

ORDINANCE NO. 1442

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, APPROVING A THIRD AMENDMENT TO THE DEVELOPMENT AGREEMENT 96-1 BETWEEN THE CITY OF PALM DESERT AND WVC RANCHO MIRAGE, INC. (FORMERLY STARWOOD) FOR THE DESERT WILLOW, EXTENDING THE TERM OF THE DEVELOPMENT AGREEMENT BY SIX (6) MONTHS TO AUGUST 27, 2026, AND FINDING THE PROJECT IS EXEMPT FROM ENVIRONMENTAL REVIEW IN ACCORDANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

CASE NO. DA25-0001 (DA 96-1 AMENDMENT NO. 3)

WHEREAS, the City of Palm Desert, California (" City") is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, the Planning and Zoning Law (Government Code Section 65000 et seq.) authorizes cities to establish by ordinance regulations for land use and development; and

WHEREAS, WVC Rancho Mirage, Inc. (formerly Starwood), represented by William Vanos ("Applicant"), submitted an application requesting approval of a Third Amendment to Development Agreement No. 96-1, which governs the Desert Willow area, a resort time-share project located at 39-500 Portola Avenue ("Project"), for the purpose of extending the term of the existing Development Agreement for a period of six (6) months to August 27, 2026, with no other modifications to the Development Agreement; and

WHEREAS, the Project Site is located within the Planned Residential District (PR-5) zoning district and is designated Golf Course & Resort Neighborhood by the Palm Desert General Plan; and

WHEREAS, Development Agreement No. 96-1 was entered into between the City of Palm Desert and WVC Rancho Mirage, Inc. (formerly Starwood) on February 27, 1997, and was adopted by the City Council through Ordinance No. 824 for an initial term of fifteen (15) years; and

WHEREAS, the Development Agreement was amended by a First Amendment in 2007 through Ordinance No. 1135, extending the term by four (4) years, and by a Second Amendment in 2015 through Ordinance No. 1289, extending the term an additional ten (10) years to February 27, 2026; and

WHEREAS, the proposed Third Amendment would further extend the term of Development Agreement No. 96-1 for an additional six (6) months to August 27, 2026,

and would not authorize or result in any changes to land use, development intensity, entitlements, or physical conditions on the Project Site; and

WHEREAS, the Third Amendment does not constitute a “project” under the California Environmental Quality Act (CEQA) and alternatively is exempt from CEQA pursuant to the common sense exemption set forth in CEQA Guidelines Section 15061(b)(3), as it can be seen with certainty that there is no possibility the action may have a significant effect on the environment; and

WHEREAS, on February 3, 2026, the Planning Commission held a duly-noticed public hearing considered the staff report, recommendations by staff, and public testimony concerning this proposed Ordinance. Following the public hearing, the Planning Commission adopted Planning Commission Resolution No. 2912 to forward the Ordinance to the City Council with a recommendation in favor of its adoption; and

WHEREAS, the City Council of the City of Palm Desert conducted a duly noticed public hearing on February 12, 2026, to consider approval of the Third Amendment to Development Agreement No. 96-1, at which time all interested persons were given an opportunity to be heard; and

WHEREAS, the City Council finds that the Development Agreement, as amended, remains consistent with the City’s General Plan and complies with the requirements of Government Code Sections 65864 through 65869.5.

WHEREAS, all legal prerequisites to the adoption of the Ordinance have occurred.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. Incorporation. The recitals above are each incorporated by reference and adopted as findings by the City Council.

SECTION 2. CEQA. The City Council finds that the the proposed amendment extends the term of the existing Development Agreement and does not result in any direct physical change or a reasonably foreseeable indirect physical change to the environment. As such, the City Council finds that the proposed amendment is not a "Project" as defined by State CEQA Guidelines section 15378(a). Even if the proposed amendment constituted as a project pursuant to the California Environmental Quality Act (CEQA), the City Council finds the proposed amendment is exempt from further CEQA review pursuant to the State CEQA Guidelines Section 15061(b)(3) the common sense exemption. Here, it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment since the proposed amendment merely extends the term of the Development Agreement and does not involve any physical change in the environment. Therefore, no additional environmental review is required.

SECTION 3. Findings of Consistency. The City Council finds that Development Agreement No. 96-1, as amended, remains consistent with the Palm Desert General Plan. These findings are made pursuant to Government Code Sections 65867.5 and 65868.

SECTION 4. Approval of the Third Amendment. The City Council hereby approves the Third Amendment to Development Agreement No. 96-1 between the City of Palm Desert and WVC Rancho Mirage, Inc. (formerly Starwood), extending the term of the Development Agreement for six (6) months to August 27, 2026, in substantially the form on file with the City Clerk.

SECTION 5. Effective Date. This Ordinance takes effect 30 days after its adoption.

SECTION 6. Publication. The City Clerk is directed to certify to the adoption of this Ordinance and post or publish this Ordinance as required by law.

SECTION 7. Custodian of Records. The custodian of records for this Ordinance is the City Clerk and the records comprising the administrative record are located at 73-510 Fred Waring Drive, Palm Desert, CA.

SECTION 8. Severability. If any provision of this Ordinance or its application to any person or circumstance is held to be invalid by a court of competent jurisdiction, such invalidity shall have no effect on the other provisions or applications of this Ordinance that can be given effect without the invalid provision or application. To this extent, the provisions of this Ordinance are severable. The City Council declares that it would have adopted this Ordinance irrespective of the invalidity of any portion thereof.

ADOPTED ON FEBRUARY __, 2026.

EVAN TRUBEE
MAYOR

ATTEST:

ANTHONY J. MEJIA
CITY CLERK

I, Anthony J. Mejia, City Clerk of the City of Palm Desert, California, do hereby certify that Ordinance No. 1442 is a full, true, and correct copy, and was introduced at a regular meeting of the Palm Desert City Council on February 12, 2026, and adopted at a regular meeting of the City Council held on _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RECUSED:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Palm Desert, California, on _____.

ANTHONY J. MEJIA
CITY CLERK

“EXHIBIT A”

Development Agreement Amendment No. 3

See following pages

THIRD AMENDMENT TO DEVELOPMENT AGREEMENT

THIS THIRD AMENDMENT TO DEVELOPMENT AGREEMENT (the “Third Amendment”), dated as of February 26, 2026 (“Effective Date”) is entered into by and between the CITY OF PALM DESERT, a municipal corporation (the “City”) and WVC RANCHO MIRAGE, INC., a Delaware corporation (“Starwood”).

RECITALS

This Third Amendment is entered into with reference to the following facts:

- A. City and Intrawest Resort Ownership Corporation, a corporation organized and existing under the laws of the Province of British Columbia, Canada (“IROC”), entered into a Development Agreement dated February 27, 1997, which Development Agreement was (i) recorded on August 29, 1997 as instrument number 315819 in the official records of the County Recorder for the County of Riverside, California, (ii) amended by that certain Amendment to Development Agreement (Development Agreement 06-03) (the “First Amendment”) dated as of May 10, 2007, and (iii) further amended by that certain Second Amendment to Development Agreement (the “Second Amendment”) dated as of September 10, 2015 (as so amended, and as assigned from time to time, the “DA”). All capitalized terms used herein without definition when first used shall have the meanings set forth in the DA.
- B. The DA provided IROC with a vested right to develop certain real property in the City of Palm Desert (“IROC Property”) as a resort club and time shares (the “Intrawest Project”).
- C. On or about October 12, 1998, IROC assigned and conveyed to Resort Ventures, L.P., a California limited partnership (“RV”) all of IROC’s rights, title, interest and obligations under and to the DA and all related project documents.
- D. On or about June 26, 2006, RV sold to Starwood all of its rights, title and interest in and to that portion of IROC Property described on Exhibit “A” attached hereto and incorporated herein by this reference (the “Starwood Property”). The City gave its consent to the transfer from RV to Starwood of any and all rights and obligations under the terms of the DA to the extent that such rights and/or obligations arise from ownership of the Starwood Property.
- E. On or about June 26, 2006, Starwood applied for and the City approved a conceptual master plan (hereinafter the “Starwood Master Plan”) which provides for the development of 300 two-bedroom lockoff time share units in 18 two- story, three- story, and four-story buildings and a one-story sales/clubhouse facility of approximately 40,000 square feet, along with recreational amenities (hereinafter collectively referred to as the “Starwood Project”).

F. City and Starwood now desire to amend the DA to extend the term of the DA to temporarily extend the term of the DA for a period of six (6) months, to allow the parties additional time to discuss terms for a longer-term extension.

G. City has given notice of its intention to adopt this proposed Third Amendment, has conducted public hearings thereon pursuant to Government Code Section 65867 and Palm Desert Municipal Code Ordinances Nos. 341 and 589, has taken action in accordance with the California Environmental Quality Act, and has found that the provisions of this Third Amendment and its purposes are consistent with the objectives, policies, general land uses and programs specified in the City's General Plan and any applicable specific plan.

H. The City, by electing to enter into this Third Amendment, acknowledges that the obligations of the City hereunder shall survive beyond the terms of the present City Council members of the City, and that such action will serve to bind City and future Councils to the obligations thereby undertaken.

I. This Third Amendment and the consent of Starwood to each of its terms and conditions will eliminate uncertainty in planning and provide for the orderly development of the Starwood Property, eliminate uncertainty about the validity of exactions imposed by the City, and generally serve the public interest.

[Remainder of page intentionally left blank]

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The original DA specified a term of fifteen (15) years. That original term was extended for an additional four (4) years by the First Amendment and by an additional ten (10) years by the Second Amendment. The parties now acknowledge that, through no fault of either party, the economic conditions in recent years have resulted in a much slower rate of development than was originally anticipated. Therefore, to allow the parties additional time to discuss terms for a longer-term extension of the DA, the parties agree that the term of the DA shall hereby be extended for an additional six (6) months beyond the term specified in the Second Amendment, making the new expiration date for the DA August 27, 2026. Nothing herein shall be construed as obligating the City to grant any further extension of the DA beyond August 27, 2026.

2. Except as specifically amended by the First Amendment, Second Amendment and this Third Amendment, the DA shall remain in full force and effect in accordance with its original terms and conditions, which are hereby restated and incorporated herein by reference.

3. Miscellaneous.

3.1 Binding Effect. This Third Amendment shall bind and benefit the heirs, successors, and assigns of Starwood and the City, respectively.

3.2 No Waiver. None of the terms or provisions of this Third Amendment may be waived, altered, modified, limited, or amended except by an agreement expressly referring hereto and to which the parties to be bound consent in writing.

3.3 Governing Law. This Third Amendment shall be governed by the laws of the State of California.

3.4 Reliance on Counsel/Entire Agreement. In executing this Third Amendment, no Party has relied on any inducements, promises, or representations by any other Party or its attorney, other than those set out in this Third Amendment. This instrument constitutes the entire, integrated understanding of the Parties with respect to the subject matter contained herein, and there are no other prior or contemporaneous oral or written agreements or understandings except as expressly set forth herein.

3.5 Severability. Each and every provision of this Third Amendment is and shall be construed as a separate and independent covenant and agreement. If any term or provision of this Third Amendment or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Third Amendment, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected hereby, and each term and provision of this Third Amendment shall be valid and shall be enforced to the extent permitted by law.

3.6 Execution in Counterparts. This Third Amendment may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have entered into this Third Amendment as of the day and year first written above.

WVC RANCHO MIRAGE, INC., a
Delaware corporation

By: _____
Insert Name of Signer Here
Insert Signer's Title Here

WITNESS:

Signature:
Print Name:

Signature:
Print Name:

ATTEST:

By: _____
Name of Signer
Signer's title

IN WITNESS WHEREOF, the parties hereto have entered into this Third Amendment as of the day and year first written above.

CITY OF PALM DESERT, a
municipal corporation

By: _____
Evan Trubee
Mayor

WITNESS:

Signature
Print Name:

Signature
Print Name:

ATTEST:

By: _____
Anthony J. Mejia
City Clerk