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# Poll: Should Irvine let developer off hook for runway demolition?

City leaders say work at former El Toro air base needed to make way for Great Park.

By SEAN EMERY  
THE ORANGE COUNTY REGISTER

**IRVINE** –City leaders have acknowledged that they will likely let Lennar Corp. off the hook for demolishing some portions of the runways left at the old El Toro air base in an effort to move forward with building the Great Park.

City officials are discussing whether to scrap plans for Lennar to demolish all the runways, park leaders said. Great Park and Lennar leaders said they are also discussing an updated development plan calling for the developer to donate an additional 131 acres for park land, as well as cover any cost overruns in setting up a community facilities district, a key step toward funding park infrastructure projects.

Lennar officials declined to comment on the updated agreement, saying it is still the subject of discussion between city staff and the developer. A version of the agreement approved by the Planning Commission in July noted that the city and developer were looking to "clarify runway demolition," but didn't specify that the city would take it over.

Critics contend that it would be a breach of contract on Lennar's part if the city takes over runway demolition. Councilwoman Christina Shea, who also serves on the Great Park Board of Directors, said the move was "baffling."

"That contract is very clear," Shea said. "They cannot vacate their responsibility to rip up those runways because of economic changes."

Critics say the 600 acres of runway remaining on the site are a reminder of the failed commercial airport plan the voters defeated in favor of the Great Park.

The city would not provide an exact figure, but planning commissioner and former councilman Greg Smith said the removal was originally expected to cost between \$25 million and \$30 million. Councilman Larry Agran said the cost could even out, since the recycled material would have its own intrinsic value.

Agran, who also serves as the chairman of the Great Park Board of Directors, said at a campaign forum last week that the plan is for the city to move forward with the runway demolition, a decision he attributed to changing economic times. Agran had hinted at the move during his "State of the Park" speech in July, saying the city would partner with Lennar "whenever possible," but was prepared to "move ahead on our own as necessary."

Agran on Monday said he misspoke at the forum, adding that the city is not looking at taking all the runway demolition away from Lennar, but only portions of it. Agran said the new plan may call for Lennar to demolish runways in their private project areas, leaving the Great Park Corp. to demolish runways in the city-owned areas.

"There is almost no new development moving forward anywhere in the country, but they are moving forward, and we are trying to adjust accordingly," Agran said.

"The economic health in the public sector may suggest that we take more responsibility or we have more ability to move forward than they do in the private sector. We know what our needs are in the Great Park."

Lennar and city officials in 2005 signed a deal to develop the 1,347-acre Great Park, shortly after the developer purchased the bulk of the base from the federal government.

The plan gave Lennar the right to build residential, commercial, industrial and office space around the Great Park. In return, Lennar donated the land to the city for the public park and agreed to pay \$401 million in developer fees. A redevelopment agency and community facilities district were planned to capture millions raised from the increased value generated from new homes.

Like other homebuilders, Lennar Corp. has been hit hard by the real estate crash and credit crunch. Its sales fell by more than half in the June-August period. But Lennar has moved to stop the bleeding by laying off employees and postponing some projects such as Great Parks Neighborhoods.

As a result of the cost-cutting, Lennar was sitting on more than \$850 million in cash on Aug. 31 – 33 percent more cash than it had last November, according to the developer's latest filings with the Securities and Exchange Commission.

Lennar was expected to carry the burden for many shared infrastructure projects, but a report recently compiled by Bovis Lend Lease, an oversight firm hired by the city, warned that not spelling out the exact responsibilities could have a "catastrophic" impact on the park's overall budget. Park leaders say the updated development agreement will help allay those concerns.

Lennar in June 2005 hired Recycled Materials Co. to remove the runways, planning to use the 3.5 million tons of concrete in Great Park construction.

Runway removal began in 2006, but Recycled Materials officials say the work was halted after only about 1 percent of the runways were removed. Recycled Materials spent a year trying to hammer out a long-term contract with Lennar before abruptly closing up its Great Park shop in January and returning to Colorado. In August the company filed a breach of contract lawsuit against Lennar.

Great Park Corp. leaders in July announced that about 14 acres of runway adjacent to the recently opened preview park would be torn up this fall. Agran previously said the runway removal would make way for sports fields, which park leaders hope to open in the next 18 to 24 months.

Register Reporter Ron Campbell contributed to this report.

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As a ceremony marking the break up of the El Toro runways takes place in the background, actual broken runway is seen in the foreground where demolition crews tested out their equipment.

BRUCE CHAMBERS,  
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REGISTER



**Poll: Should Irvine let developer off hook for runway demolition?**

The surface of runway 25 Left was being chopped to be recycled at the former El Toro Marine base in this December 2006 photo.

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**Poll: Should Irvine let developer off hook for runway demolition?**

On the tarmac where F-18s once taxied, at the former El Toro Marine base, Lennar Corporation was building dozens of homes for research and development. The surface of runway 25 Left, above was being chopped to be recycled in this December 2006 photo.///ADDITIONAL INFO// shot 121906 jah  
Jebb Harris The Orange County Register- This hanger was the home of the F-18 squadron known as "Sharpshooters".

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