Item Number: 6

City Council / Board of Directors

Consent Calendar

Meeting of: August 16, 2022

Submitted By:
Brian Gengler, City Engineer

Subject:
Security Substitution for Lane's Crossing Tract Map Nos.: 17582, 17583, 17585, 17586, 17587 and 17588

Recommendation:
That the Honorable City Council:
(1) Approve a Subdivision Improvement Agreement with LGI Homes, a California Limited Liability Company;
(2) Accept the Faithful Performance and Labor & Material Securities for Phase I;
(3) Accept a Lien Agreement as Security for Phases II and III;
(4) Release the existing Subdivision Improvement Agreement with Joshua Tree Fund 589 VIC, LLC; and
(5) Release the existing Lien Agreement with Joshua Tree Fund 589 VIC, LLC.

Fiscal Impact:
There will be no fiscal impact resulting from this action.

Background:
The Lane's Crossing Tracts consists of Tract Map Nos.: 17585, 17586, 17587, 17588 (which overlay Master Tract Map No. 17584) and Tract Map Nos. 17582 and 17583. Together, the tracts include a total of 550 single family residential lots, located in the general vicinity of Mesa Street and Mesa Linda Street. These lots were subdivided by the previous developer, Joshua Tree Fund 589 VIC, LLC, a Nevada Limited Liability Company (Joshua Tree). The final tract maps were approved at the December 7, 2021 City Council meeting. At that time these tracts were known as Vista del Valle. As requested per Municipal Code (VMC) 17.64.065, Joshua Tree entered into a Subdivision Improvement Agreement (SIA) with a Lien Agreement as security once final map approval was received. LGI has renamed the community as Lane's Crossing as a way of celebrating Victorville's history. Lane's Crossing was a ranch and store for travelers in the

late 1800s that was established by Captain Aaron G. Lane, the first pioneer settler on the Mojave River.

Discussion:

LGI Homes, a California Limited Liability Company (LGI Homes) purchased the Lane's Crossing tracts earlier this year from Joshua Tree Fund 589 VIC, LLC. LGI Homes proposes to develop these tracts in three phases. As a result of this purchase, LGI Homes is required to enter into a SIA and to provide securities in accordance with Victorville Municipal Code (VMC) §17.64.060. Upon receipt of the new securities, the existing SIA and Lien Agreement can be released. At this this time, LGI Homes is ready to develop Phase I as summarized on Exhibit D of the SIA (Attachment D). LGI Homes has provided the public improvement securities required for Phase I and a Lien Agreement for Phases II and III. In accordance with VMC §17.64.065, a lien agreement is an acceptable form of security prior to constructing public improvements. When they are ready to construct Phases II and III, the developer will replace the lien agreement with the required securities such as bonds.

Staff recommends that the Honorable City Council approve a SIA with LGI Homes, accept the Faithful Performance and Labor & Material Securities for Phase I, accept a Lien Agreement as Security for Phases II and III, and release the existing SIA and Lien Agreement with Joshua Tree Fund 589 VIC, LLC.

Staff remains available for any questions that City Council may have.

Attachments:

A. Vicinity Map
B. Existing Subdivision Improvement Agreement
C. Existing Lien Agreement
D. Subdivision Improvement Agreement
E. Lien Agreement
F. New Securities
G. Subdivision Improvement Agreement Release
H. Lien Agreement Release