

To: Erin Gardner – Orange County Council of Governments (OCCOG) From: Ryan Givens, Planner | ryangivens@montrose-env.com

Cc: Marnie Primmer - OCCOG

Project: OCCOG Brownfield Assessment Grant Date: April 28, 2025

RE: Work Plan / Scope of Work for Yorba Park Market Feasibility Analysis

1.0 – INTRODUCTION

The purpose of this memorandum is to provide the scope of services (work plan) to conduct a Market Feasibility Analysis for the city-owned Yorba Park Property in Orange, California. The property once supported a landfill and has been modified into a public open space amenity; there may be opportunities to introduce new or additional land uses on the Property given its size and unique location within the City. The project objectives would be to explore market conditions, review/summarize past environmental/geotechnical reports, and identify potential new uses that may be conducive for the Property. The findings from the Market Feasibility Analysis will help the City make informed decisions on future use of the Property.

Project Funding – This Market Feasibility Analysis will be funded through the Orange County Council of Governments' (OCCOG) U.S. Environmental Protection Agency (EPA) Brownfield Assessment Grant. The Grant provides funding for environmental site assessments, technical studies, and reuse planning activities for brownfields across Orange County, California.

Property / Area Description – Yorba Park rests at the southwest corner of Chapman Avenue and Yorba Street, serving as a gateway Property leading into the City from Highway 55. The Property was a former landfill, but those operations ceased, and the land was repurposed into a public park. Today, Yorba Park is a large public green space, with expansive lawns along the street frontages and the City's only dog park (situated in the central and southern portions of the Property). The dog park amenities include multiple fenced play areas. A surface parking lot is accessible from Yorba Street. Santiago Creek runs along the Property's western boundaries and includes a multi-use pathway/ bicycle trail with a bridge near Chapman Avenue. The Property is believed to possess soil stability concerns related to the former landfill operations.

The Property is nestled in an established, urbanized environment; Chapman Avenue is a commercial corridor with a collection of shopping centers, standalone businesses, and medical services. Several single-family neighborhoods comprise the areas to the north and south of the Corridor. The St. Joseph Heritage Medical Group Urgent Care facility, and the Chapman Global Medical Center occupy the land direct north of Yorba Park. The Rusty Leaf Plaza (with Target store anchor) is located immediately to the east (across Yorba Street). The Orange Unified School District – Child Development Center, the Community Day School and Parkside Education Center occupy the buildings/land directly south of Yorba Park.

The following table summarizes the subject Property; Figure 1 depicts its location:

Table 1.0.a – Yorba Park Property Summary	
Subject	Data
General Location	Southwest corner of Chapman Avenue and Yorba Street (no address available)
Parcel Number	392-061-02
Size	7.76-acres / 338,300.04-sf
Zoning	Recreation Open Space (R-O)

Work Plan Overview - The City of Orange (“the City” herein) and the Orange County Council of Governments (OCCOG) would like their consultants (Montrose Environmental Group and Keyser Marston Associates) to conduct a market feasibility analysis to identify potential land uses that would be conducive for the Yorba Park Property while considering the site conditions and market opportunities/challenges.

The Project will result in a Market Feasibility report that outlines the existing site conditions, summarizes the past environmental site assessments/geological studies, lists the applicable zoning/land use requirements, defines market conditions, and recommends potential land uses that could be introduced to the Property. The analysis will include conceptual site plans that show how the land could be redeveloped with future uses.

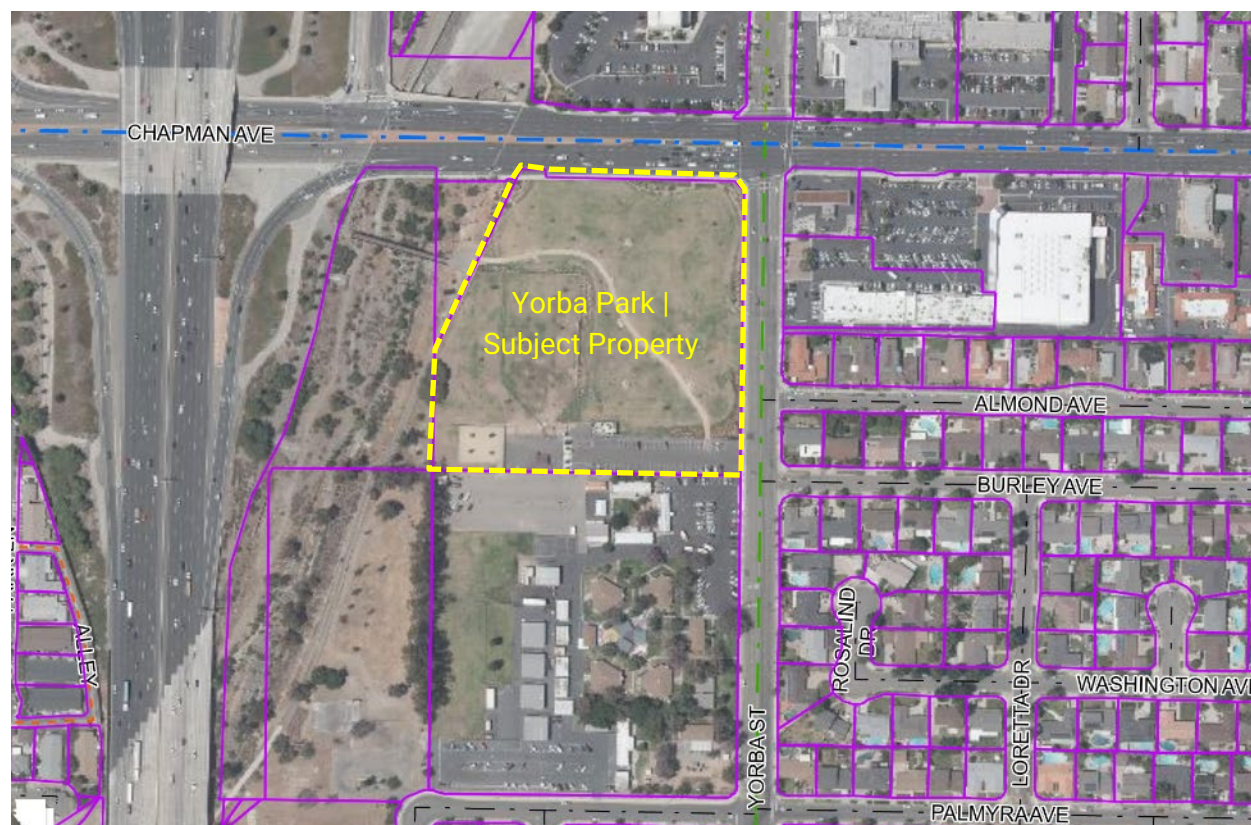


Figure 1 – Subject Property (outlined in yellow dashed line)
(Source: Orange County Geographic Information Systems – GIS- Website)

2.0 – SCOPE OF WORK

The following table lists the tasks included in the scope of work for the Market Feasibility Analysis related to the Yorba Park Property in the City of Orange. Within this document, Montrose Environmental Group and Keyser Marston Associates constitute the Consultant Team.

Table 2.1 – Yorba Park Market Feasibility Analysis Scope of Work	
Task Options	Subtasks / Work Descriptions
TASK 1: PROJECT MANAGEMENT & COORDINATION Fee Estimate: \$5,460.00	<p>Task Overview – The Consultant Team (led by Montrose) will manage the project components, prepare monthly invoices, schedule/attend project coordination meetings, and respond to the City/OCCOG’s periodic requests for project information. This task will include the following subtasks/components.</p> <p>1.1: Monthly Coordination Meetings – The Consultant Team will attend monthly coordination meetings with City/OCCOG staff (as applicable) through the project duration to discuss upcoming tasks, review/discuss project materials, define task logistics, and discuss potential planning ideas benefiting the Property.</p> <p>1.2: Subconsultant Coordination and Document Review – Montrose, serving as the Prime Consultant, will manage invoices, review draft deliverables, and coordinate with subconsultant firms related to the project.</p>
TASK 2: EXISTING CONDITIONS ANALYSIS Fee Estimate: \$12,760.00	<p>Task Overview – The Consultant Team (led by Montrose) will review and summarize the existing area conditions in terms of land use policy, zoning/development standards, local context, access/mobility, wet utilities, and property conditions; this information will serve as baseline data to guide potential reuse options for the Property. Montrose will also gather, review, and summarize past environmental and geotechnical reports/studies conducted for the Property. Montrose will document the findings in a memorandum so the content can be integrated into the larger Market Feasibility Assessment report (defined under Task 3). This task will include the following subtasks/components.</p> <p>2.1: Land Use, Zoning, and Policy Document Review – Montrose will review and summarize the applicable City policy and development standards relating to the Property. This would include zoning/regulatory components such as allowable land uses, dimensional standards, parking/access requirements, and intensity limitations (as applicable).</p> <p>2.2: Utilities Analysis – Montrose will conduct a planning-level review of the existing potable water and sanitary sewer service in and around the Property to determine line locations/sizes and the City’s ability to serve future projects in the vicinity. To conduct this research, Montrose will interview City staff to define utility conditions and require associated utility maps – this subtask does not include an in-depth system analysis or field inspection.</p> <p>2.3 – Environmental Assessment Review – Montrose will review previously completed environmental site assessments, geotechnical reports, and/or similar studies to understand the location/extent of known contamination on the Property, and areas of soil stability concerns, recommended additional study, and identified remediation actions. This subtask will include the following components:</p> <ul style="list-style-type: none"> • Plan/Study Review – Montrose will review readily-available environmental investigations that may have been conducted for the subject Property (e.g., Phase I/II Environmental Site Assessments

Table 2.1 – Yorba Park Market Feasibility Analysis Scope of Work	
	<p>and/or geotechnical reports). The Consultant Team will issue an information request to the City of Orange for any past plans/reports; this analysis will be based on the information the City provides to the Consultant Team.</p> <ul style="list-style-type: none"> • Findings / Areas of Concern – Based on the review described in Plan/Study Review, Montrose will create exhibits and compose a memorandum that identifies any areas of concern as it relates to soil stability and potential site contamination, along with possible land use restrictions/controls.
<p>TASK 3: MARKET ASSESSMENT</p> <p>Fee Estimate: \$51,975.00</p>	<p>Task Overview – The Consultant Team (led by Keyser Marston Associates - KMA) will write a Market Feasibility Study report for the Property to define the market conditions and financial feasibility of alternative development programs (land uses). KMA will integrate the data/findings from the other tasks contained in this Work Plan into the final report. This task will include the following subtasks/components (also see the attached KMA Proposal dated April 11, 2025).</p> <p>3.1: Market Opportunities Analysis – KMA will collect and summarize the general market opportunities for the vicinity; that information will help define potential land uses/development programs that may be conducive for the Property. This subtask will include the following components.</p> <ul style="list-style-type: none"> • Market Area Overview - KMA will summarize the demographic makeup of the residents, employment and businesses for the City and Orange County. • Market Conditions Analysis – KMA will explore the market conditions for the vicinity. This would include real estate market conditions related to local rental rates (retail, office, hotel, and residential), residential sales prices, vacancy rates, hotel performance, and land/building values. This will also include market area performance relating to productivity levels for retail, retail surplus/leakage (in Orange), office market projections, and hotel performance. • Site Opportunities – KMA will identify potential land uses that may be most conducive for the Property based on the Market Conditions Analysis. KMA will identify potential rental and sales price rates for retail, office, hotel, and residential. <p>3.2: Financial Analysis – Based on the findings collected from subtask 3.1, KMA will conduct the following analysis:</p> <ul style="list-style-type: none"> • Entitlement and Physical Constraints – KMA will review the physical conditions on the Property and identify appropriate entitlement opportunities to best promote development. • Land Use Alternatives – KMA will evaluate the financial feasibility for up to three (3) alternative development programs for the Property. KMA will work with the City/Montrose to identify the three market supported development programs (for the Property). KMA will also conduct planning-level pro-forma estimates for each of the recommended development programs (aimed to assess the financial feasibility for potential projects). KMA will incorporate the conceptual plans (from Task 4) into this section of the report.

Table 2.1 – Yorba Park Market Feasibility Analysis Scope of Work	
TASK 4: CONCEPTUAL REUSE PLANS Fee Estimate: \$5,980.00	<p>Task Overview – To support the Market Assessment activities under Task 3, Montrose will create conceptual site plans for each of the three identified development programs for the Property. The intent would be to show the scale and spatial arrangement for each program so the City can assess future land use options for the Property.</p> <p>These will be plan-view, color rendered depictions of potential redevelopment options showing future buildings, pedestrian access, parking areas, and open space areas (as applicable). Montrose will use readily available GIS datasets and aerial photography as base information to create the conceptual plans; land survey services are not included in this task. Additionally, the conceptual planning task does not include stormwater management design or evaluation. Each plan will include a graphic depiction of potential site improvements and a site statistics table listing the intensity assumptions, as appropriate (e.g., site area, parking calculations, building sizes, unit count, and/or floor area ratio).</p>
TASK 5: REUSE STRATEGIES Fee Estimate: \$9,300.00	<p>Task Overview – The Consultant Team (led by Montrose) will recommend a series of planning level strategies that the City may choose to employ to position the Property for reuse/enhancement and to align with the market findings (defined under Task 3). Montrose will document its recommendations in a memorandum; that information will be integrated into the Market Assessment report (defined under Task 3). This task will include the following subtasks/components.</p> <p>5.1: Planning Strategies – Montrose will identify potential land use/zoning refinements, and capital projects that would support site reuse.</p> <p>5.2: Land-based Strategies – Montrose (Geologist) will identify planning-level options to support future improvement projects as depicted on the conceptual reuse plan (as defined in Task 4). This may include, but not limited to, options for soil stability, advanced construction methods, and/or areas of the Property deemed unsuitable for development (as applicable).</p>
TOTAL FEE ESTIMATE	\$85,599.00 (including the tasks described herein plus \$124.00 for mileage)

ATTACHMENT

- Keyser Marston Associates (KMA) Proposal – April 11, 2025



KEYSER MARSTON ASSOCIATES

April 11, 2025

ADVISORS IN:

Real Estate
Affordable Housing
Economic Development

BERKELEY

A. Jerry Keyser
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Ryan Givens

Principal, Brownfields & Community Revitalization Practice

Montrose Environmental Solutions, Inc.

Dear Mr. Givens:

Keyser Marston Associates, Inc. (KMA) is pleased to submit the following proposal to provide economic consulting services to Montrose Environmental Solutions, Inc. (Montrose). As KMA understands the situation, Montrose is managing an EPA Brownfield Assessment Grant on behalf of the Orange County Council of Government (OCCOG). As such, on behalf of the City of Orange (City), Montrose would like to engage KMA, as a subconsultant, to evaluate the market and financial feasibility of alternative development scenarios for a site in the City of Orange (Site). In addition, Montrose will provide technical support for land-, entitlement-, and brownfield-related background and analysis. With this understanding, KMA is pleased to submit the following letter proposal to Montrose, which is organized as follows:

- KMA's relevant qualifications are summarized;
- The proposed scope of services is described; and
- The proposed budget for the engagement is provided.

STATEMENT OF QUALIFICATIONS

Description of the Firm

KMA is a full-service real estate, financial, and economic consulting firm specializing in real estate advisory and evaluation services. KMA is a privately held corporation that was founded in 1973. We have one of the largest real estate advisory practices on the West Coast, and the majority of KMA assignments involve long-standing client relationships.

KMA's services fall within the following general areas:

- Real Estate Evaluation and Transaction Services
- Strategic Planning and Economic Development Services
- Affordable Housing
- Valuation and Litigation Support
- Fiscal Impact Analyses
- Infrastructure and Public Finance Structuring

The increased complexities of real estate transactions demand a strong technical understanding of market opportunities and constraints. KMA can provide services that are grounded in a fundamental understanding of the Southern California real estate market, valuations and investment financing. Unique characteristics possessed by KMA include:

Experience

KMA has over 40 years of experience assisting clients throughout the West in real estate market and evaluation services; negotiation services; structuring public/private transactions; and project implementation services.

Cost Effectiveness

KMA can be cost effective for our clients given our ability to provide comprehensive services relating to market and financial feasibility, economic analysis, direct implementation experience and public finance without the need for multiple consultants.

Commitment

KMA offers the commitment of principals who are recognized leaders in real estate advisory services throughout California. This philosophy and structure provides clients with maximum direct contact with the firm's principals.

SCOPE OF WORK

The KMA analysis will summarize the market conditions and financial feasibility of alternative development programs on the Site based on the following scope of services.

Task 1 – Market Opportunities Analysis

Task 1 will evaluate the market opportunities for the Site based on the following scope of services.

MARKET AREA OVERVIEW

KMA will update the makeup of the residents, employment and businesses within the following areas:

1. The pertinent market area;
2. The City of Orange; and
3. Orange County.

There are numerous important demographic and economic characteristics that will profoundly impact the market support for residential and commercial development. Included among these are the number of households, household formation, population and income levels. In addition, KMA will summarize business patterns in the market area.

MARKET CONDITIONS ANALYSIS

KMA will provide an assessment of market conditions to identify near- to mid-term development opportunities. The assessment of market conditions will consider the strengths, weaknesses and opportunities for uses of the Site. The analysis will evaluate the following:

Real Estate Conditions

1. Local and regional rent levels for retail, office, hotel and residential
2. Residential sales prices
3. Vacancy rates for retail, office and residential
4. Hotel performance factors including average daily rate, occupancy levels and revenue per available room (RevPAR).
5. Land and building values

6. Recent transactions
7. Proposed developments

Market Area Performance

1. Productivity levels for retail
2. Retail surplus/leakage analysis by retail type
3. Residential growth projections
4. Office market projections
5. Hotel performance

Based on the information compiled, KMA will evaluate the strengths and weaknesses embodied by the existing uses in the market area. Information sources will include:

- Interviews with brokers active in the area;
- Real estate market reports prepared by real estate service corporations;
- Sales tax information provided by the State Board of Equalization;
- Publications prepared by local governmental agencies;
- Information obtained from private firms; and
- Market research conducted by KMA.

SITE OPPORTUNITIES

The information compiled above will be utilized to evaluate the market opportunities for the Site. This evaluation will consider the depth of demand for various development types throughout the larger market area, and the appropriateness of these uses for the Site. Specifically, KMA will identify the following:

- Range of retail rents, occupancy rates and general demand for retail space.
- Range of office rents, occupancy rates and general demand for office space.
- Hotel room rates, occupancy levels and market area demand.

- Range of rental rates for apartment units by bedroom count and per square foot, general occupancy rates and general demand for units.
- Price range (total and per square foot) for townhome or condominium units and general demand for each type of unit.

Upon completing Task 1, KMA will prepare a memorandum summarizing the key findings including:

- A summary of socioeconomic and demographic conditions;
- Projected market demand for the various uses.

Task 2 - Financial Analysis

The information compiled in Task 1 will be utilized to evaluate development feasibility for the Site. Specifically, KMA will conduct the following analyses:

1. Entitlements & Physical Constraints - KMA will review the physical properties of the Site and identify appropriate entitlement opportunities to best promote development. The evaluation will consider and summarize State of California SLA requirements.
2. KMA will evaluate the financial feasibility for three alternative development programs for the Site. To conduct this analysis, will undertake the following activities:
 - a. Work with the Project Team to identify three market supported development programs.
 - b. Consider Project quality and target market, including affordability mix.
 - c. Identify project land uses, including residential unit mix by bedroom count, residential unit sizes and scope of commercial and/or hotel development.
 - d. Prepare a pro forma analysis of the programs, evaluating the following:
 - i. Estimated construction costs

- ii. Appropriate operating parameters, including residential rents/sales prices (market and affordable), commercial rents hotel performance factors and relevant operating expenses
- iii. Market rate return requirements
- iv. Estimated residual land value
- e. The land residual value supported by each development program will be compared to comparable land sales in the market area to confirm reasonableness and feasibility.

Upon completing Task 2, KMA will prepare a comprehensive memorandum summarizing the key findings of the Task 1 and Task 2 analyses including:

- A summary of socioeconomic and demographic conditions;
- Projected market demand for the various uses and;
- Development feasibility of prototypical projects, including supported land residual values.

BUDGET & SCHEDULE

Given the nature of the assignment, the study would be prepared for a budget of \$49,500.

Project Budget	
Task 1	\$30,000
Task 2	\$19,500
Project Total	\$49,500

For the purposes of this analysis, KMA anticipates participating in two in person meetings and three virtual meetings. Any additional meetings will be billed on a time-and-expense basis in accordance with the rate schedule shown below. KMA believes Task 1 can be completed within six weeks of receiving authorization to proceed and any data/information requested from the Project Team. Task 2 can be completed within six weeks after the delivery of the final Task 1 report. Reimbursable expenses are in addition to the above amounts.

Billing Rate Schedule	
Chairman, President, Managing Principals	\$305.00
Senior Principals	\$295.00
Principals	\$275.00
Managers	\$245.00
Senior Associates	\$205.00
Associates	\$185.00
Senior Analysts	\$170.00
Analysts	\$145.00
Technical Staff	\$105.00
Administrative Staff	\$90.00

KMA appreciates the opportunity to submit this proposal. Please do not hesitate to contact us if this proposal can be modified to better meet your needs.

Sincerely,

Keyser Marston Associates, Inc.



Kevin Engstrom
Senior Principal



Julie Romey
Senior Principal