

# BOARD REPORT

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**August 27, 2021**

**TO: Montage Board of Directors**

**FR: Scott Reese, Chair Rio Del Sol Ad Hoc Committee**

**RE: September 2021 Rio Del Sol Development Status Report**

## **Action Requested**

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1. Accept and review the report.

## **Summary**

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There seems to have been a recent change in the Rilington Group's intention to develop the Montecito Neighborhood in Rio Del Sol. No construction has begun. There has been no activity since dust control measures were instigated earlier this summer. Current building permits will expire in late October 2021 but could be given a 90-day extension upon request.

## **Overview**

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Our committee monitors activity at Rilington development in the Coachella valley for indications that the developer is still operational. Based upon information at former Rilington sites, we believe that Rilington has sold its interest in several projects to other builders.

- Crestwood Homes have assumed Rilington construction in Portofino in Palm Desert.
- Lennar Homes have assumed Rilington interest in Lido Terra Lago in north Indio.
- Pulte Homes has assumed Rilington interest in Domini (Riverside County) behind the I-10 auto mall and renamed the development to Renata at Domini.

Further, Rilington had modified its "Current Projects" page on its website to say, "Check back later. Rilington development partner, the Holt Group webpage continues to show Rio Del Sol as "Available.". <https://www.holtgroupinc.com/rio-del-sol>

In July, our Rio Del Sol Ad Hoc Committee requested a Zoom meeting with Rilington Group representatives and was given a response by COO Bruce Maize that a meeting would be appropriate in about 90 days (September) when they believed the project would be closer to startup.

On August 2, we attempted to contact Mr. Maize to establish a meeting date and agenda. On August 20, we received a response from Mickie Rilington, the company's principal owner, to the effect that:

- Mr. Maize was no longer with the Rilington Group
- That there is no additional update on the start of the project at this time.
- That the Owners of the property are working through several items to determine a start date.
- That the Owners will give us an update once they have definitive information.

We have asked Mr. Rilington for clarification about whom the owners are but have not received a response. That could be the Holt Group or perhaps the underlying Indian or tribal ownership.

We have inquired with the Cathedral City Planning Department about the development status, and the Planning Staff has confirmed that Rio Del Sol building permits issued in October 2020 will be annulled at the end of October if construction is not started. Building permits can be extended for up to 90 days by request, and a first extension request would likely be granted with reasonable rationale. Subsequent extension requests would be increasingly challenging to secure but not impossible.

We will wait for the property owner to contact us and then attempt to schedule a meeting to discuss the project's status moving forward. At this point, there are many alternatives. Three possible scenarios include:

1. Rilington, Holt, or the property owner will request an extension of the building permits to allow a new builder time to construct models before the end of January.
2. Holt or the property owners shop for a new construction partner to assume the Rilington plans or perhaps reconsider the current development concept for a new development scheme and initiate a revision to the Planned Unit Development.
3. The project will go dormant until construction costs reduce and other stronger competitors in the marketplace complete the development of their properties.

### **Next Steps**

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We will continue our periodic contacts with City Staff and our neighbors in Aldea and Rio Rancho to monitor any changes in RDS activity.

We will reach out to Mr. Rilington again to see if we can secure more information.

We will begin to prepare for the eventuality of a new developer or perhaps even the introduction of a request to amend the current planned unit development.

We are encouraging residents to review the ad hoc committee webpages on the Montage website for documents that will assist them with assessing the possible impact on their residence and plan necessary improvements to help mitigate as much of the development and post-development occupancy of the residents the Montecito neighborhood as possible. Residents are responsible for devising their impact mitigating strategies and improvements.

We continue to add new information on the Rio Del Sol Ad Hoc Committee web page on the Montage website. The website can be reached by [Clicking Here](#) or copying and pasting the following link into your browser: <http://montageatmissionhills.org/rio-del-sol-ad-hoc-committee/>