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Great Park will cost \$377 million more

Independent review finds that designers may have underestimated park costs by \$377 million. Park leaders downplay the report, saying many of its conclusions have already been addressed.

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IRVINE – Great Park designers have underestimated the projects price-tag by \$377 million, an independent review has determined.

A report compiled by Bovis Lend Lease, an oversight firm hired by the city, estimated that the Great Park will cost \$1.6 billion to build, a departure from the \$1.2 billion figure most often cited by Great Park leaders.

Previous estimates by the Great Park Design Studio did not include escalating construction costs or general project requirements such as temporary facilities and utilities needed while work takes place, the report determined. The report also suggested that the architectural and engineering costs estimated by park designers are "excessively high."

Great Park Corporation leaders this week downplayed the reports significance, describing it as an internal document meant to spark discussion of the park's progress on the eve of a presentation to the board of directors celebrating the 70 percent completion of the parks schematic design.

"It has been clearly stated to me that this is a working document that has dated information," said Bill Kogerman, a member of the parks board of directors. "I'm surprised that we take a document out of the thousands that were generated and pick what we want to advance an agenda."

Others expressed misgivings about the report's conclusions. Councilwoman Christina Shea, who also sits on the park board of directors, said the report showed that officials aren't focusing enough attention on infrastructure projects needed to move Great Park construction forward.

"There are so many concerns in this that have not been finalized," Shea said of the report. "These are major issues that we are just glossing over."

Among the infrastructure projects not factored into the parks estimated costs is the demolition of former El Toro Marine Base facilities, as well as the creation of roadways and utilities, the report said.

Lennar Corp., developer of the planned residential and commercial projects surrounding the park, is expected to carry the financial burden for many shared infrastructure projects, but the Bovis report indicated that not spelling out the exact responsibilities could have a "catastrophic" impact on the park's overall budget.

City officials expect to bring an updated development agreement with Lennar before the city council in September, Great Park CEO Mike Ellzey said. Part of that agreement will outline who is responsible for the infrastructure projects, Ellzey said.

The Bovis report assumes that actual construction will begin no later than June 2009, although a specific timetable has not been laid out by park designers. Great Park leaders are hoping to begin construction of early park features, such as a sports park, by next summer.

Reaction to the report illustrated the vast divide between local leaders over the transition from the El Toro Marine Base to the ambitious, 1,347-acre Great Park.

The board majority, led by Councilman Larry Agran, the park's chairman, say the recent opening of a portion of a 27.5-acre preview park, the return of the iconic balloon ride, and the approval of a new phasing plan concentrating on development of the park's western perimeter all point to significant progress.

Critics of the parks direction, including Shea and fellow councilman and board member Steven Choi, question the pace of Great Park development, and argue that not enough attention is being paid to key infrastructure projects and the park's funding.

Great Park Corporation officials said designers are working closely with Bovis to reconcile the differing park price tags. They hope to report back to the board with their findings in November.

"This is a snapshot in time," Ellzey said to the city council this week. "I think we are right where we want to be."

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