



City Council Staff Report

Subject: Granite Lakes Estates, Development Agreement Amendment 2, DA-2000-01B

Date: June 23, 2020

Submitted by: David Mohlenbrok, Community Development Director
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Department: Community Development Department

Staff Recommendation:

Introduce, waive full reading, and read by title only, an Ordinance Of The City Council Of The City Of Rocklin Approving The Second Amendment To The Development Agreement By And Between The City Of Rocklin And Capital Equity Management Group Inc. For Development Of The Property Known As Granite Lakes Estates, Extending The Term Of The Agreement To July 11, 2021 ([Granite Lakes Estates / DA-2000-01B](#))

BACKGROUND:

Proposal/Application Request:

This application is a request for approval of an amendment to the Granite Lakes Estates Development Agreement (DA) which would extend the life of the project for one year through July 11, 2021. No other modifications to the Development Agreement are proposed. The proposed DA amendment would automatically extend the life of the approved Tentative Subdivision Map (SD-2000-02) by one year, as the map's validity is tied to that of the DA.

Findings:

The Planning Commission and staff find this request to be consistent with the existing General Plan designations, zoning, and requirements of the Government Code, consistent with the requirements of Chapter 17.92 of the Rocklin Municipal Code. The proposed one year extension to the previously-approved Granite Lakes Estates project would be compatible with anticipated development of surrounding residential designated properties. The proposed extension would not be detrimental to the health, safety and general welfare of persons residing in the immediate area, nor be detrimental or injurious to property or persons in the general neighborhood or the general welfare as a whole.

General Site Information:

The DA is applicable to the Granite Lakes Estates subdivision, which is located on approximately 80 acres in the southeast area of the City of Rocklin, bounded by Greenbrae Road to the north, the Quarry Ridge Subdivision to the east, the Rustic Hills and the undeveloped Highlands Parcel A subdivisions to the west, and the Highlands subdivision to the south. See **Figures 1** through **3**.

Phase 1 of the subdivision has been constructed, consisting of 48 single-family lots and a 10-foot wide paved trail through the open space area on the east side of Secret Ravine Creek. The remaining phases of the project, totaling 71 lots, cannot be developed until the Monument Springs Bridge has been constructed.

Figure 1 – Location Map



Figure 2 – Approved Tentative Subdivision Map

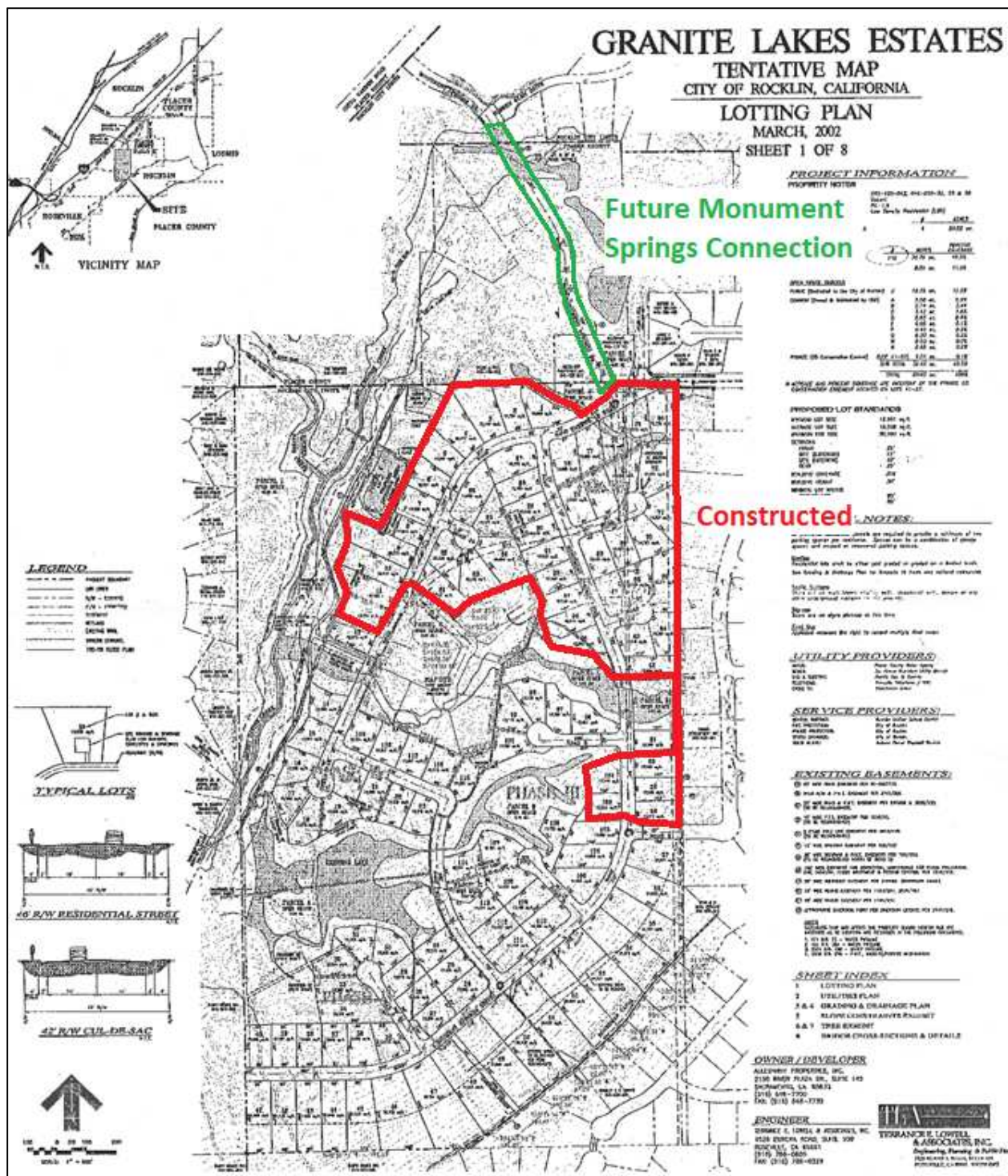
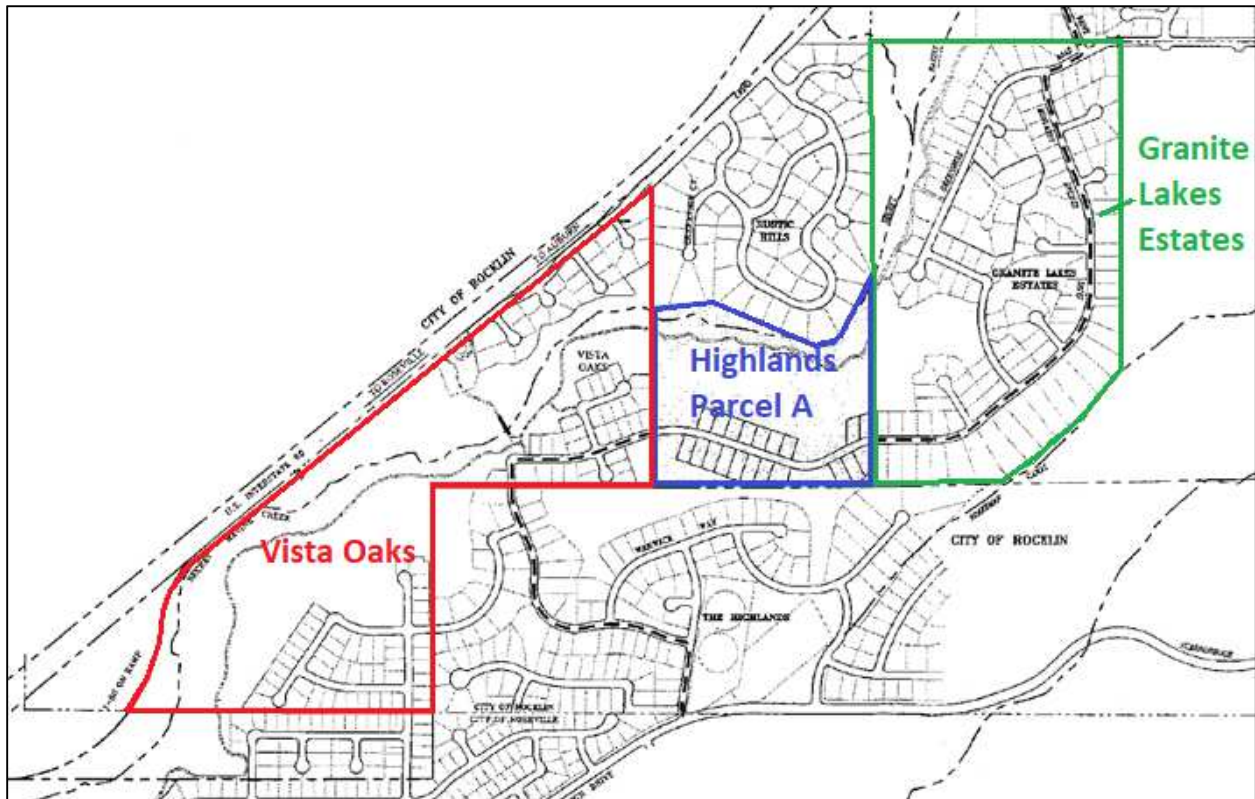


Figure 3 – Adjacent Project Approvals



Owner/Applicant:

The property owner is Capital Equity Management Group, Inc. and the applicant is Cook Development Consulting Services, LLC. The property was previously owned by Alleghany Properties, Inc. when the DA was originally approved in 2002, and then by S360 Granite Lakes, LLC, when the first amendment to the DA was approved in 2010.

Project Background:

In 1989, the City of Rocklin approved entitlements for a 128-lot subdivision known as Granite Lakes Estates. Although the project benefited from all time extensions allowed by law, the property owner was ultimately unable to final the map and it expired. In 1996, an application was submitted to the City requesting approval of new entitlements for the project which were approved by the City Council in April 1999. A lawsuit was subsequently filed challenging the approval of the project which ultimately resulted in the preparation of an Environmental Impact Report (EIR) and redesign of the project to provide for a maximum of 119 single-family lots and several open space parcels and. The EIR and revised project entitlements, including a DA (SD-2000-02, PDG-2000-08, and DA-2000-01) were approved by the City Council on June 11, 2002 and went into effect on July 11, 2002.

Access to the development, at build out, is to be provided by the extension of Monument Springs Drive (**Figure 2**) from the entrance to the subdivision on Greenbrae Road north to connect with the existing terminus of Monument Springs Drive (near the southerly entrance to Secret Ravine Estates subdivision). The extension includes a two-lane bridge spanning Secret Ravine Creek.

The extension of Monument Springs Drive to provide access to the Granite Lakes Estates development and other projects off of Greenbrae Road, including the 100-lot Vista Oaks and 20-lot Highlands Parcel A projects, was included as a requirement and condition of approval for those projects. The requirement is also included in the DA for the Granite Lakes estates project. This is because Aguilar Road, which currently provides access to the area, is a two-lane local roadway that lacks sidewalk, curb, and gutter. In addition, the roadway's narrow right-of-way and several existing homes with minimal setbacks from the street make it costly to widen and improve the street.

The General Development Plan and the Development Agreement approved for the Granite Lakes Estates project in 2002 allowed for the development of up to 40 lots (approximately one-third of the project) to be constructed and occupied prior to construction of the Monument Springs Bridge being completed. The project applicant negotiated this number to allow some development to occur to offset the construction cost of the bridge with minimal traffic increases on existing roads, and was not based upon any impact thresholds being exceeded with the 41st home.

In 2010, the City Council approved the First Amendment to the Development Agreement, as well as an amendment to the General Development Plan, to increase the total number of homes that could be built in the Granite Lakes Estates subdivision, prior to completion of the Monument Springs Bridge, from 40 to 48, to match the number of lots developed with the first phase of the subdivision. The First Amendment to the Development Agreement also extended the term of the DA to July 2020. If the DA expires, the unrecorded portions of the approved tentative subdivision map would also expire and the developer would lose any ability to develop lots and construct homes within this area without having to first process an entirely new entitlement package.

The first phase of the subdivision, consisting of 48 lots, has been constructed and developed with homes. However, the extension of Monument Springs Drive has been delayed by several factors, including a revision to the proposed roadway alignment, difficulties with right-of-way acquisition, the 2008 recession, and the project changing ownership several times with detrimental impact to funding needed for the roadway improvements. In recent months, the owners of the undeveloped portion of the Granite Lakes Estates Subdivision, as well as the Vista Oaks Subdivision, and the Highlands Parcel A Subdivision, have been meeting with the City to discuss how to fund construction of the bridge and roadway improvements to allow these projects to move forward.

Planning Commission Hearing:

On June 2, 2020, the City of Rocklin Planning Commission reviewed the proposed project. The Commission inquired about the full scope of the project, and staff clarified that the project would only extend the DA for a single year and that no other changes have been proposed at this time. The Commission also inquired about the funding mechanism for the bridge and staff clarified that the DA allows for formation of a CFD if agreed upon by voters, but the most probable solution for funding of the bridge would likely be through financial cooperation between the Granite Lakes Estates, Highlands Parcel A, and Vista Oaks subdivisions.

There were six speakers who provided public comment during the hearing. Most of these comments dealt with concern about traffic in the area, the developer's obligation to build the bridge, and concerns that additional homes would be built within the subdivision before the bridge is constructed. Multiple commenters stated that there are traffic and safety issues on Aguilar and the construction of the bridge is extremely important. There were also questions regarding the funding of the bridge and concern that the obligation would fall back on the existing home owners. The project applicant, Dave Cook, addressed the Commission and stated that project ownership has no intention of trying to obtain funding from the existing home owners within the area. He stated that the three projects which are conditioned to construct the bridge have been working together and that he is confident a solution can be found which will not financially impact the current residents within the area.

All five members of the Commission agreed that construction of the Monument Springs Bridge is a complex and difficult project to execute, and supported a one-year extension of the DA to allow the three developments additional time to work together to find a solution in order to move the bridge forward and ultimately allow develop of the three approved subdivisions. Following deliberation, the Planning Commission voted 5-0 to recommend approval of the Second Amendment to the Development Agreement to the City Council.

Project Analysis:

On June 21, 2019, the applicant submitted a request to amend the DA to extend the life of the project through 2030 and incorporate several other proposed changes to the project approvals. It was determined that the proposed changes to the DA would require preparation of an addendum to the Granite Lakes Estates EIR. However, the EIR Addendum has taken longer than anticipated to complete and negotiations on potential changes to the project are ongoing. As the project is quickly approaching its July expiration date, staff and the applicant agreed to process a one-year extension with no other proposed modifications to allow time for the owners of the Granite Lakes Estates subdivision and the City to try to reach a consensus on how this project might be able to move forward. The Planning Commission and staff are supportive of this compromise, as there are mutual benefits to both the project and the surrounding area, as follows:

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- a) The opportunity for the Monument Springs Bridge to be constructed is preserved through 7/11/2021, which roughly matches the statutory life of the co-dependent projects (Vista Oaks & Highlands A which expire 11/14/2021, and are not eligible for further extensions). All three projects are required to construct the bridge, and it has been represented to staff that all three are needed to make the Monument Springs Bridge financially feasible. A time extension gives the proponents of these projects additional time and opportunity to figure out a way forward while all three projects are still entitled.
- b) The Monument Springs Bridge is a key component of planned area traffic circulation and something that area residents have been looking to be constructed for some time; allowing the Granite Lakes subdivision to expire would make construction of the Monument Springs Bridge highly unlikely any time in the foreseeable future. Additionally, the City would likely have to take a much more hands-on and involved role related in any future proposals to construct the bridge, whether triggered by new development proposals or neighborhood demand.
- c) If solutions are found and the Granite Lakes and related Vista Oaks and Highlands A projects are able to move forward, they will provide for the construction of trails and Open Space dedications, including a planned connection to the existing regional trail terminus in Roseville behind the Sutter Hospital.
- d) The Granite Lakes, Vista Oaks, or Highlands Parcel A projects were all complex projects that required the investment of significant time and resources by both the applicants and the City to process, as such it is in the interests of all parties to preserve that investment by making all reasonable efforts to find a path forward, including allowing time for those discussions to take place.
- e) If the Granite Lakes, Vista Oaks, or Highlands Parcel A projects do not develop there would be a negative impact on anticipated future City revenues due to lost development fees and property taxes from the anticipated future residential units.
- f) The only obligation that the City has in the DA is to cooperate with efforts of the applicant to create a funding mechanism for the Monument Springs Bridge such as a Community Finance District (CFD) if the applicant elected to create one, and to require that other landowners in the area which benefit from the bridge to pay their fair share of bridge costs by annexing into the CFD as new projects were approved.

Given the above, the Planning Commission and staff support the proposed amendment to extend the Granite Lakes Estates Development Agreement for one year.

Environmental Analysis:

In 2002, an Environmental Impact Report (EIR) for the Granite Lakes Estates project was approved per City Council Resolution No. 2002-165. Project specific analysis was conducted and potential impacts of the project were identified in the EIR document. Because no changes are proposed as part of this request for extensions to the previously approved projects, pursuant to California Environmental Quality Act (“CEQA”) Guidelines section 15162, no additional environmental review is required. (See *Latinos Unidos de Napa v. City of Napa* (2013) 221 Cal.App.4th 192.)