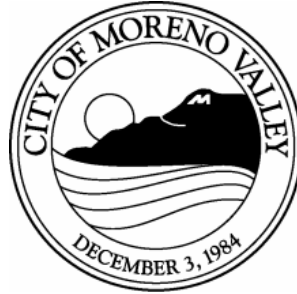

PLANNING COMMISSIONERS

RAY L. BAKER
Chair

GEORGE SALAS, JR.
Vice-Chair

JEFFREY GIBA
Commissioner



AMBER CROTHERS
Commissioner

THOMAS A. OWINGS
Commissioner

CARLOS RAMIREZ
Commissioner

MELI VAN NATTA
Commissioner

SPECIAL MEETING of the PLANNING COMMISSION AGENDA

November 3, 2011

PLANNING COMMISSION MEETING – 7:00 P.M.

**CITY OF MORENO VALLEY
City Hall Council Chambers
14177 Frederick Street
Moreno Valley, California 92553**

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

**PUBLIC ADVISED OF THE PROCEDURES TO BE FOLLOWED IN THE
MEETING**

(ON DISPLAY AT THE REAR OF THE ROOM)

**COMMENTS BY ANY MEMBER OF THE PUBLIC ON ANY MATTER WHICH IS
NOT LISTED ON THE AGENDA AND WHICH IS WITHIN THE SUBJECT
MATTER JURISDICTION OF THE COMMISSION**

The City of Moreno Valley complies with the Americans with Disabilities Act of 1990. If you need special assistance to participate in this meeting, please contact Mel Alonzo, ADA Coordinator at (951) 413-3027 at least 48 hours prior to the meeting. The 48-hour notification will enable the City to make arrangements to ensure accessibility to this meeting.

NON-PUBLIC HEARING ITEMS

PUBLIC HEARING ITEMS

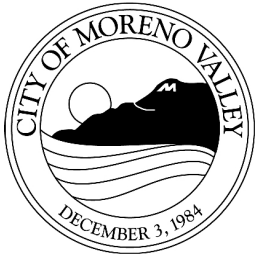
1. Case Number: P11-099
Case Description: Development Agreement Amendment of the TownGate Specific Plan
Case Type: Development Agreement Amendment
Applicant: City of Moreno Valley
Owner: Multiple Owners within TownGate Specific Plan (SP200)
Representative: Barry Foster, Director of Community & Economic Development
Location: TownGate Specific Plan, southerly of State Highway 60, easterly of Day Street, westerly of Frederick Street and northerly of Cottonwood Avenue.
Proposal: Amendment to the Annexation and Development Agreement for TownGate Mixed-Use Specific Plan, extending the term of the Agreement by five years.
Case Planner: John C. Terell, Planning Official
Recommendation: **APPROVE** Resolution No. 2011-32 and thereby, **RECOMMEND** that the City Council:
 1. **RECOGNIZE** that the proposal is exempt from CEQA under 15061 (b)(3) of the CEQA Guidelines; and,
 2. **APPROVE** the Third Amendment to the Annexation and Development Agreement.

OTHER BUSINESS

STAFF COMMENTS

PLANNING COMMISSIONER COMMENTS

ADJOURNMENT



PLANNING COMMISSION STAFF REPORT

Case: P11-099 (Development Agreement Amendment)

Date: November 3, 2011

Applicant: City of Moreno Valley

Representative: Barry Foster, Community & Economic Development Director

Location: TownGate Specific Plan

Proposal: Third Amendment of Towngate Development Agreement

Redevelopment Area: TownGate is located within the City's Redevelopment Project Area.

Recommendation: Approval of Resolution 2011-32, thereby recommending approval of the third amendment to the Towngate Development Agreement Amendment.

SUMMARY

The proposed adoption of the Amendment to the Development Agreement would extend the term for an additional five years. The extension of the Agreement is warranted as spelled out in the provisions of the Agreement to fully carryout the development of the TownGate Project. Amending the Agreement will further assist in the full and complete implementation of the TownGate Specific Plan.

PROJECT DESCRIPTION

On October 28, 1986, the Moreno Valley City Council enacted an ordinance approving the Annexation and Development Agreement (the Agreement) for the TownGate development project. After the 30 day statutory requirement, the Annexation and Development Agreement went into force on November 27, 1986. The Agreement was adopted pursuant to State law and the City's established procedures and requirements for development agreements.

The Agreement along with the Specific Plan established the planning and development of the mixed-use development project consistent with the approved Specific Plan. The use of the Agreement codified a Memorandum of Understanding (MOU) between the City, the Redevelopment Agency, and the developer/property owner of Towngate (the Fritz Duda Company and its other related development entities involved in the Town Gate project). The MOU spelled out a means for funding the infrastructure necessary for the development of the TownGate project, as well as the scope of development of the development plan for the mixed-use development project.

The term of the Agreement was for a 20-year period and was established to undertake and build-out the entire TownGate development project consistent with the approved Specific Plan. On September 28, 2006, the City Council approved the second amendment to the Development Agreement which provided a five year extension. Without extending the term of the Agreement, it would terminate on November 27, 2011.

Section 3-D of the Agreement states that "the timing may be tolled during any periods of delay resulting from acts of God, or other causes including but not limited to real estate, economic, financial and market conditions reasonably beyond the control of the property owner."

The Developer of TownGate has requested that the City consider extending the term of the Agreement by five years in recognition of the economic downturn referred to as the Great Recession. Clearly Moreno Valley experienced a severe economic downturn in the local economy during this period and development virtually came to a halt for many years in the community, including the TownGate area. In pursuit of the completion of TownGate Specific Plan and the development governed by the Development Agreement, the Developer believes the five year extension is warranted and appropriate with the terms and conditions of the original Agreement. Staff would concur and support this request to enable the completion of the TownGate development project.

The continued development of TownGate is an important component of the City's economic development efforts. The extension of the TownGate Development Agreement will help assist in attracting new development projects to the TownGate area, which in turn will enhance the economic vitality of Moreno Valley.

ENVIRONMENTAL

The extension of the Agreement is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines 15061 (b)(3) because the extension of the term of the Development Agreement would not have the potential for a significant impact on the environment.

NOTIFICATION

The public hearing notice for this project was published in the local newspaper.

STAFF RECOMMENDATION

APPROVE Resolution No. 2011-32 and thereby, **RECOMMEND** that the City Council:

1. **RECOGNIZE** that the proposal is exempt from CEQA under 15061 (b)(3) of the CEQA Guidelines; and,
2. **APPROVE** the Third Amendment to the Annexation and Development Agreement.

Prepared by:

Chris Ormsby, AICP
Senior Planner

Approved by:

John C. Terell, AICP
Planning Official

ATTACHMENTS:

1. Public Hearing Notice
2. Planning Commission Resolution No. 2011-32, and Third Amendment to the Annexation and Development Agreement for TownGate attached as Exhibit A.

**CITY OF MORENO VALLEY
PLANNING COMMISSION**

**NOTICE OF PUBLIC HEARING AND
ENVIRONMENTAL DETERMINATION**

NOTICE IS HEREBY GIVEN that a Public Hearing will be held by the Planning Commission of the City of Moreno Valley on the following item:

P11-099	Development Agreement Amendment
Applicant	City of Moreno Valley
Owner:	Multiple owners within Towngate Specific Plan (SP200)
Representative:	Barry Foster, Community and Economic Development Director
A.P.Nos.:	Various
Location:	Towngate Specific Plan, located southerly of State Highway 60, easterly of Day Street, westerly of Frederick Avenue and northerly of Cottonwood Avenue.
Proposal:	Amendment to Development Agreement for Towngate Mixed-Use Specific Plan, extending the term of the Agreement by five years.
Council District:	Five (5)

The proposal is exempt from the California Environmental Quality Act (CEQA) in accordance with Section 15061 (b) (3) of the California Environmental Quality Act Guidelines.

Any person interested in the proposal may speak at the hearing or provide written testimony at or prior to the hearing. The application file and environmental documents may be inspected at the Community and Economic Development Department at 14177 Frederick Street, Moreno Valley, California during normal business hours (7:30 a.m. to 5:30 p.m., Monday through Thursday), or you may telephone (951) 413-3206 for further information.

Any person may also appear and be heard in support or in opposition to any project or recommended environmental determination at the time of hearing.

The Planning Commission may consider an appropriate modification or alternative to the project or the environmental determination. If you challenge this item in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice, or in written correspondence delivered to the Planning Commission on or before the following meeting date:

<u>Date and Time:</u>	November 3, 2011, 7:00 p.m.
<u>Location:</u>	City Hall Council Chambers 14177 Frederick Street Moreno Valley, California 92553
<u>Planner:</u>	John C. Terell, Planning Official
<u>Telephone:</u>	(951) 413-3206

/s/ John C. Terell	Press-Enterprise	October 22, 2011
John C. Terell	Newspaper	Date of Publication
Planning Official		
Community and Economic		
Development Department		

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PLANNING COMMISSION RESOLUTION NO. 2011-32

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORENO VALLEY APPROVING P11-099, THE THIRD AMENDMENT TO THE ANNEXATION AND DEVELOPMENT AGREEMENT FOR TOWNGATE TO EXTEND THE LIFE OF THE AGREEMENT FOR A TOTAL OF FIVE YEARS

WHEREAS, the City of Moreno Valley has filed an application for the approval of P06-143, as described in the title of this Resolution; and

WHEREAS, on November 3, 2011 the Planning Commission of the City of Moreno Valley held a meeting to consider the application; and

WHEREAS, all legal prerequisites to the adoption of this Resolution have occurred; and

WHEREAS, there is hereby imposed on the subject development project certain fees, dedications, reservations and other exactions pursuant to state law and City ordinances; and

WHEREAS, pursuant to Government Code Section 66020(d)(1), **NOTICE IS HEREBY GIVEN** that this project is subject to certain fees, dedications, reservations and other exactions as provided for within the Development Agreement.

NOW, THEREFORE, BE IT RESOLVED, it is hereby found, determined and resolved by the Planning Commission of the City of Moreno Valley as follows:

A. This Planning Commission hereby specifically finds that all of the facts set forth above in this Resolution are true and correct.

B. Based upon substantial evidence presented to this Planning Commission during the above-referenced meeting on November 3, 2011, including written and oral staff reports, and the record from the public hearing, this Planning Commission hereby specifically finds as follows:

1. **Conformance with General Plan Policies** – The proposed development agreement amendment is consistent with the General Plan, and its goals, objectives, policies and programs.

FACT: The extension of the agreement by five years would have no impact on the existing General Plan or specific plan designations for the property. Development within the property would continue to be required to be consistent with both the General Plan and the Towngate Specific Plan (SP 200).

ATTACHMENT 2

2. **Conformance with Zoning Regulations** – The proposed use complies with all applicable zoning and other regulations.

FACT: The extension of the agreement by five years would have no effect on the existing zoning of the property. Development within the property would continue to be required consistent with the Towngate Specific Plan (SP200), and applicable sections of Title 9 of the Municipal Code.

3. **Public Convenience, General Welfare and Good Land Use Practice** –

FACT: The five year extension of the agreement would have no direct impact on public convenience or general welfare. Indirectly, the extension might facilitate development which would be consistent with good land use practice as remaining parcels are primarily infill properties.

4. **Health, Safety and Welfare** – The proposed use will not be detrimental to the public health, safety or welfare or materially injurious to properties or improvements in the vicinity.

FACT: The five year extension of the agreement will not in any way be detrimental to public health, safety or welfare. The extension has been determined to be exempt from the California Environmental Quality Act under Section 15061 (b) (3) of the CEQA Guidelines.

5. **Orderly Development and Preservation of Property Values** – The proposed development agreement will not adversely affect the orderly development or the preservation of property values for the subject property or any other property.

FACT: The development agreement amendment will not directly affect orderly development or property values of the subject property or other properties. The amendment is limited to the extension of the life of the agreement for a five year period only.

BE IT FURTHER RESOLVED that the Planning Commission **HEREBY:**
APPROVE Resolution No. 2011-32 and thereby, **RECOMMEND** that the City Council:

1. **RECOGNIZE** that the proposal is exempt from CEQA under 15061 (b)(3) of the CEQA Guidelines; and,
2. **APPROVE** the Third Amendment to the Annexation and Development Agreement.

APPROVED this 3rd day of November, 2011.

Ray L. Baker
Chair, Planning Commission

ATTEST:

John C. Terell, Planning Official
Secretary to the Planning Commission

APPROVED AS TO FORM:

City Attorney

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**THIRD AMENDMENT TO ANNEXATION AND DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF MORENO VALLEY, RIR ASSOCIATED AND RYDER
HOMES RELATIVE TO THE DEVELOPMENT KNOWN AS MORENO VALLEY
MIXED USE DEVELOPMENT (TOWNGATE)**

THIS THIRD AMENDMENT TO ANNEXATION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF MORENO VALLEY, RIR ASSOCIATES AND RYDER HOMES RELATIVE TO THE DEVELOPMENT KNOWN AS MORENO VALLEY MIXED USE DEVELOPMENT (TOWNGATE) (the “Third Amendment” to the “Development Agreement”) is made and entered into as of November 22, 2011, by and between the City of Moreno Valley (the “City”) and the Gateway Company L.C. (“Gateway”), Dallas Plaza Partners, Eastridge Partners, LTD., and TSC, L.C., (collectively the “current landowners”) with respect to the following facts:

- A. On October 28, 1986, the City Council enacted Ordinance No. 102 approving the Development Agreement which was recorded on January 30, 1987, as document number 26860 in the official records of Riverside County.
- B. On October 14, 2006, the City Council enacted Ordinance No. 728 approving an extension to the Development Agreement.
- C. The Development Agreement will terminate on November 27, 2011, unless the term is extended.
- D. The current landowners, as successors in interest to RIR Associates and Ryder Homes, have been developing the Project, as that term is defined in Recital 8 of the Development Agreement. Much of the Project is now built out.
- E. Economic conditions which have occurred since the Development Agreement was entered into have prevented the completion of the development foreseen for the Project.
- F. The current landowners are contemplating further development on their land. In particular, Gateway is in the process of seeking approvals from the City to build additional retail, future hotel(s) and other development on the land described in Exhibit A to this Third Amendment.
- G. In order to provide the necessary certainty that the retail and hotels and the other development contemplated can be built once the approval process is completed, the City and the current landowners agree that it will be mutually beneficial to extend the term of the Development Agreement by five years.

EXHIBIT A

IN LIGHT OF THE FOREGOING, IT IS HEREBY AGREED THAT:

1. Paragraph 1.B(1) of the Development Agreement is amended to read:

“The term of this Development Agreement shall extend to November 27, 2016, unless this Development Agreement is terminated, modified or extended by circumstances set forth in this Development Agreement or by mutual consent of the parties hereto.”

2. The Amendment set forth in paragraph 1 above shall only apply to the land described in Exhibit A to this Third Amendment.

3. Except as set forth in paragraphs 1 and 2 above, the provisions of the Development Agreement remain unchanged.

Dated: _____, 2011

CITY OF MORENO VALLEY

By: _____
MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

[SIGNATURES CONTINUED ON THE NEXT PAGE]

Dated: _____, 2011

GATEWAY COMPANY L.C.
a Nevada limited liability company

By: Fritz Duda Company,
a Texas corporation
Its Manager

By: _____
Name: _____
Title: _____

Dated: _____, 2011

DALLAS PLAZA PARTNERS
a Texas limited partnership

By: Fritz Duda Company,
a Texas corporation
Its General Partner

By: _____
Name: _____
Title: _____

Dated: _____, 2011

EASTRIDGE PARTNERS, LTD.
a Texas limited partnership

By: Fritz Duda Company,
a Texas corporation
Its General Partner

By: _____
Name: _____
Title: _____

Dated: _____, 2011

TSC, L.C.
a Nevada limited liability company

By: Fritz Duda Company,
a Texas corporation
Its General Partner

By: _____
Name: _____
Title: _____

Dated: _____, 2011

INLAND WESTERN MDS REALTY II,
LLC

By: _____
Printed Name: _____
Its: _____

Dated: _____, 2011

PALMETTO HOSPITALITY OF
MORENO VALLEY

By: _____
Printed Name: _____
Its: _____

Dated: _____, 2011

THE PRICE COMPANY
a California corporation

By: _____
Printed Name: _____
Its: _____

Dated: _____, 2011

FERGADIS FAMILY TRUST

By: _____
Printed Name: _____
Its: _____

Dated: _____, 2011

SEARS ROEBUCK & Co. dba SEARS No.
1868

By: _____
Printed Name: _____
Its: _____

Dated: _____, 2011

WENDY'S INTERNATIONAL, INC.

By: _____
Printed Name: _____
Its: _____

By: _____
Its: _____

Legal Department:

Dated: _____, 2011

AYRES MORENO VALLEY

By: _____
Printed Name: _____
Its: _____

Dated: _____, 2011

MORENO VALLEY JC

By: _____
Printed Name: _____
Its: _____

Dated: _____, 2011

NEAL T. BAKER ENTERPRISES
a California corporation

By: _____
Printed Name: _____
Its: _____

Dated: _____, 2011

CAMPUS PARTNERS, L.P.
a California corporation

By: _____
Printed Name: _____
Its: _____

Dated: _____, 2011

99 CENTS ONLY STORES
a California corporation

By: _____
Printed Name: _____
Its: _____

Dated: _____, 2011

WINCO FOODS
a California corporation

By: _____

Printed Name: _____

Its: _____

Dated: _____, 2011

EL CORTE INGLES

By: _____

Printed Name: _____

Its: _____

Dated: _____, 2011

TOWN CIRCLE HOLDINGS LLC

By: _____

Printed Name: _____

Its: _____

Dated: _____, 2011

JC PENNEY PROP., INC.

By: _____

Printed Name: _____

Its: _____

Dated: _____, 2011

LOWE'S HIW, INC.
a Washington corporation

By: _____

Printed Name: _____

Its: _____

Dated: _____, 2011

MACY'S CALIFORNIA, INC.

By: _____

Printed Name: _____

Its: _____