



Christina L. Shea, Mayor

cityofirvine.org

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September 25, 2019

The Honorable Kirk H. Nakamura
Presiding Judge
Orange County Superior Court
700 Civic Center Drive West
Santa Ana, California 92701

Re: Response of the City of Irvine to Orange County Grand Jury 2018-19 Report, dated June 25, 2019, Titled "Home at Last: Honoring Our Veterans With A Veterans Cemetery In Orange County"

Dear Judge Nakamura:

In accordance with Section 933.05 of the California Penal Code, this letter contains the response of the City of Irvine to the Orange County Grand Jury Report, dated June 25, 2019, titled "Home at Last: Honoring Our Veterans With A Veterans Cemetery In Orange County." The enumerated items in this response correspond to the numbering of the findings and recommendations contained in the Grand Jury Report.

We trust this response from the City of Irvine will be filed with the Grand Jury so that anyone reading the Grand Jury Report will be able to evaluate it in light of Irvine's response set forth above. If you have any questions, please contact City Manager, John Russo, at 949-724-6249 or jrusso@cityofirvine.org.

Sincerely,

Christina L. Shea
Mayor

Attachment

cc: Orange County Grand Jury
Irvine City Council

RESPONSES TO FINDINGS

Per the table on page 13 of the Grand Jury Report, the City of Irvine is required to respond to Grand Jury Findings F1, F2, F3, F4, F5, and F6. Those responses are provided immediately below.

F1. There is private and public sector significant interest in, and support for, establishing a veterans cemetery in Orange County.

Response: The City agrees with this finding.

F2. Although four sites are under consideration, to date, only two veterans cemetery locations in the City of Irvine have been recognized for potential funding by the State.

Response: The City partially disagrees with this finding. The finding was generally accurate as of the date of the publication of the Grand Jury Report (June 25, 2019), but it is not accurate today. The two veterans cemetery locations referenced in the finding are the Amended and Restated Development Agreement Site and the Strawberry Field/Bake Parkway Site. Through Assembly Bill 368, the California Legislature has also recognized the Golf Course Site for potential funding by the State. A copy of the current version of Assembly Bill 368 is provided as **Attachment A**.

F3. In the City of Irvine, competing political and financial interests have caused delays in veterans cemetery site selection.

Response: The City partially disagrees with this finding. The City agrees that some members of the Irvine and broader Orange County community may have had political and/or financial motivations. However, the City's goal from the beginning has been to identify and make available the best site for the Veterans Cemetery. To that end, the City's commissions and the City Council conducted a comprehensive fact-based analysis of both the Golf Course Site and the ARDA Site which considered environmental remediation issues, estimated construction schedules, regulatory hurdles, and available funding sources. Through that analysis, City staff recommended and the City Council resolved "[t]hat the Golf Course Site is hereby designated as the preferred site for development of the Southern California Veterans Cemetery." The staff analysis of this issue is provided as **Attachment B**. The City Council's resolution is provided as **Attachment C**.

F4. Use of the ARDA property for a veterans cemetery will reduce potential tax income for the City of Irvine compared to other proposed sites.

Response: The City of Irvine disagrees with this finding. There is good reason to believe that the Strawberry Fields/Bake Parkway Site which is currently entitled for at least 812,000 square feet of Research and Development uses has a higher

commercial land value than the ARDA Site, which currently has only enough development intensity to support a single 100 room extended stay hotel. This conclusion is reinforced by the City Council's August 13, 2019 action to initiate a zone change that will (i) for the portion of the ARDA Site north of Cadence, prohibit residential and hotel development, but retain the ability to develop resident serving retail along Irvine Blvd., and (ii) for the portion of the ARDA Site south of Cadence, rezone the property to allow only uses similar to those allowed in the Orange County Great Park, while specifically prohibiting hotel and residential uses. The staff report from the August 13, 2019 City Council meeting is provided as **Attachment D**.

F5. Site development cost estimates and site valuations identified to date vary widely.

Response: The City agrees with this finding. In addition to development costs and site valuations, available ***funding sources*** also vary widely. Table 1 from the staff report for the July 23, 2019 City Council meeting shows, for example, that the total estimated funding available for the Golf Course Site is \$62,500,000, while the funding for the ARDA Site is only \$24,500,000. That Table is reproduced immediately below, and the full report is provided as **Attachment B**.

	Golf	ARDA
Funding Sources		
State of California (FY 2019-20 Allocation)	\$20,000,000	\$20,000,000
CalVet Cemetery Master Development Fund	\$4,500,000	\$4,500,000
VA Grants Program	\$10,000,000	\$0
ALA II Funding Reallocation	\$18,000,000	N/A
FivePoint Contribution	\$10,000,000	N/A
Total Estimated Funding	\$62,500,000	\$24,500,000
Estimated Site Development Cost	\$58,998,323	\$90,913,014
Estimated Funding Surplus/Gap	\$3,501,677	\$(66,413,014)

F6. Completion of the veterans cemetery project will required multiple sources of funding; some funding has been available in the past

Response: The City agrees with this finding. A discussion of funding needs and availability is provided in the July 23, 2019 City Council meeting staff report, provided as **Attachment B**.

RESPONSES TO RECOMMENDATIONS

Per the table on page 13 of the Grand Jury Report, the City of Irvine is required to respond to Grand Jury Recommendations R1 and R3. Those responses are provided immediately below.

R1. By November 30, 2019, the Irvine City Council should decide which, if any, site within its borders to pursue for a veterans cemetery. Site selection efforts should validate the cost and valuation information. **(F1, F2, F4, F5, and F6.)**

Response: The recommendation has been implemented. On July 23, 2019 the Irvine City Council voted to designate the Golf Course site as the preferred location for the Southern California Veterans Cemetery. A copy of the City Council resolution making that designation is provided as Attachment C.

R3. By December 31, 2019, in the event that both the City of Irvine and OCCD seek to pursue a veterans cemetery, the Grand Jury recommends that a joint City of Irvine and OCCD Veterans Cemetery Selection Committee be established that includes a representative of the Board of Supervisors to determine which of the respective sites will be endorsed. **(F1, F2, F4, F5, and F6.)**

Response: The recommendation requires further analysis. The City has identified the Golf Course Site as the preferred location for the Southern California Veterans Cemetery, has worked with the California legislature to revise Assembly Bill 368 to allow for construction of the cemetery on the Golf Course Site, and has identified significant resources toward the construction of the cemetery. The City is also aware that (i) on September 10, 2019 an effort was made by a State Senator to amend Assembly Bill 368 to allow for the potential development of the Southern California Veterans Cemetery at the Gypsum Canyon Site, but that amendment was *not* integrated into the Bill, (ii) the forecasted cost of development of a cemetery at the Gypsum Canyon site is more than \$250,000,000. As a result, the the Gypsum Canyon Site faces significant development schedule and cost disadvantages when compared to the Golf Course Site. While the City is open to discussions with OCCD, it does not want those discussions to cause any delays in the implementation of the Southern California Veterans Cemetery at the Golf Course Site.