

Strategic Real Estate/Facilities Working Session

Board of Supervisor's Meeting

September 6, 2011 10:00 a.m.

Agenda

1. Purpose and Overview of Meeting Tom Mauk
2. Overview of County Real Estate/Facility Assets Tom Mauk
3. Introductions Joseph Edwards
4. Current Real Estate Market Issues Renata Simril, Jones Lang & LaSalle
5. Status of Facilities Master Plan Joseph Edwards
6. Strategic Real Estate/Facility Policy Direction Renata Simril, Bob Hunt
7. **Break**
8. Priority Real Estate Projects, Current Status Gary Jones, Joseph Edwards, Tom Mason
 - a. County Land Development Opportunities
 - i) Former South Court Justice Center
 - ii) El Toro 100 Acres and Alton Parcels
 - iii) County Operations Center at Grand and McFadden, Santa Ana
 - iv) Animal Care Facility to be built at former Tustin MCAS
 - v) Fruit Street
 - b. OC Flood Properties
 - i) Haster Basin
 - ii) Prado Dam Acquisitions
 - iii) Greenspot in the City of Highland
 - iv) Bristol Street in Costa Mesa
 - c. County Workforce Facilities, Santa Ana Civic Center
 - i) SSA Headquarters
 - ii) Building 16
 - iii) Lease Conveyance Opportunities
9. **Public Comment**
10. Board Policy Confirmation and Next Steps CEO & Board Chair
 - a. Affirm pertinent policies
 - b. Board Chair and/or CEO wrap meeting and direct staff on next steps

Purpose and Overview of Meeting

Orange County Board of Supervisors

Strategic Real Estate/Facilities Working Session

September 6, 2011



Strategic Real Estate/Facilities Working Session

- **Purpose**

- **Review Board's 2011 Goals**
- **Overview of County's Real Estate Portfolio**
- **Review County's Facilities Master Plan**
- **Status of Priority Projects**
- **Receive Board Policy Direction**

Prior Board Directives

- **Departments responsible for prioritizing and processing their real estate transactions**
- **Core real estate staffing team assists departments with complex transactions**
- **CEO and OC Public Works implementing coordination improvements with departments**



Recent Successes

- **Land Acquisitions**

- 20,000 acres of protected open space
- El Toro 100 acres and Alton Parcels
- Retention of former South Court Justice Center
- Prado Dam Property Acquisitions - 16 Parcels
- Animal Shelter & Regional Law Enforcement Training Center



- **Capital Projects**

- Tustin Family Campus Completion
- Construction of John Wayne Airport Improvements
- 401 Tustin Mental Health Services Facility
- Coastal Commission Approval of Dana Point Harbor Revitalization

Recent Successes



- **Leases**
 - Consolidation of Nordhavn Yacht Sales
 - Ocean Institute Seaside Learning Center
 - Eight Concession Agreements for John Wayne Airport
 - Various Leases Renegotiated with Reduced Rates
- **Special Projects**
 - Greenspot Developer Partnership 1,658 acres
 - Building 16 Public/Private Partnership Proposals
 - Reuse Study for Former South Court Justice Center
- **Green Initiatives**
 - Power Purchase Agreement 3.977 MW Solar Electricity
 - Expansion of 5 MW landfill gas-to-energy plant at Olinda Alpha Landfill to additional 30 MW of power in 2012

Orange County Real Estate Portfolio

- **Second largest office and industrial portfolio in Orange County, approximately 10 million sq. ft.**
- **60,000 acres of parklands**
- **10 million square feet of office and industrial space**
- **Real Estate/Facility Locations**



Overview of County Real Estate/Facility Assets

AERIAL VIEW

PRIORITY PROPERTIES

THE COUNTY OF ORANGE



- PARKS
- LIBRARIES
- CORE GOV
- FLOOD
- LAW ENFORCEMENT
- COURT RELATED
- HCA
- SSA
- PRIORITY
- DISTRICTS
- ALL



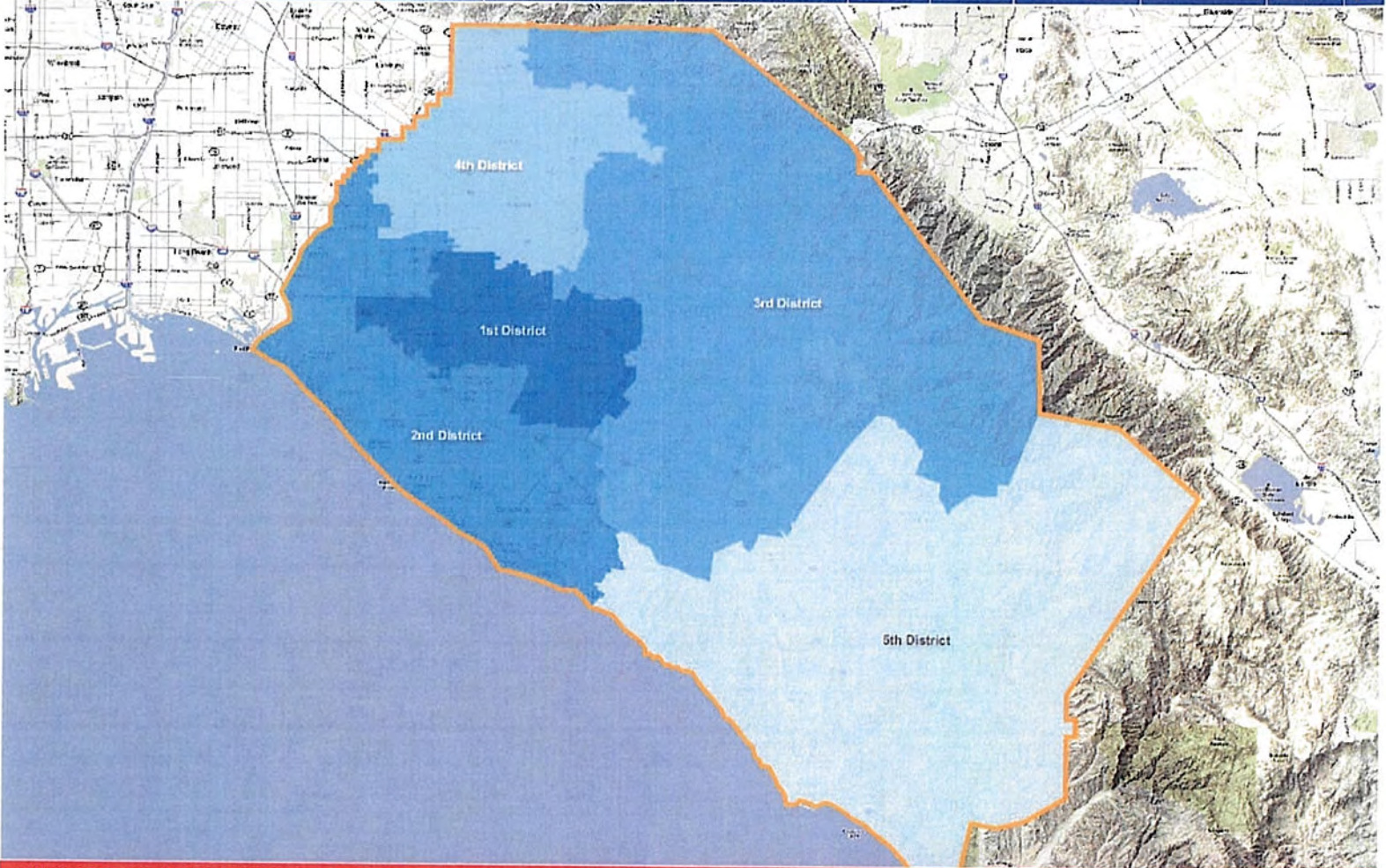
AERIAL VIEW

PRIORITY PROPERTIES

OC SUPERVISORIAL DISTRICTS



- PARKS
- LIBRARIES
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- FLOOD
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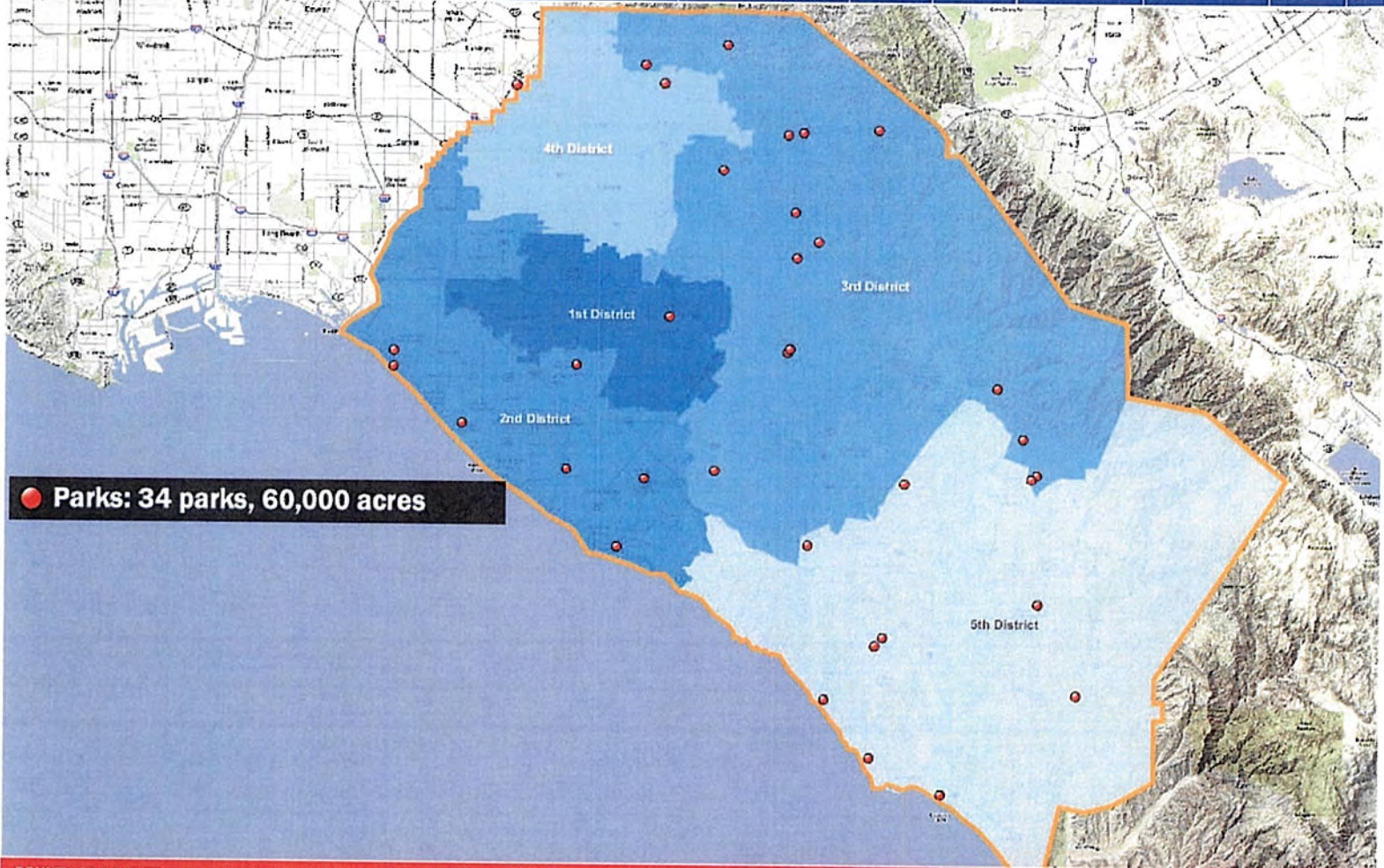
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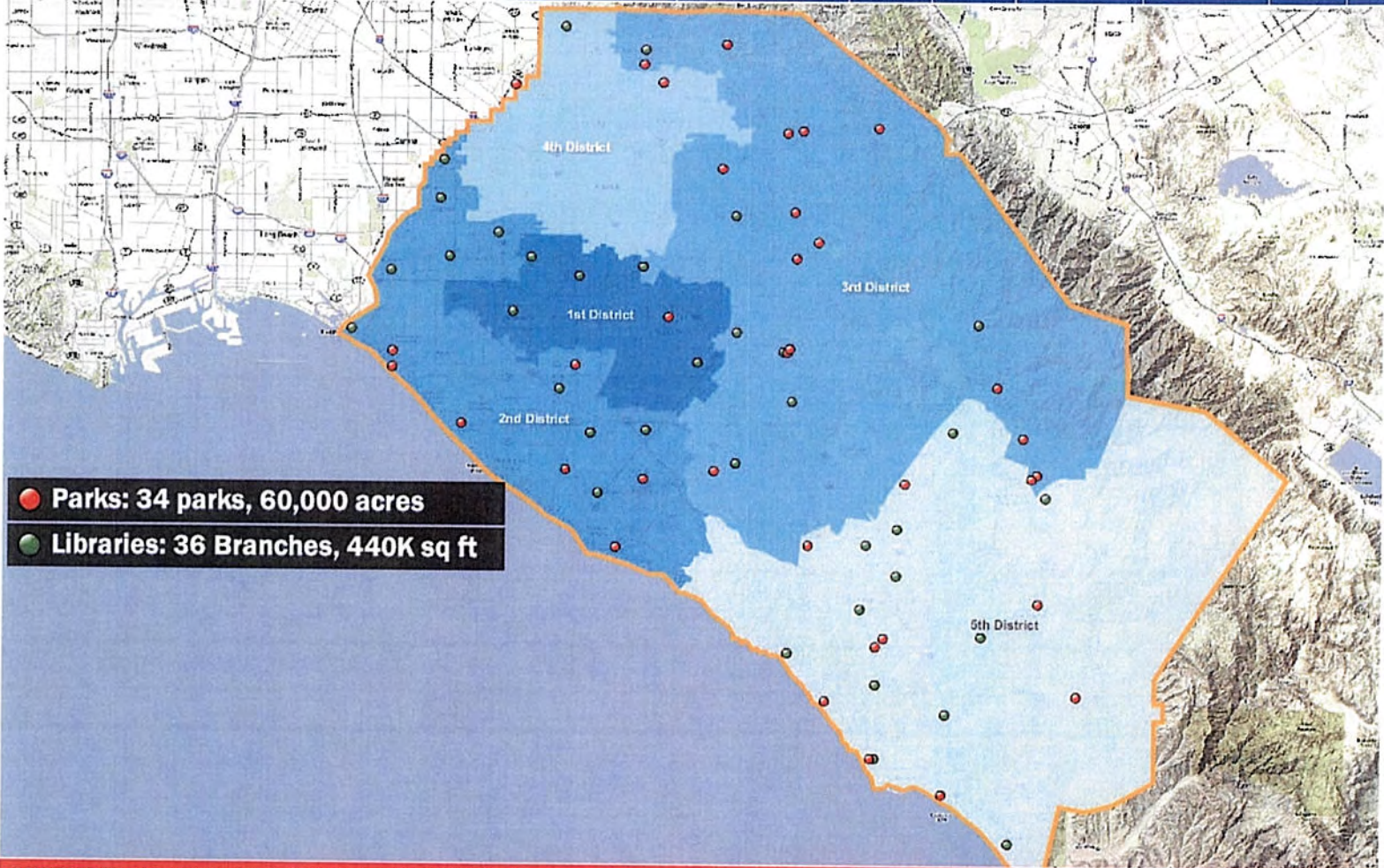
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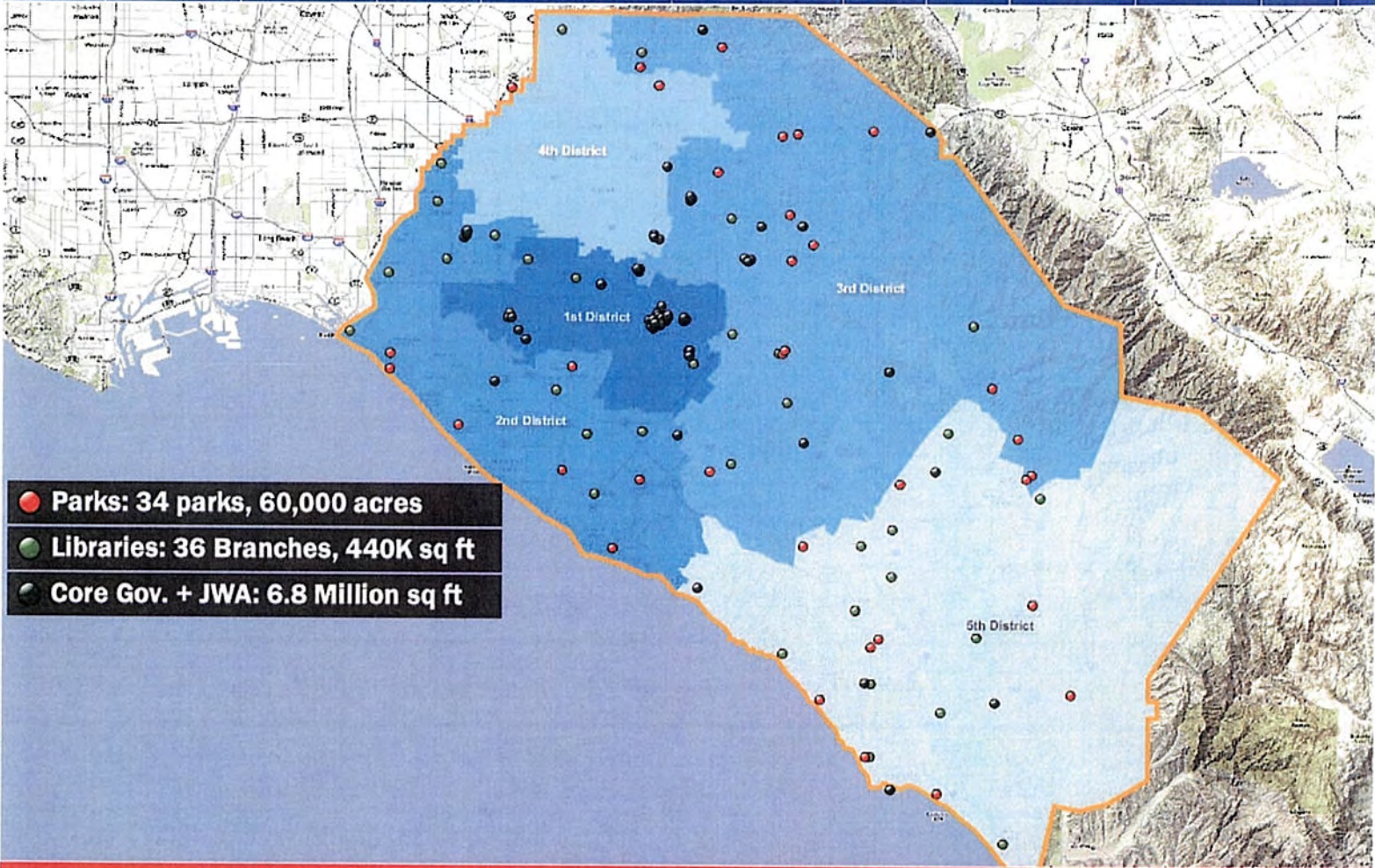
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- Parks: 34 parks, 60,000 acres
- Libraries: 36 Branches, 440K sq ft
- Core Gov. + JWA: 6.8 Million sq ft

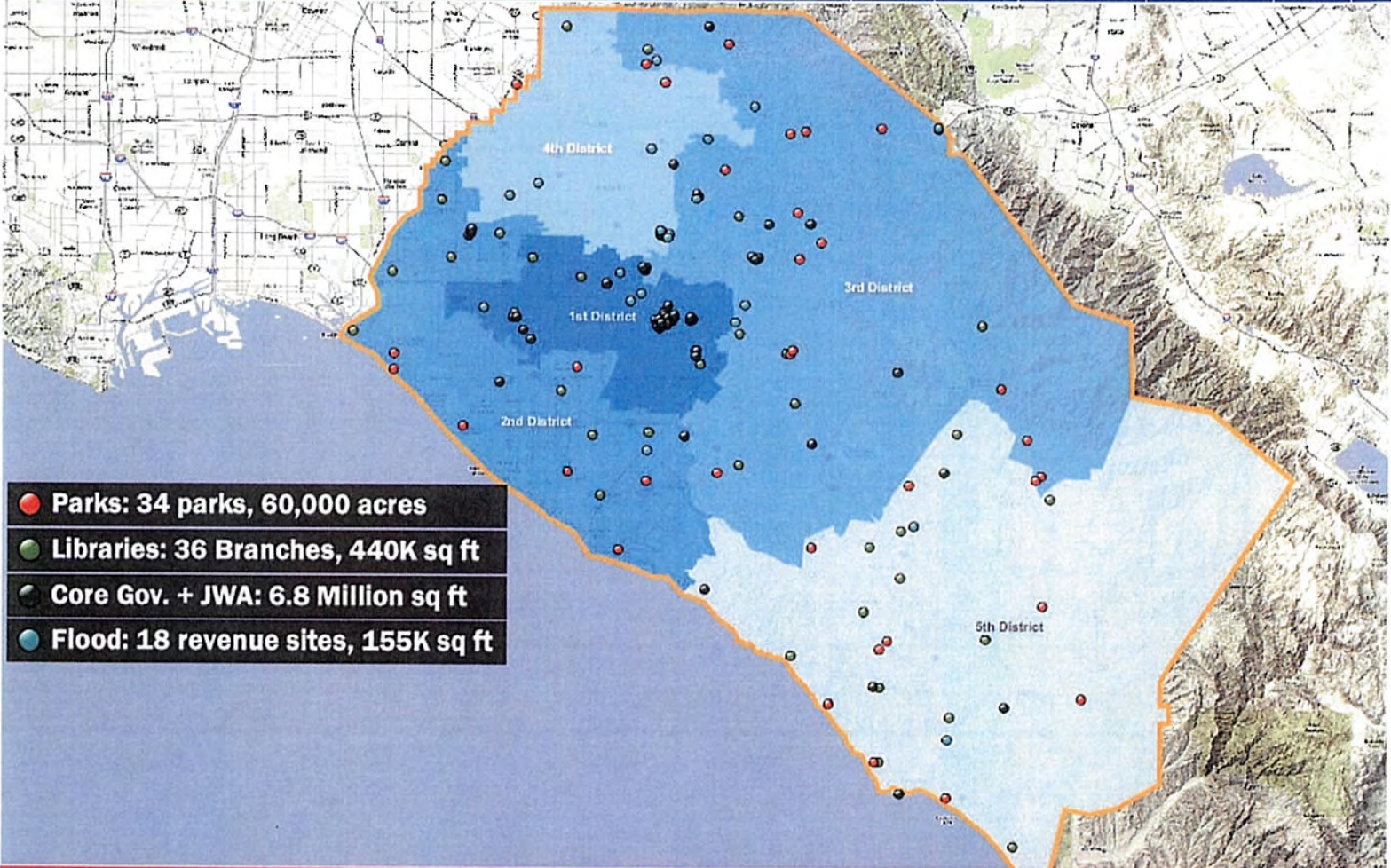
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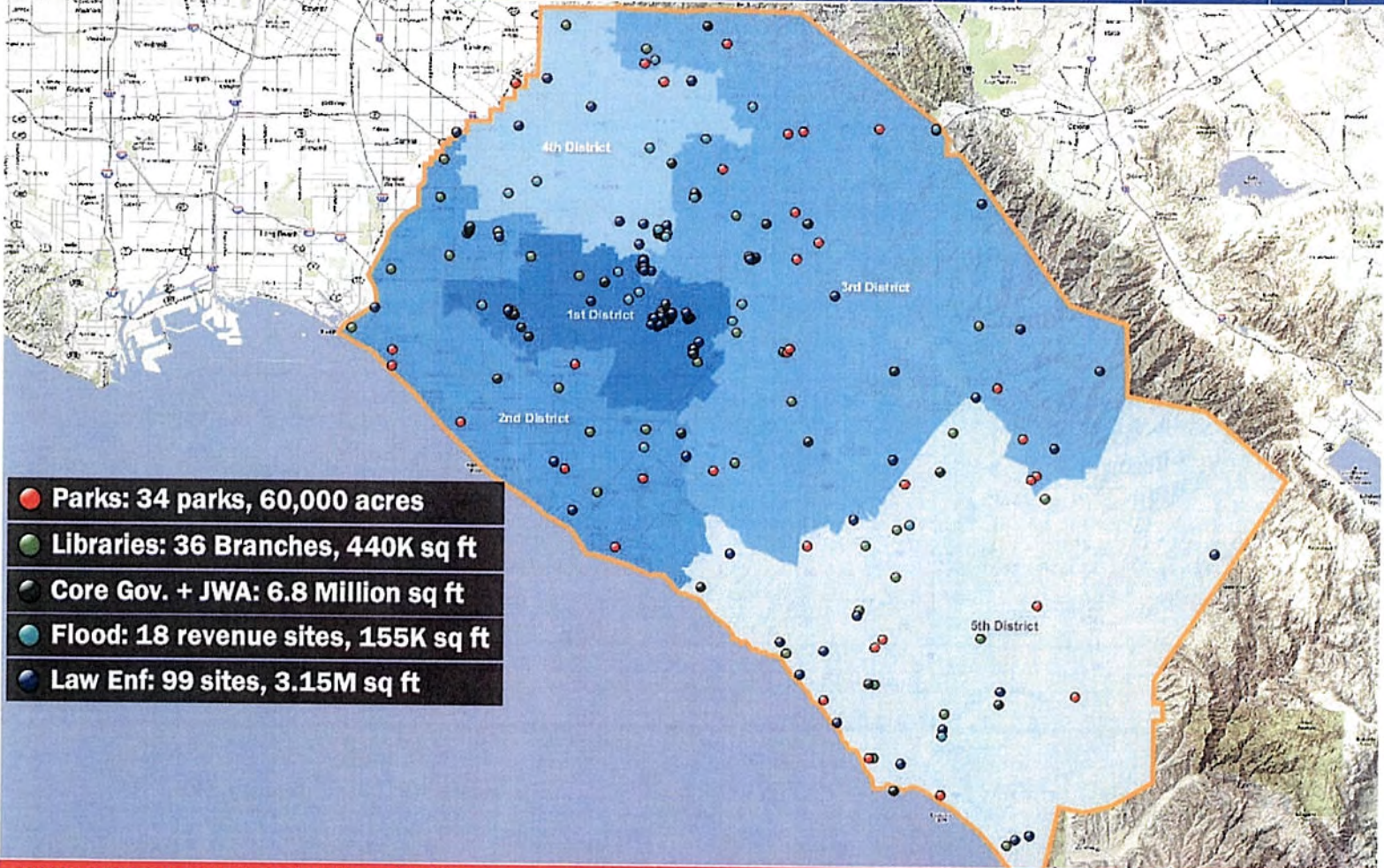
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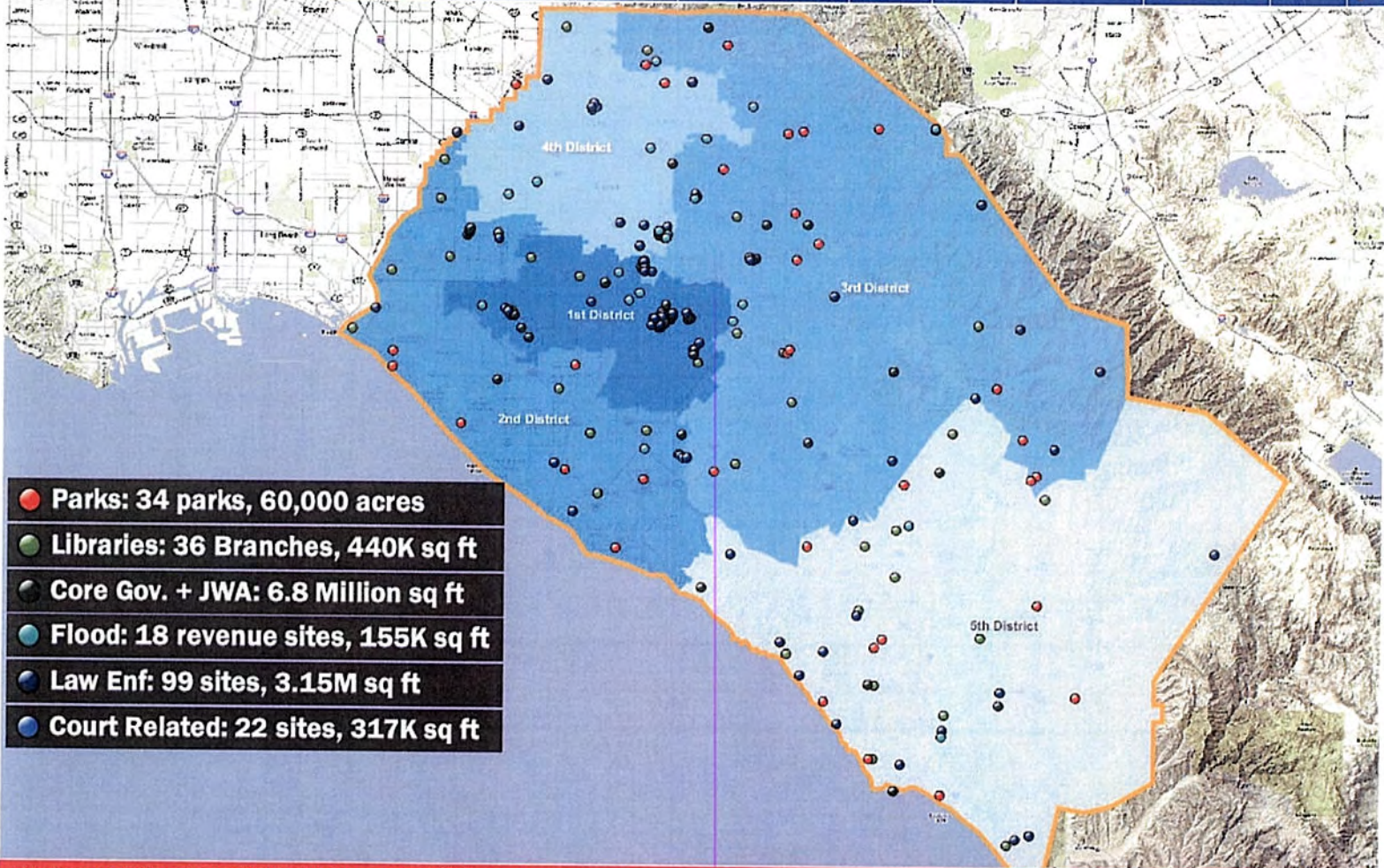
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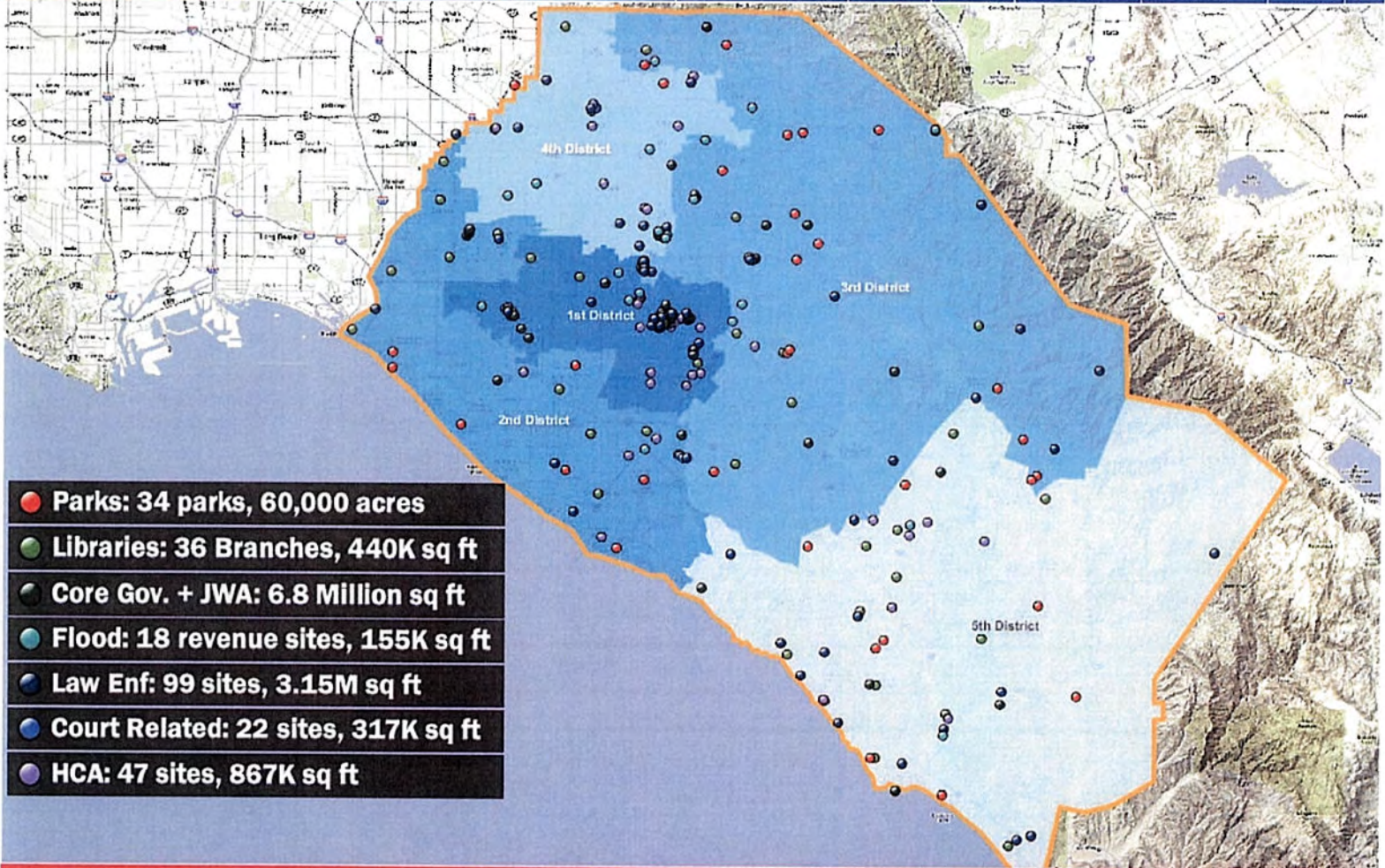
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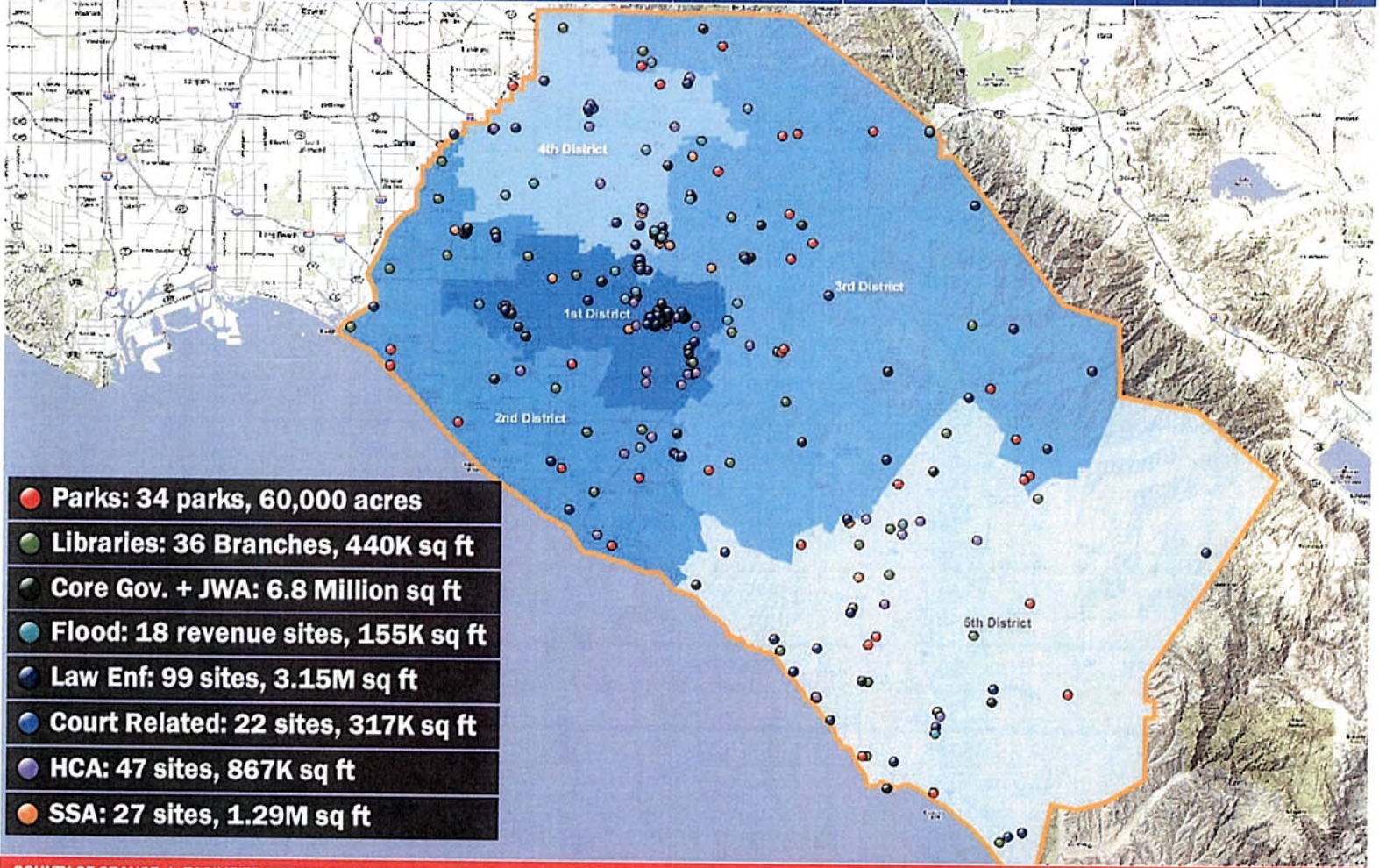
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- Parks: 34 parks, 60,000 acres**
- Libraries: 36 Branches, 440K sq ft**
- Core Gov. + JWA: 6.8 Million sq ft**
- Flood: 18 revenue sites, 155K sq ft**
- Law Enf: 99 sites, 3.15M sq ft**
- Court Related: 22 sites, 317K sq ft**
- HCA: 47 sites, 867K sq ft**
- SSA: 27 sites, 1.29M sq ft**

Next Up

- **Real Estate Market Issues**
- **Facilities Master Plan Status**
- **Priority Projects Overview**
- **Public Comment**
- **Board Policy Direction**



Introductions

Current Real Estate Market Issues (Jones, Lang, LaSalle)



JONES LANG
LASALLE®

Real value in a changing world

County of Orange

Strategic Real Estate/Facilities Working Session

September 6, 2011

Agenda

- State of the Real Estate Market
 - Overview
 - Market Segments
 - Demographic Trends
 - Conclusions
- Status of Facilities Master Plan
- Moving From Planning to Implementation
 - Developing an Asset Management Framework
- Public Sector Best Practices
 - Occupancy Strategy
 - Leased to Own
 - Integrated Facilities Management
 - Public/Private Partnership
 - Workforce

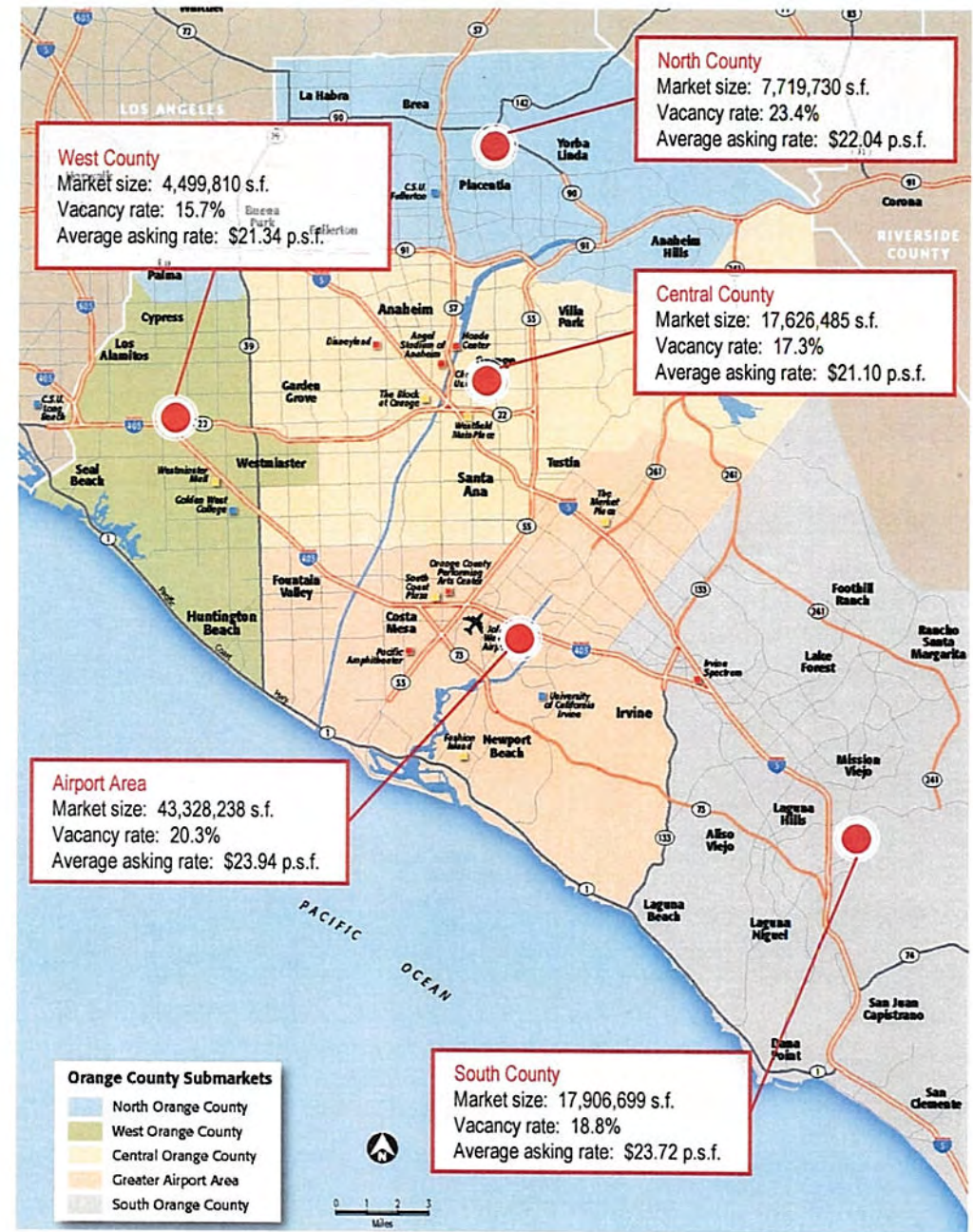
STATE OF THE REAL ESTATE MARKET

Renata Simril, Managing Director
Jones Lang LaSalle

Orange County

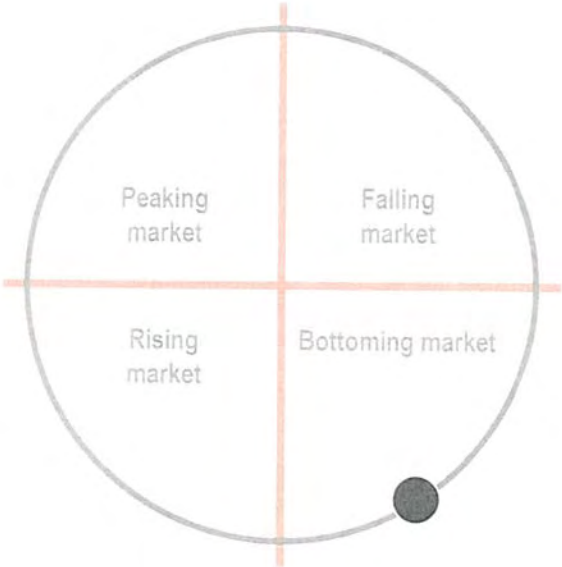
Market summary

- June marked the end of three consecutive months of a shrinking unemployment rate in Orange County as it climbed to 9.2% from 8.5% in May.
- Orange County continues to be a highly competitive landscape for investors. Capital is very aggressive and acquisition financing is inexpensive for core product in strong submarkets.
- Orange County Class A and B office market showed positive absorption at the end of the 2Q11, with both classes splitting the positive absorption almost equally.
- Orange County's forecast remains substantially the same as it was in the first and second quarters of 2011 – a generally slow and steady increase in the economy. The key to stabilization will be sustained growth in the labor market.



Market Segment: Office

Current statistics		12 Month outlook
Stock	91,080,963	→
Overall vacancy	19.5%	↓
YTD net absorption	830,342 s.f.	↑
Under construction	0 s.f.	→
Orange County Class A average rent	\$25.44 p.s.f.	↑



Source: Jones Lang LaSalle

Market Segment: Retail

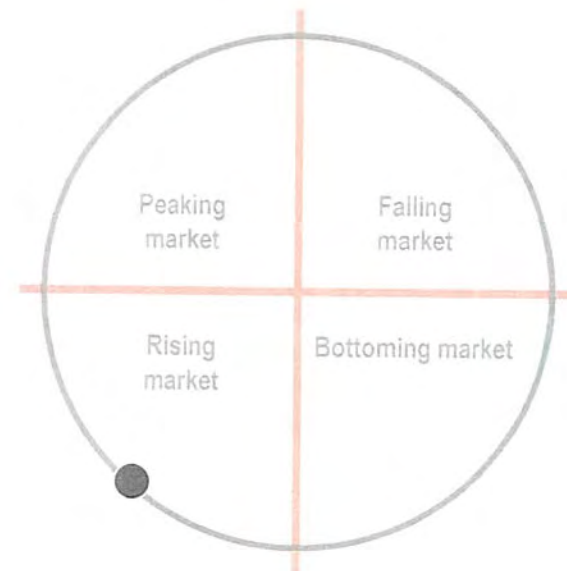
Current statistics		12 Month outlook
Stock	129,727,117	↑
Overall vacancy	5.6%	↓
Q1 2011 net absorption	408,071 s.f.	→
Under Construction	209,419 s.f.	→
New Deliveries	92,125s.f.	↑
Avg. Quoted NNN Rent	\$22.08 p.s.f.	↓



Source: Jones Lang LaSalle

Market Segment: Residential

Current statistics		12 Month outlook
Asking Rents (rental apartment)	\$1.50/sf	↑
Rental Rate Growth (5 year outlook)	4.5%	↑
Rental Unit Deliveries 2010-2012	3,140	↑
Occupancy	95%	↑
Avg Price per Unit	\$183,000/unit	↑
Condominium Deliveries (2010-2012)	1,214	↑
Avg Price per SF for Condominium	\$450/ s.f.	↑



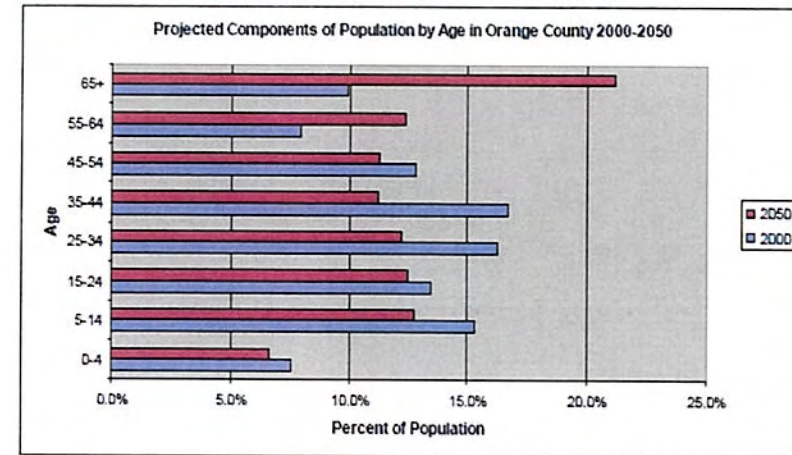
Source: Jones Lang LaSalle

Demographic Trends

Evolving Face of Orange County

- The population is projected to grow at an increasingly slower rate, reaching 4 million by 2050
- Net migration into Orange County has been decreasing since 1999
- County population will continue to be more diverse, with 53% being of Latino or Asian decent by 2050
- County population will continue to age, with 25% being 65 or older by 2050

Projected Components of Population by Age in Orange County, 2000-2050

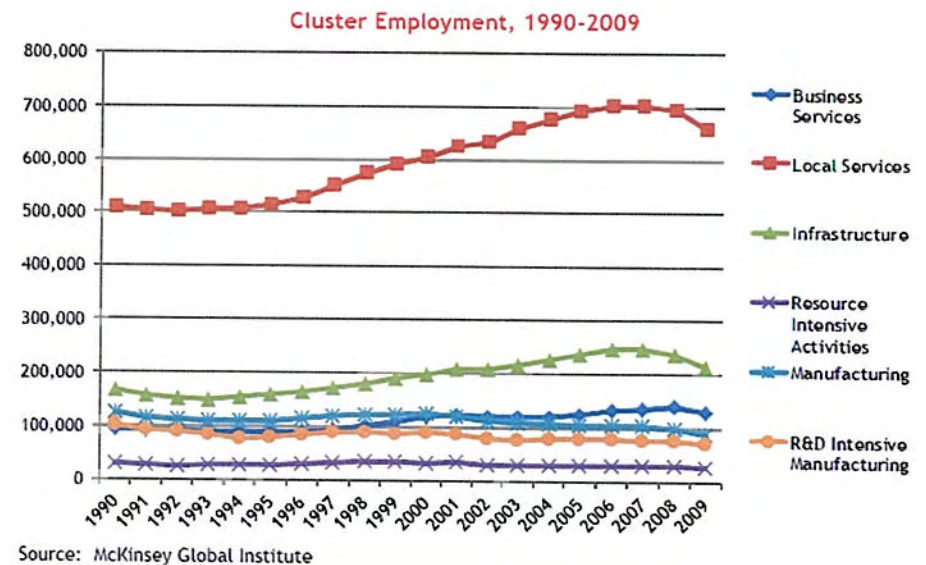


Source: State of California, Department of Finance

Employment Clusters & Growth

County poised for slow/steady growth

- Employment in Orange County has stabilized around 1.6 million jobs, but growth has been limited since the economic downturn
- Three largest employment clusters are Manufacturing, Tourism, and Management & Administration
- Anticipate continued job growth and concentration in the service sector.
- Some higher wage areas in which moderate growth can be anticipated include Greentech, Cleantech, International Trade & IT



Conclusions

- The real estate market is dynamic; County real estate policy needs to be responsive to these changes
- County land is a scarce resource; land holdings will continue to drive value for the long-term
- Slow economic recovery will challenge budgets and service delivery
- Technology, energy, and demographics will shape future requirements for County services
- County needs to manage its real estate assets for service delivery and revenue generation

Status of Facilities Master Plan (OC Public Works)

STATUS OF FACILITIES MASTER PLAN

Joseph Edwards, Division Manager
Orange County Facilities & Real Estate

Overview



- FMP prepared at Board direction & approved in 2006
- Goal to identify & manage County real estate assets
- Developed plan for “efficient & economic use” of County owned and leased land, facilities & parking
- Last BOS update provided in 2008
- Economic downturn affected progress on FMP initiatives
- Opportunity today to provide status and revisit direction

Key Findings (2006)



- Condition of County portfolio was moderate-to-good
- Lease rates were at or below market rates
- Cost of leasing space predicted to outpace costs of buying or developing space over next 20 years
- County had a few key underutilized assets but not much surplus property
- Need existed for storage space
- Evolving space demands for departments

Recommendations



1. Distribute FMP to County agencies

Status: Completed

2. Distribute Workspace Guidelines to agencies

Status: Completed

3. Implement a centralized real estate database

Status: Module to be developed for Real Estate in Mainstar

4. Investigate options for Building 16

Status: Proposals submitted and under review

Recommendations



5. Research Records & Document Imaging Needs

Status: Study completed

6. Assess Chestnut Storage Facility

Status: Not recommended for storage purposes

7. Evaluate HCA Health Facility on 17th Street

Status: Project on hold pending funding

8. Study site options for Animal Care Services

Status: Candidate site at Tustin MCAS

Recommendations



9. Research uses for County Operations Center

Status: Study pending funding

10. Relocation options for Fruit Street Facility

Status: Evaluation of Glassell location underway

11. Provide reuse options for El Toro Parcel

Status: RFP process complete; potential uses being considered

12. Consider Lease Conveyance opportunities

Status: Analysis complete; Board direction required

Recommendations



13. Determine revenue options for South Justice Center

Status: ULI/TAP complete. Formulating recommendations for CEO/BOS.

14. Prepare Agency Master Plans

Status: Pending funding

15. Conduct FMP quarterly meetings

Status: Resume scheduling next quarter.

Strategic Real Estate/Facility Policy Direction
(Jones Lang, LaSalle)

MOVING FROM PLANNING TO IMPLEMENTATION

Bob Hunt, Managing Director
Jones Lang LaSalle

Defining the Landscape

Issues

- Changing service demands
- Capital/Maintenance budgeting
- Fractured adjacencies
- Market uncertainty
- Technology integration
- Reduced funding

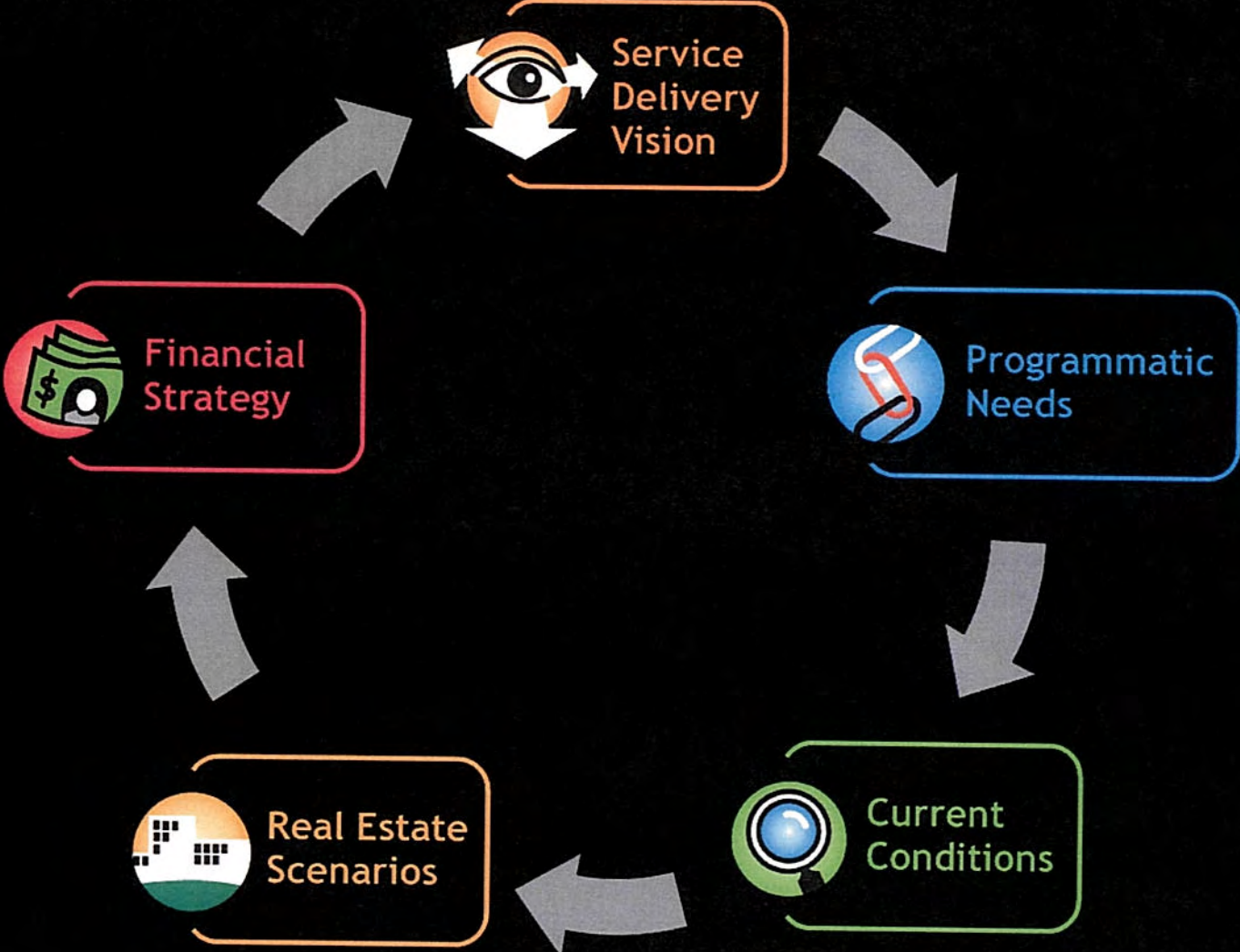
Opportunities

- Utilizing excess County land
- Improving in space efficiency
- Reducing O&M costs
- Engaging in public and private partnerships
- Capitalizing on strong credit rating and bond capacity
- Leveraging technology to enhance service delivery
- Reducing construction costs
- Implementing energy savings

Moving from Planning to Implementation



Our Process

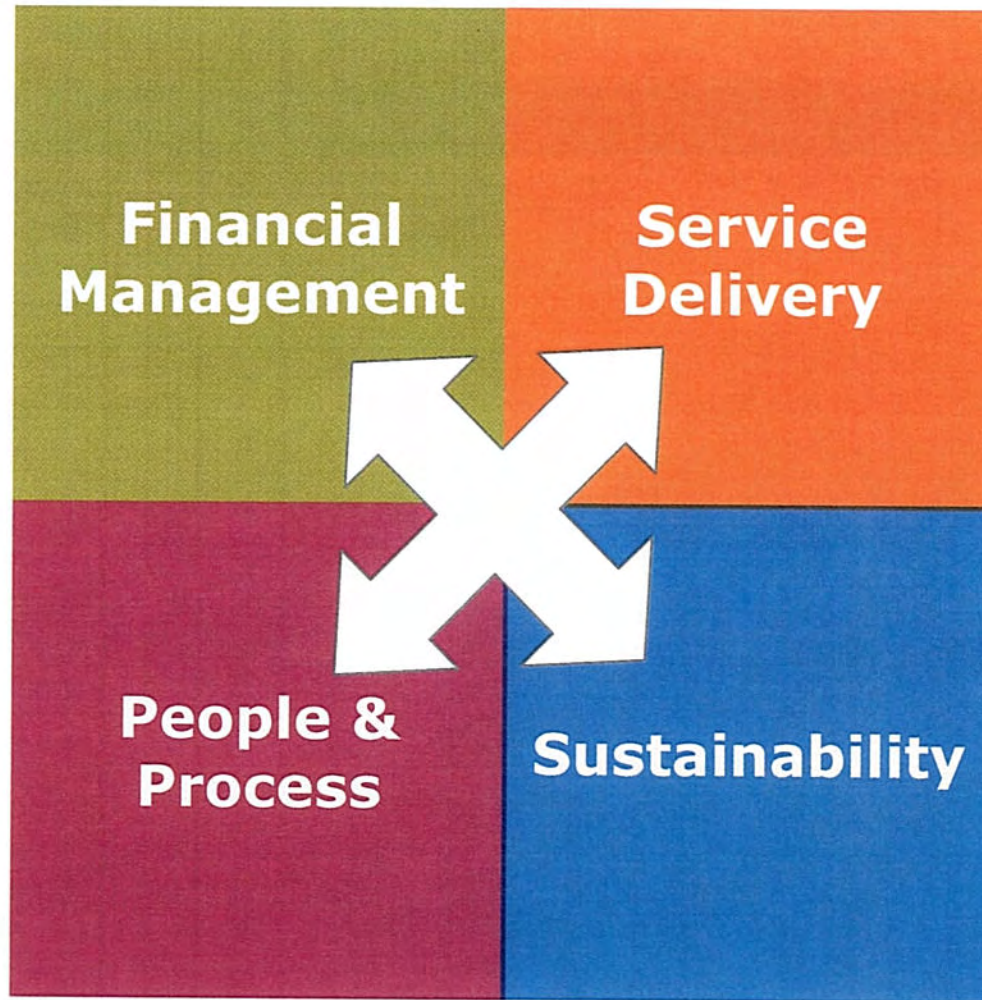


Our Process



**Comprehensive
Facilities
Master Plan**

The Balanced Scorecard



The Balanced Scorecard



- Connect employees and citizens
- Spaces to invite public access
- Convenient service locations
- Technology-enabled systems
- Public safety
- Leverage resources

The Balanced Scorecard



- Consolidate & support collaboration/ adjacencies
- Improve space efficiency
- Consider long-term growth
- Provide “great place to work”
- Project County image “internally” & “externally”

The Balanced Scorecard

- Maximize value for capital expenditures
- Plan for best use of available site capacity
- Identify opportunities for monetization
- Flexible & Efficient use of space & resources
- Savings through energy efficient operations
- Robust financial models



The Balanced Scorecard



- Realize energy saving
- Leverage public transportation
- Reduce carbon footprint
- Promote sustainable workplaces

County Assessment: Service Delivery

Achievements

- Created a working inventory of all owned, leased and underutilized assets
- Identified functional hubs (County Ops Center/Civic Center) that provide potential for single locations for related services

Areas of Opportunity

- Integrated Computer Aided Facilities Management (CAFM) system
- Link service delivery with strategic facilities plan

County Assessment: People and Process

Achievements

- Facilities supporting work process
- Facilities are generally in moderate-to-good condition

Area of Opportunity

- Engage cross-department task force to improve space utilization
- Use technology to improve process and delivery
- Explore options (e.g. 'smart work centers') to enhance productivity and service delivery
- Improve condition of owned portfolio

County Assessment: Financial Management

Achievements

- Utilizing State and Federal lease reimbursement
- Exercising purchase rights on lease conveyance properties
- Utilizing lease renewals as opportunities to co-locate

Areas of Opportunity

- Create performance monitoring & management plan
- Reserve capital for on-going facilities maintenance
- Develop specific policies to streamline real estate decisions
- Explore public and private partnerships

County Assessment: Sustainability

Achievements

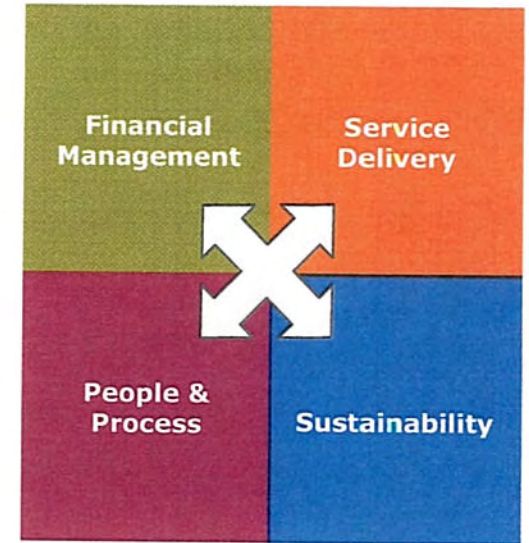
- Delivered 10.4 MW Civic Center co-generation plant and a 6 MW facility at John Wayne Airport
- Invested in improved utility billing system (EnergyCap)
- Utilized Federal and State funding to install energy efficient lighting
- Obtained approval PPA on 4 MW solar program to reduce energy costs
- Initiated energy master plan to drive efficiencies & reduce operating costs

Areas of Opportunity

- Increase utilization of co-generation plants
- Explore additional alternative energy opportunities

Benefits of Developing Asset Management Strategy

- Leads you towards your service delivery vision
- Establishes real estate priorities
- Provides a flexible financial model that addresses changing market conditions
- Introduces metrics to measure success and inform continuous improvement
- Guides implementation of recommended actions



PUBLIC SECTOR BEST PRACTICES

Occupancy Strategy

Napa County, CA

■ Situation

- County running out of space to support workforce
- Changing County demographics impacting service delivery strategies

■ Initiatives

- Link County service delivery to real estate strategy and new workplace standards
- New construction to take advantage of soft construction market

■ Results

- Reduce County space requirements by 20%, an annual savings of approximately \$2.0 million
- Improved synergies between departments through better adjacencies

Portfolio Management

State of Illinois

■ Situation

- Budget deficit in excess of \$13 billion
- 58 million square foot portfolio of leased and owned

■ Initiatives

- Focused on centralized portfolio management strategies

■ Results

- Identified in excess of \$45 million in cost avoidance within 2 months of engagement
- Monetized \$8 million surplus property

Facilities Management

Ohio Building Authority

- **Situation**
 - OBA manages 5 facilities totaling over 3.5 million square feet, housing a number of state agencies and are fully leased by the Department of Administrative Services
- **Initiatives**
 - Facilities assessment and energy audit of OBA buildings
 - New purchasing and management practices
- **Results**
 - Reduced overall operating costs by over 35%.
 - Overall savings last year totaled \$5 million

Public Private Partnership

City of Seattle

- **Challenge**
 - Develop public space across from City Hall at no cost to City
- **Initiative**
 - Public private partnership solicitation to secure private partner to design and build public space in return for development rights for excess land on property
- **Results**
 - Private partner designed/built open space at no cost to City and provide long term revenue stream to support O&M costs
 - The design solution provides for spectacularly designed open space with an unique 35 story mixed use tower



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Real value in a changing world

Thank you.

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Priority Real Estate Projects Current Status

AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

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PREV NEXT



Former South Justice Center

North West Corner Crown Valley Parkway and Alicia, Laguna Niguel

OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS

OVERVIEW

- Site of former California Superior Court, closed in 2008
- The County sold a 4-acre parcel to the City of Laguna Niguel for development of its City Hall
- Remaining 23 acres of land contain four, 40-year old vacant buildings totaling 52,205 sf., the Laguna Niguel Library and a fleet service facility
- In April 2011, The County and City engaged the Urban Land Institute (ULI) to conduct a Technical Assistance Panel to explore the highest and best uses for the site



LOCATION MAP





Former South Justice Center

North West Corner Crown Valley Parkway and Alicia, Laguna Niguel

OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS

CHALLENGES

- Limited reuse opportunities due to low demand for construction of buildings
- Determining highest and best use for property
- Initial costs to develop site

OPPORTUNITIES

- Potential site for relocation of other County departments currently located in South County
- Public/Private collaboration to develop property
- Ground lease to generate revenue for County



LOCATION MAP



AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

PREV NEXT



Former South Justice Center

North West Corner Crown Valley Parkway and Alicia, Laguna Niguel

OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS

CURRENT STATUS

- Upon Board direction, County and City can work from the ULI Technical Advisory Panel's recommendations and create a list of potential development opportunities



LOCATION MAP





El Toro Parcels

Marine Way and Alton Avenue, Irvine

OVERVIEW

CHALLENGES/OPPORTUNITIES

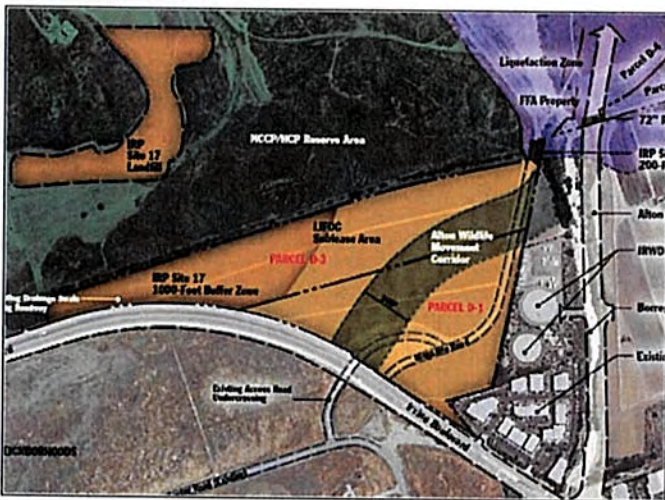
CURRENT STATUS

CHALLENGES

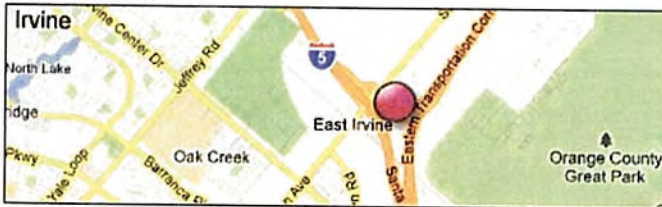
- The OC Great Park Final Environmental Impact Report assumed institutional and low intensity development for the County parcels
- Development proposals prepared by the County are subject to the requirements of CEQA
- Development constraints include the Average Daily Trip Cap, land use designations/zonings, site remediation, reliability of existing utilities, timing of new infrastructure, McKinney Act warehouses and review/permitting

OPPORTUNITIES

- Ground lease land to generate revenue for the County
- Collaboration with surrounding property owners to create complimentary developments and share infrastructure costs
- County's share of the tax increment can be used for infrastructure facilities to assist with parcel development



LOCATION MAP





● El Toro Parcels

Marine Way and Alton Avenue, Irvine

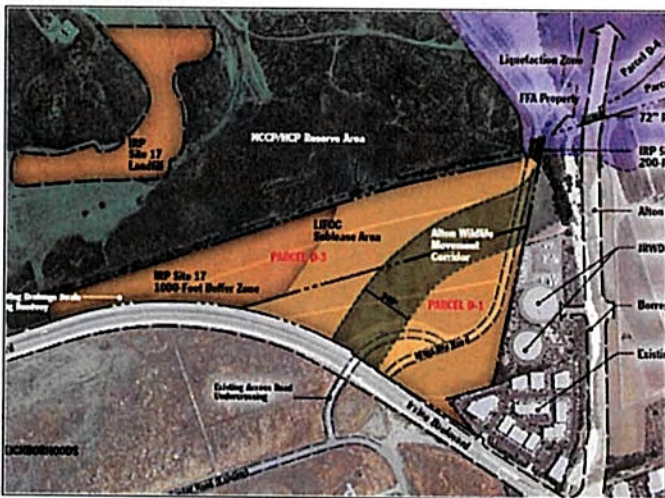
OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS

CURRENT STATUS

- Complete the Development Feasibility Analysis, including conceptual site plan(s)
- Developing short-term interim uses for the parcels, which may include storage, construction staging and/or farming
- Analyzing revenue components of mid to long-term uses of the parcels, which may include business parks, retail, multi-family housing, sports/entertainment, and/or hospitality



LOCATION MAP





County Operations Center

South West Corner of Grand and McFadden, Santa Ana

OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS



OVERVIEW

- 30 acres, plus three 1970's buildings and one 1992 building totaling 238,000 square feet
- County Agencies occupying include:

• Registrar of Voters:	51,100 sf.
• County Data Center:	63,000 sf.
• OC Community Services:	34,000 sf.
• County Records Center:	16,500 sf.
• OC Community Resources:	37,500 sf.
• Public Administrator/Public Guardian:	31,600 sf.
• Health Care Agency:	4,500 sf.
- Approximately 10 acres of land are available for new uses

LOCATION MAP



**County Operations Center**

South West Corner of Grand and McFadden. Santa Ana

OVERVIEW

CHALLENGES/OPPORTUNITIES

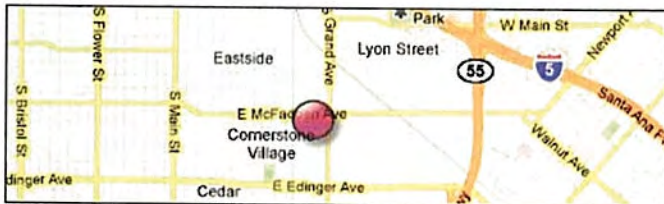
CURRENT STATUS

CHALLENGES

- Registrar of Voters needs 20,000 sf. of additional work space for assemblage of election materials
- The Records Center is near storage capacity
- Deferred building maintenance

OPPORTUNITIES

- Relocate operations from Fruit Street by developing vacant land with low cost, multiuse buildings
- Install central plant using natural gas or new technologies to cost effectively power, heat and cool existing and new buildings
- Ground lease vacant land to generate revenue

**LOCATION MAP**



County Operations Center

South West Corner of Grand and McFadden, Santa Ana

OVERVIEW

CHALLENGES/OPPORTUNITIES

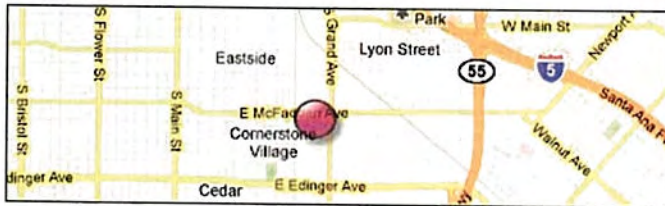
CURRENT STATUS

CURRENT STATUS

- Upon Board direction, restart planning for relocation of Fruit Street operations
- As part of the Board approved solar power purchase agreement with PsomasFMG, solar panels will be installed as shade structures over parking areas and as ground mounts beginning in fall 2011



LOCATION MAP



AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

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PREV NEXT



Animal Care Facility Site

Former Marine Corps Air Station, Tustin

OVERVIEW

CHALLENGES/OPPORTUNITIES

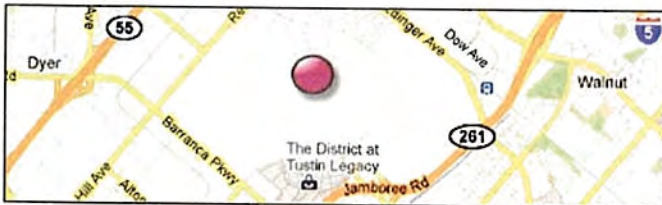
CURRENT STATUS

OVERVIEW

- OC Animal Care requires five acres of land to build a new OC Animal Care Center
- The County is eligible to receive a ten-acre parcel at the former MCAS Tustin (now, known as Tustin Legacy) from the Department of the Navy
- The Board of Supervisors has allocated five acres of the parcel for the new OC Animal Care Center and five acres for an annex to the existing Regional Law Enforcement Training Center
- OC Community Resources is negotiating with South Orange County Community College District (SOCCCD) to swap the ten-acre parcel for a SOCCCD ten-acre parcel immediately adjacent to the existing Law Enforcement Training Center



LOCATION MAP





Animal Care Facility Site

Former Marine Corps Air Station, Tustin

OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS

CHALLENGES

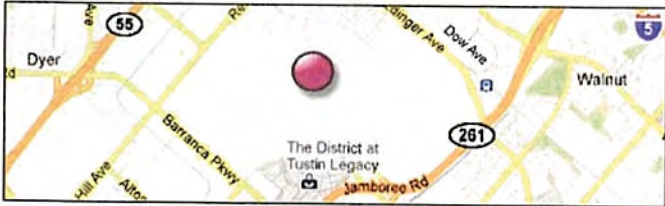
- The land swap needs concurrence from the City of Tustin and approval by the Department of the Navy

OPPORTUNITIES

- The City of Tustin is supportive of both the land swap and development of a new OC Animal Care Center at Tustin Legacy
- Orange County Animal Care member cities support the development of a new OC Animal Care Center



LOCATION MAP





Animal Care Facility Site

Former Marine Corps Air Station, Tustin

OVERVIEW

CHALLENGES/OPPORTUNITIES

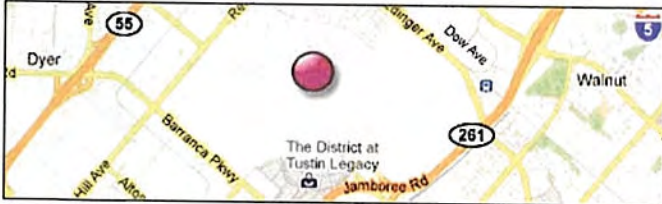
CURRENT STATUS

CURRENT STATUS

- OC Community Resources is negotiating an agreement with SOCCCD regarding the land swap; the agreement is expected to be submitted to the Board this fall
- If the agreement is approved, the land swap is expected to be completed in 2012
- Planning, design, permitting and construction of the new OC Animal Care Center will follow completion of the land swap



LOCATION MAP



AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

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PREV NEXT



Fruit Street
Santa Ana

OVERVIEW

CHALLENGES/OPPORTUNITIES

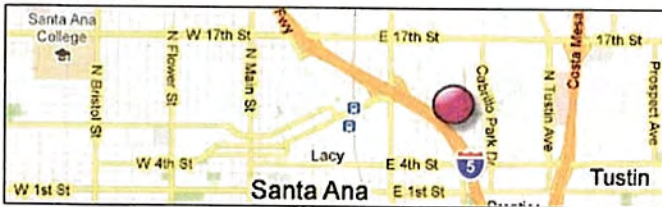
CURRENT STATUS

OVERVIEW

- Approximately 11 acre site with industrial buildings, facilities shops and a fueling station
- Current occupants are Fleet Services, Facilities, Construction Inspection and the Materials Lab
- New City of Santa Ana zoning supports development of a regional transportation center



LOCATION MAP



AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

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PREV NEXT



Fruit Street

Santa Ana

OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS



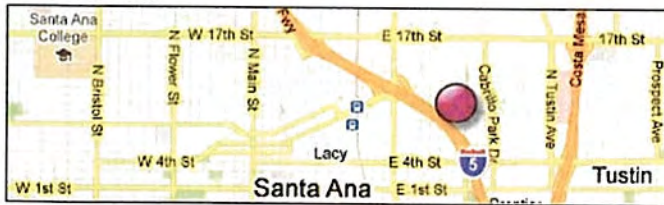
CHALLENGES

- There are neighborhood concerns about revised plan for use of the properties around the train station
- Relocation of current Fruit Street operations to other County campuses, such as Glassell and the County Operations Center, requires funding and planning

OPPORTUNITIES

- A land contribution based agreement for revenue sharing between City and County could have future financial benefits for the County
- Locating the bus terminal closer to the 5 Freeway has benefits to residents and travelers

LOCATION MAP



AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

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PREV NEXT



Fruit Street

Santa Ana

OVERVIEW

CHALLENGES/OPPORTUNITIES

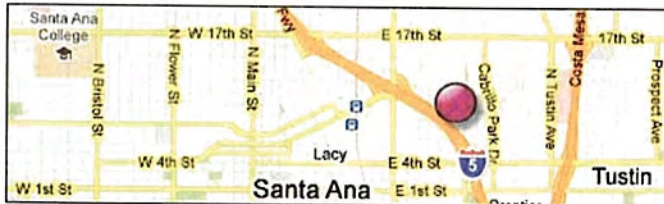
CURRENT STATUS

CURRENT STATUS

- Negotiations are underway with the City for a land contribution-based revenue sharing plan
- Monitoring City progress toward funding the Santa Ana Blvd. underpass—the key step to redevelopment



LOCATION MAP



AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

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PREV NEXT



Haster Basin

South West Corner of Haster and Lampson, Garden Grove

OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS

OVERVIEW

- Currently known as Twin Lakes/Freedom Park and operated by the City of Garden Grove, the property is a 20-acre passive flood basin with perimeter walking trail
- A new pump station is required to enhance flood protection. The estimated project budget is \$ 30 million and the project is fully budgeted in 2011/2012, Fund 400
- Upon First District request in 2009, the project was enhanced with a multi-use sport field, picnic areas and parking
- Surrounding Uses are primarily residential with some commercial



LOCATION MAP



Haster Basin

South West Corner of Haster and Lampson, Garden Grove

OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS

CHALLENGES

- A few neighbors have concerns about the pump station and the perception that the existing passive park setting will be lost

OPPORTUNITIES

- The new park will provide a multi-sport field, a picnic area, enhanced walking trails and parking
- The City of Garden Grove is contributing a parcel that is key to developing the park area
- The basin and pump station will help protect 1845 acres of Anaheim, Orange and Garden Grove from flooding
- The reservoir capacity will be increased and the banks will be planted with native shrubs and trees



LOCATION MAP



AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

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PREV NEXT



Haster Basin

South West Corner of Haster and Lampson, Garden Grove

OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS

CURRENT STATUS

- Regulatory permit applications were submitted on May 4, 2011
- Currently completing the EIR process for Planning Commission hearing in late August 2011
- Upon Board approval, construction is expected to start in April 2012
- Construction duration is expected to be 18 months



LOCATION MAP





Prado Properties

Behind Prado Dam, Corona Area

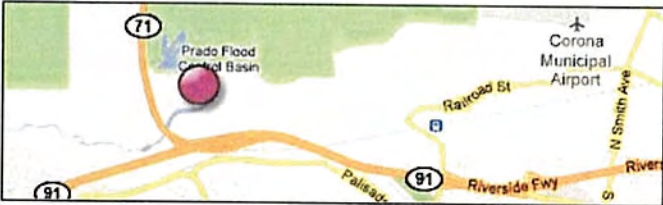
OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS



LOCATION MAP



CHALLENGES

- The acquisition process is controlled by the Corps and Federal funding
- Property owners often demand more than fair market value
- The eminent domain process is time consuming
- Relocation of businesses requires careful planning

OPPORTUNITIES

- Land acquired can be used for floodable uses such as agriculture, habitat and open space

AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

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Greenspot

Northeast Corner of Newport Avenue, Highland

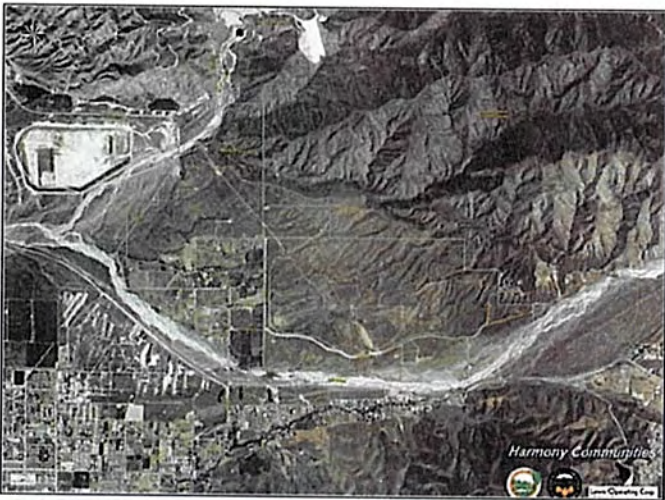
OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS

OVERVIEW

- The Orange County Flood Control District, San Bernardino County Flood Control District and Riverside County Flood Control and Water Conservation District currently hold joint title to this 1,657-acre property located within the City of Highland, California
- The property was acquired as the borrow site for the soil needed to build the Seven Oaks Dam, part of the Santa Ana River Project
- In January 2010 the Board approved selection of Lewis Planned Communities as the developer to help secure entitlements for the property



LOCATION MAP





Greenspot

Northeast Corner of Newport Avenue, Highland



LOCATION MAP



OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS

CHALLENGES

- Overcoming political, environmental, and community concerns regarding development of a new community in this rural area

OPPORTUNITIES

- Improved infrastructure services to the public
- Potential increase in property values for existing property owners
- The District initially funds approximately \$6.27 million which will be recovered from the sale of the property
- Development will provide revenue to fund a portion of Orange County's remaining commitments to the Santa Ana River Mainstem project, including Prado Dam

AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

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PREV NEXT



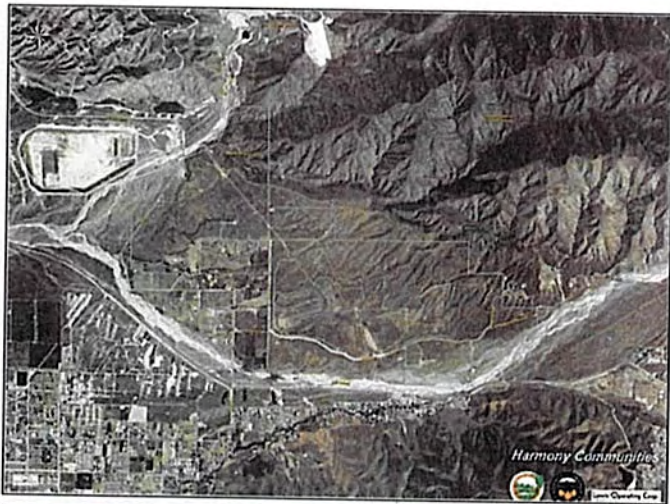
Greenspot

Northeast Corner of Newport Avenue, Highland

OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS



CHALLENGES

- Overcoming political, environmental, and community concerns regarding development of a new community in this rural area

OPPORTUNITIES

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LOCATION MAP



AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

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Greenspot

Northeast Corner of Newport Avenue, Highland

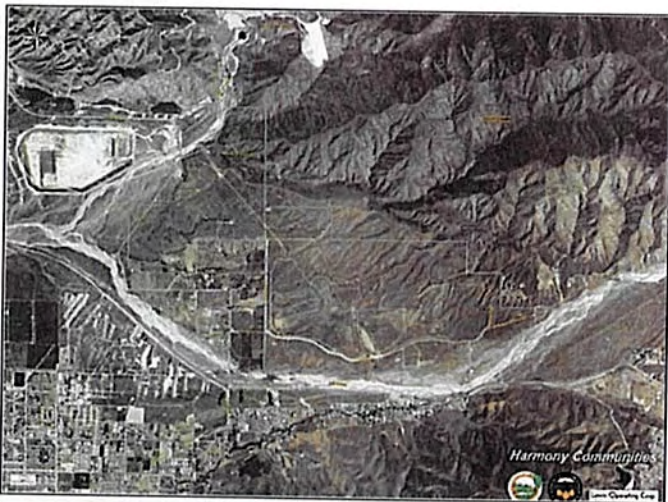
OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS

CURRENT STATUS

- The City of Highland has selected Webb Associates to complete the project Environmental Impact Report
- The entitlement process is expected to be completed within the next 24-36 months, with final approvals expected in August 2013
- The fully entitled property is anticipated to be sold in phases as the market dictates



LOCATION MAP





Bristol Street

1100 SE Bristol Street, Costa Mesa

OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS

OVERVIEW

- Half moon shaped 5.9 acre parcel
- 73 Freeway adjacent, Ganahl Lumber to the south, retail and office uses to the west, zoned General Commercial
- Previously leased to public storage business from August 1994 through December 2007, providing substantial revenue for the Flood Control District



LOCATION MAP



AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

PREV NEXT



Bristol Street

1100 SE Bristol Street, Costa Mesa

OVERVIEW

CHALLENGES / OPPORTUNITIES

CURRENT STATUS

CHALLENGES

- City concurrence with land use plans that allow Flood Control District to lease for revenue generation

OPPORTUNITIES

- When leased, this property can provide long-term funding for flood control projects and maintenance
- Work with City of Costa Mesa to support a wider range of uses



LOCATION MAP



AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

PREV NEXT



Bristol Street

1100 SE Bristol Street, Costa Mesa

OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS

CURRENT STATUS

- Temporary equipment storage uses during 2011 OC Fair to support events at the Fair Grounds
- Reviewing limited proposed leasing opportunities that have low impact on property (e.g. non-permanent or semi-permanent structures)



LOCATION MAP



AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

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PREV NEXT



SSA Headquarters

888 N. Main Street Santa Ana

OVERVIEW

CHALLENGES/OPPORTUNITIES

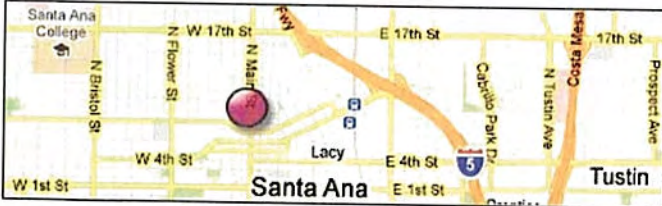
CURRENT STATUS

OVERVIEW

- 109,771 sf. building located on 1.35 acres
- 224 parking spaces on site and 197 off-site
- SSA headquarters for 14.5 years
- At the end of the lease term on January 31, 2012, the County can purchase the property for \$100
- The appraised value is \$7 million, which takes into account \$3.3 million in deferred maintenance



LOCATION MAP



AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

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PREV NEXT



SSA Headquarters

888 N. Main Street Santa Ana

OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS



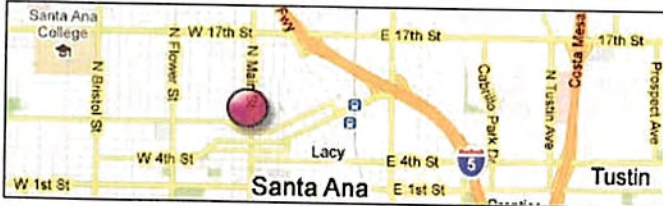
CHALLENGES

- The building is 45 years old and requires replacement/upgrading HVAC, elevator, and roof
- There are potential legal issues involving 197 offsite parking spaces to be delivered upon close of escrow
- Operating inefficiencies associated with an older building's floor design are inherent in this building

OPPORTUNITIES

- The building is located in a desirable Civic Center location and includes valuable parking
- Potential asset value for the County and occupancy cost savings in comparison to leasing elsewhere

LOCATION MAP



AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

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SSA Headquarters

888 N. Main Street Santa Ana

OVERVIEW

CHALLENGES/OPPORTUNITIES

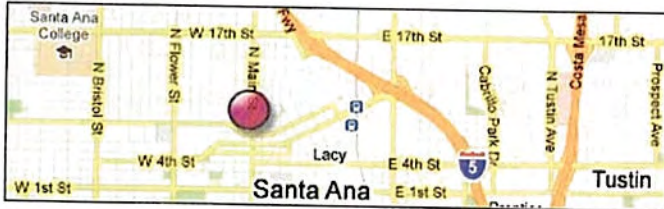
CURRENT STATUS



CURRENT STATUS

- County can purchase the property on February 1, 2012, by exercising its option for \$100
- After purchase,
 - 1.) County may continue SSA occupancy with annual occupancy cost savings
 - 2.) Explore alternative locations for SSA and other opportunities including sale of building to access the property's value

LOCATION MAP



AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

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PREV NEXT



● Building 16

Northwest Corner of Ross and Santa Ana Blvd.

OVERVIEW

CHALLENGES/OPPORTUNITIES

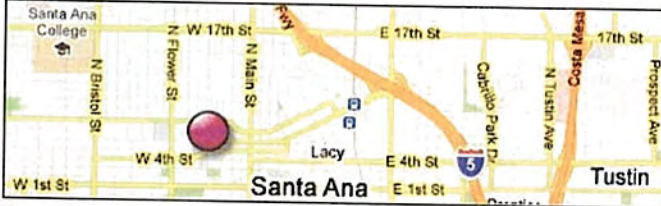
CURRENT STATUS

OVERVIEW

- 36,000 sf. adjacent to 200 space public parking lot
- Building 16 is a twin to Building 14 occupied by the Public Defender
- Vacant over 20 years



LOCATION MAP



AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

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PREV NEXT



Building 16

Northwest Corner of Ross and Santa Ana Blvd.

OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS

CHALLENGES

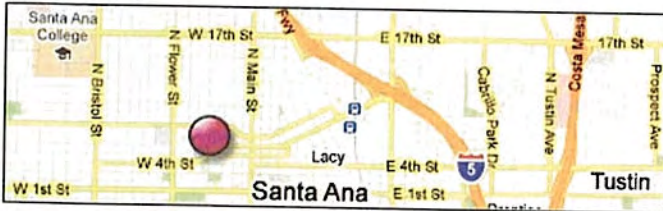
- Building cannot be occupied in its current condition, hazardous materials need to be abated
- Site/Building reuse costs

OPPORTUNITIES

- Replace or rehabilitate to make new space available



LOCATION MAP



AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

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PREV NEXT



Building 16

Northwest Corner of Ross and Santa Ana Blvd.

OVERVIEW

CHALLENGES/OPPORTUNITIES

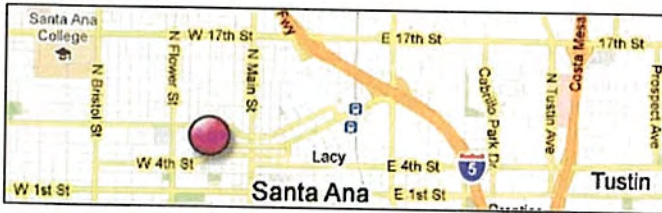
CURRENT STATUS

CURRENT STATUS

- Proposals received and evaluated by public/private panel
- Proposals awaiting ranking by the Board



LOCATION MAP



AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

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Lease Conveyance Opportunities

Civic Center Area

OVERVIEW

CHALLENGES/OPPORTUNITIES

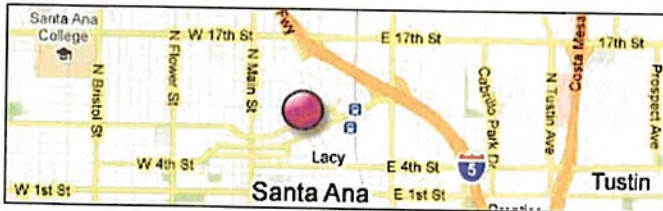
CURRENT STATUS

OVERVIEW

- The County leases 275,000 square feet in the Civic Center area
- Analysis indicates cost savings could be achieved by acquiring instead of continuing to lease
- Office buildings in the Civic Center area are available for purchase or potential acquisition by lease-conveyance



LOCATION MAP



AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

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Lease Conveyance Opportunities

Civic Center Area

OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS



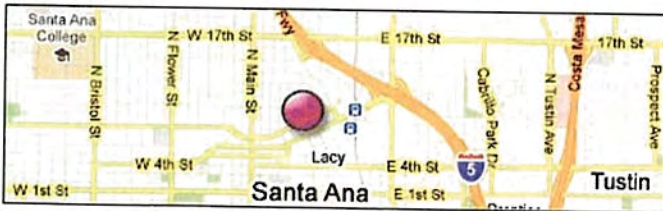
CHALLENGES

- Acquisition will require leasing-out or filling any space the County does not occupy to maximize savings
- Financial benefits depend on lease rate or purchase price and on reserving for building system replacements

OPPORTUNITIES

- Reduce occupancy costs for County Agencies
- Acquire while market presents excellent values
- Improve stock of County-owned properties by acquiring newer buildings which meet service delivery needs
- Shift County occupancy from buildings that no longer meet constituent or agency needs

LOCATION MAP



AERIAL VIEW

PRIORITY PROPERTIES
PROPERTY LIST

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PREV NEXT



Lease Conveyance Opportunities

Civic Center Area

OVERVIEW

CHALLENGES/OPPORTUNITIES

CURRENT STATUS

CURRENT STATUS

- Board directed staff to discuss opportunities with property owners but not to negotiate transaction terms
- County prepared to negotiate terms with property owners, analyze potential savings and present to Board for consideration



LOCATION MAP



Board Policy Confirmation and Next Steps

Draft Real Estate Policies for Affirmation

- 1. Hold developable land in portfolio wherever possible:**
 - Ground lease assets to generate revenue.**
 - Sell when necessary to finance acquisitions or improvements.**
- 2. Update Facilities Master Plan (FMP) annually & focus on “service delivery” as the driver for real estate decisions.**

Draft Real Estate Policies for Affirmation

- 3. Mesh energy policy with real estate strategy to reduce operating costs.**
- 4. Create reserves for maintenance and preservation of owned assets.**
- 5. Ownership is preferable to long term leasing arrangements:**
 - Lease-conveyances are cost effective option to finance acquisitions.**

Draft Real Estate Policies for Affirmation

- 6. Partner with the private sector improve service and reduce costs.**
- 7. Explore “virtual offices” and multi-use centers as value driven approaches to address occupancy needs.**
- 8. Implement flexible processes to streamline real estate transactions.**

Draft Real Estate Policies for Affirmation

- 9. Work collaboratively with the City in which a County property is being developed at the direction of the Board, while continuing to present recommendations to the Board that are in the best interest of the County and its residents.**

- 10. Task OC Real Estate to provide recommendations regarding the current and future use of County Assets.**



County Executive Office
Memorandum

September 1, 2011

To: Chairman Bill Campbell, Supervisor, Third District
Members, Board of Supervisors

From: Thomas G. Mauk, County Executive Officer

Subject: September 6, 2011 Agenda Item # 4 - Strategic Real Estate/ Facilities
Working Session

Attached are materials in support of the Strategic Real Estate/Facilities Working Session for your review and discussion at the upcoming September 6, 2011 Board Meeting.

If you have any questions and/or need additional information, please contact Joseph Edwards at 714-667-9671.

Attachment

cc: Alisa Drakodaidis, County Executive Office
Jess Carbajal, OC Public Works
Joseph Edwards, OC Public Works