



**City Council Agenda Report**  
**Meeting Date:** December 15, 2015  
**Department:** City Manager

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**SUBJECT:**

LAKE FOREST CIVIC CENTER PROJECT UPDATE

**RECOMMENDED ACTION(S):**

Receive and file.

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**EXECUTIVE SUMMARY:**

The City is moving closer to its ultimate goal of constructing and owning a fully integrated Civic Center that would serve as the City's "100-Year Home." The Civic Center is envisioned to include facilities that address several of the community's remaining unmet needs, including a Community Center/Senior Center, Performing Arts Venue/Council Chambers, Community Policing/Emergency Operations Center, and administrative offices. The facility will be located within the Serrano Summit Development on a site provided via a 2008 Development Agreement with the Irvine Ranch Water District ("IRWD").

This report provides background regarding the planning process for the Civic Center, the status of the environmental permitting process, and upcoming milestones for the project. At this time, the City appears to be reaching the conclusion of a long, complex environmental permitting process and is now ready to begin the design phase of the project.

Public Facility Fees, assessed to each unit built in the Opportunity Study Area, are the primary funding source for the project. The overall project budget will be determined based upon final design and funding will be confirmed prior to the award of multi-prime construction contracts.

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**BACKGROUND:**

Embodied in the City's first General Plan, one of the City's long-standing goals is to own and construct centrally located, integrated, multi-use public facilities and outdoor spaces to function as the City's Civic Center. As part of the incorporation effort, City leaders stated their goal of ultimately constructing a Civic Center that

would accommodate multiple uses and deliver new desired amenities to the community. To achieve this goal, necessary resources and inputs needed to come together – a site, funding, planning principles, and regulatory permits. Over the past few years, staff has worked diligently to address these issues and associated challenges through a multi-pronged approach.

## **The Opportunities Study Area**

The realization of the Opportunities Study Area (“OSA”) provided the site and funding resources to jumpstart the City’s ability to deliver a Civic Center and other notable facilities such as the Lake Forest Sports Park and Recreation Center. A multi-year planning and study effort, the OSA resulted in General Plan Amendments and Development Agreements (“DA”) that will ultimately bring over 4,000 new homes to the community. A portion of the public benefits provided by the DAs in exchange for a vested change of land use to residential development included a financial contribution towards the design and construction of public facilities.

The OSA is currently in the development phase. The two largest residential communities – Baker Ranch and Portola Center – are in various stages of construction. Baker Ranch Phase 1 is almost completely built out, while models are being built in Phase 2 and grading is almost complete for Phase 3. Approximately 1,225 homes have been built or are under construction, with about 1,000 homes remaining. The Portola Center North project continues to make progress with its grading operations, as well as construction of eight model homes. Recently, Landsea Holdings Corporation acquired the majority of the 95.5-acre Portola Center South project. Construction and sales on the Portola Center South project are expected to begin in the second half of 2016.

In 2008, the City Council approved a General Plan Amendment, Zone Change, and DA for the Serrano Summit residential project, owned by the Irvine Ranch Water District (“IRWD”). The DA included a requirement that IRWD dedicate a site within the project area consisting of nine net usable acres for a future Civic Center. In 2009, IRWD began the application process for the First Tentative Map Submittal Package which includes a Use Permit, Area Plan, Tentative Tract Map, and Environmental Impact Report. These documents represent an initial stage of development of the Serrano Summit community, which will include:

- A maximum of 608 homes with the construction of a Civic Center (OR a maximum of 833 units without a Civic Center)
- A 11.9-acre Civic Center site, with a 9-acre pad
- Two half-acre public neighborhood parks
- A private recreation center on a 1.9 acre site
- A 3.2 acre public passive park

- Trail connections to the existing Serrano Creek Trail
- Associated streets, slopes and landscaping; as well as required infrastructure

Figure 1. Civic Center Site



The biological reports prepared as part of the required environmental documentation identified an existing drainage feature on the Civic Center site which conveys water from upstream and acts as a tributary to Serrano Creek (See green area on Figure 1 above). Any alteration of this drainage feature requires permits from the appropriate jurisdictional regulatory agencies – the United States Army Corps of Engineers (“ACOE”), California Fish and Wildlife (“CFDW”), and the Santa Ana Regional Water Quality Control Board (“RWQCB”). Per the DA, IRWD is responsible for completing the work related to jurisdictional wetlands permitting and mitigation authorization (i.e., obtaining the environmental permits necessary to develop the Civic Center site) while the City is responsible for off-site environmental mitigation for the Civic Center site that cannot otherwise be provided on-site.

In February 2012, the City Council approved the First Tentative Map Submittal Package, which enables the subdivision of the property, commencement of rough grading and installation of infrastructure. Subsequently, the City and IRWD began working together to obtain the necessary regulatory permits to develop the Civic Center site while continuing to advance the project on other fronts.

## **Planning Principles**

With the OSA development phase underway and the dedication of the Civic Center site from IRWD, staff turned their efforts towards engaging the City Council in the initial planning phases for the Civic Center project. On May 17, 2011, the City Council participated in a Civic Center Workshop. As a result, City Council provided staff with direction regarding service goals, amenities, and the desired image of the Civic Center. Based upon the feedback received at the workshop, staff proposed validating and refreshing sections of the 2004 Facilities Needs Analysis related to the Civic Center. At the meeting of August 16, 2011, the City Council approved an update to the Facilities Needs Analysis with a full report to be delivered within four months.

On December 20, 2011, the City Council received the Needs Assessment and Program report; Conceptual Site Plan; conceptual plan documents; online community survey results; and, comments from the community workshop. At the same meeting the City Council affirmed the Civic Center Planning Principles which envision a Civic Center that:

- Reflects Lake Forest – Emphasize the pastoral landscape, natural topography and unique history that set Lake Forest apart from its neighbors.
  - Is a Destination – Develop the Civic Center as a “destination” through the site location, architecture and landscaping – especially as more of the traditional, in-person government transactions (i.e., records requests, payments for permits, etc.) become optional in today’s online world.
  - Provides New Amenities – Prioritize services at the Civic Center currently unavailable to the community.
  - Accommodates Multiple Uses – Design the Civic Center buildings and amenities to accommodate various uses whenever possible.
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## **DISCUSSION:**

The development of a Civic Center represents the culmination of the City's efforts to complete the build-out of a balanced community and ensure the benefits of development are shared by the entire community. The Civic Center Conceptual Site Plan envisions facilities that address several of the community's remaining unmet or under-met needs, delivering the following amenities:

- Community Center/Senior Center – The Community Center will provide an amenity that has long been desired by the community, and will be the heart of the Civic Center. A multi-purpose community center envisions facilities and amenities for various community groups, including conference rooms, exhibition space, a commercial-grade kitchen, and configurable event spaces.

A specifically dedicated Senior Center would enhance the quality of life of the community's seniors by providing a place where seniors can meet with their peers and benefit from City-sponsored programming; such programming currently is offered in the multi-purpose rooms of the current City Hall Facility. The Senior Center program envisions distinct spaces, including an arts and crafts room, multi-purpose banquet hall, computer room, wellness center, as well as a catering kitchen.

During the conceptual planning process, these two facilities were co-located under a common roof, within a single-story building. Each facility is envisioned to have distinctly separate entrances and lobby areas. The overall building is programmed at approximately 33,000 square feet.

- City Council Chambers/Performing Arts Venue – Based upon community feedback, an affordable and accessible performing arts venue is desired in Lake Forest. A multi-function, one-story City Council Chambers provides a unique opportunity to maximize facility use. A stage could be programmed to fit in the dais area, raked seating would be shared by both uses, and the closed session conference room could double as a "Green Room." A lobby area would allow for a small ticket office, as well as room for concessions. This single-story building is programmed at just over 15,000 square feet.
- Community Policing/Emergency Operations Center ("EOC") – The proposed facility will grow along with the needs of Lake Forest Police Services over time and includes a conference room that would serve as an Emergency Operations Center as needed. This facility is envisioned to be

co-located with the administrative building, and is programmed at just over 8,000 square feet.

- **Administrative Offices** – The new City Hall, currently programmed at just under 39,000 square feet across two stories, will maximize technological innovations to change the way the community accesses city services. For those who wish to conduct city business in person, the administrative offices will continue to offer services such as records requests, planning and building permits, and class registrations. In addition, the City will continue efforts to deliver services on-line for the ease and convenience of the public.

In November 2012, staff released two Requests for Proposal (“RFP”) in support of the Civic Center project – one for architectural and design services and one for construction management services – believing that the environmental permitting process timeline would mimic those of previous projects allowing for the receipt of the necessary permits in close proximity to the award of the contracts.

### **Status of Environmental Permits**

Upon completion of the first major milestone for the development of the Serrano Summit community (i.e., City Council approval of the First Tentative Map Submittal Package), the City and IRWD have been working together to obtain the necessary regulatory permits for the development of the Civic Center. The permits needed are:

<b>Permit</b>	<b>Issuing Authority</b>	<b>Status</b>
<b>Clean Water Act Section 401 Water Quality Certification</b>	Santa Ana Regional Water Quality Control Board	Complete. Issued September 2014.
<b>Fish and Game Code Section 1600 Streambed Alteration Agreement</b>	California Department of Fish and Wildlife	Complete. Agreement executed December 2015.
<b>Clean Water Act Section 404 Individual Permit</b>	US Army Corp of Engineers	In Progress.

This process has proven to be more complex and time consuming than any of the parties involved anticipated. During the process of securing the regulatory permit from the ACOE, the City and IRWD were informed the ACOE had adopted a Special Area Management Plan (“SAMP”) for the San Diego Creek (Serrano Creek is considered a part of this watershed), to be implemented beginning



March 2012. A SAMP is a federal, regulatory permitting system under the Clean Water Act. The SAMP designated the drainage feature on the Civic Center site as an “Aquatic Resources Integrity Area” (“ARIA”) containing habitat and wetlands that are integral to the watershed. Due to the location of the ARIA, the City was required to revise the Civic Center Conceptual Plan adopted in 2011 (See Figure 2 below). As it became apparent that the permitting process would take longer than anticipated, the initial RFPs from 2012 were withdrawn and all proposers were notified.

Figure 2. 2011 Civic Center Conceptual Plan Overlaid with Aquatic Resources Integrity Area



In 2013, staff met with the ACOE to discuss the Civic Center Project and submit an updated conceptual plan which reserved 1.5 acres of the site as a mitigation area (i.e., 1.5 acres would remain natural and undeveloped). Subsequently, the City received notification from the ACOE that permitting would be completed under its simpler Letter of Permission (“LOP”) process. However, in October

2014, the ACOE notified the City it determined the project no longer qualified for the LOP process and would instead require an Individual Permit (“IP”). The City and IRWD submitted a revised application for an IP in December 2014, which is currently under review. At this time, several milestones related to the permit have been reached and based on feedback by the ACOE, the City and IRWD are optimistic the permit will be forthcoming in early 2016.

### **IRWD Development Agreement Amendment**

On April 28, 2011, the City accepted the offer of dedication of the Civic Center site. However, due to the requirements of the SAMP, the number of net usable acres on the site is now less than the nine acres required in the 2008 DA. In 2013, staff began negotiations with IRWD, at the direction of the City Council, to amend the DA to address the reduction in net usable acres on the site. While some deal points were reached, the City and IRWD mutually agreed to suspend negotiations when the ACOE indicated an Individual Permit was necessary. Staff from both agencies believed it was best to resume negotiations once it is determined via the permit process that the mitigation area (i.e., non-buildable area) will not increase beyond 1.5 acres. As of November 2015, staff resumed negotiations with IRWD and anticipates returning to the City Council with a proposed Development Agreement amendment as appropriate, pending the issuance of the final environmental permit.

### **Project Funding**

Public Facility Fees are the primary funding source for the project; these fees are assessed to each unit built in the OSA. The overall project budget would be determined based upon final design. The maintenance costs for the new Civic Center are anticipated to be covered by the budget currently allocated for lease payments on the existing City Hall Facility.

At this point, staff does not anticipate the need for a debt issuance to bridge the gap between when the funds are needed for the Civic Center and when the Public Facility Fees are received by the City. Current cash flow projections based upon projected construction activity indicate the funds will be “on hand” during the construction of the project. Staff will continue to monitor the OSA cash flow and will update the City Council as appropriate.

The 2015-2017 Capital Improvement Projects Budget includes \$4.94 million for Civic Center Design (Attachment 1). Proposed contract awards for Architectural Services and Construction Management Services are also presented in separate staff reports for City Council consideration. Each contract includes design, construction, and post-construction phase activities. The approved Civic Center Design Budget and proposed design phase activities for the Architecture Firm



and Construction Management Firm are as follows:

Proposed Architecture Services Agreement – Design Phase Activities Only	\$2,758,934
Proposed Construction Management Services Agreement – Design Phase Activities Only	\$ 343,458
Civic Center Design Budget	\$4,940,000

As shown, the approved budget can accommodate additional design activities beyond those currently defined in the proposed agreements. Additional activities may include exercising “Self-Help,” conducting a community survey, or authorizing additional technical assistance. For example, the DA with IRWD includes Acceleration and “Self-help” provisions which enable the City to grade the Civic Center site if IRWD has not done so within 30 months of the Effective Date of the DA. As this deadline has passed, the City may exercise this option to expedite the project. Doing so would require additional design services from the Architecture firm for grading activities, necessitating a contract amendment and additional compensation. In addition, the City Council may desire additional public outreach activities in the design phase, such as a community survey or additional public meetings. Further, the Council may wish to expand upon the services provided by audio visual, landscape or theater sub consultants as the design advances.

As the project progresses thru each phase of activity (i.e., design, bidding, construction and post-construction/close out), the City will issue phased notices to proceed. After completion of all design phase activities and confirmation of funding, staff will propose a Civic Center Construction budget to include construction and post-construction activities for the City Council’s consideration. Funds not expended during design will be re-appropriated to the construction phase of the project as necessary or the overall OSA Public Facilities Program.

**Project Schedule**

Based on written and verbal communications, it appears the necessary Individual Permit will likely be forthcoming in early 2016. Assuming this milestone holds, staff expects to have shelf-ready design plans for the Civic Center project by winter 2016 based on projections that preparation of plans and specifications

could take approximately ten to twelve months.<sup>1</sup> Construction and closeout activities are anticipated to take between 21-22 months. Staff recognizes unanticipated changes in the scope of work or other delays (i.e., weather, change in the scope of work, funding availability) will impact the proposed schedule. Table 1 provides a high level project schedule with some phases overlapping. A more precise project schedule will be provided as an initial deliverable by the construction management services firm.

Table 1. Project Schedule

<b>Phase</b>	<b>Projected timeline</b>
<b>Design/Pre-Construction</b>	13-14 months
<b>Program/Design Concept</b>	6-8 weeks
<b>Schematic Design</b>	8-10 weeks
<b>Design Development</b>	12-14 weeks
<b>Construction Documents</b>	12-14 weeks
<b>Bidding</b>	2-3 months
<b>Construction</b>	17 months
<b>Closeout</b>	2 months

The City has leased office space at 25550 Commercentre Drive for City Hall and the community/senior center since 2003. In April 2014, the City Council approved a Second Amendment to the City Hall Lease to extend the term of the lease to June 30, 2018. However, the City retains the right to terminate the lease, with nine months prior written notice, starting on June 1, 2016 or at any time thereafter during the last two years of the lease. The goal of the extension was to coordinate the termination of occupation from the current facility to coincide with the completion of the new Civic Center, allowing for a seamless transition between facilities. Staff will monitor the Civic Center project schedule as it relates to the City Hall lease and will advise the City Council of the need to negotiate a further extension as appropriate.

## **Conclusion**

Over the course of the last three years, the City's Civic Center planning efforts focused primarily on working cooperatively with IRWD to resolve issues required to obtain environmental permits from the various resource agencies (i.e., Army Corps of Engineers, California Department of Fish and Wildlife, and the Regional Water Quality Control Board) that have jurisdiction given the proximity of the Civic Center site to Serrano Creek. Although the environmental process has proven to be more involved than anyone could have anticipated, staff believes

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<sup>1</sup> This estimate assumes award of Construction Management Services and Architectural/Design Services agreements by January 2016.

the end result will be a very special project for the community.

The Serrano Summit site offers a number of unique features, including direct access to existing trails, creating abundant opportunities for visitors to engage with the natural environment. The Civic Center buildings will complement the existing landscape and topography, becoming an extension of their natural surroundings. The elevation of the site, combined with the surrounding open spaces and backdrop of mountain ranges, presents panoramic vistas of Lake Forest. Nestled in the hills of Lake Forest, the site is close enough to the hustle and bustle of Lake Forest's thriving neighborhoods and business communities to be convenient, but removed enough to provide a sense of destination. At the end of the process, the community will have an amenity that truly reflects the unique history and character of Lake Forest, on a site that emphasizes the natural beauty that defines our community, making nature and the outdoors more available and accessible for everyday civic life. The Civic Center will become Lake Forest's 100 Year Home.

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#### **FISCAL IMPACT:**

There is minimal fiscal impact associated with the recommended action.

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#### **ATTACHMENTS:**

1. 2015-17 Capital Improvement Project Budget Excerpt

Initiated By: Hannah Shin-Heydorn, Director of Management Services  
Submitted By: Debra D. Rose, Assistant City Manager/Director of Economic  
Development/Community Preservation  
Approved By: Robert C. Dunek, City Manager

PROJECT TITLE: Civic Center and Senior Center Design

CATEGORY: Facilities

**PROJECT DESCRIPTION**

This project designs a new Civic Center to include the following: 46,900 square foot Community Policing/EOC/Administrative building; 32,200 square foot Community Center, housing a dedicated 11,000 square foot Senior Center; and a 12,500 square foot Council Chambers/Performing Arts Theater. The purpose of the Civic Center is to provide services in one consolidated and central location for the residents and businesses of Lake Forest. The Civic Center includes indoor and outdoor public meeting spaces, public cultural and artistic performance venues, administrative and governmental department offices, police services, emergency operations services, senior services, business services, and sufficient parking for facility users and staff.

**CAPITAL COST DETAIL**

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16	\$2,740,000			\$2,740,000
2016-17	\$2,200,000			\$2,200,000
Total	\$4,940,000			\$4,940,000

**SOURCE OF FUNDING**

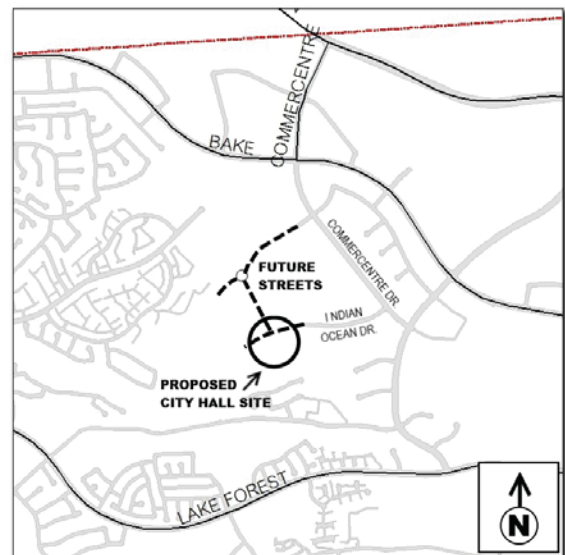
Opportunities Study Area Capital Projects Fund 100%

**OPERATING BUDGET IMPACT**

ANNUAL OPERATING COSTS: \$720,000  
FISCAL YEAR COSTS BEGINS: 2018-19



Conceptual Site Plan



Vicinity Map