

Sunday, May 29, 2005

Hijacking the Great Park, episode III



STEVEN GREENHUT
Sr. editorial writer and columnist
The Orange County Register
sgreenhut@ocregister.com

The warning signs have been posted and they keep getting brighter and more urgent. Irvine Councilman Larry Agran and his allies are grabbing control of the former El Toro Marine Corps Air Station and turning the development of the Great Park and its hundreds of millions of dollars in resources into the province of a small cadre of Irvine insiders.

Dick Sim, the retired Irvine Co. executive, and one of only two members of the Great Park Corp. Board of Directors with development experience, resigned from the board earlier this month in frustration at the lack of proper management procedures. This is stunning, given Sim's experience, reputation for fairness and apolitical nature.

Checks and balances are being obliterated, he said. Transparency is out the window. Good business practices are ignored. Sim said in a May 12 resignation letter to the board that the park's governance structure lacks input from other cities and that its organization structure avoids adequate accountability. He complained about excessive spending on public relations and about a no-bid contract.

In an interview Monday, Sim detailed how Chairman Agran and the board have grabbed complete control over decision-making for the creation of one of the largest and most costly municipal parks in America.

For instance, the organization chart Sim proposed was similar to the one found in traditional public/private partnerships. There would be two separate tracks: one for the city, which is responsible for infrastructure developments at the property. The other is for operations and maintenance, with engineers and planners reporting to the Great Park CEO, who then reports to the Great Park Board of Directors.

That keeps politics and the board operation separate, with the park experts building the park and the politicians setting the overall agenda, not meddling in specific contracts.

But the Agran-controlled board created an unusual organizational structure in which every authority runs up through - you guessed it - the City Council and the park chairman, thus giving Agran control of every aspect of park development and operations. When Irvine Councilman Chris Mears was board chairman, Sim said, the board operated various committees that dealt with finance, communications, infrastructure and other vital aspects of the park proposal. A lot got done and power was dispersed. When Agran took over as chairman, he put the kibosh on all committee meetings, insisting instead that committees meet only as an entire group. That meant that ideas in conflict with the chairman's would never gain traction.

"The chairman was then running it," Sim said. "I come from the corporate world where I believe in checks and balances. If we're doing things like this now, imagine when we start spending \$10 million a month, which will happen."

The elimination of the committee system was obviously leading up to the March 11 board meeting, Sim said. That's when the board voted to spend \$600,000 to hold a design competition for the park. Sim couldn't understand the rush to do so, given that a new report found 1,000 toxic waste sites, some of which would take 50 years to clean up. Why spend the money for design work before anyone knows what can be built where?

Sim believes this design competition to be a total waste, which will result in several pretty pictures that will have no bearing on the final park design. And he was angered by the no-bid contract proposed by the board to be awarded to Forde and Mollrich for public relations. "That's just for a PR effort," he said. "What's our mission? To build a park. We don't need to sell it to anybody. Funds aren't unlimited."

At a Great Park Conservancy (the Great Park Corp. was created by the city of Irvine, the conservancy is a non-profit designed to raise money for the park) event on March 14, Sim surprised everyone when he gave a pointed speech. "So, let's slow down; debate more extensively; put the design competition on hold; explore all the options; vet the various alternatives; scrutinize costs and assumptions *before we act.*"

But no one got the message. At the Great Park Corp. board meeting on May 12, Sim had with him his resignation letter, but he didn't plan to submit it until after he got back from a planned vacation. But he was rebuffed by the board when he asked again why it was going ahead with choosing a designer at this early stage. Then Forde & Mollrich gave a presentation on its PR plan for the next 18 months for public outreach. There were no competitive proposals, no alternatives, no cost information presented.

At the end of the meeting, Sim pulled out his resignation letter and read it out loud for the record. Sim refuses to cast aspersions on Agran or anyone else, but he's clear that the current board is ignoring proper business procedures. And that will mean wasted dollars and big trouble when park construction begins.

I believe a lack of openness and accountability can open the door to ethical abuses and outright corruption.

Agran is a brilliant politician who, unlike most of his council competitors, labors at the job full-time. He did an admirable job leading opposition to the county's now-abandoned airport plan, but while other equally involved south county politicians picked up their marbles and went home, he continued to throw his talents into the park.

His attempt to control the park is clear as one looks back at key park milestones. First the city of Irvine pursued annexing the base, thus wresting control from the county Board of Supervisors. Then-Mayor Agran proposed park corporation bylaws to the Irvine City Council.

In August 2003, this column reported that the bylaws Agran was quietly pushing would eliminate open-meetings requirements, conflict-of-interest rules and other standards of good, open, honest government. Five of the seven independent directors would not have been accountable to any elected official or to the public. County Supervisor Tom Wilson, an Agran ally in the airport fight, was aghast. "I can't imagine that some attorney in Irvine said that they [the bylaws] pass the smell test," he said at the time. Following the controversy, new and improved bylaws were passed.

The bylaws debate wasn't the last insight into what was happening to the park.

As the November 2004 council election approached, three of Agran's closest Democratic allies - Councilman Chris Mears, Irvine planning commissioner Mark Petracca and Irvine community services commissioner Mitch Goldstone - endorsed the Republican slate in a public letter that made the following park-related point:

"Sadly, we have come to question whether our city's business decisions, such as the proposed city utility and the enormous business to be done in developing the Great Park, are being driven by the extent to which friends and supporters of Larry Agran and [now-Mayor] Beth Krom are financially interested in the outcome." Mears told me in October that Agran had been trying to create a high-paying position for himself as head of the Great Park Conservancy. Now fast-forward to Dick Sim. These are not Agran enemies making these accusations.

El Toro was a national defense asset. After its closure, it was long viewed as a countywide public asset. But it is being run like the private property of a small group, with little interest in openness, competitive bidding or transparency.

If you needed any more evidence, consider that recently "Larry and his colleagues on the council voted not to require the Great Park Conservancy to submit any financial information to the city as a condition of doing business with the city," former Irvine councilman Greg Smith, a longtime critic of Agran, said in a recent interview.

Agran did not return my call seeking his comments on these issues.

What the park needs is more sunshine on its management and finances not more secrecy. It needs an open and competitive process for dispersing enormous sums of money and oversight from the broadest possible range of county officials. It's long past time for other county leaders to start paying closer attention to how this billion-dollar-plus, countywide, public asset is being managed. Any takers, or are we stuck sitting back and watching a most brazen heist of a public property?

Contact the writer: sgreenhut@ocregister.com or (714) 796-7823