



CITY OF MENIFEE

SUBJECT: Deferral of Conditions of Approval and Quimby Agreement Amendment Relating to Public Park Dedication for Quartz Ranch Development

MEETING DATE: November 16, 2022

TO: Mayor and City Council

PREPARED BY: Nancy Rodriguez, Management Analyst

REVIEWED BY: Jonathan Nicks, Community Services Director

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Adopt Resolution to approve the Temporary Deferral of Conditions of Approval for Tract Map Nos. 28786, 28791, 28792, 28793, and 28794, located within Newport Estates Specific Plan encompassing the property along both sides of Evans Road, north side of Holland Road and south of Newport Road, relating to park development timing requirements; and
2. Approve and authorize the City Manager to execute the Second Amendment to the Quimby Park Mitigation Agreement to align park development timing requirements with the amended Conditions of Approval for Tract Map Nos. 28786, 28791, 28792, 28793, and 28794.

DISCUSSION

Tract Map Nos. 28786 - 28794 are located within the Newport Estates Specific Plan (SP 140) and encompasses the property along both sides of Evans Road, on the north side of Holland Road and south of Newport Road. The development was originally approved by the County of Riverside in 2001. Subsequently in August 2007, the original developer Pacific Communities, entered into a Quimby Park Mitigation Agreement (Quimby Agreement) with County Service Area 145 (CSA 145) for the dedication of public parks. Since that time, Pacific Communities developed and built the first 477 out of 856 homes. The Quimby Agreement also required the addition of two parks, a 2.54-acre park in Planning Area 6C and a 5.52-acre park in Planning Area 6B. In 2018, Pacific Communities completed the development of Mayfield Park, the 2.54-acre park in Planning Area 6C.

The Quimby Agreement originally required development of both public parks according to the following schedule (Table 1):

Table 1: Original Park Schedule

Original Park Requirements	Planning Area 6C (Mayfield Park 2.54 acres)	Planning Area 6B (Future 5.52 acres)
Approval of Park Conceptual Plans	Before issuance of the 1st building permit	Before issuance of the 200th building permit
Approval of Construction Plans	Before issuance of the 100th building permit	Before issuance of the 300th building permit
Park Accepted for 90-Day Maintenance period	Before issuance of the 200th occupancy permit	Before issuance of the 400th occupancy permit

In November 2015, Pacific Communities requested to amend these original park development requirements due to unforeseen circumstances, which included the 2008 downturn in the housing market and plan adjustments required to comply with the revised water efficient landscape standards.

Following City Council's approval, the development of the public parks is now required per the following amended schedule (Table 2):

Table 2: Amended Park Schedule (Resolution 15-487)

Requirements Amended November 2015	Planning Area 6C (Mayfield Park 2.54 acres)	Planning Area 6B (Future 5.52 acres)
Approval of Park Conceptual Plans	Before issuance of the 1st building permit	Before issuance of the 300th building permit
Approval of Construction Plans & Provide Performance Security for Park	Before issuance of the 250th building permit	Before issuance of the 400th building permit
Park Construction Complete & Open to Public	Before issuance of the 300th occupancy permit	Before issuance of the 500th building permit
Park Turnover to City	Before issuance of the 350th occupancy permit or 90 days after construction is complete	Before issuance of the 550th occupancy permit or 90 days after construction is complete

As mentioned, Pacific Communities developed and built the first 477 of 856 homes and met park development requirements for Planning Area 6C by completing Mayfield Park. Pacific Communities also developed approved construction plans and provided performance security for the future 5.52-acre park in Planning Area 6B.

In September 2020, Lennar Homes of California, Inc (Lennar) acquired the remaining development from Pacific Communities with the intent to start rough grading by October 2020, and construction of the first production home and 5.52-acre Planning Area 6B Park, by November 2020. However, Lennar's environmental consultant, VCS, discovered a series of environmental

constraints throughout the project preventing the City from issuing a rough grade permit. Lennar proceeded to work with California Department of Fish and Wildlife (CSFW) and the United States Department of Fish and Wildlife Services (USFWS) to meet the additional requirements and on August 9, 2021, after satisfying these requirements, Lennar obtained its rough grade permit. Upon receiving the grading permit, VCS discovered nesting gnatcatchers in the park site, which caused an additional delay.

After addressing the various onsite environmental issues, rough grade operations resumed in December 2021. During grading operations, Lennar's contractor uncovered a large volume of unclassified boulders buried throughout the project by a prior landowner. A large concentration of these boulders was located in the future park site creating a significant delay to grading operations. During this time, Lennar paid its grading contractor daily overtime to expedite work and complete the rough grading of the park site by July 2022.

Unfortunately, when Lennar was able to start construction of the park, the approved park landscape and precise grade plan had expired. City staff has worked with Lennar to update the construction drawings to the latest City standards, causing an additional construction delay. Additionally, Lennar has stated that they have faced supply chain issues that delayed procurement of required materials by creating longer lead times for items needed for the park such as the prefabricated restroom building, play structure, and athletic field lights.

Due to the additional time needed to address the numerous environmental issues at the site, the removal of the large boulders, the expiration of the park plans, and the ongoing supply chain issues to obtain materials; Lennar requests to further amend the schedule for the park in planning area 6B to the following (Table 3):

Table 3: Requested Amendment to Park Schedule

Planning Area 6B (Future 5.52 acres)	Current Requirements Amended November 2015	Request from Lennar
Approval of Park Conceptual Plans	Before issuance of 300th building permit	Before issuance of 300th building permit
Approval of Construction Plans & Provide Performance Security for Park	Before issuance of 400th building permit	Before issuance of 400th building permit
Park Construction Complete & Open to Public	Before issuance of the 500th building permit	Before issuance of the <u>700th</u> building permit
Park Turnover to City	Before issuance of the 550th occupancy permit or 90 days after construction is complete	Before issuance of the <u>625th</u> occupancy permit or 90 days after construction is complete

Under the current park development requirements, the City cannot issue additional building permits to Lennar for the Quartz Ranch Development until the park is completed. SP 140 currently has 478 occupied homes, so Lennar can continue to obtain occupancy permits until they reach 550 occupancy permits. Lennar has stated that they will work expeditiously with City staff to complete park construction by May 2023 and finish the 90-day maintenance period to turn over the park to the City by August 2023. Lennar has stated that although they are making their best

effort to complete the park, it would be challenging to not receive additional building permits until May 2023. Additionally, Lennar has provided the City a Letter of Credit in the amount of \$3,836,256.90 to ensure the completion of the park dedicated to Planning Area 6B. The additional assurance of the Letter of Credit is above and beyond the park completion security bond of \$2.7 million, showing the commitment to developing the park regardless of potential future uncertainties.

This item is scheduled to be presented to the Parks, Recreation and Trails Commission at a Special Meeting set for November 7, 2022, and their feedback can be provided verbally upon request. If the City Council decides to amend park development requirements as Lennar has requested or otherwise, it would require approval by resolution and amendment to the current Quimby Agreement.

STRATEGIC PLAN OBJECTIVE

Responsive and Transparent Government

FISCAL IMPACT

If the park development requirements are amended, there is no fiscal impact to the City. SP 140 has annexed into CSA 145 for maintenance of the park facilities, and properties within the development are being assessed for park maintenance fees. The cost of preparation of the resolution and revised Quimby Agreement are provided for through deposit-based fees paid by the developer. Additionally, Lennar has provided the City with a Letter of Credit in the amount of \$3,836,256.90 to ensure the completion of the park dedicated to Planning Area 6B.

ATTACHMENTS

1. Quartz Ranch Park Completion Letter – October 27, 2022
2. Resolution No. 15-487, with current Quimby Agreement amended in November 2015
 - Conditions of Approval (Exhibit A)
 - Original Quimby Agreement (Exhibit B)
 - First Amendment to Quimby Agreement (Exhibit C)
3. Resolution – Deferral of Conditions of Approval
4. Second Amendment to Quimby Agreement (Exhibit D)
5. Exhibit of Planning Area 6B Park and Project Construction Schedule