

# City Council Staff Report

DATE:

May 4, 2016

CONSENT CALENDAR

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 RESIDENTIAL UNITS, 18-HOLE GOLF COURSE, CLUBHOUSE, POOL, SPA, TENNIS COURTS, AND A PARK LOCATED ALONG THE NORTH SIDE OF SAN RAFAEL DRIVE, EAST OF NORTH INDIAN CANYON DRIVE, SOUTH OF THE WHITEWATER RIVER AND WEST OF SUNRISE WAY, (CASE 5.0982-PD 290 / TTM 31848).

FROM:

David H. Ready, City Manager

BY:

Department of Planning Services

#### SUMMARY

The Planning Commission recommends that the City Council approve a one-year extension of time for Phase 2 of a previously approved Tentative Tract Map (TTM 31848). Phase 1 of the map was recorded in 2006; Phase 2 is the remaining 96.8 acres located 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:

1. Adopt Resolution No. \_\_\_\_\_\_, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, APPROVING A ONE-YEAR EXTENSION OF TIME FROM MAY 5, 2016 TO MAY 5, 2017 FOR TTM 31848, A PREVIOUSLY APPROVED SUBDIVISION OF 309 ACRES TO CONSTRUCT 1,150 SINGLE-FAMILY AND MULTI-FAMILY UNITS, GOLF COURSE, A CLUBHOUSE, POOL, SPA, TENNIS COURTS, AND A PARK LOCATED ALONG THE NORTH SIDE OF SAN RAFAEL DRIVE, EAST OF INDIAN CANYON DRIVE, SOUTH OF WHITEWATER RIVER AND WEST OF SUNRISE WAY; ZONE PD 290, SECTION 35.

#### **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 recorded map.
- Planned Development District 290 (PDD 290) remains in effect.
- The maximum number of residential units 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:**

Related Relevant Prior City Actions		
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.	
03.09.16	The Planning Commission considered the extension of time request and voted to recommend approval to the City Council.	
**************************************	Most Recent Change of Ownership	
2016	Freehold Capital Management, LLC acquired the property.	
	Related Bullding Permits/Business Licenses	
06.06.07 No. C19111	Permits for Golf Clubhouse, office, retail pro-shop, café/bar, cart storage building.	
06.06.07	Permits for Community Clubhouse, multi-purpose room, banquet room, fitness	
No. C19112	room, catering kitchen and equipment room.	
06.06.07	Permits for Common area, recreation center, trash enclosure, fountains, parking	
No. C19113	lot, landscape lighting, pool fencing, planter walls, gates and sign monument.	
	Neighborhood Meeting	
N/A	None	
AND THE PROPERTY.	TField Check	
3.1.16	Staff visited the site and its surrounding to evaluate present conditions.	
Details of Application Request Site Area		
Net Acres 309.39 acres		
Net Acres	308.38 acies	

#### **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 singlefamily residential development at the location. The project was subject in 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 some streets, walls and some perimeter landscaping were initiated, but not yet completed at the site. This extension of time will allow a final map to be recorded for the 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 extension of time request. The analyses below are intended to assist the Council determine the appropriateness of the extension of time request.

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 completion of the acquisition of the property.

Recent developments and uses within the surrounding area.

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 some of the immediate off-site improvements and the entire infrastructure for Phase 1.

#### **ENVIRONMENTAL ASSESSMENT:**

On May 5, 2004, pursuant to the California Environmental Quality Act, the City Council adopted a Mitigated Negative Declaration for the project ("MND"). The preparation of further environment documentation is not necessary because none of the circumstances triggering further environmental review have occurred since the adoption of the MND: (i) there are no substantial changes in the project requiring major revisions of the MND due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously-identified significant effects; (ii) there are no substantial changes with respect to the circumstances under which the project is being undertaken which will require major revisions of the MND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously-identified effects; and (iii) there is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the MND was adopted showing that: (a) the project will have one or more significant effects not discussed in the MND; (b) significant effects previously examined will be substantially more severe than shown in the MND; (c) mitigation measures previously found not feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the mitigation measures have not been adopted; or (d) mitigation measures considerably different from those analyzed in the MND would substantially reduce one or more significant effects on the environment, but the mitigation measures have not

been adopted. Accordingly, no further environmental review is required. (Public Resources Code § 21166; Cal. Code Regulations, Title 14, § 15162.)

## **NOTIFICATION:**

An extension of time request does not require a public hearing; the applicant was notified of the Council consideration of the request and the surrounding neighborhood organizations were also notified.

#### **CONCLUSION:**

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

#### **FISCAL IMPACT:**

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None to the City; however, upon completion of the housing units at the site, additional property taxes will be generated to the City's revenue.

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

Flinn Fagg, AICP

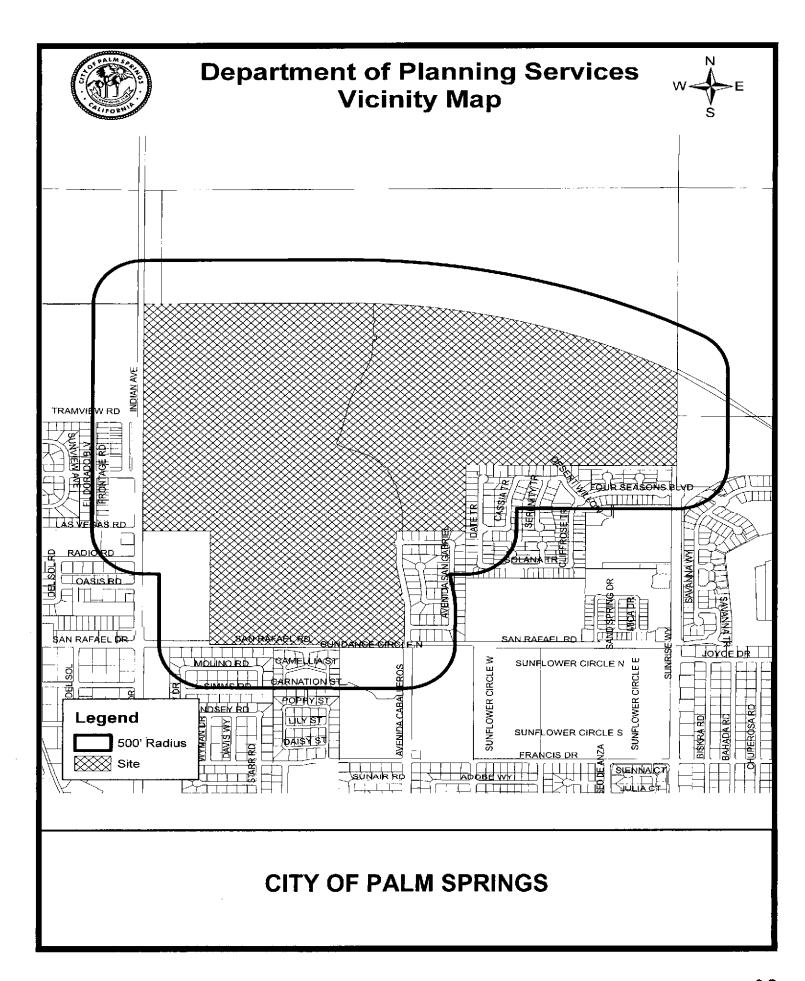
Director of Planning Services

David H. Ready, Esq., Ph.D

City Manager

#### ATTACHMENTS:

- 1. Vicinity Map
- 2. Draft Resolution.
- 3. Letter of extension request from the applicant received January 22, 2016.
- 4. Planning Commission Minutes from the meeting of March 9, 2016.
- Reduced copy of TTM 31848 & Phasing Map



#### RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA APPROVING 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.

#### THE CITY COUNCIL OF THE CITY OF PALM SPRINGS FINDS AND DETERMINES:

- A. Freehold Capital Management, LLC, ("Applicant") 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.
- B. On March 9, 2016, the Planning Commission voted to recommend approval of the extension of time request to the City Council, finding that the applicant had demonstrated good cause for the extension.
- C. On May 4, 2016, a public hearing on the application for the extension of time was held by the City Council in accordance with applicable law.
- On May 5, 2004, pursuant to the California Environmental Quality Act, the City D. Council adopted a Mitigated Negative Declaration for the project ("MND"). The preparation of further environmental documentation is not necessary because none of the circumstances triggering further environmental review have occurred since the adoption of the MND: (i) there are no substantial changes in the project requiring major revisions of the MND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (ii) there are no substantial changes with respect to the circumstances under which the project is being undertaken which will require major revisions of the MND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects; and (iii) there is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the MND was adopted showing that: (a) the project will have one or more significant effects not discussed in the MND; (b) significant effects previously examined will be substantially more severe than shown in the MND; (c) mitigation measures previously found not feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the mitigation measures have not been adopted; or (d) mitigation measures considerably different from those analyzed in the MND would substantially reduce one or more significant effects on the environment, but the mitigation measures have not been adopted. Accordingly, no further environmental review is required. (Public Resources Code § 21166; Cal. Code Regulations, Title 14, § 15162.)

- E. Pursuant to Section 66412.3 of the Subdivision Map Act, the City Council has considered the effect of the proposed project on the housing needs of the region, and has balanced these needs against the public service needs of residents and available fiscal and environmental resources.
- F. The City Council 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 CITY COUNCIL OF THE CITY OF PALM SPRINGS DOES HEREBY RESOLVE:

<u>SECTION 1:</u> The above findings are all true and correct.

<u>SECTION 2:</u> Pursuant to Section 9.63.110 of the Palm Springs Municipal Code, the City Council hereby approves a one-year extension of time for Tentative Tract Map 31848, from May 5, 2016 to May 5, 2017 subject to those conditions approved on May 5, 2004.

ADOPTED THIS 20TH DAY OF APRIL, 2016.

	David H. Ready, City Manager
ATTEST:	

# **CERTIFICATION**

STATE OF CALIFORNIA ) COUNTY OF RIVERSIDE ) ss.	
CITY OF PALM SPRINGS)	
	k of the City of Palm Springs, hereby certify that correct copy, and was duly adopted at a regular Palm Springs on,
AYES: NOES: ABSENT: ABSTAIN:	
	James Thompson, City Clerk City of Palm Springs, California

#### 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 <u>Avenida</u> 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<sup>TM</sup> 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 Page 2

- 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

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Name:

Title:

Anthony Barsanti Authorized Signatory

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

3121 Michelson Drive, Suite 200, Irvine, CA 92614

2C. PALM SPRINGS PROMENADE, LLC FOR A MAJOR ARCHITECTURAL APPLICATION TO CONSTRUCT A 6-STORY, 112,862-SQ. FT. RESORT HOTEL CONSISTING OF 142-ROOMS, MEETING SPACE, RESTAURANTS, SPA AND FITNESS CENTER ON BLOCK "B-1" OF THE DOWNTOWN PALM SPRINGS PROJECT LOCATED AT THE NORTHEAST CORNER OF BELARDO ROAD AND MAIN STREET, ZONE CBD (CASE 3.3908 MAJ). (DN)

Chair Klatchko noted that the applicant requested a continuance to March 23rd to allow them to respond to the recent changes in the Specific Plan.

ACTION: Continue to the next regular meeting of March 23, 2016.

**Motion:** Commissioner Lowe, seconded by Vice-Chair Calerdine and unanimously carried 6-0-1 on a roll call vote.

AYES:

Commissioner Donenfeld, Commissioner Lowe, Commissioner Middleton,

Commissioner Weremiuk, Vice-Chair Calerdine, Chair Klatchko

ABSENT:

Commissioner Hirschbein

2D. FREEHOLD CAPITAL MANAGEMENT, LLC, REQUESTING A ONE-YEAR EXTENSION OF TIME FOR TENTATIVE TRACT MAP 31848, A PREVIOUSLY APPROVED SUBDIVISION OF 309 ACRES TO CONSTRUCT 1,239 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)

Principal Planner Robertson presented the proposed time extension for Phase II of the development as outlined in the staff report.

The Commission had technical questions and/or requested clarification:

- The validity of the map.
- Details of the original approval in 2004.
- Status of Sunrise Parkway.
- · When was new ownership acquired?
- Connection of Sunrise Way to Palm Canyon.

Chair Klatchko opened the public hearing:

MARVIN ROOS, MSA Consulting, provided background history on the site and gave an overview of the Sunrise Parkway construction.

LINDA SHESTOCK, resides south of Avalon, stated that the entire stretch between Sunrise Way and Indian Canyon has no traffic mitigation and stressed the importance to have the main entrance on Indian Canyon.

MICHAEL HOWARD, resides in Racquet Club Estates Neighborhood, questioned the validity of the environmental impact report that was done 12 years ago and had concern with the increase in population, noise and night lighting effects from this development.

DON SCHULTZ, resides on the corner of San Rafael and Caballeros, urged that there be a requirement for Sunrise Way to be completed for this project and had concern with building heights and water usage for the new homes and golf course.

HARRY COURTRIGHT, resides in Palermo development, said they are surrounded by Avalon development and agreed that the entire length of Sunrise Way should be completed to mitigate traffic on San Rafael.

ROBERT HEINBOUGH, resides across the street from the project, expressed concern with traffic on Indian Canyon, building heights and water usage for the golf course. He questioned if the school district is ready for the addition of 2300 new families to this area.

MARVIN ROOS, applicant, addressed completion of Phase I and Phase II of Sunrise Way, the main entry and building heights for the development.

There being no further speakers the public hearing was closed.

The Commission had comments and/or requested clarification on:

- Development standards.
- Will the golf course be developed?
- · The review process for what is being requested today.

Commissioner Middleton questioned if the Commission has the authority to condition this approval with the completion of Sunrise to Indian Canyon, as a part of Phase I. She said she is extremely interested in considering the Sunrise Way extension.

Commissioner Donenfeld shares the concerns of the adjacent property owners but realizes this development is well on its way. He is in favor of recommending a condition to City Council for review of completion of the Sunrise Way extension.

Commissioner Weremiuk asked the applicant if they would be willing to accept this condition.

MARVIN ROOS responded said it would be difficult to accept this and would not offer it at this point.

Commissioner Calerdine clarified that this is a recommendation to the City Council and not a condition. He proposed a slight modification to construct a minimum two-lane extension of Sunrise Way instead of a four lane road.

ACTION: Recommend approval to the City Council.

With a recommendation to City Council to require the completion of the extension of Sunrise Way to Indian Canyon Way or as an alternative, to develop a two-lane extension of Sunrise Way to Indian Canyon.

**Motion:** Commissioner Middleton, seconded by Commissioner Lowe and carried 5-1-1 on a roll call vote.

AYES:

Commissioner Donenfeld, Commissioner Lowe, Commissioner Middleton,

Vice-Chair Calerdine, Chair Klatchko

NOES:

Commissioner Weremiuk

ABSENT:

Commissioner Hirschbein

A recess was taken at 3:28 pm.

The meeting resumed at 3:40 pm.

#### 3. NEW BUSINESS:

3A. SMITH & HALL DESERT PROPERTIES, LLC, OWNER, FOR A SIGN PROGRAM FOR THE J.W. ROBINSON'S DEPARTMENT STORE BUILDING LOCATED AT 333 SOUTH PALM CANYON, CLASS 1 HISTORIC SITE HSPB #84 (CASE SP16-001). (KL)

Associate Planner Lyon presented the proposed sign program as outlined in the staff report.

Commissioner Donenfeld noted that he walked and drove down Palm Canyon (southbound) and noticed lots of clutter on both sides of the street. He prefers the monument sign should be at the maximum allowed by code and thinks the 10 ft. is too high.

Commissioner Middleton concurred with Commission Donenfeld noting that this building will be extremely attractive and the occupants will be well-known based on the architecture.

Commissioner Lowe thinks the monument sign is over-sized and it will interfere with the architecture of the historic building.



