

Thursday, March 22, 2007

Great Park spells out business plan

Proposed business plan to be presented to the Great Park Board today estimates that \$446.8 million will be spent on the project in the next five years.

By SONYA SMITH
THE ORANGE COUNTY REGISTER

IRVINE – Great Park officials estimate that \$446.8 million will be spent on the project over the next five years – excluding any park features beyond an orange balloon that takes visitors aloft, a visitor center, grading and utilities.

A proposed business plan being presented today reviews the park's history, proposed master plan and projected revenues and expenditures. Once approved, the plan will be used by officials to make decisions on funding, plans and priorities.

The report estimates that \$116.6 million will remain in Great Park coffers at the end of the next five years.

But changes in the market, park plan and Lennar Corp.'s development around the park will all affect the plan, said Colleen Clark, Great Park Corp. deputy chief executive officer.

"The only thing I can promise is that this plan will change," Clark said.

Here are some highlights of the plan:

Housing market

Much of the park's funding is dependent on the success of Lennar's development, the plan said. The park will benefit from the development in a number of ways, including income from about 1 percent of the property taxes. The plan estimates about \$162.2 million will be generated from the expected property tax revenue.

Officials acknowledge that a softening housing market and delays in Lennar's development will change the park's potential future revenue.

Park costs

The plan includes only costs for preparing to build the park. The plan includes: grading, the orange balloon with visitor center and mini-park, installation of some utilities and costs for engineering drawings and other construction preparations. Officials will decide when to build other park components based on available funding, the report said.

Maintenance and security

Maintenance costs will start at \$90,000 annually in the 2008 fiscal year and escalate to about \$1 million annually in fiscal years 2011 and 2012, the report said. Funding for park security is expected to start in fiscal year 2008 and increase to \$1.1 million annually by fiscal year 2012.

Partnerships

Officials have already expressed interest in partnering with other organizations for the sports park, botanical gardens and amphitheater. But the plan mentions two new opportunities: finding operators for parking and for the park's bathrooms in exchange for bathroom advertising rights.

RV leases

The plan estimates that RVs may be stored at the base through 2012. The Great Park Corp. makes about \$1.7 million a year in profits from the RV leases.

Contact the writer: 949-553-2911 or sosmith@ocregister.com