



City Council Staff Report

DATE: March 2, 2016 CONSENT CALENDAR
SUBJECT: APPROVAL OF TIME EXTENSIONS OF SUBDIVISION IMPROVEMENT AGREEMENTS FOR VARIOUS PROJECTS
FROM: David H. Ready, City Manager
BY: Public Works & Engineering Department

SUMMARY

A part of the City's approval of a final subdivision map is the concurrent approval of a subdivision improvement agreement between the City and the Subdivider. The agreement secures the costs of on-site and off-site public improvements, and provides a 2-year period to complete the improvements. Although the economy shows positive signs of improvement, many investors remain cautious, and construction progress is at times slow. Hence, some projects remain incomplete and it is necessary to extend the subdivision improvement agreements to ensure the City retains an ability to pursue the securities in the event a developer defaults.

RECOMMENDATION:

Adopt Resolution No. _____ "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, AUTHORIZING TIME EXTENSIONS OF VARIOUS SUBDIVISION IMPROVEMENT AGREEMENTS."

STAFF ANALYSIS:

Subdivision improvement agreements are approved as part of the City Council's approval of a final map for subdivision of property for residential purposes. The agreement between the City and Subdivider obligates the Subdivider to construct all the necessary public improvements, which are secured with bonds or other suitable security to ensure the improvements are constructed and laborers and suppliers are paid. The City retains the ability to call the securities in the event necessary public improvements are not completed and the Subdivider has defaulted on the property.

During the economic recession, some residential projects stopped construction and remained on indefinite hold, and only recently have commenced completion of housing construction within the project. Over the years, the City Council has approved an

extension of time for various subdivision improvement agreements. Terms of the subdivision improvement agreements require that the Subdivider complete the public improvements within a certain time frame (generally two years from the City's approval of the improvement plans). Although construction on most projects has resumed, some Subdividers required more time to commence and completion construction. Therefore, it is staff's recommendation that the City Council acknowledge that factors beyond the Subdivider's control have delayed completion of the projects, and requires an additional time extension to various subdivision improvements agreements. This action will preserve the City's rights to file claims against the Subdivider's bonds in the event the Subdivider is unwilling or unable to complete the public improvements.

Annually, the City Council has approved en masse a one-year time extension to various subdivision improvement agreements due to the economic recession. Most of the projects that have previously received time extensions have now completed the required public improvements and are no longer listed as part of this annual time extension. However, the following six projects are in the final stage of completing required public improvements, and staff recommends that the City Council approve time extensions the following subdivision improvement agreements, as follows:

Tract Map 28966, "Preserve Estates", extend to June 18, 2017

Tract Map 28966 is a subdivision of 15 new residential lots on one private street located at the south end of Via Monte Vista shown here in Figure 1.

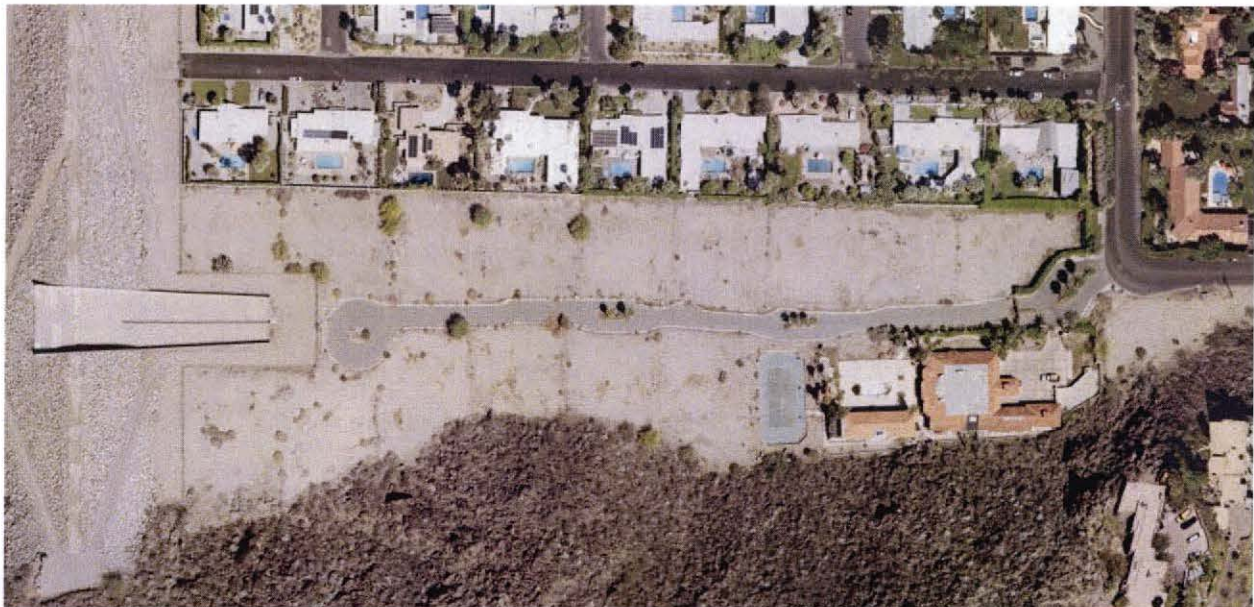


Figure 1

All public improvements are completed with the exception of construction of the final layer of asphalt concrete pavement on the private street, with associated final adjustment of sewer manholes and water valves. This work had been deferred until completion of housing construction, however, the property is the subject of a bank foreclosure. Staff recommends that another 1 year time extension be approved to allow staff to initiate efforts with the current property owner to complete the remaining improvements, or to file a claim against the security to force completion of these improvements.

Tract Map 32233-1, "Escena", extend to April 2, 2017

Tract Map 32233-1 is the first phase of residential development and includes 43 residential lots located within the Escena development shown here in Figure 2.



Figure 2

All public improvements are completed with the exception of construction of the final layer of asphalt concrete pavement on the private street, with associated final adjustment of sewer manholes and water valves. This work had been deferred by the current property owner (Standard Pacific Corporation) until completion of housing construction. Staff recommends that another 1 year time extension be approved to allow staff to initiate efforts with the current property owner to complete the remaining improvements, or to file a claim against the security to force completion of these improvements.

Tract Map 32233-4, "Escena", extend to April 2, 2017

Tract Map 32233-4 is the fourth phase of residential development and includes 59 residential lots located within the Escena development shown here in Figure 3.



Figure 3

All public improvements are completed with the exception of construction of the final layer of asphalt concrete pavement on the private street, with associated final adjustment of sewer manholes and water valves. This work had been deferred by the current property owner (Standard Pacific Corporation) until completion of housing construction. Staff recommends that another 1 year time extension be approved to allow staff to initiate efforts with the current property owner to complete the remaining improvements, or to file a claim against the security to force completion of these improvements.

Tract Map 32233-5, "Escena", extend to August 10, 2018

Tract Map 32233-5 is the fifth phase of residential development and includes 128 residential lots located within the Escena development shown here in Figure 4.

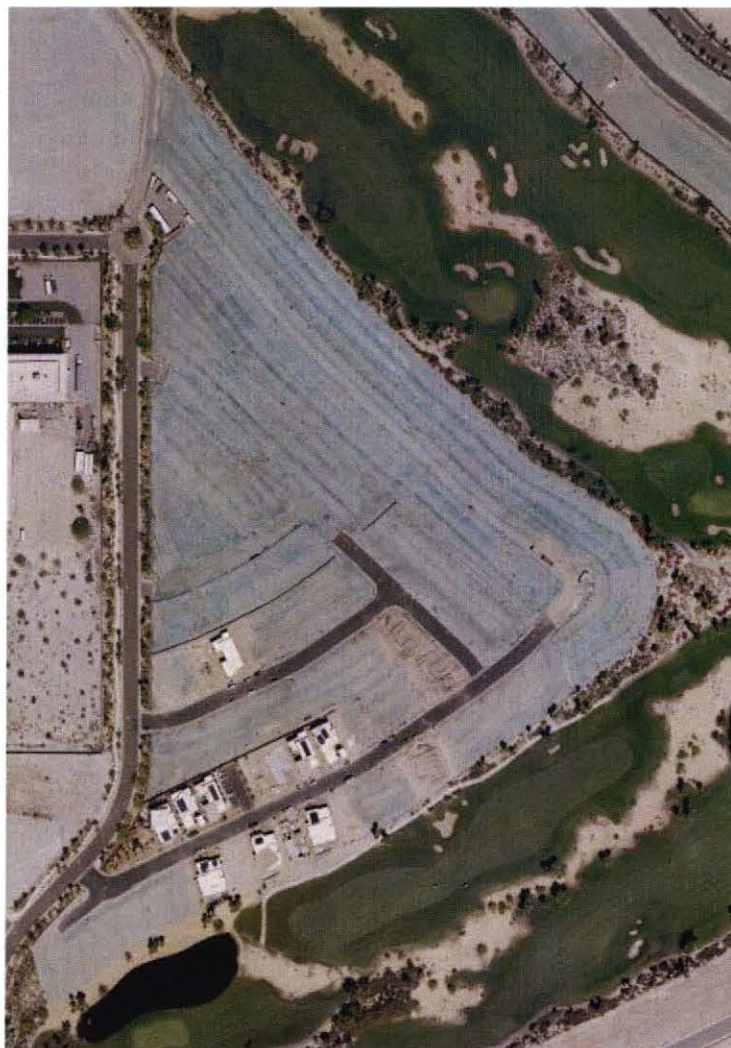


Figure 4

This is a very large subdivision, and only a limited portion of the public improvements have been completed within this subdivision. Completion of the underground utilities and street improvements has been deferred until subsequent building phases within this subdivision by the current property owner (Toll Brothers California) to coincide with construction of the various phases of housing products within the subdivision. Staff recommends that a 2 year time extension be approved to allow the Subdivider to complete the remaining public improvements concurrent with the building phases.

Tract Map 33561, "Palermo", extend to April 2, 2018

Tract Map 33561 is a residential condominium development approved for 211 condominium units located at the northeast corner of Indian Canyon Drive and San Rafael Drive shown here in Figure 5.



Figure 5

This is a very large condominium project that was developed into multiple phases, and only the north half of the site associated with 117 of the 211 condominium units has been completed within this subdivision. Completion of the underground utilities and onsite street improvements was deferred until subsequent building phases within this subdivision by the original Subdivider, however, the property was the subject of a bank foreclosure and the current property owner is the Palermo Community Association, and the timing for construction of the remainder of the property is unknown. Staff recommends that a 2 year time extension be approved to allow the property owner to complete the remaining onsite public improvements.

Tract Map 36548, "Dakota", extended to November 4, 2017

Tract Map 36548 is a subdivision of 39 new residential lots on private streets located at the south end of Belardo Road shown here in Figure 6.



Figure 6

This subdivision was only recently approved by the City Council on November 4, 2014, and construction on a portion of the on-site public improvements has commenced. Completion of the underground utilities and onsite street improvements is continuing

concurrent with subsequent building phases within this subdivision by the Subdivider. The initial 2-year time for completion identified in the subdivision improvement agreement expires November 4, 2016, and staff recommends that a 1 year time extension be approved to allow the Subdivider to complete the remaining onsite public improvements.

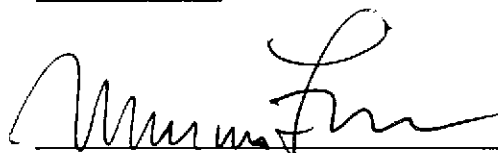
ENVIRONMENTAL IMPACT:

The requested City Council action is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The requested action is to adopt a Resolution authorizing extension of time for performance of obligations identified in various subdivision improvement agreements, and is exempt from CEQA pursuant to Section 15378(b), in that a "Project" does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

FISCAL IMPACT:

None.

SUBMITTED:



Marcus L. Fuller, MPA, P.E., P.L.S.
Assistant City Manager/City Engineer



David H. Ready, Esq., Ph.D
City Manager

Attachments:

1. Resolution

ATTACHMENT 1

RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
PALM SPRINGS, CALIFORNIA, AUTHORIZING TIME
EXTENSIONS OF VARIOUS SUBDIVISION
IMPROVEMENT AGREEMENTS

WHEREAS, the City Council has approved various subdivisions for development projects throughout the City; and

WHEREAS, included with the City Council's approval of each subdivision is approval of a Subdivision Improvement Agreement between the City and Subdivider identifying certain obligations of the Subdivider, including an obligation to complete subdivision improvements within two years of commencement of work; and

WHEREAS, certain residential subdivisions throughout the City are in various stages of completion and require additional time for completion of subdivision improvements; and

WHEREAS, it is in the public's best interest to secure the City's security associated with the subdivision improvement agreements by granting an extension of time for completion of subdivision improvements.

**THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, DOES
HEREBY RESOLVE AS FOLLOWS:**

Section 1. The City Council does hereby approve an extension of time for completion of subdivision improvements for the following subdivision improvement agreements, as follows:

Agreement No. 4814, Tract Map 28966, extended to June 18, 2017
Agreement No. 5086, Tract Map 32233-1, extended to April 2, 2017
Agreement No. 5089, Tract Map 32233-4, extended to April 2, 2017
Agreement No. 5246, Tract Map 33561, extended to April 2, 2018
Agreement No. 6476, Tract Map 32233-5, extended to August 10, 2018
Agreement No. 6626, Tract Map 36548, extended to November 4, 2017

ADOPTED this 2nd day of March, 2016.

DAVID H. READY, CITY MANAGER

ATTEST:

JAMES THOMPSON, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on March 2, 2016, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMES THOMPSON, CITY CLERK
City of Palm Springs, California