



Steven Choi
Mayor

Jeffrey Lalloway
Mayor Pro Tempore

Larry Agran
Councilmember

Beth Krom
Councilmember

Christina Shea
Councilmember

MINUTES

CITY COUNCIL REGULAR MEETING

November 26, 2013
City Council Chamber
One Civic Center Plaza
Irvine, CA 92606

CALL TO ORDER

The regular meeting of the Irvine City Council was called to order at 4:07 p.m. on November 26, 2013 in the City Council Chamber, Irvine Civic Center, One Civic Center Plaza, Irvine, California; Mayor Choi presiding.

ROLL CALL

Present:	5	Councilmember:	Larry Agran
		Councilmember:	Beth Krom
		Councilmember:	Christina Shea
		Mayor Pro Tempore:	Jeffrey Lalloway
		Mayor:	Steven Choi

PLEDGE OF ALLEGIANCE

Mayor Choi led the Pledge of Allegiance.

INVOCATION

Mayor Choi provided the Invocation.

CITY MANAGER'S REPORT

City Manager announced that due to a conflict of interest with Rutan & Tucker concerning Item Nos. 2.1 and 4.1, Rob Thornton, General Counsel, Nossaman, LLP, would represent the City on those items.

ANNOUNCEMENTS/COMMITTEE REPORTS/COUNCIL REPORTS

Mayor Choi provided a brief report on his attendance at the National League of Cities conference in Seattle from November 13-16. He also made the following announcements:

- The Irvine Animal Care Center will host the 7th annual Home for the Holidays Pet Adoption Fair on Sunday, December 8 from 10 a.m. – 3 p.m. For information, call 949-724-7740 or visit the Center's website at irvineshelter.org.
- Joyful Jingles holiday concert will take place on Sunday, December 8 from 3-5 p.m. at the Irvine Barclay Theatre. For information, visit cityofirvine.org or call 949-724-6606.

ADDITIONS AND DELETIONS

There were no additions or deletions to the agenda.

1. CONSENT CALENDAR

ACTION: Moved by Mayor Pro Tempore Lalloway, seconded by Mayor Choi, and unanimously carried to approve Consent Calendar Item Nos. 1.1 through 1.11, with the exception of Consent Calendar Item No. 1.12, which was removed for separate discussion.

1.1 MINUTES

ACTION:

Approved the minutes of an adjourned regular meeting of the Irvine City Council and an adjourned regular joint meeting with the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency held on November 12, 2013.

1.2 PROCLAMATION

ACTION:

Proclaimed November 22, 2013 as "A Day of Solemn Remembrance and Reflection on the Life of President John Fitzgerald Kennedy."

1.3 WARRANT AND WIRE TRANSFER RESOLUTION

ACTION:

Adopted RESOLUTION NO. 13-128 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE ALLOWING CERTAIN CLAIMS AND DEMANDS AND SPECIFYING THE FUNDS OUT OF WHICH THE SAME ARE TO BE PAID

1.4 WARRANT AND WIRE TRANSFER RESOLUTION - AT&T

ACTION:

Adopted RESOLUTION NO. 13-129 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE ALLOWING CERTAIN CLAIMS AND DEMANDS OF AT&T AND SPECIFYING THE FUNDS OUT OF WHICH THE SAME ARE TO BE PAID

Councilmember Krom abstained.

1.5 ANNUAL ASSEMBLY BILL 1600 DEVELOPMENT FEE REPORT FOR FISCAL YEAR 2012-13

ACTION:

Received and filed.

1.6 FISCAL YEAR 2012-13 MEASURE M2 EXPENDITURE REPORT

ACTION:

Adopted RESOLUTION NO. 13-130 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE ADOPTING THE FISCAL YEAR 2012-13 MEASURE M2 EXPENDITURE REPORT FOR THE CITY OF IRVINE

1.7 GRANT OF EASEMENT AND MAINTENANCE AGREEMENT FOR IRVINE COMMUNITY LAND TRUST AFFORDABLE HOUSING SITE

ACTION:

Adopted RESOLUTION NO. 13-131 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE APPROVING A GRANT OF EASEMENT AND MAINTENANCE AGREEMENT BY AND BETWEEN THE CITY OF IRVINE AND THE IRVINE COMMUNITY LAND TRUST

1.8 AMENDMENT TO CONSTRUCTION AND MAINTENANCE AGREEMENT WITH THE SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY FOR THE SAND CANYON GRADE SEPARATION PROJECT AND BUDGET ADJUSTMENT

ACTION:

- 1) Authorized the Mayor to execute the amendment to construction and maintenance agreement with Southern California Regional Rail Authority for the Sand Canyon Grade Separation Project.
- 2) Approved a Budget Adjustment in the amount of \$766,840 to increase the expenditure amount in accordance with the contract amendment and related reimbursement to the City.

1.9 NOTICE OF REVIEW FOR TRACT MAP NOS. 16708 IN ORCHARD HILLS, 17659 AND 17660 IN CYPRESS VILLAGE AND PENDING APPROVAL FOR TRACT MAP NOS. 16705, 16741 AND 17015 IN ORCHARD HILLS, 17613, 17620 AND 17621 IN CYPRESS VILLAGE, 17249 IN IRVINE BUSINESS COMPLEX AND 17523 IN PLANNING AREA 5B

ACTION:

Received and filed.

Mayor Choi and Mayor Pro Tempore Lalloway abstained due to the proximity of their respective residences.

1.10 FISCAL YEAR 2013-14 COMMUNITY DEVELOPMENT AND PUBLIC WORKS MID YEAR BUDGET ADJUSTMENT

ACTION:

- 1) Approved a Budget Adjustment to increase Developer Deposit Fund (005) revenues by \$300,000 and Developer Deposit expenditures by \$259,500.
- 2) Approved a Budget Adjustment to increase Building and Safety Fund (024) revenues by \$1,155,000 and Building and Safety expenditures by \$1,000,000.
- 3) Approved a Budget Adjustment to increase Development Engineering Fund (027) revenues by \$312,300 and Development Engineering expenditures by \$249,840.
- 4) Approved a Budget Adjustment to increase General Fund revenues and expenditures by \$40,000 and transfers to the General Fund of \$257,960 from the Developer Deposit, Building and Safety and Development Engineering Funds.

1.11 COMMUNITY PARTNERSHIP FUND GRANT NOMINATION

ACTION:

Approved Councilmember Shea's Community Partnership Fund Grant nomination to Warrior Foundation - Freedom Station in support of program costs and authorized the City Manager to prepare and execute a Funding Agreement.

1.12 ORANGE COUNTY GREAT PARK TRANSFER THE LEASE AGREEMENT FOR THE RV STORAGE OPERATION FROM ALL STAR SERVICES, INC. TO GUARDIAN TECHNICAL SERVICES, INC. AND AMEND THE TERMS AND CONDITIONS OF THE LEASE AGREEMENT

This item was removed at the request of Councilmember Shea.

Rod Cooper, Great Park Manager of Operations, and Kim Mahon, Great Park Management Analyst II, provided a brief report and responded to questions.

City Council discussion included: inception of lease agreement with All Star Services, Inc.; why a Request for Proposals (RFP) had not been issued; concern over change in terms; extending the lease for 120 days under existing terms; why existing operator chose to discontinue its services; and whether or not RV storage operations as a permitted sublease is referenced in the Second Adjacent Landowner Agreement between City of Irvine and Heritage Fields.

ACTION: Moved by Councilmember Krom, seconded by Mayor Pro Tempore Lalloway, and unanimously carried to:

- 1) Authorize the consent to transfer the lease from All Star Services, Inc. to Guardian Technical Services, Inc., and approve and authorized the City Manager to execute, in substantial final form, the amended lease agreement.
- 2) Approve a budget adjustment modifying RV storage revenues for Fiscal Year 2013-14.
- 3) Direct staff to return to the City Council on December 10, 2013 with a presentation to discuss the development and issuance of a Request for Proposals (RFP) for RV storage operations to be issued within 120 days and six months.

2. PUBLIC HEARINGS

2.1 HERITAGE FIELDS PROJECT 2012 SECOND SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT FOR GENERAL PLAN AMENDMENT AND ZONE CHANGE IN PLANNING AREAS 30 AND 51

Eric Tolles, Director of Community Development, and Barry Curtis, Manager of Planning Services, provided the staff report and responded to questions. Sun-Sun Murillo, Supervising Transportation Analyst, also responded to questions.

Emile Haddad, CEO, FivePoint Communities, and Brian Myers, Nuquest Ventures on behalf of FivePoint Communities, and Patrick Strader, Starpointe Ventures on behalf of FivePoint Communities, also provided brief presentations and responded to questions.

Laurie Fernandez, consultant, URS, responded to questions regarding environmental concerns.

Mayor Choi opened the public hearing at 5:34 p.m.

Elizabeth Brown, Laguna Greenbelt, Inc. and Melanie Schlotterbeck, FHBP spoke in support of the wildlife corridor.

Talia Hart, Irvine Chamber of Commerce, spoke in support of certifying the Second Supplemental Environmental Impact Report (SSEIR).

Harvey Liss spoke in opposition to certification of the SSEIR and the location of "Site A" for the proposed high school.

Carolyn Inmon spoke in opposition to certifying the SSEIR.

Helen Hurd spoke in support of the City taking appropriate measures to protect the health and safety from environmental concerns and in support of "Site B" for the proposed high school.

Petra Schaefer, Irvine Council PTA, spoke in support of "Site A" for the proposed high school, expressing traffic concerns with "Site B."

Mary Ann Gaido expressed concerns about the "Level of Service E" intersections and suggested the City Council take action to ensure these intersections are mitigated.

Ken Wyant expressed concerns about traffic issues and in support of the City maintaining development responsibility of the Orange County Great Park.

Phyllis Agran, M.D. spoke in support of the community selecting the site of the new high school as opposed to the Irvine Unified School District Board and expressed concerns about the proximity of the high school to toxic waste and the Musick Jail; and spoke in opposition to the amount of proposed soccer fields.

Chris King expressed concern over the proximity of Site A for the proposed high school to toxic waste and the Musick Jail, and suggested the City Council resolve this issue before certifying the SSEIR.

Arthur Schwarz expressed concern about potential traffic issues.

JC Stiassni spoke in opposition to the proposed plan by FivePoint Communities to build a portion of the Orange County Great Park.

Eiyyad Aafalka expressed concern about environmental issues.

ACTION: Moved by Councilmember Shea, seconded by Mayor Choi, to close the public hearing at 6:07 p.m.

The motion carried as follows:

AYES:	4	COUNCILMEMBERS:	Krom, Lalloway, Shea and Choi
NOES:	1	COUNCILMEMBERS:	Agran
ABSENT:	0	COUNCILMEMBERS:	None

City Council discussion included: proposed high school sites "A" and "B," and hazardous material and environmental concerns associated with both; specific types of toxins in the landfill identified in the 2003 EIR; needs assessment regarding the expansion of the Musick Jail; explanation about proposed low to mid-rise buildings and concern over potential high rise buildings; relocation of "Main Street" and retail districts, and ramifications of doing so; retail proximity to Sports Park; traffic concerns; whether or not the SSEIR precludes Irvine Unified School District from selecting "Site B" for the proposed high school; Planning Commission recommendations; child care center requirements; maximum building height in Districts 5 and 6; whether or not the EIR references number of inmates, parking spaces and traffic analysis associated with the Musick Jail; traffic concerns and impacts of high school sites "A" and "B;" and proximity of Musick Jail to "Site A."

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

Adopt Planning Commission recommendation:

Adopt – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE CERTIFYING THE SECOND SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT (SCH NO. 2022101020, 00538162-PCLE) AND MITIGATION MONITORING AND REPORTING PROGRAM FOR THE HERITAGE FIELDS PROJECT 2012 GENERAL PLAN AMENDMENT AND ZONE CHANGE, FILED BY FIVE POINT COMMUNITIES ON BEHALF OF HERITAGE FIELDS EL TORO, LLC; LOCATED IN PLANNING AREAS 30 AND 51

As amended per the errata memo dated November 26, 2013.

ACTION: At 8:54 p.m., a substitute motion was made by Mayor Pro Tempore Lalloway, seconded by Councilmember Krom, to table Item No. 2.1 for purposes of discussion of Item 3.1, and returning to Item No. 2.1 to vote on certification of the SSEIR prior to taking action on Item. 3.1.*

The motion carried as follows:

AYES: 3 COUNCILMEMBERS: Agran, Krom and Lalloway

NOES: 2 COUNCILMEMBERS: Shea and Choi

ABSENT: 0 COUNCILMEMBERS: None

*The substitute motion carried and takes precedence over the main motion; therefore, a vote was not taken on the main motion.

3. COUNCIL BUSINESS

3.1 SECOND ADJACENT LANDOWNER AGREEMENT BETWEEN CITY OF IRVINE AND HERITAGE FIELDS EL TORO, LLC

City Manager Joyce and Assistant City Attorney Melching provided the staff report and responded to questions. Bryan Myers on behalf of FivePoint Communities also provided a brief presentation.

Mayor Choi opened the public hearing at 9:00 p.m.

The following individuals spoke in support of the Second Adjacent Landowner Agreement (ALA) between the City of Irvine and Heritage Fields El Toro, LLC:

Deirdre Kelly
Harrison Long
Bryan Starr, BIA Orange County
William Kent
Steve Greenberg
Pilar Alatorre
Mike Balsamo, BIA Orange County
Allan Bartlett
Claudia Shambaugh
Scott Peotter
Jason Szczuka
Dick Owens
Mike Filia

The following individuals spoke in opposition to all or certain aspects of the ALA between the City of Irvine and Heritage Fields El Toro, LLC, and/or expressed concerns with lack of time for further consideration:

Ed Pope
Carl Mariz
Sharon Toji
Michele Garcia
Gail Lewis
Jake Jacobs
Claudia Shambaugh

Hobart Taylor suggested that the Orange County Great Park be welcoming to everyone regardless of ethnicity or economic status; and that the City maximize energy efficiency and sustainability at the Great Park by exceeding minimum standards. He also expressed concern over significant changes to the Master Plan based on City Council approval.

Thomas Nielsen spoke in support of a History of Aviation museum at the Orange County Great Park.

Harvey Liss expressed concerns about environmental issues and contaminants identified in both the first and second EIRs.

City Council discussion included: operation and maintenance of the developed portion of the Great Park by FivePoint Communities; additional negotiations between the City and FivePoint Communities to address North Irvine Transportation Mitigation (NITM) fees, transfer taxes, possessory interest tax, prepaid rent due under default, hazardous materials, and over 60 other substantive changes; ability

for FivePoint Communities to sublease; sponsorships; definition of “logical evolution;” consistency of the proposed design with the Great Park Master Plan; wildlife corridor; land use authority; insurance protection for the City regarding unknown hazardous conditions and other legal liabilities; incorporation of the East Lawn; incorporation of a golf course and lake; whether or not the canyon was eliminated from the Great Park Master Plan; Veterans cemetery; City’s legal obligations to FivePoint Communities; restrictions on using the General Fund for Great Park development; traffic concerns and improvements to Marine Way; FivePoint Communities’ operation of the Great Park, and City’s option to buy out.

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

- 1) Approve the Second Agreement with City of Irvine as Adjacent Landowner (ALA) proposed by FivePoint Communities together with the associated Ground Leases and Maintenance Agreements.
- 2) Withdraw approval of the Western Sector Phase II Capital Improvement Program (CIP #371404) and reallocate funds to one or more Capital Improvement Programs designed to improve the Western Sector of the Orange County Great Park and fund capital projects associated with expedited development of the Orange County Great Park under the ALA II.
- 3) Accept the “Design Package” proposed by Heritage Fields as substantially in conformance with the Orange County Great Park Master Plan.
- 4) Approve the Design Package as a “Park Design” in accordance with Irvine Zoning Code Section 2-22-5.

ACTION: At 11:18 p.m., moved by Mayor Choi, seconded by Councilmember Shea, and unanimously carried to extend the regular City Council meeting beyond 12:00 midnight.

RECESS

Following further discussion, Mayor Choi called a recess at 11:37 p.m.

RECONVENE

Mayor Choi reconvened the regular meeting at 12:03 a.m.

ACTION: A substitute motion to Mayor Choi’s original motion (approval of Action Item Nos. 1 through 4 above) was made by Mayor Pro Tempore Lalloway, seconded by Councilmember Krom, to*:

- 1) Approve the Heritage Fields Second Adjacent Landowner Agreement (ALA), and attachments, substantially in the most recent form submitted to the City on November 22, 2013, EXCEPT with (a) the following edits and (b) such other conforming changes to the final language of the Second ALA as are required to insure internal consistency and are approved by Heritage Fields and the City Manager and City Attorney:

a) **New language to be added to Section 8 for cash out of maintenance obligation:** Notwithstanding the foregoing or anything else to the contrary in the Agreement, upon receipt of direction from the City Council to do so, the City shall have the right (but not the obligation) during the period beginning on the Effective Date and ending twelve (12) months after the Effective Date (the "**Maintenance Review Period**") to deliver written notice to Heritage Fields that it has elected to retain the obligation to operate and maintain the Great Park Improvements, in which event (a) neither the City nor Heritage Fields shall have any obligation to enter into any Lease or Maintenance Agreement, except for a Maintenance Agreement with respect to the Wildlife Corridor with a minimum of three (3) years from the Acceptance Date of the completed Wildlife Corridor or any portion thereof, even if such three-year period would extend the term beyond the Outside Date, and (b) Heritage Fields shall pay to the City on or before January 1 of each calendar year, beginning on January 1, 2016, an annual amount (the "**Annual Maintenance Amount**") equal to \$1.25 million, until January 1, 2023. Notwithstanding the foregoing, the January 1 date for performance of Heritage Fields' obligation to remit the Annual Maintenance Amount to the City shall be adjusted by the number of days that elapse between March 10, 2014 and the date the Entitlements are Deemed Approved. By way of illustration only and without limiting the generality of the foregoing, if the Entitlements are Deemed Approved on March 20, 2014 (10 days after March 10, 2014), then the payment date for the Annual Maintenance Amount would be adjusted by 10 days, from January 1 of each calendar year to January 11. If the City takes no action to the contrary during the Maintenance Review Period, then HF Contractor and the City shall enter into a Lease or Maintenance Agreement on or prior to the Acceptance Date of each Subarea of the Great Park

Improvements as set forth on **Schedule 8**, and the City shall not be entitled to the Annual Maintenance Amount set forth in the previous sentence. If, during the Maintenance Review Period, the City exercises its option to retain the obligation to operate and maintain the Great Park Improvements, then any rights provided under Section 5(b) shall terminate.

b) New Language in Section 2(c) for flexibility of Additional Allowance Fund: During the Initial Review Period, the City shall also have the right (but not the obligation) to choose to allocate up to \$10.5 million of the Additional Allowance Fund to fund improvements within or serving the OCGP Improvement Area ("**Additional Improvements**"); provided, however, that (1) sufficient funds exist in the Additional Allowance Fund (net of the Section 11 Reserve (as defined below) and Permit and Regulatory Fees Contribution) to cover the cost of the Additional Improvements together with all Program Changes and/or Design Refinements requested during the Initial Review Period (as reasonably determined in good faith by Heritage Fields) including without limitation the costs of revising the Design Package to make any design adjustments necessary to accommodate such Program Changes and/or Design Refinements and (2) the request to allocate funding for any such Additional Improvements must be made at the direction of the City Council during the Initial Review Period. The Additional Allowance Funds utilized for Additional Improvements as determined during the Initial Review Period shall be subtracted from each Subarea in proportion to each Subarea's "Remaining Allocation" as set forth on Schedule 11. If the City Council does not allocate any funding for Additional Improvements during the Initial Review Period, then the available

Additional Allowance Funds for each Subarea shall remain as set forth on Schedule 11.

- 2) Make the election set forth in the revised Section 8 of the ALA II document, such that the City chooses now to operate and maintain the Great Park Improvements, and receive the \$1.25 million per year, spread over 8 years. Further direct staff to provide notices appropriate and consistent with this direction.

- 3) Direct City Staff and Heritage Fields to prepare a Memorandum of Understanding (MOU) through which Heritage Fields will make available an additional \$10 million (to be paid in or after 2018) toward the improvements of Marine Way. Also included in the Second ALA will be a commitment from Heritage Fields to use commercially reasonable efforts, at no additional cost to Heritage Fields, to minimize the scope and duration of any Force Majeure delay.
- 4) Direct staff to commence processing an amendment to the Great Park Master Plan, consistent with the "Design Package" described on Exhibit B to the Second ALA, (together with such changes pages as have been added with the mutual approval of the City staff and Heritage Fields) so that such amendment will be completed in accordance with City procedures and the requirements of the Second ALA.
- 5) Withdraw the City's prior approval of the Western Sector Phase II Capital Improvement Program (CIP #371404) and re-allocate funds to one or more Capital Improvement Programs designed to improve the Western Sector of the Orange County Great Park and fund capital projects associated with expedited development of the Orange County Great Park under the ALA II.

As amended per the errata memo dated November 26, 2013.

Additional discussion included: impacts of the design package to the Great Park Master Plan; impacts to the Farm+Food Lab and agriculture; and mutual consent for certain modifications to the design plan.

ACTION: At 1:20 a.m. by consensus, Item No. 3.1 was tabled to vote on certification of the SSEIR (Item No. 2.1).

* No action was taken on the substitute motion made by Mayor Pro Tempore Lalloway until after a vote was taken on Item No. 2.1 below.

2. PUBLIC HEARINGS (CONTINUED)

2.1 HERITAGE FIELDS PROJECT 2012 SECOND SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT FOR GENERAL PLAN AMENDMENT AND ZONE CHANGE IN PLANNING AREAS 30 AND 51 (CONTINUED)

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

Adopt Planning Commission recommendation:

Adopt RESOLUTION NO. 13-132 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE CERTIFYING THE SECOND SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT (SCH NO. 2022101020, 00538162-PCLE) AND MITIGATION MONITORING AND REPORTING PROGRAM FOR THE HERITAGE FIELDS PROJECT 2012 GENERAL PLAN AMENDMENT AND ZONE CHANGE, FILED BY FIVE POINT COMMUNITIES ON BEHALF OF HERITAGE FIELDS EL TORO, LLC; LOCATED IN PLANNING AREAS 30 AND 51

As amended per the errata memo dated November 26, 2013.

The motion carried as follows:

AYES: 3 COUNCILMEMBERS: Lalloway, Shea and Choi

NOES: 2 COUNCILMEMBERS: Agran and Krom

ABSENT: 0 COUNCILMEMBERS: None

3. COUNCIL BUSINESS (CONTINUED)

3.1 SECOND ADJACENT LANDOWNER AGREEMENT BETWEEN CITY OF IRVINE AND HERITAGE FIELDS EL TORO, LLC (CONTINUED)

ACTION: Substitute motion made by Mayor Pro Tempore Lalloway, seconded by Councilmember Krom, to:

- 1) Approve the Heritage Fields Second Adjacent Landowner Agreement (ALA), and attachments, substantially in the most recent form submitted to the City on November 22, 2013, EXCEPT with (a) the following edits and (b) such other conforming changes to the final language of the Second ALA as are required to insure internal consistency and are approved by Heritage Fields and the City Manager and City Attorney:

a) **New language to be added to Section 8 for cash out of maintenance obligation:** Notwithstanding the foregoing or anything else to the contrary in the Agreement, upon receipt of direction from the City Council to do so, the City shall have the right (but not the obligation) during the period beginning on the Effective Date and ending twelve (12) months after the Effective Date (the “**Maintenance Review Period**”) to deliver written notice to Heritage Fields that it has elected to retain the obligation to operate and maintain the Great Park Improvements, in which event (a) neither the City nor Heritage Fields shall have any obligation to enter into any Lease or Maintenance Agreement, except for a Maintenance Agreement with respect to the Wildlife Corridor with a minimum of three (3) years from the Acceptance Date of the completed Wildlife Corridor or any portion thereof, even if such three-year period would extend the term beyond the Outside Date, and (b) Heritage Fields shall pay to the City on or before January 1 of each calendar year, beginning on January 1, 2016, an annual amount (the “**Annual Maintenance Amount**”) equal to \$1.25 million, until January 1, 2023. Notwithstanding the foregoing, the January 1 date for performance of Heritage Fields’ obligation to remit the Annual Maintenance Amount to the City shall be adjusted by the number of days that elapse between March 10, 2014 and the date the Entitlements are Deemed Approved. By way of illustration only and without limiting the generality of the foregoing, if the Entitlements are Deemed Approved on March 20, 2014 (10 days after March 10, 2014), then the payment date for the Annual Maintenance Amount would be adjusted by 10 days, from January 1 of each calendar year to January 11. If the City takes no action to the contrary during the Maintenance Review Period, then HF Contractor and the City shall enter into a Lease or Maintenance Agreement on or prior to the Acceptance Date of each Subarea of the Great Park

Improvements as set forth on **Schedule 8**, and the City shall not be entitled to the Annual Maintenance Amount set forth in the previous sentence. If, during the Maintenance Review Period, the City exercises its option to retain the obligation to operate and maintain the Great Park Improvements, then any rights provided under Section 5(b) shall terminate.

b) New Language in Section 2(c) for flexibility of Additional Allowance Fund: During the Initial Review Period, the City shall also have the right (but not the obligation) to choose to allocate up to \$10.5 million of the Additional Allowance Fund to fund improvements within or serving the OCGP Improvement Area ("**Additional Improvements**"); provided, however, that (1) sufficient funds exist in the Additional Allowance Fund (net of the Section 11 Reserve (as defined below) and Permit and Regulatory Fees Contribution) to cover the cost of the Additional Improvements together with all Program Changes and/or Design Refinements requested during the Initial Review Period (as reasonably determined in good faith by Heritage Fields) including without limitation the costs of revising the Design Package to make any design adjustments necessary to accommodate such Program Changes and/or Design Refinements and (2) the request to allocate funding for any such Additional Improvements must be made at the direction of the City Council during the Initial Review Period. The Additional Allowance Funds utilized for Additional Improvements as determined during the Initial Review Period shall be subtracted from each Subarea in proportion to each Subarea's "Remaining Allocation" as set forth on Schedule 11. If the City Council does not allocate any funding for Additional Improvements during the Initial Review Period, then the available

Additional Allowance Funds for each Subarea shall remain as set forth on Schedule 11.

- 2) Make the election set forth in the revised Section 8 of the ALA II document, such that the City chooses now to operate and maintain the Great Park Improvements, and receive the \$1.25 million per year, spread over 8 years. Further direct staff to provide notices appropriate and consistent with this direction.

- 3) Direct City Staff and Heritage Fields to prepare a Memorandum of Understanding (MOU) through which Heritage Fields will make available an additional \$10 million (to be paid in or after 2018) toward the improvements of Marine Way. Also included in the Second ALA will be a commitment from Heritage Fields to use commercially reasonable efforts, at no additional cost to Heritage Fields, to minimize the scope and duration of any Force Majeure delay.
- 4) Direct staff to commence processing an amendment to the Great Park Master Plan, consistent with the "Design Package" described on Exhibit B to the Second ALA, (together with such changes pages as have been added with the mutual approval of the City staff and Heritage Fields) so that such amendment will be completed in accordance with City procedures and the requirements of the Second ALA.
- 5) Withdraw the City's prior approval of the Western Sector Phase II Capital Improvement Program (CIP #371404) and re-allocate funds to one or more Capital Improvement Programs designed to improve the Western Sector of the Orange County Great Park and fund capital projects associated with expedited development of the Orange County Great Park under the ALA II.

As amended per the errata memo dated November 26, 2013.

The motion carried as follows:

AYES: 3 COUNCILMEMBERS: Lalloway, Shea and Choi
 NOES: 2 COUNCILMEMBERS: Agran and Krom
 ABSENT: 0 COUNCILMEMBERS: None

4. PUBLIC HEARINGS (CONTINUED)

4.1 GENERAL PLAN AMENDMENT AND ZONE CHANGE IN PLANNING AREAS 30 AND 51 (GREAT PARK NEIGHBORHOODS)

Eric Tolles, Director of Community Development, and Barry Curtis, Manager of Planning Services, presented the staff report and responded to questions.

Mayor Choi opened the public hearing at 1:26 a.m.

Carl Mariz spoke in support of a hockey facility at the Orange County Great Park sports complex.

Matt Shannon spoke about young professionals ages 18-44 leaving Orange County and in support of Irvine maintaining its tradition of master planning.

ACTION: Moved by Councilmember Shea, seconded by Mayor Pro Tempore Lalloway, and unanimously carried to close the public hearing at 1:32 a.m.

City Council discussion included: elimination of a childcare facility and the possibility of adding back in; transit and sustainability; school district boundaries between Irvine Unified and Saddleback Unified, and notification to new homeowners; and disclosure to Woodbury and Stonegate residents of toxic hazards located near "Site A" should the Irvine Unified School District move forward with development at that site.

ACTION: Moved by Mayor Pro Tempore Lalloway, seconded by Councilmember Shea, to:

Adopt Planning Commission recommendations:

A) Adopt RESOLUTION NO. 13-133 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE APPROVING GENERAL PLAN AMENDMENT (00537028-PGA) TO COMBINE PLANNING AREA 30 AND AN 11-ACRE PARCEL LOCATED IN PLANNING AREA 9 INTO PLANNING AREA 51; DELETE REFERENCES TO PLANNING AREA 30 THROUGHOUT THE GENERAL PLAN; AMEND THE LAND USE DESIGNATION FOR THE 11-ACRE PARCEL TO BE ORANGE COUNTY GREAT PARK; AMEND GENERAL PLAN TABLES A-1 AND A-2 TO REFLECT SHIFTS OF INTENSITY BETWEEN RESIDENTIAL AND NON-RESIDENTIAL CATEGORIES AND ADD THE 11-ACRE PARCEL IN TABLE A-2; AMEND THE APPROPRIATE GENERAL PLAN FIGURES TO ELIMINATE ROCKFIELD BOULEVARD FROM THE EASTERN PROJECT BOUNDARY TO MARINE WAY CONTINGENT UPON APPROVAL BY THE ORANGE COUNTY TRANSPORTATION AUTHORITY (OCTA); MODIFY GENERAL PLAN OBJECTIVE B-1, TO IDENTIFY WHERE LEVEL OF SERVICE "E" IS CONSIDERED ACCEPTABLE; AMEND GENERAL PLAN FIGURE G-1 TO DEPICT THE LOCATION OF A FUTURE HIGH SCHOOL; AND REVISE GENERAL PLAN FIGURE L-2 TO DEPICT THE RELOCATED WILDLIFE CORRIDOR FEATURE; FILED BY FIVE POINT COMMUNITIES, ON BEHALF OF HERITAGE FIELDS EL TORO, LLC FOR THE GREAT PARK NEIGHBORHOODS DEVELOPMENT; LOCATED IN PLANNING AREAS 30 AND 51

B) Adopt RESOLUTION NO. 13-134 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE APPROVING THE SECOND AMENDMENT TO DENSITY BONUS AGREEMENT BY AND BETWEEN THE CITY OF IRVINE, A CALIFORNIA MUNICIPAL CORPORATION, AND HERITAGE FIELDS EL TORO, LLC, A DELAWARE LIMITED LIABILITY COMPANY

C) Introduce for first reading and by title only ORDINANCE NO. 13-07 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRVINE APPROVING ZONE CHANGE (00537029-PZC) TO REZONE AN 11-ACRE PARCEL AND THE ENTIRE PLANNING AREA 30 TO 8.1/8.1B TRAILS AND TRANSIT ORIENTED DEVELOPMENT DISTRICT AND COMBINE THESE PROPERTIES INTO PLANNING AREA 51; REZONE PROPERTY TO 1.4 PRESERVATION TO ACCOMMODATE THE RELOCATED WILDLIFE CORRIDOR FEATURE FOR SEGMENTS 2 AND 3, AND REZONE THE FORMER LOCATION OF THE WILDLIFE CORRIDOR FEATURE TO 8.1 TRAILS AND TRANSIT ORIENTED DEVELOPMENT DISTRICT; MODIFY THE RESIDENTIAL AND NON-RESIDENTIAL INTENSITY FOR A MAXIMUM 9,500 RESIDENTIAL UNITS AND 6,135,200 SQUARE FEET OF NON-RESIDENTIAL INTENSITY IN PLANNING AREA 51; AND OTHER MINOR AMENDMENTS TO THE ZONING ORDINANCE TO IMPLEMENT THE PROJECT; FILED BY FIVE POINT COMMUNITIES ON BEHALF OF HERITAGE FIELDS EL TORO, LLC FOR THE GREAT PARK NEIGHBORHOODS DEVELOPMENT; LOCATED IN PLANNING AREAS 30 AND 51

As amended per the errata memo dated November 26, 2013.

The motion carried as follows:

AYES: 3 COUNCILMEMBERS: Lalloway, Shea and Choi

NOES: 2 COUNCILMEMBERS: Agran and Krom

ABSENT: 0 COUNCILMEMBERS: None

4.2 ZONE CHANGE TO PROHIBIT BATTING CAGE(S) ON RESIDENTIAL LOTS CITYWIDE AND REVISIONS TO CERTAIN DEVELOPMENT STANDARDS IN PLANNING AREA 4 (LOWER PETERS CANYON)

Mayor Choi opened the public hearing at 1:49 a.m. There were no public comments.

ACTION: Moved by Councilmember Shea, seconded by Mayor Pro Tempore Lalloway, and unanimously carried to continue the public hearing to the meeting of December 10, 2013 at 4:00 p.m.

PUBLIC COMMENTS

The following individuals spoke in support of a California State Veterans cemetery at the Orange County Great Park:

Bill Cook
Bill Sandlin
Peter Katz
Gil Flores
Alex Diaz
Terry McCarty

Andy Zelinko spoke in support of a community Christmas tree lighting program.

Arthur Schwarz spoke regarding reducing the compensation of the Orange County Great Park CEO and Deputy CEO.

Keith Wilson spoke in support of FivePoint Communities building the Great Park and the City of Irvine operating and maintaining it.

ADJOURNMENT

Moved by Councilmember Krom, seconded by Mayor Pro Tempore Lalloway, and unanimously carried to adjourn the meeting at 1:50 a.m.


MAYOR OF THE CITY OF IRVINE


INTERIM CITY CLERK OF THE CITY OF IRVINE

December 10, 2013