

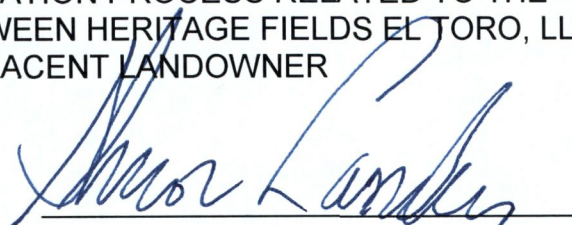


REQUEST FOR BOARD ACTION

MEETING DATE: JANUARY 28, 2014

TITLE: PRESENTATION OF ORANGE COUNTY GREAT PARK MASTER PLAN AND PARK DESIGN MODIFICATION PROCESS RELATED TO THE SECOND AGREEMENT BETWEEN HERITAGE FIELDS EL TORO, LLC AND CITY OF IRVINE AS ADJACENT LANDOWNER

Chief Executive Officer



City Manager

RECOMMENDED ACTION

1. Authorize the selection of consultants from the City's Consultant Team List for the preparation of appropriate environmental review documents and supporting traffic analysis.
2. Direct staff to issue a Request for Proposal to solicit bids to obtain a design professional for the preparation of the Master Plan modification and Park Design, and to provide independent design expertise for collaborating with Heritage Fields in the review of its development of design drawings.

EXECUTIVE SUMMARY

On January 21, 2014, the Orange County Great Park Board conducted a study session on the provisions of the Second Agreement with the City of Irvine as Adjacent Landowner and Heritage Fields El Toro, LLC (ALA II) related to "Unilateral Program Changes" to the Great Park Improvement Area Concept Plans and Programming (Design Package). As explained in the staff report for that item, one step necessary to commence the construction envisioned in the ALA II is the approval of a revised Orange County Great Park Master Plan (Master Plan) and a Park Design. City approval of a modification to the Master Plan and a Park Design in accordance with the Design Package are necessary to advance the next level of design of the Park improvements.

COMMISSION/BOARD/COMMITTEE RECOMMENDATION

Not applicable.

ANALYSIS

On November 26, 2013, the City Council approved the ALA II containing a concept plan for development of 688 acres of the Orange County Great Park. The City Council further determined that (1) the concept plan detailed in the Design Package was not consistent with the existing Orange County Great Park Master Plan (Master Plan); and (2) a modification to the Master Plan was necessary to incorporate the concept plan as depicted in the Design Package. To remedy these inconsistencies, the ALA II requires that the City initiate and expeditiously process and approve the modification to the Master Plan as well as a Park Design consistent with the modified Master Plan. For the Orange County Great Park, the Planning Commission is the approval body for the Master Plan and the City Council is the approval body for the Park Design, including any deviations from City standards. Subsequent construction plans are reviewed for conformance to these documents prior to issuance of construction permits.

Heritage Fields El Toro, LLC (Heritage Fields) is not obligated by the ALA II to continue to the next level of design until the City approves the modifications to the Master Plan and Park Design. The ALA II tolls Heritage Fields' obligation to begin construction on the 688 acres until the later of (1) 90 days following the approval of the revised Master Plan and Park Design; or (2) the conclusion of a legal challenge to those approvals.

Certain consultant services are necessary for the City to meet its obligation to prepare a Master Plan package, based upon the approved Design Package and any Design Refinements or Program Changes desired by the City Council (including any of the potential Unilateral Program Changes discussed at the January 21, 2014 study session). In addition to a design professional, the Master Plan modification and Park Design also require preparation of appropriate environmental review documents and supporting technical analyses.

Consistent with City policy and to enable the process to move forward in the quickest feasible manner, unless directed otherwise, staff intends to contract with consultants from the City's approved Consultant Team List for the preparation of appropriate environmental review documents and supporting traffic analysis.

With City Council adoption of the ALA II, inclusive of the Design Package, Heritage Fields is now responsible for advancing that design to construction drawings. This represents a shift in responsibility for that work and a conclusion of the primary design effort for the 688 acres. However, as mentioned above, the City will still need to retain the services of a design professional for the preparation of a Master Plan package. Although a longer process than selecting a consultant from the Consultant Team List, staff recognizes the importance of publicly soliciting competitive proposals for a scope of work that will likely run the course of a greater duration than that of the aforementioned assignments. Thus, staff recommends issuing a Request for Proposal

(RFP) to solicit bids to obtain that design professional. The scope of work would include preparation of a modification to the Great Park Master Plan and Park Design and to provide independent design expertise for collaborating with Heritage Fields in the review of its development of design drawings. While City policy calls for staff to select firms from the Consultant Team List, it is within the City Council's discretion to not limit the selection to those on the list in all cases. Although time is of the essence, these circumstances appear to warrant issuance of an RFP for a design professional, at least. It should be noted that solicitation of proposals, analysis of same, and award of bid will have a bearing on the City's schedule associated with our collaboration with Five Point Communities. All necessary efforts will be made to minimize the impacts associated with the time required to retain a design professional (and, potentially traffic and environmental consultants) to expedite advancing the early phases of the final park design.

ALTERNATIVES CONSIDERED

The City Council may consider directing a different process for the selection of Great Park design, environmental and traffic consultants if it deems it to be in the best interest of the City.

FINANCIAL IMPACT

Not applicable.

REPORT PREPARED BY Eric Tolles, Director of Community Development

ATTACHMENTS

1. January 21, 2014 Board Meeting agenda item 2.1 Staff Report



REQUEST FOR BOARD ACTION

MEETING DATE: JANUARY 21, 2014

TITLE: STUDY SESSION ON PROGRAM CHANGES TO THE GREAT PARK IMPROVEMENT AREA CONCEPT PLANS AND PROGRAMMING; ATTACHMENT TO THE SECOND AGREEMENT BETWEEN HERITAGE FIELDS EL TORO, LLC AND CITY OF IRVINE AS ADJACENT LANDOWNER



Chief Executive Officer
Orange County Great Park



City Manager

RECOMMENDED BOARD ACTION

Receive and file staff report, and provide Board Direction.

EXECUTIVE SUMMARY

On November 26, 2013, the City and Heritage Fields El Toro, LLC (Heritage Fields) entered into the Second Agreement with City of Irvine as Adjacent Landowner (ALA II), which provides a means for financing and constructing approximately 688 acres of the Orange County Great Park. The ALA II includes a "Design Package" that sets forth the concept plans and programming for those 688 acres.

Significant changes to core program elements set forth in the Design Package generally require the consent of both the City and Heritage Fields. As an exception to that general rule, however, the parties agreed that the City could unilaterally require program changes with respect to the following elements of the Design Package: (a) sand volleyball, parking and sports courts within the Sports Park sub-area; and (b) the dog park and mini-amphitheater within the Bosque sub-area. To exercise this right, the City must initiate, at the direction of the City Council, any of the foregoing potential changes by March 15, 2014.

This item has been placed on the OCGP Board agenda to allow the Board to study and provide input on the foregoing potential modifications to the Design Package. Those recommendations, and a request to initiate appropriate changes to the Design Package, will be presented to the City Council at its meeting of January 28, 2014.

COMMISSION/BOARD/COMMITTEE RECOMMENDATION

Not applicable.

ANALYSIS

The ALA II provides for the financing and construction of 688 acres of the Orange County Great Park. The design for that area is set forth in an exhibit to the ALA II, labeled as the Orange County Great Park Improvement Area Concept Plans and Programming (Design Package).

The City and Heritage Fields agreed in the ALA II to three separate processes through which the Design Package and, therefore, the construction of the 688 acres, may be modified. First, changes that substantially conform to the pre-existing Design Package (also known as "Design Refinements") may be initiated by the City or Heritage Fields unilaterally. Implementation of these types of revisions will require no modification to the approved Park Design (or the Great Park Master Plan) because, by definition, these types of modifications will substantially conform to the existing approved documents.

Second, modifications that reduce or add program elements (*e.g.*, ball fields, sports courts) – referred to in the ALA II as "Program Changes" – generally require the mutual consent of the City and Heritage Fields. These types of changes may be pursued by either the City or Heritage Fields at any time during the park development process. As a practical matter, however, identifying Program Changes earlier in the process will minimize the cost and scheduling consequences of such modifications.

Third, the ALA II gives the City the specific and unilateral right to require amendments, whether Design Refinements or Program Changes, to (a) sand volleyball, parking and sports courts within the Sports Park sub-area; and (b) the dog park and mini-amphitheater within the Bosque sub-area ("Unilateral Program Changes"). These potential modifications are unique from a process standpoint because (a) the City may unilaterally require these changes, and (b) the City must initiate such changes, if any, on or prior to March 15, 2014.

To provide context for the Board in analyzing whether to pursue the third category of modifications to the Design Package (Unilateral Program Changes), the following sections of this staff report describe the overall schedule for commencing and completing construction of the 688 acres, the potential financial consequences of the City's decisions on these matters, and staff observations with regard to the specific potential modifications to the Design Package.

ALA II Schedule and Process

The process and schedule for commencing and completing work on the 688 acres is as follows:

1. **Deadline for unilaterally initiating modification(s) to sand volleyball courts, sports courts, parking, dog park, and mini-amphitheater:** March 15, 2014.
2. **Deadline for directing that up to \$10,500,000 of \$15,500,000 Additional Allowance Fund be directed toward an improvement(s) serving the 688-acre area:** March 15, 2014.
3. **Deadline for notifying Heritage Fields of City election to maintain and operate 688 acres upon completion of construction:** November 26, 2014.
4. **Approval of revised Great Park Master Plan:** The City must revise and approve the Great Park Master Plan, so that the Design Package may ultimately be approved as a "Park Design" that is consistent with the Great Park Master Plan. City staff has commenced the process for modifying the Great Park Master Plan. Any Unilateral Program Changes approved by the City Council (or other Program Changes as may be mutually agreed upon) will be accommodated in the revised Great Park Master Plan.
5. **Approval of Design Package as a Park Design:** After or concurrent with the approval of a revised Great Park Master Plan, the City must approve the Design Package as a "Park Design" in accordance with Municipal Code Section 2-22-5. The City must also make associated findings determining consistency between the Design Package and the revised Great Park Master Plan.
6. **Expiration of 90-Day Waiting Period:** The ALA II tolls Heritage Fields' obligation to begin construction on the 688 acres until the later of (a) 90 days following the approval of the revised Great Park Master Plan and Park Design, or (b) the conclusion of a legal challenge to those approvals (Performance Start Date).
7. **Commencement of Demolition and Site Preparation:** Heritage Fields must commence and complete demolition and site preparation work for the Sports Park, Upper Bee Canyon, and Bosque sub-areas during the first year following the Performance Start Date.
8. **Commencement and Completion of Specific Improvements.** The remaining construction work on the 688 acres is scheduled to occur as depicted in the following table (elements subject to a Unilateral Program Change are shown in **bold type**):

<u>Year Following Performance Start Date</u>	<u>Improvements</u>
2	Upper Bee Canyon; Bosque ; Sports Park I (Soccer Fields 1-6; Championship Soccer Pitch; Tennis Courts)
3	Site Preparation and Demolition for Golf and Agriculture Areas; Sports Park II (Baseball Fields); Sports Park III (Soccer Fields 12-17 and Flex Fields)
4	Sports Park IV (Softball Fields); Sports Park V (Sports Courts and Sand Volleyball Courts) ; 18-hole Golf Course with Club House; Grade Agricultural Fields
5	Improve 178 acres to create Wildlife Corridor ¹

Under the foregoing schedule, absent extenuating circumstances, construction of the Bosque (including the mini-amphitheater and dog park) would occur during the second year following the Performance Start Date. Construction of the sand volleyball courts, and sports courts would occur during the fourth year following the Performance Start Date.

Costs of Changes and Financial Resources To Cover Those Costs

The costs of implementing any Unilateral Program Changes initiated by the City (and any other Design Refinements) must be deducted from the applicable sub-areas' (i.e., Bosque and Sports Park) share of the \$15,500,000 "Additional Allowance Fund." That fund was created to pay for modifications to the Design Package that are both initiated by the City and not otherwise mandated by statute or regulation. The Additional Allowance Fund allocation for the Bosque sub-area is \$3,360,000. The Additional Allowance Fund allocation for the Sports Park sub-area is \$5,040,000.

If the City, by City Council action, requests any of the Unilateral Program Changes to the dog park, mini-amphitheater, sports courts, sand volleyball courts, or associated parking area, then Heritage Fields will generate a reasonable and good faith estimate of the costs of those changes. That estimate will include the costs of revising the Design Package to make any design adjustments to accommodate the City's request. If that estimate falls within the \$3,360,000 cap (for the dog park and mini-amphitheater), and the \$5,040,000 cap (for the sports courts, sand volleyball courts, and parking area), then the City may direct that the changes be implemented.

If the City elects to modify the Design Package through the process described above, Heritage Fields' obligation to construct those modified improvements is not triggered until

¹ The Wildlife Corridor improvements are conceptually planned to occur five years following Performance Start Date, but the timing for that work is ultimately dependent on timing of adjacent development.

corresponding changes to the regulatory documents (*i.e.*, Great Park Master Plan and Park Design) are approved by the City. One important advantage to identifying Program Changes at an early stage in the process is that it will allow those changes to be integrated into the Great Park Master Plan amendment and Park Design approval process that is already under way.

One additional financial consideration must be highlighted. Separate from its right to pursue Unilateral Program Changes, the City also has the right under the ALA II to allocate up to \$10,500,000 of the \$15,500,000 Additional Allowance Fund toward “improvements within or serving” the 688 acres. That provision was added to the agreement to allow the City to allocate additional funds to meet near-term infrastructure (or other) needs. The purchase of right-of-way for Marine Way was one such potential need, but other potential needs are possible. (*The City must decide whether it will use all or some portion of that \$10,500,000 toward “improvements within or serving” the 688 acres by March 15, 2014.*) That decision will necessarily decrease (on a pro-rata basis per sub-area) the amount available to fund Unilateral Program Changes.

The following table highlights the funding sources, and potential uses, that are associated with the ALA II (and the related Memorandum of Understanding Re: Funding of Marine Way Improvements):

<u>Purpose</u>	<u>Amount</u>
Park Construction funds (Heritage Fields funds)	\$132,000,000 ²
Park Construction funds (CFD)	\$40,000,000
Heritage Fields-initiated Program Changes and Design Refinements	No Limit
Program Changes and Design Refinements mandated by codes and/or State construction requirements	No Limit
(1) City-initiated Program Changes and Design Refinements (not otherwise mandated by code or State construction requirements); (2) additional improvements within or serving the 688 acres; (3) \$2,000,000 in environmental insurance and remediation reserve; and (4) \$3,000,000 utility connection fee reserve.	\$15,500,000
Maintenance and Operations funding	\$10,000,000
Hydroseeding and terra-forming	\$2,000,000
Cultural Terrace study	\$2,000,000
Marine Way right-of-way acquisition	\$10,000,000
TOTAL	<u>\$211,500,000</u>

² This is a minimum contribution amount. Under the ALA II, if the actual costs of construction exceed \$172,000,000, Heritage Fields remains obliged to pay those amounts.

Discussion of Opportunities Related to Unilateral Program Changes

Sand Volleyball Courts

The ALA II includes 11 sand volleyball courts (including 1 championship court with grandstand seating) aggregated in two separate areas of the Sports Park. There is a complex of six courts, plus the one championship court planned for an area north of the Farm + Food Lab. This area also includes a small restroom/operations building of approximately 4,200 square feet shared between sand volleyball and sports courts.

Sports Courts

There are 12 basketball courts aggregated in two separate areas of the Sports Park. There is a complex of eight courts planned for an area where the Farm + Food Lab is located, and another four half-courts planned for an area south of Kids Rock and the potential future Splash Park area. The ALA II intends that the Farm + Food Lab would be relocated to the Bosque at the terminus of Trabuco Entry.

Parking

There are five new or expanded (as in the case of the Balloon Parking area) main parking areas within the Sports Park for 2,000 cars. There is also a small parking area for 90 cars next to the Bosque serving the mini-amphitheater. The Park Design document shows the number of cars in each of the lots, and stipulates a minimum of 1,500 cars to be accommodated.

Dog Park

This amenity is located in the upper reaches of the Bosque area connected to multi-use trails.

Mini-Amphitheater

This small amenity is located in the middle of the Bosque area. The mini-amphitheater contains 60 seats, and is served by a small parking area accessible from 'LY' Street.

ALTERNATIVES CONSIDERED

Not applicable.

FINANCIAL IMPACT

Not applicable.

REPORT PREPARED BY

Mike Ellzey, CEO, Orange County Great Park Corporation

Jeffrey Melching, Assistant City Attorney and Orange County Great Park Corporation General Counsel

ATTACHMENTS

1. Map of Areas of Potential Park Modifications
2. Map of Bosque Area
3. Map of Sports Park Area



LEGEND

- DOG PARK
- NATURAL AMPHITHEATER
- SAND VOLLEYBALL COURTS
- SPORTS COURTS
- PARKING

AREAS OF POTENTIAL PARK MODIFICATIONS



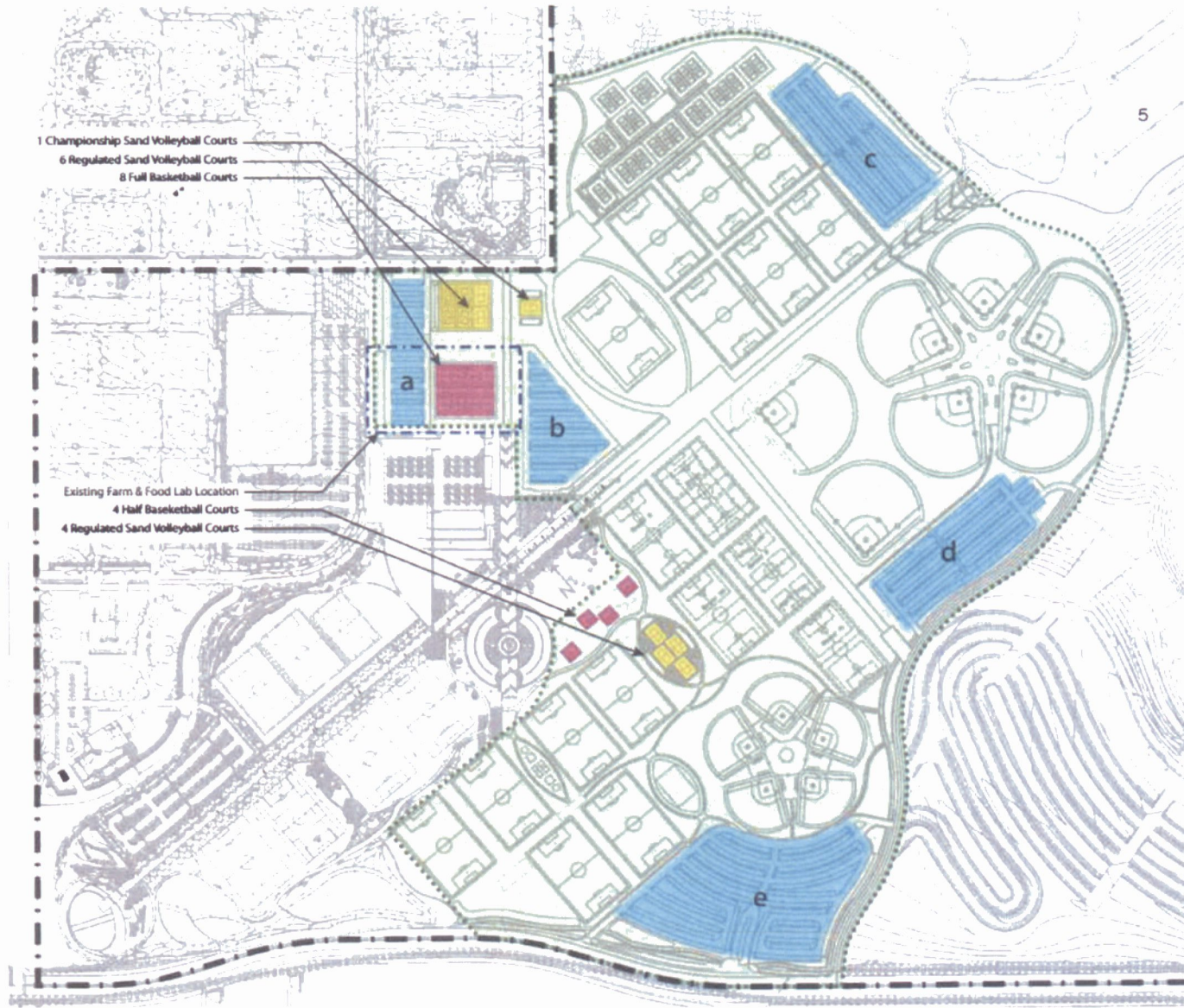
LEGEND

- DOG PARK
- NATURAL AMPHITHEATER
- PARKING
90 Spaces

PROPOSED
TRAILS, TYP

5

BOSQUE AREA



LEGEND

- SAND VOLLEYBALL COURTS**
 - 10 Regulated court
 - 1 Championship court
- SPORTS COURTS**
 - 8 Full courts
 - 4 Half courts
- PARKING**
 - a. 84 spaces
 - b. 242 spaces
 - c. 440 spaces
 - d. 435 spaces
 - e. 800 spaces