

# Planning Commission Staff Report

Date:

September 12, 2012

To:

Planning Commission

Application I.D.:

Case 5.1029, PD 315 / TPM33561, Case 5.1065

Application Type:

Amendment to Final Planned Development Plans

Location:

Northeast corner of Indian Canyon Drive and San Rafael

Road.

Applicant:

Arroyo Vista Partners, LLC

APN:

669-330-038

Zoning:

PDD-315 / (CM) Commercial Manufacturing

General Plan Designation:

(CG) General Commercial and RC Resort Commercial

From:

Craig A. Ewing, AICP, Director of Planning Services

Project Planner:

Edward O. Robertson, Principal Planner

## PROJECT DESCRIPTION

The application is a request by Arroyo Vista Partners, LLC / NCB Development IX, LLC, for the approval of minor amendments to a previously approved Final Planned Development District plans for PDD 315; the Palermo Mixed-Use Development. The amendment is proposing to achieve the following:

- Modify the phasing plan
- Modify wall and fence plans
- Allow occupancy of completed 6 model units
- Allow existing temporary access improvements

Section 94.03.00(G) allows the Planning Commission to modify Final Development Plans of Planned Developments. The Commission may approve minor architectural or site changes that do not affect the intent of the PD. In this case, staff believes that the intent of the Planned Development was to establish a mixed-use of residential units, commercial use, parking, adequate open space and other amenities within the site with variations to architectural designs and to certain development standards.

## **PRIOR ACTIONS**

On August 24, 2005, the Planning Commission recommended that the City Council adopt the Mitigated Negative Declaration for the proposed project; thereby approving the Planned Development District, the General Plan Amendment and the development of the 211 condominium units.

On October 5, 2005, the City Council approved the proposed project as recommended by the Planning Commission.

On January 25, 2006, following a recommendation of approval from the AAC, the Planning Commission found the project to be in substantial conformance with all applicable development standards of the preliminary Planned Development (PD-315).

# **BACKGROUND AND SETTING**

The Palermo Development is located along the northeast corner of Indian Canyon Drive and San Rafael Road. The mixed-use development is a partially completed project consisting of 211 condominium units, a 10,797-square foot retail space, a Clubhouse, two swimming pools, a tennis court and a dog park. The project was approved by the City Council on October 5, 2005. At the time of its approval, the project was to be built in a single phase. However, because of economic conditions from the last three and a half years, and a change of the project ownership, a proposal to phase the previously approved project is being requested by the new ownership group. As of today, a total of 123 out of the 211 units have been built; 117 units are currently occupied. In addition to the built units, the clubhouse and two swimming pools have also been built. In 2011, the lenders foreclosed on the project; in February of 2012, Palermo was acquired from the bank by the Arroyo Vista Partners.

# **ANALYSIS**

The four main issues contained in the proposed amendment request followed by staff analysis and responses are as follows:

# Phasing Plan:

The new owners of Palermo mixed-use development are proposing to modify the current phasing plan. The proposal will establish phasing plans 6A and 9A; these will allow the annexation of the clubhouse and the six-unit model building into the Home

Owners Association (HOA). According to the developer, this phasing plan will address two key issues; cost and dues that they and the HOA are currently facing. The inclusion of the clubhouse and the completed 6 model units into the HOA will provide additional source of revenue for the HOA. The approximately 5,000 square foot clubhouse building was originally part of phase 6 and the six units model building was originally part of phase 9.

## Staff Response:

Based on staff analysis of the proposed phasing plan, this amendment will not impact the previously established design and development standards of the planned development district. Modifications of Phase 6 and 9 of the site will not in any way affect the overall design of the site plan. The site layout, building design, heights, setbacks, the overall mass and the location of the buildings will remain consistent and compatible with the previously approved final planned development district.

# Modification of wall and fence plans:

According to the applicant, given the prevailing economic condition, and general development practices in the City and elsewhere, it is not financially feasible to construct the perimeter walls. The applicant also suggested that the installation of an additional gate along San Rafael Drive will not serve any purpose at this point. The applicant is requesting to modify the existing wall plan so as to install a portion of the perimeter wall along San Rafael Drive from the existing exit gate east to approximately the tennis courts location. In place of the approved wall fencing, the applicant would like to install a six foot wrought iron fence around the tennis court to the existing perimeter wall and leave the temporary fencing from the exit gate west around the commercial corner to the planned third exit along Indian Canyon Drive. This portion of the temporary fencing is to remain in place until the construction of the commercial space is completed. On the internal streets of the project, the applicant is proposing to remove existing chain link fence that separates built units and vacant lots.

## Staff Response:

It is the direction of the City Council that any sites where there are no construction activities, the temporary fencing are to be removed. At this point, there are no construction activities at the Palermo development, and in response to complaints from concerned citizens and residents, the City required the applicant to install the approved perimeter wall fence in place of the current temporary fencing. Staff has no objection to the proposed removal of existing chain link fence from the internal streets of the site.

# Site Improvement plans:

The third amendment is a request to keep the temporary road improvements in front of the existing six-unit models in place. The new plan calls for permanent road improvements upon the commencement of new home construction. City staff had previously conditioned the issuance of the certificates of occupancy for these 6 units upon the installation of the final road improvements per the approved plan; the applicant now argues that the existing temporary road improvements provide the necessary access to the south of the site on San Rafael Drive. The applicant further argues that since the current road improvements create no safety issues for the current residents, there is no urgency for the installation of road improvements.

# Staff Response:

Staff is not in support of this amendment request. It is the standard requirement with every new subdivision developments of similar sizes in the City to install all necessary infrastructure and especially street improvements within the project site prior to occupancy.

# Existing Model Units:

Finally, the applicant is requesting to convert the currently vacant six model units into livable residences. As of now, these model units are unoccupied, and could become targets of vandalism if they continue to remain vacant. On the other hand, the applicant argues that the conversion of the model units would result in an improvement in community security while also adding to the HOA revenue.

# Staff Response:

Staff will not object to the conversion of the six model units to livable residences, however, all required access improvements must be installed prior to issuance of occupancy of the six units.

# **ENVIRONMENTAL ASSESSMENT**

A Mitigated Negative Declaration for this project was previously adopted by the City Council on October 5, 2005. Pursuant to Section 15162 of the California Environmental Quality Act (CEQA), the preparation of further documentation is not necessary since the circumstances surrounding the project have not changed. The present project could not, therefore, result in any new environmental impacts beyond those already identified and assessed in the adopted mitigated negative declaration

ang A. Ewing AICP

Director of Planning Services

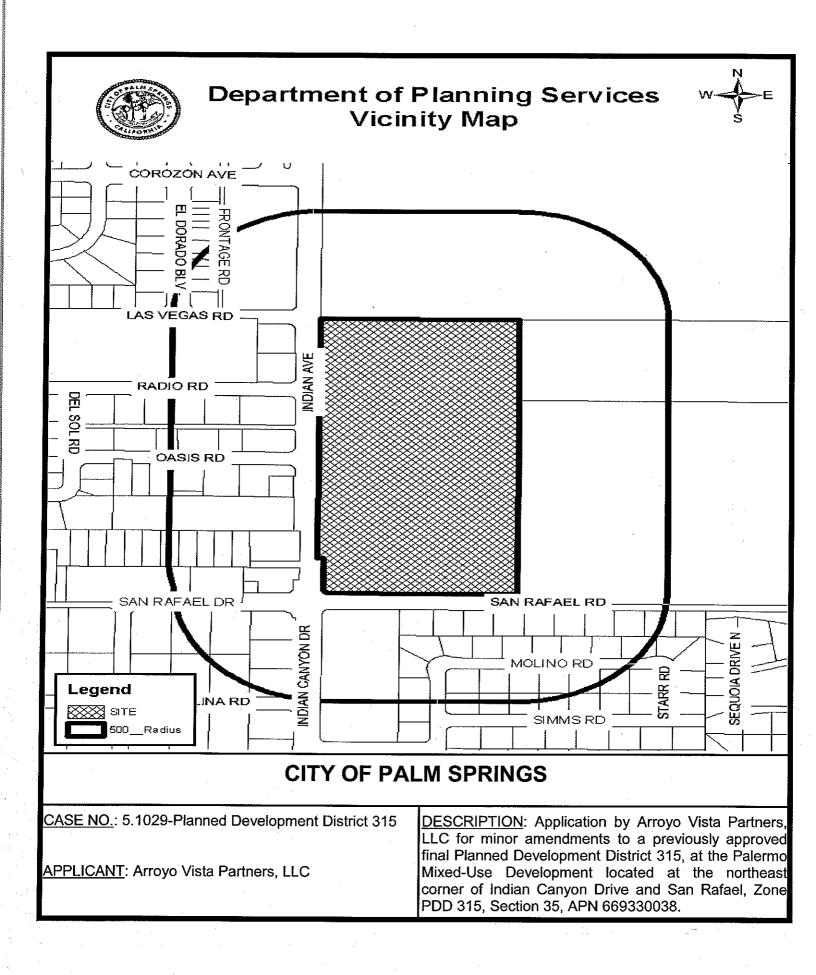
## **NOTIFICATION**

Minor revision of final development plans does not require public notice.

Edward O. Robertson Principal Planner

**ATTACHMENTS** 

- 1. Vicinity Map
- 2. Draft Resolution & Revised Conditions of Approval
- 3. Reduced Site Plans
- 4. Letter from the Palermo Community Association President



#### RESOLUTION NO.

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF PALM SPRINGS, CALIFORNIA, APPROVING CASE NO. 5.1029-PDD 315-AMND, AN AMENDMENT TO A PREVIOUSLY APPROVED FINAL PLANNED DEVELOPMENT PLANS FOR PALERMO MIXED-USE DEVELOPMENT LOCATED AT THE NORTHEAST CORNER OF INDIAN CANYON DRIVE AND SAN RAFAEL DRIVE DRIVE.

WHEREAS, on August 24, 2005, the Planning Commission approved Case No. 5.1029-Planned Development District 315 and recommended approval of the PDD and Tentative Tract Map 33561 to the City Council; and

WHEREAS, on October 5, 2005, the City Council adopted a Mitigated Negative Declaration (MND), and approved Planned Development District 315 and Tentative Tract Map 33561, for the Palermo Mixed-Use Development; and

WHEREAS, on January 5, 2006, the Planning Commission approved the Final Development Plans for the Palermo Mixed-Use Development; and

WHEREAS, in accordance with Section 94.03.00(G) of the Zoning Code, the Planning Commission may approve minor architectural or site changes that do not affect the intent of the PD; and

WHEREAS, Arroyo Vista Partners, LLC, ("Applicant") has filed an application to amend the Final Development Plans of PD 315, Case No. 5.1029, involving modifications to the Phasing plan, Wall and Fences, Occupancy of 6 Model units; and

WHEREAS, on September 12, 2012, a public meeting on Case No. 5.1029 PDD 315-AMND was held by the Planning Commission in accordance with applicable law; and

WHEREAS, pursuant to the California Environmental Quality Act (CEQA) Guidelines, the proposed amendment has been determined to be a project subject to environmental analysis under CEQA; and

WHEREAS, the Planning Commission has carefully reviewed and considered all of the evidence presented in connection with the hearing on the project, including, but not limited to, the staff report, and all written and oral testimony presented.

THE PLANNING COMMISSION HEREBY FINDS AS FOLLOWS:

Section 1: Pursuant to the California Environmental Quality Act (CEQA) Guidelines, a Mitigated Negative Declaration (MND) was previously adopted by the City Council on October 5, 20035for the Palermo Development. Pursuant

to Section 15162 of the California Environmental Act (CEQA), the preparation of additional environmental documentation is not necessary because the proposed amendment will not change the circumstances related to the project. Furthermore, the amendments will not result in any new significant environmental effects or a substantial increase in the severity of previously identified significant effects. Therefore, the proposed amendments could not result in any new environmental impacts beyond those already assessed in the previously adopted mitigated negative declaration.

Section 2:

The use and density of the subject property remains the same and are not affected by the proposed changes. The design standard and architecture will remain the same as was originally approved and no major changes to the overall project are proposed as part of these amendments. Therefore, the proposed amendments will not affect the intent of the PDD.

NOW, THEREFORE, BE IT RESOLVED that, based upon the foregoing, the Planning Commission hereby approves Case No. 5.1029 PDD 315 – AMND, subject to all Conditions of Approval.

ADOPTED this 12<sup>th</sup> day of September 2012.

CITY OF PALM SPRINGS, CALIFORNIA

Craig A. Ewing, AICP
Director of Planning Services

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### **EXHIBIT A**

5.1029 PDD 315 AMND

The Palermo Mixed-Use Development

Major Amendments to a previously approved Planned Development District

Northeast corner of Indian Canyon Drive & San Rafael Drive

September 12, 2012

#### **CONDITIONS OF APPROVAL**

Before final acceptance of the project, all conditions listed below shall be completed to the satisfaction of the City Engineer, the Director of Planning Services, the Director of Building and Safety, the Chief of Police, the Fire Chief or their designee, depending on which department recommended the condition.

Any agreements, easements or covenants required to be entered into shall be in a form approved by the City Attorney.

## **ADMINISTRATIVE CONDITIONS**

- ADM 1. <u>Project Description</u>. This approval is for the project described per Case 5.1029 PDD 315-AMND; except as modified with the approved conditions below:
- ADM 2. Conform to all Codes and Regulations. The project shall conform to the conditions contained herein, all applicable regulations of the Palm Springs Zoning Ordinance, Municipal Code, and any other City County, State and Federal Codes, ordinances, resolutions and laws that may apply.
- ADM 3. <u>Minor Deviations</u>. The Director of Planning or designee may approve minor deviations to the project description and approved plans in accordance with the provisions of the Palm Springs Zoning Code.
- ADM 4. Indemnification. The owner shall defend, indemnify, and hold harmless the City of Palm Springs, its agents, officers, and employees from any claim, action, or proceeding against the City of Palm Springs or its agents, officers or employees to attach, set aside, void or annul, an approval of the City of Palm Springs, its legislative body, advisory agencies, or administrative officers concerning Case 5.1029 PDD 315 AMND. The City of Palm Springs will promptly notify the applicant of any such claim, action, or proceeding against the City of Palm Springs and the applicant will either undertake defense of the matter and pay

the City's associated legal costs or will advance funds to pay for defense of the matter by the City Attorney. If the City of Palm Springs fails to promptly notify the applicant of any such claim, action or proceeding or fails to cooperate fully in the defense, the applicant shall not, thereafter, be responsible to defend, indemnify, or hold harmless the City of Palm Springs. Notwithstanding the foregoing, the City retains the right to settle or abandon the matter without the applicant's consent but should it do so, the City shall waive the indemnification herein, except, the City's decision to settle or abandon a matter following an adverse judgment or failure to appeal, shall not cause a waiver of the indemnification rights herein.

ADM 5. Maintenance and Repair. The property owner(s) and successors and assignees in interest shall maintain and repair the improvements including and without limitation all structures, sidewalks, bikeways, parking areas, landscape, irrigation, lighting, signs, walls, and fences between the curb and property line, including sidewalk or bikeway easement areas that extend onto private property, in a first class condition, free from waste and debris, and in accordance with all applicable law, rules, ordinances and regulations of all federal, state, and local bodies and agencies having jurisdiction at the property owner's sole expense. This condition shall be included in the recorded covenant agreement for the property if required by the City.

## **ENGINEERING DEPARTMENT:**

## **GENERAL**

ENG 1. All requirements and improvements identified in Exhibit A (Conditions of Approval) of Resolution No. 21420 adopted October 5, 2005, for Case No. 5.1065, 5.1029 PD 315, are incorporated herein by reference, except for updated and new conditions as listed below.

## **INDIAN CANYON DRIVE**

ENG 2. All broken or off grade street improvements along the project frontage shall be repaired or replaced.

#### SAN RAFAEL DRIVE

ENG 3. All broken or off grade street improvements along the project frontage shall be repaired or replaced.

#### **ON-SITE**

ENG 4. The on-site secondary gated entry design (located off of the shared entrance with the commercial parcel), shall be subject to the review and

approval by the City Engineer and Fire Marshall. The secondary gated entry shall have a minimum width of 24 feet, and the gated entry shall be located no further than 20 feet from the shared entrance with the commercial parcel. An Opticom or Tomar system (or approved equal) for automatic operation by emergency vehicles, with uninterrupted power supply (battery back-up), shall be installed for the entry gates, meeting the approval of the Fire Marshall.

ENG 5. The existing six vacant model homes (Units 33 through 38) shall not be issued Certificates of Occupancy until the ultimate on-site street improvements are completed that go from the existing condominium units in the northern half of Tract Map No. 33561, to San Rafael Drive.

#### GRADING

- ENG 6. Fugitive Dust Control Plan shall be prepared by the applicant and/or its grading contractor and submitted to the Engineering Division for review and approval. The applicant and/or its grading contractor shall be required to comply with Chapter 8.50 of the City of Palm Springs Municipal Code, and shall be required to utilize one or more "Coachella Valley Best Available Control Measures" as identified in the Coachella Valley Fugitive Dust Control Handbook for each fugitive dust source such that the applicable performance standards are met. The applicant's or its contractor's Fugitive Dust Control Plan shall be prepared by staff that has completed the South Coast Air Quality Management District (AQMD) Coachella Valley Fugitive Dust Control Class. The applicant and/or its grading contractor shall provide the Engineering Division with current and valid Certificate(s) of Completion from AQMD for staff that have completed the required training. information on attending a Fugitive Dust Control Class and information on the Coachella Valley Fugitive Dust Control Handbook and related "PM10" Dust Control issues, please contact AQMD at (909) 396-3752, or at http://www.AQMD.gov. A Fugitive Dust Control Plan, in conformance with the Coachella Valley Fugitive Dust Control Handbook, shall be submitted to and approved by the Engineering Division prior to issuance of any permit.
- ENG 7. Prior to approval of a Grading Plan or issuance of any permit, the applicant shall obtain written approval to proceed with construction from the Agua Caliente Band of Cahuilla Indians, Tribal Historic Preservation Officer or Tribal Archaeologist. The applicant shall contact the Tribal Historic Preservation Officer or the Tribal Archaeologist at (760) 699-6800, to determine their requirements, if any, associated with grading or other construction. The applicant is advised to contact the Tribal Historic Preservation Officer or Tribal Archaeologist as early as possible. If required, it is the responsibility of the applicant to coordinate scheduling of Tribal monitors during grading or other construction, and to arrange payment of any required fees associated with Tribal monitoring.

- ENG 8. A Notice of Intent (NOI) to comply with the California General Construction Stormwater Permit (Water Quality Order 2009-0009-DWQ as modified September 2, 2009) is required for the proposed development via the California Regional Water Quality Control Board. A copy of the executed letter issuing a Waste Discharge Identification (WDID) number shall be provided to the City Engineer prior to issuance of any permit.
- ENG 9. Projects causing soil disturbance of one acre or more, must comply with either the General Permit for Stormwater Discharges Associated with Construction Activity or the General Permit for Stormwater Discharges Associated with Construction Activity from Small Linear Underground/Overhead Projects, and shall prepare and implement a stormwater pollution prevention plan (SWPPP). As of September 4, 2012. all SWPPPs shall include a post-construction management plan (including Best Management Practices) in accordance with the current Construction General Permit. Where applicable, the project applicant shall cause the approved final project-specific Water Quality Management Plan to be incorporated by reference or attached to the project's SWPPP as the Post-Construction Management Plan. A copy of the up-to-date SWPPP shall be kept at the project site and be available for review upon request.
- ENG 10. In accordance with City of Palm Springs Municipal Code, Section 8.50.022 (h), the applicant shall post with the City a cash bond of two thousand dollars (\$2,000.00) per disturbed acre at the time of issuance of any permit, for mitigation measures for erosion/blowsand relating to this property and development.
- ENG 11. The applicant shall provide all necessary geotechnical/soils inspections and testing in accordance with the Geotechnical/Soils Report prepared for the project. All backfill, compaction, and other earthwork shown on the Phase 2 (i.e., southern) portion of the approved grading plan shall be certified by a California registered geotechnical or civil engineer, certifying that all grading was performed in accordance with the Geotechnical/Soils Report prepared for the project. No certificate of occupancy will be issued until the required certifications are provided to the City Engineer.
- ENG 12. The applicant shall provide pad elevation certifications for all building pads in conformance with the Phase 2 (i.e., southern) portion of the approved grading plan, to the Engineering Division prior to construction of any building foundation.

#### DRAINAGE

ENG 13. This project will be required to install measures in accordance with applicable National Pollution Discharge Elimination System (NPDES) Best

Management Practices (BMP's) included as part of the NPDES Permit issued for the Whitewater River Region from the Colorado River Basin Regional Water Quality Control Board (RWQCB). The applicant is advised that installation of BMP's, including mechanical or other means for pretreating contaminated stormwater and non-stormwater runoff, will be required by regulations imposed by the RWQCB. It shall be the applicant's responsibility to design and install appropriate BMP's, in accordance with the NPDES Permit, that effectively intercept and pre-treat contaminated stormwater and non-stormwater runoff from the project site, prior to release to the City's municipal separate storm sewer system ("MS4"), to the satisfaction of the City Engineer and the RWQCB. Such measures shall be designed and installed on-site; and provisions for perpetual maintenance of the measures shall be provided to the satisfaction of the City Engineer, including provisions in Covenants, Conditions, and Restrictions (CC&R's) required for the development.

#### **GENERAL**

- ENG 14. The original improvement plans prepared for the proposed development and approved by the City Engineer shall be documented with "as-built" information for the project in its entirety (Phase 1 and Phase 2) and returned to the Engineering Division prior to issuance of a final certificate of occupancy for Tract Map 33561. Any modifications or changes to approved improvement plans shall be submitted to the City Engineer for approval prior to construction.
- ENG 15. This property is subject to the Coachella Valley Multiple Species Habitat Conservation Plan Local Development Mitigation fee (CVMSHCP-LDMF). The LDMF shall be paid prior to issuance of Building Permit.

## MAP

- ENG 16. A Final Map was recorded for Tract Map 33561 on May 12, 2006 as Instrument No. 2006-0349564.
- ENG 17. Without evidence of the quitclaim of the Southern California Edison easement across Unit No. 21 through 30, proposed structures located within the existing record easement may not be constructed until such time as the easements are removed of record. Building permits for structures within these easements shall be withheld until the easements are abandoned, since a final map was approved and recorded prior to their abandonment.

#### TRAFFIC

ENG 18. All damaged, destroyed, or modified pavement legends, traffic control devices, signing, striping, and street lights, associated with the proposed

southern portion of the development shall be replaced as required by the City Engineer prior to issuance of a Certificate of Occupancy for Tract Map 33561.

- ENG 19. If identified by a name, install a street name sign at the intersection of Indian Canyon Drive and the Main Entry, and at San Rafael Drive and the secondary Main Entry, in accordance with City of Palm Springs Standard Drawing Nos. 620 through 625 and the California Manual on Uniform Traffic Control Devices for Streets and Highways, dated January 13, 2012, or subsequent editions in force at the time of construction, as required by the City Engineer. Street name signs may be customized, subject to the review and approval by the City Engineer.
- ENG 20. Install a 30 inch stop sign, stop bar, and "STOP" legend for traffic exiting the development at each access point onto Indian Canyon Drive and San Rafael Drive, in accordance with City of Palm Springs Standard Drawing Nos. 620-625 and the California Manual on Uniform Traffic Control Devices for Streets and Highways, dated January 13, 2012, or subsequent editions in force at the time of construction, as required by the City Engineer.
- ENG 21. Install stop controls at on-site street intersections, as may be required by the City Engineer. Stop signs within the development may be customized, provided the sign maintains the minimum standards for stop signs in the California Manual on Uniform Traffic Control Devices for Streets and Highways, dated January 13, 2012, or subsequent editions in force at the time of construction, subject to review and approval by the City Engineer.
- ENG 22. Construction signing, lighting and barricading shall be provided during all phases of construction as required by City Standards or as directed by the City Engineer. As a minimum, all construction signing, lighting and barricading shall be in accordance with Part 6 "Temporary Traffic Control" of the California Manual on Uniform Traffic Control Devices for Streets and Highways, dated January 13, 2012, or subsequent editions in force at the time of construction.

**END OF CONDITIONS** 

August 31, 2012

Dept. of Planning Services Attn: Planning Commission P.O. Box 2743 Palm Springs, CA 92263-2743

JANNIVGSERVICES

SEP 0 4 2012

RECEIVE

Re: Palermo PD #315 minor amendment

Dear Chairman Donenfeld and fellow Planning Commissioners:

This letter is to express our support of the Arroyo Vista Partners LLC's submission for the minor amendment to PD #315. The Palermo HOA board and the residents of Palermo have been in intensive discussions with Arroyo Vista Partners over the past eight months.

Myself, as Palermo HOA board president, and board secretary Harry Courtright were authorized to negotiate on behalf of the association. Additionally, the board has voted 5-0 to support a letter of intent outlining the major terms of an agreement.

The tone of our discussions have been very positive and directed toward improving the security, economics, public safety and general appearances of our Palermo community. We ask that the city join us in this partnership to move Palermo forward.

The alternatives will mean that the Palermo community and this gateway property will be in limbo for years — or worse. All of the above items have been addressed and incorporated through negotiations into the submission that is before you. Specifically, the cost-sharing allocation of maintenance obligations of association improvements vs. developer improvements, security, reserve funding and additional HOA revenue are key areas of concern to residents.

Arroyo Vista Partners' request to modify the condo phasing and leave the temporary road improvements in front of the existing models are items that we specifically support.

We, respectfully, are opposed to the Planning Department's condition requiring the construction of the permanent road improvements along Enterprise Way. We support the plan to leave the temporary road in place in front of the models for a number of reasons, but most importantly, the maintenance, repair and reserves of the new road improvements will have significant and adverse impact upon the Palermo HOA budget and reserves. The existing temporary road improvements are adequate for the current residents, provide the necessary access to San Rafael Drive and have no safety concerns for us. Additionally, in our negotiations, Arroyo Vista Partners has agreed to be responsible for the repairs and maintenance of the temporary roads until future phases are annexed into the HOA. This is a significant savings to our community.

Furthermore, the costs associated with completing the permanent road improvements will defeat the economic incentive to convert the currently vacant six model units into livable residences. The road has been a functioning roadway. Today, these uncompleted model units are a security threat to the community and an eyesore.

The conversion of the model units, on the other hand, will result in an improvement in community security while adding significantly to the HOA revenue, while also transferring the clubhouse and pool ownership to the HOA. These annexations will allow the HOA to control the use and maintenance of the clubhouse and pool. These additional units will have minimal impact on our existing costs and will provide funds to boost reserves.

The previous developer brought certain expensive amenities and common areas online before the proper phasing allowed and shifted these expenses to homeowners. This has created problems for the association budget — with this settlement setting us on the path to address this situation.

We have found Arroyo Vista Partners to be professional, honest and frank in our negotiations and our aligned interests will help the Palermo community be an even better place to live for all residents.

We believe that Arroyo Vista Partners will join us in being responsible stewards of our community and move us forward to completion of what was envisioned.

Sincerely,

Travis Armstrong

Palermo Community Association President

Harry Courtright

Palermo Community Association Secretary

