



REQUEST FOR CITY COUNCIL ACTION

MEETING DATE: MAY 23, 2017

TITLE: PRELIMINARY ANALYSIS OF A LAND EXCHANGE BETWEEN THE CITY OF IRVINE AND HERITAGE FIELDS, LLC FOR A VETERANS CEMETERY

Director of Community Development

City Manager

RECOMMENDED ACTION

Receive and file the Preliminary Analysis of Five Point Communities' Proposed Land Swap with the City of Irvine.

EXECUTIVE SUMMARY

On April 4, 2016, staff provided the City Council with an update regarding the status of the Southern California Veterans Cemetery. That update was agendaized at the request of both Councilmembers Shea and Lalloway. In conjunction with these agenda items, Five Point Communities ("Five Point") submitted a letter proposing a land exchange between the City and Heritage Fields El Toro LLC ("Heritage Fields") (Attachment 1) that would relocate the proposed cemetery site from the ARDA Transfer Site north of the Orange County Great Park to land owned by Heritage Fields adjacent to Interstate-5 (proposed "New ARDA Transfer Site") (Attachments 2-4). The City Council directed staff to pursue a dual track option to continue to pursue development of a cemetery at the 125-acre ARDA Transfer Site while concurrently exploring the terms of a land exchange with Five Point. The City Council action was approved by a vote of 3-2 (Councilmembers Fox, Shea and Wagner voting in favor with Councilmembers Lalloway and Schott voting against) (Attachment 5).

Regarding the proposed land exchange, the City Council action directed staff to "pursue the understanding of the offer from Five Point..." Accordingly, staff contacted Five Point to request a term sheet outlining potential details of the proposed land exchange to help the City better understand Five Point's offer. On April 19, 2017, Five Point, on behalf of Heritage Fields, provided the City with a letter detailing the proposed terms of the land exchange (Attachment 6). After review of the term sheet, staff has identified a number of questions and items needing further clarification.

ANALYSIS

Issues Identified by City Staff as Needing Further Clarification

Staff performed a preliminary analysis of the Five Point letters dated April 4, 2017 and April 19, 2017 and identified a number of questions. These questions were provided to Five Point on May 4, 2017 (Attachment 8).

Staff's questions relate to issues such as funding, infrastructure and timing for the cemetery; issues related to the land exchange, including timing, use restrictions and what would occur if the cemetery never comes to fruition; responsibility for remediation of each of the sites; timing of Backbone Infrastructure and Marine Way to serve the cemetery site; and, issues related to the City entitlement process and the applicability of CEQA, among others.

Next Steps

Staff initiated an appraisal that is anticipated to be completed by late June or early July. In the interim, staff will continue to work with Five Point to fully understand its offer and will return to the City Council with an update at the June 27 meeting.

ALTERNATIVES CONSIDERED

Not applicable. This report was prepared in response to City Council direction to "pursue the understanding of the offer from Five Point..." and is intended to provide a status update to that direction.

FINANCIAL IMPACT

The financial impact of the proposed land exchange will be fully assessed through the property appraisal process, including any additional terms of agreement negotiated through the exchange process. Additional financial impacts, if any, will be identified through additional consultation with Five Point.

Report prepared by: Barry Curtis, Manager of Planning Services

ATTACHMENTS

1. Letter from Five Point, on behalf of Heritage Fields, dated April 4, 2017
2. ARDA Transfer Site Location Map
3. Development District 2 Site Location Map
4. Summary Location Map
5. City Council Minute Excerpt dated April 4, 2017

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6. Letter from Five Point, on behalf of Heritage Fields, dated April 19, 2017
7. City Council Minute Excerpt dated April 12, 2016
8. City Staff Questions Provided to Five Point on May 4, 2017

cc: Veronica Dolleschel, Senior Management Analyst



April 4, 2017

Mayor Don Wagner
City Councilmembers
City of Irvine
One Civic Center Plaza
Irvine, CA 92612

Re: Agenda Items 4.2 and 4.3

Dear Mayor Wagner and Irvine City Councilmembers,

We are writing in support of item 4.2 on your Council agenda.

In doing so, we have two important objectives: First, we want to clear the record as to our intentions around a potential land exchange for a veterans cemetery and, second, we want to remove any doubt as to why this is a win-win-win for the veterans, a large group of residents and the city itself.

FivePoint strongly believes veterans in Irvine and Orange County deserve a special place to honor their own, a cemetery that is worthy of the service they have given this country. Of the options before you, a land swap would significantly accelerate the process to deliver on this city's promise to build a veterans cemetery.

FivePoint also recognizes the mounting tension and concern within one of the fastest growing segments of the city's population about the proximity of a veterans cemetery to residences. An exchange of land, acre for acre, would immediately defuse this issue and show the type of respect to this constituency that they deserve in a city known for its diversity and tolerance.

This letter confirms our willingness to offer our partnership's land adjacent to the 5 Freeway to the City of Irvine for a potential exchange with an equivalent number of acres. If the Council approves this concept tonight, we will immediately sit down with your staff to explore the specific details of the potential swap.

To move this discussion forward, it is important for us to address the many misstatements in the lead-up to this hearing and it is important for the record to reflect the following:

- The site we have offered to the City to facilitate the swap is part of the former MCAS El Toro property. Our partnership purchased it from the Department of the Navy in 2005 as part of the sale of the property.
- We are offering Freeway-adjacent land unencumbered by the demolition costs associated with the ARDA transfer site and any ongoing ownership issues (such as the old Control Tower).
- This proposal would allow the delivery of the first phase of the cemetery much faster than the original plan because it relied on Federal money while the "swap" construction as soon as City approvals are received.

ATTACHMENT 1



As you know, through our agreements with the city, we have demolished and recycled thousands of structures at the former MCAS El Toro and we are aware of the significant upfront costs associated with the reuse of the existing ARDA transfer site, a cost that we are willing to absorb as part of this exchange. **This benefit to the City and taxpayers would be somewhere between \$30m-50m.**

The alternative site is currently being farmed for agriculture and is free of the millions of dollars of demolition and site preparation to begin development of the site.

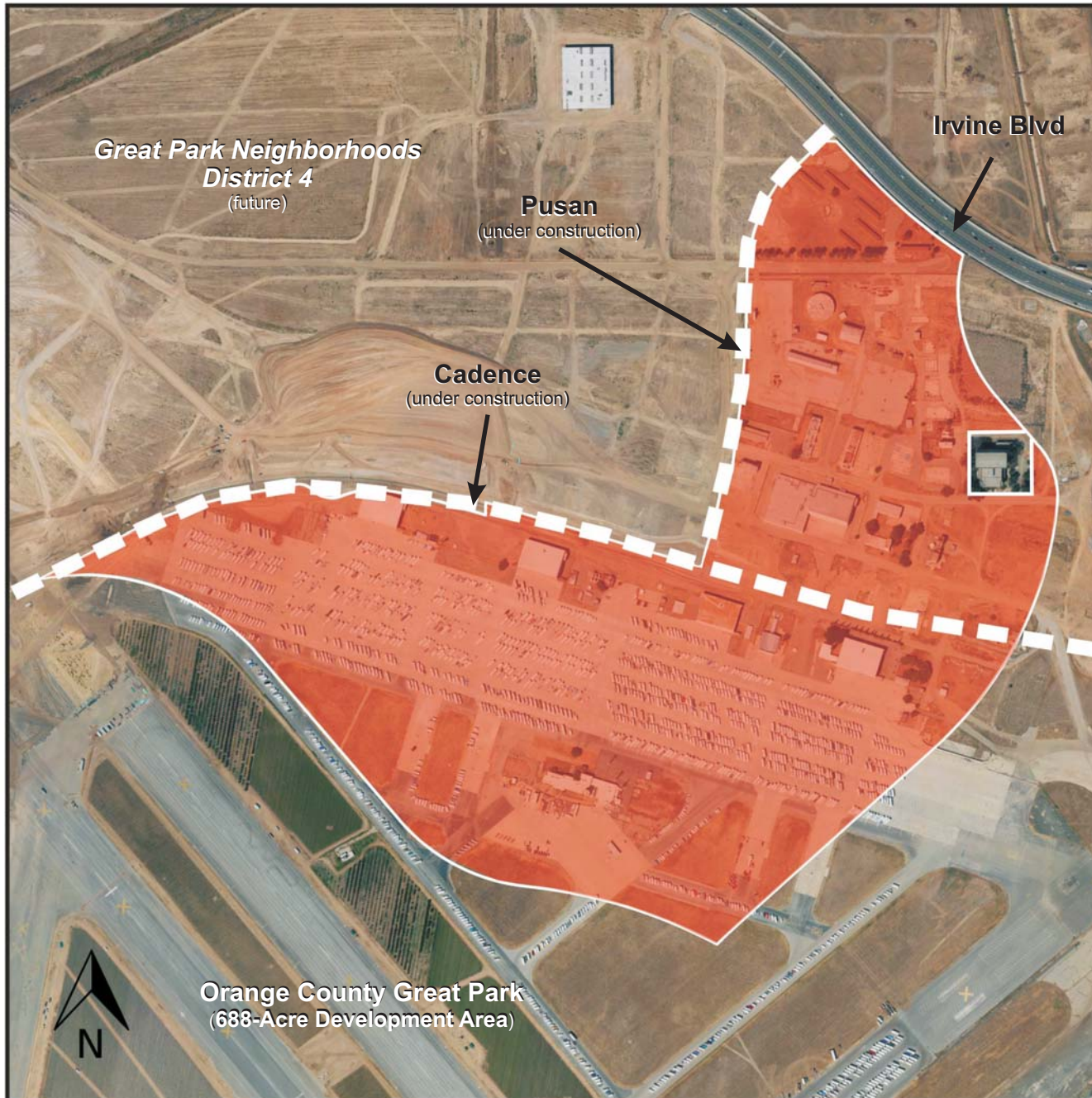
Should there be any additional costs associated with the State CalVet or Federal VA processes, we are willing to discuss funding those additional efforts. In addition, at the appropriate time, FivePoint is ready to discuss participation in funding the construction of the first phase of the cemetery.

We have enjoyed a 12-year partnership with the City of Irvine and we remain committed to doing whatever we can to deliver on the promise of the Orange County Great Park.



Emile Haddad
Chairman and CEO

ARDA Transfer Site Location Map



Development District 2 Location Map



Summary Location Map



4.2 CONSIDERATION OF COUNCILMEMBER SHEA'S REQUEST FOR VETERANS CEMETERY UPDATE, DISCUSSION AND POSSIBLE ACTION

This item was consolidated with Council Business Item No. 4.3 below. See Additions and Deletions.

Item No. 4.2 was agendized at the request of Councilmember Shea, who requested an update on the Veterans Cemetery at the Orange County Great Park, and suggested that the City Council reconsider the alternate site based on a proposal from FivePoint Communities.

Item No. 4.3 was agendized at the request of Councilmember Lalloway, who expressed support to continue pursuing the development of a Veterans Cemetery on the ARDA Transfer Site previously approved by the City Council, and further asked for City Council support to appropriate up to \$40 million of the estimated \$77 million cost of design, demolition and construction of the Veterans Cemetery.

The following individuals spoke in support of relocating the proposed Veterans Cemetery to the alternate site:

Anthony Kuo, who read a letter into the record on behalf of California State Assemblyman Steven Choi

Bill Cook

John Carson, Mission Viejo resident

Brian Chuchua, Anaheim resident

Courtney Santos, Irvine resident

Alan Bartlett, Irvine resident

Robert Brower, Irvine resident

Robert Breton

Hannah Hess, who read a letter into the record on behalf of United States Congresswoman Mimi Walters

Bill Sandlin, Irvine resident

Martha Huff, representing American Legion

Michelle De La Cruz, representing American Legion

Zeke Hernandez

Peter Katz, Santa Ana resident

Jose Guevara

Steve Greenberg

The following individuals spoke in support of the development of the proposed Veterans Cemetery at the ARDA Transfer Site:

Larry Agran, Irvine resident

Carol Lechich-LeMar, Irvine resident

Jane Olinger, Irvine resident
Avram Grossman, Irvine resident
Ed Pope, Irvine resident
Jaci Woods, Irvine resident
Alan Meyerson, Irvine resident
Angleo Vassos, Irvine resident
Gail Lewis, Irvine resident
Harvey Liss, Irvine resident
David Olinger, Irvine resident
Jean Miller, Irvine resident
Robert Kohler, Irvine resident
Jack Fancher, Irvine resident
Sam Castelo, Irvine resident
Jake Jacobs
Henry King

The following spoke in support of a Veterans Cemetery in the City of Irvine:

Tim Chambers
Jon La Fleur
Neil Reich
Gary Mason
Dennis Phelps
Mary Ann Gaido, Irvine resident
Sebastian Calderon, who read a letter into the record on behalf of
California State Senator Josh Newman
Ron Bengouchea
Joy Taylor
Tyler Holcomb, Irvine resident

Patrick Strader, representing FivePoint Communities, responded to questions regarding the alternative site, which included size, location and entitlement exchanges; and noted reference to correspondence from Emile Haddad, FivePoint Communities CEO, outlining certain details of the proposal for the alternative site.

Goulin Wang submitted a Request to Speak card but did not speak.

City Council discussion included: finalization of the State budget by June 15; exploring details of the proposal by FivePoint Communities with respect to the alternative site; and deferring City Council action in order to provide time for California Assemblywoman Sharon Quirk-Silva to secure \$40 million from the State.

ACTION: Moved by Councilmember Shea, seconded by Mayor Wagner, to:

- 1) Support the concept of a land exchange with Heritage Fields/Five Point Communities for the construction of a Veterans Cemetery on the former El Toro Marine Base; such exchange will be for a net equivalent of usable acres.
- 2) Direct staff to begin negotiations to clarify the legal deal points necessary to facilitate the construction and exchange.
- 3) Direct staff to report back to the City Council on the status of such negotiations by the end of June of this year for a final vote to move this land exchange forward and to break ground on the Orange County Veterans Cemetery as soon as possible.

Additional City Council discussion included: reiterating unanimous approval of the ARDA Transfer Site by the former City Council and subsequent approval by the State Legislature; noted that the proposal from FivePoint Communities did not include specific details; noted the potential for additional costs to develop on the alternate site; expressed concern about additional entitlement and associated traffic related issues related to the alternate site; expressed concern that the development of the alternate site could delay the process at the State level; questioned the State's ability to secure funding to build the Veterans Cemetery at the ARDA Transfer Site; reiterated California Assemblywoman Quirk-Silva's commitment to secure funding from the State; suggested that development of the alternative site could be completed within a year; suggested a dual track option; suggested deferring City Council action until the proposal by FivePoint Communities is further explored; reiterated that the Veterans Cemetery in Riverside was almost at capacity; noted that the \$40 million from the City would come from the RDA settlement funds; and expressed concern about committing City funds without a funding commitment from the State.

ACTION: A substitute motion was made by Councilmember Lalloway, seconded by Mayor Pro Tempore Schott, to:

- 1) Authorize and direct the City Manager to take all necessary steps in cooperation with Cal Vet, and the U.S. Veterans Administration, to accelerate the processing and final approvals for expedited construction of the Southern California Veterans Memorial Park and Cemetery on the State and City designated 125-acre parcel of land known as the ARDA Transfer Site within the Great Park, with the goal of commencing memorial park and cemetery operations on or before Veterans Day 2019.

- 2) The City Manager is further directed to:
 - a) Deploy all appropriate resources authorized and specified in the Veterans Cemetery motion adopted by the City Council on April 12, 2016.
 - b) Convey to the Governor's office and the California Veterans Administration, appropriate members of the State Legislature (including but not limited to all members of the Orange County Delegation and the U.S. Veterans Administration), the City's offer to guarantee local funding of up to \$40 million from Account 180 at the Great Park toward completion of design, demolition, grading and construction in order to commence operation of the Veterans Memorial Park and Cemetery within the Great Park by Veterans Day 2019.

The motion carried as follows:

AYES: 3 COUNCILMEMBERS: Fox, Lalloway and Schott

NOES: 2 COUNCILMEMBERS: Shea and Wagner

ABSENT: 0 COUNCILMEMBERS: None

Following the vote, Councilmember Fox requested a motion to reconsider the action taken with respect to Council Business Item Nos. 4.2 and 4.3.

ACTION: Moved by Councilmember Fox, seconded by Mayor Wagner, to:

Reconsider the action taken with respect to Council Business Item Nos. 4.2 and 4.3.

The motion carried as follows:

AYES: 3 COUNCILMEMBERS: Fox, Shea and Wagner

NOES: 2 COUNCILMEMBERS: Lalloway and Schott

ABSENT: 0 COUNCILMEMBERS: None

City Council discussion included: reiterating the pursuance of a dual track option to provide a better understanding of the proposal by FivePoint Communities; and suggested moving forward with the development of the ARDA Transfer Site with the option at a later date to agendize the FivePoint Communities proposal for discussion, if necessary.

City Attorney Melching reiterated that the motion on the table for consideration was Councilmember Lalloway's substitute motion.

ACTION: A substitute motion to Councilmember Lalloway's substitute motion was moved by Councilmember Fox, seconded by Mayor Wagner, to:

Pursue a dual track option as follows:

- 1) Authorize and direct the City Manager to take all necessary steps in cooperation with Cal Vet, and the U.S. Veterans Administration, to accelerate the processing and final approvals for expedited construction of the Southern California Veterans Memorial Park and Cemetery on the State and City designated 125-acre parcel of land known as the ARDA Transfer Site within the Great Park, with the goal of commencing memorial park and cemetery operations on or before Veterans Day 2019.
- 2) The City Manager is further directed to:
 - a) Deploy all appropriate resources authorized and specified in the Veterans Cemetery motion adopted by the City Council on April 12, 2016.
 - b) Convey to the Governor's office and the California Veterans Administration, appropriate members of the State Legislature (including but not limited to all members of the Orange County Delegation and the U.S. Veterans Administration), the City's offer to guarantee local funding of up to \$40 million from Account 180 at the Great Park toward completion of design, demolition, grading and construction in order to commence operation of the Veterans Memorial Park and Cemetery within the Great Park by Veterans Day 2019.
- 3) Direct staff to pursue the understanding of the offer from Five Point Communities; and to match State funds, up to and including \$38 million in City funds, that would be appropriated in the upcoming budget cycle.

The motion carried as follows:

AYES: 3 COUNCILMEMBERS: Fox, Shea and Wagner

NOES: 2 COUNCILMEMBERS: Lalloway and Schott

ABSENT: 0 COUNCILMEMBERS: None

4.3 CONSIDERATION OF COUNCILMEMBER LALLOWAY'S REQUEST FOR STAFF PROGRESS REPORT ON VETERANS CEMETERY

This item was consolidated with Council Business Item No. 4.2 above.
See Additions and Deletions.

Councilmembers Fox and Lalloway left the meeting at 9:14 p.m.

PUBLIC COMMENT

Kurken, Alyakian, Levon Alyanakian, and Vana Geregian expressed their appreciation to the City Council for removing the Turkish Heritage and Children's Day proclamation from the agenda.

The following individuals spoke in opposition to the proposed Southern California Edison Safari Substation on Wald Street:

Daniel Kim, representing Aguirre and Severson
Norman Voo
Betsy Lindsay
Arie Goldberg
Rebecca Whiteleather
Bruce Whiteleather
John Roehrick
Michael Aguirre, representing Aguirre and Severson

Alan Meyerson, Irvine resident, expressed concern regarding aggressive driving and traffic safety.

The following individuals submitted a Request to Speak slip but did not speak:

Vahe Meghrouni
Alexis Meghrouni
Chris Guldjian
Genevieve Slaberg
Jane Olinger, Irvine resident
Sorab Charna
Debra Kim, Irvine resident



25 Enterprise, Suite 300, Aliso Viejo, CA 92656

April 19, 2017

Mayor Don Wagner
City Councilmembers
City of Irvine
One Civic Center Plaza
Irvine, CA 92612

Re: Veterans Cemetery

Dear Mayor Don Wagner and City Councilmembers:

In April of 2016 and again earlier this month on April 4th, I wrote to this Council expressing our continuing interest to work with the City to explore a land swap in order to facilitate the development of a Veterans cemetery in Irvine. I will not restate all that I expressed in my prior letters, but suffice it to say that it is our belief the land swap will expedite the initial phase of development of a Veterans cemetery and will allow significant cost savings to accrue to the ultimate developer of the cemetery by avoiding substantial demolition and site preparation costs required with the ARDA Transfer Site (approximately \$30 million). In addition, the proposed swap parcel is located close to the I-5/I-405 interchange, with high visibility and efficient access for future military funeral processions. I ask that you contrast this with the ARDA Transfer Site that is in close proximity to existing and future residential development, Portola High School and a future K-8 school located in District 4 adjacent to the ARDA Transfer Site.

Following the Council meeting on April 4, 2017, when the Council directed City staff to pursue a dual path, exploring the availability of State and City Funds and the specifics of a land exchange, we received a letter from Pete Carmichael dated April 10th asking us to submit a term sheet "outlining specific details of the potential property exchange so as to help the City gain a better understanding of the offer." To that end, I have enclosed a term sheet outlining those details. We believe we have identified a simple process that can be reviewed, assessed and approved by the City in short order.

In addition to the proposed land swap with the City, we continue to work with the Orange County Veterans Memorial Park Foundation and are willing to work with others (including, for example, CalVet) on a plan for our partnership to fund/construct the first phase of development of the cemetery on the alternate site proposed for the land swap. To that end, I have enclosed for your reference a conceptual design plan we have been working on with the

April 19, 2017
Mayor Don Wagner
City Councilmembers

Foundation that shows a conceptual rendering of the proposed cemetery layout on the alternate site.

As noted in my prior letters, we appreciate the City's willingness to work with us on a win-win-win solution for the Veterans, the City and the Community. We look forward to engaging in further discussions with you and your staff.

Sincerely,



Emile Haddad
Chairman and Chief Executive Officer
Five Point Communities Management, Inc.,
On behalf of Heritage Fields El Toro, LLC



Legend

- ① Entrances
- ② Avenue of the Flags / Procession-Garden
- ③ Assembly Area
- ④ Administration Building / Parking
- ⑤ Memorial Walk
- ⑥ Cortege Lane
- ⑦ Committal Shelter
- ⑧ Columbarium
- ⑨ Crypt, In-Ground Cremains
- ⑩ Maintenance Building & Yard
- ⑪ Veterans Memorial / Beacon
- ⑫ Beacon Icon
- ⑬ Thematic Culvert Crossing
- ⑭ Entry Monuments
- ⑮ Perimeter Landscape Buffer
- ⑯ Wildlife Corridor / Serrano Creek

CONCEPTUAL DESIGN PLAN

CONCEPT PLAN SUBJECT TO CHANGE



BrightView
Design Group
© 11/2014

**ORANGE COUNTY GREAT PARK
VETERAN'S CEMETERY IMPLEMENTATION AGREEMENT:
PROPOSED TRANSACTION OUTLINE**

Background

- Assembly Bill 1453 was introduced in the California legislature in January 2014, proposing to establish a State Veterans Cemetery in Orange County.
- The Irvine City Council adopted Resolution 14-92 on July 22, 2014, expressing its intent to make available up to 125 acres of the city-owned property (referred to as the "**ARDA Transfer Site**") for a State Veterans Cemetery, land that was previously owned by Heritage Fields El Toro, LLC ("**Heritage Fields**") but dedicated to the City as required by the Amended and Restated Development Agreement ("**ARDA**") between the City and Heritage Fields.
- Governor Jerry Brown signed AB 1453 on September 27, 2014, with the legislation effective January 1, 2015.
- The State Department of Veterans Affairs ("**CalVet**"), with the planning assistance of the Department of General Services ("**DGS**"), hired design and environmental consultants to assess the ARDA Transfer Site, develop concept plans for the cemetery, and cost estimates for demolition, site preparation and the initial phase of development of the cemetery, all of which was needed for a pre-application requesting Federal State Cemetery grant funds by a deadline of July 1, 2016.
- On March 15, 2016, the City received a letter from the Orange County Veterans Memorial Park Foundation ("**Veterans Foundation**") Chairman, Bill Cook, requesting that the City Council consider a "swap" of the ARDA Transfer Site with a site owned by Heritage Fields in District 2 of Planning Area 51, adjacent to Interstate 5 between Bake Parkway and Alton Parkway (the "**Alternate Site**" or "**New ARDA Transfer Site**"), and to assist the Veterans Foundation to present this Alternate Site to CalVet for inclusion in its Federal grant pre-application ("**Grant Pre-application**").
- In furtherance of the Veterans Foundation letter, Heritage Fields submitted a letter to the City on April 11, 2016, indicating its willingness to offer the Alternate Site in a land swap with the City, to work with City staff to explore the details of a potential exchange and further to work with the City's Veterans Committee to provide whatever additional information CalVet might need for the Grant Pre-application.
- At its meeting on April 12, 2016, the City Council declined to proceed with any analysis of the Alternate Site or consideration of a land swap.
- In June 2016, Owen, the consultant hired by the DGS, issued a report detailing (among other things) the costs of Phase 1 (comprised of demolition and site preparation costs for the approximately 125 acres contained in the ARDA Transfer Site) and Phase 2 (including approximately 28 acres, 13 acres of which would be for development of burial sites, administrative buildings and other improvements). The Owen report identified that the ARDA Transfer Site currently contains more than 70 structures, including 4 hangars that comprise approximately 20,000 square feet each, a former Marine Corps Air Station, El Toro control tower and offices, barracks, concrete runways, and asphalt roadways. (See the depictions attached showing the ARDA Transfer Site and some of the existing structures.) It concluded further that

the demolition and site preparation costs alone, prior to any new construction of cemetery improvements, would be approximately \$30 million. Therefore, the costs to develop the ARDA Transfer Site are significantly greater than the costs to develop the Alternate Site, which is currently used for agricultural uses and has little or no demolition activity necessary to develop a cemetery. (See the depictions attached showing the Alternate Site and its existing agricultural operations.)

- At its meeting on April 4, 2017, the City Council was provided with an update on all the information concerning possible site options. Heritage Fields again reaffirmed its willingness to work with the City to consider a land swap of sites, given the costs of demolition and site preparation for the ARDA Transfer Site as compared to the Alternate Site, as reflected in the letter delivered by Heritage Fields to the City dated April 4, 2017. The City Council was reminded that the Alternate Site is currently used for agriculture uses and will be easier and less costly to develop for cemetery purposes than the ARDA Transfer Site. At this meeting, the Council determined to work with Orange County veterans and review the ARDA Transfer Site and the Alternate Site in order to come up with the best approach to implementing the proposed Veteran's Cemetery as expeditiously as possible.

To expedite the development of the Great Park Veteran's Cemetery for the benefit of the many veterans in the region and to relieve the City (and any other public agency undertaking the cemetery project) from the extra burden of site demolition, remediation, preparation and attendant costs in developing the current ARDA Transfer Site, Heritage Fields remains prepared to consider the land swap. The key points of the proposed Veteran's Cemetery Implementation Agreement, which would allow for the land swap, are as follows:

Proposal Summary

ARDA Transfer Site:	Current ARDA Transfer Site in Planning Area 51 to be swapped with the New ARDA Transfer Site. Current ARDA Transfer Site to be renamed: "Development District 9". In accordance with Section 9.7 of the ARDA, the Exhibits to the ARDA will be administratively amended to reflect the change in designations.
Total Land Area:	Approximately 125 acres total for each site to be swapped. (See the attached depictions showing the gross and net acreage to be swapped.)
No Cash Consideration:	The swapped land will be of equal value, or of a value greater to the City than Heritage Fields given the additional demolition and development costs on the existing ARDA Transfer Site compared to the Alternate Site.
Transfer of Existing Entitlements:	Pursuant to ARDA Section 3.1.4, the original transfer/dedication of the ARDA Transfer Site by Heritage Fields to the City did not include the allocation of trips or any entitlements. In accordance with ARDA Section 3.9.2, the City acknowledged that it would have to first comply with applicable legal processes, if any, and requirements in order to entitle or otherwise implement uses on the ARDA

Transfer Site. Accordingly, the 812,000 square feet of Research & Development entitlement that is currently assumed and reflected in the City's traffic model on the New ARDA Transfer Site (and the 8,461 average daily trips [ADTs] that are allocable to this assumed entitlement) will be reallocated to the new Development District 9 as part of the transfer of title in the land swap, pursuant to ARDA Section 3.1.1. Conveyance of the New ARDA Transfer Site shall not affect the character, density or intensity of uses approved for the Heritage Fields Property or the traffic mitigation required for such uses. The City (or the ultimate developer of the New ARDA Transfer Site) shall be responsible for all maintenance of the New ARDA Transfer Site and for any traffic mitigation, NITM payments or other traffic fees related to use of the New ARDA Transfer Site.

Changes to Planning Area 51:

Since the zoning designation for both the existing ARDA Transfer Site and the Alternate Site currently are the same (8.1), there is no change needed for the zoning designation of these areas, and it is anticipated there will only be a minor zoning text amendment and change to the zoning maps to reflect the swap. The former ARDA Transfer Site will be designated "District 9" in Municipal Code Section 9-51-6(Q), and the character statement from District 2 (currently applicable to the New ARDA Transfer Site) will be adopted for District 9. The New ARDA Transfer Site shall be subject to the otherwise applicable requirements and limitations currently imposed on the "ARDA Transfer Site", whether in the applicable zoning or the ARDA and the property comprising the New ARDA Transfer Site will be removed from District 2. The New ARDA Transfer Site will be designated in the City's zoning map as 8.1 to allow for cemetery uses with a Conditional Use Permit per Municipal Code Section 3-3-1.

CEQA:

Swap merely reallocates existing uses within the framework of existing approvals. No new uses are being approved (cemetery is already a contemplated use). Accordingly, the approval of the swap and associated rezoning are exempt from CEQA.

Deed Restrictions:

Deeds transferring New ARDA Transfer Site to City shall restrict the uses to cemetery and related ancillary uses.

Conveyance Mechanics:

Heritage Fields and the City shall convey the respective parcels to the other party by grant deed (in a form mutually approved by the parties) within 10 days after the later to occur of (i) execution of a binding Veteran's Cemetery Implementation Agreement by both parties and (ii) final approval of the contemplated changes to Planning Area

51, unless a Third-Party Legal Challenge has been brought against either item, in which case the conveyance shall occur within ninety (90) days after a final adjudication or legislative action rejecting such Third-Party Legal Challenge. Neither party shall be required to pay any fee or purchase price for the swap. Escrow costs, if any, shall be shared 50/50. Title shall be conveyed free and clear of all recorded and unrecorded monetary liens (other than the OCGP CFD) and all recorded and unrecorded nonmonetary title exceptions other than those listed on a title exception exhibit pre-approved by both parties. Each of City and Heritage Fields shall be responsible for the costs of placing the title of their respective parcels to be transferred, in acceptable condition. A condition to each party's acceptance of their respective transfer sites shall be the irrevocable commitment of the Title Company to deliver to an ALTA standard or, at the applicable party's election, an extended coverage owner's policy of title insurance showing title vested in the applicable party and with title subject only to the permitted exceptions.

LAND SWAP EXHIBIT



ARDA TRANSFER SITE

GROSS AREA:	125.7 Ac.
ROADS: (CADENCE & PUSAN)	< 6.7 Ac.>
FAA LEASE:	< 1.7 Ac.>
LAND USE RESTRICTED (LONG TERM)	< 1.0 Ac.>
RETAINED BY CITY:	< 2.3 Ac.>
SIMULATOR SITE:	1.6 Ac.

NET SITE 115.6 Ac.

ALTERNATE SITE

GROSS AREA:	124.9 Ac.
ROADS: (MARINE WAY)	< 9.3 Ac.>

NET SITE 115.6 Ac.



Barranca Pkwy

Alton Pkwy

Muirlands

CITY

WILDLIFE CORRIDOR (FUTURE)

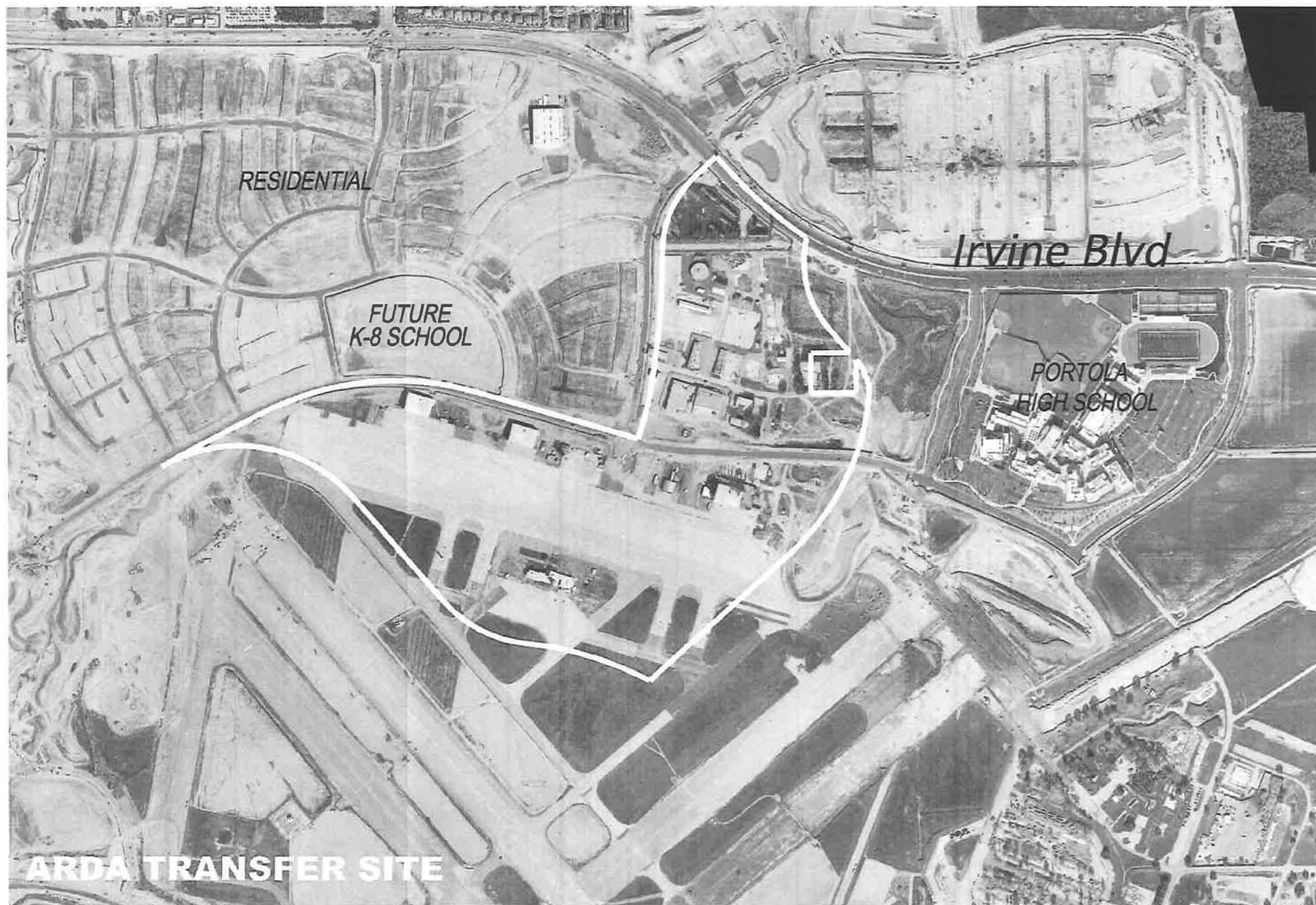
405

5

ALTERNATE SITE

Bake Pkwy







ARDA TRANSFER SITE



ARDA TRANSFER SITE

4. COUNCIL BUSINESS

4.1 UPDATE AND DISCUSSION OF SOUTHERN CALIFORNIA VETERANS CEMETERY

This item was agendized at the request of Councilmember Shea, who expressed concern with the costs and other constraints of the current site, including demolition and potential toxic clean-up, and noted the offer made by FivePoint Communities for consideration of a land exchange. She also acknowledged concerns raised by nearby residents and the Irvine Unified School District about the location of the existing site; and noted that she would bring a motion forward to approve the proposed land exchange following City Council discussion.

Veronica Dolleschel, Senior Management Analyst, Michelle Grettenberg, Assistant to the City Manager, and Tim Gehrich, Deputy Director of Community Development, presented the staff report and responded to questions.

Bill Cook, Chairman, Orange County Veterans Memorial Park Foundation, provided an overview of the approval process for a Veterans Cemetery and the advantages associated with the alternative site.

The following individuals spoke in support of the proposed land exchange between the City of Irvine and Five Point Communities:

Gang Chen, Irvine resident
Emile Haddad, representing FivePoint Communities
Donald Wagner, Assembly Member, 68th District
Ken Jackson
Brian Chuchua, representing OCVMP
Peter Katz, representing OCVMP
Bill Sandlin, Irvine resident
Ronnie Guyer
Kate Randall, representing Senator Mimi Walters
Alex Diaz, representing American Legion
Farrah Khan, Irvine resident
Alex Chen
Gang Ding
Henry King
Dana Ma, Irvine resident
Tony Pan
Wendy Ke
Joy Duan, Irvine resident
Stephen Chen
Joe Yan
A.D. Zelinko, Irvine resident

Michael Klubniken
Martha Huff, representing American Legion
Jodi Benal
Chris Walsh, representing Assemblyman Matthew Harper
Zeke Hernandez
Thomas Peng
Anthony Kuo, Irvine resident

The following individuals spoke in opposition to the proposed land exchange between the City of Irvine and Five Point Communities:

Larry Agran, former Councilmember and Irvine resident
William Haynes
John Jaeger
Jack Fancher, Irvine resident
Alan Meyerson
Ed Pope
Sam Castelo, Irvine resident
Kaizhi Sharman
Jean Miller
Angelo Vassos, Irvine resident

Sandy Stiassni, Irvine resident, noted his ambivalence to both sites and urged the City Council to carefully study the alternative site prior to a decision.

Mark Haggbled spoke in support of military personnel and a Veterans Cemetery at the Orange County Great Park.

The following individuals submitted a request to speak slip but did not speak:

Frank Cook, representing The American Legion
Diane Gallo, representing The American Legion
Larry Bales, Tustin resident
Melissa Fox, Irvine resident
Steve Shen
Sarah Yang
Robert L. Tate, Irvine resident

City Council discussion included: whether the amount of new homes would increase based on the land exchange; potential cost savings associated with the land exchange; and noted that the alternative site would be reflected in the application as an additional option rather than in lieu of the existing site.

ACTION: Moved by Councilmember Shea to:

Support the proposed land exchange for up to 125 acres each of net usable property, and create a subcommittee of myself and any other member of the City Council that would be interested in serving or has the time, to meet with selected Veterans representatives, which would include Bill Cook and other representatives that you would suggest, the City's Management team, and FivePoint's management team, to clarify all the legal deal points necessary to facilitate this important real estate transaction; and come back to the City Council within 60 days to move this plan forward with final vote approval, with all the securities within the contracts that we would work on, and bring back to the City Council at that time.

The motion failed for lack of second.

Additional discussion included: noting former Councilmember Agran's advocacy and reaffirming prior City Council approval for a Veterans Cemetery at the Orange County Great Park; legislative history of Assembly Bill 1433 (AB 1433); noted the time constraints associated with the July 1 deadline if a new application was submitted to the State; acknowledging CalVet's concerns that the entire application process would start over if the land exchange were approved, further noting that the current legislation earmarks the existing site; noted that the letter submitted by Bill Cook was authored by representatives from FivePoint Communities; noted the \$500,000 appropriation associated with AB 1453; acknowledging community concerns about the current site and finding a solution for all interested parties; stated that changing course at this point in time could threaten the chances of having a Veterans Cemetery; reiterated the completion of a feasibility study and submittal of the pre-application of the current site; noted that while the current and proposed sites were within close proximity, both could not be considered as one; acknowledged that deal points had not yet been brought forward; and expressing appreciation to Veterans and members of the community for bringing forward their concerns.

Bill Cook, Chairman, Orange County Veterans Memorial Park Foundation, responded to questions and concerns raised by the City Council with respect to the application process.

ACTION: A motion was made by Councilmember Krom, seconded by Councilmember Lalloway, as follows:

- 1) The City Council strongly reaffirms its action of March 11, 2014, supporting the establishment of a Southern California Veterans Memorial Park and Cemetery on a 125-acre parcel of land within the City-owned Great Park known as the ARDA,

offered by the City of Irvine for this important public purpose, consistent with the terms of Assembly Bill 1453, the State enabling legislation and appropriation of funds signed into law by Governor Jerry Brown on September 27, 2014.

- 2) The Irvine City Council reaffirms and enhances its support for the Veterans Memorial Park and Cemetery within the Great Park, directing the City Manager to aggressively pursue expedited processing and approval of this project at the State and Federal levels by deploying all available resources to secure the further support of the Governor, Members of the State Assembly and Senate, and Members of Congress from California, along with our two U.S. Senators, Dianne Feinstein and Barbara Boxer.
- 3) The Irvine City Council directs the City Manager to utilize City staff, the City's professional legislative advocates and to identify and secure special strategic and legal resources directed specifically to this effort to ensure that we are working aggressively and effectively with all appropriate State and Federal officials to secure the expedited approval, construction, and operation of the Southern California Veterans Memorial Park and Cemetery at the Great Park.
- 4) The City Council authorizes and appropriates up to \$100,000 to facilitate the swift implementation of this motion, with direction to the City Manager to return to the City Council with frequent updates and reports on the progress of this project, and, if necessary, to request additional resources to advance our goal of seeing the establishment of the Southern California Veterans Memorial Park and Cemetery on the 125 acre parcel of city-owned land at the heart of the former El Toro Marine Base specified in AB 1453 and dedicated for that purpose by the Irvine City Council.

Councilmember Shea left the meeting at 9:57 p.m.

The motion carried as follows:

AYES: 3 COUNCILMEMBERS: Krom, Lalloway, and Schott

NOES: 1 COUNCILMEMBERS: Choi

ABSENT: 1 COUNCILMEMBERS: Shea

PUBLIC COMMENTS

Shiva Farivar, Irvine resident, Khosroe Mehridifar, Corona Del Mar resident, and Sia Batman expressed their appreciation to the City Council for its support of the third annual Nowrooz Festival at Bill Barber Park.

Questions Arising from Preliminary Analysis of Proposed Land Swap: A Working Draft (May 4, 2017)

1. At the April 4, 2017 City Council meeting, it was indicated that a swap of like acreage, all of the site preparation and infrastructure that would serve the cemetery, and a funding commitment for the first phase of the cemetery would be a part of the entire plan submitted to the City Council for approval. The April 19, 2017 Proposed Transaction Outline focuses more narrowly on the land swap. Are the other matters referenced by Patrick Strader on April 4, 2017 part of the FivePoint proposal?
2. In describing the proposal at the April 4, 2017 City Council meeting, reference was made to a cost estimates for the first phase of cemetery construction, and the fact that FivePoint was willing to absorb those costs. What is that amount, and does it serve as a cap on the funding commitment?
3. What are the components of, and commencement and completion dates for, the first phase of development of the cemetery on the District 2 Site?
4. The April 4, 2017 correspondence from FivePoint indicates that the “swap plan” can begin construction as soon as the City approvals are received. Are the referenced City approvals the zone change for the transfer of intensity from District 2 to District 9?
5. Is the land swap contingent on State and Federal approval of a cemetery within a specified time or, alternatively, would the land swap be reversed if State and Federal approval of a cemetery does not occur within a specified time?
6. Would the land use restrictions on the District 2 Site be released or modified if the cemetery development does not proceed within a specified time?
7. Given the multi-phase multi-decade buildout of the cemetery, what interim uses would be allowed on the portions of the District 2 Site that are not yet developed as a cemetery?
8. Who would be responsible for environmental remediation associated with the future development on the District 9 Site and the District 2 Site?
9. Should the portion of Marine Way between Alton and Bake (i.e., through the center of the proposed cemetery in District 2) be added to the near-term schedule for backbone infrastructure construction? What timing is proposed for completion of that stretch of Marine Way?
10. Are any other modifications to the proposed sequencing of backbone infrastructure construction anticipated as a result of the land swap and cemetery construction?
11. Will a traffic study be performed to analyze potential impacts of relocating 812,000 square feet (and 8,461 ADT) from the District 2 Site to the District 9 Site?
12. Will Heritage Fields be responsible for all mitigation measures, infrastructure modifications, and/or adjustment to NITM obligations associated with the relocation of intensity from the District 2 Site to the District 9 Site?
13. Do you perceive a need to amend AB 1453 so that State’s existing cemetery legislation clearly applies to the District 2 Site?
14. The State of California performed an initial site analysis of the suitability of the District 9 Site for a cemetery use. If a similar analysis is necessary for the District 2 Site, who would pay for that analysis?
15. With regard to process, please confirm each of the following:
 - a. CEQA applies to the City’s discretionary decisions to approve the land swap and the Zone Change.
 - b. The CEQA analysis will be completed in accordance with the CEQA and CEQA Guidelines provisions for subsequent and supplemental environmental analyses.

- i. For purposes of studying this issue, 812,000 s.f. of Research and Development intensity (8,461 ADT) will be assumed on the District 9 Site.
 - ii. Whether and to what extent the CEQA analysis accounts for the potential future development of a cemetery on the District 2 Site depends on the level of certainty as to that development (of a cemetery) at the time the City makes its discretionary approvals.
- c. The zoning approval will require presentation to and recommendation by the Planning Commission, followed by first and second readings of the Zone Change ordinance by the City Council.