

# CITY OF PALM DESERT STAFF REPORT

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MEETING DATE: November 13, 2025

PREPARED BY: Richard D. Cannone, AICP, Assistant City Manager

SUBJECT: STUDY SESSION: PROVIDE INPUT ON MODIFICATIONS TO THE  
MILLENNIUM SPECIFIC PLAN DEVELOPMENT AGREEMENT

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## **RECOMMENDATION:**

Provide input on modifications to the Millennium Specific Plan Development Agreement.

## **BACKGROUND/ANALYSIS:**

On March 12, 2015, the City Council approved the Millennium Specific Plan, which included the Specific Plan, Development Agreement, and Tentative Tract Map, as well as the Master Association Covenants, Conditions & Restrictions (CC&Rs) establishing long-term maintenance obligations for medians and drainage facilities.

Over the past year, staff have been in discussion with Palm Desert University Gateway (PDUG), the developer of the Specific Plan, to resolve several unmet conditions related to the Development Agreement and Tentative Tract Map, along with maintenance obligations outlined in the CC&Rs. Staff have reached a point where it is appropriate to update the City Council on progress made toward resolving these items and to receive input on proposed modifications to the governing documents.

Since adoption of the Specific Plan, several development phases have been completed; however, some early project conditions were never fulfilled or were only partially implemented. These include the construction of sidewalks along Portola Avenue and Gerald Ford Drive, tree line plantings along the railroad frontage on the north boundary, which were supposed to be installed prior to the issuance of the 80th building permit for Genesis, and completion of landscaping along the north side of Dinah Shore Drive.

In addition, certain Development Agreement obligations require amendment to reflect current conditions. For example, the requirement for the Mid-Valley Bike Path is no longer applicable after the project was formally abandoned by the City Council in 2017, yet references to it remain in the governing documents. Similarly, provisions related to the maintenance of drainage facilities and Master Association cost-sharing responsibilities require clarification and updating to ensure equitable and enforceable maintenance of shared infrastructure.

To address these issues comprehensively, staff and the developer have outlined a set of proposed modifications to the Development Agreement and CC&Rs. These include completion of missing sidewalks, updates to landscape responsibilities along Dinah Shore Drive, reimbursement for tree line installation, revisions to drainage channel ownership and maintenance, and potential dissolution of the existing Master Association in favor of updated cost-sharing agreements.

## **PROPOSED MODIFICATIONS TO CONSIDER**

To resolve the outstanding conditions and clarify ongoing maintenance responsibilities, staff and PDUG have identified several proposed modifications to the Development Agreement and associated CC&Rs. These changes are intended to align existing documents with current site conditions, ensure consistency with adjacent public improvements, and simplify long-term maintenance administration.

First, the sidewalks at the northeast corner of Portola Avenue and Gerald Ford Drive would be constructed by the developer, completing an approved plan previously deferred and providing continuous pedestrian connectivity in the area.

The Development Agreement would also be amended to remove references to the Mid-Valley Bike Path, which was formally abandoned by the City Council in 2017 and deleted from the City's Capital Improvement Program.

Along Dinah Shore Drive, the City would install perimeter landscaping as part of the Dave Erwin Park project, while PDUG would install consistent improvements along Parcel 3 at the time of its redevelopment. In addition, PDUG would reimburse the City 50 percent of the tree line installation cost (\$154,653) at the time Parcel 3 develops, following the same cost-sharing approach used for Technology Drive. The developer, which owns all parcels adjacent to the northern boundary, would also install consistent landscaping and wall design to match the Dave Erwin Park frontage. These commitments would be memorialized in an amendment to the Development Agreement.

For the [Mid-Valley] Drainage Channel, PDUG would deed the property to the City, with the CC&Rs updated accordingly. A separate maintenance cost-sharing agreement would be established with the Genesis and Parcel 2 owners to ensure equitable participation in future maintenance costs since they are the only properties approved to utilize the channel for offsite storm water retention.

Responsibility for maintaining the Dinah Shore and Technology Drive medians would transition to the City to ensure consistent maintenance with medians throughout the City, with the CC&Rs amended to allow for annual cost recovery from the benefited parcels on a pro rata basis.

Finally, staff and the developer recommend that the City consider dissolution of the Millennium Master Association, which has become administratively burdensome and duplicative. In its place, updated cost-sharing agreements could be recorded to clearly define and allocate maintenance responsibilities for each participating property. Staff is also preparing a separate study session item to discuss the maintenance of City medians citywide that are in similar situations.

These proposed changes would bring the governing documents current, simplify ongoing management, and ensure equitable cost distribution among the benefited properties.

**Legal Review:**

This report has been reviewed by the City Attorney's Office.

**FINANCIAL IMPACT:**

There are no financial impacts at this time.

**ATTACHMENTS:**

1. Specific Plan Map
2. Development Agreement
3. Master Association CC&Rs
4. Presentation (*to be distributed prior to the meeting*)