ORANGE COUNTY GREAT PARK **REQUEST FOR BOARD ACTION**

MEETING DATE: JUNE 25, 2013

TITLE: ORANGE COUNTY GREAT PARK STRATEGIC BUSINESS PLAN

Chief Executive Officer
Orange County Great Park

City Manager

RECOMMENDED ACTION

Approve the 2013-18 Orange County Great Park Strategic Business Plan.

EXECUTIVE SUMMARY

The purpose of the Strategic Business Plan for the Orange County Great Park is to assist the Board of Directors in setting policies and priorities for the development and activation of the Orange County Great Park. As a blueprint for the future, the plan outlines the goals for development of the park over the next five years and assesses its financial capacity to achieve these goals. The original business plan for the Great Park was adopted by the Board in December 2004, and an interim plan was presented to the Board in March 2007. In 2009 a ten-year Strategic Business Plan was adopted by the Board.

Assumptions upon which the 2013-18 Orange County Great Park Strategic Business Plan (Plan) is based include existing agreements, prior Board and City Council policy direction, proposed actions and a forecast of available funding. The Plan forecasts $45 million in funding, which can be dedicated to Great Park capital development, and an available fund balance of approximately $25 million in FY 2017-18, the final year of the five-year Plan.

ANALYSIS

The five-year Plan embeds five core strategic principles, which introduce a five-year business operations model that demonstrates long-term operational and fiscal sustainability, and the capability to realize extraordinary progress in the development and activation of the Orange County Great Park. A sixth core principle – outsourcing appropriate Great Park programming to one or more 501(c)(3) support organizations – is under consideration and will continue to be pursued in the coming fiscal year. This sixth core principle will be incorporated into the Plan, should an outsourcing program plan receive Board and City Council approval.

Together, these core principles are fundamental to budget discipline; intensified capital development and planning; and a conservative fiscal approach to maintenance, operation and rehabilitation of the Park. The five core principles are as follows:

1. Reduce operating expenses;
2. Increase operating revenues;
3. Apply increased available fund balance to Great Park capital development;
4. Establish a Rehabilitation Asset Management Plan (RAMP) to complement long-term operations and maintenance (O&M) funding; and
5. Identify and negotiate public-private development partnerships to construct facilities and amenities at the Great Park.

Assuming an operating plan that embraces and models the implementation of these five core principles over a five-year period (Fiscal Years 2013-18) will provide $45 million in available funding to support Great Park capital development.

Employing the $45 million in available funding, the Plan proposes five capital projects for the Board's consideration as the next phase of Great Park capital development. These projects leverage public-private partnerships for intensified development with reduced public investment. Those proposed projects and estimated costs are listed below:

1. <u>Carousel Triangle and Children's Splash-Park -- $6.5 million</u>

   The Carousel and Splash-Park improvement areas would "re-imagine" the existing Carousel and Visitor Center Pavilion area. New shade structures and additional seating would be added near and around the Carousel. Permanent specimen-quality trees would be added along the Timeline, tying into and extending eastward toward the trees planted along the Timeline.

   The children's Splash-Park would be constructed south of the Visitors Center and would tie into Kid's Rock. The Splash-Park would introduce a unique fountain style cooling water feature where children could learn about water, while playing in it.

   The Splash-Park is designed to use domestic potable water. After use, the water feature's overflow is captured in the Park's water collection and management system, greatly reducing the cost of operating the Splash-Park.

2. Ice Facility and Field House Infrastructure -- $3 million

   To capitalize on the opportunities presented by public-private partnerships, staff is recommending an approximately $3 million project to develop infrastructure for the Ice Facility and Field House. The project consists of demolition of antiquated utility infrastructure, and grading of the site to make it ready for development. Soft costs and a contingency are included.

3. O Club Infrastructure -- $5.5 million

   This approximately $5.5 million project would provide enabling infrastructure for a public-private partnership. The project would consist of demolition of antiquated utilities, grading, soft costs for design and engineering, contingency, and installation of new utility connections to the site.

4. Development Pad Infrastructure -- $27 million

   This approximately $27 million pad-ready project consists of demolition of antiquated utilities, grading, installation of water quality facilities to comply with regional water quality permit requirements, construction of internal park roadways, and the installation of new utilities to the site under those roadways. Soft costs for design and engineering, and a contingency are included in the overall estimate.

5. Entitlement Modification -- $3 million

   The outdoor performance venue will trigger a modification to the Orange County Great Park Master Plan. Additional environmental and entitlement review will be required concurrent with that modification. Staff recommends an allowance of $3 million be dedicated to necessary entitlement modifications to further overall development of the Orange County Great Park, including the outdoor performance venue described in the 2010 Amphitheatre Level Two Priority Program Feasibility Study, approved by the Board of Directors.

These projects blend the development of public facilities and amenities together with targeted infrastructure projects to leverage known private developer opportunities and total approximately $45 million.

Approval of the 2013-18 Orange County Great Park Strategic Business Plan will provide a framework for continued development of the Orange County Great Park. The Plan has been designed to implement direction provided to staff to reduce expenditures, introduce efficiencies, initiate revenue opportunities, and identify next phase capital development opportunities. The Plan demonstrates fiscal sustainability through the five-year term of the Plan and provides a foundation for updating fiscal strategies in reaction to the ever-changing financial environment of the Orange County Great Park.

ALTERNATIVES CONSIDERED

None.

FINANCIAL IMPACT

In addition to the $45 million in funding for capital development, the Strategic Business Plan forecasts an available fund balance of approximately $25 million in FY 2017-18, the final year of the five-year Plan.

REPORT PREPARED BY Debbie Gunderson, Finance Administrator

ATTACHMENT

1. 2013-18 Orange County Great Park Strategic Business Plan

6/14/13

DRAFT 2013 – 2018 Strategic Business Plan

ORANGE COUNTY GREAT PARK

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Executive Summary

With its approximate 1,300-acre Master Plan, the Orange County Great Park is the centerpiece of the redevelopment of the publicly-owned portion of the 4,700-acre former Marine Corps Air Station (MCAS) El Toro. The goal of the Great Park is to bring a world-class metropolitan park to Orange County, with a wide range of cultural, social, recreational and educational amenities. Currently, more than 230 acres of the Great Park are activated or under construction.

The Great Park is located in the geographic center of Orange County, California, halfway between Los Angeles and San Diego. It is easily accessible to more than 10,000,000 Southern California residents via freeway or railway.

The Orange County Great Park Corporation is the non-profit organization charged with the design, construction, and maintenance of the Orange County Great Park. The Corporation is governed by a five-member Board of Directors consisting of the five Irvine City Council members. Land use authority and zoning for the Orange County Great Park rests with the City of Irvine.

This Business Plan for the Orange County Great Park serves as a blueprint for the future, outlining the Great Park's goals for development of the Park and assessing its financial capacity to achieve these goals. The Business Plan also serves to assist the Board of Directors in analyzing, from time to time, the impacts of the policies and priorities adopted for the development and activation of the Orange County Great Park.

The original Business Plan for the Great Park was adopted by the Board in December 2004 and an interim plan was presented to the Board in March 2007. In 2009, a ten-year Strategic Business Plan was adopted by the Board.

In January 2013, Great Park staff was directed to produce an updated five-year plan, which reflects current operating realities and extraordinary developments since the 2009 Strategic Business Plan was produced. For a number of reasons ─ including the possible elimination of tax increment project funding; the execution with FivePoint Communities of an Adjacent Landowner Agreement; the execution of the Amended and Restated Development Agreement (ARDA) in 2010; the significant budget reductions that began in Fiscal Year 2012-13 and continue in the adopted Fiscal Year 2013-14 budget; and the potential for infusion of park in-lieu developer fees ─ the vision contained in the 2009 Strategic Business Plan, and the resources to achieve that vision, have changed in many ways. With significant changes to the financial outlook for the Orange County Great Park, it is appropriate to review and update the assumptions incorporated into the Plan. The 2013 Plan integrates these foundational changes. The proposed 2013 Great Park Strategic Business Plan is based upon existing agreements, prior Board and City Council policy direction, proposed actions, and a forecast of available funding.

Five Core Principles

The proposed five-year Strategic Business Plan has been built around, and embeds five core strategic principles, which, if approved by the Orange County Great Park Board and City Council, introduce a five-year business operations model that demonstrates long-term operational and fiscal sustainability, and the capability to realize extraordinary progress in the development and activation of the Orange County Great Park. A sixth core principle – outsourcing appropriate Great Park programming to one or more 501(c)(3) support organizations, is under consideration and will continue to be pursued in the coming fiscal year. This sixth core principle will be incorporated into the Great Park Business Plan, should an outsourcing program plan receive Board and City Council approval.

Together, these core principles are fundamental to budget discipline; intensified capital development and planning; a conservative fiscal approach to maintenance, operation and rehabilitation of the Park. The five core principles are as follows:

1. Reduce operating expenses;
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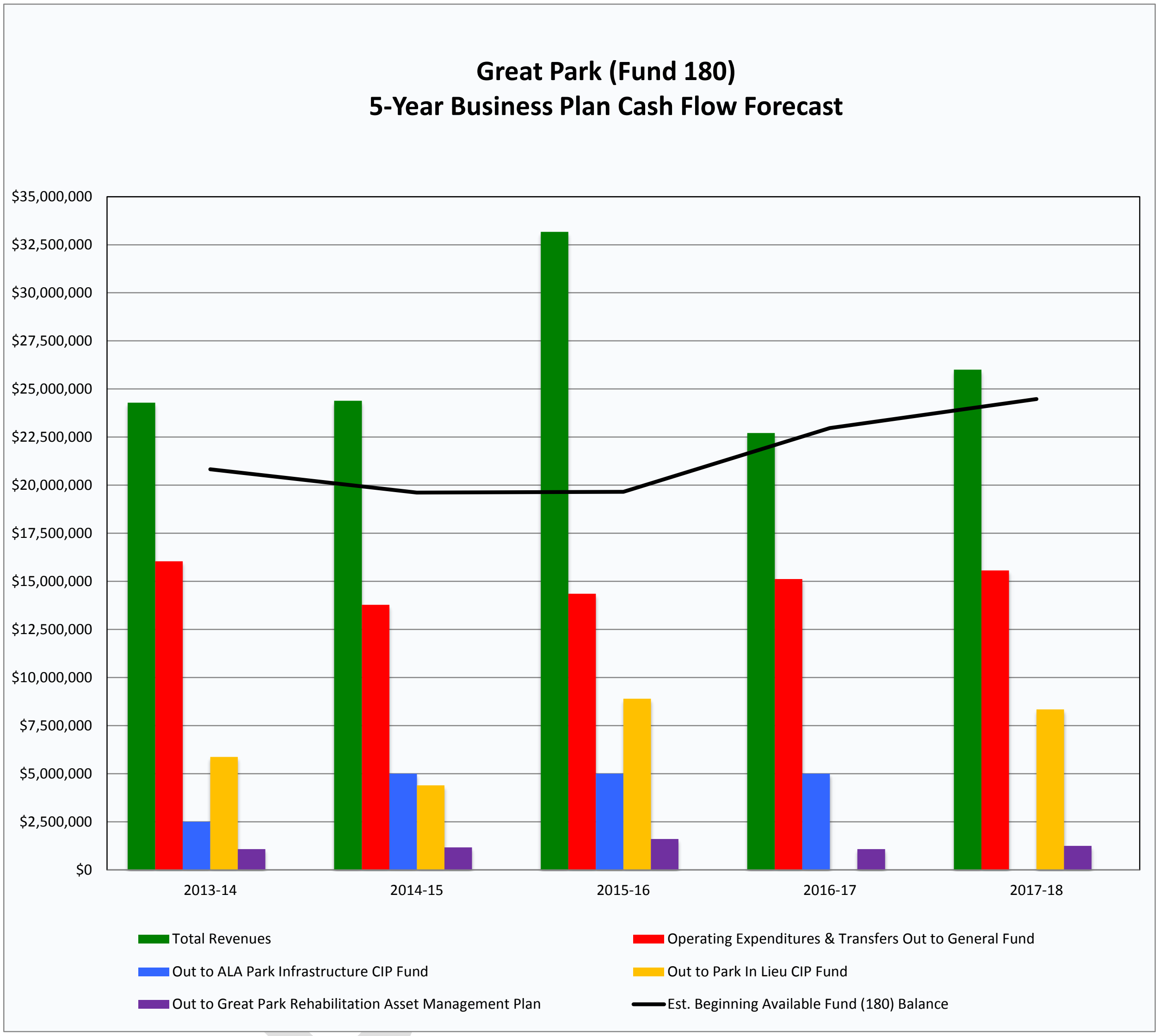
5. Identify and negotiate public-private development partnerships to construct facilities and amenities at the Great Park.

Assuming an operating plan that embraces and models the implementation of these five core principles over a five-year period (Fiscal Years 2014-2018), $45 million in funding becomes available to support Great Park capital development.

The following graph depicts the Great Park's estimated beginning and ending cash position for the next five fiscal years (2014-2018.)

Table 1: Five-Year Business Plan Cash Flow Forecast



The graph above notes revenue sources in the years and amounts estimated to be received. Sources of revenue include adopted program use fees, private venue development investment, public-private partnership ground lease revenues, funding from the ARDA, Adjacent Landowner Agreement, anticipated repayment of the Purchase, Sale and Financing Agreement, and community park in-lieu fees, all of which are discussed in detail throughout this document.

Mission Statement

Early in the Great Park's history, the Board of Directors adopted a Mission Statement and a set of guiding principles to establish the foundation and direction for the organization. The mission statement reads as follows:

> "The purpose of the Orange County Great Park Corporation is to develop and operate, preserve and protect the Orange County Great Park for the benefit and enjoyment of all its visitors, those of today and those of the future."

Guiding Principles

A set of guiding principles was adopted to direct communications, design and infrastructure, environmental, finance, and property management.

Communications – Provide timely and accurate information to the countywide constituency to assess their needs and interests as they relate to the Orange County Great Park and to ensure these needs and interests are reflected in the planning and development of the park.

Design and Infrastructure – Create realistic development standards and guidelines to ensure that the program for the Orange County Great Park serves the needs and interests of all areas of the County.

Environmental – Ensure that consideration is given to creating a park environment that is sustainable and energy-efficient, and that protects the long-term viability of the Park's natural resources.

Finance – Ensure the fiscal stability of the Orange County Great Park.

Property Management – Maximize the property's potential as a world-class park and its value as a long-term asset for the Great Park.

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Corporate Structure and Governance

The Orange County Great Park Corporation (Corporation) is a duly authorized Corporation in the State of California pursuant to Articles of Incorporation filed on July 7, 2003, and amended in 2004 and 2013. The Corporation is a tax exempt organization under section 501(c)(3) of the Internal Revenue Code and is further classified as a Public Charity under section 509(a)(1) of the Internal Revenue Code. This status provides that the organization must be operated solely for the benefit of, or in connection with, the supported organization. In the case of the Great Park Corporation, the supported organization is the City of Irvine.

In 2006, the Irvine City Council clarified the organizational structure, roles and responsibilities of both the City of Irvine and the Orange County Great Park Corporation relative to the design, construction, operation, and maintenance of the Park. Employees of the Corporation are employees of the City of Irvine. Funds for the development of the Park are managed by the City in a separate City fund.

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History of the Orange County Great Park Through 2013

El Toro Marine Base History and Heritage

The property upon which the Orange County Great Park resides has a long and varied history. In the early 1800s, under Spanish ownership, it was used as grazing land for cattle and horses. In 1860, the land was purchased by James Irvine, Sr. as part of a 107,000-acre acquisition. Irvine began experimenting with farming and the land was ultimately used for many years to produce black and lima beans.

Following the bombing of Pearl Harbor in 1941, the Navy began the process of finding land suitable for constructing five Marine Corps air bases in Southern California. Among the sites selected were Irvine's bean fields. In an attempt to protect his highly successful crops, Irvine offered other sites on his ranch, including the land now occupied by the Orange County Airport, for $1 per acre.

Ultimately, the Navy selected Irvine's El Toro farm as the preferred location because it sat in a valley at the base of the Saddleback Mountains, it was fog-free most of the year, and it was adjacent to a major rail line. It was also near the Long Beach seaport, which was used to ferry troops to assignments overseas. Irvine was paid a total of $100,000 for 4,000 acres of land and on August 3, 1942, construction began on Marine Corps Air Station (MCAS) El Toro.

By January of 1943, construction crews had completed five asphalt runways, 27 miles of paved highways, hangars, barracks and bachelor officer quarters. On March 17, 1943, MCAS El Toro was officially commissioned. In 1950, the base was selected as a permanent Master Jet Station and center of support for the operation and combat readiness of Fleet Marine Forces in the Pacific. During the 1960s, El Toro played an important role in military operations related to the Vietnam War. Over a period of 10 years, thousands of military personnel supporting the First Marine Aircraft Wing departed for Vietnam from El Toro. In addition, at the end of the war in May 1975, El Toro served as the arrival site for over 50,000 Vietnamese refugees as part of what was known as Operation New Freedom. In peacetime, MCAS El Toro served as a training facility.

In 1991, the Third Marine Aircraft Wing based at El Toro was deployed to support Operation Desert Storm. It became the third largest air wing in Marine Corp history and was the first aviation unit ready for gulf war combat operations in Southwest Asia. El Toro Marines were also deployed to the Philippines, Bangladesh, and Somalia for humanitarian rescue efforts.

During the 1990s, the Federal Base Realignment and Closure Commission identified military bases throughout the nation that were slated for closure for a variety of reasons, and included, by Congressional action, MCAS El Toro.

The El Toro base was officially closed on July 2, 1999. The County of Orange was designated the Local Redevelopment Authority (LRA) for development of a Community Reuse Plan to guide future development of the former base.

From Airport to a Great Park

The County, acting in its capacity as the LRA, determined that the best use for former MCAS El Toro was an international airport. In 1994, Orange County voters narrowly approved Measure A that zoned the property for use as an international airport.

On March 5, 2002, 58 percent of Orange County voters approved Measure W, the Orange County Central Park and Nature Preserve Initiative. Measure W effectively overturned Measure A and amended the County General Plan to create a major central park at the former MCAS El Toro site.

The Department of the Navy issued a Record of Decision (ROD) on April 23, 2002, as required under the National Environmental Policy Act. The ROD announced the Navy's formal decision to dispose of the site, consistent with the Defense Base Realignment and Closure (BRAC) Act of 1990.

On May 27, 2003, the Irvine City Council certified a Final Environmental Impact Report and adopted a General Plan Amendment and Zone Change to create the land use policy and legislative structure to guide the development of the Orange County Great Park.

In September 2004, the Navy issued an Invitation for Bids for the 3,700-acre El Toro site, which consisted of four separate parcels. Lennar Corporation, one of the nation's leading residential and commercial developers, purchased all four parcels for a total of $649.5 million.

On July 12, 2005, escrow closed between Heritage Fields (Lennar) and the Navy for purchase of the former MCAS El Toro. At the same time, Heritage Fields entered into a Development Agreement with the City of Irvine. Under the terms of the Development Agreement, Heritage Fields was granted vested development rights in exchange for providing the City land and capital for the design and construction of the Orange County Great Park. The agreement required Heritage Fields to transfer approximately 1,347 acres to public ownership and contribute $200 million dollars toward the development of the Great Park. An additional $201 million dollars was committed by Heritage Fields to build Joint Backbone Infrastructure to serve both private development and the Great Park. A Community Facilities District (CFD) was envisioned as a funding mechanism. CFD bonds were intended to provide funding for public infrastructure and facilities such as roads and utilities. The terms of the 2005 Development Agreement were renegotiated in 2009 when the City Council approved an Amended and Restated Development Agreement (ARDA) with Heritage Fields. The ARDA was later executed by Heritage Fields in December, 2010.

Department of the Navy/Environmental Cleanup

At the time of sale, certain portions of the property were deemed not immediately suitable for transfer to Heritage Fields or the City of Irvine because they were potentially contaminated from on-station operations at the military base. The U.S. Environmental Protection Agency (EPA) had placed the base on the National Priorities List in 1990 due to the discovery of a groundwater plume containing volatile organic compounds. In addition to the plume, there were also sites containing underground storage tanks, aboveground storage tanks, solid waste management units, PCB transformers, landfills and other miscellaneous locations of concern.

Because responsibility for the environmental clean-up of these parcels remains with the Department of the Navy, these portions of the property were conveyed as Leases in Furtherance of Conveyance (LIFOC) rather than through a grant deed. Approximately 40 percent of the property transferred to the City of Irvine for the Great Park through the Development Agreement was LIFOC property. As property is cleaned, and a Finding of Suitability to Transfer (FOST) is made, property is deeded to Heritage Fields and then to the City. Since the signing of the Development Agreement, several areas have been successfully cleaned and have either been deeded to the City or are in the process of obtaining the necessary regulatory approvals. Although the City is not prohibited from developing areas held as LIFOC property, written permission from the Navy must be requested and received prior to disturbing the land. In addition, development in LIFOC areas may occur only after all regulatory approvals have been granted.

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Designing the Great Park

After an eight-month international design competition conducted in 2005, the Great Park selected landscape architect Ken Smith and his collaborating partners, collectively known as The Great Park Design Studio, to design the Park. Designers met with residents, community leaders, veterans, environmental organizations, and artists to develop the competition plan into a Master Plan for the Park. These meetings refined key elements of the Park, such as the Sports Park, performance area, Great Lawn, trails, botanical gardens, lake, canyon, Agua Chinon, Cultural Terrace, and Bosque. Together, these features were to fulfill the Park's function as a great social and recreational gathering place.

In 2007, the Comprehensive Master Plan for the Orange County Great Park was approved by the Board of Directors. The Master Plan contained all the features necessary to make the Great Park a regional destination, especially for sports enthusiasts. Twelve soccer fields, nine bat and ball fields, and 494,000 square feet of facilities including a Field House for indoor sports and cultural amenities were included in the Master Plan. The Master Plan was recognized by many organizations and earned a number of prestigious awards. A list of those awards is included as Appendix F to this document.

After more than three years of comprehensive planning, coupled with extensive stakeholder input, the Great Park reached an important milestone in November 2009 with the completion of the Comprehensive Park Design, a more detailed presentation of the approved Master Plan. Thereafter the Great Park Board of Directors and Irvine City Council approved a major construction project totaling $65.5 million – known as the Western Sector Park Development Plan (WSPDP) The WSPDP scope and budget was adjusted by the Great Park Board and Irvine City Council over the next several years of the project and is currently approximately $71 million.

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Building the Great Park

Today, hundreds of thousands of visitors from all over Southern California and beyond enjoy the Great Park's existing array of recreational and educational opportunities and participate in shared experiences. In addition to flights on the iconic Great Park Balloon, and rides on the Great Park Carousel, visitors to the Great Park can explore a variety of features and activities.

The Farm + Food Lab, a two-acre demonstration garden, is open seven days a week and staffed by the University of California Cooperative Extension Master Gardeners. It offers adults and children the opportunity to learn about growing produce in their own backyard.

Inspired by the natural environment, the Kids Rock Playground is a fun, physically challenging and educational playground that include misting shade structures, climbing rocks, "underground tunnels," and a seating area made from recycled runway.

Created from two renovated aviation squadron support buildings, the Palm Court Arts

Complex opened in 2011 is home to the Great Park Gallery and Artist Studios and is connected by an expansive outdoor plaza adorned with 54 Canary Island Date Palms.

The ABC Green Home, built by Green Home Builder Magazine and Southern California Edison, is designed to generate all of the energy it consumes.

Additional Great Park features developed as part of the Western Sector Park Development Plan include the seven-acre North Lawn, Walkable Historical Timeline, Historic Hangar 244, and the 105-acre Great Park Farm.

In 2013, Park guests will see the opening of the new Sports + Fitness Complex, a 30-acre expansion that began construction in 2012. The Sports + Fitness Complex is the largest addition to the Great Park since the opening of the Palm Court Arts Complex in 2011 and will provide a variety of new amenities to the Great Park as well as the planting of more than 300 trees. Amenities include:

- Enhanced Sports Facilities -- The South Lawn Sports + Fitness Complex will expand the Great Park's sports programs and include four lighted tournament-quality soccer fields, two of which will be synthetic grass. Other features include four full-size basketball courts, a new restroom and operations facility building, and the mile-long Thrive Path, sponsored by Kaiser Permanente, – an innovative health and fitness trail that will encircle the Great Park's lawn and sports fields.

- Visitors Center Pavilion -- The new 4,762-square-foot Visitors Center Pavilion will replace the temporary Visitors Center and will be located near the Great Park Balloon. It will feature a large lobby, restroom facilities, retail area, and office space. Approximately 35 tons of structural steel will be used in the construction of the Visitors Center Pavilion, as well as 1,000 tons of El Toro Stone, which are pieces of the demolished concrete runways from the former MCAS El Toro.

- Reflecting Pond and Viewing Pier -- Visitors entering the Great Park using the Marine Way entrance are welcomed by the new reflecting pond and viewing pier. The reflecting pond along with several adjacent storm water capture ponds will be the first water features at the Great Park. A viewing pier that extends over the reflecting pond will connect to the Walkable Historical Timeline and link the Sports + Fitness Complex with the Great Park Balloon.

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- Walkable Historical Timeline -- The Walkable Historical Timeline, which currently takes visitors on a 750-foot historical walk through history, will be expanded to reach a total of 2,604 feet and include more than 100 additional historical details. It will also serve as a natural connection between the Great Park Balloon, the reflecting pond, and viewing pier.

- Storm Water Collection System -- The 2013 Park development will feature a state-of-the-art storm water management system designed to supplement the Sports Field's irrigation needs. The system will capture, filter and store storm water in the new storm water capture ponds. It will have the capacity for five million gallons of storage.

- Infrastructure -- The construction will also include installation of a variety of infrastructure improvements that will set the stage for future Great Park development, including underground utilities, electrical equipment and lighting, drainage improvements, irrigation systems, landscaping, as well as the foundational backbone for the future electronic security system.

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Agreements that Impact the Orange County Great Park

Purchase, Sale and Financing Agreement

On August 14, 2007, the City of Irvine entered into a Purchase and Sale Financing Agreement with the RDA to maximize and leverage tax increment resources and to create additional long-term funding for construction, operations, and maintenance of the Great Park. This agreement is discussed in greater detail later in this document.

Amended and Restated Development Agreement

In August 2009, the City Council approved an Amended and Restated Development Agreement (ARDA) that updates the mutual relationship between the City and Heritage Fields. The agreement was executed in December of 2010.

Components of this agreement affecting the Great Park include:

- Heritage Fields will fund up to $40 million over a five-year period toward joint backbone infrastructure and construction needs, including approximately $3.5 million of runway demolition in the Great Park.
- Heritage Fields will contribute $18 million over a five-year period beginning in Fiscal Year 2010-11 toward maintenance and operations of the Great Park.
- Beginning in Fiscal Year 2015-2016, the recently formed CFD will contribute up to a maximum of $9.5 million per year for park maintenance on an "as-needed" basis. Items that qualify as maintenance expenditures for these funds are specified in the ARDA, and include work such as landscaping, grass and turf, open space, agriculture, water features, buildings and facilities, parking and drainage facilities. Items that are not considered eligible for funding support include a lake, canyon, the balloon attraction, and special event programming.
- The Great Park Special Fund will also receive $9 million over nine years in public-benefit fees that would have come from dedicated golf course rounds fees had a golf course been constructed. These fees will be used to develop and maintain the Park. This released Heritage Fields from its original commitment to develop and maintain a golf course.
- Land uses that would support the Great Park, such as a hotel, restaurants, small-scale retail, institutional, and educational uses are allowed.
- The City and the Redevelopment Agency obligated themselves to the construction of the Orange County Great Park as depicted in the Master Plan, which could be amended from time to time. The Great Park Master Plan was estimated to cost approximately $1.4 billion.

Adjacent Landowner Agreement

In September 2011, the City Council approved the Adjacent Landowner Agreement between the City of Irvine and Heritage Fields El Toro, LLC. The agreement was designed to offset proposals embedded in Heritage Field's submission of development maps which affected the Orange County Great Park property, such as a request to allow two additional roadway crossings over the Upper Canyon area. In summary this agreement provides for:

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- Additional funding for the operations and maintenance of the Great Park in the amount of $40.5 million distributed through FY 2016-17.
- Accelerated construction of required joint backbone infrastructure components:
    - Trabuco Road construction commenced January 2013.
    - "O" Street and accompanying utilities to commence construction in January 2014.
    - Marine Way between "O" Street and Great Park Boulevard to commence construction in January 2015.
    - The next opportunity to revise the infrastructure plan is in July 2014.
- A series of property transfers that broaden the allowable land uses at the Great Park:
    - Transfer, lease, or sublease the entirety of an additional 125.5 acres.
    - Immediate transfer of additional properties to improve development and operation opportunities for the Great Park.
    - Forego Bosque/Upper Canyon property exchange.
    - Transfer Police Substation Site for use that may include City civic or municipal uses, Great Park offices and support facilities and/or information center; confirm "police presence" within Great Park.
- Update Land Use Restrictions:
    - Add one more hotel, for a total of two allowed.
    - Add Sports Park Village in or adjacent to the Sports Park as an allowable use.
    - Clarify time limits on right of first negotiation for future sale of City property.
- Coordination between Heritage Fields and the City:
    - Optional Joint Welcome Home/Visitors' Center with costs up to $5 million.
    - Habitat mitigation obligations may be triggered by City after December 2012.
    - Secured City use of concrete stockpiles from balloon site and future sites on Great Park property. Material to be used solely at the Great Park.
    - Cooperation on Great Park access plan, interim entry project, insurance issues, shuttle stop site, Great Park office lease, and relocated tree disposition.

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Redevelopment in California

On April 27, 1999, the City of Irvine activated the Irvine Redevelopment Agency (RDA) and on March 8, 2005 adopted the Redevelopment Plan for the Orange County Great Park Redevelopment Project Area. The Redevelopment Plan identified as one of the primary objectives the generation of tax increment funds to develop the Great Park. At that time, the RDA was eligible to receive tax increment to meet the repayment of indebtedness incurred by the RDA.

On August 14, 2007, the City of Irvine entered into a Purchase and Sale Financing Agreement (PSFA) with the RDA in which the City loaned the RDA $134 million from the Great Park Fund 180, at 9% interest, to enable the RDA, in a separate transaction, to acquire land from the City. The RDA's incurrence of $134 million in debt enabled the RDA to receive annual tax increment to make loan repayments to the City. The PSFA was designed to maximize and leverage tax increment resources and to create an additional long-term funding stream for the Park. Repayments received by the City, would be deposited into the Great Park Fund to be used for both construction of Park improvements as well as Park maintenance costs.

In August of 2009, the City Council approved the Amended and Restated Development Agreement (ARDA). The ARDA became effective in December 2010 when Heritage Fields, El Toro, LLC signed the ARDA. The ARDA serves as both a statutory development agreement with the City and a redevelopment agreement with the RDA, and obligates the City and the RDA to build the Orange County Great Park as set forth in the Great Park Master Plan, as the Great Park Master Plan may be amended from time to time. Over the life of the RDA an estimated $1.4 billion of tax increment revenue would have been generated as a result of the RDA indebtedness obligation set forth in the ARDA. Those tax increment funds, to the extent received, would have been available to be used to build the Orange County Great Park.

Depending on the timing and extent of the private development within the Project Area, and the increases in the assessed valuation of that property over the 2004-2005 base year valuation, significant tax increment was projected to be received to meet the $1.4 billion estimate for Park development in the Great Park Master Plan and a significant portion of the repayment of the PSFA loan through FY 2052, the time limit in the Redevelopment Plan for the RDA's receipt of tax increment.

In January 2011, California Governor Jerry Brown announced his intent to dissolve redevelopment agencies and eliminate tax increment financing. On June 28, 2011, as part of the state budget, the Governor signed into law AB X1 26, known as the Dissolution Act. The Dissolution Act was upheld by the California Supreme Court in the case *CRA v. Matosantos.* The Court modified the Dissolution Act to affect the dissolution of redevelopment agencies as of February 1, 2012.

On May 10, 2012, in accordance with the provisions of AB X1 26, the City as Successor Agency submitted the first of the required semi-annual Recognized Obligation Payment

Schedule (ROPS) to the California Department of Finance (DOF) for the purpose of obtaining approval of enforceable obligations. The PSFA and the ARDA were included on the ROPS. The California State Department of Finance denied the PSFA and the ARDA as enforceable obligations. In response, the City of Irvine filed a lawsuit against the Department of Finance on May 25, 2012 challenging DOF's determinations.

On June 27, 2012 the Governor signed into law Assembly Bill 1484 (AB 1484). AB 1484 made substantive amendments to AB X 126, increased DOF's authority and placed new restrictions on the authority of Successor Agencies.

AB 1484 also provides, however, an opportunity for some minor re-payment of the PSFA loan after the Successor Agency receives a "Finding of Completion" from DOF. A Finding of Completion is issued after DOF receives confirmation the Successor Agency has paid to the County Auditor-Controller certain amounts DOF has demanded be paid. After DOF issues a Finding of Completion, a city's loan to its development agency (such as the PSFA loan) becomes an enforceable obligation and the successor agency may then list the redevelopment agency's loan repayment obligation on future ROPS if the oversight board makes a required finding that the loan was for "legitimate redevelopment purposes."

On April 26, 2013 DOF issued a "Finding of Completion" to the Irvine Successor Agency, thus allowing the Successor Agency to list the PSFA loan to the RDA as an enforceable obligation on future ROPS starting in FY 2014-15. The Oversight Board, on August 28, 2012, in anticipation of the eventual receipt of the Finding of Completion, made the required finding that the PSFA loan was for legitimate redevelopment purposes.

AB 1484 contains significant restrictions, however, on the amount available for repayment to the City of the PSFA loan through this post-Finding of Completion process. A series of complex calculations involving receipt of funds by taxing agencies must be performed to determine if there is any "excess revenue." If excess revenue exists, only one-half of that amount may go for repayment of the loan. Moreover, the amount of interest that may be paid on the RDA's PSFA loan repayment obligation under the provisions of AB 1484 is severely cut – from 9% as provided in the PSFA to about 0.34% (i.e., one third of one percent). This dramatic decrease in allowable interest that can accrue, and be paid, results in a difference of hundreds of millions of dollars to the City over the anticipated term of repayment.

Under the AB 1484 post-Finding of Completion loan repayment process with the significant restrictions described above, within the first five years, approximately $1.4 million in interest payments on the PSFA is estimated to be received. The 2009 Orange County Great Park Strategic Business Plan, by comparison, included approximately $29.3 million of interest payments on the PSFA loan through 2018; a difference of approximately $27.9 million. These figures illustrate the significant restrictions imposed by AB 1484 on the potential PSFA loan repayment via the post-Finding of Completion process described above.

As a result, the AB 1484 post-Finding of Completion loan repayment process does not alleviate the need for the Successor Agency to pursue the lawsuit against DOF. At the time, there is no perceived legal disadvantage to seeking the limited repayment of the PSFA loan under the AB 1484 process while the lawsuit against DOF proceeds. Therefore staff has incorporated the most conservative estimation of repayment of the PSFA loan into this Business Plan. In addition, staff continues to pursue clarification as to the disposition of the $5.5 million interest payment on the PSFA loan made in 2011. The $5.5 million is presently reserved because of provisions in the Dissolution Act that place a cloud on the ability of the City to expend those funds. As such, that amount, is not included in our calculation of available fund balance.

Strategies to Fund the Development of the Park After Redevelopment

In reaction to the loss of $27.9 million of PSFA revenues, and the estimated loss of over $1.4 billion in tax increment revenues over the approximate 40 year life of the Irvine Redevelopment Agency, staff has developed alternative plans to develop the Great Park. These approaches are holistic in nature and represent the implementation of the five core principles mentioned earlier.

1. Reduce Operating Expenses

Staff recognized the need to reduce expenses and began the implementation of a phased reduction with the operating budget of FY 2012-13, which was reduced approximately 15 percent from the FY 2011-12 budget. The adopted FY 2013-14 budget continues the execution of this principle by reducing annual operating expenditures by an additional 21%. The cumulative reduction of annual operating expenditures is approximately 33% from the adopted FY 2011-12 budget.

On January 22, 2013, the Board directed staff to update the Great Park's ten-year Strategic Business Plan to include recommendations for greater efficiencies, a reduction of expenses, a review of revenue opportunities, and a plan for long-term sustainable maintenance, operations, and programming of the Orange County Great Park.

Building on a Program Review process presented to the Board in March, 2013, attached to this document as Appendix A, staff evaluated the programs being produced by the Great Park. The overarching goal was to reduce expenditures and re-direct available funding to development of the Great Park.

Out of the 67 identified Great Park programs staff recommended that 23 programs be retained. Staff also identified 30 programs or projects in which public funding would be eliminated, saving approximately $1.9 million annually. As an element of the continued analysis, staff re-evaluated the impact of reductions or restructuring of programs on the staffing levels at the Great Park and incorporated a reduction of approximately nine positions in full-time equivalences in the adopted FY 2013-14 budget.

2. Increase Operating Revenues

Staff evaluated the retained programs for the purposes of introducing a program user fee where feasible. In their evaluative process staff included the addition of the new Sports + Fitness 30 acre complex, scheduled to open in 2013. Program fees include the following considerations:

- Meet an average cost recovery of 65 percent of direct expenses
- Are comparable to surveyed cities
- Maximize attendance
- Competitively operate in the current market

To provide a program comparison, staff reviewed field and program fees from cities throughout Orange County, including: Tustin, Anaheim, Fullerton, Orange, Huntington Beach, Santa Ana, Newport Beach, and Costa Mesa. Private enterprises who offered

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similar programs were also analyzed. Fees adopted concurrent with the adopted FY 2013-14 annual budget appear in the table below.

Table 2: Estimated Annual Program Fees and Revenue

Program Fees	Regional Average Program Fee	COI / OCGP Fee[1]	Estimated Annual Revenues
Sports Field Fees: Non-Profit[2]	$23-$35	$30 / hour	$229,000
Sports Field Fees: Private[2]	$40-$71	$45 / hour	$0
Sports Field Fees: Commercial[2]	$62-$109	$ 100 / hour	$0
Sports Field Fees: Lights	$10-$44	$15 / hour	$37,000
Great Park in Motion	$50	$49	$7,700
Creative Ventures[3]	$50	$27 - $49	$6,300 - $10,500
Summer Games/Field Day	$18	$13 - $24	$27,000 - $50,000
Sports Clinics	$23	$20 - $24	$12,000 - $14,000
SNAG Golf / Tournament	$87 / $0	$69	$6,500
No Fee Programs			
Movie on the Lawn	free	free	$0
Stargazing	free	free	$0
Sunday Family Sports	none	free	$0
Staser Chess Tournament	$22.00	free	$0
		Total Estimated Annual Revenue :	**$325,200 - $355,100**

[1]Program fee includes online registration fee

[2]Regional average for sports field fees were based on residential and non-residential rates

[3]Program fee would vary pending class topic and supply fee

Following direction provided by the Great Park Board in March and April, 2013 staff explored the concept of outsourcing the oversight and delivery of certain Great Park programs under a grant and operating agreement with one or more 501(c)(3) organizations.

Although this goal continues to be pursued, the negotiations have not matured enough at this time to include it in the 2013 Strategic Business Plan, or adopted FY 2013-14 budget. Should the negotiations advance and culminate in a robust and well-defined outsourcing program, staff will seek Board and City Council approval of implementation of this core principle.

Revenues and Expenditures Overview

The combined changes to the program complement, and the introduction of fees is summarized in the adopted Fiscal Year 2013-14 budget, which serves as the base year for the five-year Strategic Business Plan.

Table 3: Five-Year Summary of Undesignated and Programmatic Revenues

Great Park Business Plan Fund 180 5-Year Revenue Forecast	Escalation Factor	1	2	3	4	5
		2013-14	2014-15	2015-16	2016-17	2017-18
Undesignated Revenue:						
Adjacent Landowner Agreement	by contract	7,600,000	9,350,000	8,850,000	6,600,000	-
ARDA - Guaranteed Amount	contract/2%	4,000,000	5,000,000	9,500,000	9,690,000	9,883,800
RV Storage	3%	1,761,120	1,813,954	1,868,372	1,924,423	1,982,156
Green Waste Fees	3%	718,000	739,540	761,726	784,578	808,115
Runway Access	3%	360,000	-	-	-	-
Public Benefit Fee	by contract	750,000	1,200,000	1,200,000	1,350,000	1,500,000
Agriculture Lease	3%	320,000	329,600	339,488	349,673	360,163
Public-Private Partnership Revenue	est. by contract	-	-	134,000	244,000	644,000
PSFA Repayment (AB 1484)	Estimated		159,760	152,640	230,837	896,918
Est. Park In Lieu Fees - Transfers-In	1 time	5,870,500	4,395,500	8,895,900	-	8,338,100
Interest Earnings	2.0%	232,300	391,000	428,000	470,000	495,000
Total Undesignated Revenues		21,611,920	23,379,354	32,130,126	21,643,511	24,908,252
Programmatic Revenue:						
Solar Decathlon Revenues (Grants/Sponsorships)		1,388,000	-	-	-	-
Parking Revenue	3%	408,000	100,000	103,000	106,090	109,273
Park Site Rental	3%	350,000	360,500	371,315	382,454	393,928
Carousel Revenues	3%	50,000	51,500	53,045	54,636	56,275
Balloon Revenues	3%	115,000	118,450	122,004	125,664	129,434
Sports Fields Revenues	3%	334,500	344,535	354,871	365,517	376,483
Recreation Program Revenues	3%	26,200	26,986	27,796	28,629	29,488
Total Programmatic Revenues		2,671,700	1,001,971	1,032,030	1,062,991	1,094,881
Total Revenues		**24,283,620**	**24,381,325**	**33,162,157**	**22,706,502**	**26,003,133**

The table below summarizes the changes in the adopted budgets from three years. It is important to note that the Fiscal Year 2013-14 budget is the culmination of a series of reductions the Great Park has made over the last two years. The cumulative reduction is 33% over this time frame.

Table 4: Three-Year Summary of Budget Changes

		Adopted FY 11-12	Adopted FY 12-13	Adopted FY 13-14	Variance $	Variance %
Summary by Section						
801	Administration	$4,969,244	$3,796,635	$3,205,868	($590,767)	-16%
805	Public Information Office	$1,612,000	$1,380,856	$491,570	($889,286)	-64%
806	Fundraising	$0	$518,795	$104,314	($414,481)	-80%
840	Operations	$10,075,303	$8,223,224	$6,711,092	($1,512,132)	-18%
842	Art, Culture & Heritage	$827,180	$836,011	$419,885	($416,126)	-50%
844	Farm, Food & Landscape	$1,699,037	$1,513,105	$1,848,150	$335,045	22%
	Other Department Charges	$148,361	$117,719	$106,938	($10,781)	-9%
	Subtotal	**$19,331,125**	**$16,386,345**	**$12,887,817**	**($3,498,528)**	**-21%**
One-time Expenditures						
810	Solar Decathlon	$0	$0	$2,742,346	$2,742,346	100%
	Cirque du Soleil	$0	$0	$308,000	$308,000	100%
	Subtotal	**$0**	**$0**	**$3,050,346**	**$3,050,346**	**100%**
Grand Total Expenditures		**$19,331,125**	**$16,386,345**	**$15,938,163**	**($448,182)**	**-3%**

**Each section includes salaries*

Table 5: Five-Year Summary of Projected Expenditures

	Escalation Factor	1	2	3	4	5
Operating Expenditures:		2013-14	2014-15	2015-16	2016-17	2017-18
Administration	3%	3,205,868	3,264,471	3,362,405	3,463,277	3,567,176
Public Information Office	3%	491,570	506,317	521,507	537,152	553,266
Fundraising	3%	104,314	-	-	-	-
Solar Decathlon	0%	2,742,346	-	-	-	-
Operations	3%	7,019,092	7,229,665	7,446,555	7,669,951	7,900,050
Art, Culture & History	3%	419,885	432,482	445,456	458,820	472,584
Farm, Food & Landscape	3%	1,848,150	2,123,738	2,352,282	2,756,446	2,839,140
Other Department Charges	3%	106,938	110,146	113,451	116,854	120,360
Total Costs:		15,938,163	13,666,819	14,241,655	15,002,501	15,452,576

3. Apply increased available fund balance to invest in Great Park capital development;

The implementation of these core strategic principals leads to an overall reduced annual operating budget. This provides an opportunity to apply existing funding from the Adjacent Landowner Agreement to capital development at the Great Park. Approximately $17.5 million of Adjacent Landowner Agreement funds can be dedicated in the next five years; $2.5 million in FY 2013-14; $5 million in FY 2014-15, 2015-16, and 2016-17.

Dedication of Community Park In-Lieu Fees to the Orange County Great Park

The City of Irvine Municipal Code requires a minimum dedication of five acres of parkland for every 1,000 residents of new residential development. Additionally, all park dedication standards must comply with the Quimby Act (State of California Government Code section 66477), the California Subdivision Map Act and the City of Irvine General Plan - Parks and Recreation Element. Park dedication requirements may be met through various means, including the payment of fees in-lieu of dedication of land.

In November of 2012, the Irvine Company expressed its support for the dedication of approximately $27.5 million in park in-lieu fees to the Great Park. Approximately $5.9 million is anticipated to become available in FY 2013-14, $4.4 million in FY 2014-15, $8.9 million in FY 2015-16, and $8.3 million in FY 2017-18 from planning areas 33, 6, and 40.

Of the approximately $27.5 million in-lieu fees, approximately half can be dedicated to above the ground Great Park amenities. This assumes that the annual operation and maintenance costs are 10 percent of the hard development costs, which conforms to current Great Park experience of operation and maintenance expenditures. Up to $13.75 can be used to develop Great Park amenities like the proposed carousel triangle and children’s Splash-Park improvements discussed later in this plan.

In total, approximately $45 million of funding is available in the next five years for development of the Orange County Great Park and support for public-private partnership infrastructure.

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A five-year summary of CIP funding is provided below.

Table 6: CIP Funding by Source, Five-Year Summary

	1	2	3	4	5	Totals
	2013-14	2014-15	2015-16	2016-17	2017-18	5 Years
ALA Park Infrastructure CIP Funding	$2,500,000	$5,000,000	$5,000,000	$5,000,000	$0	$17,500,000
Park In Lieu CIP Funding	$5,870,500	$4,395,500	$8,895,900	$0	$8,338,100	$27,500,000
Total	$8,370,500	$9,395,500	$13,895,900	$5,000,000	$8,338,100	$45,000,000

5. Identify and negotiate public-private development partnerships to construct facilities and amenities at the Great Park

Among the leading opportunities for the Orange County Great Park to develop park facilities and amenities are the cultivation, negotiation and execution of public-private partnerships. This is not a new concept as an approach to Great Park development. In fact, the Preliminary Master Plan, presented to the Board of Directors in 2006, assumed public-private partnerships for the development of numerous facilities, including a water/wave park, skateboard park, indoor soccer facility and retail facilities. These facilities were removed from the final Comprehensive Master Plan as they did not conform to the previously certified Final Environmental Impact Report, but the funding opportunity remains.

Given the encouragement of the Board to explore the public-private partnership approach to Great Park development staff has been discussing proposals, which could bring high caliber sports facilities and venues to the Orange County Great Park with potential private partners.

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The City/Orange County Great Park as Master Developer

Through discussions with private sports developers it has become increasingly clear that the Great Park has an important role to play in enabling private developments in the Great Park. The proposals being discussed and reviewed all have one foundational requirement in common: the need for infrastructure to support the facilities being proposed.

Unlike other areas in the City, and in fact most of Orange County, the Great Park must deconstruct hundreds of acres of buildings and runways and replace a 60-year-old infrastructure to support facilities with a high level of public use. To encourage public-private development, the Park must invest significantly in the development of interior park infrastructure, including:

- Demolition of existing runway in the western section of the Great Park.
- Demolition of existing antiquated utilities and buildings.
- Wet/Dry Utilities.
- Storm drains and systems.
- Roads and other circulation improvements.

Investing in infrastructure for development-ready pads enables activation areas of the park for passive use ahead of private development. For example, as infrastructure is constructed, areas of the park would become accessible for guests after installation of irrigation and hydroseeding. Rustic trails or other passive uses can be built into the activated development pads, providing for increased public access to the Park in advance of final private facilities development. The City used this approach with Bill Barber Park, which was constructed in phases, but passively activated ahead of later, more intensive development.

The Public-Private Partnership approach to developing the Orange County Great Park has important benefits, namely public access to high-quality facilities.

Under these public-private partnerships, the Great Park would enter into a long-term agreement for a fair market ground lease. Embedded in the fair market lease terms would be the requirement that public and community use programs be included. This approach ensures public access to these facilities and venues, while dramatically decreasing the investment necessary to bring the facilities on-line. The Great Park would retain design approval and the facilities would generally revert to the City at the conclusion of the lease.

The operation and maintenance costs for the facilities would be borne by the private developer, making City funds available for the maintenance and operation of facilities that generate little or no revenue.

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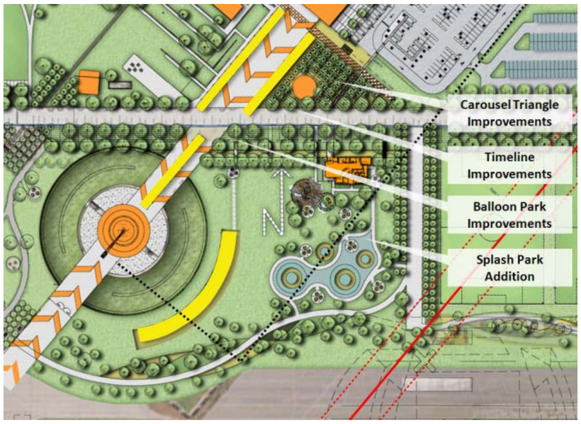
Approximately $1 million in public-private partnership ground lease revenues are incorporated into the Business Plan over the first five years, phased to allow for the development of necessary infrastructure and negotiations to occur.

The Next Phases of Development – Project Descriptions

Staff is recommending for the Board and Council's consideration a blend of improvements for use of the approximately $45 million in estimated available funding in the next five years.



Project #1 – Carousel Triangle and Splash-Park

The first park improvement is proposed for the area surrounding the Carousel Park and the addition of a new children's Splash-Park.

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The Carousel and Splash-Park improvement areas would "re-imagine" the existing Carousel and Visitor Center Pavilion area. New shade structures and additional seating would be added near and around the Carousel. Permanent specimen-quality trees would be added along the Timeline, tying into and extending eastward the trees planted along the Timeline.

The children's Splash-Park would be constructed south of the Visitors Center and would tie into Kid's Rock. The Splash-Park would introduce a unique fountain style cooling water feature where children could learn about water, while playing in it.

The Splash-Park is designed to use domestic potable water. After use, the water feature's overflow is captured in the Park's water collection and management system, greatly reducing the cost of operating the Splash-Park.

These improvements are estimated to be approximately $6.5 million.

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Project #2 – Ice Facility and Field House Infrastructure

To capitalize on the opportunities presented by public-private partnerships, staff is recommending an approximately $3 million project to develop infrastructure for the Ice Facility and Field House. The project consists of demolition of antiquated utility infrastructure, and grading of the site to make it ready for development. Soft costs and a contingency are included.

Project #3 – O Club Infrastructure

This approximately $5.5 million project would also provide enabling infrastructure for a public-private partnership. The project would consist of demolition of antiquated utilities, grading, soft costs for design and engineering, contingency, and installation of new utility connections to the site.

Project #4 – Pad-Ready Infrastructure Development

This approximately $27 million pad ready project consists of demolition of antiquated utilities, grading, installation of water quality facilities to comply with regional water quality permit requirements, construction of internal park roadways, and the installation of new utilities to the site under those roadways. Soft costs for design and engineering, and a contingency are included in the overall estimate.

Project #5 – Entitlement Modification

The outdoor performance venue will trigger a modification to the Orange County Great Park Master Plan. Additional environmental and entitlement review will be required concurrent with that modification. Staff recommends an allowance of $3 million be dedicated to necessary entitlement modifications to further overall development of the Orange County Great Park, including the outdoor performance venue described in the 2010 Amphitheatre Level Two Priority Program Feasibility Study, approved by the Board of Directors.

These projects blend the development of public facilities and amenities together with targeted infrastructure projects to leverage known private developer opportunities and total approximately $45 million.

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4. Establish a Rehabilitation Asset Management Plan (RAMP) to complement long-term operations and maintenance funding

Given the current development at the Great Park, and the increased development being proposed, staff is recommending that a Great Park Rehabilitation Asset Management Plan (RAMP) be established. Staff is proposing that five percent of annual undesignated revenues be reserved for the RAMP to fund future rehabilitation at the Great Park. Over a five-year period, the RAMP is estimated to grow to approximately $6.2 million.

Analysis of Orange County Great Park Rehabilitation needs has been conducted. This analysis suggests the RAMP will adequately fund the rehabilitation needs of the Park over the five-year time frame. The net amount of the RAMP will fluctuate as rehabilitation projects are completed in the five-year term.

Conclusion

The Strategic Business Plan has been designed to implement direction provided to staff to reduce expenditures, introduce efficiencies, initiate revenue opportunities, and identify next phase capital development opportunities. The Plan demonstrates fiscal sustainability through the five-year term of the Plan and provides a foundation for updating fiscal strategies in reaction to the ever-changing financial environment of the Orange County Great Park.

Appendices

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Appendix A

Summary
Revenue and Program Review
Category Details

Program/Projects	Estimated Staff Costs	Consultant and Other Direct Program Costs	City Internal Services	Total Costs	Budgeted Revenues Unless otherwise Noted		(Net Revenues) or Cost	Estimated Participant / Attendees / Stakeholders	Estimated Cost Per Participant	City Council Approval Date unless otherwise noted	Timeline / Completion	Notes
Undesignated Revenues												
Adjacent Landowner Agmt.	$0	$0	$0	$0	($7,600,000)		($7,600,000)	N/A		Budget 6/12/2012		
ARDA - Guaranteed Amount	$0	$0	$0	$0	($4,000,000)		($4,000,000)	N/A		Budget 6/12/2012		
RV Storage	$5,936	$0	$455	$6,391	($1,446,000)		($1,439,609)	N/A		Budget 6/12/2012		
Green Waste Fees	$5,936	$0	$455	$6,391	($661,000)		($654,609)	N/A		Budget 6/12/2012		
Runway Access	$3,561	$0	$253	$3,813	($360,000)		($356,187)	N/A		Budget 6/12/2012		
Public Benefit Fee	$0	$0	$0	$0	($300,000)		($300,000)	N/A		Budget 6/12/2012		
Goldenvoice	$0	$0	$0	$0	($250,000)	(4)	($250,000)	N/A		Budget 6/12/2012		
Interest Earnings	$0	$0	$0	$0	($245,347)		($245,347)	N/A		Budget 6/12/2012		
Park Site Rental	$51,380	$70,000	$2,577	$123,956	($300,000)		($176,044)	N/A		Budget 6/12/2012		
Agriculture Lease	$26,904	$0	$1,970	$28,875	($105,000)		($76,125)	N/A		Budget 6/12/2012		
Sponsorship (Scotts Miracle Gro)		**Partial balance in Program Summary**			($12,900)		($12,900)	N/A		Budget 6/12/2012		
Revenue Sharing - Hole-N-One	$0	$0		$0	($6,000)		($6,000)	N/A		Budget 6/12/2012		
Advertising	$0	$0		$0	($2,500)	(4)	($2,500)	N/A		Budget 6/12/2012		
USDA Grant Farmers Market				**Budgeted revenue presented in Program Summary**				N/A		Budget 6/12/2012		
Revenue Sharing - Farmers Market				**Projected number presented in Program Summary**				N/A		Budget 6/12/2012		
Event Parking Revenue				**Actual revenues presented in Program Summary**				N/A		Budget 6/12/2012		
Gross Taxable Sales - Retail sales				**Budgeted revenue presented in Program Summary**				N/A		Budget 6/12/2012		
Contributions - Scarecrows in the Park				**Projected number presented in Program Summary**				N/A		Budget 6/12/2012		
VALOR Program				**Budgeted revenue presented in Program Summary**				N/A		Budget 6/12/2012		
Tree Legacy Special Program				**Budgeted revenue presented in Program Summary**				N/A		Budget 6/12/2012		
US DOE Solar Decathlon Grant				**Actual revenues presented in Program Summary**				N/A		Budget 6/12/2012		
Sponsorships/Donations/Memberships				**Budgeted revenue presented in Program Summary**								
Total Undesignated Revenues	**$93,717**	**$70,000**	**$5,709**	**$169,427**	**($15,288,747)**		**($15,119,320)**					
Expenditures												
Park Amenities	**$253,732**	**$2,893,324**	**$24,366**	**$3,171,422**	**$0**		**$3,171,422**	**377,818**	**$8.39**			
1 Carousel	$32,651	$200,487	$2,526	$235,664	$0		$235,664	270,000	$0.87	5/11/2010	Ongoing	Attendance estimate from waiver count
2 Balloon	$70,975	$991,812	$6,164	$1,068,951	$0		$1,068,951	71,000	$15.06	7/27/2006	Ongoing	Attendance estimate from waiver count
3 Park Services for Open, Operating Park	$118,758	$1,609,625	$11,088	$1,739,471	$0		$1,739,471	N/A		Budget 06/12/2012	Ongoing	Utilties, navy facilities, fleet services, staffing for open facilities
4 F+ FL Daily Operation and Education Programs	$31,347	$91,400	$4,588	$127,335	$0		$127,335	36,818	$3.46	Budget 06/12/2012	Ongoing	Master Gardeners donate $100,000 worth of time
Facilities and Landscape maintenance	**$225,296**	**$2,560,676**	**$19,604**	**$2,805,576**	**$0**		**$2,805,576**	**N/A**				
5 Landscape Maintenance	$67,901	$800,100	$3,739	$871,740	$0		$871,740	N/A		Budget 6/12/2012	Ongoing	Public Works staff time not captured here, approx. 936 hours
6 Facilities Maintenance	$157,395	$1,760,576	$15,865	$1,933,836	$0		$1,933,836	N/A		Budget 06/12/2012	Ongoing	Facility, custodial, pest control and street/parking maint.
Recreation and Sports Programming	**$290,345**	**$238,947**	**$39,521**	**$568,812**	**$0**		**$568,812**	**47,050**	**$12.09**			
7 Staser Chess Tournament	$10,797	$3,185	$1,583	$15,565	$0		$15,565	450	$34.59	GP Board 4/17/2008	Annual, One-day event	Theme adopted 4/17/08, funding first included in FY 2008-09 budget
8 Community Safety Expo	$46,223	$25,152	$6,245	$77,620	$0		$77,620	2,500	$31.05	Budget 6/14/2011	Annual, One-day event	Attendance estimate from tally count
9 Runway Dash 5K	$46,407	$52,332	$6,117	$104,857	$0		$104,857	3,000	$34.95	Budget 6/12/2012	One-day event	Attendance estimate from registration entries and tally count
10 Movie on the Lawn	$4,900	$50,707	$657	$56,264	$0		$56,264	10,000	$5.63	5/27/2008	Annually, 8 days in May and June	Attendance estimate from tally count
11 Great Park in Motion	$11,099	$5,520	$1,698	$18,317	$0		$18,317	1,000	$18.32	Budget 6/12/2012	5 days in June	Attendance estimate from registration entries and tally count
12 Creative Ventures - DIY	$10,548	$5,228	$1,617	$17,393	$0		$17,393	600	$28.99	Budget 6/12/2012	Annually, two 1 day events	Attendance estimate from registration entries and tally count
13 Stargazing	$5,701	$5,300	$798	$11,800	$0		$11,800	2,400	$4.92	GP Board 04/17/2008	Annually, four nights during the year	Theme adopted 4/17/08, funding first included in FY 2008-09 budget
14 Family Fitness	$7,673	$4,900	$1,091	$13,664	$0		$13,664	800	$17.08	Budget 06/12/2012	Annually, four days in May	Attendance estimate from tally count
15 Bark at the Park	$13,502	$7,288	$1,927	$22,716	$0		$22,716	1,500	$15.14	Budget 06/12/2012	One day event	Projected attendance for new program
16 Summer Games	$65,202	$31,110	$8,094	$104,406	$0		$104,406	3,000	$34.80	Budget 06/12/2012	One day event held on July 28, 2012	Attendance estimate from registration entries and tally count
17 Family Sports Activities and Clinics	$68,292	$48,225	$9,694	$126,211	$0		$126,211	21,800	$5.79	Budget 06/12/2012	51 days between 8/4/12 and 6/19/13	Attendance estimate from registration entries and tally count
Signature Events	**$596,051**	**$1,493,741**	**$58,151**	**$2,147,943**	**($140,925)**		**$2,007,018**	**75,413**	**$26.61**			
18 Festival of Time	$9,374	$2,650	$606	$12,631	$0		$12,631	N/A		Budget 6/14/2011	June, 2013	
19 ACH Participation in Park Events	$9,374	$5,000	$606	$14,981	$0		$14,981	4,305	$3.48	Budget 6/12/2012	Ongoing	Attendance numbers are sub-set of event attendance numbers
20 Pacific Symphony	$14,613	$29,662	$1,011	$45,286	$0		$45,286	4,350	$10.41	Budget 6/12/2012	One-day event held in July	Estimated attendance from vehicle counts
21 Flights and Sounds Music Festival	$71,880	$481,855	$7,893	$561,628	($56,030)	(1)	$505,598	19,858	$25.46	5/27/2008	Annually, 13 day between 8/2 to 8/31	Attendance estimate from tally and vehicle count
22 Anniversary Celebration Event	$89,644	$433,948	$19,053	$542,645	($40,840)	(1)	$501,805	20,000	$25.09	Budget 6/10/2008	Annual, One-day event	Attendance estimate from tally and paid parking numbers
23 Pumpkin Harvest	$261,462	$187,119	$11,307	$459,888	($25,205)	(1)	$434,683	14,400	$30.19	1/13/2009	Annual, One-day event	Attendance estimate from tally and paid parking numbers
24 Great Night, New Year's Eve Event	$69,799	$239,183	$8,868	$317,850	($18,850)	(1)	$299,000	8,000	$37.38	2/17/20011	Annual, One-day event	Attendance estimate from tally and paid parking numbers

#	Program/Projects	Estimated Staff Costs	Consultant and Other Direct Program Costs	City Internal Services	Total Costs	Budgeted Revenues Unless otherwise Noted		(Net Revenues) or Cost	Estimated Participant / Attendees / Stakeholders	Estimated Cost Per Participant	City Council Approval Date unless otherwise noted	Timeline / Completion	Notes
25	South Lawn Opening Celebration	$69,904	$114,324	$8,806	$193,035	$0		$193,035	4,500	$42.90	Budget 06/12/2012	One day event	Estimated attendance
	Farm, Food & Land Programs	**$252,007**	**$592,434**	**$22,901**	**$867,342**	**($419,150)**		**$448,192**	**283,494**	**$1.58**			
26	Farmers Market	$48,608	$88,924	$5,204	$142,736	($10,000)	(2)	$132,736	103,000	$1.29	6/15/2010	Weekly	RFP being developed
27	Agricultural Advisory Council	$16,511	$2,100	$1,415	$20,025	($2,100)	(1)	$17,925	N/A		Budget 6/12/2012	Monthly, ongoing	Advisory Council donates $94,500 worth of time
28	Clinic in the Park	$8,586	$600	$657	$9,843	$0		$9,843	4,454	$2.21	5/22/2012	Ongoing	Combination of counted & projected attendance
29	Scarecrows in the Park	$5,971	$950	$1,061	$7,983	($6,000)	(2)	$1,983	15,000	$0.13	Budget 6/9/2009	10/20/12 through 11/4/12	Attendance is a sub-set of Pumpkin Harvest event
30	Fall and Spring Garden Workshops	$5,432	$4,065	$1,011	$10,507	$0		$10,507	800	$13.13	Budget 6/10/2008	Annually, eight workshops	Master Gardeners donate $9,600 worth of time
31	Children's Garden Workshops	$2,269	$600	$298	$3,167	$0		$3,167	996	$3.18	Budget 6/14/2011	Annually, eight workshops	Master Gardeners donate $9,600 worth of time
32	Edible Landscaping Series	$3,329	$2,500	$728	$6,557	$0		$6,557	600	$10.93	Budget 6/14/2011	Two, 4-5 month series a year	Master Gardeners donate $6,000 worth of time
33	Great Tomato Event	$3,329	$3,968	$728	$8,025	$0		$8,025	800	$10.03	Budget 6/12/12	One-day event held annually	Master Gardeners donate $4,000 worth of time
34	Giving Grove	$1,057	$5,000	$51	$6,107	$0		$6,107	10,040	$0.61	3/27/2012	Ongoing	12,000 lbs. of fruit donated to local food banks
35	"Zero Food Waste"	$495	$28,800	$51	$29,346	$0		$29,346	N/A		Being researched	Ongoing	Integrated Solid Waste Mgmt. grant
36	Agricultural Industry Group Tours	$2,114	$9,000	$101	$11,215	$0		$11,215	772	$14.53	Budget 6/12/2012	Ongoing	Combination of counted & projected participants
37	USDA Farmers Market Health & Wellness Grant	$2,598	$44,540	$152	$47,290	($22,500)		$24,790	N/A		1/10/2012	Program starts May, 2013	
38	Farm Crop Donation	$2,812	$1,160	$505	$4,477	$0		$4,477	136,667	$0.03	Budget 6/12/2012	Ongoing	164,000 lbs. of food gleaned and donated
39	LDS "Helping Hands" volunteer program	$4,712	$245	$253	$5,209	$0		$5,209	365	$14.27	Budget 6/12/2012	Ongoing	LDS donate $8,000 worth of time
40	Farm + Food lab interim crop growing	$2,356	$2,000	$126	$4,482	$0		$4,482	10,000	$0.45	Budget 6/12/2012	Ongoing	
41	Farm + Food Lab Expansion Project	$22,170	$198,500	$2,243	$222,913	($85,000)	(1)	$137,913	N/A		Budget 6/12/2012	Ongoing	$28,500 received from IRWD last FY
42	FF&L Planning for Interim Revenue Projects	$25,628	$0	$1,718	$27,346	$0		$27,346	N/A		Budget 6/12/2012	Ongoing	
43	WSPDP Landscape Related Input & Prgm Planning	$39,024	$0	$3,011	$42,036	$0		$42,036	N/A		Budget 06/12/2012	August, 2013	
44	Small Enhancement Projects to Park	$28,402	$50,000	$1,768	$80,170	$0		$80,170	N/A		Budget 06/12/2012	Ongoing	$20,000 worth of in-kind services donated by Stice Engineering
45	VALOR Program & Advisory Committee	$11,679	$71,782	$859	$84,321	($145,000)	(4)	($60,679)	N/A		6/26/2012	May, 2013	Additional in-kind and crops sales will support this program
46	Tree Legacy Program	$14,928	$77,700	$960	$93,587	($148,550)	(4)	($54,963)	N/A		6/26/2012	Ongoing	
	Palm Court & Arts Programs	**$425,012**	**$348,849**	**$27,587**	**$801,448**	**$0**		**$801,448**	**94,933**	**$8.44**			
47	Veteran's Oral Histories	$7,514	$50,850	$404	$58,769	$0		$58,769	15,488	$3.79	6/13/2006	Ongoing	Combination of counted & projected attendance
48	Legacy Project	$22,468	$25,850	$1,617	$49,935	$0		$49,935	17,748	$2.81	Budget 06/13/2006	Ongoing	Combination of counted & projected attendance
49	Hangar 244 Permanent Display	$31,917	$62,200	$1,819	$95,936	$0		$95,936	N/A		Budget 6/12/2012	June, 2013	No attendance yet
50	Timeline Guidebook	$30,058	$17,200	$1,617	$48,874	$0		$48,874	N/A		Budget 6/12/2012	June, 2013	No attendance yet
51	History Archives	$22,543	$34,600	$1,213	$58,356	$0		$58,356	N/A		5/11/2006	Ongoing	
52	Palm Court Art Happenings	$45,833	$42,850	$3,537	$92,219	$0		$92,219	2,208	$41.77	Budget 6/14/2011	5 events per year	Combination of counted & projected attendance
53	IUSD Student Performances	$24,743	$5,850	$1,617	$32,210	$0		$32,210	600	$53.68	Budget 6/12/2012	One-day event	Projected attendance estimate from IUSD
54	Visitors Center Permanent Public Art	$28,538	$19,250	$1,617	$49,405	$0		$49,405	N/A		Budget 6/12/2012	June, 2013	
55	Farmers to Flyers exhibition	$37,157	$15,250	$2,223	$54,630	$0		$54,630	15,488	$3.53	Budget 6/12/2012	July, 2012 to March, 2013	Combination of counted & projected attendance
56	1942 Exhibition	$22,468	$2,099	$1,617	$26,184	$0		$26,184	6,291	$4.16	Budget 6/12/2012	July, 2012 to March, 2013	Combination of counted & projected attendance
57	Deborah Aschheim Exhibition	$33,777	$23,850	$2,021	$59,648	$0		$59,648	6,486	$9.20	Budget 6/12/2012	April 27 to July 14, 2013	Projected attendance
58	Artist in Residence Program	$48,656	$27,050	$3,638	$79,344	$0		$79,344	29,200	$2.72	2/17/2011	Ongoing	Combination of counted & projected attendance
59	Independent Film Series	$29,982	$8,350	$2,021	$40,353	$0		$40,353	368	$109.66	Budget 6/12/2012	Weekly from 10/4/12 to 11/15/12	Counted attendance
60	Chamber Music Series	$29,982	$10,750	$2,021	$42,753	$0		$42,753	406	$105.30	Budget 6/12/2012	3 events, held in Jan, Feb, & March	Combination of counted & projected attendance
61	Imagination Celebration	$9,374	$2,850	$606	$12,831	$0		$12,831	650	$19.74	1/13/2009	Annually, one-day event held in May	Projected attendance
	General Administrative	**$2,298,911**	**$2,854,701**	**$151,476**	**$5,305,088**	**($240,000)**		**$5,065,088**	**N/A**				
62	Fundraising	$218,819	$299,976	$15,057	$533,851	($240,000)	(4)	$293,851	N/A		Budget 6/12/2012	Ongoing	Actual non-solar decathlon revenues received to-date are $65,000
	Administration	$1,815,037	$1,584,925	$120,251	$3,520,213	$0		$3,520,213	N/A		Budget 06/12/2012	Ongoing	Entire Budget after distribution
	External Affairs	$265,056	$969,800	$16,168	$1,251,024	$0		$1,251,024	N/A		Budget 06/12/2012	Ongoing	
	Other	**$133,655**	**$660,165**	**$18,273**	**$812,093**	**($65,000)**		**$747,093**	**2,430**	**$307.45**			
63	Reporting Live at the Great Park	$65,661	$190,000	$9,357	$265,019	($15,000)	(1)	$250,019	2,000	$125.01	6/14/2011	Annually held from March to June	1st Grade student field trip program
64	Museum of Heritage and Aviation Program	$5,043	$404,500	$404	$409,947	$0		$409,947	N/A		6/9/2009	Ongoing	
65	Great Park Retail Store	$11,569	$47,665	$1,011	$60,245	($12,000)		$48,245	N/A		Budget 06/12/2012	Ongoing	
66	Ambassador/Volunteer Program	$51,382	$18,000	$7,501	$76,883	($38,000)	(3)	$38,883	430	$90.43	GP Board 01/31/2008	Ongoing	Volunteer time saves $38,000 annually

Program/Projects	Estimated Staff Costs	Consultant and Other Direct Program Costs	City Internal Services	Total Costs	Budgeted Revenues Unless otherwise Noted		(Net Revenues) or Cost	Estimated Participant / Attendees / Stakeholders	Estimated Cost Per Participant	City Council Approval Date unless otherwise noted	Timeline / Completion	Notes
Solar Decathlon	**$28,098**	**$374,273**	**$2,496**	**$404,867**	**($215,000)**		**$189,867**	**N/A**				
67 US DOE Solar Decathlon 2013	$28,098	$374,273	$2,496	$404,867	($215,000)	(1)(5)	$189,867	N/A		05/22/2012 -Pending	October, 2013	
Program Revenues and Expenditures	**$4,503,108**	**$12,017,110**	**$364,374**	**$16,884,592**	**($1,080,075)**		**$15,804,517**	**881,138**	**$17.94**			
Total Operating Budget - Revenues & Expenditures*	**$4,596,825**	**$12,087,110**	**$370,084**	**$17,054,018**	**($16,368,822)**		**$685,196**	**881,138**	**$0.78**			

**Hybrid presentation, includes some programs added after budget adopted*

Program/Projects	Estimated Staff Costs	Consultant and Other Direct Program Costs	City Internal Services	Total Costs	Budgeted Revenues Unless otherwise Noted	(Net Revenues) or Cost	Estimated Participant / Attendees / Stakeholders	City Council Approval Date unless otherwise noted
CIP Program	**$64,783**	**$26,891,802**	**$3,016**	**$26,959,601**	**$0**	**$26,959,601**	**N/A**	
68 (CIP) Aircraft Restoration Bldg Rehab	$84	$140,718	$5	$140,807	$0	$140,807	N/A	2/17/2011
69 (CIP) O Club Study	$84	$48,595	$5	$48,683	$0	$48,683	N/A	11/17/2011
70 (CIP) Wildlife Corridor Study	$84	$11,315	$5	$11,404	$0	$11,404	N/A	10/26/2010
71 (CIP) Western Sector Park Development Plan	$64,532	$26,533,374	$3,001	$26,600,907	$0	$26,600,907	N/A	11/10/2009
72 (CIP) OCGP Backbone Infrastructure	$0	$157,800	$0	$157,800	$0	$157,800	N/A	Budget 06/13/2006

(1) Actual Revenues
(2) Projected Revenues
(3) Estimated staff cost savings
(4) Revenues budgeted but not anticipated to be received
(5) $885,000 Balance of Federal Grant funds contingent upon Board/Council approval of US DOE Solar Decathlon Phase 2

Appendix B: Capital Improvement Projects of The Orange County Great Park

A. Completed Capital Improvement Projects:

Project Name / Description	Total Project Expenditure
Master Design	$10,000,000
Site Prep and Demolition	$8,140,758
Schematic Design	$26,982,790
Balloon and Balloon Park	$4,528,120
Balloon Park Enhancement	$8,319,408
2009 Preview Park	$4,378,422
Hangar 244	$1,851,192
North Lawn	$7,334,423
Palm Court / Squadron Buildings	$11,094,356
Sub-total completed to-date	**$82,629,470**

B. In-Progress Capital Improvement Projects:

Project Name / Description	Amount expended through 04/30/2013	Total Project Budget
Western Sector Park Development	$36,783,664	$50,493,565
Aircraft Restoration Building Rehab	$45,130	$282,500
O'club Project	$40,005	$380,000
Wildlife Corridor Study	$232,250	$251,000
Sub-total of in-progress projects	**$37,101,050**	**$51,407,065**

Grand Total of Capital Improvement Projects $134,036,535

Appendix C: Detail of Proposed Fee Methodology and Analysis

Great Park adopted program fees were derived from the ability of the program concept to 1) meet an average cost recovery of 65 percent of direct expenses; 2) be comparable to other surveyed cities; 3) maximize attendance; and 4) competitively operate in the current market.

Each individual program had a reported direct expense in the FY 2012-13 Program Review Summary (Appendix A). Based upon this expense, a minimum cost recovery was calculated and assigned.

Simultaneously, a review of the regional average for comparable programs was considered and calculated with past program attendance and capacity. This calculated fee was then cross-referenced to determine if it met the minimum cost recovery amount.

If the contemplated fee was within the approximate range, a marketing analysis of opportunities, trends, and existing competition was factored into the study. These details influenced minor fluctuations in the adopted fees. A final program fee was then determined.

The Sports Fields adopted fees were calculated in a similar methodology, except that it primarily reviewed the fees to 1) be comparable to other surveyed cities and 2) competitively operate in the current market.

A regional average of both residential and non-residential fees was calculated for the three categories of 1) non-profit, 2) private, and 3) commercial. A median price was then determined for each category based upon these averages and then cross-referenced with a marketing analysis of field location, quality, demand, and availability. A final fee was then determined.

Sports Fields fees are divided into four categories:

1. Non-profit ($30/hour) – an organization that presents proof of current 501(c)(3) non-profit status.

2. Private ($45/hour) – an individual or organization that wishes to use the fields for personal use and does not have a current 501(c)(3) non-profit status.

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3. Commercial ($100/hour) – any business/for-profit entity that will use the field for commercial and/or profit purposes.

4. Lighting ($15/hour) – lighting requirements for field use after dark.

Use of the sports fields are estimated to be used for a total of 46 weeks throughout the year, with a six-week rest and renovation period. In total, the fields have the following available hours for use:

North Lawn:	1 field	1,542 hours
Dedicated Soccer Fields:	4 fields	9,936 hours

Based upon the current demand of our North Lawn, it anticipated that field use will be dominated by non-profit users, with reservations estimated at 60 percent of available field time. Should private and commercial organizations have an interest in field use, 40 percent of available field time will be available for rental.

The methodology outlined above was also applied to the other programs recommended to be offered at the Orange County Great Park.

In evaluating the information provided in the market survey and the costs associated with each program, staff has concluded that the Park's existing programs could continue with fees that would generate revenue to recover an average of 65 percent of the direct expenses. This cost recovery approach provides the flexibility to offer classes at rates competitive to other Orange County cities, respond to increases and/or decreases in direct costs, respond to changes in attendance and provide the ability for continuity of programs that would be offered to the community. This revenue analysis incorporates fees that meet the proposed cost recovery of 65 percent of direct expenses and fall within the market rate of the cities surveyed.

In summary, the adopted fees provide sufficient revenues such that each program is able to maintain the average cost recovery of 65 percent of direct program expenses, with the exception of SNAG Golf, which would drop slightly below 65 percent in future fiscal years. Each of these programs is calculated at a different capacity level allowing for future growth. Further detail for each program is provided below.

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Great Park in Motion is an exercise program that offers various forms of physical activity taught in the outdoor space of the Great Park. It has an adopted class fee of $49 with an estimated attendance at 65 percent capacity. This program would be designed as one-hour, one-day class for five weeks.

Creative Ventures is a do-it-yourself style, home-spun crafts program. It is unique from other programs in that it has a class fee and a supply fee that will vary based upon the topic being taught. It has a adopted class and supply fee starting at $27 with an estimated attendance at 65 percent capacity. This program would be designed as a one-hour instructional and one-hour lab time class.

Summer Games/Field Day is an outdoor field competition for young children. The adopted entry fee is between $13-$18 with an estimated attendance at 50 percent capacity. This program would be designed as a one-day competition.

Sports Clinics are offered in a variety of traditional sports, such as soccer, football, and lacrosse. The adopted class fee is $20 with an estimated attendance at 60 percent capacity. This program would be designed as a four-hour, one-day clinic and/or a multiple sequenced day sports camp.

SNAG Golf and Tournament is designed as a beginner golf class for young children. Special equipment is provided to teach swing basics and skills, which will be challenged at a tournament at the conclusion of the course. The adopted class fee is $48 with a adopted tournament fee of $17, and an estimated attendance at 70 percent capacity. This program would be designed as a one-day, one-hour class for four weeks, to be followed by the one-day tournament.

Staser Chess Tournament, will be offered on a no fee basis. Staff is confident that 100 percent of the direct program expenses can be offset by restructuring the format and logistics of this program because the program partner will take on a greater role in the program production.

Some of the above listed programs have the potential to attract product, service and/or sponsorship donations. However, no value has been taken into consideration for the purpose of this analysis.

Appendix D: Detail Description of Revenues and Program Expenditures

Revenue Sources

Major Revenue sources include lease revenues for operating on Great Park property, revenues provided through the Amended and Restated Development agreement, Adjacent Landowner Agreement. A discussion of potential grant funds is also included.

Property Lease Revenues

The Great Park currently receives revenue from four separate ground leases; a land lease for the storage of recreational vehicles (RVs); a land lease for runway access; a property lease for use as a green waste facility; and a land lease for farming activities. Combined, all leases generate approximately $3.1 million per year, with an assumed annual escalation factor of 3 percent. The goal of the Great Park is to keep these leases active as long as possible to continue to generate funds for future park construction and operations. Lease revenue is estimated to continue for the entire five-year period of the business plan, with two exceptions. The first exception is the elimination of Runway Access revenues starting in the second year of the business plan, and the second is the expiration of the Green Waste lease in 2018.

Public Benefit Fee

The 2005 Development Agreement between the City and Heritage Fields included two golf courses, an 18-hole course that existed on the former base, (closed in 2006), and a new 27-hole course that was to be built by Heritage Fields. Golf Course Rounds Fee revenues were included in the original agreement. The Amended and Restated Development Agreement removed Heritage Fields' obligation to construct these golf courses and in exchange, Heritage Fields agreed to pay the City $9 million over nine years in Public Benefit Fees, in accordance with the Amended and Restated Development Agreement.

Park Site Rental

The unique nature of the Preview Park and facilities located within it, such as Hangar 244, make it an attractive venue for private entities to rent for events such as corporate meetings, parties and private celebrations. The plan includes revenue assumptions for

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rentals for these purposes by companies and individuals. These arrangements are handled through the Great Park's facilities contractor, AMCI. Revenues are shared on a basis of 60 percent to the City and 40 percent to AMCI. AMCI's compensation is based on its role in negotiating rates and helping renters with any necessary permits or other site requirements. Preview Park rental fees are estimated to generate approximately $350,000 annually in the first five years.

Parking Revenue

During special events fees are charged for parking at the Great Park. These revenues increase during the years that the Cirque du Soleil uses the Festival Site at the Great Park, and otherwise escalate at three percent.

Grants

Over the last several budget cycles, spending cuts in Federal and State budgets have caused a reduction in grant programs. Additionally, existing grants have become more competitively focused on disadvantaged or low-income areas. However, the Great Park continues to seek grant funding opportunities in both the private and public sectors.

For most grant programs, an identified project with an established schedule, total project cost, and some level of design completion, is required. As projects within the Great Park continue to become more well-defined, the opportunity to apply for grant opportunities increases. Grants currently under consideration or in process include the following:

- <u>Measure M Project V Community-Based Transit/Circulators</u>

  This program allocates revenues generated by the Renewed Measure M countywide half-cent sales tax program and provides funding for local shuttles that complement regional bus and rail services, and meet transit needs in areas not adequately served by regional services. Agencies may be awarded no more than $525,000 annually over the life of the seven-year call period.

  In the first call for projects in FY 2013-14, the City will include Great Park Shuttle Services for Great Park events, which will provide new weekend or event service connecting the Irvine Station to the Great Park.

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- U.S. Department of Energy Solar Decathlon 2013 and XPO

  On January 26, 2012, after a national competition involving more than 23 other cities, the U.S. Department of Energy awarded the Orange County Great Park a $1 million grant to host the Solar Decathlon 2013 and Renewable and Efficient Energy Showcase Event, referred to as the "XPO: Clean+Renewable+Efficient Energy Exposition." The Solar Decathlon challenges 20 collegiate teams to design, build, and operate solar-powered houses that are cost effective, energy-efficient, and attractive. The winner of the competition is the team that best blends affordability, consumer appeal, and design excellence with optimal energy production and maximum efficiency.

  Since 2002, the Solar Decathlon has been held biennially by the U.S. Department of Energy on the National Mall in Washington, D.C. The Department of Energy sought a new venue for the Solar Decathlon 2013 to expand the excitement generated by the competition and to encourage participation from new communities. The Solar Decathlon 2013 and XPO is planned to occur in October 2013.

  From October 3 through 13, it is estimated that 100,000 visitors from all over California and the world will experience an event that will empower innovative thinking and positive change – showing the world that the future of energy is now.

- Kaiser Permanente

  The Orange County Great Park Corporation received a $50,000 donation from Kaiser Permanente to fund additional amenities for the Thrive Path, the one-mile long walking/jogging path surrounding the North Lawn and Sports Fields. Working in conjunction with exercise and obesity specialists from Kaiser, Great Park staff members are working to identify innovative and engaging signage and features for the Path.

  In March 2013, the Park was invited to apply for another community grant

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from Kaiser. Staff will apply again in March 2014 for continued support for the Thrive Path.

Community Facilities District

The Amended and Restated Development Agreement provides for the formation of a Community Facilities District (CFD) to fund the design and construction of joint backbone infrastructure. CFD financings, used since 1980, are a method of financing public improvements and certain services by imposing a "special tax" on real property within a defined geographic area. The purpose of a CFD is to place the cost burden for new infrastructure solely on the developing properties and not on existing residents. Bond issuance and administration of the Community Facilities District will be separately managed by City of Irvine.

In addition to CFD bond proceeds, which are used for the development of joint backbone infrastructure, the Amended and Restated Development Agreement (ARDA) also provides for a portion of the Special Tax to be used for operations and maintenance.

Amended and Restated Development Agreement (ARDA) Revenues

Until FY 2015-16, the ARDA between Heritage Fields and the City of Irvine provides that the Great Park Special Fund will receive $18 million from Heritage Fields for maintenance and operations support of the Great Park.

Beginning in FY 2015-16, through an allocation of the special tax provision of the CFD, Heritage Fields (or the existing property owner) will contribute up to a maximum of $9.5 million per year for park maintenance and operations on an "as-needed" basis. Items that qualify as maintenance expenditures for these funds are specified in the ARDA and include work such as landscaping, grass and turf, open space, agriculture, water features, buildings and facilities, parking and drainage facilities. Facilities that are not considered eligible for the maintenance and operations support from the CFD include the lake, canyon, the balloon attraction, and special event programming.

Interest Income

Cash balances for the Great Park are held in a separate fund at the City of Irvine for the development of the Great Park. Available amounts are invested by the City Treasurer in the City's Operating Portfolio. The business plan assumes a 2.0 percent rate-of-return on the annual average balance in the fund.

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Appendix E: Strategic Business Plan Financial Assumptions

Cash Flow Model General Assumptions Include:

- Beginning Available Fund Balance at July 1, 2013 is approximately $21.5 million.
- Revenues are projected over a five-year period and include revenues from existing leases, interest earnings and changes related to the Amended Development Agreement, the Adjacent Landowner Agreement, and PSFA.
- Expenditures, as adopted in the FY 2013-14 Great Park Budget, are used for future projections.
- Expenditures are projected over a five-year period and include all existing maintenance and operations for all completed Great Park amenities.
- Revenues and expenditures escalate at three percent per year unless the type and amount is specified by contract (such as the ARDA and ALA).
- Interest earnings increase at the rate of two percent per year reflecting current and projected low interest rate environments.
- The Great Park Special Fund maintains a cash balance of at least $15 million in every year of the five-year projection period.

Program Expenditure Assumptions

The following costs are included in the forecast budgets:

Salaries
Salary expenditures are comprised of total salary costs, including benefits for staff. Salary costs are then assumed to escalate at a steady three percent for the duration of the business plan.

Supplies
Supplies are comprised of several items and include regular office supplies, postage, duplicating, advertising, and computer supplies. The supplies budget is assumed to escalate three percent each year. Supplies budgets are generally treated as a function of staffing numbers.

Internal Services

The Internal Services budget for the Great Park includes the department's allocation of shared costs Citywide to run the mail center, duplicating center, telecommunications, IT network, and fleet vehicle maintenance and scheduled replacement. Internal services costs are generally apportioned as a function of staffing numbers, or per vehicle type.

Contract Services

The Contract services budget is comprised of such items as the lease for the Great Park offices, financial advisory, auditing consultants, legal expenses, facilities maintenance, landscape maintenance, and balloon and carousel operations. Contract Services expenses are assumed to escalate by three percent per year.

Training and Business Expense

The training and business expenses include staff related costs for business travel, training, and tuition reimbursement. These expenses are assumed to escalate by three percent per year.

Capital Equipment

Capital Equipment expenses are comprised of capital costs related to office and computer equipment needs. Capital Equipment expenses are assumed to escalate by three percent per year.

Insurance

Insurance premiums cover special liability and directors and officers policies, as well as a special policy covering the Balloon. These costs are assumed to escalate at three percent.

Transfers Out To General Fund

Transfers out to the General Fund are designed to support the Great Park share of funding for the City Council Executive Assistants. These costs are assumed to escalate three percent.

Other Department Expenditures

Other Department Expenditures consist of funding for administrative support provided by the City, such as accounting, finance and purchasing. These costs are assumed to escalate three percent.

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Appendix F: Awards & Recognition 2007-Present

2012

City Parks Alliance
2012 "Frontline Park" designation for urban park excellence for month of December

Internet Marketing Association
2012 Impact Awards
(Best Website Aesthetics)

Orange Coast Magazine
2012 Most Whimsical Garden Award
(Orange County Great Park Farm + Food Lab)

2011

Interactive Media Awards (IMA)
Orange County Great Park Website:
2011 Outstanding Achievement – Community
2011 Outstanding Achievement – Government

University of California Statewide Master Gardener Program
2011 Master Gardener "Search for Excellence" Award
2nd Place: Orange County Great Park Farm + Food Lab

2010

Southern California Association of Governments (Regional)
2010 Honorable Mention
(Orange County Great Park Comprehensive Master Plan)

2009

American Society of Landscape Architects (National)
2009 Professional Honor Award for General Design
(Orange County Great Park Observation Balloon Preview Park)

American Society of Landscape Architects (National)
2009 Professional Honor Award for Research
(Orange County Great Park Restoration Ecology Processes To Advance Natural Landscape Design)

American Institute of Architects (National)
2009 AIA Honor Award in Regional & Urban Design
(Orange County Great Park Comprehensive Master Plan)

American Planning Association (National)
2009 Focused Planning Issue Award
(Orange County Great Park Comprehensive Master Plan)

2008

American Institute of Architects (California Council)
2008 Honor Award in Regional & Urban Design
(Orange County Great Park Comprehensive Master Plan)

American Society of Landscape Architects (National)
2008 National Honor Award for Analysis & Planning
(Orange County Great Park Comprehensive Master Plan)

American Planning Association (California Chapter)
2008 Focused Planning Issue Award
(Orange County Great Park Comprehensive Master Plan)

American Planning Association (Orange County Chapter)
2008 Focused Planning Issue Award
(Orange County Great Park Comprehensive Master Plan)

American Society of Landscape Architects, Lady Bird Johnson Wildflower Center and United States Botanic Garden
Sustainable Sites Initiative, 2008 Case Study
(Sustainable Landscape Practices)

2007

California Society for Ecological Restoration (SERCAL)
2007 Members Award
(Emphasis of Restoration & Scientific Educational Opportunities)

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