



Millenium Specific Plan Development Agreement Obligations

November 13, 2025

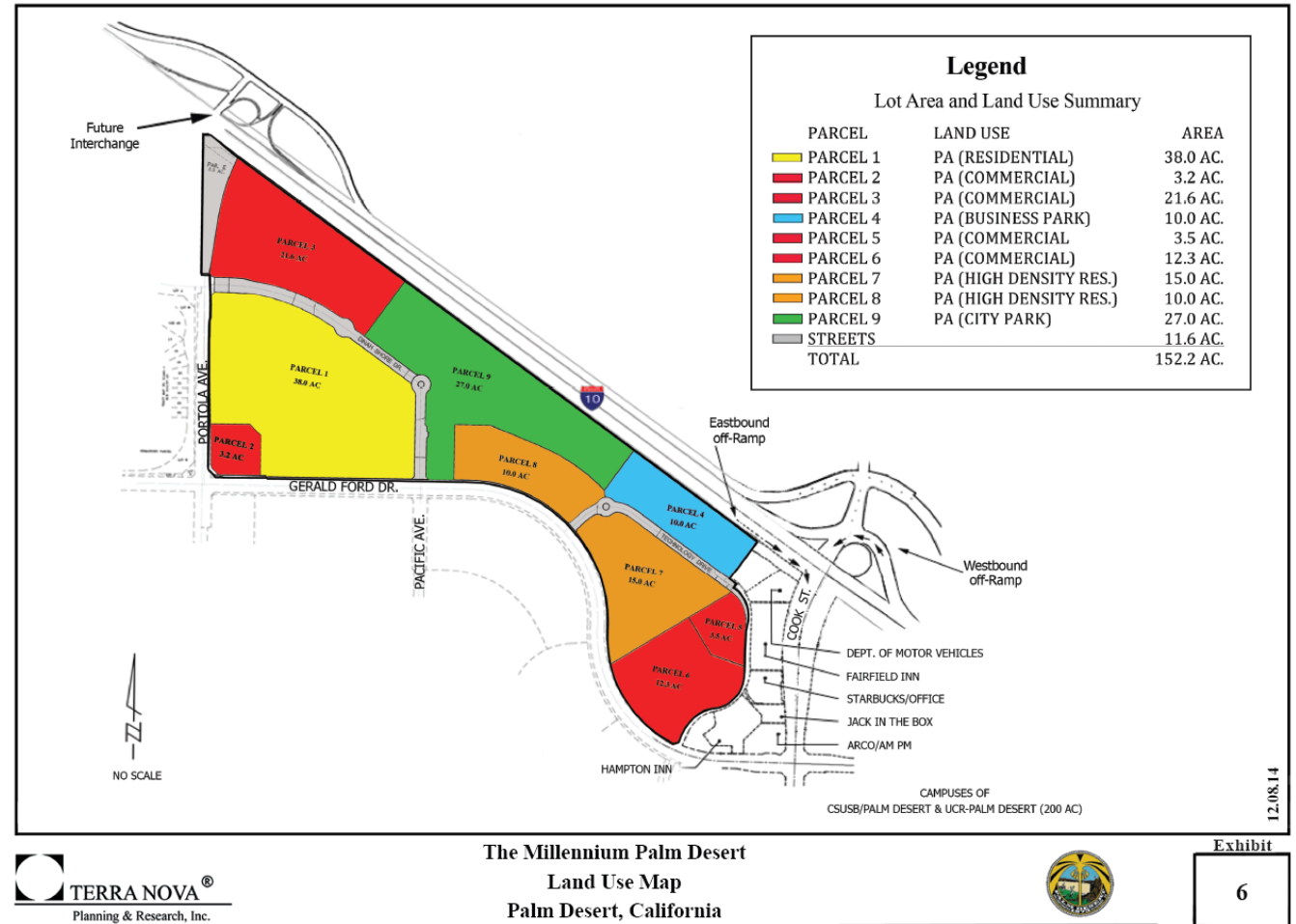
Purpose of Study Session

- Background on Millennium Specific Plan Development Agreement
- Review unmet Development Agreement obligations
- Review ongoing maintenance responsibilities
- Seek direction on proposed resolutions
- Seek direction on dissolving the Master Association

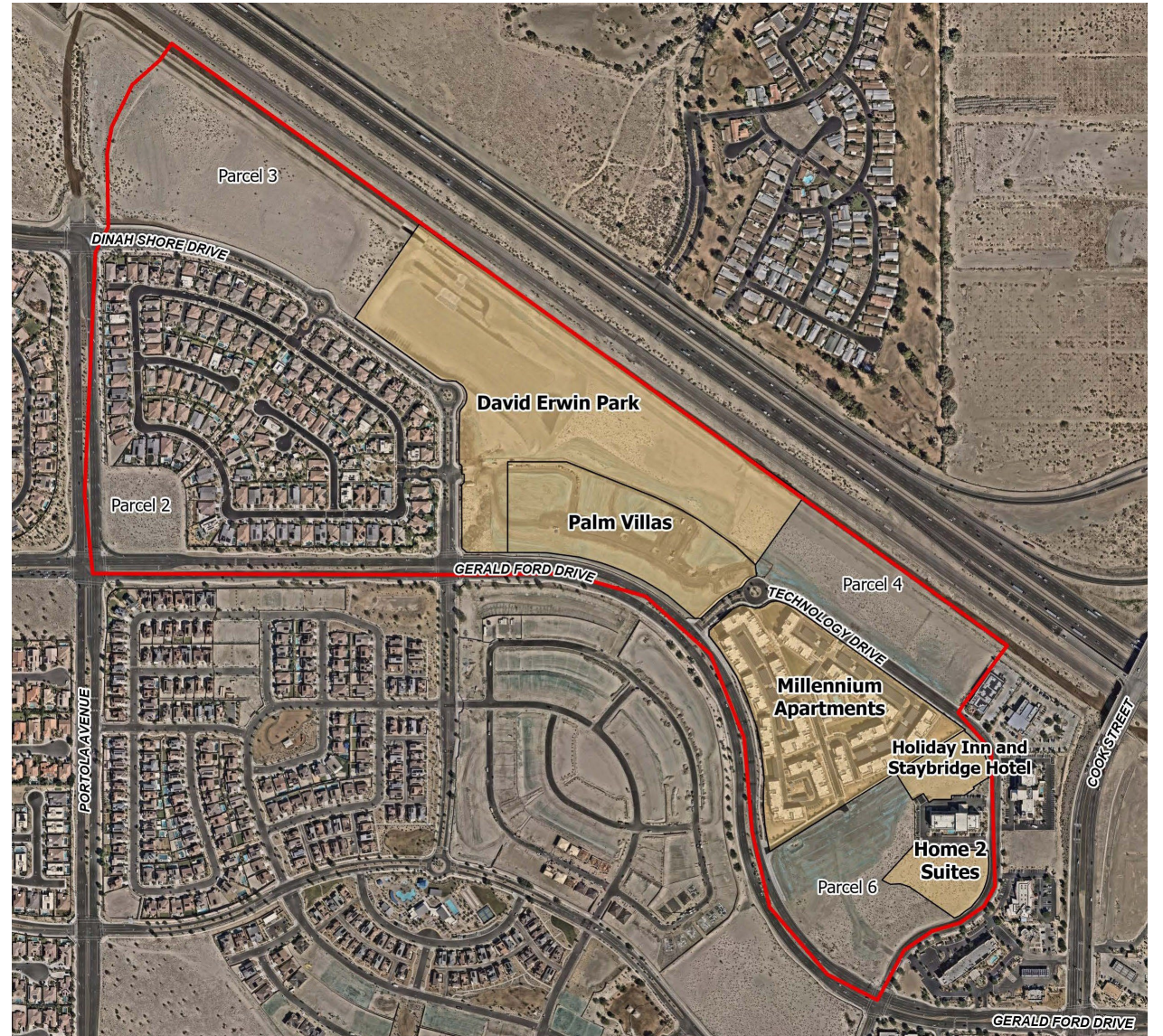
Millennium Specific Plan

March 12, 2015 – City Council approved:

1. **Development Agreement** – Obligations and conditions
2. **Tentative Map** – Created parcels, conditions of approval
3. **Master Association CC&RS** - Established for maintenance of medians and drainage facilities.



Development to Date



Developer Request

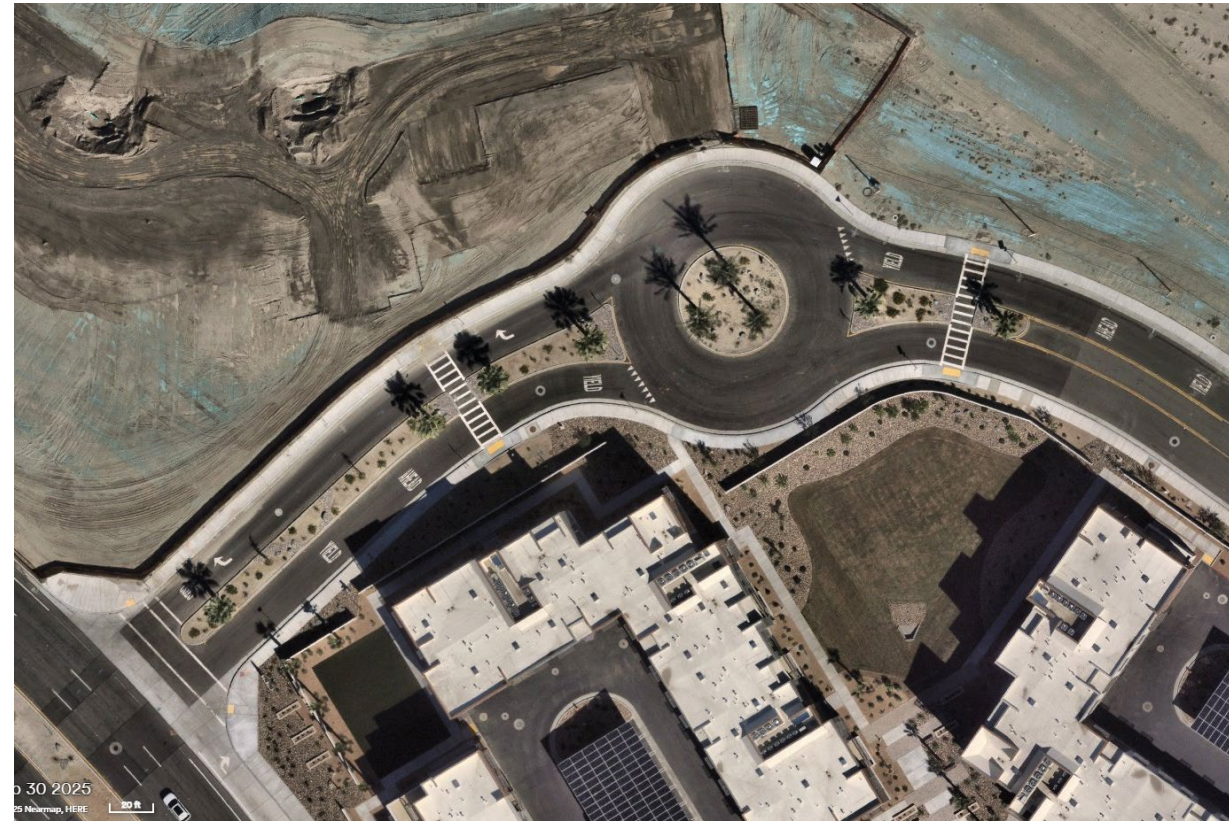
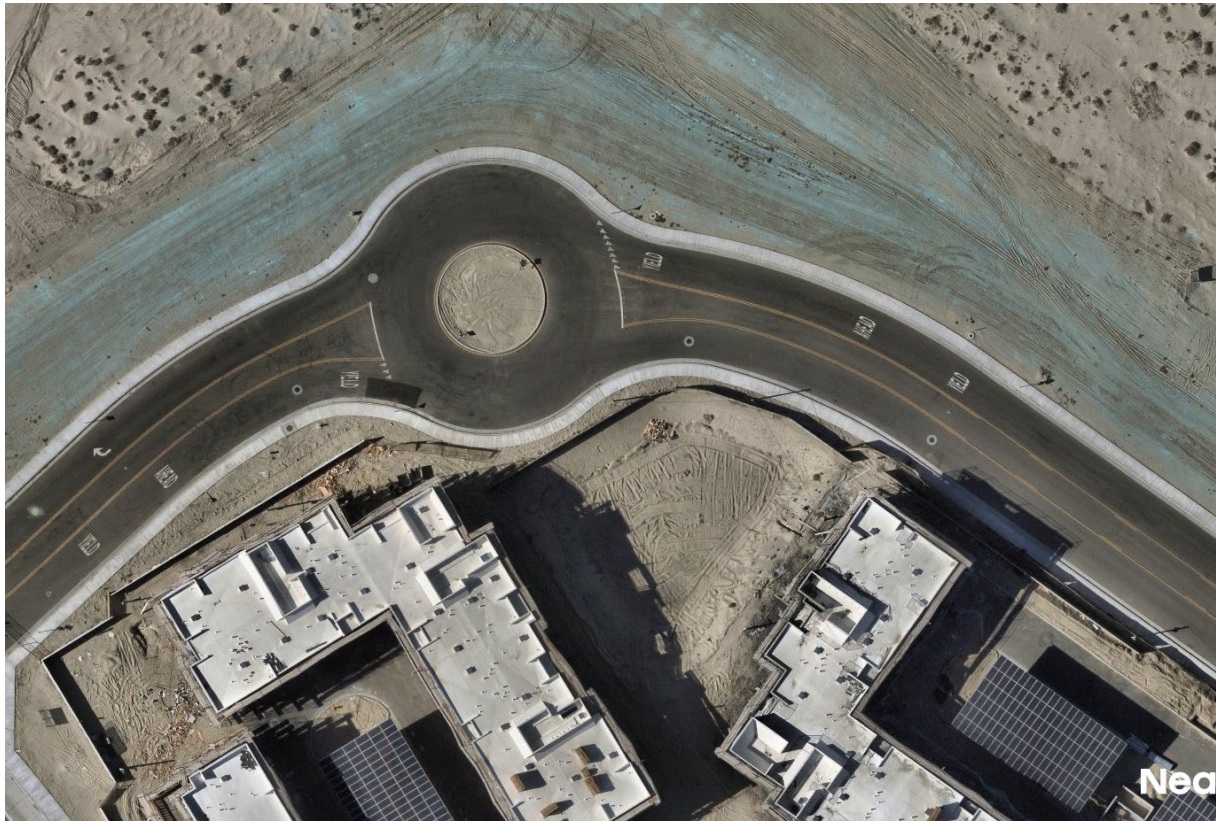
March 2023

- Developer requested dissolution of the Master Association
- City reviewed Specific Plan, Development Agreement, Map Approval, and CC&Rs
- Completed inventory of unmet conditions and maintenance responsibilities
- Held multiple meetings with developer—no resolution reached

4th Quarter 2024

- Change in developer partnership; renewed effort to resolve items
- 5 items resolved; 5 items remain outstanding
- City met with Genesis HOA President 3 times to address unresolved issues

1. Resolved: Xenith Way Median/Landscape



2. Resolved: ROW for Dave Erwin Park



CITY COUNCIL - U
COMMUNITY PARK



Resolved Items

Items Resolved	Resolution
3. Channel cleanup and regrade after storm	City and would not seek reimbursement \$938,000 from Master Association
4. Mid-valley bike path (DA Condition)	\$772,504 payment cannot be required City Council abandoned project and deleted from CIP on January 12, 2017
5. Eastern Retention Basin	Basin eliminated due to onsite retention requirement, maintenance contribution not required

Unresolved Items

September 2025 – Staff and Developer agreement on remaining items

- Requires City Council input and action:

1. Unmet Conditions/Obligations

- Installation of tree line along railroad
- Dinah Shore perimeter landscaping
- Sidewalk at Gerlad Ford/Portola

2. Ongoing Maintenance Obligations

- Annual maintenance of drainage channel
- Maintenance of Dinah Shore and Xenith Way medians

Unmet Conditions/Approvals

Obligation		Total Cost	Master Developer (PD 80 T&S LLC) & (Palm Desert University Gateway LLC) Responsibility	City Responsibility
One-Time	Installation of Trees (24 gallon) along R/R (city-owned property)	\$309,306	\$309,306	0
	Landscaping N side of Dinah Shore (city-owned property)	\$196,990	\$196,990	0
	Portola/Gerald Ford Sidewalk	\$80,000	\$80,000	0
	<i>TOTAL</i>	<i>\$586,296</i>	<i>\$586,296</i>	<i>0</i>

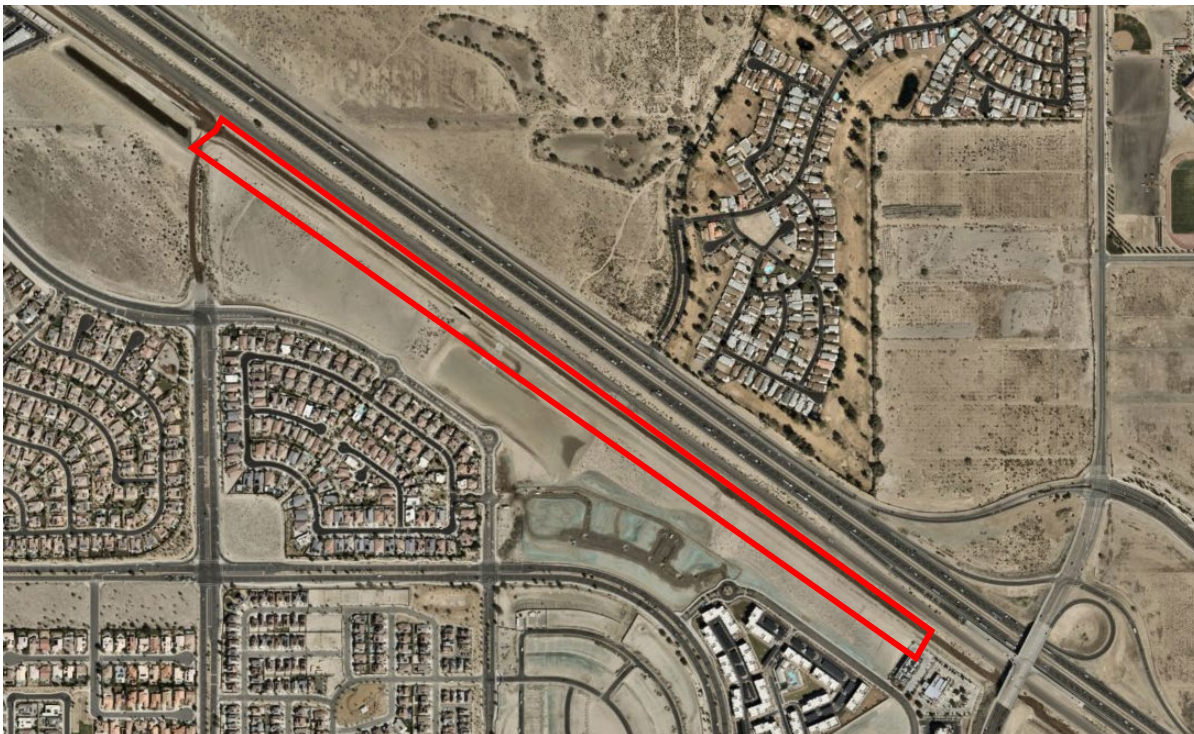
NOTE: PALM VENTURES PA-1, LLC IS THE DEVELOPER OF THE GENESIS RESIDENTIAL PROJECT, AND WAS NOT THE MASTER DEVELOPER OR A SIGNATOR TO THE DEVELOPMENT AGREEMENT. OBLIGATIONS LISTED ABOVE ARE REQUIREMENTS OF THE DEVELOPMENT AGREEMENT AND CC&RS.

Unmet Conditions

Installation Tree Line along Railroad (\$309,306)

- ❑ Landscape improvements along the northern boundary shall be completed prior to the issuance of the 80th building permit for Planning Area 1 (Genesis).

Plans were approved; however, the condition was neither enforced nor formally amended.



Proposed Resolution

PDUG will reimburse 50% (\$154,653) of tree line costs when Parcel 3 develops.

Developer will match enhanced screening (landscaping and wall design) when Parcels 3 and 4 develop.

Unmet Conditions

Dinah Shore North Side Perimeter Landscaping (\$196,990)

- The approved plan included perimeter landscaping that was not installed.



Proposed Resolution

City would install perimeter landscaping as part of the Dave Erwin Park project

PDUG agrees to install consistent improvements along Parcel 3 perimeter when developed

Unmet Conditions

Completion of Sidewalk at Portola and Gerald Ford (\$80,000)

- The approved plan included sidewalks and access drives; however, they were not installed.



Proposed Resolution

Developer (PDUG) will install sidewalks per approved plan.

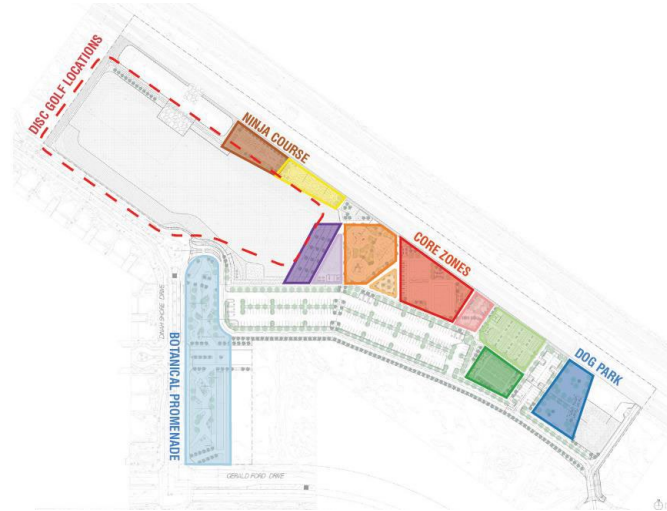
Provides continuous pedestrian connectivity throughout the area

Ongoing Maintenance Obligations

OBLIGATION	COST	Master Association Responsibility				City Responsibility
Maintenance of Westerly Drainage Facility (City to bill Genesis, no obligation of MA)	\$60,000	Genesis (PD Gateway) 36.46%: \$21,876 <ul style="list-style-type: none"> DA 3.2(d) Master Assoc. CC&R 2.01(a) Genesis Assoc. CC&R 2.07(a)(1) 				\$38,124
Annual Maintenance of (mid-valley) Drainage Channel <i>Note: only Genesis (and future commercial lot) directly draining into channel</i>	\$70,000	Parcel	Owner	CC&R A1 6/21/2016	Annual Cost	\$0
		1	Genesis	5.00	\$ 3,500.00	
		2	PDUG	4.65	\$ 3,255.00	
		3	PDUG	31.27	\$ 21,889.00	
		4	PDUG	14.48	\$ 10,136.00	
		5	DHG	5.07	\$ 3,549.00	
		6	PDUG	17.81	\$ 12,467.00	
		7	MMHG	21.72	\$ 15,204.00	
Maintenance of Dinah Shore Medians	\$32,352	Parcel	Owner	CC&R A1 6/21/2016	Annual Cost	Proportionate share in 2027 Genesis: \$16,176 PDUG: \$8,088 City: \$8,088
		1	Genesis	5.00%	\$ 1,617.60	
		3	PDUG	95.00%	\$ 30,734.40	
Maintenance of Technology (Xenith Way) Medians	\$9,984	Parcel	Owner	CC&R A1 6/21/2016	Annual Cost	\$0 - City sold property; responsibility to Palm Communities
		4	PDUG	24.51%	\$ 2,447.08	
		5	DHG	8.58%	\$ 856.63	
		6	PDUG	30.15%	\$ 3,010.18	
		7	MMHG	36.76%	\$ 3,670.12	
TOTAL	\$112,336*	\$112,336*				\$38,124 2027: \$46,212

Maintenance of Westerly Drainage Facility

- Required in:
 - DA 3.2(d)
 - Master Assoc. CC&Rs 2.01(a)
 - Genesis HOA CC&Rs 2.07(a)(1)
- City to begin billing Genesis HOA 100% of maintenance costs upon completion of Dave Erwin Park
- Genesis HOA responsible for the maintenance of on-site storm water conveyance system
- **Staff recommends amending to proportionate share vs. 100% payment**



Propose Fair Share

Est. Cost (YR)	Genesis HOA Responsibility	City Responsibility
\$60,000	\$21,876 (36.46%)	\$38,124

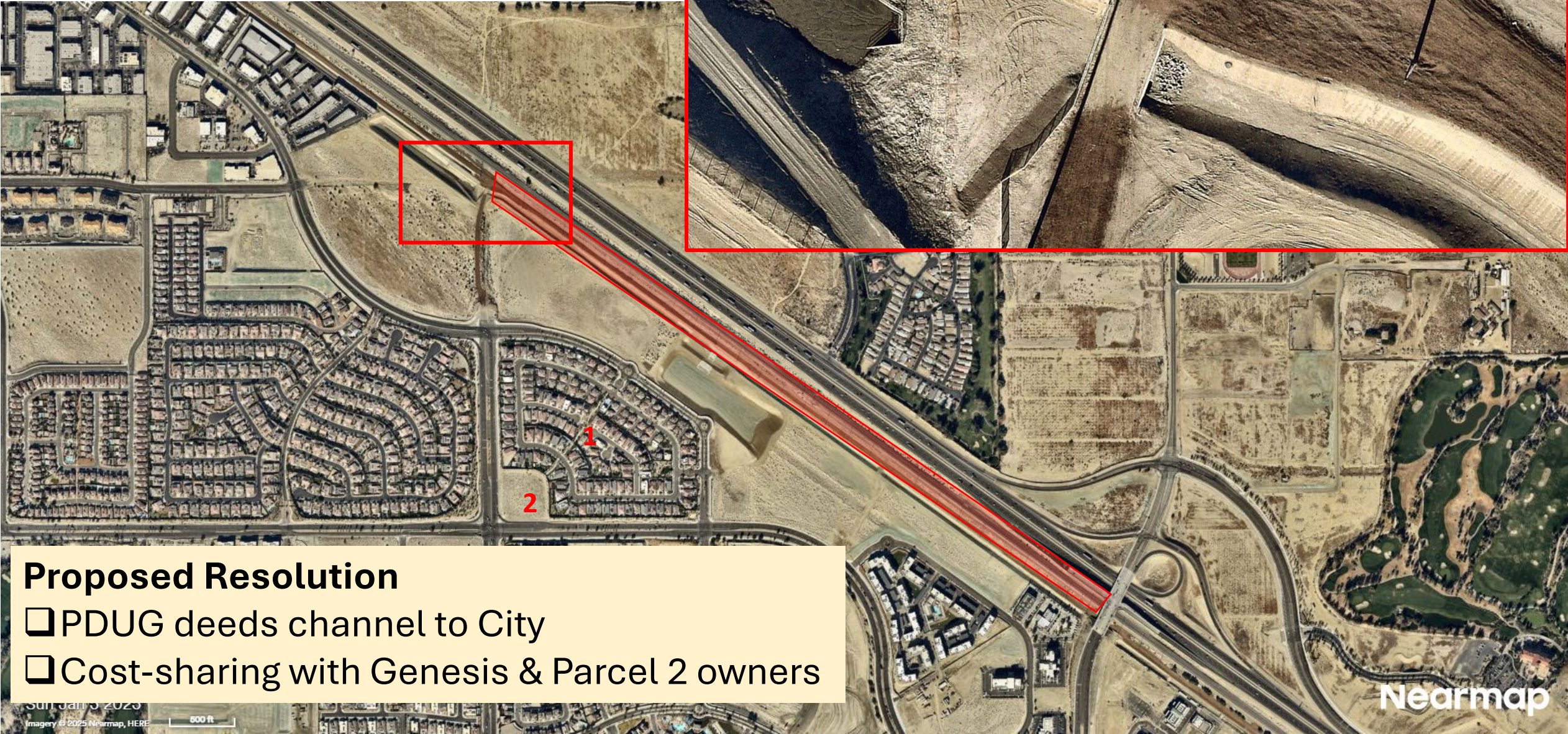
Drainage Channel

Obligation	Total Cost	Master Association Responsibility			
Annual Maintenance of (mid-valley) Drainage Channel	\$70,000 (Est.)	Parcel	Owner	CC&RA 1 6/21/2016	Annual Cost
		1	Genesis	5.00	\$ 3,500.00
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- Parcel 1 drains in channel
- Parcel 2 has connection to eventually tie in
- Parcels 3-7 are required to provide on-site storm water retention, but pay for maintenance
- Drainage channel ties into City drainage system



Drainage Channel



Proposed Resolution

- PDUG deeds channel to City
- Cost-sharing with Genesis & Parcel 2 owners

Xenith Way Median

Obligation	Total Cost	Master Association Responsibility				City Responsibility
		Parcel	Owner	CC&RA1 6/21/2016	Annual Cost	
Maintenance of (Technology) Xenith Way Medians	\$9,984 (Est.)	4	PDUG	24.51%	\$ 2,447.08	\$0
		5	DHG	8.58%	\$ 856.63	
		6	PDUG	30.15%	\$ 3,010.18	
		7	MMHG	36.76%	\$ 3,670.12	

- Parcel 5 (Hotel) – median not adjacent, eliminate assessment
- Proportionate share in 2030
 - PDUG
 - MMHG
 - Palms Communities
 - City
- Could change in future as Parcel 4 develops if medians installed



Dinah Shore Medians

Obligation	Total Cost	Master Association Responsibility				City Responsibility
Maintenance of Dinah Shore Medians	\$32,352 (Est.)	Parcel	Owner	CC&R A1 6/21/2016	Annual Cost	\$0
		1	Genesis	5.00%	\$ 1,617.60	
		3	PDUG	95.00%	\$ 30,734.40	

Proportionate share in 2027:

- Genesis (50%): \$ 16,176
- PDUG (25%): \$ 8,088
- City (25%): \$ 8,088



Maintenance of Dinah Shore & Xenith Way Medians

A. Continue with Master Association

- Maintains current structure and shared maintenance framework
- Challenge with oversight, consistency, and enforcement

B. Dissolve Master Association

- Simplifies long-term administration after full build-out.
- Clarifies ownership and maintenance responsibilities

Option

Pros

Cons

1. Cost Sharing Agreement

- Property owners' responsible for costs;
- No City maintenance costs; except proportionate share

- City oversight
- Administrative burden & cost

2. City Maintenance

- Simplifies admin and enforcement
- Consistency: maintenance, replacement, enforcement
- Faster response

- Adds \$42k/year to maintenance budget

Considerations

Resolution	Justification
<p>Railroad Screening- Developer to reimburse City \$154,653 for tree line</p> <p>Developer will install new screening when Parcels 3 and 4 develop</p>	<ul style="list-style-type: none"> • Provides cost recovery for trees not installed • Dave Erwin Park provides enhanced screening with wall, trees and shrubs • Enhanced screening will be continued
<p>Developer to match new Dinah Shore landscaping when parcel develops</p>	<ul style="list-style-type: none"> • Ensures landscape consistency • Reduces ability for inconsistency, aligns with vision for park
<p>Developer to complete sidewalk at Portola and Gerald Ford</p>	<ul style="list-style-type: none"> • Enhances pedestrian safety and connectivity, fills gap in pedestrian network
<p>Drainage channel deeded to City</p>	<ul style="list-style-type: none"> • Expands City control over critical infrastructure; no acquisition cost • Ensures proper long-term maintenance • Supports comprehensive stormwater management system • Amend DA for cost share with Parcel 1 (Genesis) and Parcel 2 (PDUG)
<p>Genesis HOA W. Basin Reimbursement</p>	<ul style="list-style-type: none"> • Change from 100% to proportionate share
<p>Elimination of Master Association – Median Maintenance</p>	<ul style="list-style-type: none"> • Simplifies administration, especially after build-out (who controls) • Could be a more transparent, City-managed maintenance model • Consistency: maintenance, replacement, enforcement

City Council Direction Requested

A. Confirm resolutions for unmet conditions

1. Developer to reimburse City \$154,653 and install enhanced screening along Parcels 3 and 4 when developed
2. Developer to match new Dinah Shore landscaping when Parcel 3 develops
3. Developer to complete sidewalk at Portola and Gerald Ford
4. Developer to deed drainage channel to City

B. Master Association (median maintenance)

1. Should Master Association be dissolved?
 - a. If so, direction on median maintenance
 - Option 1 – Cost Share Agreements
 - Option 2 – City Maintenance