



LA ENTRADA



NEW WEST COMPANY

VIA ELECTRONIC MAIL ONLY

December 27, 2020

Mr. Luis Lopez
Development Services Director
City of Coachella
1515 Sixth Street
Coachella, CA 92236
via email: llopez@coachella.org

cc: Mayor Stephen Hernandez, City of Coachella
Mr. Bill Pattison, City Manager and Finance Director
Mr. Carlos Campos, City Attorney

RE: First Amendment to the La Entrada Development Agreement – Option Term Extension

Dear Mr. Lopez:

This letter is a formal, restated request to exercise the first 5-year extension per Section 8.3 of the La Entrada Development Agreement dated July 25, 2014. The original request was included in the staff report to City Council on July 31, 2019, but appears to have been inadvertently missed as part of the draft agreement presented to Planning Commission on December 4, 2019. It is our understanding that approval of the term option extension falls directly under the purview of City Council.

Since approval of the original Development agreement in 2014, La Entrada developers (PSAV, LLC, and LLSE Holdings, LLC) have invested significant resources toward site and regional infrastructure planning and engineering. Transportation infrastructure to this substantial, land locked parcel is key to bringing homes, jobs and economic benefits to the City, its residents, and the region.

The Development Agreement update includes modifications to construction milestones to reflect challenges inherent with a master planned community of La Entrada's magnitude. The following items are highlights of La Entrada's ongoing development activities since project approval:

Annexation into City: The eastern portion of La Entrada was located outside city boundaries but within the City's sphere of influence. Annexation into the City was formally approved by LAFCO on April 23, 2015.

Funding Contributions/Commitments: Developer pursued, crafted and entered into a Cooperative Funding Agreement with the City to enable Avenue 50 planning and engineering. The agreement required La Entrada to deposit \$1.7 million, in quarterly installments. Payments began in January 2015 and were completed in July 2016.

Transportation Funding Advocacy: Developer's team prepared federal funding grant applications for I-10/Avenue 50 interchange construction funding on behalf of City for TIGER/BUILD program in 2016, 2017, 2018 and 2019. We coordinated with City staff, legislators and California Transportation Commission (CTC) in pursuit of funding partnerships for the Avenue 50 extension, including a \$15 million bridge over the All American Canal, and the new interchange. The cooperative agreement described above included a \$120,000 contribution to enhance staff support for Avenue 50 corridor planning activities. The City recently

elected to expend those funds for additional lobbying support at the state level in lieu of project management support. Periodic coordination with CVAG staff has ensured regional funding participation and resulted in more than \$3 million in funding. Two separate Economic Impact Studies have been sponsored with the most recent version occurring in 2018.

Transportation Planning: Developer fully funded environmental documentation and approval phases for Avenue 50 extension and the new interchange through direct contracts. Developer fully funded the initial phase of final design for Avenue 50 extension and the “local share” of the final design phase of interchange. Developer dedicated on-site rights of way for Avenue 50 extension in September 2017 (14.95 acres for road in fee and 15.44 acres for slope easements). Developer representatives have attended approximately sixty (60) monthly coordination meetings with city staff and Caltrans related to interchange planning and approvals. Environmental approvals were obtained in October 2017 and 100% final design package is nearing approval. Right of way dedication for the interchange is in process and constitutes approximately 25 acres of site property.

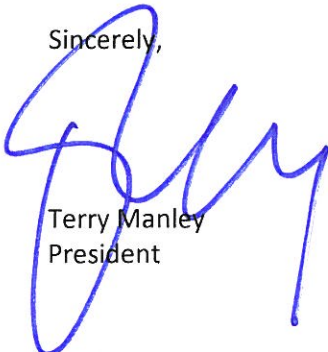
Site Development: Before construction can begin, a number of engineering studies, permits and focused site planning must occur. La Entrada includes multiple natural drainage courses that need to be carefully preserved, modified or re-engineered. Coachella Valley Water District (CVWD) controls the regional drainage model and is responsible for approving all hydrology studies for permit issuance. The City and La Entrada developer’s engineers have been working together since 2015 to complete the necessary plans. CVWD began making changes to their regional model and planning requirements shortly thereafter. That multi-year process and the resulting changes have caused significant delays in completion of La Entrada’s hydrology analysis as well as the City’s design efforts for Avenue 50 extension. Progress is now being made and this work is expected to be completed by the end of the year. No grading or site development can occur without these approvals in place. Alteration of existing drainage courses identified in the project EIR require a 1602 permit (streambed alteration) from California Department of Fish and Wildlife (CDFW). Mitigation will occur both on-site and off-site. La Entrada is in the process of acquiring off-site lands to fulfill CDFW’s mitigation requirements and will complete that process prior to start of grading.

Master Subdivision Map: Engineering studies have been completed for water supply and long term facility needs. Project phasing is directly tied to the timing of regional transportation construction. Once state and federal funding shares have been secured, detailed engineering and tract map level planning can begin in earnest. Preliminary planning for the regional sports park complex, coordination and extension of CV Link and affordable housing components are on-going.

Delays in Avenue 50 corridor funding approvals at the state and federal level, combined with hydrology plan approvals through CVWD, among other issues, have had a significant impact on La Entrada’s ability to meet upcoming (current) milestone targets. Given the substantial progress made to date, we believe it is appropriate to exercise the first 5-year Development Agreement term extension at this time.

Please do not hesitate to contact me with any questions, concerns, or information requests.

Sincerely,



Terry Manley
President