

**CITY OF TEMECULA  
AGENDA REPORT**

**TO:** City Manager/City Council

**FROM:** Luke Watson, Deputy City Manager

**DATE:** November 9, 2021

**SUBJECT:** Approve Assignment and Assumption Agreement for Transfer of Rights and Obligations of Development Agreement Between City of Temecula and Temecula West Village, LLC and Settlement Agreement from Temecula Valley West, LLC to SBT Altair, LLC

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**PREPARED BY:** Matt Peters, Senior Planner

**RECOMMENDATION:** That the City Council approve an Assignment and Assumption Agreement for Transfer of Rights and Obligations of Development Agreement between City of Temecula and Temecula West Village (TWV), LLC dated January 9, 2018 and Settlement Agreement dated October 26, 2020, from Temecula Valley West, LLC to SBT Altair, LLC.

**BACKGROUND:** The Altair project was approved by the City Council on January 9, 2018 and included four Planning Applications for a 1) General Plan Amendment; 2) Specific Plan; 3) Tentative Tract Map; and 4) Development Agreement for subsequent permits such as grading, infrastructure improvement permitting for on-site and off-site utilities, and resource agency permitting to allow for development of up to 1,750 residential units, limited neighborhood-serving commercial, an elementary school, parks, and open space within a 270-acre area in the southwesterly portion of the City of Temecula, west of Old Town. In addition, the proposed project would construct the Western Bypass, which would link Temecula Parkway with Diaz Road, including widening Vincent Moraga Road. The proposed project site is located within the Murrieta Creek and Santa Rosa Plateau Subunits of the Riverside County Multi-Species Habitat Conservation Plan (MSHCP) Southwest Area Plan. An Environmental Impact Report (EIR) was prepared to evaluate the project's impacts on seventeen (17) environmental factors as required by the California Environmental Quality Act (CEQA), State Clearinghouse No. 2014111029.

Shortly after approval of the Altair project, lawsuits were filed by various environmental groups for concerns over biological resources, particularly the anticipated loss of mountain lion habitat, restriction of movement corridors, and potential grading impacts to the southernmost parcel on the site. On October 26, 2020, a Settlement Agreement was reached on these issues by and between the City of Temecula; City Council of the City of Temecula, Ambient Communities, LLC, TWV; and the environmental groups including the Center for Biological Diversity; Sierra Club; Mountain Lion Foundation; and The Cougar Connection; and Endangered Habitats League.

**DISCUSSION:** TWV has submitted a request to assign its interest in the Development Agreement to SBT Altair, LLC (“SBT”). SBT is a joint venture created by TWV, Brookfield Southern California Land LLC (“Brookfield”), and Tri Pointe Homes Holdings (“Tri Pointe”), with each having a 33.3% interest in the Altair project. The assignment provides that SBT will take on all the rights and benefits accruing to TWV as provided in the Development Agreement and that SBT assumes all of TWV’s obligations under the Development Agreement. Assignment of the Development Agreement from TWV to SBT changes nothing as it relates to the original entitlements, Conditions of Approval, EIR Mitigation, or Settlement Agreement.

Section 13 of the Settlement Agreement provides that TWV may, at its sole discretion, assign all or a portion of its rights and obligations under this Settlement Agreement to an assignee so long as the assignee enters an agreement assuming such rights and obligations (including expressly the jurisdiction of the Riverside County Superior Court and enforceability of the assigned obligations as set forth in Paragraphs 11 and 27), the assignee has financial capacity to fulfill the obligations assigned, and the assignor or assignee provides notice of assignment to all Parties in accordance with this Settlement Agreement and the assignment complies with Section 2.5 of the Development Agreement. The Assignment expressly provides that SBT accepts the assignment of the Settlement Agreement and agrees to be bound by the terms of the Settlement Agreement, including without limitation Section 13 of the Settlement Agreement.

**FISCAL IMPACT:** None

**ATTACHMENTS:** Assignment and Assumption of the Altair Development Agreement