



REPORT TO CITY COUNCIL

To: Honorable Mayor and City Council Members

From: Grant Yates, City Manager

Date: February 14, 2017

Subject: Amended and Restated Alberhill Villages Specific Plan (SP No. 2010-02), Development Agreement (DA 2016-02), and Addendum to Final Environmental Impact Report (SCH # 2012061046)

Applicant(S) Pacific Clay Products, Inc. & The City of Lake Elsinore

Recommendation

adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, APPROVING THE ADDENDUM TO THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE AMENDED AND RESTATED ALBERHILL VILLAGES SPECIFIC PLAN (SCH NO. 2012061046) AND RELATED DEVELOPMENT AGREEMENT

introduce AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, APPROVING THE AMENDED AND RESTATED ALBERHILL VILLAGES SPECIFIC PLAN NO. 2010-02

introduce AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, FINDING GENERAL PLAN CONSISTENCY AND APPROVING A DEVELOPMENT AGREEMENT FOR THE AMENDED AND RESTATED ALBERHILL VILLAGES SPECIFIC PLAN

Background

On June 14, 2016, after public hearing and consideration of all written and oral staff reports, recommendation from the Planning Commission, comments and responses to comments to the Environmental Impact Report (hereinafter defined), public testimony and other matters reflected in the record of the public hearing, the City Council approved the Alberhill Villages Specific Plan (the "AVSP"). The AVSP consists of a 1,375-acre site located south of Interstate 15 and west of Lake Street and includes approximately 8,024 dwelling units; 3,810,300 square feet of non-residential uses including civic/institutional, commercial/retail, professional office/medical and entertainment uses; university or similar educational institution use; and supporting uses including schools, parks, places of religious assembly, open space and green belt paseos.

As part of the approval of the AVSP, the City Council adopted the following:

- (i) Resolution No. 2016-076 certifying the Final Environmental Impact Report (SCH No. 2012061046) for the Alberhill Villages Specific Plan No. 2010-02 (the “Final EIR”), General Plan Amendment No. 2012-01 and Zone Change No. 2012-02, Adopting Findings Pursuant to the California Environmental Quality Act, Adopting a Statement of Overriding Considerations, and Adopting a Mitigation Monitoring and Reporting Program,
- (ii) Resolution No. 2016-77 approving General Plan Amendment No. 2012-01 which amended the Lake Elsinore General Plan land use designation for the project site to “Alberhill Villages Specific Plan,”
- (iii) Ordinance No. 2016-1361, effective July 28, 2016, adopting the Alberhill Villages Specific Plan No. 2012 (“AVSP”) and Zone Change 2012-02 which amended the project site’s zoning from a mix of zoning designations to “Alberhill Villages Specific Plan.”

Following the June 14, 2016 adoption of the AVSP, the property owner, Pacific Clay Products, Inc. and the City engaged in discussions and have mutually proposed an Amended and Restated Alberhill Villages Specific Plan and related Development Agreement (collectively, the “Project”) in an effort to eliminate certain ambiguities and provide clarification with respect to the implementation of the AVSP, refine the AVSP land use plan, and identify a financing mechanism for the Regional Sports Park and overall AVSP community.

On February 7, 2017 at a duly noticed public hearing the Planning Commission considered all oral and written testimony, and 1) recommended that the City Council adopt a Resolution approving the Addendum to the Final Environmental Impact Report; 2) recommended that the City Council adopt an ordinance approving the Amended and Restated Alberhill Villages Specific Plan; and 3) recommended that the City Council adopt an ordinance approving a Development Agreement for the Amended and Restated Alberhill Villages Specific Plan.

City staff previously conducted due diligence and outreach to respond to all public comments received on the Draft Environmental Impact Report (DEIR) for the AVSP and again reached out to regulatory and government agencies advising them of the proposed Amended and Restated Alberhill Villages Specific Plan and Addendum to the Final EIR.

Project Location

The Amended and Restated Alberhill Villages Specific Plan boundaries are identical to project boundaries of the adopted AVSP. The AVSP project site is located just south of Interstate 15 and is west of Lake Street. The eastern project boundary borders Lake Street, the southeastern project boundary borders the Murdock Alberhill Ranch Specific Plan residential development, the western boundary borders the 1,000-acre Horsethief Canyon Ranch single-family development, and the southwest boundary borders the Cleveland National Forest. (See Vicinity Map, Attachment 1)

Project Description

Amended and Restated Alberhill Villages Specific Plan No. 2010-02

The Amended and Restated Alberhill Villages Specific Plan retains the same project boundaries and same overall land uses and buildout as the adopted AVSP to provide for the development of a sustainable new community, at the northwestern gateway of the City of Lake Elsinore. When fully developed, the approximately 1,375 acre Alberhill Villages site will provide up to 8,024 residential units, distributed over a wide variety of unit types and sizes.

The Amended and Restated Alberhill Villages Specific Plan also includes approximately 2,310,300 square feet of commercial building development including a University Town Center with 1,335,800 square feet of retail/community space, and medical/ office development. Additional mixed use areas will be placed in two other strategic phased locations offering 974,500 square feet of retail and service uses. Approximately 63.6 acres are designated for a university or similar education institutional use which could accommodate 6000 students and 1,500,000 square feet of indoor facilities. Regional and community amenities include an 850 student capacity elementary school on a 12-acre site, over 194 acres of natural or enhanced open space with multi-use trails, a 41.5-acre Recreational Lake and Lakeside Park, as well as a 45.9-acre City Regional Sports Park, and a 14.3-acre Public Community Park.

The Amended and Restated Alberhill Villages Specific Plan divides the 1,375 acre site into six (6) separate “villages” projected to be built out over an approximate 35-year period as the existing mining activities are phased out. Each village is intended to create a unique character and would be bounded by major roadways, topography, and service area. Each village would be anchored by a central focal point such as a school, park, commercial core, or plaza so that such uses are all within a 10-minute walk or five-minute bike ride from residential areas.

Implementation of Amended and Restated Alberhill Villages Specific Plan

The same three-tier implementation approach is provided in the Amended and Restated Alberhill Villages Specific Plan as in the adopted AVSP that will ensure that certain project design details and standards, which cannot be anticipated at this time, are identified once development becomes imminent based on market conditions.

Tier 1 is the Alberhill Villages Specific Plan, which will create an overall blueprint for land use and development regulations and a backbone circulation plan for the entire AVSP project site. Approval of the Amended and Restated Alberhill Villages Specific Plan does not allow site-specific development without additional discretionary approvals in Tiers 2 and 3.

Tier 2 is the preparation of Phased Development Plans (PDP) that will provide greater detail for land use, circulation, development regulations and design guidelines for a defined geographic area when development in that area becomes imminent. PDP's will be considered by the Planning Commission with final approval by the City Council. An approved PDP is a pre-requisite to any development within a Phase. A Traffic Impact Analysis shall be conducted for each PDP.

Tier 3 will consist of design review and subdivision maps of site specific development plans in anticipation of processing building permits. Design reviews and subdivision maps will also be considered by the Planning Commission with final approval by the City Council.

Amended and Restated Alberhill Villages Specific Plan

The primary provisions in the Amended and Restated Alberhill Villages Specific Plan are to 1) refine the Land Use Plan; 2) clarify ambiguities, including required setback from existing mining activities; 3) identify a financing mechanism for the 45.9 acre Regional Sports Park; and 4) clarify certain implementation provisions. There are also typographical and grammatical corrections throughout the document.

Following is a summary of the key components and changes incorporated into the Amended and Restated Alberhill Villages Specific Plan.

- 1) Figure 3-1 Amends the land use map to remove the smaller of two lakes and refine underlying land use designations. Remainder of map stays the same. See Land Use Plan Comparison, (Attachment 2).
- 2) Section 3.5 (Project-Wide Development Standards) retains the requirement that all development within the Alberhill Villages Specific Plan participate in the citywide Community Facilities District (CFD) 2015-01 for law enforcement, fire and paramedic services and CFD 2015-2 for maintenance services for public rights-of-way and landscaping. Project-wide development standards that are inapplicable to a specific plan are have been deleted and will be addressed at the Phased Development Plan (Tier 2) or Subdivision Map or Design Review (Tier 3) entitlement stage.
- 3) Table 3-2 Clarifies timing, phasing and financial responsibility for completing parks, including the 45.9 acre Regional Sports Park. The developer will be financially responsible for planning and park design, rough grading and adjacent offsite roadway and utility infrastructure and dedication of the land for the Regional Sports Park. The developer will also pay an Alberhill Park Fee at the time of issuance of every residential building permit in the Project which will provide financing to complete the onsite Regional Sports Park improvements. The developer will complete the improvements subject to reimbursement from the Alberhill Park Fees or the City may elect to complete the improvements with the Alberhill Park Fees paid by the developer.
- 4) Section 4.3.12 (Interim Surface Mining Land Uses) clarifies the existing mining operations by defining “processing/crushing activities” which are conducted during the day and at night and generate significant noise, dust, light and glare compared to “extraction activities” that are conducted during the day and are comparable to grading activities conducted in connection with regular construction activities. The following setbacks requirements apply to protect new residential development from the impacts of the mining activities:

Crushing Plant = 1,500 feet setback required
Processing (Kilns, conveyor belt and sand plant) = 500 feet setback required
Excavation Operations = 300 feet setback required
- 5) Section 5.5 (Specific Plan/PDP Modifications and Amendments) clarifies the implementation procedures for processing minor modifications and amendments to the Specific Plan and approved Phased development Plans.

Because the General Plan and Zoning for the site were previously changed to “Alberhill Villages Specific Plan” no General Plan or Zoning amendments are required in connection with the proposed Amended and Restated AVSP.

Development Agreement

The proposed development agreement would memorialize the following items:

- Vested Rights: The development agreement provides certainty in the development process by providing a vested right in the Amended and Restated Alberhill Villages Specific Plan and in applicability of the City’s existing land use regulations to the development of the Project.
- Development Agreement Fees: Pacific Clay Products will pay the City an “Initial Development Agreement Fee” (“DAG Fee”) of \$100,000. In addition, the developer will pay the following DAG Fees in connection with the issuance of every building permit in the project:
 - Single Family (SF) Dwelling Unit - \$4,500/unit
 - Multi-Family (MF) Dwelling Unit - \$3,200/unit
 - Mixed-Use (MXU) Dwelling Unit - \$2,500/unit
 - Commercial/Retail/Industrial Building - \$1.00/sf
 - Private Institutional/Places of Worship (non-sanctuary) Building - \$1.00/sf

Commencing July 1, 2018, the DAG Fees shall be adjusted annually as of July 1 of each year based on the percentage increase or decrease, if any, of the Engineering News Record Construction Cost Index for the Los Angeles Metropolitan Area.

- Alberhill Park Fee: Prior to the issuance of any residential building permit in the Project, the developer will pay the City an “Alberhill Park Fee” in an amount equal to \$2.00 per square foot of assessable space that will be deposited by City in a segregated account (the “Alberhill Park Fund”) and used to fund the improvements to the 45.9 acre Regional Sports Park. The developer’s obligation to pay the Alberhill Park Fee survives termination of the Agreement to ensure a funding mechanism for completion of the park improvements.
- Existing Development Fees: During the term of the agreement, the developer shall pay existing development impact fees at the rate in effect at the time of the issuance of building permits subject only to a 5-year lock for building permits issued for development within a Phased Development Plan for a five-year period following approval of that PDP. The developer will be exempt from newly enacted development impact fees, if any.

The proposed development agreement has been reviewed for consistency with respect to the State Government Code and the Lake Elsinore Municipal Code and has been found to meet all legal requirements.

Environmental Determination

The Final Environmental Impact Report prepared for the AVSP was certified by the City Council on June 14, 2016 by Resolution No. 2016-076 certifying the Final Environmental Impact Report

(SCH No. 2012061046) for the Alberhill Villages Specific Plan No. 2010-02 (the “Final EIR”), General Plan Amendment No. 2012-01 and Zone Change No. 2012-02, Adopting Findings Pursuant to the California Environmental Quality Act, Adopting a Statement of Overriding Considerations, and Adopting a Mitigation Monitoring and Reporting Program. The Final EIR and Technical Appendices are available on the City’s website <http://www.lake-elsinore.org/city-hall/city-departments/community-development/planning/ceqa-documents-available-for-public-review/alberhill-villages-specific-plan>.

In accordance with CEQA, the City has prepared an Addendum to the Final EIR for the proposed Amended and Restated Alberhill Villages Specific Plan and the related Development Agreement (the “Project”). Based on the Addendum, the Project does not introduce any new significant environmental effects, nor will it result in any new significant unavoidable project impacts beyond those previously identified in the Final EIR. Consequently, no new mitigation measures are proposed.

Relationship to the Existing AVSP and Pending Initiative

The Amended and Restated Alberhill Villages Specific Plan and Development Agreement refine and improve the AVSP adopted in June 2016 by eliminating ambiguities and providing certainty in the development process. City staff supports the Amended and Restated Alberhill Villages Specific Plan as a better document regulating the future development of the proposed Alberhill Villages project. If the Amended and Restated Alberhill Villages Specific Plan is approved it will replace the June 14, 2016 adopted AVSP.

The Amended and Restated Alberhill Villages Specific Plan is vastly superior to the pending initiative. If the initiative were to pass, it would supersede the proposed Amended and Restated Alberhill Villages Specific Plan and the Development Agreement would automatically terminate.

Fiscal Impact

The developer will pay an initial \$100,000 Development Agreement (DAG) Fee which is intended to offset the City’s administrative cost and legal fees related to the preparation of the Development Agreement and the cost of the May 2, 2017 special municipal election. The developer will also pay a DAG Fee on a per residential unit and per non-residential square footage basis. Assuming full build-out at the DAG Fee rates today, the developer will pay approximately \$30.6 million to the City. The DAG Fees adjust annually and, depending on build-out, the amount of DAG Fees paid will increase over time. In addition, the developer will pay an Alberhill Park Capital Fee on a per unit basis which is anticipated to generate approximately \$23.9 million at build-out which will fund the 45.9 acres sports park improvements. The developer is also responsible to pay the City’s existing categories of development impact fees at the rate in effect when building permits are issued, subject only to a periodic 5-year lock within each PDP upon approval of that PDP.

The developer will also annex into CFD 2015-1 for Public Safety Services and CFD 2015-2 for maintenance services costs to fund police, fire, animal control, park maintenance, open space, drainage, street lighting, street maintenance, and traffic signal maintenance with the option of providing alternative funding for these costs through a separate structure.

Exhibits

- A. Addendum to FEIR Resolution
- B. Amended and Restated AVSP Ordinance
- C. Development Agreement Ordinance
- D. Vicinity Map
- E. Land Use Plan Comparison Maps
- F. Addendum to the Final EIR (Final EIR is available on the City's website <http://www.lake-elsinore.org/city-hall/city-departments/community-development/planning/ceqa-documents-available-for-public-review/alberhill-villages-specific-plan>)
- G. Amended and Restated AVSP
- H. Development Agreement