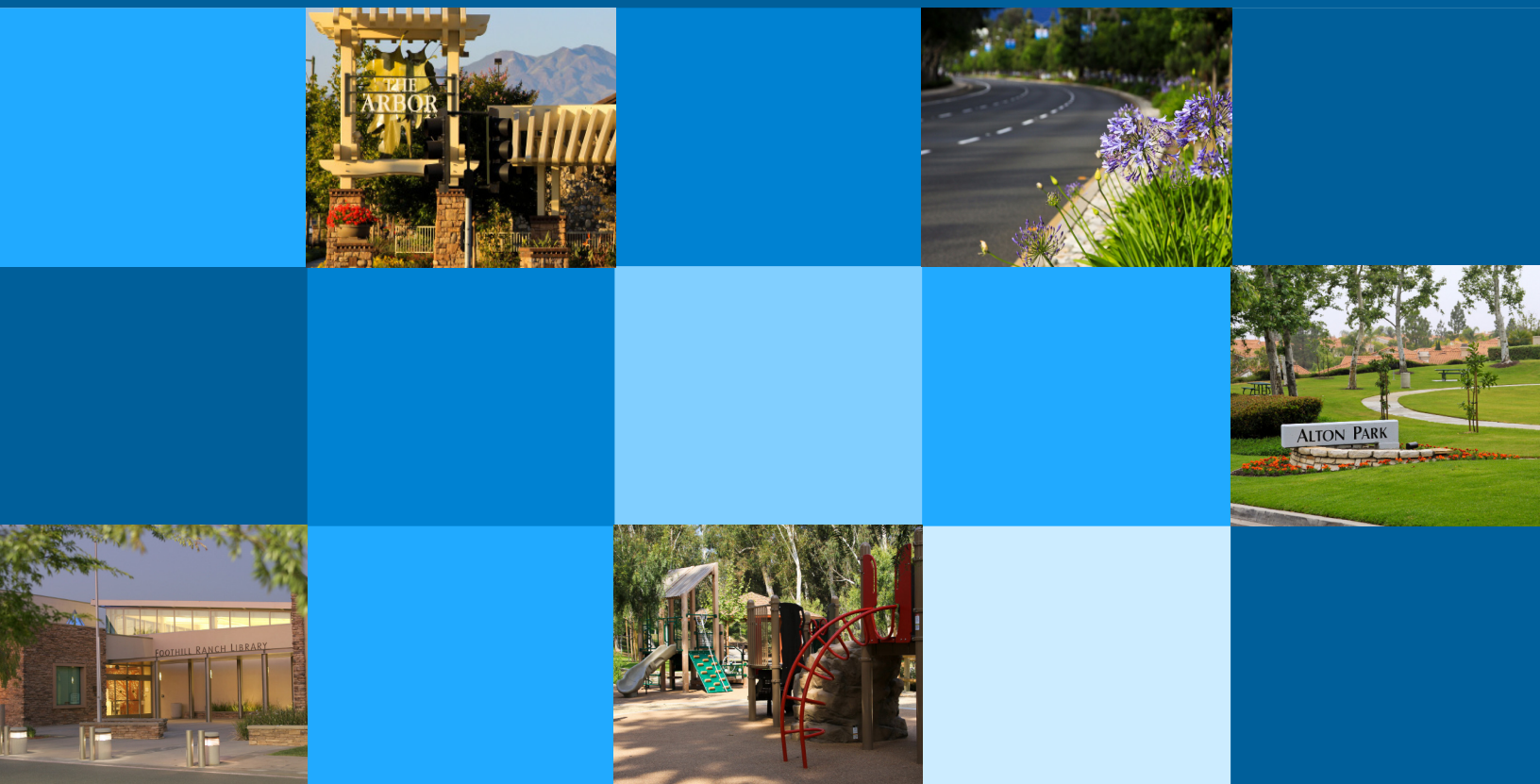




City of Lake Forest Five Year Strategic Plan 2013 - 2018



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OVERVIEW OF THE FIVE-YEAR STRATEGIC BUSINESS PLAN

The Five-Year Strategic Business Plan (“Plan”), first initiated by the City Council in 1999, serves as a touchstone for elected officials and staff to guide short-term and long-term projects and programs along with associated activities and resources. Updated every two years, the Plan serves as a tool to allow the City to assess its current status, identify future goals, and develop strategies towards achieving those goals.

Of utmost importance in developing the Plan is responding to the needs of the community. Chapter 1 defines the strategic issues – the most important issues facing Lake Forest over the next five years. Strategic issues are identified by understanding and listening to the community and its evolving wants and needs through collection and analysis of demographic data along with survey responses to identify current and future trends.

Chapter 2 provides an overview of population characteristics, housing characteristics, and economic characteristics. Population characteristics include; ethnicity and race, age, and educational attainment. Housing characteristics include; households by tenure and housing units by type; and economic characteristics include occupational profile, assessed property values, construction permits, and sales taxes.

Chapter 3 summarizes key findings from the City’s bi-annual resident and business surveys, most recently conducted in 2012. Nearly every resident surveyed (96%) rated the quality of life in the City as excellent or good, and most businesses (78%) rated the business climate favorably when compared to neighboring areas. As a whole, the responses collected from the Surveys are indicative of a highly satisfied community.

After identifying the top priorities for the community, it is important to understand the resources that are available to commit to meeting those priorities. Available resources are determined by comparing existing revenues with existing expenditures. Chapter 4 presents an overview of past, current, and projected future revenues. Currently, the City’s two most significant categories of revenue are local taxes and revenues from other governments, accounting for approximately 91% of total revenues. Once the current economic downturn has ended, the City expects its well diversified revenue base to increase. Chapter 5 provides projections for future operating expenditures. Projections were kept conservative and assume maintaining current levels of service with moderate increases over the next five years, unless modified by the integration of new programs and/or projects.



Chapter 6 identifies major carryover appropriations greater than \$100,000 from Fiscal Year 2012-2013 that the City will use to fund ongoing multi-year projects as defined by the City Council. Carryover appropriations bring unspent balances forward into the new fiscal year, retaining the integrity of the originally budgeted amounts for items spanning more than one year.

Chapter 7 identifies deferred projects and programs have been deferred until funds become available. The City recognizes the need to remain flexible when reviewing existing and future needs and has prioritized programs and projects to provide the best service possible to the community within existing budgetary constraints. Consequently, these projects are memorialized in the Plan for future consideration.

Once the revenues and resources are identified, the City identifies operating programs in Chapter 8 and capital projects in Chapter 9. Operating programs include a comprehensive update to the City's General Plan, an upgrade to the City's Accounting System, a new City website, and significant enhancements to the City permitting and land use management system (EnerGov). Chapter 9 describes each of the projects that comprise the City's 2013-2015 Capital Improvement Projects ("CIP") Budget proposed during the period of this Plan along with their sources of funding.

Chapter 10 is an update to the City's Opportunities Study Area ("OSA") Business Plan. The chapter outlines the current status surrounding the public facility projects and private development activity. The OSA has been a key area of focus for the City during the past several years. With over 4,000 new homes and major public facilities such as the Lake Forest Sports Park, Recreation Center, Community Center, and Civic Center comprising this effort, the City has taken great care to ensure that the execution of these improvements bring value to the community and delivers long-awaited public amenities. This final chapter of the Plan focuses on updating the community regarding the City's efforts in this area and provides a forward-looking plan to address the continued development of the OSA during the upcoming five-year period.

In conclusion, this Plan represents the City's efforts to continue providing quality services to the community while remaining fiscally responsible. As always, the City encourages and welcomes community feedback and participation in continuing to maintain a high quality of life in Lake Forest.

SECTION I

**STRATEGIC ISSUES
AND
COMMUNITY PRIORITIES**

CHAPTER 1

VISION STATEMENT

Lake Forest will continue to be a safe, attractive and healthy community in which to live, worship, work and play. Our diverse community will foster the active involvement of its citizenry and businesses, and reflect a distinctive, suburban identity that relies upon an established image of lakes, creeks, forests, parks and open space.

MISSION STATEMENT

The City of Lake Forest is committed to ensure an optimal quality of life for its community by providing innovative, effective and efficient services.

VALUES

The City of Lake Forest values...

1. A community where people feel safe and can realize a higher quality of life.
2. Diversity, strength, and stability in the Lake Forest economy.
3. A circulation system which meets local and regional needs.
4. Dialogue with the community on current issues and those issues that challenge the future.
5. Recreational and cultural opportunities and facilities for the community.
6. Continual improvement of services and operations while maintaining a fiscally conservative approach to managing resources.
7. Integrity and high ethical standards in what we do and how we do it.
8. Unique characteristics, aesthetics and histories of the neighborhoods and communities of Lake Forest.
9. Leadership on municipal issues that affect Lake Forest.
10. Using creativity, innovation and evolving technology.

STRATEGIC ISSUES

The most important issues facing Lake Forest over the next five years (July 2013 – June 2018) are identified in this plan as “Strategic Issues.” Strategic Issues are identified by public input, as captured by the City’s biennial surveys and sources of information, including, but not limited to, public workshops, program evaluation forms, and the City’s online citizen relationship management program (AskLakeForest.com). These issues are important to translate the community’s vision into reality. This information serves as a guide in developing projects in this Five-Year Plan, as well as City-wide and departmental goals for the City’s annual Operating Budget and the two-year Capital Improvement Projects Budget.

TRAFFIC

Over the past 10 years, Lake Forest residents identified “traffic congestion” as either the most important or second most important issue facing the community. The ability to travel safely and efficiently via the City’s traffic circulation system is not only an expectation of the community, but a core service of the City of Lake Forest. The 2012 Resident and Business Survey identified Parks and Recreation as another important issue for the community. In addition, the City seeks the input of its business community which identified “increasing networking opportunities” and “reducing signage restrictions” as emerging issues in the 2012 edition of the business survey. During the 2013-2018 Strategic Plan period, traffic will continue to be an important strategic issue for the City. The two-year Capital Improvement Projects Budget includes a variety of street resurfacing, traffic signal synchronization, and streetscape projects designed to enhance the flow of traffic and beautify public roadways.

To address traffic issues, the City strategically enhanced and beautified portions of its major transportation corridors including El Toro Road, Trabuco Road, Jeronimo Road, and Rockfield Boulevard. The City recently added capacity enhancements with the completion of the Alton Parkway extension between Irvine Boulevard and Towne Centre Drive and the Rancho Parkway Project. Both of these projects include new travel and turn lanes, provide traffic relief to parallel routes, and reduce delay on the arterials. The City will pursue additional streetscape projects on arterial roadways where opportunities are available. Streetscape projects that provide traffic congestion relief will be made shelf-ready to take advantage of outside funding as well as early project implementation. Staff will continue to pursue programs that may provide benefits to Lake Forest residents and businesses.

In 2012, the City completed the Local Traffic Signal Synchronization Program (LTSSP) and upgraded its traffic signal system components. These improvements included equipment replacements and communication system upgrades. This program also included the preparation and implementation of coordinated traffic signal programs to optimize the progression of traffic movement on major arterials. Through synchronization, the City

reduced peak-hour traffic delays up to 14% on El Toro Road. The City will continue to monitor the operation and efficiency of the LTSSP improvements and to adjust the system as needed.

The City made also a commitment to participate in the Orange County Transportation Agency (OCTA) Regional Traffic Signal Synchronization Program (M2 Project 'P'). The City was awarded OCTA funding to participate in three traffic signal coordination programs with adjacent agencies, funding is also pending for participation in an additional five programs. The Project 'P' Program targets over 2,000 synchronized intersections across Orange County to maintain traffic signal synchronization, improve traffic flow, and reduce congestion across jurisdictions. Regional transportation issues evolve over time and require that the City participant in these discussions and coordinate with OCTA to ensure it receives funding available for traffic signal synchronization activities and leverage these funds against the City's investment in the community.

Through traffic modeling the City has maintained its vision for an efficient and sustainable circulation system. Traffic modeling is key priority to the establishment and maintenance of the Lake Forest Traffic Model ("LFTM") program. The LFTM program identifies traffic improvements necessary in anticipation of the Opportunities Study Area (OSA) developments currently planned within the City. Traffic modeling will ensure that roadway improvements are implemented in a timely manner concurrent with development needs and will continue to serve the City as a method by which to refine its circulation system in the years to come.

The City also recognizes that factors outside of its control, such as growth in neighboring communities, motorists traveling through Lake Forest, and regional transportation patterns impact the community's perception of traffic congestion and/or traffic delays. While occasional traffic delays may simply be unavoidable in Southern California, the City will continue applying a combination of transportation strategies to alleviate chronic traffic delays on local arterials, such as roadway capacity enhancements, traffic signal synchronization and coordination, and citywide traffic modeling.

PUBLIC SAFETY

Maintaining a Safe Community

In 2012, crime statistics provided by the Federal Bureau of Investigation indicated Lake Forest is in the top 5% of Lowest Crime Rate Ranking Cities in America based upon the latest study by the independent publishing and research group CQ Press. Using a variety of measures, the City is consistently found to be a safe community at a local, state, and national level. As a strategic issue, preserving a safe and peaceful community will continue to be a top priority. The City will continue implementing programs and present new initiatives to the City Council during the Strategic Plan period. To this end, Police Services will continue to provide a full breadth of law enforcement services to prevent and reduce crime and maintain neighborhood relations. In light of anticipated growth in population due to new housing units, Police Services will begin planning future resource deployment to ensure optimized patrol and other law enforcement services.



Preserving a safe and peaceful community is a top priority for the City.

In addition to new software, Police Services will be incorporating other technological advances with the introduction of Virtual Briefings, Automated License Plate Readers (ALPR), and body-worn digital recording cameras. Deputies will be kept informed on the latest crime issues within the community from various sources and combined and disseminated via computer. Crime trends and areas to concentrate patrols will be quickly disseminated to serve the community. The ALPR will enable deputies to drive by locations, without having to stop, and the device can alert deputies to stolen vehicles or vehicles associated with criminal activity. Deputies also will have the capability to digitally record incidents by wearing cameras on their body. This will enhance the ability to collect evidence for criminal investigations and to memorialize calls they respond to or initiate.

Neighborhood Enhancement Team (“NET”)

The Neighborhood Enhancement Team (NET) committee comprised of staff from various departments including Economic Development/Community Preservation, Public Works, and the City Manager’s Office. The NET represents a multi-faceted approach to problem solving that leverages OCSD and staff resources to address complex issues. OCSD and City staff meets regularly to discuss neighborhood or Citywide challenges that may involve, but are not limited to, public safety, code enforcement, traffic, and neighborhood issues. The NET Committee utilizes the information shared at these meetings to develop best practices to address crime problems and various quality of life issues.

Utilizing a collaborative approach with other City departments and community stakeholders, the goal of the NET is to identify issues that concern residents and businesses, develop a strategy to address the concern, implement the plan, and assess results. Members of the OCSD Special Enforcement Team, a specialized detail that addresses issues that affect the community as they arise, are included in NET meetings to provide a direct link to any street level criminal activity.

In the time the NET has been active, this group has worked to solve various neighborhood issues involving graffiti abatement, excessive noise in residential neighborhoods, deferred property maintenance issues, and residential parking. Some of these proposed solutions have appeared before the City Council as amendments to the Lake Forest Municipal Code, including an ordinance to address multiple responses to neighborhood noise complaints (Multiple Response Ordinance) and the City’s Graffiti Ordinance. NET will continue to be a resource for community and neighborhood preservation issues during the five-year plan period.

Neighborhood and Business Watch Programs

The Neighborhood and Business Watch Programs provide residents and business owners information about crime trends and tips on how to better protect themselves from being victims of crime. The Police Services Crime Prevention Specialist (“CPS”) meets with residents of neighborhoods and assists them with concerns of crime and quality of life issues they are experiencing in their specific communities. The CPS also meets with business owners for similar issues and advises them of scams and other potential crimes occurring in local businesses. The number of participants in each program has been increasing every year. The City will continue to publicize and encourage participation in the Neighborhood Watch Program to ensure that these resources are readily available to assist residents that desire to be actively engaged in the safety of their neighborhoods.

Emergency Preparedness and Homeland Security

Emergency preparedness and homeland security remain issues of concern to the community. The City will continue to pursue funding opportunities to mitigate or prevent disasters where possible and actively train staff and prepare the public to respond effectively to the actual occurrence of a disaster. The City also communicates with the public during and after a disaster through AlertOC, an internet-based notification system. In addition, the Sheriff’s Department and Orange County Fire Authority are completing area-specific emergency preparedness plans, including the Woods and Wildland Interface Areas, for public dissemination and practical application exercises. The City is also providing community members with the knowledge and practical experience needed to sustain themselves during an emergency and who will act as a resource to other members of the community through the Community Emergency Preparedness Academy (“CEPA”).

Musick Jail Expansion

For well over a decade, City officials have worked diligently to minimize the community impacts of a potential Musick Jail expansion on the City’s border. As the County moved forward with its plans to expand the facility, City officials continued working collaboratively with the County and the Orange County Sheriff’s Department to negotiate terms and conditions of a binding agreement that would restrict the size, design, and operational parameters of the extended facility. These negotiations resulted in a Memorandum of Understanding (“MOU”) between the County, OCSD, and the City consistent with the City’s primary objectives to limit the total inmate population and prevent OCSD from housing maximum security inmates. During the upcoming five-year period, staff will continue working with OCSD as necessary to ensure compliance with the negotiated terms of the MOU.

Community services and facilities add to the high quality of life enjoyed in Lake Forest. Enhancing recreational opportunities for all ages and abilities, along with meeting park acreage per capita goals, have been consistent objectives since the City’s incorporation.

COMMUNITY SERVICES AND PUBLIC FACILITIES

Community services and public facilities add to the high quality of life and foster a healthy and vibrant community for Lake Forest residents. Enhancing recreational opportunities for all ages and abilities along with meeting park acreage per capita goals have been consistent objectives since the City’s incorporation. Several projects planned in the upcoming five years help meet the interest expressed in the 2012 Community Satisfaction Survey by residents for community activities, special events, educational programs, performances, and fitness and exercise programs. The upcoming five-year period will see a significant increase in activity related to public facilities. The construction of the Lake Forest Sports Park and the development of a future Civic Center will be important strategic priorities for the City.

Increasing Public Facilities and Enhancing Recreational Opportunities

As reflected in the 2012 Resident and Business Survey, improving parks and recreation is one of the top priorities for the community. The next five

years will see the construction of a new sports park and recreation center, which will be the hub of active recreation in the community and one of the premier sports facilities in Orange County. As the newest and one of the largest sports parks in the County, the Lake Forest Sports Park will be a community amenity and regional draw for Orange County. Once completed, the Sports Park will conclude a decade-long process to fulfill the community's desire for a first-class recreational facility. The amenities reflected in the Sports Park Master Plan were developed through a series of community workshops designed to encourage participation so that the final product serves the intended needs of the community. Throughout this collaborative process, the City and its residents worked together to design a sports facility that could be enjoyed by everyone. The City recently finalized all grading activity, clearing the way for the start of construction. The Lake Forest Sports Park and Recreation Center are anticipated to open in late 2014.

Development of Civic Center

In its initial planning stages, the City will engage the public to receive input on potential amenities and services offered at the future, permanent Civic Center. The Civic Center is anticipated to centralize civic uses such as meeting and conference facilities, administrative offices, emergency operations, special events, and the arts. With the current City hall lease expiring in 2014, the City will be focused to advance the City's eventual "100-year home." The City received an Irrevocable Offer of Dedication (IOD) for a 9-acre site on a portion of the IRWD property located at the extension of Indian Ocean Drive intended for future use as a Civic Center. In 2011, the Council held its first public workshop related to the Civic Center, and a Civic Center Conceptual Plan was presented at the City's 20th Anniversary City Council Meeting. As the City prepares to advance this project in the near future, staff will work to retain Architectural and Design Services, as well as Construction Management Services, to transform the conceptual plans into shelf-ready design plans.

Preservation and Enhancement of Public Facilities

Over the past five years the City invested \$8 million to enhance City parks through renovated playgrounds, new landscaping, and other facilities such as restrooms and concession stands. The last two projects in that effort, Tamarisk and Rimgate Parks, are scheduled for renovation in late 2013. Several other parks, including Village Pond Park, was included on the list of capital improvement projects as the City continues to improve and renovate its inventory of parks. The preservation and enhancement of public facilities will continue to be a major focus area.

Baker Ranch Community Park

The seven-acre Community Park at Baker Ranch is expected to open in late 2014. This park will add to the City's inventory and will serve Lake Forest, and the new OSA residential developments. Baker Ranch Community Park amenities will include:

- A baseball diamond that accommodates a soccer field overlay
- An outdoor basketball court
- Two age-appropriate tot lots
- Restroom building
- BBQ and picnic areas
- Parking lots

Baker Ranch Community Park will be constructed by Shea/Toll (formerly Shea-Baker) consistent with the terms of its development agreement with the City. Once the park is constructed, the developer will deed the park to the City which will serve to enhance the availability of public amenities to the community.

Expanded Recreational Opportunities



In the most recent Resident Survey, the community rated the need for more Special Needs Programming as a priority. The City previously has offered special needs programming which has included a partnership with a Lake Forest nonprofit, Us Too Gymnastics, as well as other family oriented events (Dinner and A Movie) and programs designed specifically for those with autistic disorders (Autism Awareness Events and dances). As part of the Fiscal Year 2014-2015 budget, staff requested additional allocation for

increased special needs programming to include the following:

- Parents Night Out
- Themed Seasonal Parties
- Additional Special Need Dance Nights
- Track and Field Programs
- Increased programming for Autism Awareness Month

Beyond the 2014-2015 fiscal year, the City will continually seek opportunities to expand recreation activities, particularly in the area of Special Needs Programming. Consequently, staff will develop and present additional programming for future consideration by the City Council during the upcoming five-year period.

Summary: Community Services and Public Facilities

In addition to the proposed programs and projects, there is the potential to improve undeveloped park sites at Normandale and Whispering Hills, however; there are no current approved plans to improve those sites. While it is exciting to envision the potential improvements to the Lake Forest Park's system, long-term maintenance costs must be considered for existing parks and especially for the new Baker Ranch and Sports Park and Recreation Center that will open in late 2014.

ECONOMIC DEVELOPMENT AND COMMUNITY PRESERVATION:

The City's General Plan encourages a balanced community with opportunities to reside, work, shop, and play. Employment opportunities and a vibrant local economy are important elements in the City's desire to maintain its quality of life and generate revenues to support desired services. Business satisfaction surveys reinforce the City's role in fostering a positive business climate. Consequently, offering programs and services that facilitate business growth, retention, and expansion will continue to be a strategic issue.

Maintaining and Strengthening the City's Economic Base and Business Climate

The City will use its Business Development and Attraction Program to enhance and diversify its economic base and employment opportunities and position Lake Forest as a competitive business location. Program resources will be aimed at addressing the needs of existing businesses, encouraging growth and expansion, and attracting new businesses. Services and programs will respond to the needs of the business community as expressed in the 2012 Satisfaction Survey and through staff's ongoing interaction with businesses. As shared by the business community, businesses use technology (e.g., smart phone applications and social media) and web-based resources (e.g., electronic newsletters and surveys) as primary communication tools. The City will continue to identify new and enhanced technology to facilitate greater communication with businesses to further

promote the City’s Business Development and Attraction Program.

Revitalizing and Facilitating Investment in the former Project Area



The Opportunities Study Area project is composed of five housing projects and the following six public facilities:

- *Sports Park*
- *Recreation Center*
- *Civic Center*
- *Alton Parkway*
- *Rancho Parkway*
- *Lake Forest Transportation Mitigation (LFTM) Intersections*

The State of California eliminated redevelopment as a local tool for revitalization and economic development on February 1, 2012. However, the revitalization of the former El Toro Redevelopment Project Area, through the implementation of the Revitalization and Revisioning Strategy, remains an important strategic issue. The former Lake Forest Redevelopment Agency adopted Design Guidelines that are most visibly represented by the Craftsman architectural style of the El Toro Road Commercial Corridor. The improvements seen today along El Toro Road represent a collaborative partnership between the City, the former Agency, and the business community. Even without redevelopment, the City will continue working cooperatively with property owners and developers to encourage private reinvestment, maintain the integrity of the Design Guidelines, and realize the community’s vision for El Toro Road. Additionally, the City will work collaboratively with other local governments, State legislators, and advocacy agencies; such as the League of California Cities and the Association of Cities – Orange County, to enact meaningful legislation to reestablish tools for revitalization and preservation of areas in need.

The State’s elimination of redevelopment agencies created a new set of statutory requirement for successor agencies. Under State law, successor agencies are required to “dissolve” the remaining elements of the former redevelopment agencies to ensure that its former tax increment funding is redistributed to local taxing agencies. However, in doing so, the City must be vigilant to ensure that the State does not overstep its reach, shifting funding dedicated to paying for enforceable obligations of the former Agency, such as bonds used to fund the El Toro Road Streetscape Project. The City will continue to comply with State law, but will guard its financial interest to ensure that only those funds required for distribution under State law are

returned to the Orange County Auditor-Controller.

Housing

Approximately 44% of the City's housing was built prior to 1980 and is more than 30 years old. At the same time, economic and other conditions, have stressed some neighborhoods. Given these observations, the City will proactively work with residents in its more established neighborhoods to address such issues as property maintenance and neighborhood preservation. In doing so, the City will focus on understanding these conditions and consider programs and projects to preserve and enhance existing neighborhoods. With regard to the City's newest neighborhoods that comprise the Opportunities Study Area, the City will continue working with developers to provide opportunities for new housing of all types and affordability, including families of low to moderate income.

FINANCIAL STABILITY

The City's ability to provide public services for the community by sustaining financial policies that focus on controlling expenditures, maintaining a balanced budget, and ensuring the City's reserve balances, including an emergency services reserve, remain fully funded is a key strategic issue. The City has an excellent record of "living within its means" while providing high quality services including delivering successful public projects and community programs as evidenced by the results of the 2012 Resident and Business Surveys. The continued financial stability of the City is of key interest to the City Council and the community. Consequently, continuing to implement the City's highly effective budget, expenditure, and investment policies will continue to be a key focus for the City, particularly as it moves forward with capital projects such as the Sports Park and Recreation Center that require significant levels of community investment. During the upcoming five-year period, the City will continue to preserve its sustained fiscal health while ensuring that public funding continues to be utilized in a manner consistent with the community's goals.

COMMUNITY AND REGIONAL PLANNING

The quality of life in Lake Forest is impacted by land use decisions both within and outside of its City limits. The City must monitor and, when necessary, react to new development and regional planning efforts to ensure the high quality of life in Lake Forest is maintained.

Development of New Neighborhoods in the Opportunities Study Area (OSA)

After years of careful study by the City, development within the OSA has transitioned to project specific entitlement, grading, and the construction of new homes. The public review process for the Portola Center Project (930 homes) continues with the active engagement and input of the nearby residents to insure the creation of compatible neighborhoods and the provision

of circulation improvements, trails, and recreational amenities. Final engineering documents for new infrastructure are being prepared for the IRWD/ Serrano Summit project (608 homes) and Westbay Trust/The Pinnacle community (85 single family view homes), with grading activity anticipated in 2014-15. Grading is underway for the 2,379 unit Baker Ranch project, with the expected grand opening of the first phase of development featuring six distinctive residential neighborhoods and a public park sometime in 2014. Construction and sales of the single family homes is nearly complete for the new neighborhood of Whisler Ridge developed by KB Homes on Osterman Road.

Rezoning in Lake Forest

The Lake Forest Opportunities Study calls for more park space and public facilities such as neighborhood parks, a sports park, and a community center in the study area. Below are the sites that have been studied:



1	2	3	4	5
Shea/Baker Ranch Total: 387 acres Park: 26 acres Planned use: 2,815 homes, mixed uses, neighborhood parks	Portola Center/Baldwin Total: 243 acres Park: 13 acres Planned use: 930 homes, sports park, neighborhood parks, commercial development	Serrano Summit Total: 82 acres Park: 3 acres Planned use: 833 homes and park, 9 acres reserved for Lake Forest civic center	Whisler Ridge 13 acres Planned use: 88 single-family homes	The Pinnacle 18 acres Planned use: 85 single-family homes

The five new neighborhoods within the OSA represent 4,070 residential dwelling units including spacious single family homes, cluster homes, attached homes, both for sale and for rent, as well as additions to the regional open space network and new parks and trails. At build out, these new neighborhoods may include up to approximately 11,800 new residents. The City has taken great preparation to ensure that the new neighborhoods, and the residents who will enjoy them, are reflected in the recreational and traffic improvements undertaken by the City. Consequently, through Development Agreements negotiated between the City and its OSA development partners, these properties will provide funding for traffic improvements identified in the LFTM Program and the development of the Lake Forest Sports Park, Recreation Center, and Civic Center.

Development in Nearby Communities

The City will continue to monitor the implementation of the Orange County Great Park and development of Heritage Fields, an approximately 5,000 unit residential project on the former MCAS El Toro Air Station. The City will work closely with the City of Irvine on circulation improvements that overlap with the planned traffic improvements in Lake Forest constructed as part of the OSA build out. The City will continue monitoring proposed amendments to the Great Park and Heritage Field projects that would potentially increase the number of residential units and decrease the amount of non-residential development allowed under the current plan to ensure that transportation improvements remain coordinated with the City's plans.

The City will also monitor the development of the 23,000 acre Rancho Mission Viejo project that is currently under construction in the unincorporated County area north of San Juan Capistrano and adjacent the unincorporated community of Ladera Ranch. The City will correspond and coordinate efforts with the County, the Ranch Mission Viejo Company, and developers as needed to ensure that changes in regional traffic patterns resulting from the Rancho Mission Viejo developments do not adversely impact the City.

Regional Planning

The City will continue to participate in regional planning forums regarding the development of the 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) to be developed by the Southern California Association of Governments (SCAG) through the coordination of information regarding local growth forecasts, land use patterns and the review of the scope for the Program Environmental Impact Report and RTP/SCS Strategies. In addition, the City will proactively monitor the actions of the County of Orange, Air Quality Management District, Regional Water Quality Control Boards, and other regional agencies as to their impact on Lake Forest.

Collaboration with Outside Agencies

The City will continue to work with agencies across all jurisdictions that provide services to the City, promoting cooperation and collaboration. These activities will ensure that the City is an active and engaged participant in regional discussions that could potentially have an impact on our community.

ENVIRONMENTAL/INFRASTRUCTURE:

The following are strategic issues because they represent unknown future resource demands. In the case of water quality, the City will be responsible for meeting increasingly stringent regulatory requirements. Maintenance of the City's infrastructure, including designated regional flooding control facilities, is also a growing area of responsibility.

Water Quality/Pollution Prevention

Regulatory requirements have become significantly more stringent and resource intensive during shrinking economic conditions and are further complicated by a lack of funding mechanisms and personnel resources. Municipal National Pollutant Discharge Elimination System (NPDES) permits issued by California Regional Water Quality Control Boards will require greater safeguards to reduce or eliminate pollutants from dry and wet weather storm drain discharges. Many requirements contained in the municipal NPDES permits issued from the Santa Ana Regional Water Quality Control Board (SARWQCB) and San Diego Regional Water Quality Control Board (SDRWQCB) increase the burden on resources including water quality inspections for industrial and commercial facilities, residential areas, homeowner's associations, structural Best Management Practice (BMP) facilities, water quality management plans, and follow-up investigations triggered by various water quality monitoring and sampling programs.

Flood Control

Designated regional flood control facilities within Lake Forest include Borrego Canyon Wash, Serrano Creek, and Aliso Creek. To protect these areas, the City will continue to monitor the Orange County Flood Control District's efforts to improve, operate, and maintain these facilities.

Landscaping

The City will continue enhancing community aesthetics through new and rehabilitated medians, parkways, and slopes. The City also will continue working on transitioning City landscaping to recycled water.

Solid Waste Services

The City administers solid waste services to promote its effective management in the community and ensure that the City is compliant with State laws. The City will award a new franchise agreement for solid waste services that complies with the State's waste diversion goals, increase recycling opportunities, and develop new policies. The increasing level of regulation in this area and increasing requirements related to waste diversion will continue to be a strategic challenge for the City. To accomplish the State's diversion goal, the City will work its waste hauler to develop different programs and policy initiatives aimed at increasing recycling participation in the residential and commercial sectors of the City.

ORGANIZATIONAL CAPABILITIES AND CONSTRAINTS

The strategic issues are the more important challenges facing Lake Forest over the next five years. Addressing these matters – broadly characterized as Traffic, Public Safety, Community Services and Public Facilities, Economic Development/Community Preservation, Community and Regional Plan-

ning, Environmental/Infrastructure – is the common goal of the programs and capital projects outlined later in this Five-Year Plan.

The likelihood of making meaningful headway on these strategic issues is a function of the City’s capabilities and constraints. Consequently, a careful assessment of the organization’s capabilities (i.e., strengths, talents, and abilities) and constraints (i.e., restrictions or limitations) may assist decision-makers in understanding the circumstances influencing the achievement of plan objectives. Recognizing the factors that impact City operations and finances also helps in plan formulation. Formulating programs and capital projects based upon knowledge of City capabilities and constraints helps ensure progress is achieved in translating the community’s vision into reality over the next five years.

CAPABILITIES

Active, Engaged Community

The City of Lake Forest was founded by volunteers, as was the Lake Forest Chamber of Commerce more recently. Residents volunteer at local schools, churches, and homeowners associations while business community members also contribute to the overall quality of life. As discussed later in the Demographics section of the Strategic Plan (Chapter 2), Lake Forest is a well-educated community, which translates into a highly skilled workforce that draws top employers to the City. Community members play a large role in creating and maintaining a “hometown” atmosphere and help keep Lake Forest well positioned to prosper in the future.

Service Model: Contract City

Since incorporation, Lake Forest has operated as a “contract” City, which is defined as a city that essentially, as a matter of basic approach and degree of use, provides municipal services by contract with another public agency or private organizations. For example, police services are provided by the Orange County Sheriff’s Department, while animal control services are provided through a contract with the County of Orange. Legal services, information technology, municipal engineering, landscape maintenance, and building inspection services are provided via contract with private sector firms. This service model allows the City to react nimbly to changing service level demands by expanding or reducing contract services in a cost-effective manner. Additionally, as reflected in the Fiscal Year 2013-2014 Operating Budget, this service model also allows the City to keep its personnel costs at or below 20% of its operation budget.

Sound Fiscal Practices

Lake Forest has a strong tradition of conservative fiscal management and planning. The City has an ongoing commitment to live within its means by carefully monitoring City expenditures and investing wisely by adhering to

an investment policy more strict than what the State law allows. The City also maintains fully funded reserves, including an emergency services reserve for providing services during a disaster, and an economic contingencies reserve to allow the City to withstand significant economic downturns. These practices have positioned the City to continue to offer value-rich services and new public amenities.

Information Technology

The City prides itself on providing excellent, relevant, cost-effective services to its constituents. With technological advances and applications becoming more and more embedded in everyday life, the City must be prepared to meet the technological demands of its constituents. Like the private sector, the City has prioritized the delivery of online services, including offering transactions and information online, via the City's website. Over the next five years, the City will continue to leverage technology to expand constituents' access to its municipal government through various digital formats, provide additional City services online, and bolster transparency. This includes utilizing social media to foster interactive communication, imaging City records so they may be searched and accessed online and providing services that would typically require visiting City Hall via the Internet. The City will also continue to explore and adopt new technology that supports City priorities such as stimulating economic growth and furthering community safety.

Communications

The City's communication capabilities have grown over the years to adapt to the changing needs of the community and the advancement in new media and technology. The City utilizes a mix of traditional and newer forms of media to share information and news with residents and businesses within the community; including: printed newsletters and catalogs; in-person presentations; electronic newsletters; electronic press releases; various website; a web-based citizen relationship management system; electronic emergency notification systems; and social media.

The City will continue to adapt to the evolving demographics of our community. As our "age 50 or better" demographic grows, along with the "millennial" demographic – those that are now ages 13-32 – the City will focus on maintaining those existing modes of communication that are most effective. In addition, the City will branch out into new territory, specifically utilizing more of the capabilities of social media in a way that is meaningful and relevant.

Transparency

Lake Forest has long been committed to providing residents with easy, convenient access to the information they care about. The City currently utilizes available technology and various communication mediums, including Facebook and Twitter, to stay connected to our community. For example, the City has been working to digitize many of its records to make them even more accessible to the public. This effort is in addition to making all agendas, along with reports and attachments, available for public review on the Internet. The City also makes an effort to present specialized and technical information in an easily comprehensible manner. As information demands change and public interest evolves, the City will continue to work to stay on top of emerging issues and proactively provide residents with the information they seek.

Human Resources

Lake Forest's employees possess a broad range of experience. With an average tenure of 7.5 years, employees in various stages of their careers have consistently risen to meet the challenges facing the City.

CONSTRAINTS

Economy and Impacts to City Revenues

According to the National Bureau of Economic Research, the nation entered a recession in December 2007 with a broad contraction in the economy. Due to the decline in sales and property taxes as a result of the recession, available funding for capital improvement projects and ongoing operations declined during the first two years of the Strategic Plan. Although the economy may be slowly recovering, as reflected by the City's latest revenue projections (Chapters 4 and 5), the City must continue to be conservative in selecting and prioritizing new projects and programs in upcoming years. Ongoing costs related to new programs and projects, such as maintenance costs, must also be projected and evaluated. The City will continue monitoring the impact that national and state economies may potentially have on the local flow of revenue to ensure that the City is prepared to face any future economically challenging times.

State Budget

The economic downturn has been especially hard hitting for the State of California, which continues to face major budget shortfalls. As a result of the recession, the State of California took drastic measures to bridge its 1 billion dollar deficit including spending cuts, increasing revenues (sales and income tax) through Proposition 30, and eliminating redevelopment agencies. Consequently, despite the passage of Proposition 1A and Proposition 26 in 2010, which were intended to protect local government (cities, counties, and special districts) revenues from being transferred to the California

State government for statewide use, the City must remain vigilant regarding proposals that impose unnecessary or unfunded mandates, preempt local authority, limit local flexibility, or raid City finances. The City will continue to voice its opposition to legislation that has potentially deleterious effects on the community.

Limitations of Local Control and Regulatory Agencies

In recent years, the City's ability to "control its own destiny" has been impacted by external influences. The State of California and other regional and regulatory agencies have imposed unfunded mandates and/or increased regulations. Future City plans and programs may be influenced by court decisions, new legislation, and regulatory decisions. The City will continue monitoring and opposing proposed legislation that could enhance the power of regulatory agencies and imposing unnecessary unfunded mandates that could result in financial hardship for the City. Additionally, the actions of neighboring cities, which could also impact the City, will be closely monitored.

CHAPTER 2 DEMOGRAPHICS

SUMMARY

To address the needs of the local community, the City strives to understand its demographic characteristics and trends. Collecting, reviewing, and analyzing data on population characteristics, housing characteristics, and economic characteristics will guide the City in making sound, strategic decisions in a variety of areas, including service improvements and enhancements, budgeting, policy-making, and planning.

A snapshot of the City paints the following picture: Lake Forest is a well-educated community, with over 75% of residents having some college education or higher. This high level of educational attainment translates into a highly skilled workforce, with nearly 70% of community members employed in Management/Professional and Sales/Office occupations. Residents also enjoy an above average median household income compared to the rest of the County. The majority of the City's current housing stock is owner-occupied and the 2013 housing market is showing signs of recovery with an increase in median home prices.

Looking ahead, much like the rest of Orange County, Lake Forest's population is expected to become older and more ethnically diverse. However, current aging projections for the City may be affected by the anticipated construction of up to approximately 4,070 new housing units associated with the Opportunities Study Area residential developments, which is projected to attract young, professional families.

Understanding the evolving characteristics of the community and emerging demographic trends is critical to the City's ability to meet the needs and wants of the local community. Based upon current projections, the City will focus on offering programs to accommodate the interests of a broad spectrum of ages, from preschoolers to seniors. The City will also focus on projects and programs to bolster property values throughout the City, both in commercial and residential areas. Understanding that the City's residents are highly educated and expect to be recognized and compensated as such, the City will continue to focus its efforts on attracting employers who can utilize the local Lake Forest workforce. Finally, the City will proactively monitor the communication preferences of residents across all demographics as new technologies emerge to continue communicating in the most relevant ways possible.

METHODOLOGY

To promote consistency and accuracy, the demographic data used throughout this chapter comes from two main sources: the California Department of Finance and Nielsen Claritas.

The California Department of Finance and the U.S. Census Bureau have historically differed in regards to population estimates within the State of California, with Department of Finance estimates being slightly higher. The Demographic Research Unit of the California Department of Finance is designated as the single official source of demographic data for state planning and budgeting. As such, the City has decided to use this data rather than data from the U.S. Census Bureau. The differences in the population estimates between the two agencies are based on different estimates of domestic migration – the movement of people between California and other states. The Department of Finance uses drivers' license address changes to estimate domestic migration, while the Census Bureau uses tax return data.

Nielsen Claritas is one of the leaders in the local area demographic industry and provides comprehensive analyses across a number of demographic variables. The City utilizes Nielsen Claritas regularly to update demographic statistics as reflected on the City's Economic Development website: www.lakeforestbusiness.com and generally to update and monitor demographic trends as part of other City operations. Staff has found the information provided to be accurate and informative.

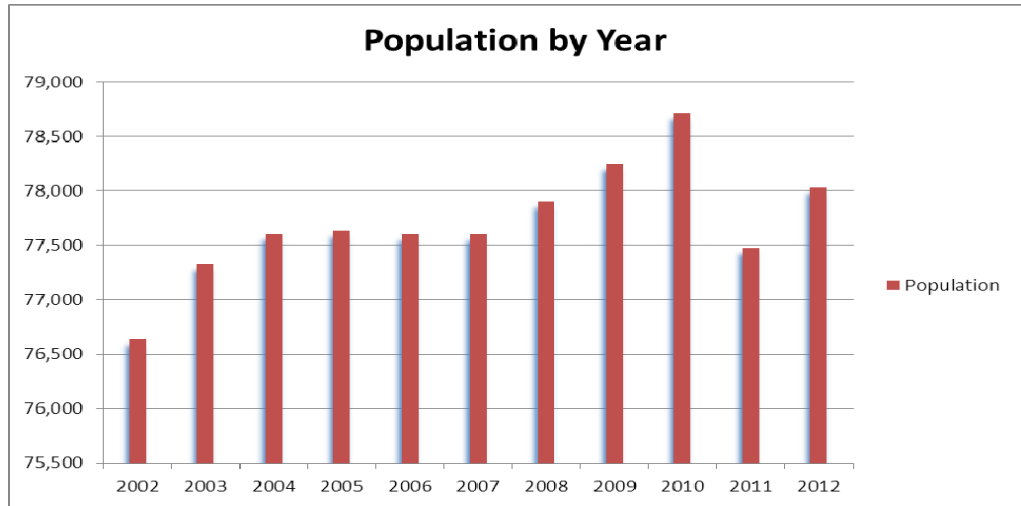
POPULATION CHARACTERISTICS

The City of Lake Forest is located in the heart of Orange County, the third most populous county in the state. With a population of 78,036, the City is the 13th largest city in Orange County (out of 34 cities) and the 101st largest city in the state (out of 480 cities), placing it in the top quartile of most populous California cities. The City's population has grown slowly and steadily over the past decade, as reflected in the table on the following page. As discussed throughout this chapter, the OSA residential development will bring in an influx of new residents. Given that the build-out of the approximately 4,000 residential units will occur over time, the full impact of the OSA will not likely be measured until sometime in the future, perhaps even reflected most completely in the 2020 Census. Prior to this, however, the City will continue to measuring population and demographic statistics in Lake Forest as part of the Strategic Plan.

Population ¹	
2002	76,640
2003	77,330
2004	77,610
2005	77,638
2006	77,605
2007	77,603
2008	77,906
2009	78,249
2010	78,720
2011	77,481
2012	78,036

¹ *State of California, Department of Finance, E-4 Population Estimates for Cities, Counties and the State, 2001-2010, with 2000 Benchmark. Sacramento, California, May 2010.*

As shown in the graph below, the City’s population has grown at a modest rate over the past decade, with the City continuing to attract a diverse population of young professionals, families, and retirees. Since 2002, the Lake Forest population has remained relatively consistent with a total change of 1.8%. Although population is slightly down from 2010, current projections assume the City will maintain a modest rate of growth. In the near future, a population increase is expected in the upcoming residential/commercial projects based upon the Opportunities Study.²



Ethnicity

The twenty-first century is ushering in significant demographic changes throughout the State, the County, and Lake Forest, one of which is the increasing ethnic and racial diversity within our community.

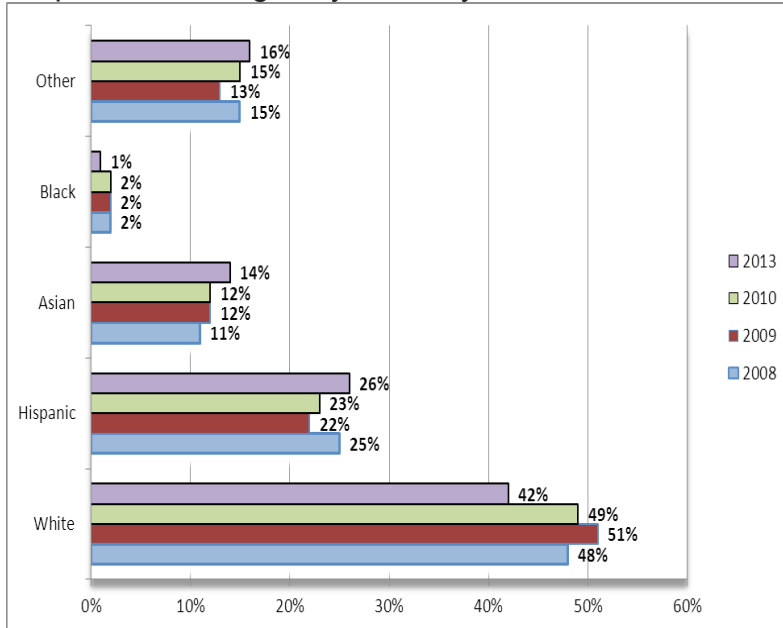
Ethnicity and Race ³				
	2008	2009	2010	2013
White	48%	51%	49%	43%
Hispanic	25%	22%	23%	26%
Asian	11%	12%	12%	14%
Black	2%	2%	2%	1%
Other	15%	13%	15%	16%

² The Opportunities Study is a comprehensive planning process that the City of Lake Forest has undertaken to re-zone nearly 838 acres of land zoned for business and industrial use on five properties in Lake Forest. The zoning changes allow for a new plan with residential uses and facilities such as a sports park and community/civic center.

³ Nielsen Claritas 2013

The Population Profile from the U.S. Census states that the U.S. population is becoming more diverse by race and Hispanic origin, with the non-Hispanic White population decreasing⁴. The Population Profile also indicates that the fastest growing groups will continue to be the Asian and Pacific Islander population, and the Hispanic-origin population will be the largest growing group overall. Locally, the 2010-2011 Workforce Indicators Report issued by the Orange County Business Council states that "... by 2020, Latinos will be the largest ethnic group in Orange County, comprising 34 percent of the population in 2020, and 50 percent by 2050⁵."

Population Changes by Ethnicity and Race 2008-2013



⁴ Population Profile of the United States, U.S. Census Bureau, Population Division.

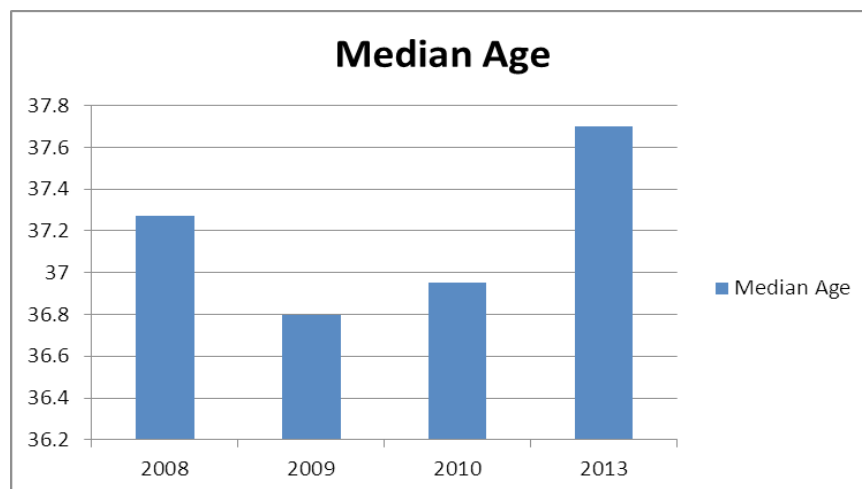
⁵ Orange County Work Force: State of the County 2012-2013 Report

The data for Lake Forest suggests a trend similar to that highlighted by the Workforce Indicators Report. The chart above shows the percentage increase or decrease for five different ethnic groups in the years 2008, 2009, 2010 and 2013. Since 2008, the Hispanic/Latino and Asian populations in Lake Forest increased by 1% and 3% respectively. Additionally, the category defined as “Other”, individuals that may not fall into the above categories such as those of mixed ethnic background, also increased by 1% since 2008.

Age

Population by Age ⁶				
	2008	2009	2010	2013
Under 18	26%	27%	27%	24%
18 – 34	21%	20%	20%	22%
35 – 54	31%	33%	33%	31%
55 – 64	11%	11%	11%	13%
65+	11%	9%	9%	10%

Demographic changes in our local population, particularly related to population aging, will impact the community and the local economy. This is a trend that is being seen throughout Orange County. Demographic projections indicate that by 2050, over 20% of the County’s population will be over 65, compared to 10% in 2000. As the over 65 population increases, the 25-54 age group in Orange County is expected to decrease by as much as 10%⁷.

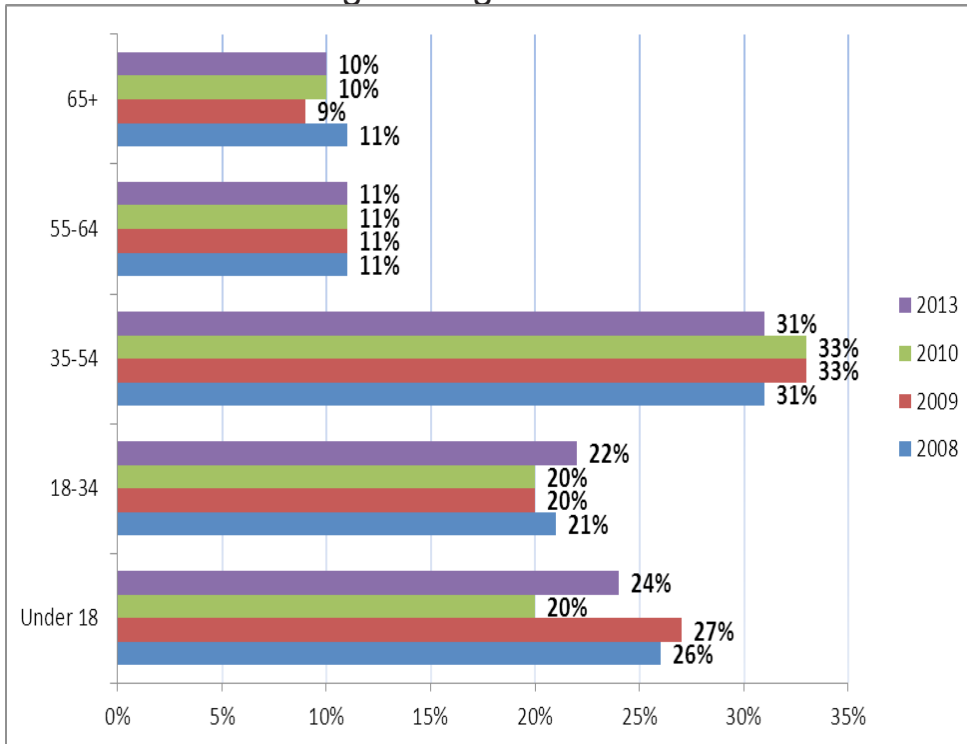


⁶ Nielsen Claritas 2013

⁷ State of California, Department of Finance

Median age over time has changed very little since 2008, showing a fluctuation from approximately 37.3 years old in 2008 to 37.7 years in 2013. As shown in the table above, population categories by age have remained consistent for those 55 and better. The most recent changes in population groups in Lake Forest from 2008 to 2013 occurred in the 18-34 age group, which increased by one percent and the under 18 group, which decreased by two percentage points.

Age Categories 2008-2013⁸

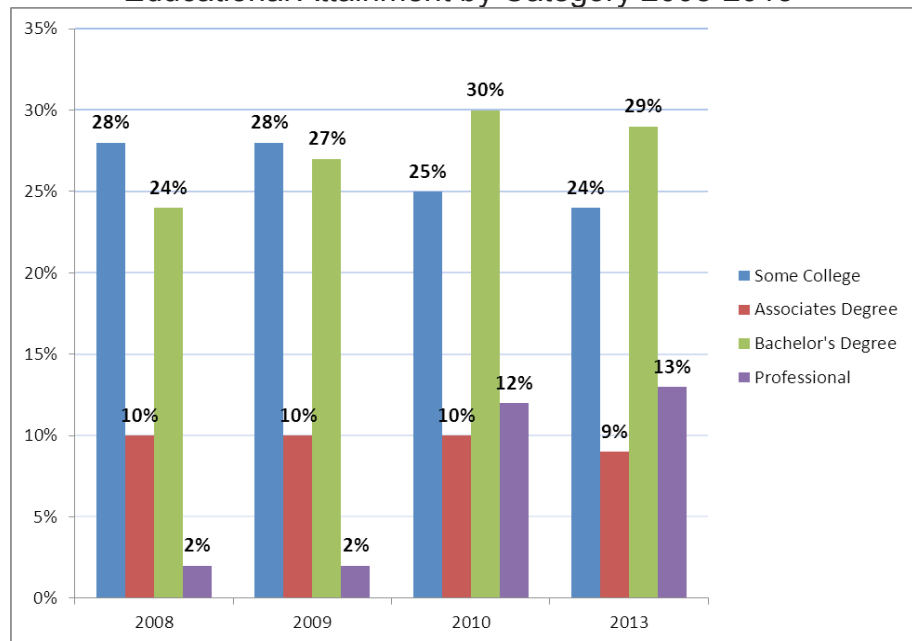


Education

Educational Attainment ⁹				
	2008	2009	2010	2013
Some College	28%	28%	25%	24%
Associate Degree	10%	10%	10%	9%
Bachelor's Degree	24%	27%	30%	28%
Professional Degree	2%	2%	12%	13%

The educational attainment levels of the City's 25-years-and-over population are representative of a well-educated community. Over 75% of residents have some college or higher, with a sharp increase in those individuals with a professional degree seen in the most recent data collection period. A number of benefits are associated with the attainment of higher levels of education as experienced by individuals and the communities in which they live. Research indicates that some of those benefits include higher median salaries, increased rates of home ownership, greater levels of entrepreneurship, greater neighborhood stability, and increased civic involvement.¹⁰

Educational Attainment by Category 2008-2013



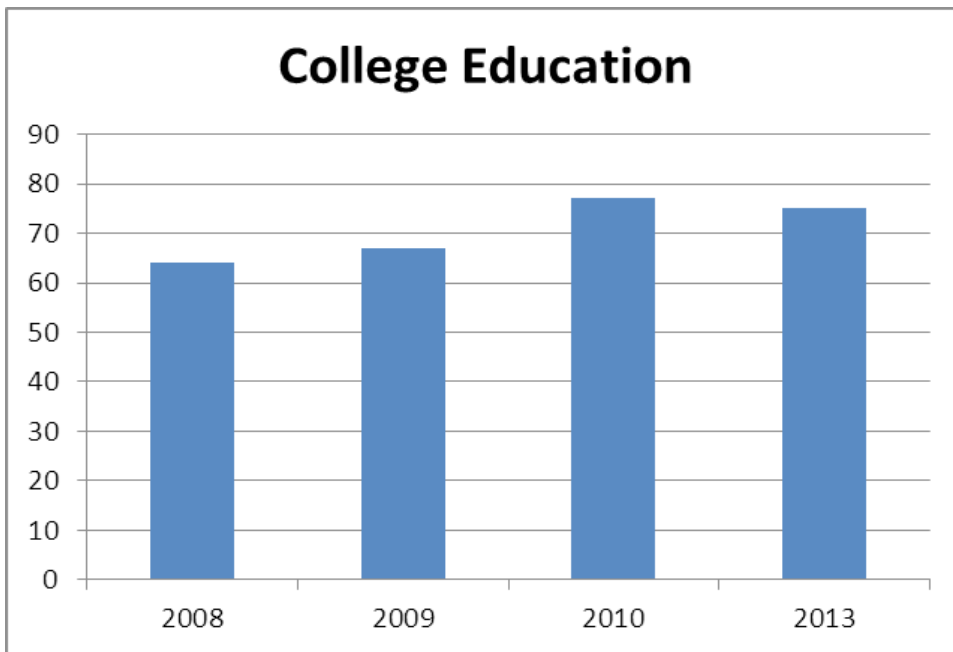
The number of residents with “some college” education decreased by 4% from 2008 to 2013; likewise, the percentage of residents with an Associate’s Degree decreased slightly by 1%. However, the percentage of residents with a

⁹ Nielsen Claritas 2013

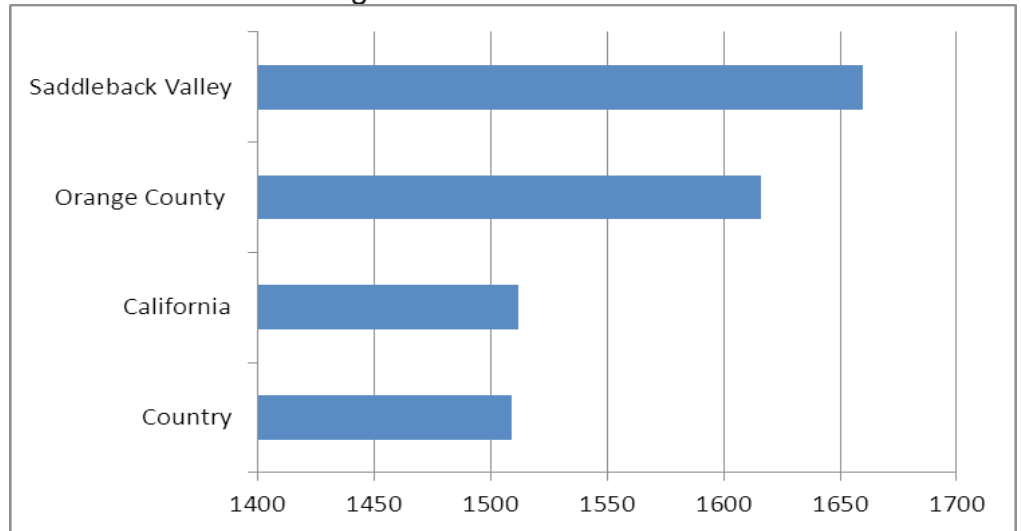
¹⁰ Alliance for Excellent Education: Hidden Benefits: The Impact of High School Graduation on Household Wealth, February 2007.

Bachelor’s Degree increased by 5% and residents with advanced or professional degrees increased by 11% (from 2% in 2008 to 13% in 2013). This statistic indicates that Lake Forest residents are completing more of their education and obtaining more advanced degrees in their fields of expertise.

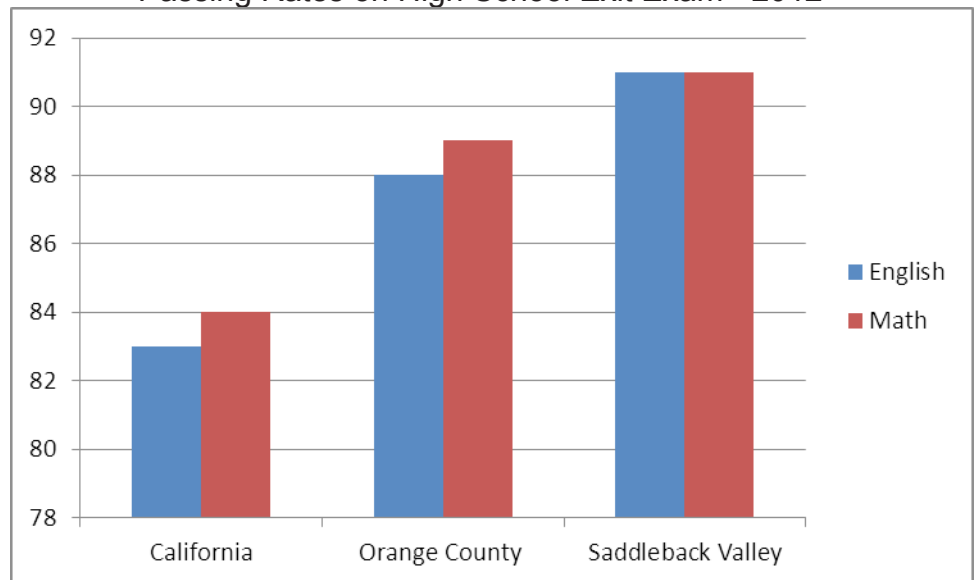
As reflected below, the total percentage of college education residents in Lake Forest has remained relatively consistent over time, with fluctuations over the past four years. Today, approximately 75% of all Lake Forest residents have some type of college education. Overall, the level educational attainment in the City has increased by 11% since 2008. Given this increase in educational achievement, Lake Forest has become an even more educated community within the past five years, and since the Plan was updated in 2009.



The academic performance of the local school district along with the educational achievements of the City’s high school students also fosters an environment that promotes attainment of higher levels of education. The City of Lake Forest is part of the Saddleback Valley Unified School District (SVUSD). In key areas such as SAT scores and passing rates on high school exit exams, students of the SVUSD continue to perform at higher levels than the County averages.

Average Total SAT Scores - 2010¹¹

Overall, the average SAT score for students in the Saddleback Valley Unified School District was 1660, which was higher than the County (1616), State (1512), and National average (1509).

Passing Rates on High School Exit Exam - 2012¹¹

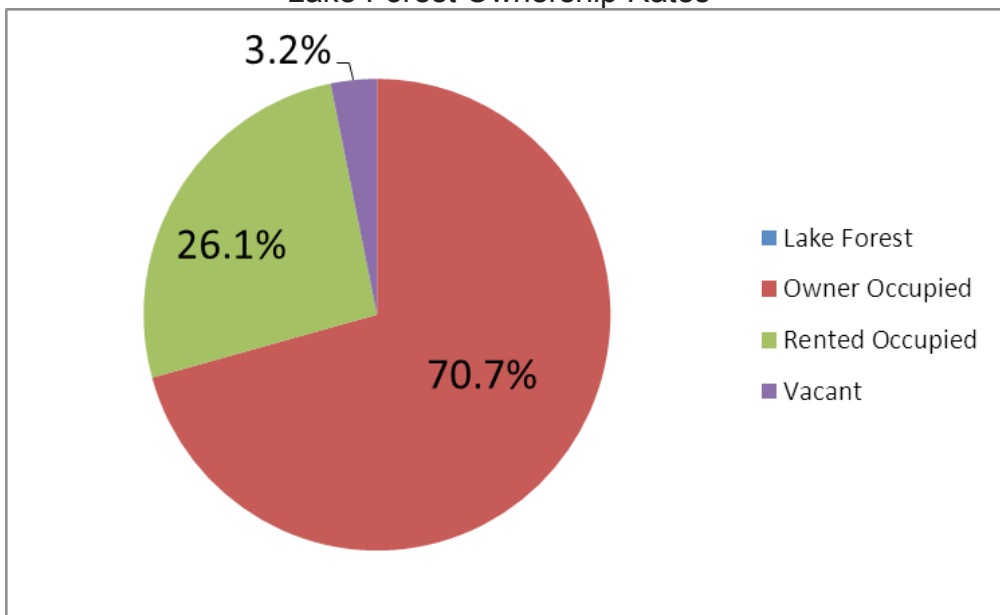
11 *Orange County Work Force: State of the County 2012-2013 Report*

HOUSING CHARACTERISTICS

The decline in the housing market has had a major impact on communities throughout the country, and the City is no exception. However, based upon its prime location in the heart of Orange County, the declines seen in the City have not been as severe as in other locales. In 2010, the Lake Forest housing market showed promising signs of recovery. When comparing the median home price for all homes sold in Lake Forest in 2012 and 2013, the 2013 market showed an increased in median home price of approximately 10%.

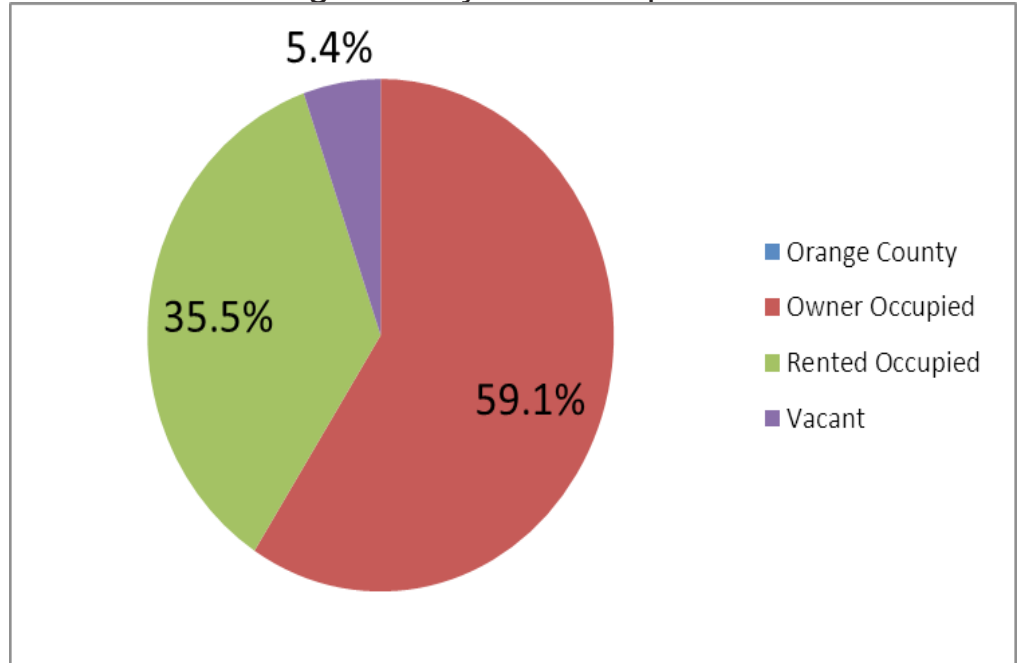
In addition, interest in homeownership is very high. As shown on the following page, County-wide, the percentage of owner-occupied homes is 59.1%. The City has a significantly higher rate of owner-occupied homes at 70.7%. This higher rate promotes benefits to the individual homeowners and the community as a whole. It has been shown that cities with higher rates of owner-occupied homes enjoy engaged residents who actively participate in voluntary and political activities, residents who stay in their homes longer contributing to neighborhood stability, and stronger local communities.

Lake Forest Ownership Rates¹²



12 MDA DataQuick for the California Association of Realtors

Orange County Ownership Rates¹³



Housing Units By Type (as of 2013) ¹⁴		
	Number	%
Single Family Detached/Attached	18,786	69
Multi Family	7,062	27
Mobile Homes	1,272	5
Total Housing Units	27,123	

With a majority of residents being homeowners, it is important for the City to stay abreast of the overall aging of the housing inventory. Approximately 43% of homes in the City were built prior to 1980. However, the City may also soon see an influx of new housing. Based upon the Opportunities Study, the City Council approved Zoning/General Plan/Development Agreements which would allow for up to 4,000 new housing units on five separate sites in the northern area of the city. These units will be built after project-specific entitlements are approved and at the discretion of each landowner.

¹³ *Social Benefits of Homeownership and Stable Housing, National Association of Realtors, Research Division, August 2010.*
¹⁴ *State of California, Department of Finance, E-5 City/County Population and Housing Estimates. Sacramento, California, January 2012.*

ECONOMIC CHARACTERISTICS

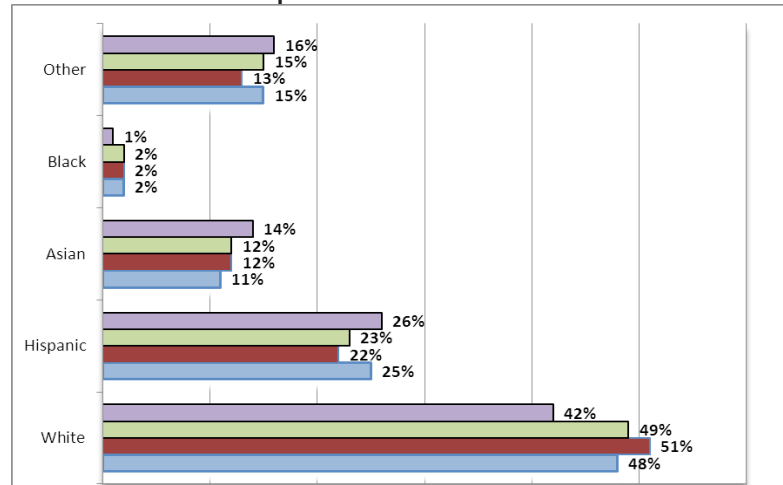
Occupational Profile

The occupational profile of the community showcases a highly capable talent pool. Management, professional, and related occupations constitute 43% of occupations in the City, with sales and office occupations constituting another 24%. The high number of community members employed in white collar occupations coincides as expected with the educational profile of the City’s 25-and-over population. Lake Forest residents also enjoy an above average median household income of \$86,333 which can be directly correlated to the highly educated workforce.

Occupational Profile (as of 2013)¹⁵	
Management/Professional	44%
Sales/Office	24%
Service	13%
Construction/Maintenance	12%
Production/Transportation	7%
Largest Employers	
Oakley, Inc.	
Panasonic Avionics	
Black & Decker	
Apria Healthcare Group	
Wonderware Corporation	
Wet Seal Corporation	
Sole Technology	

15 State of California, Department of Finance

Occupational Profile 2013



Assessed Property Values

The City has seen sizable increases in assessed property values from 2002 through 2010 due to the local housing market and a number of commercial projects. The slight downturn in 2010 is attributable to the recession and the slow down in the residential and commercial real estate market. Although assessed valuations are expected to remain static, or increase only modestly, the City does anticipate seeing a jump in assessed property values as OSA-related development proceeds.

Assessed Property Values ¹⁶ (expressed in thousands of dollars)		
Fiscal Year	Value	% Change
2001-2002	\$6,914,121	
2002-2003	\$7,434,939	7.5%
2003-2004	\$7,986,021	7.4%
2004-2005	\$8,553,392	7.1%
2005-2006	\$9,258,891	8.2%
2006-2007	\$10,155,956	9.7%
2007-2008	\$10,894,704	7.3%
2008-2009	\$11,182,546	2.6%
2009-2010	\$10,808,745	-3.3%
2010-2011	\$10,665,992	-1.3%
2011-2012	\$10,750,347	0.07%

Construction Permits

Activity related to construction permits has varied over the years depending on the timing of permits issued. From 2003 to 2004, permit activity declined due to development being mostly built out in the Pacific Commercentre and Foothill Ranch areas. Construction permit activity increased in Fiscal Year 2004-2005 as the Arbor on El Toro Road construction began. This permit activity took approximately a year to complete resulting in lower permit activity in Fiscal Year 2005-2006. As expected, due to the current economy, the City experienced a drop in the number of construction permits issued and their valuation from Fiscal Year 2007-2008 through 2010-2011. However, construction activity increased significantly in Fiscal Year 2011-12. Based upon planned Opportunities Study development, the City is anticipating a surge in construction activity over the upcoming five years.

Construction Permits			
Fiscal Year	# of Permits	Valuation	% Change (Valuation)
2001-2002	1,530	\$61,881,503	
2002-2003	1,507	\$53,394,469	-15.9%
2003-2004	1,516	\$38,094,914	-40.2%
2004-2005	1,368	\$49,382,154	22.9%
2005-2006	1,168	\$36,447,681	-35.5%
2006-2007	1001	\$46,496,777	21.6%
2007-2008	727	\$37,540,419	-23.9%
2008-2009	682	\$29,431,882	-27.6%
2009-2010	714	\$25,374,844	-16.0%
2010-2011	895	\$28,737,635	-11.7%
2011-2012	818	\$50,780,014	43.4%

Sales Taxes

A significant indicator of the health of the local economy is the performance of businesses operating within the City. Although there was decline in sales tax due to the ongoing effects of the recession in 2008 through 2010, sales tax revenues increased in 2011 and gained again in 2012. The City's ability to make significant recovery from the recession is a testimony to its continued ability to attract and retain local and corporate businesses based upon its business-friendly environment and proactive approach to supporting business.

Sales Taxes		
Fiscal Year	Amount	Year-to-Year % Change
2003	\$10,874,978	
2004	\$12,432,181	14.3%
2005	\$13,888,086	11.7%
2006	\$15,182,510	9.3%
2007	\$15,278,307	0.6%
2008	\$13,676,717	-10.5%
2009	\$12,482,010	-8.7%
2010	\$10,912,353	-12.6%
2011	\$12,630,144	15.7%
2012	\$13,046,917	3.2%

CHAPTER 3 RESIDENT AND BUSINESS SURVEYS

SUMMARY

Staying on top of evolving community sentiment is crucial to identifying current and future areas for improvement as well as ensuring that the appropriate resources are dedicated to maintaining a high level of service in areas of importance to the community. To gauge the community's satisfaction, priorities, and concerns as they relate to services and facilities provided by the City of Lake Forest, the City commissions Resident and Business Satisfaction Surveys ("Surveys") on a biennial basis. Over the years, the results have helped guide Council and staff in making sound, strategic decisions in a variety of areas, including service improvements and enhancements, budgeting, policy-making, and planning.

"This report card is as good as you can hope to get. The City of Lake Forest has over a decade of continuous improvements in terms of how the community views its performance in providing municipal services." Timothy McLarney, Founder and President of True North Research.

Top issues for residents:

- No Changes Needed
- Traffic congestion
- Public safety
- Cleanliness and beautification
- Infrastructure maintenance

The most recent Surveys were completed in October 2012 and November 2012. The following summary will focus on the "Big Two" survey items – those determined to be highly indicative of the community's general perceptions of local and City issues as well as the community's level of overall satisfaction. Top issues for residents include traffic congestion, public safety, cleanliness and beautification, and infrastructure maintenance. Top issues for businesses included improving marketing, networking, and advertising opportunities, economic growth and development, traffic congestion, and reducing taxes and fees. As a whole, the responses collected from the Surveys are indicative of a highly satisfied community. The responses to Questions 21 and 27 – "What Residents/Businesses Want the City to Focus on in the Next Two Years" – are the crux of the survey and will greatly influence the City's resources and efforts over the next five years.

Looking forward, the City of Lake Forest will utilize all the feedback provided through the Surveys and other public means to address the top priorities/ concerns of community members. In addition, the City will continue to monitor the evolving demographic trends within the City to anticipate and to respond to the emerging needs and wants of the community. The City's

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Timothy McLarney,
Founder and President of True North Research.

Top issues for residents:

- No Changes Needed
- Traffic congestion
- Public safety
- Cleanliness and beautification
- Infrastructure maintenance

performance in providing municipal services has contributed to a high quality of life in the City, as well as a positive business climate, and the City of Lake Forest will continue to focus on delivering and maintaining the high quality of services that it currently provides. For more detailed information, please reference the Community Satisfaction Survey Report.

GENERAL PERCEPTIONS OF CITY AND LOCAL ISSUES

The City's performance in providing municipal services has contributed to a high quality of life in the City, as well as a positive business climate. Nearly every resident surveyed (97%) rated the quality of life in the City as excellent or good, and most businesses (89%) rated Lake Forest's business climate favorably when compared to neighboring areas. To maintain a high quality of life and a favorable business climate, the City sought to identify those areas considered by community members as needing improvement or attention in the immediate future.

Question 3:

Resident Survey: If the city government could do one thing to make Lake Forest a better place to live now and in the future, what would you like to see?

Business Survey: If the city government could do one thing to improve the business climate in Lake Forest, what would you like to see?

Question 3 was designed to allow residents and businesses the opportunity to indicate one thing the City could change to improve Lake Forest. The question was asked in an open-ended manner, allowing respondents to mention any change that came to mind without being prompted by or restricted to a list of options. Figures 1 and 2 present the results for both the Resident community and the Business community.

Figure 1
Changes to improve the City:
Resident Survey Question 3

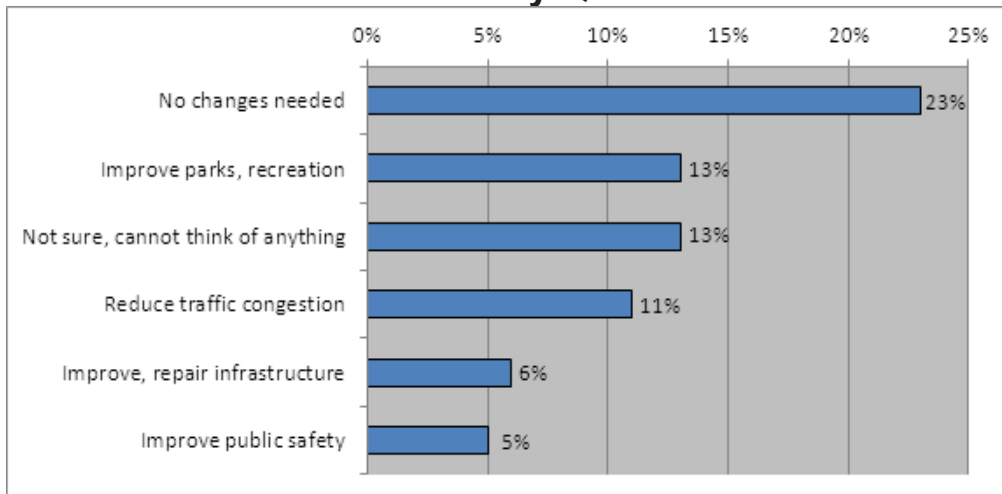
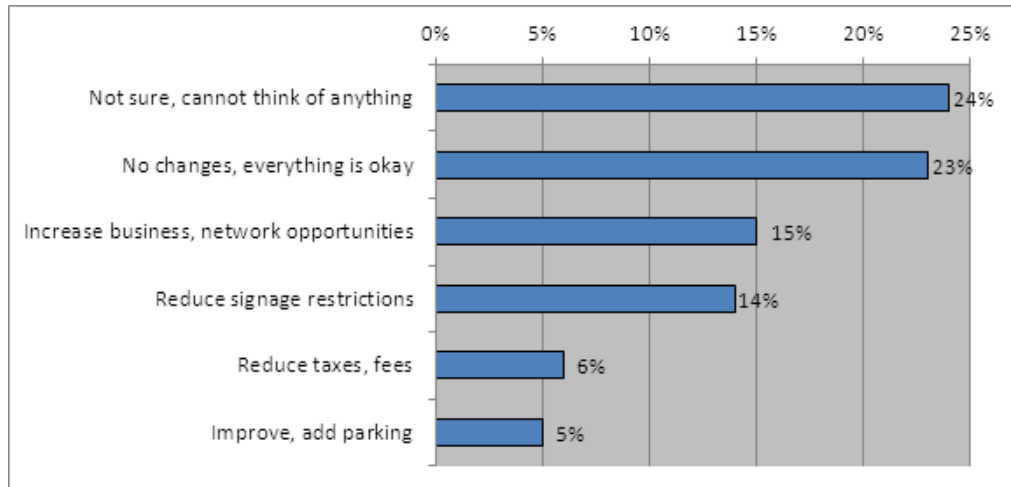


Figure 2
Changes to improve the City:
Business Survey Question 3



For both resident and business respondents, it is significant that the most frequent answer was “cannot think of any issues,” as this is indicative of a well-managed City that is meeting the needs of its residents and local businesses. The most commonly cited resident requests were improve parks and recreation (13%), reduce traffic congestion (11%), improve/repair infrastructure (6%), and improve public safety (5%). The most commonly cited business requests were increase business, networking opportunities (15%), reduce signage restrictions (14%), and reduce taxes and fees (6%).

OVERALL SATISFACTION

The Lake Forest community is highly satisfied, with an overwhelming majority of residents and businesses stating that – overall – they were satisfied with the City’s efforts to provide municipal services. It is important and informative to note that the responses collected during the 2012 Survey continue a twelve-year trend of increased overall satisfaction with the City of Lake Forest’s performance in meeting the community’s needs and expectations.

Question 27/Question 21:

Resident/Business Survey: Now that we've had the opportunity to discuss a variety of topics and services in Lake Forest, is there a particular issue that you would most like the city government to focus on during the next two years is?

Question 27 and 21 asked respondents to indicate what they most want the City to focus on during the next two years. Most survey questions prompt respondents by providing options to choose from. This particular question was purposefully not prompted, to truly identify those issues that were “top of mind.”

For both residents and businesses, the most common response to this question was “no issues” or “everything is fine.” These responses are significant in that they indicate that the City of Lake Forest is meeting the needs of its residents and local businesses. Of those Resident respondents that identified tangible “wants”, the most common requests were for reduced/improved traffic congestion (10%), public safety (10%), and increased/improved parks and recreation (9%). Of those Business respondents that identified tangible “wants”, the most common requests were improved marketing, networking, advertising opportunities (13%), economic growth and development (8%), and reduced/improved traffic congestion (6%). The Economic Development division is utilizing this feedback to shape their budget goals to meet these needs from the business community in the coming years. Figures 5 and 6 present the results for both the Resident community and the Business community.

Figure 5
What Residents Want the City to Focus on in the Next Two Years:
Survey Question 27

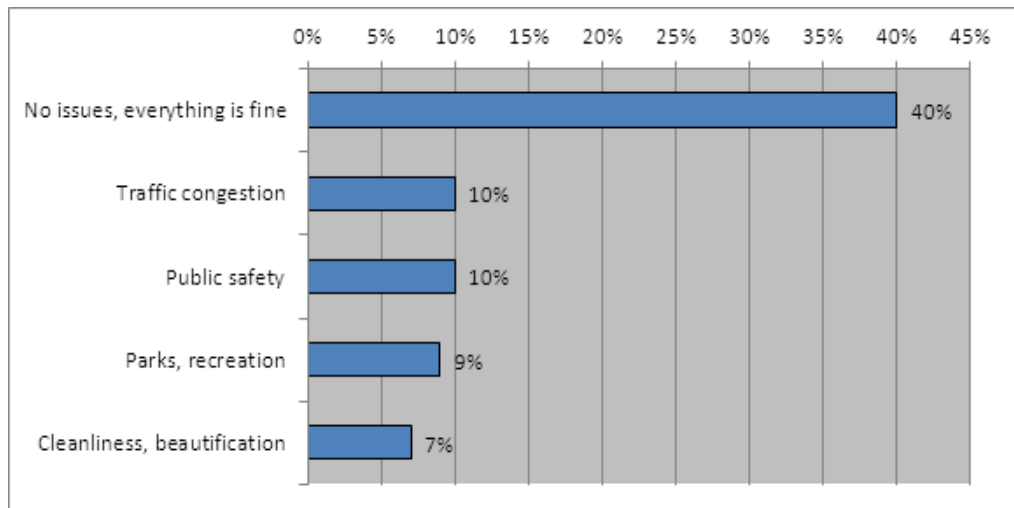
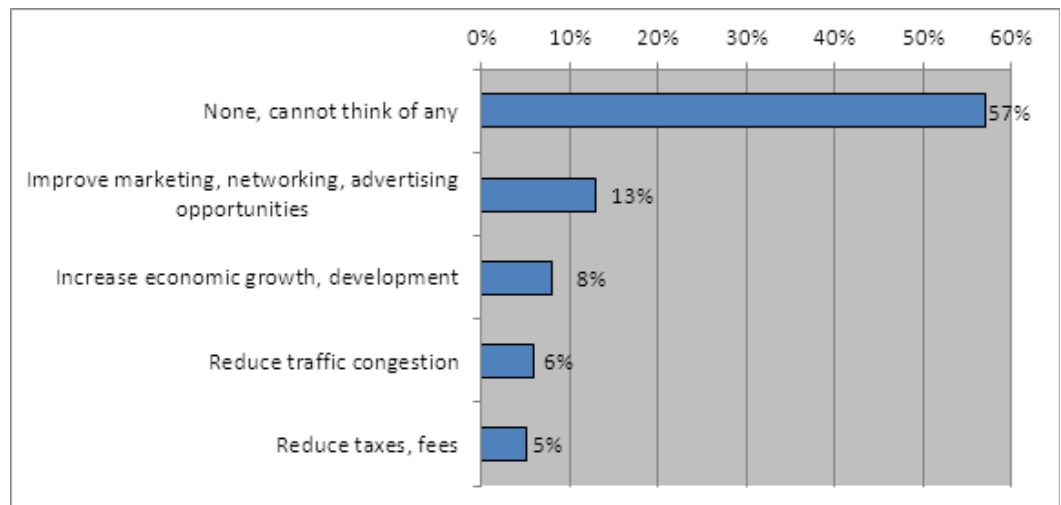


Figure 6
What Businesses Want the City to Focus on in the Next Two Years:
Survey Question 21



SECTION II

FINANCIAL RESOURCES AND PROJECTIONS

CHAPTER 4 REVENUE OUTLOOK

A critical element of the Strategic Plan (“Plan”) is the projection of revenues for the five-year period. The model used by Lake Forest is based on the City’s prior history and future expectations. By knowing what has happened in the past and why, this information can be used to project into the future.

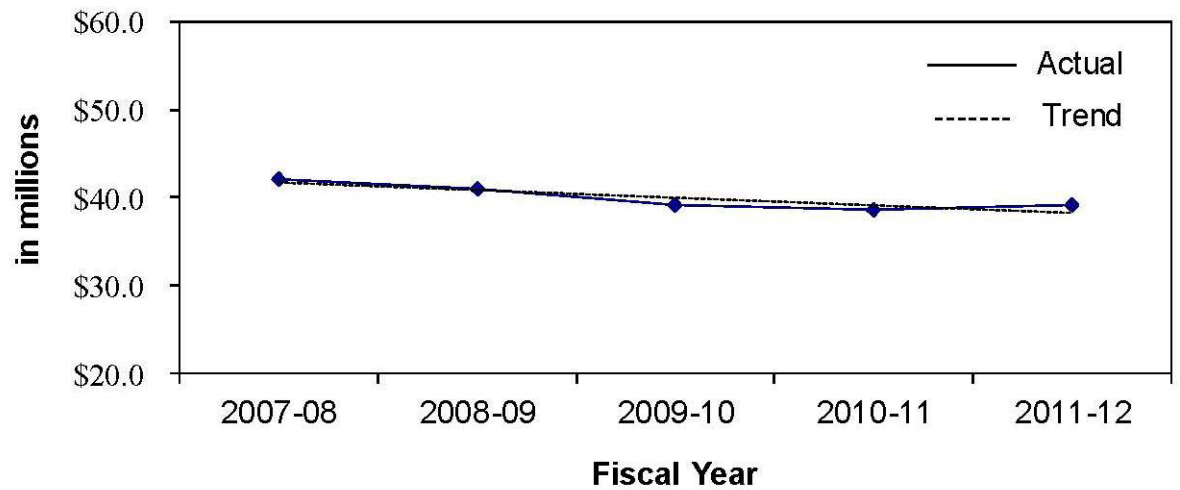
The Past – All Revenues

Over the past few years, overall revenues have decreased by an average of almost 2% per year from Fiscal Year 2007-08 through Fiscal Year 2010-11 which, as discussed below, was caused by the housing decline, financial market crisis, and the full effect of the recession. However, in Fiscal Year 2011-12 the City’s revenues started showing signs of modest growth as the California rebounded from the recession.

The decrease in revenues during the last few years (Fiscal Years 2007-08 through 2010-11), was primarily a result of the following: (1) sales taxes due to the downturn in the economy; (2) property taxes due to the decline in the housing market; (3) investment earnings due to the collapse of the financial markets; and (4) state shifting and eliminating of various revenues.

The two most significant categories of revenues are (1) local taxes and (2) revenues from other governments. For Fiscal Year 2011-12, these revenues were approximately 91% of total revenues, excluding one-time items. The chart on the following page shows actual revenues received, excluding one-time items, during Fiscal Year 2007-08 through Fiscal Year 2011-12.

All Revenues (Excluding One-Time Items)



The Past - Local Taxes

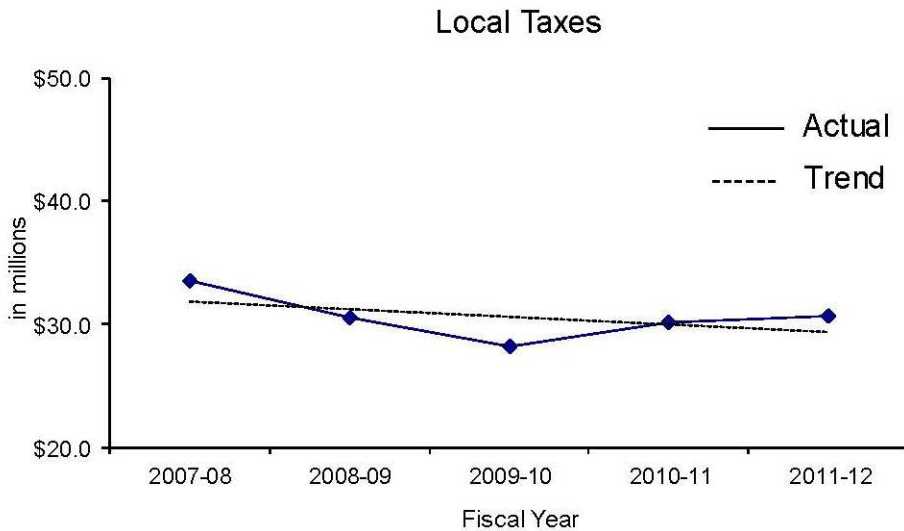
Local taxes, at slightly above 80% of total revenues, are primarily a combination of property, sales, franchise fee, and transient occupancy taxes.

Property tax receipts while not decreasing have stayed flat from Fiscal Year 2007-08 to Fiscal Year 2011-12. Even though the previous healthy local real estate market increased property tax revenues, these increases have been partly offset by the effects of the housing market decline, financial market crisis, and recession.

Sales tax receipts decreased an average of 4% per year from Fiscal Year 2007-08 to Fiscal Year 2010-11. This was primarily attributable to the effects of the recession. A positive factor during this period has been redevelopment that occurred along El Toro Road, which resulted in the addition of new businesses within the City and increase its overall sales tax base.

Transient occupancy tax receipts decreased an average of almost 2% per year from Fiscal Year 2007-08 to Fiscal Year 2010-11. Again, these decreases illustrate the far-reaching impacts of the recession, which affected nearly all revenue categories for the City.

Franchise fees have also seen a moderate decrease from Fiscal Year 2007-08 through Fiscal Year 2011-12.

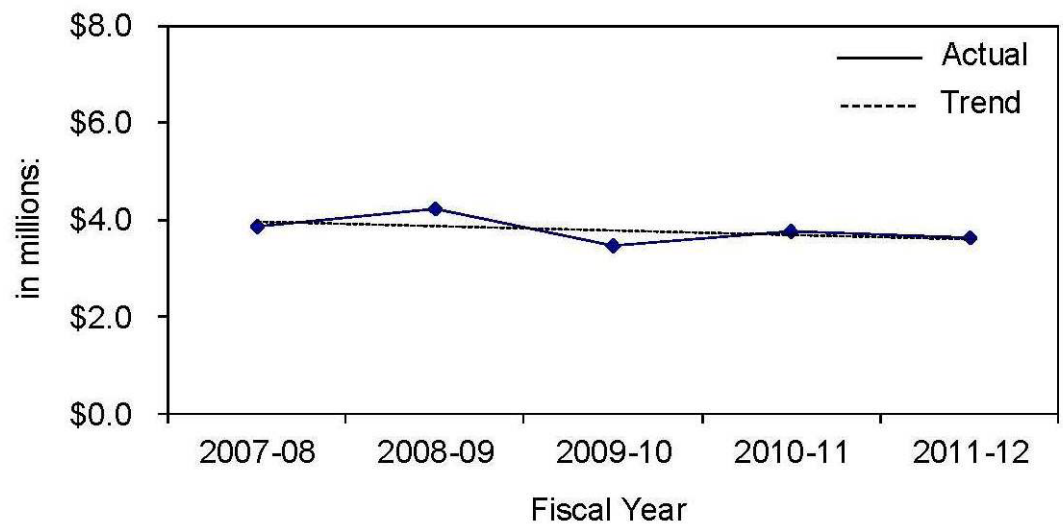


The Past - Revenues From Other Governments

Revenues from other governments, at 10% of total revenues, consist primarily of motor vehicle license fees (MVLFF), gas taxes, Measure M revenues, and recurring grants. Overall, these revenues decreased an average of 1% per year from Fiscal Year 2007-08 to Fiscal Year 2010-11. Brief descriptions in regard to changes in these sources are shown below.

- MVLFF revenues decreased an average of 10% per year, primarily related to the effect of the recession on purchases of new vehicles.
- Gas taxes decreased an average of 2% per year as the recession and higher gas prices affected driving habits.
- Measure M revenues decreased an average of 3.5% per year resulting from the effects of the recession on consumer purchases. The original source of this revenue is an additional ½ cent sales tax in Orange County for transportation projects.
- Recurring grants have decreased or gone away during the last couple years because of the sluggish economy.

Revenues from Other Governments



The Future

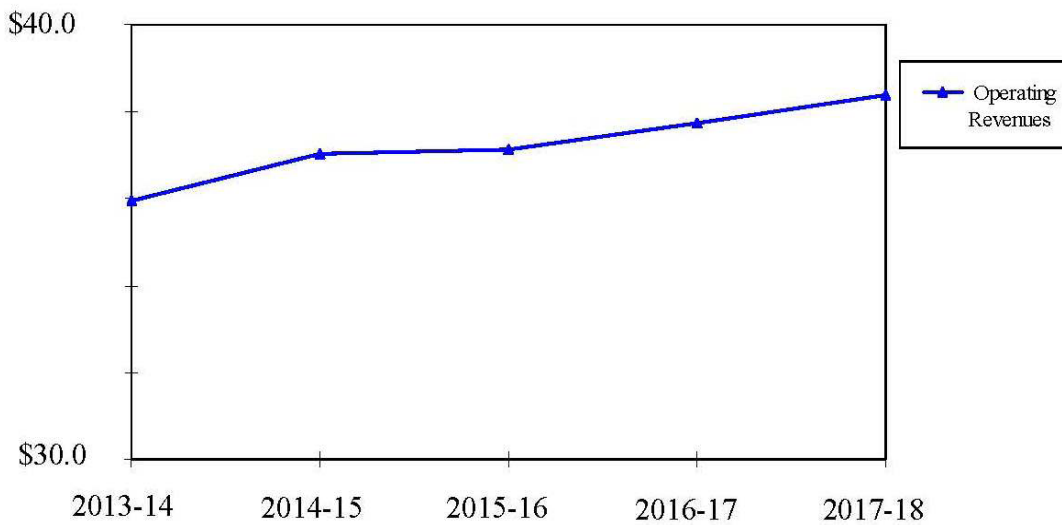
Looking forward, taxes seem to be holding steady and in most cases experiencing modest increases. Property taxes are expected to begin increasing in Fiscal Years 2014-15 (2%), 2015-16 (3%), 2016-17 (3%), and 2017-18 (3%). Sales taxes are projected to increase by 2% for Fiscal Years 2014-15 and 2015-16 and 3% for Fiscal Years 2016-17 and 2017-18.

As always, when planning for the future, the City has chosen to utilize more conservative revenue projections. Consistent with this philosophy, the City has taken a conservative approach to projecting the increase in property taxes, sales taxes, VLF property tax back fill, and franchise fees associated with the construction of up to 4,070 new housing units over the plans five-year horizon. It is clear the fiscal impact on revenues will be positive, and projections will be refined as construction progresses.

Investment earnings are projected to remain relatively flat over the next few years based on the economy and the uncertainty of available yields for the short term. All other revenue categories are expected to remain relatively stable, with some categories seeing modest increases, including those revenues that were previously negatively impacted by the housing market and the related downturn in the economy.

These revenue projections are based on the current economy and available projections. In addition, the City will carefully monitor State actions in relation to local revenue sources. As the current economic downturn is subsiding, the City's well diversified revenue base is expected to increase at a modest pace.

Operating Revenues



CHAPTER 5 OPERATING EXPENDITURE OUTLOOK

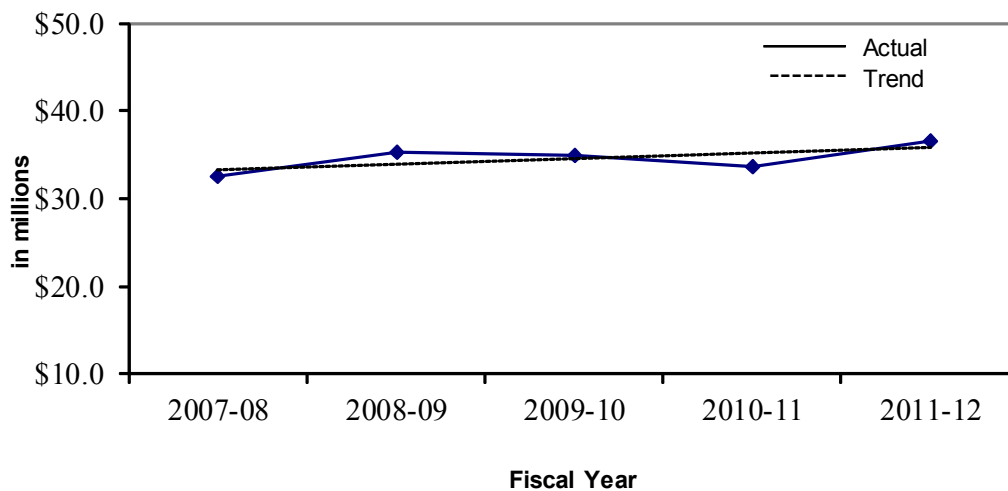
Operating expenditures (total expenditures excluding capital projects and one-time items) are a second component of the financial portion of the Strategic Business Plan (“Plan”). The other two components are revenues and capital projects, which are described in Chapters 4 and 9 respectively. Unlike revenues, the City has greater control over expenditures, since decisions can be made to either increase or decrease spending.

The Past – All Operating Expenditures

Operating expenditures increased over time as the City matured, expanded services, added facilities, and taken ownership of parks previously operated by homeowners associations. This growth occurred over time on a measured basis to provide ample opportunity to determine services that would benefit the community and that could be provided within the budget limitations of the City. Caution is crucial when using the past to project the future as the City continues to pursue a path of steady growth in services during these times of economic uncertainty.

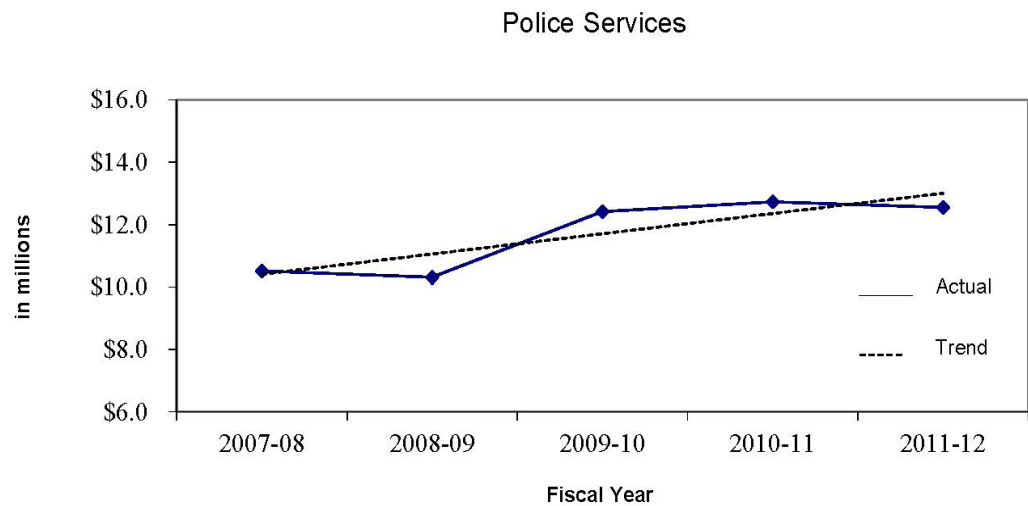
Overall operating expenditures increased by an average of 1.8% per year from Fiscal Year 2007-08 through Fiscal Year 2011-12. These increases were primarily due to higher expenditures in the two most significant departments (Police Services and Public Works) and moderate variations in other departments.

All Operating Expenditures



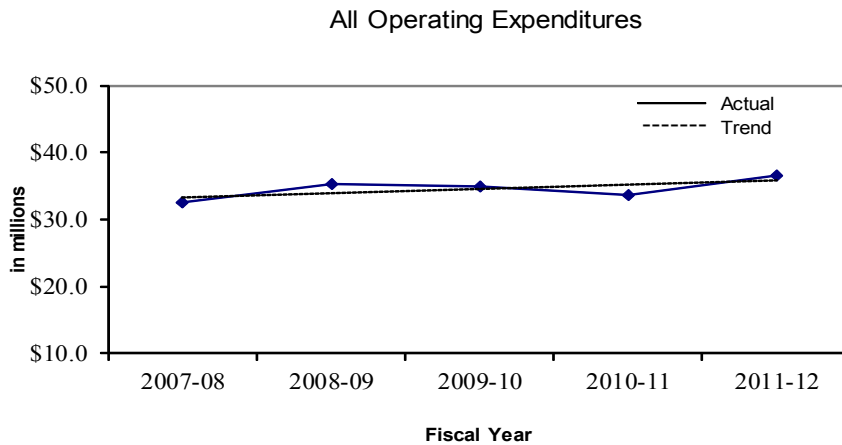
The Past - Police Services

The Police Services Department accounts for almost 38% of operating costs. Expenditures have shown a steady increase over the last five years, with an overall trend of 3.2% per year. Costs remained relatively stable until Fiscal Year 2007-08, when costs increased due to renegotiation of the County's contract with its law enforcement labor groups. The addition of a Community Services Officer in the City's contract with the County to support a new traffic enforcement program, and the addition of a City Public Safety Manager. Since Fiscal Year 2007-08, increases have been modest due to cost containment and management of vacancies in response to the recession.



The Past - Public Works

The Public Works Department accounts for 22% of operating costs and expenditures have increased steadily over the last five years, with an overall trend of 5.8% per year. Costs increased notably starting in Fiscal Year 2007-08 primarily due to the addition of six new parks obtained via irrevocable offers of dedication.



The Future

As was noted previously, unlike revenues, the City has a greater degree of control over changes in the level of expenditures. These would include ongoing expenditures required to operate the City and various one-time expenditures that are likely to occur, such as election costs, replacement of fixed assets (vehicles, computers, etc.), and other special projects.

The Plan assumes a base of current levels of service with moderate increases of 1.5% in Fiscal Years 2013-14 and 2014-15, and 3% in Fiscal Years 2015-16, 2016-17, and 2017-18. In addition, estimated operating costs for each of the proposed capital projects, if applicable, have been determined and these additional operating costs have been included in the Plan in the year following construction.

CHAPTER 6
MAJOR CARRYOVER APPROPRIATIONS

**CITY OF LAKE FOREST
CARRYOVER APPROPRIATIONS OVER \$100,000
FISCAL YEAR 2011-12 INTO FISCAL YEAR 2012-13**

Description	Carryover Appropriation
Sports Park	\$15,411,855
Tamarisk Park	1,950,832
Rancho Parkway Improvements	2,252,918
Trabuco Road Streetscape	676,835
Watershed Management Projects	562,200
El Toro Streetscape - Phase I	552,302
Rimgate Park	488,455
Jeronimo Streetscape - Phase I	388,592
American Disabilities Act Wheelchair Access Ramp	276,967
Play Equipment Replacement	232,917
Commercentre Drive Improvements	210,611
Bleachers at Heroes Park	181,318
Rockfield Streetscape	157,008
El Toro Road Lighting Landscape	122,931
Traffic Signal Cond Repl Program	120,000
Total Carryover Appropriations Over \$100,000	<u><u>\$23,585,741</u></u>

CHAPTER 7 DEFERRED PROGRAMS AND PROJECTS

When developing a strategic plan during times of economic uncertainty, it is crucial to scrutinize all programs and projects. The City must remain flexible when reviewing existing and future needs and must prioritize programs and projects to provide the best service possible to the community within existing budgetary constraints. To that end, the following is a list of projects that have been deferred until funds become available (there are no operating programs identified as “deferred” in this Plan). These projects amount to approximately \$122.3 million.

Projects

Name	Description	Total	Funding Source
Americans with Disabilities Act Access Ramp Improvements	Reconstruct existing sidewalk ramps at intersections over the next five years to comply with current standards and requirements of the Americans with Disabilities Act (ADA) and further implement the City's ADA self-assessment and transition plan.	\$2,017,000	CIP Fund 100%
Citywide Traffic Signal Detection Planning Report	This project will prepare a report regarding bicycle detection to ensure efficient bicycle traffic mobility. This report may produce future projects for providing detection at existing traffic signals. In addition, new traffic signals installed through the Lake Forest Traffic Mitigation program, conditions of development, or other projects will include bicycle detection.	\$10,000	CIP Fund 100%
Commercentre Signal Interconnection	Construct ultimate traffic signal coordination improvements along Commercentre Drive from Alton Parkway to Dimension Drive. This work may be accomplished via different funding options such as a Capital Improvement Project or through conditions of development.	\$65,000	CIP Fund 100%
El Toro Road Streetscape Project - Phase 2	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along El Toro Road between Jeronimo and Trabuco.	\$2,038,000	CIP Fund 100%
El Toro Road Streetscape Project - Phase 3	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along El Toro Road between Trabuco Road and Portola Parkway.	\$6,173,000	CIP Fund 100%

Projects

Name	Description	Total	Funding Source
General Neighborhood Traffic Improvements	Investigate, analyze, design, and construct/ implement various traffic safety improvements, traffic signing, or traffic routing solutions. The majority of the aforementioned work is part of an ongoing process within the City Engineering Department. This categorization is for those projects that are extraordinary or beyond the scope of normal activities.	\$464,000	CIP Fund 100%
Jeronimo Road Streetscape Project - Phase 2	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Jeronimo Road between Lake Forest Drive and Jeronimo Road.	\$2,700,000	CIP Fund 100%
Jeronimo Road Streetscape Project - Phase 3	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Jeronimo Road between Bake Parkway and Lake Forest Drive.	\$900,000	CIP Fund 100%
Muirlands Boulevard Streetscape Project	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Muirlands between Los Alisos and Bake Parkway.	\$5,310,000	CIP Fund 100%
Normandale Park Development	Construct improvements to Normandale Park with amenities to be determined.	\$12,150,000	CIP Fund 100%

Projects

Name	Description	Total	Funding Source
Portola Parkway Streetscape Project	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Portola Parkway, between the Toll Road and El Toro Road.	\$265,000	CIP Fund 100%
Portola Parkway Gap Closure	This project lies within unincorporated Orange County and within the City of Irvine's Planning Area 6. The Orange County Master Plan of Arterial Highways identifies Portola Parkway as a primary arterial highway between State Route 241 and its existing terminus in the City of Lake Forest, a gap of approximately 1.1 miles. Neither the County of Orange nor the City of Irvine have established project development teams, schedules, or funding for this project. Project costs were estimated at over \$81 million in October 2005; with project development, environmental clearances, and design engineering estimated to cost \$14,820,000. The project requires right-of-way across Parcel R of Irvine Open Space Preserve – North, which is subject to the First Amendment to Management Agreement between the City of Irvine and the Irvine Ranch Land Trust Reserve, dated February 1, 2007. Lake Forest staff has initiated discussions and will continue to collaborate with the City of Irvine, County of Orange, Orange County Transportation Authority, and other stakeholders to establish Portola Parkway as a regional priority.	\$81,000,000	N/A

Projects

Name	Description	Total	Funding Source
Ridge Route Drive Streetscape Project	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Ridge Route Drive.	\$946,000	CIP Fund 100%
Rockfield Boulevard Streetscape Project - Phase 2	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Rockfield Boulevard between El Toro Road and Ridge Route Drive.	\$1,330,000	CIP Fund 100%
Rockfield Boulevard Streetscape Project Phase 3	This project would investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Rockfield Boulevard between Ridge Route Drive to Centre Drive.	\$1,300,000	CIP Fund – 100%
Toledo Road Streetscape Project	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Toledo Way between Bake Parkway and El Toro Road.	\$4,186,000	CIP Fund – 100%
Trabuco Road Streetscape Project Phase 2	Investigate and implement traffic safety and traffic congestion relief opportunities, and renovate the raised landscaped median islands and parkway landscaping along Trabuco Road from Lake Forest Boulevard to the Mission Viejo city limits.	\$1,481,000	CIP Fund – 100%
GRAND TOTAL		\$122,335,000	

SECTION III

**PROJECTS
AND
PROGRAMS**

CHAPTER 8
 PROPOSED OPERATING PROGRAMS

Operating programs provide the resources necessary to maintain City operations and deliver municipal services. Operating programs may include professional services, personnel, and software. Each of the following programs has been detailed on a separate sheet within this chapter. Each sheet contains the department, the program description, a cost detail, and the funding source(s). Following is a list of the proposed programs along with the corresponding page numbers for additional detail:

<u>DEPARTMENT/PROGRAM</u>	<u>PAGE</u>
Development Services:	
Comprehensive General Plan Update	68
Finance:	
Accounting System	69
Management Services:	
Website Enhancements	70
EnerGov.NET 9.0 Upgrade and Migration	71

PROGRAM TITLE: Comprehensive General Plan Update

DEPARTMENT: Development Services

PROGRAM DESCRIPTION:

This program consists of a comprehensive update of the General Plan, excluding the Housing Element, to reflect the programs and policies to maintain the character and beauty of Lake Forest. The current General Plan was adopted in 1994. Revisiting the General Plan in 2015 is necessary to allow the City to look forward and re-evaluate its policies based on updated conditions.

COST DETAIL:

<u>FISCAL YEAR</u>	<u>COST</u>
2013-14	\$0
2014-15	\$0
2015-16	\$600,000
2016-17	\$0
<u>2017-18</u>	<u>\$0</u>
TOTALS	\$600,000

SOURCE OF FUNDING:

General Fund – 100%

PROGRAM TITLE: Accounting System

DEPARTMENT: Finance

PROGRAM DESCRIPTION:

As the City has grown over the years, the City has maintained its commitment to providing quality services, maintaining the City’s infrastructure, and delivering desired programming. The complexity and volume of accounting requirements associated with this level of service delivery currently exceed the existing system’s capabilities. The existing accounting system has been in place since incorporation in 1991, and is lacking in terms of capability and functionality. To address these limitations, this program was previously proposed in the 2011-2016 Plan. Due to priorities at the time, it was deferred, but has now been identified as critical to maintaining efficient operations.

Acquisition of a new accounting system that utilizes current technology will promote greater efficiencies within the City through the automation of manual processes and integration of redundant data. Staff will have the ability to query financial data more effectively and to provide more detailed reporting for auditing and financial analyses. In addition, the acquisition of a capital projects module will allow for ease and accuracy in long-term project tracking. Planning for this program is proposed to begin in Fiscal Year 2014-15 with expenditures beginning in Fiscal Year 2015-16.

COST DETAIL:

<u>FISCAL YEAR</u>	<u>COST</u>
2013-14	\$0
2014-15	\$0
2015-16	\$150,000
2016-17	\$60,000
<u>2017-18</u>	<u>\$60,000</u>
TOTALS	\$270,000

SOURCE OF FUNDING: General Fund - 100%

PROGRAM TITLE: Website Redesign and Platform Update

DEPARTMENT: Management Services

PROGRAM DESCRIPTION:

The City's last major update of its website occurred in 2008. This program will upgrade the City's website to take full advantage of available new website technologies to enhance the public's online experience. The main City website (lakeforestca.gov) will be redesigned to provide a simple, thoughtful, user-friendly layout, and will include an index for e-services to allow website visitors to locate information or services without needing an extensive knowledge of City operations. The website will utilize the latest web trends and techniques to attract advanced users without alienating basic users, including social media API integration to Facebook, Twitter, and "Bookmark and Share" links. The selected web technology should also provide a site that is viewable on multiple platforms, resolutions and browsers, as well as provide an option for a mobile application.

COST DETAIL:

<u>FISCAL YEAR</u>	<u>COST</u>
2013-14	\$0
2014-15	\$60,000
2015-16	\$6,000
2016-17	\$6,000
<u>2017-18</u>	<u>\$6,000</u>
TOTALS	\$78,000

SOURCE OF FUNDING:

General Fund - 100%

PROGRAM TITLE: EnerGov.NET 9.0 Upgrade and Migration

DEPARTMENT: Management Services

PROGRAM DESCRIPTION:

The City utilizes EnerGov’s Permitting and Land Management Suite Version 8, software that provides the ability to manage all aspects of the permitting and land management lifecycle, namely application, review, issuance and code enforcement. In 2011, EnerGov released Version 9, a major system update to a web-based platform that supports a mobile workforce. EnerGov has announced that all future product development (such as enhancements to functionality, user experience and administration) and user training will solely apply to Version 9. Upgrading to Version 9 will provide further internal efficiencies while enabling the City to provide additional online services to the public, such as online payment of permit fees. Upgrading to Version 9 will also protect the City’s investment in its Permitting system by avoiding reliance upon a “legacy” system (i.e., a system no longer be supported by the vendor). The size and complexity of the upgrade and data base migration will require a two-year implementation schedule.

COST DETAIL:

<u>FISCAL YEAR</u>	<u>COST</u>
2013-14	\$90,000
2014-15	\$64,000
2015-16	\$7,500
2016-17	\$7,500
<u>2017-18</u>	<u>\$7,500</u>
TOTALS	\$176,500

SOURCE OF FUNDING:

General Fund - 100%

CHAPTER 9
PROPOSED CAPITAL IMPROVEMENT PROJECTS

Each project has been detailed on separate sheets within this chapter. The sheet contains a project description, components of the project cost, the funding source(s), additional operating costs, and a project schedule. Following is a list of the proposed projects along with the corresponding page numbers for additional detail:

PROJECTS	PAGE
Streets:	
Americans with Disabilities Act Access Ramp Improvements	75
Internally Illuminated Street Name Sign Replacement	76
Portola Parkway Streetscape	77
Sidewalk Repair	78
Street Lights Installation at Various Locations	79
Street Resurfacing and Slurry Seal	80
Street Resurfacing on El Toro Road between I-5 Bridger Road	81
Street Sign Replacement	82
Teed Street Storm Drain Improvements	83
Alton Parkway Corridor Traffic Signal Synchronization Project	84
Bake Parkway Corridor Synchronization Project	85
Barranca Parkway-Muirlands Boulevard Corridor Traffic Signal Synchronization Project	86
Citywide Traffic Signal Coordination Master Plan	87
Jeronimo Road Corridor Traffic Signal Synchronization Project	88
Lake Forest Drive Corridor Traffic Signal Synchronization Project	89
Lake Forest Transportation Mitigation	90
Los Alisos Boulevard Corridor Traffic Signal Synchronization Project	92
Saddleback Ranch Road Traffic Enhancements	93
Santa Margarita Parkway Corridor Traffic Signal Synchronization Project	94
Signalized Intersection at Rancho Parkway and Sports Park Access Road	95
Trabuco Road Corridor Traffic Signal Synchronization Project	96
Traffic Signal Modification at Alton Parkway/ Town Centre Drive/Rancho Parkway	97
Bake Parkway Intersection Improvements	98

Parks and Recreation:	
Dog Park	99
Sports Park	100
Park ADA and Transitional Access Repairs (ADA Phase 9)	101
Park Light Pole Replacements	102
Park Lighting Lot Pavement Management	103
Village Pond Park	104
Regency Park Improvements Project	105
Arena Soccer Facility	106
Community Garden	107
Environmental:	
Dairy Fork Constructed Wetlands	108
Environmental Tier I Improvements	109
J01P08 Subdrainage	100
JP1P01 Subdrainage	111
MPS – El Toro Road from Normandale to Northcrest Water Quality and Water Conservation Improvements	112
MPS – Trabuco Medians at Manalastas Drive Water Quality and Water Conservation Improvements	113
MPS – Trabuco Road (Red River Drive to Lake Forest Drive) Water Quality and Water Conservation Improvements	114
MPS – Ridge Route (Rockfield Boulevard to Costa Bella Drive) Water Quality and Water Conservation Improvements	115

PROJECT TITLE: Americans with Disabilities Act (ADA) Access Ramp Improvements

CATEGORY: Streets

PROJECT DESCRIPTION:

This project would reconstruct existing sidewalk ramps over the next five years to comply with current standards and requirements of the American with Disabilities Act (ADA). This project would also further implement the City’s ADA self-assessment and transition plan. The schedule for design and construction will depend on the annual allocation amount of Community Development Block Grant (CDBG) funds.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14	\$25,000	\$184,000		\$209,000
2014-15				
2015-16	\$25,000	\$184,000		\$209,000
2016-17	\$25,000	\$184,000		\$209,000
2017-18	\$25,000	\$184,000		\$209,000
Total	\$100,000	\$736,000		\$836,000

SOURCE OF FUNDING				
SOURCE	ALLOCATION			
CDBG*	100%			
*Subject to grant availability				

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS: N/A								
FISCAL YEAR COSTS BEGINS: N/A								
PROJECT SCHEDULE								
	ANNUAL							
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT		X						
DESIGN			X	X				
BID PROCESS				X				
CONSTRUCTION					X	X		

PROJECT TITLE: Internally Illuminated Street Name Sign Panel Replacement

CATEGORY: Streets

PROJECT DESCRIPTION

Project includes replacement of deteriorated internally illuminated street name sign (ISNS) panels at traffic signal locations. A recent inventory of citywide ISNS panels indicates that 176 panels, due to weather damage need replacement. The estimated cost to replace all 176 panels is \$50,000. The project will replace the damaged sign panels, approximately 32 panels per year, over a five-year period at a cost of \$10,000 per year.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14		\$10,000		\$10,000
2014-15		\$10,000		\$10,000
2015-16		\$10,000		\$10,000
2016-17		\$10,000		\$10,000
2017-18		\$10,000		\$10,000
Total		\$50,000		\$50,000
SOURCE OF FUNDING				
SOURCE		ALLOCATION		
Gas Tax		100%		

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS: \$3,200								
FISCAL YEAR COSTS BEGINS: 2013/2014								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN								
BID PROCESS								
CONSTRUCTION	X	X	X	X	X	X	X	X

PROJECT TITLE: Portola Parkway Streetscape

CATEGORY: Streets

PROJECT DESCRIPTION:

Portola Parkway between SR 241 and El Toro Road project would investigate and implement traffic safety; traffic congestion relief opportunities, and construct raised medians, install landscaping and irrigation in medians and parkways. The project is adjacent to the Lake Forest Sports Park. The construction schedule will depend on grant funding from the Orange County Transportation Authority.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14	\$200,000			\$200,000
2014-15				
2015-16				
2016-17				
2017-18				
Total	\$200,000			\$200,000
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Capital Improvement Projects				
Fund	100%			100%

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS:								
FISCAL YEAR COSTS BEGINS:								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT		X						
DESIGN			X	X				
BID PROCESS								
CONSTRUCTION								

PROJECT TITLE: Sidewalk Repairs

CATEGORY: Streets

PROJECT DESCRIPTION:

This annual program focuses on repairing damaged existing sidewalks at street and park locations throughout the City.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14		\$42,400		\$42,400
2014-15		\$43,700		\$43,700
2015-16		\$45,000		\$45,000
2016-17		\$46,400		\$46,400
2017-18		\$47,800		\$47,800
Total		\$225,300		\$225,300

SOURCE OF FUNDING			
SOURCE	ALLOCATION		
Capital Improvement Projects			
Fund	100%		100%

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS: N/A								
FISCAL YEAR COSTS BEGINS: N/A								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT	X							
DESIGN		X						
BID PROCESS			X					
CONSTRUCTION			X	X				

PROJECT TITLE: Street Lights Installation at Various Locations

CATEGORY: Streets

PROJECT DESCRIPTION:

Installation of streetlights at various locations based on site conditions, need, and requests by residents. Locations currently requested at Alton Parkway at Odessa; Ridgeline Road at Richland Way; and intersection of Islamare Lane and Overlake Drive.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14	\$15,000			\$15,000
2014-15		\$35,000		\$35,000
2015-16				
2016-17				
2017-18				
Total	\$15,000	\$35,000		\$50,000

SOURCE OF FUNDING			
SOURCE	ALLOCATION		
Capital Improvement Projects			
Fund	100%		100%

OPERATING BUDGET IMPACT	
ANNUAL OPERATING COSTS:	N/A
FISCAL YEAR COSTS BEGINS:	N/A

PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT			X					
DESIGN				X	X			
BID PROCESS					X	X		
CONSTRUCTION								

PROJECT TITLE: Street Resurfacing and Slurry Seal

CATEGORY: Streets

PROJECT DESCRIPTION:

Provide asphalt overlays and slurry seals as determined by the Pavement Management System. The system is designed to avoid expensive deferred maintenance. Conformance with the Pavement System makes the City eligible for Measure M funding.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14	\$80,000	\$1,115,900		\$1,195,900
2014-15	\$82,400	\$1,186,900		\$1,269,300
2015-16	\$84,800	\$1,256,300		\$1,341,100
2016-17	\$87,300	\$1,313,400		\$1,400,700
2017-18	\$89,900	\$1,370,600		\$1,460,500
Total	\$424,400	\$6,243,100		\$6,667,500

SOURCE OF FUNDING			
SOURCE	ALLOCATION		
Measure M Fairshare	100%		

OPERATING BUDGET IMPACT	
ANNUAL OPERATING COSTS: N/A	
FISCAL YEAR COSTS BEGINS: N/A	

PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT	X							
DESIGN		X	X					
BID PROCESS			X	X				
CONSTRUCTION				X	X	X		

PROJECT TITLE: Street Resurfacing on El Toro Road between I-5 and Bridger

CATEGORY: Streets

PROJECT DESCRIPTION:

This project will provide resurfacing on El Toro Road from I-5 to Bridger Road, and is part of a larger resurfacing project of El Toro Road conducted by the City of Laguna Hills. Funding provided to the City of Laguna Hills to design and construct the improvements within the City of Lake Forest.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14		\$150,000		\$150,000
2014-15				
2015-16				
2016-17				
2017-18				
Total		\$150,000		\$150,000
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Gas Tax	100%			100%

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS: N/A								
FISCAL YEAR COSTS BEGINS: N/A								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN								
BID PROCESS								
CONSTRUCTION	X	X	X	X				

PROJECT TITLE: Street Sign Replacement

CATEGORY: Streets

PROJECT DESCRIPTION:

This project will replace faded and outdated street signs citywide in phases to meet new compliance requirements of the 2012 California Manual on Uniform Traffic Control Devices. A study investigating the reflectivity of street signs recommended replacing a significant number of street sign to comply with new standards.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14	\$2,000	\$53,000		\$55,000
2014-15	\$13,000	\$75,000		\$88,000
2015-16				
2016-17				
2017-18				
Total	\$15,000	\$128,000		\$143,000
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
*Highway Safety Improvement Program	90%			90%
Gas Tax	10%			10%
*subject to grant availability				

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS: N/A								
FISCAL YEAR COSTS BEGINS: N/A								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN		X	X					
BID PROCESS			X	X				
CONSTRUCTION				X	X	X		

PROJECT TITLE: Teed Street Storm Drain Improvements

CATEGORY: Streets

PROJECT DESCRIPTION:

The area of Teed Street at Vesper Road has experienced poor drainage. This project is to improve drainage on Teed Street through additional drainage inlets by constructing a parallel pipe beginning at the sump location in Teed Street out to Lake Forest Drive terminating in an existing catch basin west of Rockfield Boulevard.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14				
2014-15		\$380,000		\$380,000
2015-16				
2016-17				
2017-18				
Total		\$380,000		\$380,000
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Capital Improvement Projects				
Fund	100%			100%

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS: N/A								
FISCAL YEAR COSTS BEGINS: N/A								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN								
BID PROCESS					X	X		
CONSTRUCTION						X	X	X

PROJECT TITLE: Alton Parkway Corridor Traffic Signal Synchronization Project

CATEGORY: Streets

PROJECT DESCRIPTION:

OCTA Measure M2 Project 'P'. Project includes synchronizing 45 traffic signals along the fourteen-mile corridor in the cities of Irvine and Lake Forest, the Caltrans I-5 off ramp at Alton Parkway, and the Caltrans ramp from I-5 to the SR-241. Irvine is the lead agency for the project. Total project cost is \$1,365,946. OCTA will fund 80% of project costs. Lake Forest's share of project cost is \$30,000. Project includes signal timing and coordination operations and maintenance for two years for the 7 signals in Lake Forest.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14	\$8,000	\$15,600		\$23,600
2014-15		\$6,400		\$6,400
2015-16				
2016-17				
2017-18				
Total	\$8,000	\$22,000		\$30,000
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
AQMD	100%			

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS: \$ 4,200								
FISCAL YEAR COSTS BEGINS: 2015/2016								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN	X	X						
BID PROCESS								
CONSTRUCTION			X	X	X	X	X	X

PROJECT TITLE: Bake Parkway Corridor Traffic Signal Synchronization Project

CATEGORY: Streets

PROJECT DESCRIPTION:

OCTA Measure M2 Project 'P'. Project includes synchronizing 19 traffic signals along the six-mile corridor in the cities of Irvine and Lake Forest, and the I-5 Freeway ramps. OCTA is the lead agency for the project. Total project cost is \$665,754. OCTA will fund 80% of project costs. Lake Forest share of project cost is \$30,000. Project includes signal timing and coordination operations and maintenance for two years for the 9-signals in Lake Forest.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14	\$5,100	\$22,800		\$27,900
2014-15		\$2,100		\$2,100
2015-16				
2016-17				
2017-18				
Total	\$5,100	\$24,900		\$30,000

SOURCE OF FUNDING			
SOURCE	ALLOCATION		
AQMD	100%		

OPERATING BUDGET IMPACT	
ANNUAL OPERATING COSTS: \$ 5,500	
FISCAL YEAR COSTS BEGINS: 2015/2016	

PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN	X	X						
BID PROCESS								
CONSTRUCTION			X	X	X	X	X	X

PROJECT TITLE: Barranca Pkwy/Muirlands Blvd Corridor Traffic Signal Synchronization Project

CATEGORY: Streets

PROJECT DESCRIPTION:

OCTA Measure M2 Project 'P'. Project includes synchronizing 44 traffic signals along the thirteen-mile corridor in the cities of Irvine, Lake Forest, and Mission Viejo, and the Caltrans I-5 ramps at Barranca Parkway. Irvine is the lead agency for the project. Total project cost is \$2,633,043. OCTA will fund 80% of project costs. Lake Forest's share of project cost is \$40,000. Project includes signal timing and coordination for two years for the 6-signals in Lake Forest.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14	\$6,800	\$27,800		\$34,600
2014-15		\$5,400		\$5,400
2015-16				
2016-17				
2017-18				
Total	\$6,800	\$33,200		\$40,000

SOURCE OF FUNDING			
SOURCE	ALLOCATION		
AQMD	100%		

OPERATING BUDGET IMPACT	
ANNUAL OPERATING COSTS: \$ 3,600	
FISCAL YEAR COSTS BEGINS: 2015/2016	

PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN	X	X						
BID PROCESS								
CONSTRUCTION			X	X	X	X	X	X

PROJECT TITLE: Citywide Traffic Signal Coordination Master Plan

CATEGORY: Streets

PROJECT DESCRIPTION:

Preparation of a citywide traffic signal coordination master plan to assemble the various coordinated corridors and signals into a single master program.

Tasks include:

1. Identify and complete a citywide inventory of traffic signal equipment including hardware, software, and communication facilities.
2. Acquire additional Centrax licenses to complete conversion of synchronization to single coordination system.
3. Provide setup and integration of individual traffic signals with the Centrax system.
4. Upgrade communication system facilities for connection to Centrax system.
5. Prepare citywide traffic signal system map showing signal locations, synchronized corridors, and communications facilities.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14	\$40,000	\$78,000		\$118,000
2014-15		\$30,000		\$30,000
2015-16				
2016-17				
2017-18				
Total	\$40,000	\$108,000		\$148,000

SOURCE OF FUNDING			
SOURCE	ALLOCATION		
AQMD	100%		

OPERATING BUDGET IMPACT	
ANNUAL OPERATING COSTS: \$ 10,000	
FISCAL YEAR COSTS BEGINS: 2014/2015	

	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT	X							
DESIGN		X						
BID PROCESS			X					
CONSTRUCTION				X	X	X		

PROJECT TITLE: Jeronimo Road Corridor Traffic Signal Synchronization Project

CATEGORY: Streets

PROJECT DESCRIPTION:

OCTA Measure M2 Project 'P'. Project includes synchronizing 15 traffic signals along the six-mile corridor in the cities of Mission Viejo and Lake Forest. Irvine is the lead agency for the project. Total project cost is \$410,050. OCTA will fund 80% of project costs. Lake Forest's share of project cost is \$40,000. Project includes signal timing and coordination operations and maintenance for two years for the 5 signals in Lake Forest.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14	\$7,800	\$24,000		\$31,800
2014-15		\$8,200		\$8,200
2015-16				
2016-17				
2017-18				
Total	\$7,800	\$32,200		\$40,000
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
AQMD	100%			

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS: \$ 3,000								
FISCAL YEAR COSTS BEGINS: 2015/2016								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN	X	X						
BID PROCESS								
CONSTRUCTION			X	X	X	X	X	X

PROJECT TITLE: Lake Forest Drive Corridor Traffic Signal Synchronization Project

CATEGORY: Streets

PROJECT DESCRIPTION:

OCTA Measure M2 Project 'P'. Project includes synchronizing 10 traffic signals along the two-mile corridor in the cities of Laguna Hills, Lake Forest, and Irvine. OCTA is the lead agency for the project. Total project cost is \$149,580. OCTA will fund 80% of project costs. Lake Forest's share of project cost is \$5,000, since the intersection of Lake Forest Drive/Rockfield Drive is the only Lake Forest signal along this corridor. The City previously completed equipment upgrades at this location as part of the City's Local Traffic Signal Synchronization Project, and only a timing program needs to be developed and installed as part of this project. The project includes traffic signal timing and coordination operations and maintenance for two years for the one signal in Lake Forest.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14	\$4,000			\$4,000
2014-15		\$1,000		\$1,000
2015-16				
2016-17				
2017-18				
Total	\$4,000	\$1,000		\$5,000
SOURCE OF FUNDING				
SOURCE		ALLOCATION		
AQMD		100%		

OPERATING BUDGET IMPACT	
ANNUAL OPERATING COSTS: \$ 600	
FISCAL YEAR COSTS BEGINS: 2015/2016	

PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN	X	X	X	X				
BID PROCESS								
CONSTRUCTION					X	X	X	X

PROJECT TITLE: Lake Forest Transportation Mitigation (LFTM)

CATEGORY: Streets

PROJECT DESCRIPTION:

Project includes updating the LFTM model and preparation of the Five-Year program update in fiscal year 2013-14. Results of this project will identify the mitigation improvements and timing of construction to coordinate with land development activities in the Opportunity Study Area EIR. The intersection improvements are based upon the LFTM intersection improvements identified in the adopted LFTM Ordinance and are subject to reprioritization based on the program update. The current phases of LFTM intersection improvements are: .

Phase 1	Phase 2	Phase 3
Bake/Trabuco/Irvine Blvd.	Bake/Jeronimo	Lake Forest/I-5 Off-Ramp
Lake Forest/Rancho Pkway	Paseo Valencia/Carlota	Alton/Toledo
El Toro/Portola	Los Alisos/Muirlands*	Lake Forest/Rockfield
Bake/Portola	El Toro/Carlota	Los Alisos/Rockfield
	Ridge Route/Rockfield	Lake Forest/Jeronimo
	Alton Pkway/Irvine Blvd.	Bake/Rockfield

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14			\$30,000	\$30,000
2014-15				
2015-16	\$984,900		\$1,863,700	\$2,848,600
2016-17	\$884,400	\$1,487,500	\$1,305,300	\$3,677,200
2017-18	\$1,038,800	\$3,613,600	\$1,764,600	\$6,417,000
Total	\$2,908,100	\$5,101,100	\$4,963,600	\$12,972,800
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Lake Forest Transportation				
Mitigation Program	81%			81%
*Foothill Circulation Phasing Plan	19%			19%

OPERATING BUDGET IMPACT
ANNUAL OPERATING COSTS: N/A
FISCAL YEAR COSTS BEGINS: 2016/2017

STUDY PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN		X	X	X				
BID PROCESS								
CONSTRUCTION								

PHASE 1 PROJECT SCHEDULE								
	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT	X	X	X	X				
DESIGN			X	X	X			
BID PROCESS					X	X		
CONSTRUCTION						X	X	X
OTHER				X	X			

PHASE 2 PROJECT SCHEDULE								
	FISCAL YEAR 2016-17				FISCAL YEAR 2017-18			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT	X	X	X					
DESIGN			X	X	X			
BID PROCESS					X	X		
CONSTRUCTION						X	X	X
OTHER				X	X			

PHASE 3 PROJECT SCHEDULE								
	FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT	X	X	X					
DESIGN			X	X	X			
BID PROCESS					X	X		
CONSTRUCTION						X	X	X
OTHER				X	X			

PROJECT TITLE: Los Alisos Boulevard Corridor Traffic Signal Synchronization Project

CATEGORY: Streets

PROJECT DESCRIPTION:

OCTA Measure M2 Project 'P'. Project includes synchronizing 21 traffic signals along the seven-mile corridor in the cities of Laguna Hills, Rancho Santa Margarita, Lake Forest, and Mission Viejo. OCTA is the lead agency for the project. Total project cost is \$389,980. OCTA will fund 80% of project costs. Lake Forest's share of project cost is \$2,500, since the intersection of Rockfield Drive/Los Alisos Boulevard is the only Lake Forest intersection along this corridor. The City previously completed equipment upgrades at this location as part of the City's Local Traffic Signal Synchronization Project, and only a timing program needs to be developed and installed as part of this project. The project includes traffic signal timing and coordination operations and maintenance for two years for the one signal in Lake Forest.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14	\$1,800			\$1,800
2014-15		\$700		\$700
2015-16				
2016-17				
2017-18				
Total	\$1,800	\$700		\$2,500
SOURCE OF FUNDING				
SOURCE		ALLOCATION		
AQMD		100%		

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS: \$ 600								
FISCAL YEAR COSTS BEGINS: 2015/2016								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN	X	X	X	X				
BID PROCESS								
CONSTRUCTION					X	X	X	X

PROJECT TITLE: Saddleback Ranch Road Traffic Enhancements

CATEGORY: Streets

PROJECT DESCRIPTION:

On Saddleback Ranch Road, this project would design and construct traffic calming strategies such as re-striping and bulb-outs and constructing parkway landscaping.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14	\$150,000			\$150,000
2014-15		\$1,210,000		\$1,210,000
2015-16				
2016-17				
2017-18				
Total	\$150,000	\$1,210,000		\$1,360,000

SOURCE OF FUNDING			
SOURCE	ALLOCATION		
AQMD	20%		
Developer Fees	80%		

OPERATING BUDGET IMPACT	
ANNUAL OPERATING COSTS: \$ 12,000	
FISCAL YEAR COSTS BEGINS: FY 2015-16	

PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT	X							
DESIGN		X	X					
BID PROCESS				X	X			
CONSTRUCTION						X	X	

PROJECT TITLE: Santa Margarita Parkway Corridor Traffic Signal Synchronization Project

CATEGORY: Streets

PROJECT DESCRIPTION:

OCTA Measure M2 Project 'P'. Project includes synchronizing 22 traffic signals along the five-mile corridor in the cities of Rancho Santa Margarita, Lake Forest, and Mission Viejo. OCTA is the lead agency for the project. Total project cost is \$389,890. OCTA will fund 80% of project costs. Lake Forest's share of project cost is \$2,500, since the intersection of El Toro Road/Santa Margarita Parkway is the only Lake Forest location on this corridor. The City previously completed equipment upgrades at this location as part of the City's Local Traffic Signal Synchronization Project, and only a timing program needs to be developed and installed as part of this project. The project includes traffic signal timing and coordination operations and maintenance for two years for the one traffic signal in Lake Forest.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14	\$1,800			\$1,800
2014-15		\$700		\$700
2015-16				
2016-17				
2017-18				
Total	\$1,800	\$700		\$2,500
SOURCE OF FUNDING				
SOURCE		ALLOCATION		
AQMD		100%		

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS: \$ 600								
FISCAL YEAR COSTS BEGINS: 2015/2016								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN	X	X	X	X				
BID PROCESS								
CONSTRUCTION					X	X	X	X

PROJECT TITLE: Signalized Intersection at Rancho Parkway and Sports Park Access Road

CATEGORY: Streets

PROJECT DESCRIPTION:

This project would provide a signalized intersection on Rancho Parkway at the Sports Park access road. The signalized intersection would provide access to the future Lake Forest Sports Park and the adjacent Baker Ranch property development. The construction will include traffic controller, mast arms and poles, signal heads, and pulling conductors in existing conduits.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14	\$25,000			\$25,000
2014-15		\$250,000		\$250,000
2015-16				
2016-17				
2017-18				
Total	\$25,000	\$250,000		\$275,000
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
AQMD	100%			100%

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS: \$								
FISCAL YEAR COSTS BEGINS:								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT		X						
DESIGN			X	X				
BID PROCESS				X				
CONSTRUCTION					X	X	X	

PROJECT TITLE: Trabuco Road Corridor Traffic Signal Synchronization Project

CATEGORY: Streets

PROJECT DESCRIPTION:

OCTA Measure M2 Project 'P' Project includes synchronizing 14 traffic signals along the four-mile corridor in the cities of Mission Viejo and Lake Forest. OCTA is the lead agency for the project. Total project cost is \$333,713.75. OCTA will fund 80% of project costs. Lake Forest's share of the project cost is \$30,000. Project includes signal timing and coordination operations and maintenance for two years for the 8 traffic signals in Lake Forest.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14	\$7,500	\$19,500		\$27,000
2014-15		\$3,000		\$3,000
2015-16				
2016-17				
2017-18				
Total	\$7,500	\$22,500		\$30,000

SOURCE OF FUNDING			
SOURCE	ALLOCATION		
AQMD	100%		100%

OPERATING BUDGET IMPACT	
ANNUAL OPERATING COSTS: \$ 4,700	
FISCAL YEAR COSTS BEGINS: FY 2015/2016	

PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN	X	X						
BID PROCESS								
CONSTRUCTION			X	X	X	X	X	X

PROJECT TITLE: Traffic Signal Modification at Alton Parkway/Towne Centre Drive/Rancho Parkway

CATEGORY: Streets

PROJECT DESCRIPTION:

Project includes design and construction of the fourth leg (Rancho Parkway) of the intersection to serve future development south of Alton Parkway. The project includes installing mast arm and pole, signal heads, and street name signs.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14	\$8,000	\$32,000		\$40,000
2014-15				
2015-16				
2016-17				
2017-18				
Total	\$8,000	\$32,000		\$40,000

SOURCE OF FUNDING			
SOURCE	ALLOCATION		
AQMD	100%		

OPERATING BUDGET IMPACT	
ANNUAL OPERATING COSTS:	\$ 3,225
FISCAL YEAR COSTS BEGINS:	2014/2015

PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN	X	X						
BID PROCESS		X	X					
CONSTRUCTION		X	X	X				

PROJECT TITLE: Bake Parkway Intersections Improvement

CATEGORY: Streets

PROJECT DESCRIPTION:

Traffic signal electronic component upgrades at Bake/Entrada and Bake/Trabuco are programmed in FY 2015-16. Bake/Jeronimo and Bake/Toledo are in FY 2016-17. These intersections improvement will require coordination with the City of Irvine to serve as the lead. The City's fair share costs will include cabinets, controllers, battery back-up system, and interconnection.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14				
2014-15				
2015-16		\$232,000		\$232,000
2016-17		\$173,000		\$173,000
2017-18				
Total		\$405,000		\$405,000
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Capital Improvement Projects Fund	100%			100%

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS: \$5,000								
FISCAL YEAR COSTS BEGINS: 2017-16								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN								
BID PROCESS								
CONSTRUCTION	X	X	X	X	X	X	X	X

PROJECT TITLE: Dog Park

CATEGORY: Parks

PROJECT DESCRIPTION:

Design a dog park that includes investigation of potential locations and determining improvements (grading, fencing, shade structures, and utilities). This project is included in the Five-Year Strategic Business Plan for evaluation purposes only.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14				
2014-15				
2015-16				
2016-17				
2017-18				
Total				

SOURCE OF FUNDING			
SOURCE	ALLOCATION		
Capital Improvement Projects Fund	100%		100%

OPERATING BUDGET IMPACT	
ANNUAL OPERATING COSTS:	
FISCAL YEAR COSTS BEGINS:	

PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN								
BID PROCESS								
CONSTRUCTION								

PROJECT TITLE: Lake Forest Sports Park

CATEGORY: Parks

PROJECT DESCRIPTION:

This project will include the third construction phase of the Sports Park Project - park improvements. The park improvements will include five baseball/softball diamonds, two synthetic turf soccer fields, three natural turf soccer fields with a 3-acre common lawn area for community events and practice fields, as well as a 27,000 square foot recreation center with a gymnasium and classrooms. The sports park property encompasses a total of 86 acres, which includes 57 acres for active use and an additional 29 acres set aside for passive uses.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14		\$33,000,000		\$33,000,000
2014-15		\$10,500,000		\$10,500,000
2015-16				
2016-17				
2017-18				
Total		\$43,500,000		\$43,500,000
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
Opportunities Study Area				
Capital Improvement Projects Fund	100%			100%

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS: \$517,300								
FISCAL YEAR COSTS BEGINS: FY 14-15								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN								
BID PROCESS								
CONSTRUCTION	X	X	X	X	X	X	X	X

PROJECT TITLE: Park ADA and Transitional Access Repairs
(ADA Phase 8)

CATEGORY: Parks

PROJECT DESCRIPTION:

The City of Lake Forest conducted a public parks survey and identified deficiencies in Americans with Disabilities Act (ADA) and transitional accessibility. This project will correct/repair the areas identified in the survey that do not comply with the ADA guidelines adopted on July 26, 1990. The Park Parking Lot repairs include ADA curb ramps and transitional access within the park's foot prints.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14				
2014-15	\$15,000	\$190,000		\$205,000
2015-16				
2016-17				
2017-18				
Total	\$15,000	\$190,000		\$205,000

SOURCE OF FUNDING			
SOURCE	ALLOCATION		
CDBG Grant*	100%		100%
*Subject to grant availability			

OPERATING BUDGET IMPACT	
ANNUAL OPERATING COSTS:	N/A
FISCAL YEAR COSTS BEGINS:	N/A

PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT					X	X		
DESIGN						X	X	
BID PROCESS							X	
CONSTRUCTION								X

PROJECT TITLE: Park Light Pole Replacements

CATEGORY: Parks

PROJECT DESCRIPTION:

With time, rust and corrosion wreak havoc on the structural strength of light poles and fixtures. The Public Works Department has conducted a survey of our Parks and found approximately 54 park light poles rusted and in need of replacement. The prior work addressed the immediate needs and made minor repairs on the bases of a few poles leaving approximately 47 poles needing replacement.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14		\$30,000		\$30,000
2014-15		\$30,000		\$30,000
2015-16				
2016-17				
2017-18				
Total		\$60,000		\$60,000

SOURCE OF FUNDING			
SOURCE	ALLOCATION		
Capital Improvement Projects	100%		100%

OPERATING BUDGET IMPACT	
ANNUAL OPERATING COSTS:	N/A
FISCAL YEAR COSTS BEGINS:	N/A

PROJECT SCHEDULE								
	ANNUAL							
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun				
SELECT CONSULTANT								
DESIGN	X	X						
BID PROCESS		X						
CONSTRUCTION		X	X	X				

PROJECT TITLE: Park Parking Lot Pavement Management

CATEGORY: Parks

PROJECT DESCRIPTION:

The City will establish a quinquennial park parking lot pavement maintenance program involving crack sealing, asphalt repairs, slurry seal, and/or asphalt overlay resurfacing and stripping of the City's park parking lots. The majority of the parks' parking lots will only require a few repairs and a slurry seal. The primary function of a slurry seal is to provide a coating that protects the pavement from the deteriorating effects of rain and sunlight (ultraviolet) attacking the pavement binder and oil and gasoline deposits.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14	\$10,000	\$135,000		\$145,000
2014-15				
2015-16				
2016-17				
2017-18				
Total	\$10,000	\$135,000		\$145,000
SOURCE OF FUNDING				
SOURCE		ALLOCATION		
Capital Improvement Projects Fund		100%		100%

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS:								
FISCAL YEAR COSTS BEGINS:								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT	X							
DESIGN	X	X						
BID PROCESS		X						
CONSTRUCTION			X	X				

PROJECT TITLE: Village Pond Park

CATEGORY: Parks

PROJECT DESCRIPTION:

This project would rehabilitate Village Pond Park through the addition of recreational facilities and address issues related to water quality and management of the waterfowl population.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14				
2014-15				
2015-16				
2016-17				
2017-18				
Total				

SOURCE OF FUNDING			
SOURCE	ALLOCATION		
Capital Improvement Projects Fund	100%		100%

OPERATING BUDGET IMPACT	
ANNUAL OPERATING COSTS:	N/A
FISCAL YEAR COSTS BEGINS:	N/A

PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN								
BID PROCESS								
CONSTRUCTION								

PROJECT TITLE: Regency Park Improvements Project

CATEGORY: Parks

PROJECT DESCRIPTION:

Regency Park is one of the City’s current seven sports fields and is used for soccer. The park does not have any amenities or onsite parking. During soccer season, the surrounding neighborhoods are impacted with traffic and a lack of parking. This proposed project would construct an onsite parking lot, playground area, park perimeter pedestrian trail, and potentially a restroom building. The City was provided with a subdivision improvement bond by the William Lyon Company to fund improvements to Regency Park.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14				
2014-15				
2015-16	\$40,000			\$40,000
2016-17		\$341,000		\$341,000
2017-18				
Total	\$40,000	\$341,000		\$381,000

SOURCE OF FUNDING			
SOURCE	ALLOCATION		
Subdivision Improvement Bond	100%		100%

OPERATING BUDGET IMPACT
ANNUAL OPERATING COSTS: \$5,000
FISCAL YEAR COSTS BEGINS: 2017-18

PROJECT SCHEDULE								
	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT	X							
DESIGN		X	X	X				
BID PROCESS					X			
CONSTRUCTION						X	X	

PROJECT TITLE: Arena Soccer Facility

CATEGORY: Parks

PROJECT DESCRIPTION:

Design and construct and arena soccer facility that may include from one to three soccer fields and on-site parking. This project is included in the Five-Year Strategic Business Plan for evaluation purposes only.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14				
2014-15				
2015-16				
2016-17				
2017-18				
Total				

SOURCE OF FUNDING			
SOURCE	ALLOCATION		
Capital Improvement Projects Fund	100%		100%

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS:								
FISCAL YEAR COSTS BEGINS:								

PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN								
BID PROCESS								
CONSTRUCTION								

PROJECT TITLE: Community Garden

CATEGORY: Parks

PROJECT DESCRIPTION:

Design and construct a community garden. This project is included in the Five-Year Strategic Business Plan for evaluation purposes only.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14				
2014-15				
2015-16				
2016-17				
2017-18				
Total				

SOURCE OF FUNDING			
SOURCE	ALLOCATION		
Capital Improvement Projects Fund	100%		100%

OPERATING BUDGET IMPACT
ANNUAL OPERATING COSTS:
FISCAL YEAR COSTS BEGINS:

PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN								
BID PROCESS								
CONSTRUCTION								

PROJECT TITLE: Dairy Fork Constructed Wetlands

CATEGORY: Environmental

PROJECT DESCRIPTION:

Design and build constructed wetlands as a structural BMP to facilitate treatment of urban dry weather runoff and some stormwater flows. This project is a collaborative project with the Cities of Aliso Viejo, Laguna Hills, Laguna Woods, and Lake Forest. The total project cost is \$716,500. The City of Aliso Viejo will lead this project by submitting a grant application requested funding of \$465,725 and a collective 40% match of \$286,600. The proposed cost share for the City of Lake Forest is approximately \$45,000. Project is pending and initiation is dependent upon grant funding.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14				
2014-15		\$45,000		\$45,000
2015-16				
2016-17				
2017-18				
Total		\$45,000		\$45,000
SOURCE OF FUNDING				
SOURCE		ALLOCATION		
Capital Improvement Projects Fund		100%		100%

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS:								
FISCAL YEAR COSTS BEGINS:								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT					X			
DESIGN						X	X	X
BID PROCESS								
CONSTRUCTION								

PROJECT TITLE: Environmental Tier I Improvements

CATEGORY: Environmental

PROJECT DESCRIPTION:

Retrofit various catch basins with automatic retractable screens (ARS). This project retrofits catch basins at various locations with ARS units to prevent trash, debris, and particles carrying pollutants, generated and transported at street level, from entering the storm drain system that affects downstream water bodies. This is the third phase of catch basin retrofits under the Orange County Transportation Authority grant program for the Environmental Clean-up Program. This project is also anticipated to address requirements mandated by a pending statewide trash policy under development by the State Water Resources Control Board.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14		\$100,000		\$100,000
2014-15				
2015-16				
2016-17				
2017-18				
Total		\$100,000		\$100,000

SOURCE OF FUNDING			
SOURCE	ALLOCATION		
Grant funding	75%		75%
Match through In-kind Services and Capital Improvement Projects Fund	25%		25%

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS:								
FISCAL YEAR COSTS BEGINS:								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN								
BID PROCESS								
CONSTRUCTION	X	X	X	X				

PROJECT TITLE: J01P08 Subdrainage

CATEGORY: Environmental

PROJECT DESCRIPTION:

Procure the services of a consultant to conduct an evaluation of structural Best Management Practice (BMP) alternatives and conceptual/preliminary design for the J01P08 outfall located on Aliso Creek. The purpose of the project is to evaluate technical feasibility and preliminary design of a structural BMP as part of a compliance plan to meet requirements of the bacteria Total Maximum Daily Load (TMDL) for beaches and creeks within the jurisdiction of the San Diego Regional Water Quality Control Board.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14				
2014-15	\$30,000			\$30,000
2015-16				
2016-17				
2017-18				
Total	\$30,000			\$30,000

SOURCE OF FUNDING			
SOURCE	ALLOCATION		
Capital Improvement Projects Fund	100%		100%

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS:								
FISCAL YEAR COSTS BEGINS:								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT					X			
DESIGN						X	X	X
BID PROCESS								
CONSTRUCTION								

PROJECT TITLE: J01P01 Subdrainage

CATEGORY: Environmental

PROJECT DESCRIPTION:

Procure the services of a consultant to conduct an evaluation of structural Best Management Practice (BMP) alternatives and conceptual/preliminary design for the J01P01 outfall. The purpose of the project is to evaluate technical feasibility and preliminary design of a structural BMP as part of a compliance plan to meet requirements of the bacteria Total Maximum Daily Load (TMDL) for beaches and creeks within the jurisdiction of the San Diego Regional Water Quality Control Board.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14				
2014-15				
2015-16	\$30,000			\$30,000
2016-17				
2017-18				
Total	\$30,000			\$30,000

SOURCE OF FUNDING			
SOURCE	ALLOCATION		
Capital Improvement Projects Fund	100%		100%

OPERATING BUDGET IMPACT	
ANNUAL OPERATING COSTS:	
FISCAL YEAR COSTS BEGINS:	

	FISCAL YEAR 2014-15				FISCAL YEAR 2015-16			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT					X			
DESIGN						X	X	X
BID PROCESS								
CONSTRUCTION								

PROJECT TITLE: MPS – El Toro Rd. from Normandale to Northcrest
Water Quality and Water Conservation Improvements

CATEGORY: Environmental

PROJECT DESCRIPTION:

This project will remove and replace high-water use turfgrass with California-friendly plant palettes. These proposed landscaping improvements and plant palettes will match similar projects recently completed such as El Toro Road, Jeronimo Road, and Rockfield Boulevard creating additional water quality benefits while providing uniformity with previous landscape improvement projects and the City’s image. Upgrades will also address aged/obsolete irrigation controllers and the distribution system including valves and pipes. The upgrades will replace high-precipitation rate sprinkler heads with low-precipitation/high-efficiency heads.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14		\$25,000		\$25,000
2014-15				
2015-16				
2016-17				
2017-18				
Total		\$25,000		\$25,000
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
*Municipal Water District of Orange County	100%			100%
*subject to grant funding				

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS:								
FISCAL YEAR COSTS BEGINS:								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN								
BID PROCESS	X							
CONSTRUCTION		X	X	X				

PROJECT TITLE: MPS –Trabuco Medians at Manalastas Drive Water Quality and Water Conservation Improvements

CATEGORY: Environmental

PROJECT DESCRIPTION:

This project will remove and replace high-water use turfgrass with California-friendly plant palettes. These proposed landscaping improvements and plant palettes will match similar projects recently completed such as El Toro Road, Jeronimo Road, and Rockfield Boulevard creating additional water quality benefits while providing uniformity with previous landscape improvement projects and the City’s image. Upgrades will also address aged/obsolete irrigation controllers and the distribution system including valves and pipes. The upgrades will replace high-precipitation rate sprinkler heads with low-precipitation/high-efficiency heads.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14		\$8,000		\$8,000
2014-15				
2015-16				
2016-17				
2017-18				
Total		\$8,000		\$8,000
SOURCE OF FUNDING				
SOURCE	ALLOCATION			
*Municipal Water District of Orange County	100%			100%
*subject to grant funding				

OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS:								
FISCAL YEAR COSTS BEGINS:								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN								
BID PROCESS	X							
CONSTRUCTION		X	X	X				

PROJECT TITLE: MPS – Trabuco Road (Red River Dr. to Lake Forest Drive) Water Quality and Water Conservation Improvements

CATEGORY: Environmental

PROJECT DESCRIPTION:

This project will remove and replace high-water use turfgrass with California-friendly plant palettes. These proposed landscaping improvements and plant palettes will match similar projects recently completed such as El Toro Road, Jeronimo Road, and Rockfield Boulevard creating additional water quality benefits while providing uniformity with previous landscape improvement projects and the City's image. Upgrades will also address aged/obsolete irrigation controllers and the distribution system including valves and pipes. The upgrades will replace high-precipitation rate sprinkler heads with low-precipitation/high-efficiency heads.

CAPITAL COST DETAIL								
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL				
2013-14		\$5,000		\$5,000				
2014-15								
2015-16								
2016-17								
2017-18								
Total		\$5,000		\$5,000				
SOURCE OF FUNDING								
SOURCE		ALLOCATION						
*Municipal Water District of Orange County		100%			100%			
*subject to grant funding								
OPERATING BUDGET IMPACT								
ANNUAL OPERATING COSTS:								
FISCAL YEAR COSTS BEGINS:								
PROJECT SCHEDULE								
	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN								
BID PROCESS	X							
CONSTRUCTION		X	X	X				

PROJECT TITLE: MPS – Ridge Route (Rockfield Blvd. to Costa Bella Drive) Water Quality and Water Conservation Improvements

CATEGORY: Environmental

PROJECT DESCRIPTION:

This project will remove and replace high-water use turfgrass with California-friendly plant palettes. These proposed landscaping improvements and plant palettes will match similar projects recently completed such as El Toro Road, Jeronimo Road, and Rockfield Boulevard creating additional water quality benefits while providing uniformity with previous landscape improvement projects and the City’s image. Upgrades will also address aged/obsolete irrigation controllers and the distribution system including valves and pipes. The upgrades will replace high-precipitation rate sprinkler heads with low-precipitation/high-efficiency heads.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2013-14		\$25,000		\$25,000
2014-15		\$17,000		\$17,000
2015-16		\$15,000		\$15,000
2016-17		\$20,000		\$20,000
2017-18				
Total		\$77,000		\$77,000

SOURCE OF FUNDING

SOURCE	ALLOCATION		
*Municipal Water District of Orange County	100%		100%
*subject to grant funding			

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS:

FISCAL YEAR COSTS BEGINS:

PROJECT SCHEDULE

	FISCAL YEAR 2013-14				FISCAL YEAR 2014-15			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT								
DESIGN								
BID PROCESS	X				X			
CONSTRUCTION		X	X	X		X	X	X

Executive Summary

The Opportunities Study Area Public Facilities Plan was first adopted in 2009. As the residential housing market gradually recovers, significant private development is anticipated over the next five-year planning period. This construction activity is expected to generate over \$100 million in fee revenue, which, when combined with the City's public facilities investment, will be used to fund the design and construction of major City capital projects, such as the Lake Forest Sports Park and Recreation Center, and Civic Center. This chapter provides a financing plan designed to "bridge" the temporary cash flow shortfalls that result from the anticipated development schedule. The financing model assumes up to three debt issuances, allowing the City to deliver the public projects in advance of OSA build out without drawing on any additional City funds.

Background

In 2003, the City initiated a series of studies, collectively dubbed the "Opportunities Study," to examine the impacts and benefits of changing allowed land uses for approximately 800 acres of land located under the former El Toro Marine Corps Air Station flight path. At the outset of this effort, the City Council developed objectives to guide the project. These objectives include:

- **Recreational Facilities.** Future residential and/or commercial development within the Project Area should benefit the entire community by providing adequate recreational facilities, including an active sports/park complex.
- **Public Space.** Future residential and/or commercial development within the Project Area should benefit the entire community by providing adequate public open space and other public amenities, including a civic/community center.
- **Development Commitments.** As a precondition to future residential and/or commercial development within the Project Area, each landowner and developer will be required to make binding development commitments determined to be appropriate by the City Council.

In 2008, following five years of study, analysis and negotiations, the City Council voted to certify the Opportunities Study Area (OSA) Final Program Environmental Impact Report and approve a General Plan Amendment and zone changes. Additionally, the Council approved Development Agreements (DAs) with four landowners – Irvine Ranch Water District, Pacific Heritage, Portola Center, and Whisler Ranch.



In 2010, the City Council approved a Development Agreement with Shea Baker Ranch Associates (SBRA), the largest of the five participating landowners in the OSA study. This milestone event marked the formal beginning of the full implementation phase of the OSA, which includes processing tentative maps and the construction of private development and public facilities.

This chapter is intended to highlight strategic City Council decisions that have established the framework for the major capital projects, and provide a financial “roadmap” for delivering the public facilities over the next five-year planning horizon (fiscal years 2013-2018).

Advancing Public Facility Projects

A portion of the public benefits provided by the DAs in exchange for a vested change of land use to residential development includes a financial contribution towards a community Sports Park/Recreation Center and Civic Center, and the requisite improved land for these facilities. Each landowner will pay its pro-rata share of the public benefit package with a public facilities fee (PFF) attributed to each residential unit approved with the tentative tract maps, to be paid at the issuance of each building permit. The DAs also allow for community facility district (CFD) bond financing that, if utilized, could accelerate the funding of the PFF prior to the issuance of building permits. However, based on the current bond market, a project must be well underway before CFD bonds can be sold.

Based on the anticipated number of residential units, the total projected PFF revenue from the five OSA projects is approximately \$113 million. The

DAs provide for a limited amount of advanced PFF funds to be paid by the landowners regardless of the timing of their respective projects to fund planning and design of the Lake Forest Sports Park and Recreation Center. The total advanced funding of approximately \$2.3 million has been received from the five landowners.

Using advanced PFF funding, the City launched the master planning and environmental review process for the proposed Sports Park in June 2009. The land exchange agreement approved by both the County and the City in April 2009 provided the City with 58.6 acres of land south of Portola Parkway and west of El Toro Road (“Glass Creek Property”). Of that acreage, up to 38 acres can be used for active public park purposes. The 2009 OSA Public Facilities Plan estimated that improvement of a 34-acre Sports Park on the Glass Creek property – with the requisite grading and infrastructure – would require an investment by the City of up to approximately \$38 million depending on the actual area used for recreation activities and other variables. Consequently, the Council approved two fund transfers of roughly \$19 million each in fiscal years 2009-10 and 2010-11 from the City’s reserves to the OSA Projects Fund to provide the necessary capital to construct active-use park facilities on the Glass Creek site.



The Master Plan for the Sports Park was approved by the City Council in August 2009. In September 2010, the City Council selected RJM Design, Inc. to provide final design services for the Sports Park. In addition, the City Council approved limited contracts for certain technical work, such as grading and drainage studies, important to the preparation of environmental documents and to avoid unnecessary delays in the project.

As part of the Master Plan for the park, the City Council determined that, in addition to the Glass Creek property, the acquisition of approximately 15 acres of adjacent property owned by Baker Ranch Properties (“BRP”) would

greatly enhance the City’s ability to provide the anticipated recreational facilities. Under a Purchase Agreement with BRP, the City acquired 15 acres of the Baker Ranch property for \$12.6 million, plus an additional 4 acres of land for the construction of Rancho Parkway, to serve as the primary access for the Sports Park. The City closed escrow on the Baker Ranch property in November 2010. This acquisition increased the City’s holdings of land for sports park purposes at this location to approximately 74 acres. The City is finalizing the purchase of an additional 13 acres of adjacent land (often referred to as the “Rados” property). The map at right depicts the three parcels included in the Sports Park planning process.



As part of the Baker Purchase Agreement, the City was required to complete the Rancho Parkway extension project by December 31, 2012. This project was completed in October 2012.

In addition to acquiring the 15-acre Baker parcel, the City also implemented a second property exchange with the County of Orange. Though the original exchange resulted in the County granting the 58.6-acre Glass Creek Property to the City, the County retained an open space preservation easement on 20.6 acres within the property’s periphery, as seen on the map above. In April 2011, the City and County approved a second property exchange in which the City assumed sole control of the 20.6 acre easement. Ultimately, the Lake Forest Sports Park will encompass 86 acres, including 57 acres for active use and an additional 29 acres set aside for passive and open space uses.

Concurrent with the land acquisition and property exchange, City staff proceeded with the environmental clearance and resource agency permitting process necessary to construct an active-use sports park on the site. Some of these efforts culminated on April 19, 2011, when the City Council certified the Environmental Impact Report for the Sports Park and selected a preferred design alternative (see map on following page). In the fall of 2011, the City Council approved the Final Sports Park Master Plan. Clearing and grubbing of the site was completed in 2012, which allowed for mass grading and drainage improvements for the entire 86-acre site to begin. In March 2013, the City Council awarded a contract to Park West Landscaping, Inc. for the construction of the Lake Forest Sports Park and Recreation Center.

CIVIC CENTER

In addition to the Sports Park, the City began preliminary planning for a new Civic Center facility – dubbed Lake Forest’s 100 Year Home. Pursuant to the DA with the Irvine Ranch Water District (IRWD), the City received an Irrevocable Offer of Dedication (IOD) for a 9-acre site on a portion of the IRWD property located at the extension of Indian Ocean Drive intended for future use as a Civic Center. In 2011, the Council held its first public workshop related to the Civic Center, and a Civic Center Conceptual Plan was presented at the City’s 20th Anniversary City Council Meeting. Next steps for the project include obtaining Architectural and Design Services, as well as Construction Management Services, to transform the conceptual plans into shelf-ready design plans.

Private OSA Development Activity

In contrast to the bleak economic outlook of previous years, there are encouraging signs in the current residential housing market, with all five landowners actively working with City staff to advance their respective projects. The five “new neighborhoods” are in varying stages of development. Whisler Ridge, located on the Whisler Ranch property, is a KB Home development that features single family homes ranging from 2,300 to 3,200 square feet. Construction of this 68-home project is expected to be completed in 2013.

Baker Ranch, a subdivision of approximately 387 acres approved for up to 2,379 homes, began grading the first phase of its development in fall 2012. Serrano Summit, an 82-acre subdivision owned by the Irvine Ranch Water District, was approved for up to 608 homes by the City Council in February 2012. The City Council approved up to 85 single-family homes at Pinnacle at Serrano Highlands, a 25-acre subdivision, in June 2012. Portola Center, located in Portola Hills, is in the Project Plans (Tentative Tract Map and Area Plan) review stage.

Based on landowner phasing projections, the earliest the City should expect

to see significant development activity in the OSA is fiscal year 2013-14. The maximum number of units allowed under the five approved DAs is 4,738. Based on project approvals for four of the five land owners, the total number of units is likely closer to 4,000. It is important to keep in mind that development forecasts are highly speculative, dependent on a number of under-defined variables, and must be continually refined.

With respect to Community Facility District (CFD) financing, staff worked with IRWD on the formation of a financing district for IRWD's Serrano Summit project, and may begin the formation of a CFD for an additional land owner. Due in part to the current bond market as well as questions related to a recent court decision requiring payment of prevailing wages, it is difficult to speculate when PFF funds collected through CFDs could occur. At a minimum, industry experts believe the bond market will not support a CFD bond issuance until a project is well underway. For this reason, staff's revenue projections conservatively assume fees will be collected at building permit issuance.

Public Facility Costs and Scheduling

In addition to \$113 million in total PFF revenue, the City is expected to receive \$11.6 million in Lake Forest Transportation Mitigation ("LFTM") fees and roughly \$8.7 million in Foothill Corridor Phasing Program ("FCPP") road fees. When combined with the initial \$38 million City investment and previously-approved capital project appropriations, the total OSA revenues are expected to be sufficient to cover the costs of the entire OSA public facilities package, comprised of the following projects:

- **Alton Parkway:** The City's segment of Alton Parkway, between Commercentre Drive and Towne Centre Drive, was completed in June 2012 at a cost of approximately \$9.5 million.
- **Rancho Parkway:** The \$4 million project to connect Rancho Parkway between Lake Forest Drive and Portola Parkway opened in fall 2012 and will serve as the primary access to the Lake Forest Sports Park and Recreation Center.
- **Lake Forest Sports Park and Recreation Center:** The project will include up to 85 acres of active and passive recreation uses, making it one of the largest of its kind in south Orange County. The current estimate to complete the project is \$86 million, which includes all realized and projected land acquisition costs.
- **Civic Center:** The Civic Center, envisioned to include a Community Meeting Center, dedicated senior center, performing arts theater/Council Meeting Chamber, City administrative offices, and emergency operations center, is planned for the 9-acre site dedicated by IRWD. The estimated cost to construct the entire facility is \$53 million.

- **LFTM Intersections:** This project will provide traffic improvements at 16 intersections throughout the city to mitigate OSA development. The improvements are estimated at \$14 million, and will be funded by developer-paid LFTM impact fees.

The total cost of the projects described above is estimated at approximately \$186 million. Though OSA fee revenue is expected to cover the difference between the \$186 million total cost and the City’s previous and anticipated investments in the projects, large-scale development activity is not expected to begin for at least another year, and OSA buildout is anticipated to occur over a period of several years. Assuming a gradual housing market recovery and a conservative private development schedule, the City would likely receive most of the OSA fee payments between 2014 and 2018. Consequently, the City would be unable to deliver many of the major OSA public benefits on a “pay as you go” basis (i.e. internal cash finance) within the proposed schedules shown on the following page:

Sports Park/Recreation Center	█				█															
Civic Center			█						█											
LFTM Intersections (Phased)			█						█											
DESIGN	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CONSTRUCTION	FY 2013-14				FY 2014-15				FY 2015-16				FY 2016-17				FY 2017-18			

The table below highlights the expected annual cash flow shortfalls (shown in red) for the major public facility projects based on the projected development schedule:

Public Facility Sources & Uses (in Millions)

Sports Park and Recreation Center		2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
	<i>Uses</i>	\$10,576	\$33,000	\$13,256	\$1,024	\$1,277	\$1,273
	<i>Sources</i>	\$11,462	\$23,858	\$28,359	\$1,024	\$1,277	\$1,273
	<i>Ending Balance</i>	\$9,142	\$0	\$15,103	\$0	\$0	\$0
	<i>Surplus Funds</i>	\$9,142	\$0	\$15,103	\$0	\$0	\$0
In Fiscal Year 2013-14 the City will issue a 2 nd debt issuance. The City would receive \$10 million in bond proceeds that would be used to augment funding for the Sports Park and Recreation Center. The proceeds would cover the revenue shortfall in Fiscal Year 2013-14.							
Civic Center		2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
	<i>Uses</i>	\$0	\$1,458	\$0	\$25,771	\$25,771	\$25,765
	<i>Sources</i>	\$0	\$0	\$0	\$22,305	\$18,347	\$362
	<i>Ending Balance</i>	\$0	(\$1,457)	\$13,645	\$10,179	\$2,754	\$28,158
	<i>Surplus Funds</i>	\$0	\$0	\$13,645	\$10,179	\$2,754	\$28,158
In Fiscal Year 2015-16 the City will issue a 3 rd debt issuance. The City would receive \$12.9 million in bond proceeds that would be used to augment funding for the Civic Center Improvements, allowing for the completion of the project in late 2016. The proceeds will cover the revenue shortfall in Fiscal Year 2015-16.							

With this in mind, the ability to deliver the public facility projects within the five-year planning horizon can best be seen as a cash flow challenge. In other words, to what extent will the projected fee revenue be sufficient to cover the annual costs associated with designing and constructing multiple capital projects within the desired timeframes? To answer this question, City staff worked with the City's financial advisor to develop a comprehensive OSA cash flow model and prepare a financing plan designed to "bridge" the cash flow shortfalls discussed previously.

Debt Financing

The conservative housing unit projections call for significant construction activity to begin in fiscal year 2013-14, with major development in fiscal year 2014-15 continuing through fiscal year 2016-17 and tapering off in fiscal year 2019-20. Based on the unit projections, staff forecasted fee revenue using a 2% annual escalation rate. Using the annual revenue estimates, a multi-phase financing plan was developed to allow for delivery of the OSA capital projects in advance of private development buildout without any additional transfers from City fund balances. The financing plan is dependent on City Council approval of up to three debt issuances, and capitalizes on the City's strong bond rating. Further, by virtue of accelerating the projects, the City would enjoy favorable labor and commodity prices that may not be available in the long-term.

While debt financing inherently involves greater risk than a "pay as you go" approach, the City's risk exposure can be almost entirely mitigated at each financing phase by re-assessing the condition of the local housing market and confirming that significant OSA private development is either underway or imminent prior to debt authorization.

The debt financing plan utilizes the conservative development projections discussed earlier in this section and anticipates roughly \$113 million in PFF revenue over a nine-year project buildout beginning in fiscal year 2011-12. Under the phased plan, the City would implement a series of up to three financings over a two-year period as follows:

- Debt Issuance #1 (issued Fiscal Year 2011-12): The City received \$10 million in bond proceeds for the Alton Parkway and Rancho Parkway projects, releasing formerly-encumbered City funds.
- Debt Issuance #2 (anticipated Fiscal Year 2013-14): The City would receive \$10 million in bond proceeds that would be used to augment funding for the Lake Forest Sports Park and Recreation Center. The proceeds would cover the PFF revenue shortfall in Fiscal Year 2013-14.
- Debt Issuance #3 (anticipated Fiscal Year 2015-16): The City would receive \$12.9 million to fund the Civic Center improvements, allowing for completion of the project in late 2016.

The bond proceeds will essentially allow the City to “bridge” the PFF cash flow shortfalls that result from the anticipated nine-year private development schedule. Further, the debt would be structured to include two years of capitalized interest, which allows for the deferral of debt service payments for a two-year period. In theory, the OSA private development activity over the two-year deferral period would generate sufficient PFF revenue to fully cover the City’s annual debt service. Moreover, the bonds would include an early call provision, providing the City the option to retire the bonds and eliminating the City’s debt obligation upon OSA buildout. Based on the current development projections, the City will accumulate sufficient PFF to retire the debt by 2017-18.

The primary risk associated with the debt financing plan is the potential for the City to become overly leveraged in advance of private development certainty. In other words, the financing plan assumes annual PFF revenue will cover the City’s debt service; if residential construction stalls or the OSA landowners reduce their respective unit counts, the PFF revenue alone would not be sufficient and the City would need to identify an alternative funding source for debt payment. For this reason, the financing plan recommends an incremental, phased approach, whereby the City carefully examines the condition of the housing market and the progress of the OSA development prior to advancing debt issuance.

Specifically, City staff would confirm that private development targets are being met, if not exceeded, before recommending the Council authorize the issuance of debt. In the instance actual development activity is not meeting projections or the number of planned units decreases, staff would recommend the Council delay or forego debt issuance. This would result in either a corresponding delay in the public facility project(s) schedule or, if deemed appropriate by the Council, another funding source would need to be identified to cover the cash flow shortfall. In no instance would staff recommend the Council authorize debt issuance without overwhelming evidence that significant development is underway or imminent.

Conclusion

The City is currently undertaking a significant phase in its development. Construction of the Sports Park, Recreation Center, and Civic Center represent long-desired community goals that will further enhance the quality of life for residents and allow the City to deliver enhanced services to specific groups including youth and senior citizens. During the OSA process, the City has taken great care to negotiate a fee structure that would serve as the basis to design and build these significant projects. Additionally, given the number of the proposed developments as well as additional road and infrastructure projects are either completed or planned to facilitate current and future traffic circulation. Although the developer fees to fund these projects are significant and sufficient to fund the desired public improvements, and the recent growth in the housing market since the recession, the timing and complexity of the OSA developments is such not

all of these units will be constructed simultaneously. Given this dynamic, staff has worked extensively to design project schedules that consider the current availability of funding, balance the community's needs for these improvements, and identifies opportunities in which to "bridge finance" portions of the public improvements without overleveraging the City's ability to pay down debt issued for this purpose. Utilizing this approach, staff believes the City will successfully deliver the public improvements to the community within the desired timeframe, but also remain consistent with its conservative principles to public finances, which has served the City well since incorporation in 1991.

CONCLUSION

The Five-Year Strategic Business Plan represents the City's efforts to respond to the needs of the community while maintaining a balanced budget and providing a fiscally conservative roadmap for the future. This roadmap allows the City to continue providing quality services to the community while at the same time remaining fiscally responsible.

Of utmost importance in developing the Plan is responding to the strategic issues facing Lake Forest over the next five years. Strategic issues are identified by understanding and listening to the community and its evolving wants and needs through collection and analysis of demographic data along with biennial survey responses to identify current and future trends. The strategic issues facing Lake Forest over the next five years are traffic, public safety, community services and public facilities, economic development, community preservation, financial stability, community and regional planning, and environmental and infrastructure issues. These issues serve as guides in developing the projects and programs in this 5-Year Plan, as well as City-wide and departmental goals.

To address traffic issues, the City will continue to apply a combination of strategies including implementing traffic signal synchronization, citywide traffic modeling, and constructing intersection improvements that comprise the LFTM program. Public safety will continue to be a top priority with the City's commitment to ensuring a full breadth of law enforcement services to prevent and reduce crime and maintain neighborhoods. Based upon current projections, the City will focus on offering community programs to accommodate the interests of a broad spectrum of ages, from pre-schoolers to seniors. The City will also focus on projects and programs to bolster property values throughout the City, both in commercial and residential areas. Understanding that the City's residents are highly educated and expect to be recognized and compensated as such, the City will continue to focus its efforts on attracting employers who can utilize the local Lake Forest workforce. Finally, the City will proactively monitor the communication preferences of residents across all demographics as new technologies emerge to continue communicating in the most relevant ways possible.

Maintaining a balanced budget requires a careful review of projected revenues and expenditures when planning for the future and identifying projects and programs to be funded. Based on available projections, it appears that the City is recovering from the recession and its effects on the City's revenues. When projecting revenues, the City has chosen to use the more conservative spectrum of estimates. Looking ahead, as the overall economy recovers from the effects of the recession, it is expected that the City's diverse revenue base will continue realizing stable, modest growth.

Incorporated into the Plan is a five-year schedule of new operating pro-

grams and capital improvement projects. The new operating programs/projects and capital improvement projects in the first two years of the Plan represent those approved in the Fiscal Year 2013-14 Operating Budget and the 2013-15 Capital Improvement Projects Budget. During the five-year period, the City will have implemented and/or completed 4 new operating programs and projects and 38 capital improvement projects.

Working with projections is an inexact science, especially in today's economic climate. Major components of the financial projections are revenues and expenditures surrounding the OSA projects detailed in Chapter 10 (five housing projects and six public facilities). When projecting these revenues and expenditures, the City has maintained its conservative approach. Since the City has committed to building the long-awaited Sports Park within the five-year planning period, the City has accounted for and included the corresponding maintenance expenditures.

The following pages provide a five-year summary of the revenues and expenditures in the General Fund and the Reserve Fund. Data from the projections for the General Fund show revenues increasing at a faster rate than expenditures in all five years of the planning period. This is a positive indication that the economy is recovering from the effects of the recession.

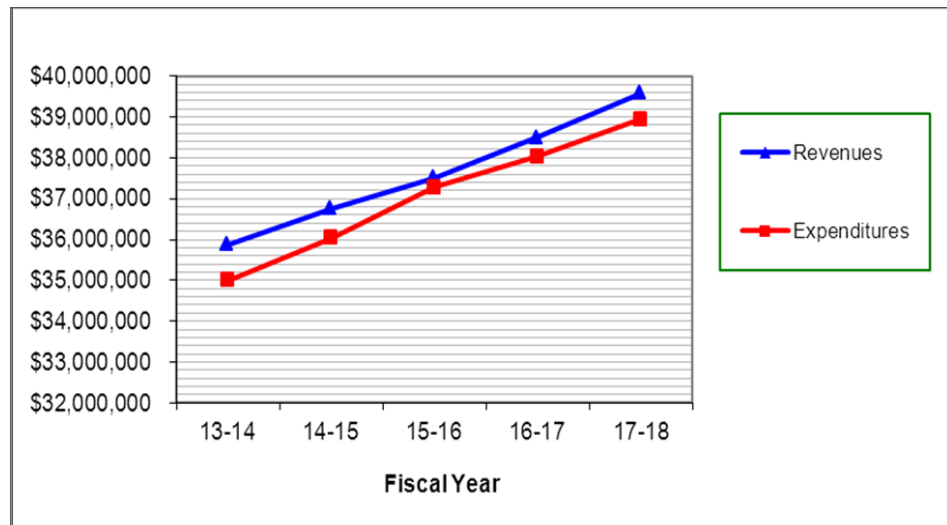
At this point, the City has chosen to show anticipated costs for new public infrastructure, including expenditures associated with the sports park. Revenues are projected to exceed expenditures in all five years of the Plan. Consequently, the City anticipates the ability to accommodate new needs without creating a permanent structural deficit.

Over the next two years the City will remain vigilant in its monitoring of all revenues and expenditures. The City recognizes the need to remain flexible when reviewing existing and future needs and has prioritized programs and projects to provide the best service possible to the community within existing budgetary constraints. Although the Plan contemplates a five year horizon, the City prepares a new Plan every two years. This biennial review allows for the inclusion of better information as well as an opportunity to forecast expenditures and revenues based upon then current data. The Plan development and review process allows the City to be proactive, rather than reactive, and make sound decisions based on quality analysis.

At the end of the five-year planning period covered by this Plan, the General Fund balance is estimated to be approximately \$22.4 million. Additionally, per the City's Reserve Policy, the City continues to ensure that all reserves are fully funded with an estimated \$19.7 million at the end of the five-year period. As a result of the City's fiscally conservative policies, the City is well-positioned to continue to deliver high quality services and projects in spite of the recent economic conditions. As always, the City encourages and welcomes community feedback and participation in continuing to maintain a high quality of life in Lake Forest.

GENERAL FUND

	2013-14	2014-15	2015-16	2016-17	2017-18
BEGINNING BALANCES	\$19,784,400	\$20,388,000	\$21,109,600	\$21,355,600	\$21,832,800
REVENUES:					
Local Taxes	31,412,500	32,411,200	33,130,900	34,106,200	35,171,500
Other Governments	19,000	19,000	19,000	19,000	19,000
User Fees and Charges	2,350,800	2,237,500	2,271,500	2,285,800	2,300,700
Licenses and Permits	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000
Fines and Forfeitures	445,000	445,000	445,000	445,000	445,000
Use of Money and Property	267,500	268,000	268,000	268,000	268,000
Other Revenue	82,300	83,000	83,000	83,000	83,000
TOTAL REVENUES	35,882,100	36,768,700	37,522,400	38,512,000	39,592,200
OPERATING EXPENDITURES:					
City Council	150,300	138,500	140,900	143,300	145,700
City Manager	634,400	653,000	673,100	695,100	719,400
City Attorney	1,296,900	1,323,000	1,349,700	1,376,900	1,404,700
Finance	923,300	949,500	977,600	1,007,700	1,040,600
Development Services	2,174,000	2,207,600	2,249,000	2,293,900	2,343,000
Public Works	7,359,500	7,522,900	7,692,500	7,869,200	8,054,200
Management Services	4,333,800	4,280,600	4,320,700	4,424,000	4,532,500
Community Services	2,917,900	3,006,600	3,100,700	3,200,700	3,307,500
Police Services	13,327,900	13,595,900	13,869,600	14,149,100	14,434,500
Economic Development	1,883,100	1,630,200	1,663,000	1,698,600	1,737,200
Personnel Changes	0	144,300	151,500	159,100	167,000
Operating Cost of New Capital Projects	0	595,100	1,088,100	1,017,000	1,058,200
TOTAL OPERATING EXPENDITURES	35,001,100	36,047,200	37,276,400	38,034,600	38,944,500
OPERATING SURPLUS/(DEFICIT)	881,000	721,500	246,000	477,400	647,700
Capital Improvement Projects					
TOTAL EXPENDITURES	35,001,100	36,047,200	37,276,400	38,034,600	38,944,500
NET SURPLUS (DEFICIT)	881,000	721,500	246,000	477,400	647,700
Interfund Transfers		0	0	0	0
ENDING BALANCES	\$20,665,400	\$21,109,500	\$21,355,600	\$21,833,000	\$22,480,500



RESERVE FUNDS

	2013-14	2014-15	2015-16	2016-17	2017-18
BEGINNING BALANCES	\$18,581,100	\$18,303,700	\$18,658,300	\$18,959,800	\$19,355,700
Interfund Transfers	(277,400)	354,600	301,500	395,900	432,100
ENDING BALANCES	\$18,303,700	\$18,658,300	\$18,959,800	\$19,355,700	\$19,787,800

