



## **CITY OF MENIFEE**

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SUBJECT: Agreement with Tri-Pointe Homes IE-SD, Inc. for Assignment of Quimby Credit

MEETING DATE: October 18, 2023

TO: Mayor and City Council

PREPARED BY: Mariana Mitchell, Community Services Manager

REVIEWED BY: Jonathan Nicks, Deputy City Manager

APPROVED BY: Armando G. Villa, City Manager

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### **RECOMMENDED ACTION**

1. Approve and authorize the City Manager to execute an Operating Agreement with Tri-Pointe Homes IE-SD, Inc. for partial assignment and assumption of Quimby credit in the amount of 2.82 acres to CRP/CWR River Walk Project, LLC for Tract Map No. 38219 "Riverwalk," located north of Lazy Creek Road and west of Bradley Road.

### **DISCUSSION**

On March 15, 2017 City Council approved a Quimby Agreement with Developer, Pardee Homes, for Tract Map No. 2012-045, previously known as Meniffee Heights (TTM 32277) and now known as Centennial. This agreement approved the dedication of 9.97 acres of parkland to construct what is now Centennial Park to meet Quimby Act requirements, resulting in 4.29 acres of excess Quimby credit available to the Developer to use in a future project.

In accordance with the Meniffee Municipal Code (MMC) in effect at the time (Ordinance No. 2016-193), provisions for the use of excess Quimby credit required that the Developer be granted the ability to use the excess Quimby credit in a project within a two-mile radius of the original project. However, on November 20, 2019, the City Council approved an amendment to the MMC Title 7, Subdivisions, including Chapter 7.75 Parkland Dedication and Fees (Ordinance No. 2019-286). The 2019 amendment no longer allowed for the granting of credit for excess parkland dedication in order to assist the City in achieving the goal of five acres of parkland per 1,000 residents.

The Developer, now Tri-Pointe Homes IE-SD, Inc., recently inquired about the use of the excess Quimby credit as noted in the 2017 approved agreement. Due to the unique circumstances of the update of MMC Chapter 7.75 taking place after the agreement was approved, instead of amending the original Quimby Agreement, City staff and Tri-Pointe Homes sought an alternative solution that would be mutually beneficial.

Working with legal counsel, both parties negotiated an Operating Agreement that would allow for the assignment of a portion of the excess Quimby credit to CRP/CWR River Walk Project, LLC. The project, known as “Riverwalk”, located at Bradley Road and Lazy Creek Road (South of Salt Creek) is comprised of 199 residential units on 14 gross acres and is out of the two-mile radius originally required by the MMC that existed in 2017. However, the project only requires 2.82 acres of dedicated parkland to meet Quimby Act requirements. If the Operating Agreement is approved, the Developer would relinquish and waive the future use of the remaining 1.47 acres of excess Quimby credit.

### **STRATEGIC PLAN OBJECTIVE**

Regular City Business

### **FISCAL IMPACT**

There is no fiscal impact associated with the recommended action. However, approval of the Operating Agreement would prevent the use of the remaining 1.47 excess Quimby credit for future projects which may result in either additional future Quimby fee revenues or parkland dedication.

### **ATTACHMENTS**

1. Operating Agreement for Assignment of Quimby Credit
2. Original Quimby Agreement – March 15, 2017
3. Ordinance No. 2016-193
4. Ordinance No. 2019-286