a project within the vicinity of a private airstrip.
- g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan.
- h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands.

Hydrology and Water Quality

- f) Otherwise substantially degrade water quality.
- g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map.
- h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows.
- i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam.
- j) Inundation by seiche, tsunami, or mudflow.

Land Use and Planning

- a) Physically divide an established community.
- c) Conflict with any applicable habitat conservation plan or natural community conservation plan,

Noise

- e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?
- f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?

Population and Housing

- b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere.
- c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.

Transportation and Traffic

- c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks.
- g) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)

Appendix A of this Environmental Impact Report includes the Initial Study and the Notice of Preparation for this EIR, related transmittal documents, and comments received from interested parties.

D. Applicable Land Use Plans

Local, regional and federal plans regulate or otherwise affect or influence land use within the Specific Plan boundary. These include the City of Palm Springs General Plan, Zoning Ordinance and the Downtown Design Guidelines. The proposed project is also located within the planning area for the Coachella Valley Multiple Species Habitat Conservation Plan (MSHCP), which has been prepared by the Coachella Valley Association of Governments (CVAG), in cooperation with its member jurisdictions, and state and federal resource agencies.

City of Palm Springs General Plan, Zoning Ordinance and Downtown Urban Design Plan

The City of Palm Springs General Plan was adopted in October of 2007. The document sets forth the land use plan for the City, including a wide range of land use designations for residential, commercial, industrial and institutional land uses. The General Plan includes all the required elements for a General Plan, as established by state law.

The City's Zoning Ordinance sets forth the permitted and prohibited land uses in each zoning district, as well as development standards and procedures for implementation of all development projects in the City. The Zoning Ordinance was originally adopted in 1988, and has been amended as required to address changes in the development environment over the years. The Museum Market Plaza Specific Plan includes zoning standards and guidelines which in some cases vary from the City's Zoning Ordinance. As allowed under state law, the Specific Plan will function as a site-specific Zoning Ordinance, if adopted.

The Downtown Urban Design Plan (DUDP) was originally prepared in 2005. The DUDP was incorporated into the General Plan, and as such was adopted in 2007. The DUDP establishes sub-districts in the City's downtown core, and provides direction on design issues such as land use intensity, building height and pedestrian and vehicular access.

Coachella Valley Multiple Species Habitat Conservation Plan (MSHCP)¹

The MSHCP is a regional conservation plan coordinated by the Coachella Valley Association of Governments (CVAG), in coordination with its member jurisdictions, including the City of Palm Springs, as well as a number of state and federal agencies, including the California Department of Fish and Game (CDFG), U.S. Fish and Wildlife Service (USFWS), the National Park Service (NPS), Bureau of Land Management, and U.S. Forest Service (USFS). The MSHCP planning area encompasses approximately 1.1 million acres in the Coachella Valley. The MSHCP went into effect in October of 2008.

E. Project Location and Description

Project Location

The proposed project consists of non-contiguous lands generally occurring at the northwest corner of Tahquitz Canyon Way and Palm Canyon Drive. The area is irregular in shape, and encompasses lands on the west and east side of North Palm Canyon to Indian Canyon; lands at the southwest corner of Cahuilla Road and Tahquitz Canyon Way; lands to the south of Tahquitz Canyon Way, on the east side of South Belardo Road to Arenas Road; and the central area of the project, which is bounded by the Hyatt Regency Suites and Andreas Road on the north, Tahquitz Canyon Way on the south, Museum Drive on the west, and North Indian Canyon Drive on the east (please see Exhibit I-2, Vicinity Map).

The proposed project is identified as Assessor's Parcel Numbers 513-092-010-3, 513-092-009-3, 513-092-003-7, 513-560-002-0, 513-560-004-4, 513-560-007-7, 513-560-008-8, 513-560-009-9, 513-143-017, 513-141-113, 513-141-004. The site can further be identified as a portion of Section 15, Township 4 South, Range 4 East, SBBM.

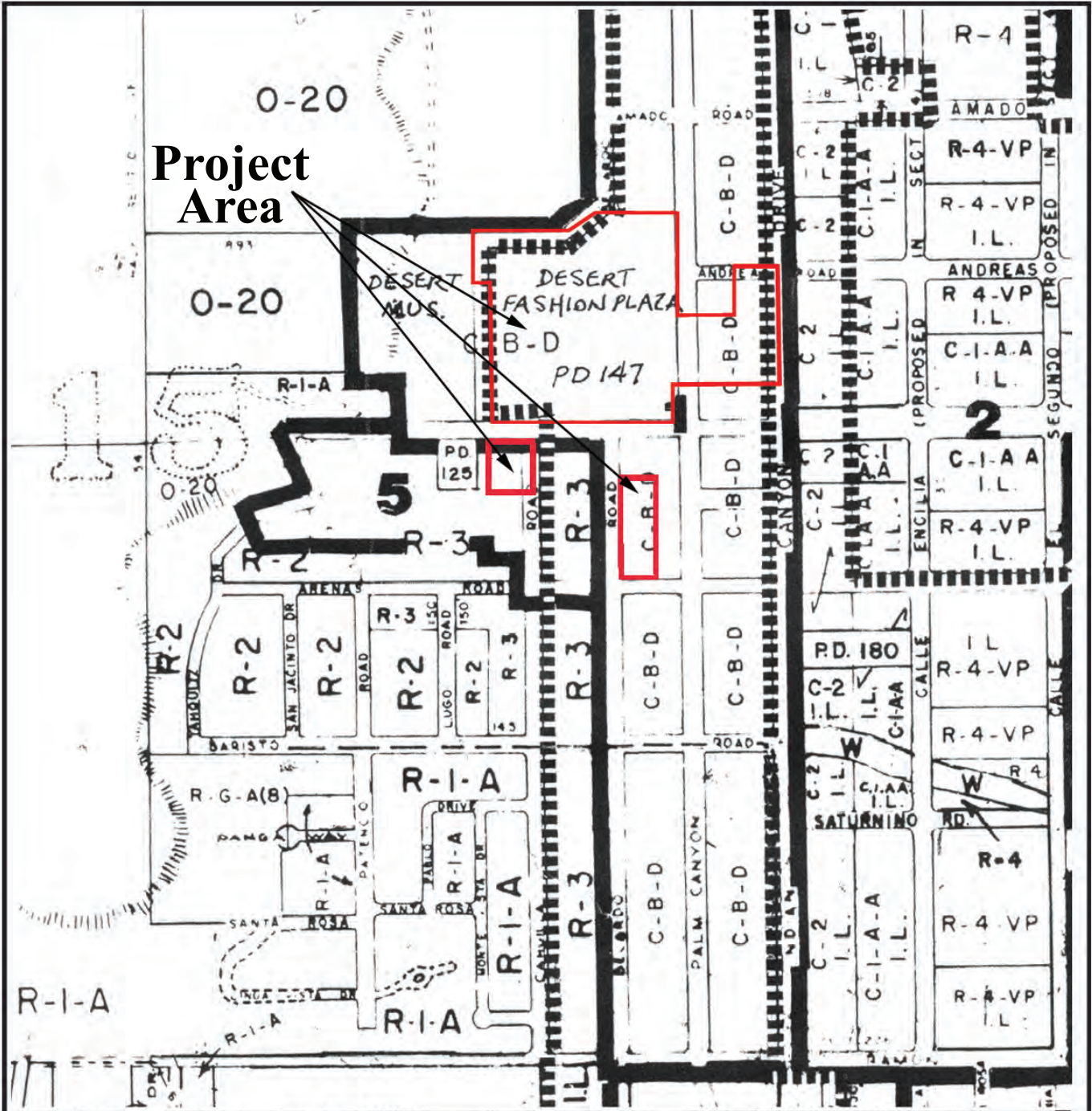
Project Boundary and Surrounding Land Uses

The Specific Plan area is currently developed. The project area includes the existing Desert Fashion Plaza, bounded by Tahquitz Canyon on the south, the Hyatt Suites hotel on the north, Museum Drive on the west, and North Palm Canyon Drive on the east. The Specific Plan includes lands north of Tahquitz Canyon Way and south of Andreas Road, east of North Palm Canyon Drive and west of Indian Canyon Drive, which are developed with multiple one and two story commercial buildings and parking lots. On the east side of Belardo Road, north of Arenas Road and south of Tahquitz Canyon, is a surface parking lot which accommodates both Mercado Plaza tenants and customers, and general public parking. The southwest corner of Cahuilla Road and Tahquitz Canyon Drive is currently vacant land, which has been graded and scraped in the past.

Lands to the north include hotel and retail commercial development along North Palm Canyon, North Indian Canyon and Baristo. Lands to the east include retail commercial development on North Palm Canyon and Indian Canyon, and the Spa Hotel. Lands to the south include hotel and retail commercial development, single-family homes and the Wellwood Murray Library. Lands to the west include the Palm Springs Art Museum and the O'Donnell Golf Course, as well as single-family homes.

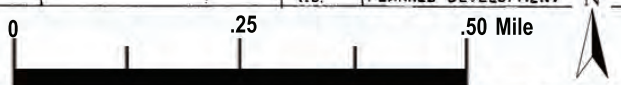
¹ Coachella Valley Multiple Species Habitat Conservation Plan and associated Natural Community Conservation Plan and Santa Rosa & San Jacinto Mountains Trails Plan, prepared by Coachella Valley Association of Governments, October 15, 2004.





RESIDENTIAL		COMMERCIAL		INDUSTRIAL		OTHER	
G-R-5	GUEST RANCH ZONE	P	PROFESSIONAL ZONE	M-1-P	PLANNED RESEARCH AND DEVELOPMENT ZONE	O	
R-1-A-H	SINGLE FAMILY RESIDENTIAL ZONE	C-B-D	CENTRAL BUSINESS DIST. ZONE	M-I	SERVICE/MANUFACTURING ZONE	O-5	
R-1-A	SINGLE FAMILY RESIDENTIAL ZONE	C-D-N	DESIGNED NEIGHBORHOOD SHOPPING CENTER ZONE			O-20	
R-1-B	SINGLE FAMILY RESIDENTIAL ZONE	C-S-C	COMMUNITY SHOPPING CENTER ZONE			U-R	URBAN RESERVE ZONE
R-1-C	SINGLE FAMILY RESIDENTIAL ZONE	C-1	CENTRAL RETAIL BUSINESS ZONE			C-C	CIVIC CENTER DISTRICT ZONE
R-1-D	SINGLE FAMILY RESIDENTIAL ZONE	C-1AA	LARGE-SCALE RETAIL COMMERCIAL ZONE			H	HISTORIC PRESERVATION COMBINING ZONE
R-G-A (6)	CLUSTER RESIDENTIAL ZONE	C-2	GENERAL COMMERCIAL ZONE				RESORT COMBINING ZONE
R-G-A (8)	GARDEN APTS MULTIPLE ZONE	C-M	COMMERCIAL MANUFACTURING ZONE	A	AIRPORT ZONE		REDEVELOPMENT AREAS
R-2	LIMITED MULTIPLE ZONE			N(PREFIX)	NOISE IMPACT COMBINING ZONE		SPECIFIC PLAN AREAS
R-3	MULTI-FAMILY AND HOTEL ZONE			W	WATERCOURSE ZONE		
R-4	HOTEL & MULTIPLE ZONE			W(PREFIX)	WATERCOURSE ZONE PLUS FUTURE ZONE WHEN HAZARD IS ELIMINATED	I.L.	INDIAN LAND
R-4-VP	VEHICLE PARKING, LARGE SCALE HOTEL AND MULTIPLE FAMILY AND LIMITED COMMERCIAL RETAIL ZONE						NON SUIT COVENANT
R-MHP	MOBILEHOME PARK ZONE					RD.	PLANNED DEVELOPMENT

Source: City of Palm Springs, Official Zoning Map 11.03.1997



Exhibit



Museum Market Plaza Specific Plan Draft EIR
 Zoning Designations
 Palm Springs, California

I-4

Project Area and Surrounding Land Use and Zoning Designations

The majority of the Specific Plan area is designated Central Business District (CBD) in the General Plan, with corresponding CBD zoning. The area located at the southwest corner of Cahuilla Road and Tahquitz Canyon Way is designated Small Hotel, and has an R-3 (High Density Residential) zoning designation.

Surrounding the Specific Plan area, lands to the north have General Plan designations of CBD and Open Space – Parks/Recreation; lands to the south are designated Small Hotel and CBD; lands to the west are designated Public/Quasi-Public, Open Space – Parks/Recreation, High Density Residential and Small Hotel; and lands to the east are designated CBD. On the east side of Indian Canyon is the Section 14 Master Plan area, which includes high-density residential, commercial, entertainment and resort hotel land use areas.

Lands to the north of the Specific Plan area are zoned CBD and O-20 (Open Land, 20 acre minimum); lands to the south are zoned R-3 and CBD; lands to the west are zoned CBD, R-3 and O-20; and lands to the east are zoned CBD and C-2 (General Commercial).

Project Description

The Specific Plan proposes policies and development standards for a master planned, mixed use project to include Retail, Office, High Density Residential and Resort development on 20.6 acres. The proposed project site is irregular in shape, but is generally bounded by Andreas Road on the north, Arenas Road on the south, Museum Drive on the west, and Indian Canyon Drive on the east.

The Specific Plan consists of the following components, which have been divided in the Specific Plan into three Planning Areas (please see Exhibit I-5, Project Site Plan):

- Planning Area 1 (PA1) represents the core of the site and all lands north of Tahquitz Canyon Way. This Planning area allows for the broadest range of development, with a mixed use theme. Retail commercial is required to be developed on the ground floor on Palm Canyon Drive, with some exceptions. A mix of professional office and/or retail development is envisioned on the ground floor on all other project roadways, and on the second and/or third floors of Blocks A, C, D and F. Residential development is allowed above the ground floor in Blocks A and C, and on all floors in Blocks D, E, F, G H and K. Also allowed in this Planning Area are hotels, timeshare projects, condo-hotels and similar projects.
- Planning Area 2 (PA2) is at the southwest corner of Cahuilla and Tahquitz Canyon Way. Land uses for PA2 include limited ground floor retail, High Density Residential, Resort Residential uses such as hotels, parking and compatible accessory uses.
- Planning Area 3 (PA3) encompasses the Mercado Plaza parking lot, and is planned for a parking structure with three levels. PA3 is currently planned for parking structure development only and is intended to support the commercial and resort uses in PA1 and PA2 and the existing Mercado Plaza.

The Specific Plan allows the following:

**Table I-1
Maximum Land Use Intensities**

Land Use	Planning Area 1	Planning Area 2	Planning Area 3	Total
Retail or Office (square feet)	385,000	15,000	N/A	400,000
Residential (dwelling units)	900	55	N/A	955
Hotel (rooms)	565	55	N/A	620

The Specific Plan allows for an average maximum building height of 60 feet throughout the Specific Plan area. Building height within PA1 may extend to 67 or 79 feet, depending on the area, while maximum building height is proposed at 44 feet in PA2, and 34 feet in PA3.

The project includes the following access points:

- Palm Canyon Drive is constructed at its ultimate width within an 80-foot right-of-way. The project proposes to alter the layout of the roadway to provide angled parking on portions of its west side, on the project frontage. This will provide for three lanes of traffic, angled parking on the west side south of Andreas Road, and parallel parking on the east side. The roadway will also include 15 feet of sidewalk on each side.
- Indian Canyon Drive is also developed at its ultimate right-of-way. The project will not modify the lane or parking configuration on this roadway.
- Tahquitz Canyon Way is constructed to a paved width of 50 feet, within an 88-foot right-of-way. The recently adopted General Plan downgraded Tahquitz Canyon to a Collector, with a 60 to 66 foot right-of-way. In the project area, the north side of Tahquitz Canyon will be designed to allow one lane of westbound traffic, a center turn lane, and parallel parking within a 26-foot half width. A 14-foot sidewalk will be provided on the north side of Tahquitz Canyon.
- Belardo Road will be extended through the project area with a 62-foot right-of-way, to allow one lane of travel in each direction, and angled parking on each side. A 12-foot sidewalk will also be provided.
- Museum Drive will be a 48-foot of right-of-way, with a single lane of traffic in each direction, and parallel parking adjacent to the project frontage. A 12-foot sidewalk will be provided adjacent to the project.
- Private Street (Museum Way) will be a new east-west street. It will be constructed within a 60-foot right-of-way, and will accommodate one lane of traffic in each direction, and angled parking on each side.
- Elimination of Museum Way adjacent to the Palm Springs Art Museum parking lot and O'Donnell golf course, along the western boundary of the project area.

Project Phasing

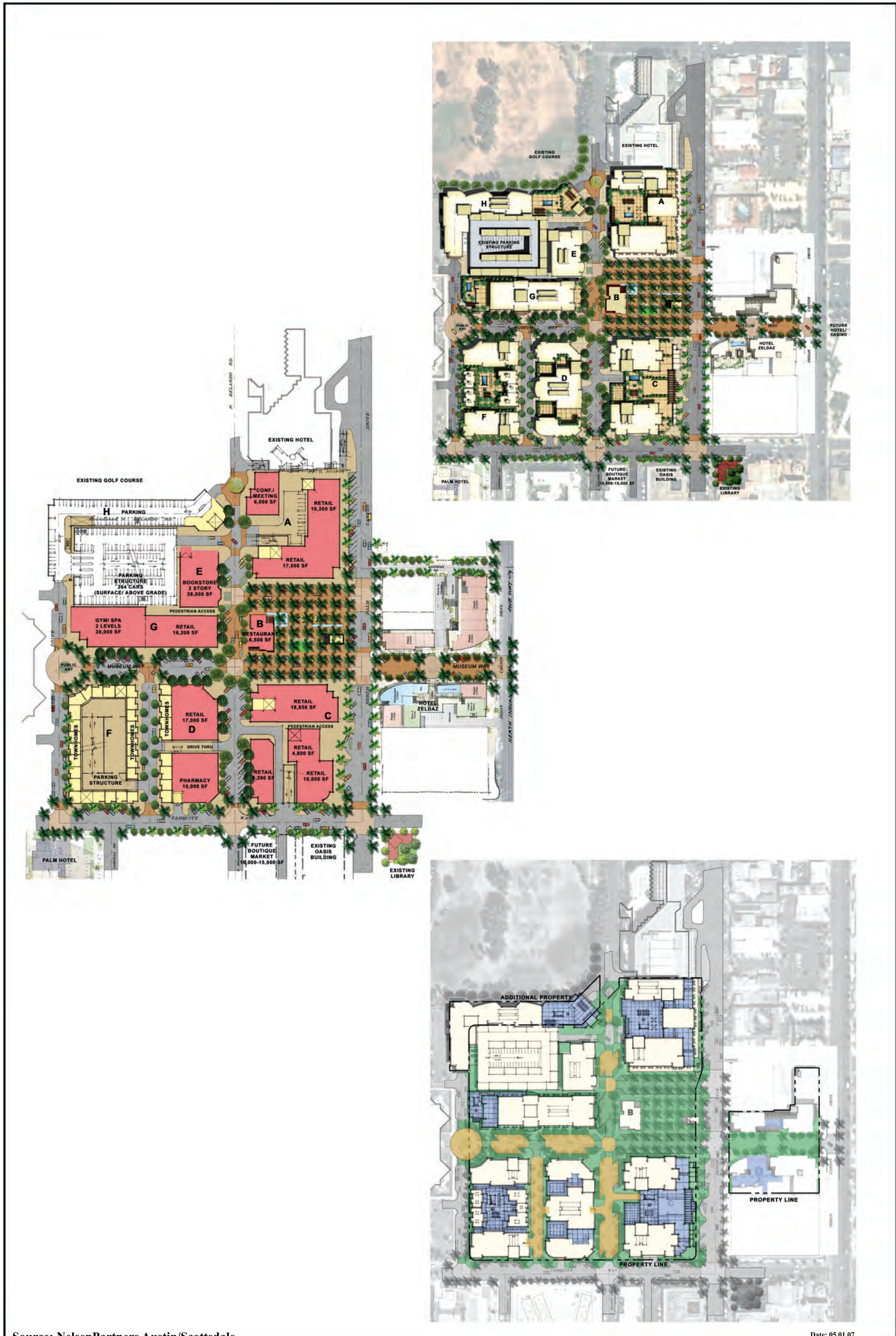
For purposes of the analysis in this EIR, the Specific Plan is expected to be built over a period of years, beginning in 2012, and ending in 2016. The individual phases described in the Specific Plan include:

As shown in the Phasing Plan, the first phase of development will focus on the construction of the Main Plaza, the installation of the new east-west roadway from the Museum to Palm Canyon Drive, the extension of Belardo through the site, and improvements to Palm Canyon Drive.

Block A and C, focusing on the Main Plaza, are anticipated in Phase II of the project. This phase may also include the southern portion of Block E, G & H. Depending on demonstrated parking demand, Block J may be built in this phase, or in Phase III.

Block J, Block D & F, and the northern portion of Block E, G & H are planned for Phase III. Block K and Block L would be anticipated in Phase IV, but may be moved to earlier phases, if the market allows.

Exhibit I-6 illustrates the Conceptual Phasing Plan for this project.



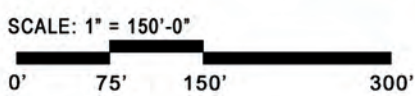
Source: NelsenPartners Austin/Scottsdale

Date: 05.01.07



Date: 02.15.08

- | | |
|---|---|
| Phase I | Phase III |
| Phase II | Phase IV |



Sources: NelsenPartners Austin/Scottsdale
TKD Associates, Incorporated

