



## MINUTES

### **BOARD OF DIRECTORS ORANGE COUNTY GREAT PARK CORP. ADJOURNED REGULAR MEETING**

**December 14, 2006**

**1:00 P.M.**

**City of Irvine**

**City Council Chamber**

**One Civic Center Plaza**

**Irvine, California**

#### **CALL TO ORDER**

An adjourned regular meeting of the Orange County Great Park Corporation Board of Directors was called to order on December 14, 2006 at 1:12 p.m., in the City Council Chamber, Irvine Civic Center, One Civic Center Plaza, Irvine, California, by Chair Agran, presiding officer.

#### **ROLL CALL**

PRESENT:	8	DIRECTOR:	STEVEN CHOI
		DIRECTOR:	SUKHEE KANG
		DIRECTOR:	WILLIAM KOGERMAN
		DIRECTOR:	BETH KROM
		DIRECTOR:	MIGUEL PULIDO
		DIRECTOR:	WALKIE RAY
		DIRECTOR:	*CHRISTINA SHEA
		CHAIR:	LARRY AGRAN

ABSENT:	1	VICE CHAIR:	MICHAEL PINTO
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\*Director Shea arrived at 1:23 p.m.

Also present were Wally Kreutzen, Chief Executive Officer; Colleen Clark, Deputy Chief Executive Officer; Robert Thornton, General Counsel; Kurt Mowery, Manager of Finance; Christina Lo, Manager of Engineering; Marsha Burgess, Manager of Public Affairs; Glen Worthington, Manager of Planning; Rod Cooper, Manager of Operations; Molly McLaughlin, Clerk of the Board; and Ruth Brogdon, Administrative Secretary.

## **PLEDGE OF ALLEGIANCE**

Chair Agran led the Pledge of Allegiance.

## **PRESENTATIONS**

### **1. HERITAGE FIELDS UPDATE**

Wally Kreutzen, Chief Executive Officer, introduced Bob Santos, President, Heritage Fields Land Division, Lennar Corporation, who provided an update on the status of development and demolition; the Project Environmental Review Form (PERF); progress on the state and federal permits; submittal of the first map to the City for review (a precursor to grading permits); and the status of the balloon envelope shipment.

Board discussion included aggregate reuse procedures; recycling of runway materials; status of tasks and issues that had been relayed by Mr. Santos to Wally Kreutzen, Chief Executive Officer; interfacing of the two properties; timing of housing availability; the recently held Sustainability Conference; and onsite collaboration opportunities between the Orange County Great Park Corporation, the Great Park Design Studio and the Lennar Corporation (Heritage Fields).

### **2. SUSTAINABLE LANDSCAPE AT THE ORANGE COUNTY GREAT PARK**

Wally Kreutzen, Chief Executive Officer, introduced Marty McPhee, Executive Vice President, Park West Landscape, who gave a PowerPoint presentation and provided a handout on sustainable landscape opportunities at the Orange County Great Park (Exhibit 1 on file in the Clerk of the Board's Office).

Board discussion included the sustainability of the plant, Bird of Paradise.

## **ADDITIONS AND DELETIONS**

There were none.

**CONSENT CALENDAR – Agenda Items 3-5**

Director Choi requested Agenda Items 4 and 5 be removed from the Consent Calendar for separate discussion.

**3. APPROVAL OF MINUTES**

**RECOMMENDED ACTION:** It was moved by Director Pulido, seconded by Director Kang and unanimously carried, by those members present, to:

Approve the minutes of a regular meeting of the Orange County Great Park Corporation Board of Directors held on October 26, 2006.

**4. FIRST QUARTER ORANGE COUNTY GREAT PARK BUDGET UPDATE**

Director Choi requested this item be removed from the Consent Calendar for separate discussion.

Director Choi requested clarification on whether the money used for revenues and transfers-in came from the General Fund or from Special Fund 180 (Orange County Great Park Special Fund); requested a review of the procedure relative to transfers; requested a breakdown of contract services expenditures; and requested clarification of the overtime salary expenditures.

Kurt Mowery, Manager of Finance, responded to Director Choi's concerns and explained the processing of Development Agreement revenues for the Great Park; reviewed the City's budget model and allocation processes; and clarified overtime salaries were for hourly clerical support, not allocated for salaried employees.

Board discussion included the request for a Business Plan in the near future; and the submittal of the upcoming Master Schedule which will assist the Board in budget and construction planning.

Wally Kreutzen, Chief Executive Officer, responded that staff will provide the Board with a cash flow analysis in February and a preliminary Business Plan in March, 2007; and reviewed the Corporation's workflow timeline that highlights upcoming Corporation tasks and Board agenda items for the first six months of 2007 (Exhibit 2 on file in the Clerk of the Board's Office).

**RECOMMENDED ACTION: It was moved by Director Choi, seconded by Director Krom and unanimously carried, by those members, present to:**

Receive and file the First Quarter Budget Report for the fiscal year 2006-07.

**5. OCTOBER ORANGE COUNTY GREAT PARK BUDGET UPDATE**

Director Choi requested this item be removed from the Consent Calendar for separate discussion.

Director Choi requested clarification on the reduction in acreage highlighted under "OCGP revenues" from 121 acres to 55.

Kurt Mowery, Manager of Finance, stated the reason for the reduction in acreage was a result of access issues related to Lennar's demolition progress.

**RECOMMENDED ACTION: It was moved by Director Choi, seconded by Director Krom, and unanimously carried by those members present, to:**

Receive and file the October Budget Update Report.

**BUSINESS**

**6. ORANGE COUNTY GREAT PARK BALLOON CONSTRUCTION, OPERATING COST AND CONTRACT SUMMARY**

Wally Kreutzen, Chief Executive Officer, introduced Colleen Clark, Deputy Chief Executive Officer, who gave a PowerPoint presentation on the Great Park Balloon (Exhibit 3 on file in the Clerk of the Board's Office).

Board discussion included concern with the costs associated with the balloon; lack of indicated revenues relative to the balloon; the balloon generating publicity; preference of receiving phasing costs before deciding on the cost of the balloon; the assumption that the balloon will be at a permanent location at the park; days of operation of the balloon; opportunity for a unique vantage point at the park; clarification requested of the advertising revenue; the balloon as a strong statement on the park vision and as a symbolic and iconic feature; process of selecting the balloon site; clarification on whether the soft costs of \$783,272 include permit fees; lighting options for the balloon; clearance of altitude issues by the FAA; compliance with ADA requirements; a request to reduce the scope of the upgrade and instead upgrade the quality and site work as an

integral part of Phase I; concern with the lack of a risk analysis; a review of the doubling of the projected costs; the original vision of the Great Park and the need to maintain that vision; the necessity of advancing the installation of an element to the park by several years; and an operations contract with Aerophile, S.A., will take care of some of the stated concerns.

Wally Kreutzen, Chief Executive Officer, spoke of the balloon as an iconic element that will be part of a mini-park; the acceleration of the timeframe for the launching of the balloon; one-time costs moving to eventual operational self-sufficiency; and that staff will return to the Board with a proposed schedule of operations and pricing options.

Representatives from the Great Park Design Studio, Yehudi Gaffen and Thom Maxwell Miller, spoke on soft costs indicating that the soft costs included in the staff report did not accurately reflect what was in their estimate and that their estimate did include construction management fees; the review of twelve potential sites for the balloon contributed to the \$369,000 of costs already incurred; the competitive bidding process relative to the selection of Aerophile S.A., lowered the initial balloon cost; and the achievability of launching the balloon by early July.

Sam Hout, Program Management Consultant, Project Director, PBS&J, spoke to the Board on the complexity of the project, reviewed industry standards, and the opportunity for further clarification of costs once the Great Park Design Studio provides a final set of plans and estimates.

Rob Thornton, General Counsel, responded to questions on the parameters of an operations contract with Aerophile, S.A.

**RECOMMENDED ACTION:** It was moved by Director Krom, seconded by Chair Agran, and carried by those members present, (Directors Choi and Shea opposed), to:

Call the previous question.

**RECOMMENDED ACTION:** It was moved by Chair Agran, seconded by Director Pulido and carried by those members present, (Directors Choi and Shea opposed), to:

- 1) Recommend that the Irvine City Council authorize the expenditure of Orange County Great Park funds in the amount of up to \$3,695,269 to fund development and construction and to purchase insurance coverage for the Orange County Great Park Balloon Project (an offsetting amount of \$905,700 will be budgeted as a revenue contribution from Lennar to record the remaining gift).

- 2) Recommend that the Irvine City Council authorize staff to issue a Contract Task Order to the Great Park Design Studio (included in the total funds allocation above) to prepare design and construction drawings for the balloon and the balloon site for City review and approval with a not-to-exceed budget of \$734,688.
- 3) Recommend that the Irvine City Council authorize the City Manager to enter into a contract with Aerophile, S.A., the balloon's manufacturer, in the amount of up to \$380,000 to operate the balloon for a period of one year.
- 4) Recommend that the Irvine City Council authorize the City Manager to enter into an agreement with Lennar to further define how the \$300,000 per year balloon-related community advertising funds will be paid to the City and/or the Orange County Great Park and to define costs eligible for reimbursement by Lennar up to a total gift value of no greater than \$1.9 million.

**7. ORANGE COUNTY GREAT PARK MID-YEAR BUDGET ADJUSTMENT**

Wally Kreutzen, Chief Executive Officer, introduced Kurt Mowery, Manager of Finance, who gave a PowerPoint presentation on the mid-year budget adjustment, requested a revision to the submitted resolution, and introduced Executive Team members Colleen Clark, Deputy CEO; Christina Lo, Manager of Engineering; Marsha Burgess, Manager of Public Affairs; Glen Worthington, Manager of Planning and Environmental Services; and Rod Cooper, Manager of Operations (Exhibit 4 on file in the Clerk of the Board's Office).

Board discussion included demolition cost estimates; the Oral History project; concern with the allocation of funds for public relations events; importance of the History Project on capturing the history of El Toro; the Legacy Project grant request; a review of RV storage revenues; indemnity insurance; sports park development consultant fees; Great Park Design Studio change order; potentially sharing the costs of the Master Tech and Telecommunications plan with the Lennar Corporation; encouragement for expanding the funding for the Performing Arts Facility Consultant in order to facilitate the project; concern with the increase in the budget; and a review of the economy, housing forecasts, and potential impact to the construction schedule of the Orange County Great Park and Great Park Communities.

Dr. Cora Granata and Dr. Natalie Fousekis, Associate Directors of the Center for Oral and Public History, California State University, Fullerton, spoke briefly on the proposed Oral History project.

Jerry Burchfield, President, The Legacy Group, was available to respond to questions on The Great Picture book project.

Chairman Agran invited Dr. Granata, Dr. Fousekis, and Mr. Burchfield to return to the Board with a more in depth presentation at a later date.

**RECOMMENDED ACTION:** It was moved by Director Pulido, seconded by Director Ray, and unanimously carried by those members present, to:

Approve the revised resolution entitled:

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ORANGE COUNTY GREAT PARK CORPORATION AMENDING THE BUDGET FOR FISCAL YEAR 2006-07 AND REGARDING RELATED MATTERS

### **PUBLIC COMMENTS**

There were none.

### **CEO REPORT**

Wally Kreutzen, Chief Executive Officer, reviewed the distributed Orange County Great Park Corporation Progress Report (Accomplishments) and briefly reviewed the previously discussed Work Plan timeline (Exhibits 4 and 5 on file in the Clerk of the Board's Office).

Director Pulido left the meeting at 4:32 p.m.

### **DIRECTOR COMMENTS**

Director Choi expressed his concern at the lack of opportunity to explain his "no" vote on Agenda Item 6.

Director Shea expressed disappointment relative to Board meeting protocol and requested additional time to review and discuss more complex agenda items.

### **ADJOURNMENT**

**By consensus**, the Board of Directors adjourned at 4:47 p.m., to an ORANGE COUNTY GREAT PARK CORPORATION BOARD OF DIRECTORS REGULAR meeting, January 25, 2007, 1:00 p.m., City of Irvine, City Council Chamber, One Civic Center Plaza, Irvine, California.

Larry Agran  
CHAIR

Molly Wargel  
SECRETARY/CLERK OF THE BOARD

January 25, 2007  
DATE APPROVED