



CITY OF MENIFEE

SUBJECT: Introduction and First Reading of an Ordinance Regarding the Development Agreement Amendment for Cimarron Ridge Specific Plan

MEETING DATE: February 19, 2025

TO: Mayor and City Council

PREPARED BY: Desiree McGriff, Associate Planner

REVIEWED BY: Ryan Fowler, Principal Planner

APPROVED BY: Cheryl Kitzerow, Community Development Director

APPLICANT: Pulte Home Company, LLC

RECOMMENDED ACTION

1. Introduce an ordinance approving Amendment No. 3 to the Development Agreement for the Cimarron Ridge Specific Plan, located south of McLaughlin Road, east of Goetz Road, and west of Valley Boulevard, and find that no additional environmental review is required based upon the findings and conclusions in the resolution.

DISCUSSION

Development Agreement (DA) No. PLN24-0213 proposes a Third Amendment to the DA between the developer (Cimarron Ridge, LLC,) and the City of Menifee to allow up to 20 home occupancies in Planning Area (PA) No. 6 prior to completion of the McLaughlin Road improvements, increase in the number of the building permits in the Project that may be issued prior to completion of the sports park located in PA No. 4, from 485 permits to 635 permits, and an additional public benefit in the completion of a 730-foot-long section of Valley Boulevard "interim improvement" prior to December 31, 2025.

January 22, 2025 Planning Commission Hearing

On January 22, 2025, the Development Agreement Amendment No. 3 was presented to the Planning Commission. The Commission discussed the Valley Boulevard Capital Improvement Program (CIP) project status/right-of-way acquisition, delays for McLaughlin Road improvements, timing of park plan review, and option for proposed \$300,000 Community Benefit for Valley Boulevard if right-of-way cannot be acquired/allocation of these funds. The Commission voted 4-0 to recommend the City Council approve the Project with an additional request for Council to consider requiring that the \$300,000 community benefit (if necessary) be prioritized to the Valley Boulevard CIP project/missing link construction.

Location

The Project is located on 240.3 acres south of McLaughlin Road, east of Goetz Road, and west of Valley Boulevard (APN: 330-230-042, -043, 330-220-016, and -017).

Project Location



General Plan/Zone

The existing zoning and General Plan Land Use designation of the site is Cimarron Ridge Specific Plan. The Specific Plan has a land use designation of Medium Density Residential (MDR) with a density range of 2.1-5.0 dwelling units per acre (du/ac). This density allows for traditional single-family residential homes at various lot sizes. Surrounding general plan land use designations include 2.1-5.0 du/ac to the south and east, Public Utility Corridor (PUC) and Economic Development Corridor (EDC) to the north, and the City of Perris to the west with land use designations of Single-Family Residential (R-20,000), Single-Family Residential (R-6,000), and Open Space. These land use designations and those within the City of Perris are compatible with those proposed for the site. The zoning classification of the Project site Specific Plan and is consistent with the General Plan Designation of 2.1-5.0 du/ac and surrounding zoning classifications.

Background of the Development Agreement

The Cimarron Ridge Specific Plan and Tentative Tract Maps were approved by the City Council on October 21, 2015. The Specific Plan and Tentative Tract Maps provided for the development of 756 single-family residential lots and parks. The City of Menifee and Cimarron Ridge, LLC entered into a DA for the Cimarron Ridge Project on June 7, 2017. In May of 2023, a Minor

Amendment to the DA was executed to adjust the timing of completion of the road improvements. On April 3, 2024, the City Council approved Amendment No. 2 along with a Major Modification to the Tract Map to update provisions related to the community park relocation to PA No. 4, creating gated age-restricted communities in PA No. 5 and 6, and relocating 49 residential units from PA No. 4 to PA No. 5 as a result of the park relocation.

Cimarron Ridge Specific Plan



Development Agreement Provisions

The City of Menifee and Cimarron Ridge, LLC entered into a DA for the Cimarron Ridge project on June 7, 2017. Cimarron Ridge, LLC subsequently is the successor-in-interest to the rights and obligations of Cimarron Ridge, LLC related to the DA. In May of 2023, a Minor Amendment to the DA was executed to adjust the timing of completion of specific travel way improvements. Most recently, on April 3, 2024, the City Council approved Amendment No. 2 to update provisions related to the community park relocation to PA No. 4.

On October 28, 2024, Cimarron Ridge, LLC submitted an application for Amendment No. 3 to the DA to allow for the following:

- Adjust timing of the completion/construction of the Community Park from the issuance of 485 building permits to the issuance of 635 building permits to be completed by June 1, 2025.
- Allow for 20 occupancies (home closings) within PA No. 6 prior to completion of McLaughlin Road improvements
- Additional community benefit to construct an interim connection of the Valley Boulevard missing link from just south of Chambers Avenue to McCall Boulevard (with optional payment of \$300,000 should the City determine improvement infeasible)

Cimarron Ridge, LLC is requesting a deferral of the park construction timing based on the timing of the previously approved DA Amendment No. 2 to relocate the park from PA No. 5 to PA No. 4. The construction plans could not be completed and processed for review by City staff until after the Council's previous approval in the Summer of 2024 of the new park location. Park plans have been reviewed and are anticipated to be approved by February 1, 2025. The developer anticipates a 12-month construction period and has committed to begin construction immediately following plan approval. Allowing for unforeseen issues, staff recommends requiring the park be completed no later than June 1, 2026, and open to the public. No changes or removal of previously agreed upon park amenities are proposed. While the change from the 485th building permit (64% of total project) to 635th building permit (84% of total project) is higher/later in the development process than what has been standard for master planned communities in the City of Menifee, the developer has provided the necessary bonding for the park and has committed to move forward expeditiously. Should the amendment not be approved, the Project would be subject to delays in production. Currently, approximately 436 building permits have already been issued.

In addition, Cimarron Ridge, LLC is requesting an allowance of 20 home closings/occupancies within PA No. 6 prior to the completion of the improvements on McLaughlin Road. The applicant has experienced construction delays and anticipates completion by March 2025 with homes to be completed and ready for sale in February 2025.

Associated with the above requests, Cimarron Ridge, LLC has included an additional community benefit to construct a 730-foot section of Valley Boulevard from just south of Chambers Avenue to connect to McCall Boulevard (missing link). The roadway would be constructed in an interim configuration and is proposed to include a 32-foot roadway section to match the current roadway south of McCall Boulevard, with eight-inch AC berms on each side of the roadway. No sidewalks would be constructed as there are no sidewalks to connect to south of McCall Boulevard. In order to facilitate this improvement, the City would need to acquire the necessary right-of-way (ROW) from one property owner. Staff recommends the construction of the missing link to be completed by December 2025, with allowable reasonable extension should the City experience delays in acquiring the ROW. The agreement also includes a provision that if the City determines the improvements to be infeasible or cannot acquire the ROW, the developer would instead provide the City a \$300,000 in-lieu community benefit.

The proposed request was presented to the Finance Committee on December 10, 2024, and the Committee recommended that staff advance it to the Planning Commission and City Council for review. Subsequently, as staff was working with the Developer and City consultants on CFD bond issuance preparations, staff was made aware that Invitation Homes, a Real Estate Investment Trust ("REIT") has purchased 54 homes in the community and is under contract to purchase up

to 127 homes, or 16% of the total 756 homes in Cimarron Ridge. The REIT intends to maintain ownership and rent those homes. Although the Developer has the right to sell the homes to any party, staff is providing this as additional information to the Council.

Environmental Determination

All impacts related to the DA and previous development approvals were analyzed in an Environmental Impact Report (EIR) (State Clearinghouse [SCH] No. 2014051029) prepared for the original Project application (Tract Map No. 36658/2013-208, Parcel Map No. 36657/2013-247, Specific Plan No. 2013-247, General Plan Amendment No. 2014-016, Zone Change No. 2014-017), which was adopted by City Council. No new environmental impacts have been identified. No further environmental review is required. The previously prepared EIR is still accurate and applicable for this approval. In addition, the Valley Boulevard missing link improvements were analyzed in a separate California Environmental Quality Act (CEQA) document adopted by the Planning Commission on October 21, 2015 (SCH No. 2014051029). The Cimarron Ridge FEIR, and Valley Blvd environmental document can be accessed for review on the City website at <https://www.cityofmenifee.us/325/Environmental-Notices-Documents>.

Findings

Findings for the DA are included in the attached Ordinance.

Public Notice

The proposed Project was noticed on February 9, 2025, for the February 19, 2025 City Council hearing. A public notice was published within The Press Enterprise. Notices were also mailed to property owners within a 300-foot radius of the Project site. All relevant public agencies were also notified of the public hearing. On-site posting was also provided.

STRATEGIC PLAN OBJECTIVE

Thriving Economy

FISCAL IMPACT

Should this amendment be approved, ROW acquisition to facilitate the interim Valley Boulevard missing link roadway connection would be the City's responsibility. This project is already included in the City's Capital Improvement Plan as CIP 22-02: Valley Boulevard Widening and Missing Link. Funds for ROW acquisition have been allocated as a Transportation CIP project within the Menifee Valley RBBD Fund (2415-PWD-CIPS-760000) and the DIF Citywide Circulation Fund (2526-PWD-CIPS-760000).

ATTACHMENTS

1. Ordinance – DA
2. Exhibit A – DA Amendment No. 3
3. DA Amendment No. 2
4. DA Amendment No. 1
5. DA Original