

REQUEST FOR BOARD ACTION



BOARD MEETING DATE: May 26, 2005

TITLE: **FISCAL YEAR 2005-06 BUDGET**


Chief Executive Officer

RECOMMENDED ACTION:

Adopt the fiscal year 2005-06 budget for the Orange County Great Park Corporation and the implementing resolution entitled:

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ORANGE
COUNTY GREAT PARK CORPORATION ADOPTING THE BUDGET FOR
FISCAL YEAR 2005-06

EXECUTIVE SUMMARY

The proposed budget for fiscal year 2005-06 anticipates the City of Irvine receiving and transferring to the Orange County Great Park Corporation funds, totaling just over \$66 million, derived from the Great Park Development Agreement. Appropriations for the year are recommended totaling \$10,012,142.

In conjunction with the Orange County Great Park Business Plan, the fiscal year 2005-2006 budget forms the framework for the development of the Orange County Great Park. A list of recommended priorities for the coming year was developed and those activities, along with day-to-day requirements of the Corporation, were incorporated to provide a budget that will set in motion the development of the Orange County Great Park.

STATEMENT OF THE ISSUE

The fiscal year 2005-2006 Budget was developed to support the daily operations and priority activities necessary to begin building the Orange County Great Park. As an integral part of the Orange County Great Park Business Plan, this budget identifies the priorities and costs associated with the first year of major activities and requirements for

building the Great Park. It allows the Orange County Great Park Corporation to take the necessary actions to begin the physical changes, perform the studies, award consultant contracts and conduct general business with regard to the development of the Park.

The Budget consists of several program areas:

- Administration – provides for staffing, maintenance of public property, security, relocation of corporate offices and daily business operations.
- Planning – selection of Master Designer for the Master Park Design, recordation of subdivision maps, permit fees and applications for appropriate resource agencies, establishment of linkages with the Navy and other oversight agencies for development of LIFOC areas.
- Infrastructure – completion of Master Infrastructure Plan, selection of Program Manager, engineering analyses, and construction level drawings.
- Asset Management – commencement of runway demolition and recycling, management of leases, revenue streams and on-going management of Park lands.
- Communications – coordination of Master Design competition, creation of collateral materials, publicity and strategic planning for engaging the public and stakeholders in the process.

Combined revenues and expenditures for these programs create an overall budget for fiscal year 2005-2006 which includes:

Revenues – Development Agreement Fees	\$66,666,666
Revenues – asset leases	<u>\$ 1,200,000</u>
Total Revenues	\$67,866,666

Salaries and Benefits for staff, Board Aides and Board of Directors	\$ 1,172,892
Services, Supplies and Contracts	\$ 8,839,250
Capital Equipment	<u>- 0 -</u>
Total Expenditures	\$10,012,142

Previous year activities and budget requirements of the Corporation were limited to more ministerial functions such as crafting the Planning Principles, development of the Business Plan and other preliminary steps which set the stage to commence the actual activities and operations for building the Park. The current budget recommendations include continuation of these first steps, as well as introducing long range operational requirements and one-time start up costs. Start up costs include such things as the

relocation of corporate offices, certain fees, studies and design competition activities. Others component costs will be on going for several years, such as the removal and recycling of runways, environmental insurance needs and program management. Throughout the life of the Park, costs such as maintenance, security and business operations will not only continue, but also increase as the Park is fully developed.

Provided for your review are charts detailing the staffing allocations and program costs for the coming year (Attachment A and B respectively). The established priorities are all equally important in their own way and are therefore difficult to rank. Staff has identified the timeliest priorities and ranked them first. All priorities are then associated with the deliverables, description of work and actual expenditure request.

Approving the recommended budget for fiscal year 2005-2006 will assure the Orange County Great Park Corporation is on track and moving forward in the goal of creating a world-class Great Park.

COMMITTEE RECOMMENDATION

Not applicable.

ALTERNATIVES CONSIDERED

Staff believes this Budget recommendation represents carefully planning and cost analyses.

FINANCIAL IMPACT

Revenues from CFD fees and on-going lease operations provide an adequate resource for this budget.

Report prepared by: Marsha Burgess, Manager of Communications & Public Relations
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Glen Worthington, Manager of Planning Services

Attachments:

- A. Budget Priorities and Programs FY 2005-06
- B. Organizational Chart

**Budget Priorities and Programs
FY 2005-06**

ATTACHMENT A

Priority	Program	Deliverable	Budget Components	Budget
1	Select Master Designer and begin the master plan for the Great Park	Design Needs Assessment	Sports Facilities Needs	\$ 150,000
			Stakeholder Conference	\$ 75,000
			Mail-back Survey	\$ 125,000
			Internet Survey	\$ 5,000
			Phone Survey	\$ 30,000
			Subtotal	\$ 385,000
		Contract with Master Designer; complete conceptual and final park master plan	Design competition	\$ 125,000
			Landscape design consulting services	\$ 10,000
			Design Jury expenses	\$ 20,000
			Design candidates stipend	\$ 300,000
			Sustainability consultant	\$ 20,000
			Subtotal	\$ 475,000
		Conceptual park master plan assessment	Internet Survey on Design Options	\$ 5,000
			Mail-back Survey on Design Options	\$ 125,000
			Subtotal	\$ 130,000
		Produce final park master plan, complete schematic design and begin design	Master Designer	\$ 400,000
			Design development and production	\$ 1,500,000
			Subtotal	\$ 1,900,000
			Total	\$ 2,890,000
2	Contract Program Manager	Consultant services to assist staff with the planning, design, and construction of the Great	Program Manager services	\$ 1,550,000
			Project Manager services	\$ 250,000
			Total	\$ 1,800,000
3	Establish Navy protocol	Contract with engineering consultant, meetings with appropriate agencies	Environmental engineering	\$ 50,000
4	Begin runway removal	Contract with recycler or Heritage Fields, LLC	Materials consultant	\$ 10,000
5	RV storage	Long term interim location for RVs and new contract for RV management	Relocation of RVs – new fencing, lighting, access control and camera system	\$ 500,000

Budget Priorities and Programs FY 2005-06

Priority	Program	Deliverable	Budget Components	Budget
6	Identify useable buildings	Building surveys	Hazardous materials assessment	\$ 75,000
		Contract with consultant	Officers Club space design	\$ 30,000
			Total	\$ 105,000
7	Preliminary engineering fieldwork	Preliminary soil samplings, borings and testing	Preliminary geotechnical fieldwork	\$ 100,000
8	Property-wide permitting	Contract with Fuscoe Engineering, meetings with appropriate agencies	Studies and plans for permits and applications	\$ 350,000
		Fees and Permits	Permitting review by the City of Irvine	\$ 100,000
			Total	\$ 450,000
9	Private contribution framework	Analysis of options and report to Board	Fund development framework strategy	(Included in staff budget)
On-going	Insurance	Analysis of options and issuance of policy	Board/Officers general liability and errors and omissions insurance	\$ 15,000
On-going	Public information and outreach	Contract with Forde and Molrich for visioning process, Benchmark reports, web site update, and media campaign	Annual Benchmark Report	\$ 90,000
			Three Quarterly Benchmark Reports	\$ 339,000
			Collateral Materials	\$ 25,000
			Press Kits	\$ 10,000
			Press Tour	\$ 25,000
			Graphics and videos	\$ 5,000
			Groundbreaking event	\$ 50,000
			Information Folder	\$ 20,000
			Subtotal	\$ 564,000
		Contract with Pixel Pushers	Web design and Maintenance	\$ 25,000
		Contract with consultant	Legacy Project	\$ 50,000
		Contract with consultant	History Project	\$ 50,000
		Promotional materials	Promotional materials	\$ 50,000
			Total	\$ 739,000

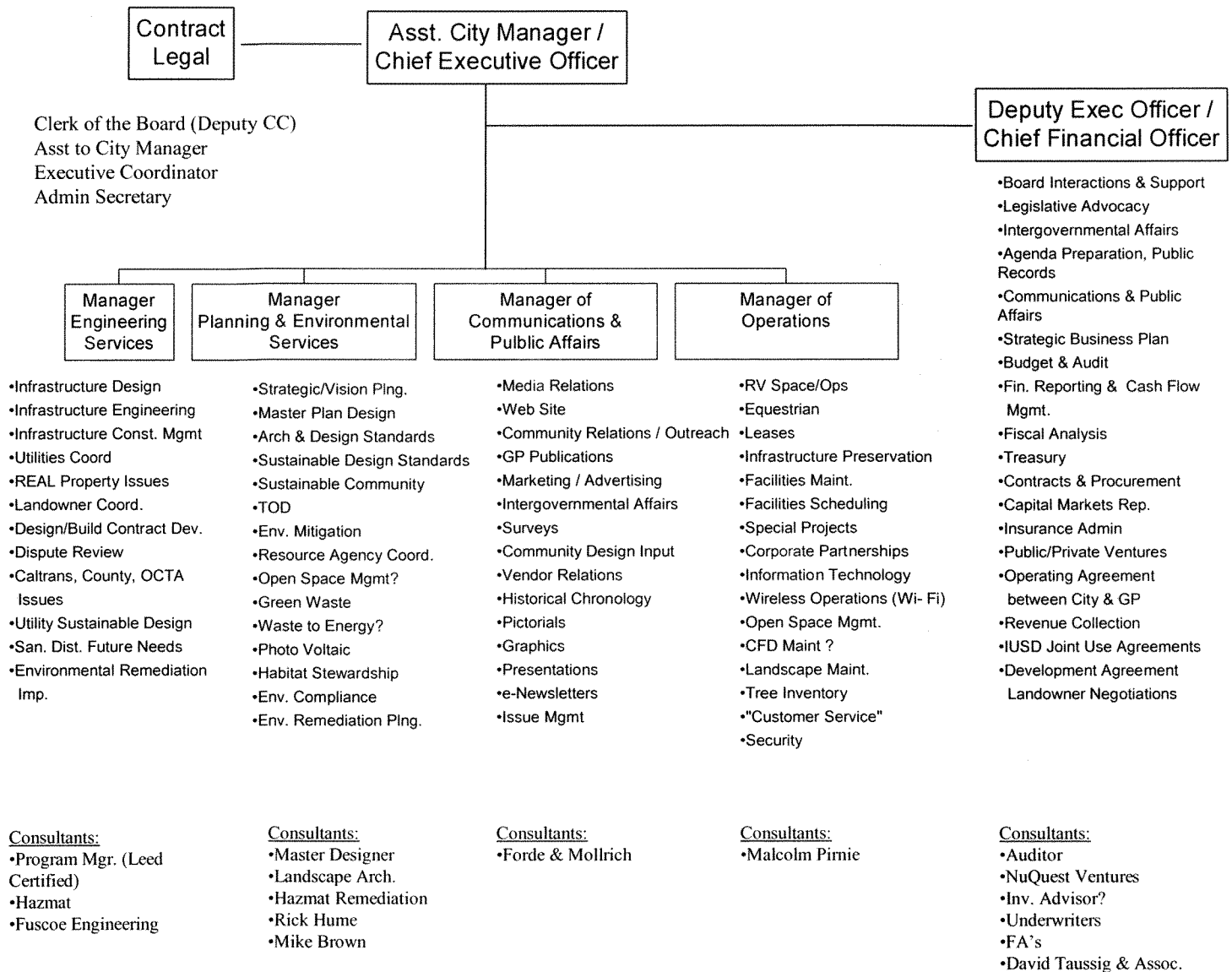
Budget Priorities and Programs

FY 2005-06

Priority	Program	Deliverable	Budget Components	Budget
On-going	Supplies and Services	Offices and office supplies for staff and Directors	Computers, furniture, duplicating equipment, telephones for new office location, facility rent, miscellaneous office supplies/monthly usage and incidental operating expenses	\$ 800,000
		Helicopter and vehicle leases	Site tours	\$ 12,000
		Business travel and expenses for 5 site visits with 4 Directors plus staff per visit, membership in Chamber of Commerce, mileage reimbursement and other meetings/seminar costs	Site visits, seminars, workshops for Board and staff	\$ 243,250
		Business administration and operations	Continued program funding as determined by the Board	\$ 50,000
			Total	\$ 1,105,250
On-going	Legal Services	General counsel services	Legal representation, contract review, and strategic analysis	\$ 500,000
On-going	Asset Management	Contract with consultant	Shared operating costs for management of base assets, security, RV storage, golf and other licenses for one year	\$ 575,000
			Services, Supplies, and Contracts Total	\$ 8,839,250

Orange County Great Park Corporation

Board of Directors



Interagency Coordination / Negotiations	
<ul style="list-style-type: none"> •IRWD NTS •Development Agreement •Landowner Issues •OCTA •Cal Trans •County •TCA •SARWQCB •Edison 	<ul style="list-style-type: none"> •Sempre Energy •Redevelopment Agency •The Irvine Company •IUSD •ACOE •USF & WS •Dept. Fish & Game •Cal EPA Etc.