



Item Number: 3

City Council / Board of Directors

Consent Calendar

Meeting of: September 3, 2024

Submitted By:

Fredy Bonilla, City Engineer

Subject:

Security Substitution for West Creek Tract Maps

Recommendation:

That the Honorable City Council:

- 1) Approve the execution of a Subdivision Improvement Agreement with Walton California, LLC; WUSF 4 West Creek, LLC; and D.R. Horton Los Angeles Holding Company, Inc. for Master Tract Map No. 17110;
- 2) Accept new securities (bonds) for the required public improvements for Master Tract No. 17110 and the Phase 1 Tracts;
- 3) Approve the execution of a Lien Agreement with Walton California, LLC and WUSF 4 West Creek, LLC for the Phase 2 Tracts;
- 4) Approve the execution of a Subdivision Improvement Agreement with Walton California, LLC and WUSF 4 West Creek, LLC for Master Tract Map No. 17308;
- 5) Approve the execution of a Lien Agreement with Walton California, LLC and WUSF 4 West Creek, LLC for Master Tract Map No. 17308;
- 6) Approve the execution of a Release of the existing Subdivision Improvement Agreement with Walton California, LLC and WUSF 4 West Creek, LLC for Master Tract Maps 17110 and 17308; and
- 7) Approve the execution of a Release of the existing Lien Agreement with Walton California, LLC and WUSF 4 West Creek, LLC for Master Tract Maps 17110 and 17308.

Fiscal Impact:

There is no fiscal impact associated with this item.

Strategic Plan Goal:

This item aligns with "Goal E Invest in Infrastructure" in the City of Victorville Strategic Plan 2023-2026. Although this is not a Capital Improvement Project, we apply the same

strategy to private development projects as they are essential in meeting the community's needs.

Background:

The West Creek Specific Plan (Specific Plan) provides for land use planning, development standards, design guidelines, and implementation procedures for approximately 406 acres within the City of Victorville. The initial phase of the Specific Plan is the area bounded by Mojave Drive, Diamond Road, Hook Boulevard, and Amethyst Road, which was previously developed in the late 2000s.

The final phases of the Specific Plan are included within Master Map No. 17110, bounded by Mojave Drive, Cobalt Road, Tawney Ridge Lane, and Amethyst Road, and included within Master Map No. 17308, bounded by Hopland Street, Cobalt Road, Tawney Ridge Lane, and Falling Star Street. Both Master Maps are illustrated in the Vicinity Map (Attachment A).

When Master Tract Map Nos. 17110 and 17308 were originally recorded in 2020, both master maps and individual underlying tract maps were bound into one Subdivision Improvement Agreement (SIA) and Lien Agreement with the property owner, Walton California, LLC (Walton) and WUSF 4 West Creek, LLC (hereinafter collectively, the "Walton Parties"). In total, the master maps and the underlying tracts maps provide for a master planned community that includes 827 single family residential lots, five park sites, master planned drainage channels, and recreational amenities throughout. Since 2020, the site remains vacant and undeveloped.

Discussion:

In 2022, D.R. Horton Los Angeles Holding Company, Inc. (D.R. Horton) entered into various agreements for the purchase and development of both master tracts/maps with the Walton Parties, which include the 827 undeveloped lots. D.R. Horton and the Walton Parties have requested that the City allow a phased development approach, given both the sheer size of the development and the total cost of the public improvements for both master maps which are estimated to be over \$61.1 Million.

After multiple pre-submittal applications and meetings with both D.R. Horton and the Walton Parties, City staff became supportive of a phased approach for development that would assign an even distribution of infrastructure requirements by phase. Please see the Phasing Plan (Attachment B) and the summary below. In short, Master Map No. 17110 will be split into two phases, with Master Map No. 17308 being the third and final phase, for a total of three phases:

- Phase 1 will include Tract Map Nos. 17111, 17112, 17114, and 17986-1 and -2, *i.e.* all tracts east of the channel. The construction of the main drainage channel improvements and two of the four parks will be included in Phase 1.
- Phase 2 will include Tract Map Nos. 17113, 17115, and 17116, *i.e.* all tracts east of the main drainage channel and south of Tawney Ridge Lane, as well as the third park, trail system within the utility corridor, and an ancillary drainage channel.

- Phase 3 will include Tract Map Nos. 17308, 17309, 17310, and 17311, as well as the fourth park and an ancillary drainage channel.

To satisfy the requirements of Section 17.64.065(m) of the City's Municipal Code and to receive approval of the new SIA for Master Map No. 17110 (Attachment C), D.R. Horton has been required to post bonds (Attachment D) for the improvements to be constructed in Phase 1. These improvements not only include the improvements for the Phase 1 tracts, but also include all the required backbone infrastructure of Master Map No. 17110, as well as LMAD Improvements on Mojave Drive, and park sites within the Phase 2 tracts. The total bonding required for Phase 1 is \$34.4M.

The new SIA for Master Tract Map 17110 also has been drafted to allow D.R. Horton to start Phase 2 immediately after posting bonds for the Phase 2 tract maps (to replace the Lien Agreement (Attachment E) with which the Phase 2 improvements have been initially secured). The timing of the Phase 2 improvements will be development driven, but it is estimated that Phase 2 will start in approximately three years.

The new SIA for Phase 3 for Master Tract Map 17308 (Attachment F) will exclusively be with the Walton Parties, as they will initially remain owners of that portion of the property. The Walton Parties' obligation to complete the improvements associated with Phase 3 is at this time being secured with a Lien Agreement (Attachment G). If D.R. Horton exercises its option with the Walton Parties to acquire Phase 3, D.R. Horton will post bonds in exchange for the City's release of the Lien Agreement and the City will issue a new SIA to D.R. Horton. The timing of the Phase 3 improvements will be development driven, but it is estimated that Phase 3 will start in approximately five to six years.

Staff recommends that the City Council approve the new Subdivision Improvement Agreements for Master Map Nos. 17110 and 17308, accept new securities for Phase 1, approve Lien Agreements for Phases 2 and 3, and approve the lien releases (Attachment I and Attachment K, respectively) for the existing Subdivision Improvement Agreement (Attachment H) and the existing Lien Agreement (Attachment J).

Staff remains available for any questions Council may have.

- Attachments:**
- A. Vicinity Map
 - B. Phasing Plan
 - C. New Subdivision Improvement Agreement for Tract Map 17110
 - D. New Securities for Phase 1
 - E. New Lien Agreement for Phase 2
 - F. New Subdivision Improvement Agreement for Tract Map 17308
 - G. New Lien Agreement for Phase 3
 - H. Existing Subdivision Improvement Agreement
 - I. Lien Release for Subdivision Improvement Agreement
 - J. Existing Lien Agreement
 - K. Lien Agreement Release