June 5, 2019

To: Clerk of the Board of Supervisors

From: Frank Kim, County Executive Officer

Subject: Exception to Rule 21

The County Executive Office is requesting a Supplemental Agenda Staff Report for the June 11, 2019, Board Hearing.

Agency: County Executive Office
Subject: Acquisition of 29-Acre Parcel Adjacent to Irvine Lake
Districts: 3

Reason for supplemental: This agenda staff report needs to be heard as soon as possible because acceptance of the 29-acre parcel adjacent to Irvine Lake would allow the County to complete a land transfer initially set forth via an Irrevocable Offer of Dedication in 2014 and receive an additional portion of land adjacent to open space lands already owned by the County. Additionally, this property may be required to summer recreational opportunities at Irvine Lake. This Agenda Staff Report and attachments were finalized after the filing deadline to the Clerk of the Board.

Concur:

Chairwoman Lisa A. Bartlett, Supervisor, Fifth District

cc: Board of Supervisors
County Executive Office
County Counsel
SUPPLEMENTAL AGENDA ITEM
AGENDA STAFF REPORT

MEETING DATE: 06/11/19
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): 3
SUBMITTING AGENCY/DEPARTMENT: County Executive Office
DEPARTMENT HEAD REVIEW:
Department Head Signature

DEPARTMENT CONTACT PERSON(S):
Thomas Miller (714) 834-6019
Stacy Blackwood (949) 923-3743

SUBJECT: Acquisition of 29-Acre Parcel Adjacent to Irvine Lake

CEO CONCUR

COUNTY COUNSEL REVIEW

CLERK OF THE BOARD
Discussion
3 Votes Board Majority

Budgeted: Yes
Current Year Cost: N/A
Annual Cost: See Financial Impact Section

Staffing Impact: N/A
# of Positions: N/A
Sole Source: No

Current Fiscal Year Revenue: N/A
Funding Source: Other (License): 100%
County Audit in last 3 years N/A

Prior Board Action: 11/18/2014 #9

RECOMMENDED ACTION(S):

1. Find that the project is categorically exempt from the California Environmental Quality Act (CEQA), Class 16 (Transfer of Ownership of Land in Order to Create Parks) pursuant to CEQA Guidelines, Section 15316.

2. Approve the Gift Deed from The Irvine Company LLC to the County of Orange for approximately 29 acres of land adjacent to Irvine Lake; authorize the County’s Chief Real Estate Officer to accept the Gift Deed on behalf of the Board.

3. Authorize the County’s Chief Real Estate Officer to make minor modifications to the Gift Deed from The Irvine Company LLC, provided such modifications do not substantially alter the financial or affirmative obligations of the County and to execute any collateral instruments related thereto and
perform any other administrative processes needed to complete the conveyance and record the Gift Deed.

4. Approve the Assignment and Assumption Agreement for the Irvine Lake Recreation Vehicle Storage Area License Agreement with James Productions Inc., from The Irvine Company LLC to the County and authorize the County’s Chief Real Estate Officer to execute the agreement.

SUMMARY:

Approval of the Grant Deed and License Assignment from The Irvine Company LLC will allow the County to receive additional open space land and revenue previously subject to an Irrevocable Offer of Dedication from 2014.

BACKGROUND INFORMATION:

On November 18, 2014, the Board of Supervisors (Board) approved acceptance of a donation of 2,500 acres of open space land from The Irvine Company LLC (TIC). As part of that donation, the Board also approved an Irrevocable Offer of Dedication (IOD) from TIC to the County, which included, among other things, the dedication for later transfer of a 29-acre parcel adjacent to the south side of Irvine Lake (shown in purple on Attachment A – Location Map) (29-Acre Parcel). The IOD required several conditions precedent to be satisfied before the County could accept the offer for the 29-Acre Parcel.

Currently, a portion of the Property is utilized under a month-to-month License Agreement (License) between TIC and James Productions Inc. (James) for operation of a recreational vehicle storage (RV Storage) area whereby 33.33% of monthly storage fees are paid to TIC (identified as the “License Area” on Attachment A – Location Map). Under the License, James is responsible for maintenance of both the facility and any improvements within the License Area.

TIC is now proposing to donate the 29-Acre Parcel to the County through a Gift Deed and assign the License to the County through an Assignment and Assumption Agreement (Assignment). Acceptance of the 29-Acre Parcel would allow the County to complete a land transfer initially set forth via the IOD in 2014 and receive an additional portion of land adjacent and contiguous to open space lands already owned by the County. With the Assignment, the County would additionally obtain TIC’s share of the License revenue from RV Storage activities.

Over the past 24 months, OC Community Resources/OC Parks (OC Parks) has been developing an Interim Recreation Resource Management Plan (IRRMP) that would provide guidelines for public access and habitat restoration over the 2,500 acres of open space, which includes the East Orange Area II parcels donated to the County (shown in yellow on Attachment A – Location Map) that lie adjacent to the lake and the 29-Acre Parcel. OC Parks intends to present that IRRMP for Board approval later this year. The IRRMP does not include plans for public access improvements or activities on the 29-Acre Parcel. Thus, in the immediate term, no additional activities beyond the existing uses – RV Storage and public access to the lake – will be conducted on the 29-Acre Parcel until OC Parks engages in a larger master planning effort.

As reflected in the 2014 land donation transaction and recent Grand Jury report (“Re-Opening Irvine Lake A Win-Win for Taxpayers and Outdoor Enthusiasts” released May 13, 2019, with draft responses to be scheduled for Board approval in July) focused on recreational opportunities at Irvine Lake, multiple issues remain to be resolved in order to satisfy the conditions set forth in the IOD that would allow for a long-term
program for fishing or other recreational opportunities in this area. In the immediate term, however, County acceptance of the 29-Acre Parcel and activities to prepare the area for public use is an important initial step to the County facilitating public shoreline fishing at Irvine Lake.

**Hazardous Materials Assessment:** A hazardous material assessment was conducted for the 29-Acre Parcel at the time of the 2014 donation and no potentially hazardous materials were indicated. The same activities present during the 2014 donation continue until the present. Therefore, no additional assessment was necessary.

**Compliance with CEQA:** As a transfer of ownership of land in order to create park lands, this transfer of property to the County is exempt from CEQA (Class 16).

**FINANCIAL IMPACT:**
In addition to maintenance conducted over the license area by James, OC Parks will assess the property and determine maintenance needs and costs for the remainder of the parcel in conjunction with understanding public access and activities over the area. OC Parks anticipates maintenance costs can be absorbed within the FY 2019-20 proposed budget. If additional appropriations are required, OC Parks expects to return to the Board for approval.

The additional revenue received from the license will be recognized in the FY 2019-20 budget and will be included in the budgeting process for future fiscal years.

**STAFFING IMPACT:**
N/A

**REVIEWING AGENCY**
OC Community Resources/OC Parks

**ATTACHMENT(S):**
Attachment A – Location Map
Attachment B – Gift Deed
Attachment C – Assignment and Assumption Agreement
Attachment D – Real Estate Questionnaire