



## Planning Commission Staff Report

DATE: March 9, 2016 Public Hearing

SUBJECT: FREEHOLD CAPITAL MANAGEMENT (FCM), LLC, REQUESTING A ONE-YEAR EXTENSION OF TIME FOR PHASE 2 (A PORTION) OF TENTATIVE TRACT MAP 31848, A PREVIOUSLY APPROVED SUBDIVISION FOR THE DEVELOPMENT OF 1,150 SINGLE-FAMILY AND MULTI-FAMILY UNITS, GOLF COURSE, CLUBHOUSE, POOL, SPA, TENNIS COURTS, AND A PARK LOCATED ALONG THE NORTH SIDE OF SAN RAFAEL ROAD, EAST OF NORTH INDIAN CANYON DRIVE, SOUTH OF THE WHITEWATER RIVER AND WEST OF SUNRISE WAY, (CASE 5.0982-PD 290 / TTM 31848) (ER).

FROM: Department of Planning Services

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### SUMMARY

This is a request by Freehold Capital Management, LLC, for a one-year extension of time for the Phase 2 of a previously approved Tentative Tract Map (TTM 31848). Phase 1 of the map was recorded in 2006; Phase 2 is a small portion on the east side of the map. The subdivision with an overall size of 309.39 acres consists of up to 1,150 single and multi-family residential units, an 18-hole executive golf course, a golf clubhouse, a golf maintenance facility, and a park. The project was originally approved in 2004 by the City Council.

### RECOMMENDATION:

Consider an extension of time for the Phase 2 of TTM 31848, and recommend to the City Council approval of a one-year extension from May 5, 2016 to May 5, 2017, based on a demonstration of good cause subject to all the previously-approved conditions of approval.

### ISSUES:

- The Avalon development, formerly known as The Palm Springs Village, was originally approved in 2004 by the Planning Commission and the City Council.
- This extension of time involves Phase 2 of the map. Phase 1 has a final map.
- Planned Development District 290 (PDD 290) remains in effect.
- The maximum number of residential development is 1,150.
- Tentative Tract Map 31848 has been granted State of California automatic extensions of time from May 2009 to May 2016.

**BACKGROUND INFORMATION:**

<b><i>Related Relevant Prior City Actions</i></b>	
04.07.04	The Planning Commission approved preliminary planned development district 290 and recommended approval of Tentative Tract Map 31848 to the City Council.
05.05.04	Following a recommendation from the Planning Commission, the City Council adopted an MND and approved TTM 31848 and PDD 290.
05.17.06	The Planning Commission approved an extension of time for PDD 290 and recommended approval of Tentative Tract Map 31848 to the City Council.
05.18.07	The City Council voted to approve a one-year extension of time from May 4, 2007 to May 5, 2008.
04.12.08	The Planning Commission voted to recommend to the City Council approval of a one-year extension of time for TTM 31848 to expire in May 2009.
04.19.08	The City Council granted a one-year extension of time for Tentative Tract Map 31848 from May 5, 2008 to May 5, 2009.
2008	The State of California granted automatic extensions of twenty four (24) months to all valid tentative tract maps and tentative parcel maps as a response to the economic downturn.
<b><i>Most Recent Change of Ownership</i></b>	
2016	Freehold Capital Management, LLC acquired the property.
<b><i>Related Building Permits/Business Licenses</i></b>	
06.06.07 No. C19111	Permits for Golf Clubhouse, office, retail pro-shop, café/bar, cart ban and bath.
06.06.07 No. C19112	Permits for Community Clubhouse, multi-purpose room, banquet room, fitness room, catering kitchen and equipment room.
06.06.07 No. C19113	Permits for Common area, recreation center, trash enclosure, fountains, parking lot, landscape lighting, pool fencing, planter walls, gates and sign monument.
<b><i>Neighborhood Meeting</i></b>	
N/A	None
<b><i>Field Check</i></b>	
3.1.16	Staff visited the site and its surrounding to evaluate present conditions.
<b><i>Details of Application Request</i></b>	
<b><i>Site Area</i></b>	
Net Acres	309.39 acres

**BACKGROUND AND SETTING:**

The previously-approved project, commonly known as the Avalon (previously called the Palm Springs Village), was approved on May 5, 2004. Tentative Tract Map 31848 was for the subdivision of the approximately of 309.39 acres into parcels for up to 1,150 single-family and multi-family residential units, a golf clubhouse, a golf maintenance facility, tennis courts, a spa, pools and a park. Preliminary Planned Development District 290 (PDD 290) was approved by the Planning Commission and City Council in-lieu of a change of zone from R-1-C to PDD to allow the creation of a multi-family and single-family residential development at the location. The project was subject of the Lehman Brother Bankruptcy, and has now been acquired by a new developer to complete the project. On February 3, 2016, the City Council approved an amended assignment and assumption of a Subdivision Improvement Agreement (SIA) for the Avalon subdivision. An extension of time for the Phase 2 map will allow the map to be recorded in the

future. The City Attorney has previously opined that Planned Development District 290 is vested and remains in effect since substantial construction has commenced at the site. Tentative Tract Map 31848-1 (Phase 1) was recorded in February of 2006. Since then the entire property has been rough graded; this includes the first and second phases with streets and certifiable pads. Off-site improvements including installation of streets, walls and perimeter landscaping have been completed at the site. This extension of time is only for the unrecorded east portion of TTM 31848.

### ANALYSIS:

Extension of time requests for tentative maps is governed by Section 9.63.110 (*Time Extensions*), of the Municipal Code. According to the Municipal Code "*The person filing the tentative map may request a time extension of the tentative map approval or conditional approval by written application to the planning commission, such application to be filed at least sixty days before the approval or conditional approval is due to expire. The application shall state the reasons for requesting the extension and the amount of time requested. In granting an extension of time, new conditions may be imposed and existing conditions may be revised or amended.*" The Municipal Code further states that any extension(s) of tentative map approval or conditional approval shall not exceed a total of twelve months. The formal request for an extension of time for TTM 31848 was received on January 22, 2016. The applicant provided a brief background of the status of the property and the project.

Staff evaluated the status of the project and provided an analysis of the time extension request. The analyses below are intended to assist the Planning Commission determine the appropriateness of the extension of time request.

1. *Any changes to project's overall plan and site configuration.*

There have been no changes to the project's overall plan or site configuration.

2. *Specific steps taken by applicant over the past year to advance the project.*

The partially developed project has been idled since 2008 due to the recession and an intervening bankruptcy affecting the property. The purchaser is acquiring the property from the bankruptcy estate. However, the current owner has, during this period, continued to maintain the property including neighbor-adjacent exterior landscaping, dust control, and other maintenance tasks. In addition, during the bankruptcy process, there was a lot of effort to maintain not only the site, but maintain all of the project entitlements so that when the time was right, the project could be advanced as originally envisioned and approved. The new owner intends to commence construction of the improvements promptly upon acquisition of the property.

3. *Recent developments and uses within the surrounding area.*

There has been some remodeling of individual homes in the Racket Club area to the south of the project. There have been no significant developments in the surrounding area. The Palermo development, which is also nearby, is still not completed.

4. *The applicable policies of the General Plan, zoning ordinance and other regulations.*

The Project is consistent with the applicable policies of the General Plan, zoning ordinance and other regulations. PD-290 approved by the City remains in effect and governs the use and development of the property. The new owner intends to develop the property in accordance with these existing plans and regulations.

5. *Any off-site improvements, installation of infrastructure and other changes within 400 feet radius of project site.*

The developer has already installed all of the immediate off-site improvements and the entire infrastructure for Phase 1.

ENVIRONMENTAL ASSESSMENT:

A Mitigated Negative Declaration (MND), which was previously adopted by the City Council on May 5, 2004, is the controlling environmental document for the project. Pursuant to Section 15162 of the California Environmental Quality Act (CEQA) Guidelines, the preparation of a Subsequent MND, Addendum to the MND or further environmental documentation is not necessary because the changed circumstances of the project will not result in any new significant environmental effects or a substantial increase in the severity of previously identified significant effects. The extension of time request would not result in any new environmental impacts beyond those already assessed in the adopted Mitigated Negative Declaration.

NOTIFICATION:

The applicant was notified of the Planning Commission review of the request; a public hearing notice was mailed to property owners within 500 foot radius of the project site. Additionally, the public hearing was published in the local newspaper and the surrounding neighborhood organizations were also notified. Since then, staff has received calls from members of the neighborhood inquiring about the Avalon project.

CONCLUSION:

As stated earlier, Phase 1 of the map has been recorded and substantial constructions on the site have been completed. This extension of time request is for the second phase of the map which remains in effect till May 5, 2016. Pursuant to Section 94.03.00(I) of the Code, the planned development district (PDD 290) associated with TTM 31848 remains in effect because substantial construction has commenced at the site.



Edward Robertson  
Principal City Planner



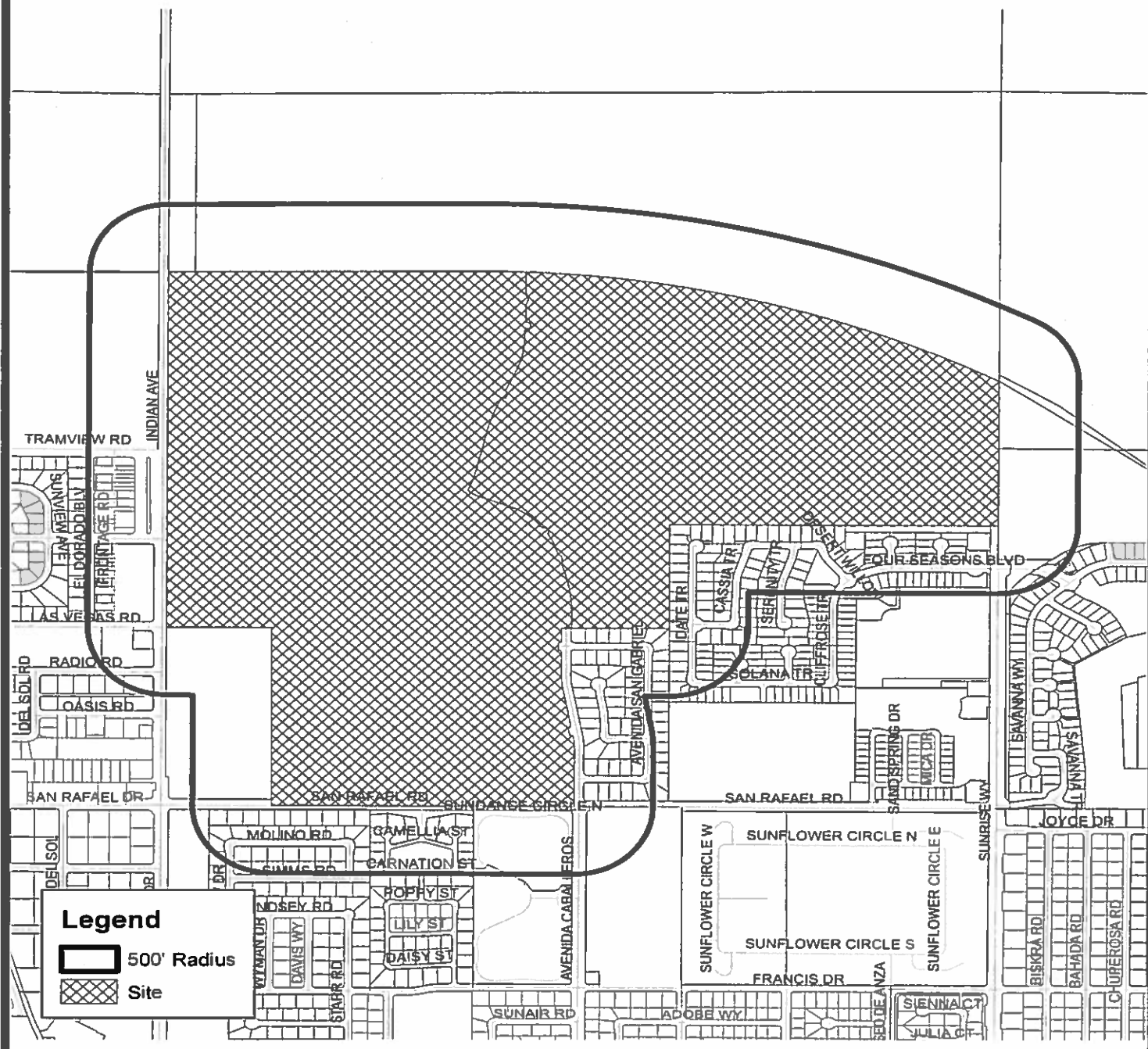
Flinn Fagg, AICP  
Director of Planning Services

ATTACHMENTS:



1. Vicinity Map
2. Draft Resolution.
3. Letter of extension request from the applicant received January 22, 2016.
4. Reduced copy of TTM 31848 & Phasing Map



# Department of Planning Services Vicinity Map



**Legend**

-  500' Radius
-  Site

## CITY OF PALM SPRINGS

RESOLUTION NO.

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF PALM SPRINGS, CALIFORNIA RECOMMENDING TO THE CITY COUNCIL APPROVAL OF A REQUEST BY FREEHOLD CAPITAL MANAGEMENT, LLC, FOR A ONE-YEAR EXTENSION OF TIME FOR PHASE 2 OF TENTATIVE TRACT MAP 31848 FROM MAY 5, 2016 TO MAY 5, 2017 LOCATED ALONG THE NORTH SIDE OF SAN RAFAEL ROAD, EAST OF NORTH INDIAN CANYON DRIVE, SOUTH OF THE WHITEWATER RIVER AND WEST OF SUNRISE WAY, ZONED PD 290, SECTION 35.

WHEREAS, Freehold Capital Management, LLC, ("Applicant") has filed an application with the City pursuant to Section 9.63.110(b) of the Municipal Code, for a one-year extension of time for the Avalon Tentative Tract Map 31848.

WHEREAS, on March 9, 2016, a public hearing on the application for the extension of time was held by the Planning Commission in accordance with applicable law; and

WHEREAS, the proposed project is considered a "project" pursuant to the terms of the California Environmental Quality Act ("CEQA"), and the Mitigated Negative Declaration for Case No. 5.0982-PD 290 /TTM 31848 was previously approved by the City Council on May 5, 2004. The preparation of additional environmental documentation is not necessary because there are no changed circumstances related to the project that will result in any new significant environment effects or a substantial increase in the severity of previously identified significant effects.

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 requirements of Section 94.02.00(F), the Planning Commission finds:

1. The previously approved Mitigated Negative Declaration is the controlling environmental documentation for this request.
2. The applicant has requested an extension of time in accordance with the requirements of the City Municipal and Zoning Codes.
3. A demonstration of good cause has been made and that the Conditions of Approval ensure that the developer will pursue the project in good faith.

NOW, THEREFORE, BE IT RESOLVED that, based upon the foregoing, the Planning Commission hereby recommends approval to City Council a one year time extension of TTM 31848 from May 5, 2016 to May 5, 2017 subject to those conditions approved on May 5, 2004.

ADOPTED this 9<sup>th</sup> day of March, 2016.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

ATTEST:

CITY OF PALM SPRINGS, CALIFORNIA

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Flinn Fagg, AICP  
Director of Planning Services

# LV PALM SPRINGS VILLAGE LLC

January 21, 2016

VIA E-MAIL and U.S. MAIL

Mr. Marcus Fuller  
City of Palm Springs  
3200 E Tahquitz Canyon Way  
Palm Springs, CA 92262  
marcus.fuller@palmsprings-ca.gov

Re: Palm Springs Village/Avalon: Request for Extension of Tentative Tract Map 31848 Avenida Caballeros and San Rafael Drive, Palm Springs, CA ("Property")

Dear Mr. Fuller:

This letter shall serve as a formal request by the current owner of the Property, LV Palm Springs Village LLC ("Owner") for a one year extension of time for the approval of Tentative Tract Map No. 31848 ("Tract Map") from the current expiration date of May 4, 2016 to May 4, 2017. This request is made pursuant to Section 66452.6(e) of the State Subdivision Map Act and Section 9.63.110(b) of the Palm Springs Municipal Code and is timely made under both provisions.

The Owner is currently under contract to sell the Property to FCA CA, LLC which is owned by Freehold Communities. Freehold Communities is a national developer of master-planned communities with a portfolio that includes over 10,000 residential lots across eight different properties. The Company is headquartered in Boston, with regional offices in Texas, North Carolina, Florida, Tennessee, and California. The Principals of the firm have decades of experience managing every aspect of real estate development and the senior executives involved in the Project have over 30 years of experience entitling and developing master planned communities in California. Freehold is capitalized with equity and utilizes zero leverage (debt) on all acquisitions. Freehold Communities creates Vital Communities™ that embrace healthy living, engagement, connectivity, stewardship and distinctive home design.

The 309-acre Property was entitled by the City in 2004 as a high-quality master planned residential and golf course development with 1,150 residences surrounding 172 acres of open space and golf course uses. The PDD and Tract Map for the Palm Springs Village/Avalon Project were adopted concurrently. In 2006, a final tract map was approved for more than half of the development, including almost all of the Project's open space, and a Subdivision Improvement Agreement (SIA) for the first phase of the Project was entered into by the City and the predecessor owner. Correspondence from the City Attorney (attached) confirms that PD-290, governing the ongoing use, development and maintenance of the Property, remains in effect and "substantial construction" has commenced on the Property. Specifically,

- The entire Property has been graded and over 750 housing pads have been created and are in nearly final condition.

3121 Michelson Drive, Suite 200, Irvine, CA 92614



Mr. Marcus Fuller  
January 21, 2016  
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- A golf course has been completed and fully landscaped (although with the downturn, the vegetation has died).
- The first phase of roadways has been completed, including an extensive on-site roadway system and construction of off-site roadways including a four lane Sunrise Parkway extension leading to the Project entry and two sections of non-abutting portions of San Rafael Drive.
- The guardhouse and perimeter walls were constructed and plans were approved for the clubhouse.
- In addition to what can be seen, there have been extensive networks of underground utilities constructed, including water systems, sewer systems, a full drainage system and an irrigation well.

Last year, the City Council approved an extension of the existing SIA and a transfer of the SIA to FCA CA, LLC which is wholly owned by Freehold. Freehold proposes to take title to the Property in the name of its affiliate, Avalon 1150, LLC, a Delaware limited liability company. A request to renew that transfer approval and extend the SIA is pending with the City Council. With that approval, closing for the sale is anticipated in February/March of this year and the new owner intends to immediately continue development of the Property.

We appreciate your consideration and are available to answer any questions you may have.

Very truly yours,

LV Palm Springs Village LLC,  
a Delaware limited liability company

By:   
Name: Anthony Bersanti  
Title: Authorized Signatory

cc: Doug Holland  
Peter Campbell  
Eric Hoffman  
Jesse Baker  
Casey Tischer  
Stan Brown  
(enclosure)



Phasing Map of TTM 31848

# Project Approved Site Plan

PLAN NO. 24-0000000-001-1-0000  
 FINAL MAP PHASINGS EXHIBIT  
 FOR TENTATIVE TRACT  
 MAP NO. 240000



**LEGEND**

PHASE	LOT COUNT	TOTAL AREA
PHASE 1	10	10,000 SF
PHASE 2	15	15,000 SF
PHASE 3	20	20,000 SF
PHASE 4	25	25,000 SF
PHASE 5	30	30,000 SF
PHASE 6	35	35,000 SF
<b>TOTAL</b>	<b>105</b>	<b>105,000 SF</b>

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PHASE 1	10	10,000 SF
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PHASE 3	20	20,000 SF
PHASE 4	25	25,000 SF
PHASE 5	30	30,000 SF
PHASE 6	35	35,000 SF
<b>TOTAL</b>	<b>105</b>	<b>105,000 SF</b>



# Project Aerial – Condition of Property

