



## United Cerebral Palsy Orange County



## Urban Land Institute Orange County District Council



## Young Leaders Group Pro Bono Technical Assistance Panel Report



Sponsored by



Conducted: May 1, 2009





## ULI MISSION

***The Mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.***

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*"To help children with developmental disabilities reach their full potential, improve the quality of life for their families, and foster an attitude of acceptance and inclusion."*

## INTRODUCTION

On May 1, 2009, the Orange County District Council of the Urban Land Institute (ULI) Young Leaders Group (YLG) conducted a pro bono Technical Assistance Panel (TAP) for United Cerebral Palsy of Orange County (UCP-OC). The TAP program provides non-profit organizations, like UCP-OC, with a tool to solve complex real estate and land use issues in a uniquely objective way. At the same time, the TAP provides ULI members a means to give back to their communities and helps promote ULI's mission of providing responsible leadership in the use of land and in creating and sustaining thriving communities worldwide.

United Cerebral Palsy of Orange County (UCP-OC) is a non-profit organization founded in the early 1950s by parents and friends of children with cerebral palsy. The goal of the organization was originally to provide education, support, and socialization for individuals with cerebral palsy and their families. Today, the organization not only serves children with cerebral palsy but also those with a wide range of conditions including autism, Down syndrome, epilepsy, and developmental delays. Additionally, the organization provides several key programs and services geared not only towards helping kids reach their full potential but also towards improving the quality of life for the parents and family members.

In early December 2008, UCP-OC and members from the ULI Orange County YLG discussed UCP-OC's vision of developing and building a new all-inclusive child care center within the next three to five years that would serve children with and without disabilities. While UCP-OC was able to address the absolute shortage of child care available in Orange County for children with special needs, they lacked the resources necessary to address how to actually develop and build this center. First and foremost, UCP-OC sought answers to a number of critical questions that would assist them in writing their Early Care & Education Center Business Plan, a critical document needed for several state and federal grants. In addition, they needed a viable strategic plan or "blueprint" that could be utilized throughout the lifetime of the project.

The report that follows is a "blueprint" that addresses UCP-OC's key real estate and land use related questions by giving recommendations to help make their vision become reality.

## SUMMARY OF TAP

### ***Preparation and Due Diligence***

After UCP-OC and ULI Orange County YLG were able to define a scope of work and clearly articulate UCP-OC's objectives, a call for TAP panelists with real estate expertise and an interest in giving back to the Orange County community was made. Specifically, volunteer panelists were sought who had experience and expertise in the following areas:

- ✦ Development and Acquisitions
- ✦ Architecture and Planning
- ✦ Government and the Public Sector
- ✦ Debt, Equity and the Capital Markets
- ✦ Market Trends and Demographics

The selected TAP panelists received a draft version of UCP-OC's Early Care & Education Center Business Plan. Additionally, each panelist was encouraged to visit UCP-OC's webpage ([www.ucp-oc.org](http://www.ucp-oc.org)) to familiarize themselves with the organization, services provided, and abundant programs offered to children with disabilities and their families.

With the help of the directors at UCP-OC and other ULI members, YLG Community Outreach Co-Chairs (responsible for coordinating the TAP panelists efforts) created and compiled "The Interview Resource Guide" which included contact information of over 50 people, organizations, and institutions who could offer advice, support, recommendations, knowledge, or ideas to the panelists as it related to UCP-OC's scope of work.

Following a "Panelist Kick-Off Meeting" that outlined what the following three months leading up to the TAP would entail, each panelist was assigned two to four community experts to contact from the "Interview Resource Guide." However, most panelists found it both beneficial and necessary to contact

several more. In fact, many of these "Community Experts" were contacted more than once and several met with panelists in person, in addition to having phone and email conversations.



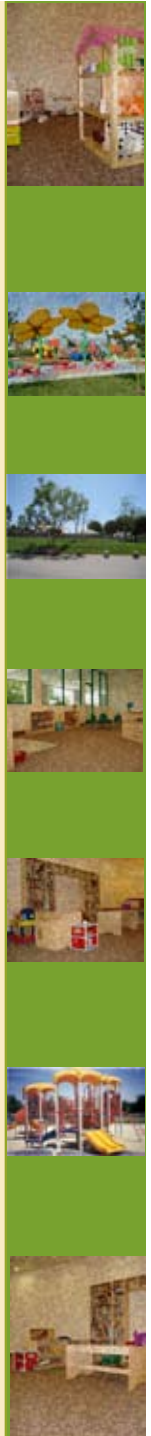
## COMMUNITY EXPERTS

- ✦ Advocates for Adults with Developmental Disabilities
- ✦ Boys and Girls Club of Tustin
- ✦ California Children's Services
- ✦ Child Care Connections
- ✦ Children's Center, CSUF
- ✦ Children's Home Society of California
- ✦ Children's Hospital of Orange County (CHOC)
- ✦ CHIME Institute, CSUN
- ✦ CHOC-UCI Neuro-developmental Programs
- ✦ City of Irvine Child Care Coordination Office
- ✦ Comfort Connection Family Resource Center
- ✦ Donna and John Crean Child Care Center at Hoag Hospital
- ✦ Dougherty + Dougherty Architects, LLP
- ✦ Down Syndrome Association of Orange County
- ✦ Epilepsy Foundation
- ✦ Family Support Network (FSN)
- ✦ For OC Kids
- ✦ Fullmer Construction
- ✦ Goddard School – Ladera Ranch, California
- ✦ Harry & Grace Steele Children's Center at Orange Coast College
- ✦ Help Me Grow – Orange County
- ✦ Irvine Unified School District – School Readiness Nurses
- ✦ Kennedy Commission
- ✦ La Petit – Huntington Beach, California
- ✦ Low Income Investment Fund
- ✦ Mariners Church Preschool
- ✦ Orange County Head Start
- ✦ Orange County School Districts
- ✦ Orange County Social Services Agency
- ✦ Regional Center for Orange County (RCOC)
- ✦ Snyder Langston
- ✦ Special Education Services School
- ✦ MVE Institutional Architects
- ✦ National Pediatric Support Services
- ✦ OC Children and Families Commission
- ✦ Orange County Child Care and Development Planning Council
- ✦ Orange County Child Care Inclusion Project (OCIP)
- ✦ Orange County Department of Education (OCDE)
- ✦ Team of Advocates for Special Kids (TASK)
- ✦ UC Irvine Child Development Center
- ✦ UCP Inclusion Connection and Childcare Connection
- ✦ UCP Support Services
- ✦ United Cerebral Palsy of Orange County (UCP)
- ✦ Western Youth Services Early Childhood Program
- ✦ Y Inclusion and New Horizons
- ✦ YMCA of Orange County Community Services Branch (YCS)
- ✦ Ziegler Capital Markets

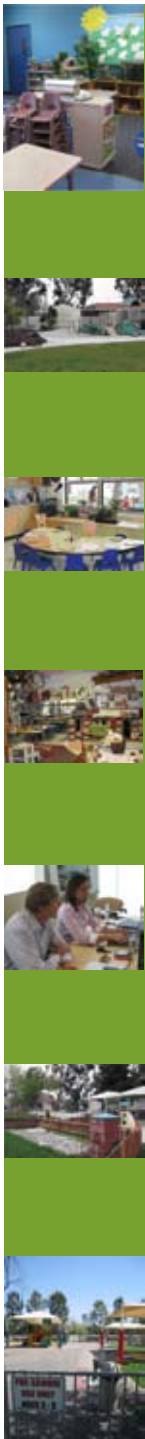
In the months leading up to the TAP, ten site visits to various centers were also arranged. The first site visit was scheduled for all panelists to attend as a group. For the first site visit, the panelists came together as a group to meet at the current UCP-OC facility in Irvine, California. There they were given a tour of the therapy rooms, gyms and administrative offices. The site visit was led by Kathleen McFarlin, Associate Executive Director and Grant Dunning, Associate Executive Director. This site visit was an excellent opportunity for panelists to understand what UCP-OC's current facility includes and what more their vision entails.

The other nine site visits were typically attended by one to three panelists and were additional opportunities for the team to get design ideas and input from members in the community. The following is a list of sites visited by the panelists:

- ✦ Harry and Grace Steele Children's Center at Orange Coast College
- ✦ Children's Center, CSUF
- ✦ CHIME Institute, CSUN
- ✦ Donna and John Crean Child Care Center at Hoag Hospital
- ✦ Goddard School – Ladera Ranch, California
- ✦ Good Shepherd Preschool
- ✦ Harry and Grace Steele Children's Center at Orange Coast College
- ✦ Irvine Development Center
- ✦ Mariner's Church Preschool
- ✦ St. Mary's Preschool
- ✦ United Cerebral Palsy of Orange County







## TAP EVENT

The TAP was held on May 1, 2009. “Expert Interviews” were conducted during the first hour of the TAP, which gave panelists one final opportunity to ask questions and get clarification on any earlier conversations or due diligence conducted. The interviews were conducted in a group setting and formatted to allow for an open exchange of information. The community experts who participated during the interview hour included:

- ✦ Roseann Andrus – Project Manager, Child Care Connections
- ✦ Laurie Beeler – Director of Pediatric Therapy Services, UCP-OC
- ✦ Anne Broussard – Child Care Coordinator, Orange County Social Services Agency
- ✦ Jon Dempsey – Senior Program Officer, Low Income Investment Fund
- ✦ Patricia Glancy – Manager of Fair Hearings, Regional Center of Orange County

“Stakeholder Interviews” were conducted during the second hour of the TAP. Stakeholders included parents who have disabled and/or typically developing children, and who had been associated with UCP-OC on some level. As with the “Expert Interviews,” these interviews were conducted in a group setting to give panelists the opportunity to speak with the consumer and end-user – the parents. It also gave panelists the opportunity to speak with an individual who not only has cerebral palsy but who also has been a critical supporter and fundraiser for the Early Care & Education Center. The stakeholders who participated during this interview hour included:

- ✦ Morgan Anderson – Parent of a typically developing child, who attends Mariners Church Preschool
- ✦ Judy Dunning –Mother of Paige, age 12, who has cerebral palsy and is non-ambulatory and non-verbal
- ✦ Derrick Ho – Father of Nathan, age 17, who has autism and is served by UCP-OC in his child care setting

- ✦ Bonner Paddock – UCP-OC Board Member; founder of OM Foundation to raise funds for the Early Care & Education Center
- ✦ Michelle Wolkoys – Parent of a typically developing child.

The balance of the day consisted of “Panel Working Sessions” where panelists recapped observations from the interview sessions as well as all their due diligence and site efforts conducted prior to the TAP. Following this review, the panel discussed the TAP Questions and formulated findings and recommendations. Panelists took copious notes to create a presentation to be given at the conclusion of the TAP. This presentation gave a summary of the panelist’s findings and recommendations to UCP-OC and other invited guests. These notes served as the basis of this report, which would serve as a guide to help make decisions in developing and building the Early Care & Education Center.





## SCOPE OF WORK

### **Summary of the Problem**

United Cerebral Palsy of Orange County serves children from birth through the age of 18, who have either been diagnosed with a developmental disability or who are at risk of experiencing developmental delays. In order to address the shortage of child care available in Orange County for children with special needs, UCP-OC plans to build a new inclusive child care center within the next three to five years to serve children with and without disabilities. This is a type of “inclusive” child care setting where young children with disabilities and without disabilities could learn and play together. According to UCP-OC, “Center-based, inclusive child care programs offer the best opportunity for children with disabilities to experience social interaction and various types of learning opportunities, as well as providing benefits to typically developing children.”

The need for programs that serve children with disabilities and for services that support and strengthen their families is increasing both nationally as well as locally. In Orange County, a 97% increase in the number of children who utilize disability services through the Regional Center of Orange County (RCOC) occurred between 1996 and 2005. Currently, UCP-OC receives approximately 35 new referrals from RCOC every month, indicating the ongoing need for the services UCP-OC provides.

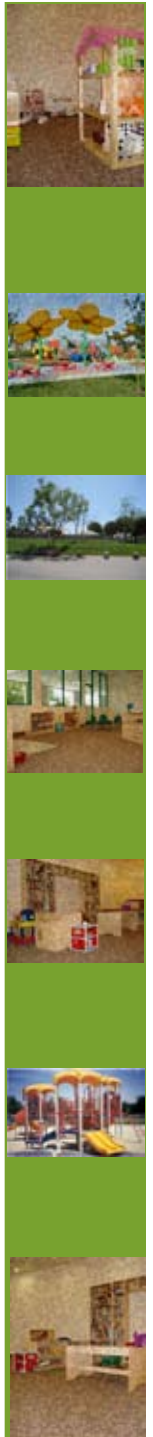
Furthermore, Orange County has a shortage of licensed child care providers. In fact, “Orange County has only one licensed child care space for every six children or working parents.” For parents who have a child with a disability, finding quality child care can be extremely difficult. Many times, child care for children with disabilities is inadequate and does not promote or encourage optimal development. While child care centers in Orange County are legally required to accept and provide care for children with disabilities, they often are reluctant to do so because of their lack of capacity and in some cases even fear or prejudice. UCP-OC’s planned inclusive Early Care and Education Center will provide developmentally appropriate child care for disabled and typically developing children.

### **Primary Goal**

UCP-OC has a very specific objective: “In an effort to provide ‘life without limits’ for young children with disabilities, to reduce stress upon working parents, and to demonstrate the efficacy of an inclusive early care and education facility within Orange County, UCP-OC is committed to the creation of a model, inclusive child care center where every child feels accepted.”

This center would provide equal access to high quality, licensed early care and education, and would assist all children, with or without disabilities, to experience optimal development. The center would also be a “one-stop-shop” that provides comprehensive educational and on-site therapy services that include physical, occupational, and speech therapy. Additionally, the center would provide tools and resources for families and would offer working parents an option of licensed, high quality, fully inclusive child care and/or therapy. Lastly, this center would be a model center of best, inclusive practices and a demonstration site for other educational and child care professionals within Orange County and beyond. UCP-OC believes that “by combining [their] existing inclusive childcare services with a new center-based program and therapy center, [they] can more effectively meet the current needs in our community.”

The goal of the TAP panelists was to address the scope of work by answering the TAP Questions created by UCP-OC and offer recommendations to UCP-OC. Ultimately, the ULI Orange County YLG TAP panelists sought to create and provide a viable strategic plan for UCP-OC to utilize as they move forward with their development plans.





## TAP Questions

UCP-OC created five questions that the TAP team would address. These questions served as the scope of work and as the framework for the recommendations given to UCP-OC.

1. Where should the UCP-OC All-Inclusive Early Learning Center be located?
  - a. Demographics of user base
  - b. Proximity to organizations and institutions that collaborate with UCP-OC activities
  - c. Long-term viability of the location
  - d. Zoning and Specific Plan compliance
  - e. Sufficient acreage
2. Which strategies can the following groups collectively employ to lower or negate the acquisition cost?
  - a. Individuals
  - b. Companies
  - c. Community organizations
  - d. Non-profits
  - e. Municipalities
3. What are the costs?
  - a. Raw land vs. existing development analysis
  - b. Construction and improvement costs
  - c. Proforma operating budget
  - d. Capital expenditures schedule
  - e. Debt and equity requirements
4. How does UCP-OC harness expertise in special-needs projects from the following groups?
  - a. Capital Sources – debt, equity, and capital market brokers
  - b. Principals – developers and JV partners
  - c. Design – architects and planners
  - d. Government – local, city, county, state, and federal agencies
  - e. Other – legal, consultants, 3rd party services, etc.

5. What other needs-related projects could be beneficial to the UCP-OC All-Inclusive Early Learning Center?
  - a. Existing projects that serve as an example of the UCP-OC physical plant
  - b. Existing projects or organizations that could partner with or support the UCP-OC vision
  - c. Projects in the planning and/or construction phase that could share best practices with UCP-OC



## SITE SELECTION

### Market Description

Orange County has seen steady population growth over the past decade, driven both by natural increase and in-migration. Population projections indicate the county will continue to expand over the next decade. Currently, the county has an estimated 2.99 million residents and its youngest residents (ages 5 and under) account for roughly 7% of its population.

There is a shortage of licensed care for the county's young population, especially for children with special needs. The state's Social Services Community Care Licensing Division estimates that Orange County has a total of 61,932 licensed early care and education spaces for children 5 years old and under. While families can choose alternatives to licensed childcare (i.e. nanny, family care, etc.), a study conducted by the Orange County Child Care Facilities found there was a shortfall of over 219,000 spaces for licensed child care spaces. It is important to also consider, there were limited options for parents with special needs children since many of these licensed facilities are not equipped to care for these children.

While there is clearly a need for childcare in the county, particularly for children with special needs, the site selection process could not be narrowed simply on the basis of where there was a high concentration of children or children of special needs. Instead, an understanding UCP-OC's expected user base was key in limiting the selection process to a few target cities. As currently envisioned by UCP-OC, the proposed all-inclusive learning center and child care facility would cater to:

- ✦ "Typically developing" children (expected to account for two thirds of its user base).
- ✦ Only one-third of special needs children. More importantly, Stakeholder interviews revealed that parents with a special needs child would travel virtually any distance to receive quality childcare.

- ✦ Comparatively affluent households that can afford high quality childcare with lower than industry average teacher-to-student ratios.

In addition to the above criteria, proximity to the county's major employment centers (Irvine, Santa Ana, Anaheim), should be given primary consideration in the site selection. Stakeholder interviews of typically developing children indicated both proximity to their residence and employment influenced their decision for a child care facility. As such, a site's proximity to major employment (all of which are centrally located) would help to broaden the facility's target buyer.

Rather than provide a specific location, the TAP panelists opted to provide a guide to assist UCP-OC in its site selection process. The first component included a demographic matrix that compared nine municipalities in order to assess potential demand for high quality childcare. The nine municipalities, which offer a wide geographic range, were selected prior to the TAP based on the above criteria as well as initial fieldwork and interviews.

The following tables compare the aforementioned socioeconomic variables as well as each city's proximity to major employment.





**Figure 1: Demographic Analysis of Select Cities**

City	Total Population	Young Population (Ages 0-5)	% Under Age 5	Preschool Population (3years+)	% of Young in Preschool	Population Employed w/ kids Under 6
Anaheim	366,471	28,635	8%	5,055	18%	31,573
Costa Mesa	107,820	7,677	7%	1,529	20%	13,969
Huntington Beach	190,487	11,374	6%	3,680	32%	12,791
Irvine	186,220	10,770	6%	3,310	31%	13,102
Mission Viejo	96,244	5,659	6%	1,706	30%	17,110
Orange	139,112	9,192	7%	2,278	25%	22,449
San Clemente	60,355	4,073	7%	1,045	26%	4,319
Tustin	68,934	5,945	9%	1,326	22%	6,641
Yorba Linda	64,965	3,236	5%	1,078	33%	4,038

	% Working w/ Young Kids	Dual Income Households w/ kids under 6	% Dual Income w/ Young Kids	Total Households	2007 Household Income
Anaheim	9%	17,173	18%	96,930	\$56,315
Costa Mesa	13%	9,228	24%	38,665	\$61,075
Huntington Beach	7%	6,867	9%	73,781	\$77,679
Irvine	7%	5,853	9%	65,999	\$91,101
Mission Viejo	18%	10,859	26%	42,350	\$92,676
Orange	16%	16,526	38%	43,350	\$72,905
San Clemente	7%	2,105	9%	22,971	\$82,842
Tustin	10%	3,244	13%	24,314	\$66,343
Yorba Linda	6%	2,323	11%	21,047	\$113,488

SOURCE: American FactFinder



**Figure 1: Demographic Analysis of Select Cities (cont.)**

City	Distance from Employment 1/	Proximity to Organizations
Anaheim	7	
Costa Mesa	11	
Huntington Beach	14	
Irvine	7	Regional Center of OC, United Way
Mission Viejo	18	Regional Center of OC
Orange	7	CHOC
San Clemente	32	
Tustin	7	
Yorba Linda	14	

1/Average driving distance from Orange County's major employment nodes (Irvine, Santa Ana, Anaheim) from Yahoo Maps





## Key Demographic Findings:



1. Of the nine communities analyzed, the highest quantity of children under the age of 5 includes Santa Ana, Anaheim, and Huntington Beach. However, Anaheim and Tustin both have slightly higher percentages of this age group compared to the rest of the communities.



2. Anaheim, Irvine, and Tustin offer the best access to major employment in the county. These communities are centrally located in the county, which will be beneficial in widening the target base of typically developing children.



3. Household incomes are highest in Yorba Linda, Orange, and Irvine. Income levels are an important consideration since the proposed learning facility will charge higher than average tuition fees for its high level care.



4. Of the nine communities surveyed, young working families accounted for 17% of households. Mission Viejo, Orange, and Anaheim, however, report significantly higher percentages of dual income households with young children, ranging from 24% to 38%.



5. The Regional Center of Orange County conducted a survey of parents with special needs children in 2005. There were a higher number of respondents located in Mission Viejo, Rancho Santa Margarita, Santa Ana, and Fountain Valley.



6. Irvine and Mission Viejo offer easy accessibility to organizations that have a strong relationship with UCP-OC. There are Regional Centers located in both of these communities. The United Way is also based in the city of Irvine.



## Siting Considerations

In addition to demographic considerations, UCP-OC should also evaluate the specific site characteristics of each property that may be a potential development site. Siting considerations should include, at a minimum, the following categories:

### Land Use Compatibility

What uses are located adjacent to the site? Commercial? Office? Residential? Industrial? Development of a new childcare facility adjacent to each of these uses will have its own unique compatibility issues related to access, safety, architectural appearance, etc. Any candidate sites should not be evaluated solely for the ability to accommodate a new facility that is of the appropriate size, but should also be evaluated for the compatibility with operations of surrounding uses (particularly, if an infill site is selected).

### Vacant site or infill

All sites should be reviewed for compatibility with adjacent land uses as mentioned above, but vacant and infill sites present two different sets of challenges. Vacant sites usually require site preparation (grading) and most likely will require a more extensive planning review process (discussed in more detail below) because there are no existing buildings present to work with. Vacant sites may also need to address drainage of the site that might otherwise already exist on a developed site.

Infill sites can be challenging due to the need to demolish existing buildings or modify the site to make it appropriate for a child care center. For instance, a portion of the parking lot may need to be converted to an outdoor playground. Infill sites featuring multiple buildings may require cooperation to modify the parking lot in order to provide adequate and safe drop off facilities that limit the need for children and parents to cross vehicle drive aisles.

## Key Considerations:

- ✦ Choose infill sites that can be readily modified to provide adequate drop-off and pickup areas with minimal interaction between children and vehicles.
- ✦ Consider possible playground locations early on for infill sites with respect to noise impacts (discussed below) and distance from classrooms or lobby area
- ✦ Review Phase I Environmental Site Assessments or conduct testing to determine if site presents any chemical hazards; engage local health agency.
- ✦ Engage an accessibility consultant early in the site selection process to determine ADA/Accessibility upgrades that may be necessary. Hardship exemptions for ADA/Accessibility compliance are highly restricted and usually tied to the valuation of improvements, not whether a commercial or non-profit entity will be utilizing the space.



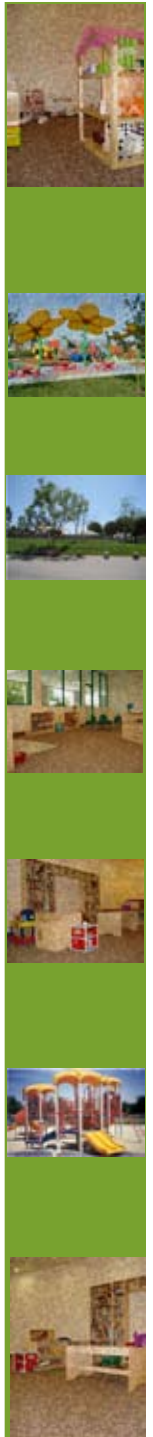
## Visibility

UCP-OC identified visibility of the site as a desired feature of any future location. The current UCP-OC facility is located at a prominent intersection and signage on the building is clearly visible to the large volumes of vehicular traffic that pass the site on a daily basis. Since the new facility is envisioned to be a state-of-the-art program unlike any other in the nation, the more high profile the building and location, the stronger the presence UCP-OC will have in the community. Since the new facility will likely include a large outdoor play area, it will be important to balance visibility with quality of the outdoor environment. Quite often, the most visible sites are located adjacent to a major roadway or freeway. However, since large roadways generate significant amounts of traffic, the traffic may in turn affect the noise levels or air quality of the outdoor space associated with the UCP-OC facility. Landscape buffers or other architectural features may help to minimize these impacts, but they and should definitely be considered when evaluating a potential site.

## Parking

For infill sites or for locations in commercial, office or industrial park areas: How do the hours of operation of the new day care facility compare to the adjacent uses? All jurisdictions have parking standards that are applied to stand alone facilities or uses on a single site. However, if there are multiple uses on a property (such as commercial and office space) quite often jurisdictions will allow applicants to submit a shared parking analysis which would possibly allow for a reduction in the total number of parking spaces required for all of the uses combined.

Shared Parking takes advantage of the fact that most parking spaces are only used part time by a particular motorist or group, and many parking facilities have a significant portion of unused spaces, with use patterns that follow predictable daily, weekly and annual cycles. The shared parking analysis evaluates the operating hours of all the businesses, when the peak parking demand for each use occurs, and then adjusts the parking need for all uses accordingly.





### Noise

As discussed previously under visibility, the proximity of a candidate site near a major roadway can also mean that the site has higher noise levels due to the number of vehicles that pass the site at any given time. Some jurisdictions may require lower noise exposure levels for outdoor playgrounds that would preclude high visibility sites near major roads and highways.



Alternatively, the new UCP-OC facility will include new outdoor play facilities for the children attending day care. While the noise generated from children playing outdoors may not affect some, others may find it offensive or disruptive. Locating the new facility near residential neighborhoods or offices may need to consider compatibility issues that should be considered during initial design of the facility so that appropriate buffers for outdoor play is provided. As the UCP-OC facility is intended to serve approximately 120 children, possible noise impacts by children on residential areas, along with the need to meet basic noise standards on outdoor playgrounds may limit possible locations to commercial and light industrial areas not directly adjacent to major roads and highways, thereby sacrificing visibility.



### Traffic Impacts

Each jurisdiction exercises a range of options for addressing traffic impacts created by new development or the introduction of a new use to existing sites. For instance, a newer master planned community (e.g. Irvine) may require traffic and access studies for new developments as well as an adaptive re-use of an existing facility. In other jurisdictions traffic concerns are interconnected with zoning controls. For instance, child care centers in some areas may be permitted in commercial zones and not require a traffic study as it is an area considered to have adequate road capacity to handle a child care center. The costs and depth of study can range from a minimal access study to a full scale intensive traffic study. An access study, is not generally considered an intensive process, and will focus on internal circulation of vehicles to ensure a site has adequate drive aisles and driveways.



### Key Considerations:

- ✦ Consult Planning and Transportation Staff early on to determine the scope of any required access or traffic studies.
- ✦ In some instances, a limited traffic study (also known as a technical update to a traffic study) will be required instead of a full-blown traffic study. This option tends to be far more feasible and indicative of a lower potential for a child care center to exceed traffic thresholds.
- ✦ Adaptive re-use of an older building may present challenges with respect to adequate drive aisle widths or the location of driveways. Applicants may need to consider pursuing a variance based on hardships when special situations exist such as an irregular site layout.

### Proximity to Transit

While land use compatibility is probably the most significant siting consideration, proximity to transit is a complementary consideration. That is, while proximity to transit may not drive the selection of a site, it may be an attractive feature to some and may provide a higher level of accessibility to the facility.

Buena Park, Fullerton, Anaheim, Orange, Santa Ana, Tustin, Irvine, Laguna Niguel/Mission Viejo, San Juan Capistrano, and San Clemente all have Metrolink Stations, and accessibility or proximity to any of these stations may help to broaden the potential user base for the new UCP-OC facility. Many cities are actively working to create Transit Oriented Districts that promote a mix of uses around rail facilities. UCP-OC should pursue opportunities for locating a child care center at a TOD site either on privately owned property or city-owned land if possible.

### Entitlement

Once a selection process has narrowed down one or two properties, it will be important to assess the level of entitlement that will be necessary from the associated jurisdiction for the new facility. "Entitlement" generally refers to the planning approvals that are required from each jurisdiction. Entitlements can be approved administratively when uses are allowed "by right" in any



given zoning district, or they may be discretionary which usually requires a public hearing with either a Zoning Administrator or Planning Commission, Discretionary review, which generally takes the form of a Conditional Use Permit, is usually necessary when a new use is proposed on a vacant site, or if a project is locating in an existing facility that may require special conditions to ensure that the use is compatible with the surrounding area.



#### Primary Entitlement Considerations:

- ✦ Conditional Use Permit requirements
- ✦ Deed restrictions and other special land use restrictions that may limit the use of a property
- ✦ Parking
- ✦ Traffic and access studies
- ✦ Neighborhood compatibility
- ✦ Noise (generated by children and standards for outdoor playgrounds)
- ✦ Building occupancy (especially for adaptive re-uses of an existing building)
- ✦ Development standards
  - ✧ Site coverage – percentage of a site that may be covered by structures
  - ✧ Building height
  - ✧ Setbacks – distance required between structure and property lines (outdoor playgrounds generally are not allowed in the setback areas)

Since the entitlement process can vary by city, it is strongly encouraged that once UCP-OC starts to narrow down the candidate sites, that respective planning staffs are consulted early on to provide preliminary insights, both positive and negative, about each location. Following is a table that provides an overview of how various jurisdictions may classify a new day care facility, entitlements required (depending upon zoning), as well as the fees and timeframes associated with each process. Some cities are actively instituting child care-friendly policies into their General Plans and Zoning Ordinances, which may make them desirable jurisdictions to work in since they are making efforts to minimize the red-tape associated with the creation of a new day-care facility.

The insights of planning department staff are particularly important because they can clarify which land use classification that the facility will fall under, and which zoning classifications will allow the use, either by right, or through the discretionary process, and can advise UCP-OC representatives on how to best navigate through the entitlement process. Once UCP-OC has a site and





a conceptual land plan, city planning staff can usually coordinate representatives from all departments in a single meeting to provide feedback and comments related to the development of the site (often called Development Assistance or Development Review Committees). These meetings often provide insights as to the types of “conditions of approval” or impact fees that each department would require for the project and would be held in advance of an “official” application submittal so that UCP-OC can determine if there are any significant issues that would make the project physically, politically, or financially infeasible.



It should be noted that applications requiring a public hearing typically require that property owners within either 300 or 500 feet to be notified of any public hearing set to review the application (city staff generally facilitates the mailing of the notices). Since the neighbors will be notified of the project and will have an opportunity to comment on the project at the public hearing, it is beneficial to conduct some preliminary outreach with on neighboring property owners to try to anticipate (in advance of the hearing) whether or not the community has any significant concerns or issues that need to be addressed. It is much easier to resolve issues in advance of a hearing so that all neighbors are in support of the project and so that any grievances that people may have do not have to be brought up for the first time in a public setting.



#### Other Considerations

A common theme throughout this effort was the identification of a “champion” not only within UCP-OC, but a partner in the community that can elevate UCP-OC’s mission and exposure to the general public. Creating relationships with elected officials and decision makers is a key component of this effort. UCP-OC should determine how the project goals might be in alignment with various elected officials’ platforms (childcare, education, etc.) and determine if UCP-OC could be the beneficiary of resources, funding, or exposure that the officials could provide.



UCP-OC could also work with local real estate brokers to identify specific sites once the target cities have been identified. Brokers generally have a working knowledge of the properties that are available in the community, have relationships with property

owners, and can usually lend a “quick read” to UCP-OC regarding areas that would be conducive to a new child care facility.

If the opportunity arises for acquisition of a site that is not currently zoned to allow a child care center (with or without a conditional use permit) UCP-OC should consider early outreach to planning staff to determine the feasibility of including the affected property within any periodic general plan/zoning code updates. Doing so may benefit UCP-OC by avoiding general plan amendments or zone changes.

### **Site Comparison Tools**

Because there are of the many variables to consider during the site selection process, UCP-OC can utilize a series of tools that will help to narrow down the areas that will be the best fit for the new facilities. The UCP-OC Board and stakeholders can establish a list of priorities that need to be achieved and then assess multiple sites to determine how well each site responds to those priorities. The following table identifies several “mock” sites and then begins to evaluate whether or not the sites meet certain sample criteria:

## SITE COMPARISON TOOLS

Sample Sites	Middle/High Income	Visibility	Target Audience	High Image Area	Available and Affordable Land	SELPA
Mission Viejo -location adjacent to Interstate 5 ( I-5)	Y	Depends on specific location	Y	Y	N	South OC
Suburban Irvine	Y	Y	Y	Y	N	Irvine
Irvine - Office/Industrial Park adjacent to the Irvine Auto Center (existing building)	Y	N	Y	N	Y	Irvine
Yorba Linda - Commercial Corridor	Y	N	N	Y	N	NE OC
Santa Ana – adjacent to The Block of Orange	N	Depends on specific location	Y	N	Y	Santa Ana





During the TAP process, it was suggested that UCP-OC may want to approach school districts to determine if there are any closed school sites that may be possible locations for a new day care facility. Utilizing the table above, and by possibly adding additional criteria as identified by UCP-OC, the vacant school site could be assessed for its ability to meet the priorities that are of the utmost importance to the organization.



This tool is a relatively easy way to provide a quick snapshot of the strengths and weaknesses of each site, and can be used to separate the more desirable from the less desirable sites at a broad level. Once the site selections have been narrowed down to two or three sites, more detailed analysis (construction costs, financing, etc.) can be looked at to further differentiate which site would be most appropriate to pursue.



## **Conclusions**

Based upon the focused jurisdictional research completed as part of this effort, the following observations have been made:



1. A large child care center presents a distinct set of considerations with regard to neighborhood compatibility in comparison to a small child care center.
2. A large child care center near an established single family residential neighborhood will likely require a larger lot size to provide sufficient noise buffers and obtain resident support.
3. A child care center near a busy road or freeway must take into account noise standards and consider locations or site configurations that offer a "sheltered" playground area in order to provide a quite playground area.
4. Adaptive re-uses of existing buildings may present advantages such as lower development fees, less stringent traffic study requirements, lower entitlement time frames.
5. Adaptive re-uses of existing buildings may present challenges such as in-sufficient vehicle access/circulation, expensive upgrades to meet building, fire, accessibility codes, and the need to provide sufficient and safe outdoor play space within a limited area.





## STRATEGIES TO NEGATE COSTS

There are numerous of ways to lower or negate acquisition costs. However, it is important to consider that projects are in constant flux while they evolve. Once a project has started and entitlement begins, a keen eye needs to be ready to investigate all possible angles, and think outside the box. This is needed to keep a project focused toward the end result. When this focus is lost, acquisition costs can oftentimes escalate. As projects evolve, the people involved in the acquisition of a project need to help prod things along. Some of the ways we can help to lower or negate acquisition costs are:

- ✦ Individual impacts
- ✦ Partnerships
- ✦ Understanding the municipality
- ✦ Design and consultants

### ***Individual Impacts***

Individual impacts are when influential people are involved or introduced to a project to create more credibility to the design, idea or concept.

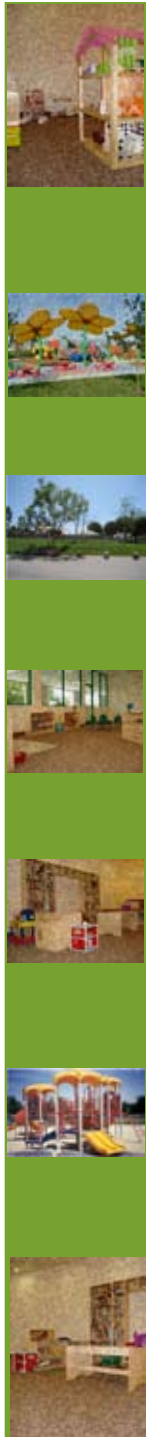
1. An entitlement liaison is person who is very connected or aware of what is happening within a particular city or county. Many times these liaisons are formerly people who held high positions within the city or county governments and are aware of how things work and can create short cuts to save on fees and time.
2. An alliance with jurisdictional representatives is always a good idea to fast track a project. These alliances also ease the time and money spent in acquiring and entitling a project. Some examples of alliances are creating relationships with the mayor of a city, landowner, planning commissioners, or city council members. Creating another buddy in support of a project by setting up a meeting always creates alliances that save time and money.

3. Angel Donors are people who have large sums of money to donate. It is usually more effective to advertise the idea to those who might take a deep personal interest in your cause (i.e., someone with a family member in the same position). This can go a long way in helping to make a project come to fruition.
4. High Profile Public Figures. Creating an alliance with a person who is both well-known and well-regarded gives a powerful rallying voice to a project. This may lead others to donate more money, and cities and counties will be more willing to push a project through. When a project has a powerful voice behind it, people usually don't want to upset that situation because it is so widely known.

In the end what the individual impacts are doing are creating a fast track project situation. When these types of individuals/influential people become involved, people often become more willing to bend over backwards and help a project come to fruition.

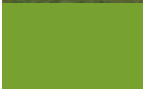
### ***Partnerships***

1. Partnerships with organizations—civic, public and private—can greatly help to negate or lower costs. These types of relationship are mostly directed toward the non-profit organizations but also can take the shape as part of a larger for-profit community effort.
2. Churches developed over the last several decades acquired land in anticipation of growth of their congregations. However, in many cases, their congregations didn't grow, or the focus of their leadership took them in different directions. In the end there are many churches that have extra land begging for an opportunity to be acquired for little cost. Church leadership is sometimes looking for an opportunity that would create a use that would benefit the church.





3. Hospitals in need of child care may be open to joint partnerships.
4. Economic development agencies either hold or buy properties to be used or developed for the benefit of the community as a whole.
5. Affordable housing developers are constantly looking for the opportunities to create a partnership with organizations to allow companies to lower the acquisition costs for their projects. This in the end creates lower housing costs for the affordable housing developer and provides an amenity for the community to use. Some affordable housing developers in this area are Jamboree Housing Corporation, Workforce Homebuilders, National CORE, Bridge Housing, and Related Companies.
6. Universities are always looking for new opportunities to provide more child care for their populations. Also beyond this, universities, public high schools, and elementary schools often acquire extra land. There are opportunities to create a use that compatible to what is already established in that location.
7. Redevelopment Agencies may own or know of existing facilities for adaptive re-use, often at reduced costs.
8. Members of the Urban Land Institute, American Planning Association, and the American Institute of Architects (among others) have been down this road before. They know which shortcuts there are, and can create winning acquisitions.
9. Other caused based philanthropic organizations are always looking to for opportunities to benefit the people whom they represent. There are many out there, and just finding the one that has the same ideas that you have are usually not to far-fetched. Some organizations to look into are Easter Seals, Williams Syndrome Association, and National Association for Down Syndrome.



In short, there are many public/private organizations that hold land (opportunities), waiting for an opportunity to create an alliance that would help to benefit, and be compatible to existing uses.

## ***Understand Your Municipalities***

Each city and county agency works differently. Understanding the “ins and outs” of these municipalities will greatly help with acquisition costs. As previously mentioned, a liaison with the city can be established that will greatly help with knowing the processes, but in the end, everyone on the project team will need to wear the hat of project manager and know how things work. Some things to be aware of:

1. Tailored policies of ordinances that allow for a shorter entitlement process. If a project is said to have an overall positive affect for an area then the entitlement processes are shortened and this will help to fast track a project. In other words the project will be allowed to skip many steps and fees on its way to becoming built. However these are not always easy to obtain, and organizations need to state their case to get one.
2. Allowances and variances for projects can be acquired through:
  - a. Planning – General plan, zoning code
  - b. Public Works – Sewer connection fees, etc.
  - c. Building Fees – Permits

## ***Design and Consultants***

Quality designers and consultants should have an understanding of:

- ✦ The type of design and overall design process;
- ✦ The city in which you are working in; and
- ✦ How to work flexibly, think outside the box and are motivated to create a successful project.

If these disciplinary things are not followed by the civil engineer, landscape architect, architect, planner, traffic engineer, sound engineer, etc. then the project can easily fall apart. There are many moving pieces as a project evolves and keeping the gears greased takes a lot of creativity and effort. Without these things, a project can quickly spiral out of control and multiply avoidable delays and expenses.

Keys to creating a team are finding consultants that are already working in that area. Usually a phone call into a city planning director will tell you who they like to work with and is established within that municipality.

## ***Conclusions***

Teamwork and educating yourself on the day-to-day happenings of a project are key to cutting costs. One of the things that people have learned being involved with acquisition and entitlement processes is that everything is negotiable to a certain point. These negotiations/conversations are what help to save on project costs.





# COSTS

As UCP-OC moves forward with its plan to open an early childhood development center, it is vital that UCP-OC management does so with a complete and accurate understanding of the costs associated with buying/developing and operating such a facility. The TAP panelists worked diligently over several weeks to research and evaluate the costs associated with the UCP-OC plan, both from a facilities and operational perspective, and have provided UCP-OC with numerous scenarios for evaluation.

The project was evaluated in two components:

- 1. Build versus buy analysis
- 2. Operating analysis

While TAP panelists believe their analysis is accurate with respect to the information provided and learned, we recommend that UCP-OC further develop and refine both its building and operating budgets as new information becomes available.

In an effort to provide accurate, actionable information, the panelists involved in developing the following analysis reached out to contractors, for- and non-profit financing experts, architects, local municipalities, commercial real estate brokers, and education communities to establish the assumptions used.<sup>1</sup>

<sup>1</sup> The financial models created for UCP-OC reflect their overall plan for the center. While every effort has been made to ensure accuracy, neither ULI nor the ULI Orange County TAP panelists hold any responsibility whatsoever for any errors in the models or for any errors that may result from using them. No financial decision should be taken solely as a result of any output from these models without first consulting a financial adviser.

## Build vs. Buy

The first decision UCP-OC will have to make is whether to build a new facility or buy an existing building and adapt it to their specific needs. In order to perform the analysis correctly, a specific locale(s) would need to be selected so that location-specific property values can be modeled. For purposes of the following analysis, it was assumed that UCP-OC would locate its facility on an approximately 2.1 acre site that offers close proximity to Orange County's major employment nodes.

The following table summarizes key building and timing assumptions used in the model:

BUILDING	BUILD	BUY
Project Start	1/1/2010	1/1/2010
Building Size (Sq. Ft.)	20,000	20,000
Development (Mos.)	9	6
Construction (Mos.)	10	6
Annual Inflation	3.0%	3.0%

Once a location is settled upon, UCP-OC will need to secure financing for the project. At that time, a decision whether or not to incorporate construction/bridge debt into the capital structure will need to be made. Various forms of debt financing are available for non-profit and educational uses, including tax-exempt bonds, Community Development Financial Institution (CDFI) loans and traditional debt secured by future pledge commitments. These financing vehicles typically cover 30-65% of total development costs and an exit/re-financing strategy should be in place prior to placing the debt in service. Should UCP-OC plan to utilize debt financing, it is important to note that CDFI loans require the operator to make 20% or more of its spaces available to children from low-income families.



The following analysis provides leveraged and unleveraged scenarios. Leveraged scenarios are utilizing both construction/bridge and permanent financing. Construction/bridge financing provides a feasible financing platform that would enable UCP-OC to get the project up and running more quickly with little additional financial burden. If UCP-OC plans to raise the funds to purchase or build a facility, the fundraising process could be done lockstep with construction, with the loan being retired upon completion of the building. However, per UCP-OC's goal of operating a break-even or profitable facility, permanent debt is not recommended as it would place an additional, significant strain on what is likely to be a tight annual operating budget.

The following table summarizes key construction/bridge debt assumptions used in the model:

DEBT FINANCING	ACQ/DEV	PERMANENT*
Loan-to-Cost	50.0%	Retire Acq/Dev Loan
Rate	7.25%	6.25%
Term (Years)	2	25
Amortization	n/a	25

\* DSC not considered as operations are expected to run at a loss

Whether or not debt is incorporated into the acquisition and development phase of the project, a significant equity investment will also be required by UCP-OC to complete the project. UCP-OC's equity contributions(s) may come from bankable deposits, fundraising, public and private grants, Community Reinvestment Act (CRA) participants and municipal "set-aside" funds, among others.



The following sources and uses statements summarize build and buy development scenarios:

## Summary of UCP-OC Build Scenario

### BUILD

UCP EDUCATION CENTER

EDUCATIONAL/PRIVATE

DEVELOPMENT & CONSTRUCTION

### LEVERAGED

#### SOURCES OF CAPITAL

	TOTAL	PSF	%
EQUITY FUNDING	4,106,826	205.34	50.0%
DEBT FUNDING	4,106,826	205.34	50.0%

#### USES OF CAPITAL

	TOTAL	PSF	%
Property Purchase	1,840,000	92.00	22.4%
Site Work	1,350,000	67.50	16.4%
Shell Construction	1,850,000	92.50	22.5%
Office Improvements	775,000	38.75	9.4%
Classroom Improvements	1,700,000	85.00	20.7%
<b>HARD COSTS</b>	<b>7,515,000</b>	<b>375.75</b>	<b>91.5%</b>

Closing Costs	35,000	1.75	0.4%
Environmental Reports	10,000	0.50	0.1%
Soils	6,000	0.30	0.1%
Other Consultants	20,000	1.00	0.2%
Architectural	110,000	5.50	1.3%
Civil Engineering	60,000	3.00	0.7%
Testing & Inspections	25,000	1.25	0.3%
City/Agency Fees	200,000	10.00	2.4%
Builder's Risk Insurance	20,000	1.00	0.2%
Legal & Accounting	25,000	1.25	0.3%
Property Taxes	-	-	0.0%
Soft Cost Contingency	51,100	2.56	0.6%
<b>SOFT COSTS</b>	<b>562,100</b>	<b>28.11</b>	<b>6.8%</b>

Debt Origination Fee	40,104	2.01	0.5%
Interest Expense	96,449	4.82	1.2%
<b>FINANCING COSTS</b>	<b>136,553</b>	<b>6.83</b>	<b>1.7%</b>

<b>TOTAL SOURCES OF CAPITAL</b>	<b>8,213,653</b>	<b>410.68</b>	<b>100.0%</b>
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<b>UNLEVERAGED</b>	<b>8,077,100</b>	<b>403.86</b>
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<b>TOTAL USES OF CAPITAL</b>	<b>8,213,653</b>	<b>410.68</b>	<b>100.0%</b>
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<b>UNLEVERAGED</b>	<b>8,077,100</b>	<b>403.86</b>
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## Summary of UCP-OC Buy Scenario

### BUY

UCP EDUCATION CENTER  
EDUCATIONAL/PRIVATE  
DEVELOPMENT & CONSTRUCTION

### LEVERAGED

SOURCES OF CAPITAL	TOTAL	PSF	%	USES OF CAPITAL	TOTAL	PSF	%
EQUITY FUNDING	3,667,355	183.37	50.0%	Property Purchase	3,600,000	180.00	49.1%
DEBT FUNDING	3,667,355	183.37	50.0%	Site Work	400,000	20.00	5.5%
				Shell Construction	400,000	20.00	5.5%
				Office Improvements	775,000	38.75	10.6%
				Classroom Improvements	1,700,000	85.00	23.2%
				<b>HARD COSTS</b>	<b>6,875,000</b>	<b>343.75</b>	<b>93.7%</b>
				Closing Costs	45,000	2.25	0.6%
				Environmental Reports	6,000	0.30	0.1%
				Soils	6,000	0.30	0.1%
				Other Consultants	15,000	0.75	0.2%
				Architectural	80,000	4.00	1.1%
				Civil Engineering	50,000	2.50	0.7%
				Testing & Inspections	20,000	1.00	0.3%
				City/Agency Fees	50,000	2.50	0.7%
				Builder's Risk Insurance	12,500	0.63	0.2%
				Legal & Accounting	20,000	1.00	0.3%
				Property Taxes	-	-	0.0%
				Soft Cost Contingency	30,450	1.52	0.4%
				<b>SOFT COSTS</b>	<b>334,950</b>	<b>16.75</b>	<b>4.6%</b>
				Debt Origination Fee	36,674	1.83	0.5%
				Interest Expense	88,087	4.40	1.2%
				<b>FINANCING COSTS</b>	<b>124,760</b>	<b>6.24</b>	<b>1.7%</b>
<b>TOTAL SOURCES OF CAPITAL</b>	<b>7,334,710</b>	<b>366.74</b>	<b>100.0%</b>	<b>TOTAL USES OF CAPITAL</b>	<b>7,334,710</b>	<b>366.74</b>	<b>100.0%</b>
<b>UNLEVERAGED</b>	<b>7,209,950</b>	<b>360.50</b>			<b>7,209,950</b>	<b>360.50</b>	





## Operating

Upon completion of UCP-OC's new facility, the "operating" phase of the project will begin. In preparing the pro-forma operating analysis, a significant amount of time and energy went into developing a remedial understanding of the potential income streams that UCP-OC may contemplate utilizing to cover operating costs.



The TAP panelists identified a number of potential public sources of income for special needs and typically developing children's education. Beyond these public funds, the only other funding sources that appear to be available are private pay (out-of-pocket) and private grant and scholarship programs (fundraising).



Given the complexities of the public education and special needs funding systems, it was not possible to model all of the possible income stream permutations. Instead, it was assumed that all 105 typically developing children paid all expenses out of pocket. The remaining 35 special needs children were separated into two groups, ages 0-3 and ages 3-5. It was assumed that Regional Center Orange County (the administrator for special needs, head start, early head start, and other programs), would pay \$12 per hour for, 9 hours per day, for all special needs children under 3 years of age. Special needs children who are between 3 and 5 years of age would pay all expenses out of pocket. While these assumptions are extremely broad, the income side of this analysis is not biased as to where proceeds come from, as the operating results are unaffected.



The new operations are expected to take approximately 24 months to stabilize. It was assumed that 1/3 of enrollment would begin upon opening of the facility, with the remaining 2/3 of students enrolling over the following 24 months.



The following table summarizes the student composition used in the model, as provided by UCP-OC:

AGE	TOTAL	SP. NEEDS	TYPICAL
Infant	12	4	8
12-24 mo	18	6	12
24-36 mo	24	8	16
3-4 yrs	36	12	24
5 yrs	15	5	10
Total	105	35	70

The following table summarizes comparable full-time child care rates in Orange County:

PROVIDER	COST/MO.
Kinder Care	1,100
Mariner's	1,050
St. Mary's	1,005
St. Margaret's	1,443
Goddard	1,233
Average	1,166
Year	13,993
Modeled	1,125
Year	13,500



The following table summarizes operating expenses used in the model. Data was driven by the United Way True Cost of Early Care and Education in Orange County, October 2007 Draft. United Way (108 children) vs. UCP-OC (105 children):

OPERATING EXPENSES

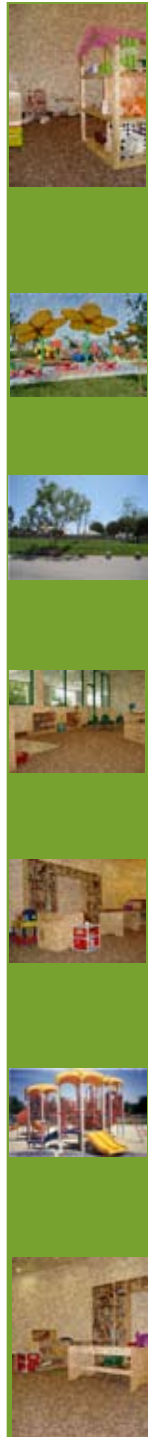
	UNITED WAY			UCP ADJUSTED		
	START-UP	OPERATING		UCP	DELTA	105/108
Personnel	754,291	754,291	Benefit Premium	1,194,590	440,299	1,194,590
Benefits & Insurance	194,305	194,305	25.8%	307,726	113,421	307,726
Withholding Taxes	65,529	65,529	8.7%	103,780	38,251	103,780
Licensing Fees	34,503	1,099		1,099	31	1,068
Equipment Supplies	267,590	74,140		74,140	2,059	72,081
Contractual/Misc. Costs	123,000	79,550		79,550	2,210	77,340
Capital Costs/Lease	1,439,550	179,550		179,550	4,988	174,563
Total	2,878,768	1,348,464		1,940,435	591,971	1,931,148

NOTE: More detailed pro-forma analyses for each scenario can be found in the appendix

## Conclusions

While the pro-forma analyses present a rather challenged set of scenarios, numerous steps can be taken to maximize the project's chances for success.

1. UCP-OC staffing costs should be re-evaluated relative to the United Way estimates. The difference in costs of nearly \$600,000 would, by itself, bridge the gap to operating break-even.
2. The scope of this project did not include an evaluation of combining therapy and child care resources and revenues to determine feasibility. This analysis should be done, as therapy revenues are significantly higher than childcare revenues and would likely have a positive impact.
3. Find a city with excess developable land or a challenged land parcel to obtain a site that is either free or very cheap. A long-term land lease may provide also be an alternative option.
4. Re-evaluate the ratio of special needs to typically developing children. One-third of special needs children is comparatively high relative to other centers. The special needs ratio to capital and operating costs must be linked.
5. Reduce office space or evaluate alternative income from leasing excess space. Roughly 50% of office space is much higher than other programs as most teachers in competitive facilities have "office space" in their classrooms or share a centralized office space
6. Hire an expert grant writer or fundraising director who can identify relevant grant opportunities. UCP-OC should begin the process immediately, as the grant process is arduous.
7. Blend therapy and educational income streams to stabilize operations more quickly.
8. If a construction loan is put in place, UCP-OC should utilize the development and construction period to raise funds to pay off debt. Permanent financing will place a high burden on operations.
9. Work diligently to develop a diverse public and private funding network to diversify income streams.





## HARNESSING EXPERTISE

A constant theme became quickly apparent during the interviews with the experts and stakeholders. The consensus was that strategic alliances will be essential to the UCP-OC in order to facilitate its vision. These strategic alliances can come from a number of groups ranging from capital sources, design experts, government agencies, as well as institutional partnerships, all of which may play a part in fulfilling the vision.

### ***Capital Sources***

Possibly the most important relationships to begin fostering early in the development process will be with potential capital sources. Ranging from the traditional bank loans to fundraising and grants, it will be necessary to line up the various funding sources early in order to incorporate into the planning and business model any conditions a potential capital source may require.

There are a variety of grants available and each have specific criteria. For example, a predevelopment grant may require the facility to be accessible to a certain percentage of low income or special needs users, or possibly be restricted to a regional location. These funds are typically highly competitive and especially in today's current economic malaise.

Secured and unsecured debt from either for-profit or non-profit lending institutions should be assessed for the acquisition and/or the construction of the facility. Capital market brokers can assist with evaluating possible debt sources from the larger national banks & institutional lenders.

The UCP-OC may have better options with a regional or local community bank, which might be better suited to understand the organization, vision, and area demographics.

Aside from the traditional for-profit lending institutions, there are not-for-profit Community Development Financial Institutions (CDFI's), which may have better loan terms and/or allow

broader underwriting standards in order to secure a loan. In general, a CDFI will require some affordability component in order access funds; the typical low-income mix is usually a 20% minimum. Incorporating a low-income mix into the business model could have a significant impact on the site identification.

Obviously, fundraising may result in the least restrictive use of funds. In addition to fundraising, all possibilities of identifying and nurturing an angel donor (or donors) should be explored.

Also, as a result of the current economic stimulus programs, there are funds being allocated specifically to education programs such as the Head Start program. Childcare experts repeatedly mentioned the Head Start program as a potential partner for UCP-OC. Their seasoned experience as a child care operator would be a key asset to the UCP-OC, which lacks experience in operating child care programs since their current focus is on therapy. Lenders will be particularly cautious of lending to an inexperienced operator.

### ***Strategic Alliances***

Aside from direct capital sources, strategic partnerships may provide a great opportunity to expedite the entitlement process and provide additional access to financing. A joint venture opportunity with either a market rate developer or an affordable housing developer can lift the burden of the entitlement process for the UCP-OC.

An affordable housing developer may have an allocation of funds available within their project financing for all or part of the shell costs of the facility space. Simply securing the partnership alliance with a prominent developer can open channels to financing, particularly if the developer has a successful track record of developing projects that incorporate children's care. There are a variety of affordable housing developers based in or active in Orange County such as Bridge, Jamboree Housing Corporation, or Mercy Housing. In lieu of direct financing, the UCP-OC may want to explore any possibility of a land contribution or the leasing of an existing building for a nominal amount. This may come

from a prominent local landowner, or developer, or a strategic alliance with a Fortune 1000 company based in Orange County.

The UCP-OC might look to bridge relationships with institutional partners. Universities and community colleges such as University of California Irvine, Cal State Fullerton, and Orange Coast Community College can provide creative energy to bring about solutions. The UCP-OC Learning Center could operate as a lab school for these higher education institutions and potentially offset a portion of their operational overhead.

Another alternative may be to partner with a hospital such as Children's Hospital of Orange County (CHOC). With CHOC's resources, the UCP-OC could possibly benefit with space for the Learning Center or leveraging grants or funds for the build out of therapy rooms. The UCP-OC can also learn from these institutions which possess the fundraising experience and performance track record to develop special use facilities.

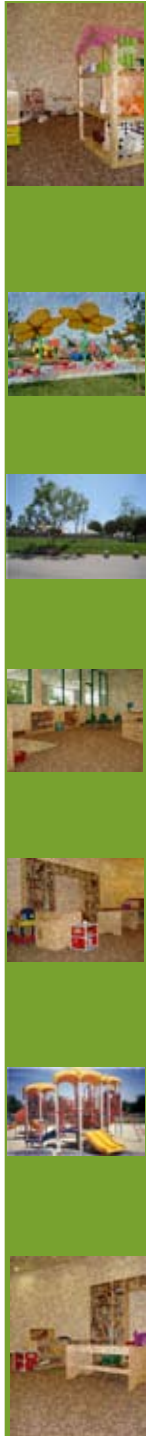
### ***Consultants***

Another resource the UCP-OC ought to employ are design professionals and other consultants with experience in the development of special use facilities.

The UCP-OC should look to engage an architectural firm with design experience of not only schools but also schools specializing in early infant care and special needs. For example, the local architectural firm of MVE & Partners is currently designing a 27,000 sq. ft. special center for the Unified School District in Stockton, CA. The center is designed specifically for children with severe development disorders and integrates early infant care, preschool and elementary. The project scope includes both the renovation of existing classroom space and an expansion for parent rooms and private offices (see attached project sheets). Firms with experience in the design and build out of a like-kind facility will enhance the project's overall viability, not only through balancing between form and function but also in cost savings typically realized during the planning & construction phase.

The UCP-OC can greatly benefit from partnering with the local government and public agencies. Early communication and relationship building with city and county officials can streamline the site acquisition and entitlement process. Also, contacting the Community Redevelopment Agency in the prospective municipalities might result in potential block grants, redevelopment funds or possibly a land contribution or lease.

Understanding the local community's needs may open the door to additional sources of funds and/or resources. For example, identifying a potential Transit Oriented Development site (TOD) could result in access to redevelopment dollars or other funds allocated to transit focused developments. Childcare facilities compliment a TOD project since the daily user will benefit from the close proximity of childcare on their commute to work. Cities will typically support and possibly contribute financially to a TOD project that answers multiple needs of their community.





## **Political Champions**

It would be wise for the UCP-OC to cultivate a political champion within the local government and community. A political champion can be an ideal spokesperson for the project and pull together additional resources. For example, State Assembly member Jose Solorio, representing the cities of Anaheim, Garden Grove, and Santa Ana, is a member of the State's Committee on Education, as well as the Committee on Appropriations. Assemblyman Solorio would be an ideal ally for the UCP-OC given his position within the state government. The UCP-OC will need to leverage their relationships with both civic and community leaders in order to realize their vision.

## **Conclusions**

The key to opening the doors of the UCP's Early Learning Center lay in their ability to build upon existing relationships and cultivate new ones. It will take the synergy of many players and the passion of a few champions.





## ARCHITECTURE & DESIGN

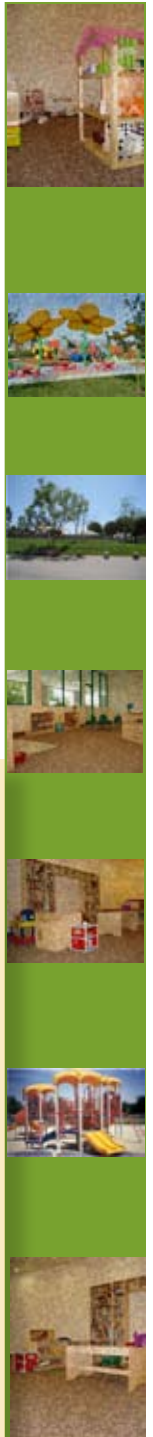


Architecture and design play a key role in defining how the facility will function. Not only should it serve the spaces and needs of the staff and students, but it should also be inspiring to those who visit. Inspirational design concepts

can take place in new or existing structures. The rendering/perspective seen in the adjacent images is an abstract of a peeling crayon. Simple design concepts such as creating a doorway that is smaller and more intimate for just children to enter makes the facility more inviting for those that come. The idea is to create something that is less classroom or business feeling and instead create an excitement in those who attend. We want children and staff to have a good feeling about visiting the UCP-OC facility.

Internal arrangement of spaces plays key roles as well. The relationship of spaces to one another can help to enhance the overall environment. Office spaces adjacent to the classrooms they serve help with overall efficiency. Visual areas within the hallways and adjacent rooms so staff and parents can see their kids in action, or the relationship or melding of outdoor spaces and internal spaces are just some examples of the many ways spatial arrangements can enhance the function and flow for staff and parents. The floor plan included is purely an example of how these spatial relationships can work, and can be applied to not only new construction but also existing structures.

One thing we need to keep in mind is that there is no site or location selected for this facility yet. The location will probably be smaller than the 2-acre example seen in the attached site plan. Orange County land prices have fallen but still remain expensive. The facility's design can also save significantly on total project costs. Some ideas to combat these costs are to look at existing architecture/ site selections that can be altered to the use of UCP-OC needs. If new construction is considered, then UCP-OC could consider going with a smaller site and creating a two-story facility. This would introduce an elevator to the floor plan, which is expensive, but the addition of this elevator may offset the costs of adding additional land needed for a one-story facility. Additionally, new construction doesn't need to be expensive. Possible ways to offset some of the costs of a new facility is to go with a concrete tilt up building. With the use of well-placed enhanced visual materials there is a possibility to take a box and give it life.





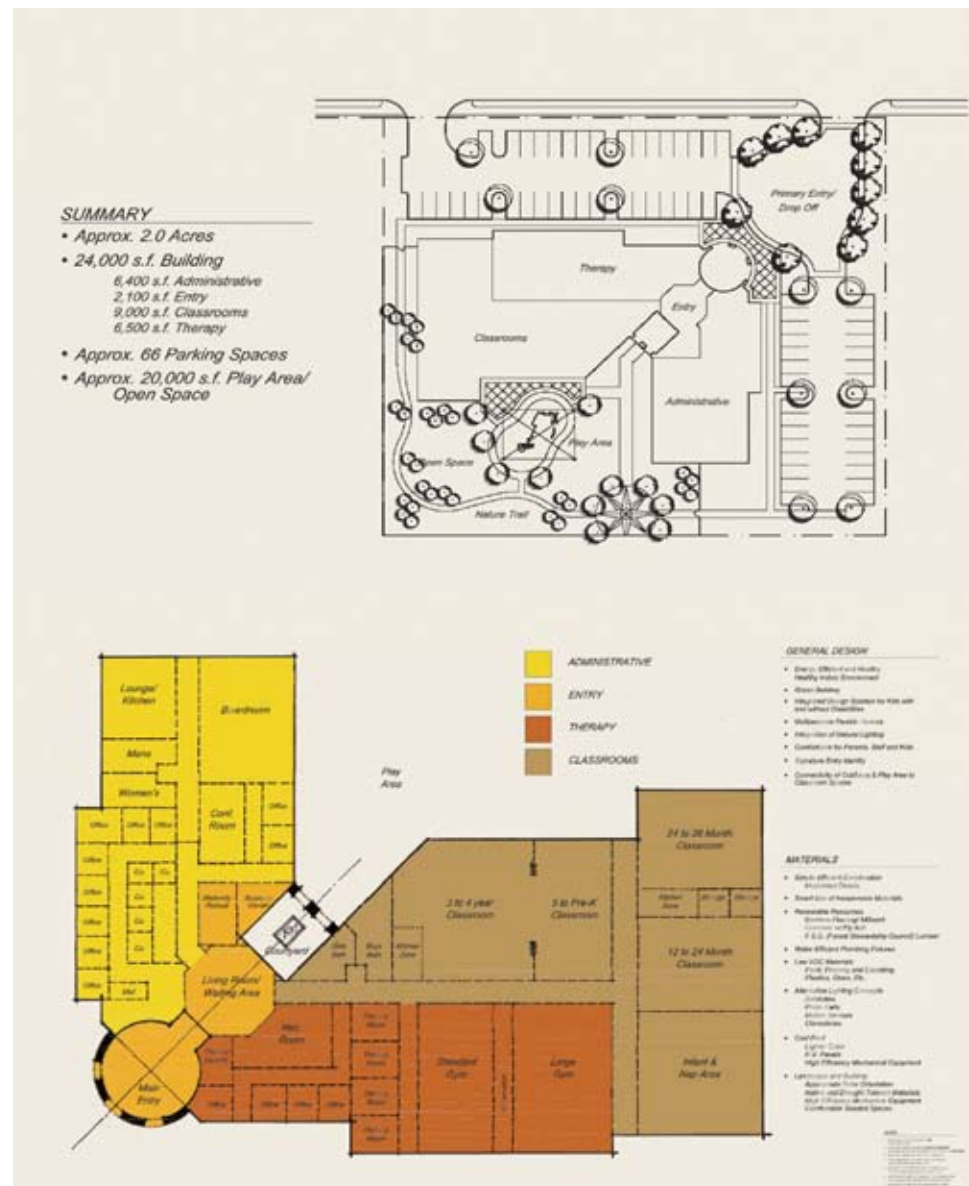
## BUILDING GREEN

Make the facility environmentally appealing and safe. This will not only help our environment but also create a safe setting for those who use the facility. If incorporated up front, cost premiums are often minimal and can produce long-term savings in operating costs (i.e. reduced energy demands), especially for institutional facilities intended to be used for the long-term. Examples of green building include:

- ✧ Use of materials that have low or no V.O.C.'s (Volatile Organic Compounds).
- ✧ Use of renewable resources: bamboo flooring or millwork, F.S.C. (Forest Stewardship Council) lumber
- ✧ Alternative Lighting Concepts such as solotubes, photocells, lighting motion sensors or clerestory windows.
- ✧ Water Efficient Plumbing Fixtures
- ✧ Consider solar orientation that enhance overall efficiency
- ✧ Native or drought tolerant materials
- ✧ High Efficiency Mechanical Equipment

In the end, even on the tightest budgets, the sky is the limit. Thinking outside the box will create a design that is timeless, functional, and sustainable.

## Conceptual Layout and Design





## CASE STUDIES

TAP panelists conducted numerous field visits to child care facilities throughout Southern California in order to gain a better understanding of the layout of existing child care facilities and get a better grasp of operations at different types of child care centers. Several of the sites visited are highlighted in this report as case studies in order to offer a best practices framework of these licensed child care facilities.





## **Harry & Grace Steele Children's Center Costa Mesa, California**

Built in 1998, the Orange Coast College Harry & Grace Steele Children's Center was a child care facility that was spearheaded by the Associated Students. The childcare center largely serves the families of student-parents, faculty and staff, as well as the local community. Roughly 50% of its students have subsidized tuition, with the remaining paying full costs.



*Architect: Taylor & Associates*

*Licensed for 190 children indoors, 500 outdoors*

*Target audience: Students, faculty and staff: 50% subsidized and 50% full cost (generally, the surrounding community)*

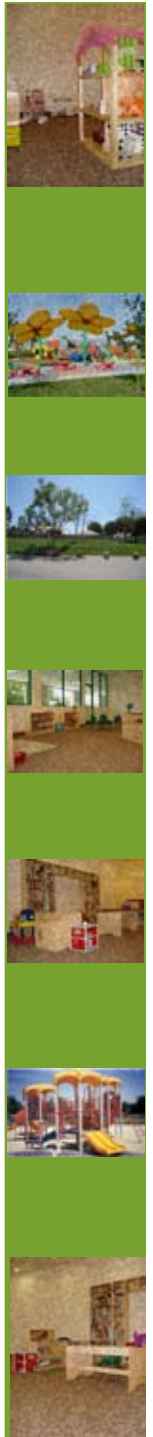
### **Design**

- ✦ Designed similar to a house, community based and family oriented with a central “family” room
- ✦ The facilities layout consists of three wings, each with its own laundry room.
- ✦ Each room is licensed for 24 kids, but the infant room isn't utilized at nearly that level
- ✦ Newest facility (under construction) will be for 28 additional students
- ✦ Demonstration kitchen is located off the living room with counter height suited for children
- ✦ A full commercial grade kitchen is utilized largely as food prep area
- ✦ Generous outdoor area that includes separated areas for toddler and preschool students as well as farm animals and gardens

### **Funding/Fundraising**

- ✦ Associated Students spearheaded development, but the center was funded by donors and the existing Associated Students foundation. Harry & Grace Steele provided initial donation for the facility
- ✦ Individual donors have donated components (i.e. Northern Trust Bank provided outdoor bench)
- ✦ Originally opened with a grant, which is problematic as grant money doesn't increase year to year but costs do. External sources of funding are critical. They are currently funded 50/50 by subsidies and tuition/donations.
- ✦ Subsidized childcare based on income, must be a student

Funded partially by state, and is affected by current state budget cuts



## **Walton Early Childhood Center Stockton, California**



Originally constructed in 1970, Walton Special School situates on a 4.2 acre site adjacent to an existing elementary school and high school. The students and staff have access to both campuses, in which they would like to promote more interaction for various school activities.

### **Challenge**

- ✦ Original building featuring three large open classrooms with support spaces for students and staff
- ✦ Integrated programs include early infant care, preschool, elementary school and high school

### **Project Scope**

- ✦ Need to separate campus into three different wings based on age group to create more efficient teaching and learning environments
- ✦ Renovation of existing classroom to include support space and change rooms
- ✦ Include variety of different maintenance rooms
- ✦ Existing administration building to be modernized to include administrative and clerical space
- ✦ Conference, nurse therapist, and psychological office space to be included
- ✦ Add new classrooms, parent rooms, and private offices.

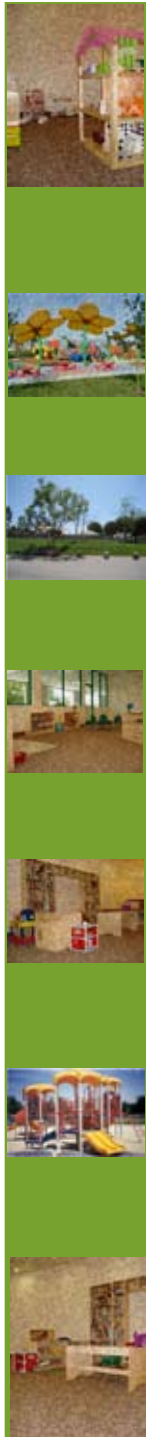
## ***Mariners Church Preschool Newport Beach, California***

Started as an early childhood center twenty years ago, the newly built center can accommodate 300 children and 24 infants. Roughly half are full-time students, which is a year-round program. Half-day students are able to attend the preschool from September through June.



### ***Project***

- ✦ Students from 4 months to 5 years of age (or pre-K) can attend
- ✦ The school is comprised of 12 classrooms (20 ft. by 20 ft.) with each containing a restroom facility, storage closet, small sink, microwave, and refrigerator
- ✦ A central kitchen area and central restroom is also available
- ✦ The feel and visual contrast between Port Mariners, which was designed specifically with kids in mind, and the Preschool, which is converted office space, is stark.





## FINAL RECOMMENDATIONS

### 1. There are several key cities to consider: Anaheim, Costa Mesa, Santa Ana, Huntington Beach and Irvine

While it is important for UCP-OC to consider all geographic options and to pursue any that may arise via a charitable contribution or concession on project costs, several key factors suggest that these target municipalities are the most favorable for the UCP-OC's facility. The applicable factors include population densities, concentration of families with children, employment nodes, household income, entitlement policies, accessibility, city planners' openness to cooperation and the overall friendliness of the city and its procedures towards a special purpose development such as UCP-OC envisions.

### 2. Study the Feasibility of Locating the Center in an Existing Structure

Otherwise known as adaptive reuse, converting an existing building for UCP-OC's needs is likely the more viable option (unless the land has been discounted or donated). First, the expenses of site work, build-out and soft costs for conversion of an existing structure will be lower than those for new construction. Other costs, such as build-out of classrooms and offices, will be the same as the raw land option. Also, should it be determined that leverage is necessary in the current economy it will be easier to obtain debt for an existing site than for new construction, and less debt will be needed. However, debt is not recommended past the building phase, as it will prove highly burdensome to operating costs. Finally, entitlement work and other procedural events will be simpler and require less lead time, as much of this will have already taken place and it is likely the existing structure is already zoned for UCP-OC's purposes.



### 3. Interview Several Real Estate Brokers

Once a condensed list of target cities has been established and the decision to buy vs. build has been made, it will be beneficial to engage a commercial real estate broker who is intimately familiar with the immediate area. Brokers that have experience providing solutions for childcare facilities (or comparable projects) would be ideal as they can provide a list of their closed transactions for properties of this nature. Within a given geography, there are typically only one or two brokers who fulfill these requirements, and some quick due diligence with city planners, existing childcare center operators, potential equity and lending partners, pertinent developers and real estate databases can help provide UCP-OC a short list of candidates. In the case that land is donated, a broker will obviously not be necessary.

### 4. Cultivate Strategic Partnerships Early in the Process

UCP-OC should simultaneously be building partnerships with key players in the development's life process. The most important of these are the city planning staffs in the areas in which the project might be located. Not only can these experts help lay the groundwork for the center's approval but they can also advise on avoiding pitfalls. The relationships themselves may reveal which city is best-suited for the project's location. Other key alliances to begin forming early on are those with potential lenders and, equity partners, architects, builders, attorneys and directors from local childcare facilities. These individuals will be the ones taking the project through to completion, and UCP-OC is best served having them ready to hit the ground running once the location is chosen.



## 5. Retain an Exceptional Grant Writer

The UCP-OC childcare facility will derive a steady stream of income from tuition costs, but these alone are unlikely to cover annual operating costs. While additional income from private donations will supplement income, the receipt of funds from government agencies and endowments will be critical to ensure that the facility operates continually in the black. To secure these funds, it is critical that a grant writer be retained who is seasoned in sourcing this type of funding. The ongoing task of providing these additional income streams would be overly burdensome to a full-time UCP-OC employee with other primary responsibilities, and current staff members lack the grant-writing expertise that a specialist will employ. It is important to identify and retain a grant writer early on, as the process is long and arduous.

## 6. Diversify Income Streams

As mentioned above, tuition income alone will not cover continued operating costs. Because tuition alone will not cover costs, UCP-OC should be insightful about identifying additional funding schemes. For instance, excess office space could be leased to community organizations with a shared interest in the center. Common areas might be leased for events, much as local community centers supplement revenue by charging groups in need of a place to gather. The higher per square foot revenue generated from therapy rooms can be maximized by seeking out non-traditional users. While these are sample suggestions, UCP-OC is best equipped to assess opportunities to supplement income and will need to be creative in doing so.

## 7. Compare Staffing Expenses Relative to the United Way Study

The United Way conducted a study of childcare facilities and developed a cost analysis used by UCP-OC in its budgeting process. Though UCP-OC is best qualified to assess staffing costs, its current structure exceeds United Way underwriting by a substantial margin. By bringing these costs in line with industry norms, virtually all operating shortfalls could be eliminated,

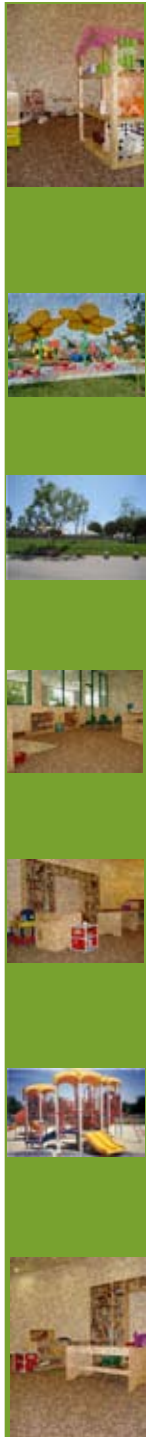
along with the need for an income stream outside of recurring tuitions. It should be noted that UCP-OC's specific organizational requirements fall outside the scope of this study, and therefore the discrepancy in costs may have a plausible explanation.

## 8. Optimize the Special Needs to Typically Developing Children Ratios

The panelists' site visits to a variety of Southland childcare centers, the ratio of special needs children to typically developing children ranged from 1:6 to 1:10 (depending on the age group). At CSU Fullerton's CHIME Institute, perhaps the most respected integrated special needs program in Southern California, the ratio is intentionally kept at no more than roughly 1:7. The panel's research determined that a special needs population greater than 20% begins to significantly impact costs and day-to-day operations, with a 30% population representing the outer limit of manageability. Apart from being an expense and functionality issue, higher ratios also tend to detract from the concept of inclusion that the UCP-OC facility intends to embrace.

## 9. Brand the Project as a Typical Childcare Facility With Expertise in Special Needs

The project should be branded and marketed as Orange County's best childcare option for all children, and one that has particular expertise in caring for children with special needs. Put differently, it should not be promoted as a special needs facility that happens to accept typically developing children. This achieves two goals: 1) it ensures that the broadest spectrum of parents are compelled to enroll their children in an unsurpassed program and 2) the merits of inclusion, which are of equal benefit to all types of children, can begin to take root in an area where it is currently relatively unknown and under appreciated. More concretely, the financial success of the center depends on tuition derived principally from typically developing students. The vision for an unparalleled special needs program integrated alongside cannot become a reality unless this is accomplished.





## 10. Explore Options to Partner With an Established Child Care Operator or Institution

This TAP study was to provide a roadmap for UCP-OC to bring to fruition its goal to build Southern California's best full-service childcare and therapy center. A potentially feasible alternative is to identify an existing childcare program, or an institution such as a university with operations already in place, and partner with this group. Since UCP-OC's scope of expertise lies in education and therapy for special needs children, it is conceivable that it may be best served to couple this experience with another organization's existing program for typically developing children. In this capacity UCP-OC would run the specialty component of the operation and the established child care operator would continue to provide excellent service it has already established. Together, the two organizations would achieve UCP-OC's goal of providing a high quality, inclusionary child care. While this is a significant departure from UCP-OC's initial vision, this solution would be far less expensive and could achieve the same goals in a much shorter period of time.



## APPENDIX

### Jurisdictional Comparison Table

City	Classification	Land Use Category Where Allowed & Entitlements Required	Development Standards	Other special considerations in the Zoning Code or General Plan	Parking Requirements	Cost to Entitle (City Fees)	Processing Timeframes
Huntington Beach	Day Care, General – Non – medical care for 13 or more persons on a less than 24-hour basis. This classification includes nursery schools, preschools, and day-care centers for children or adults;  or  Schools, Public or Private – Educational institutions having a curriculum comparable to that required in the public schools of the State of California.	<i>Residential Districts:</i> Day Care, General: Generally allowed in all residential districts with CUP from Zoning Administrator – exceptions in RL zone.  <i>Schools, Public or Private:</i> Allowed with CUP to the Planning Commission  <i>Commercial Districts:</i> Day Care, General: Allowed with CUP from Planning Commission if space exceeds 2,500 square feet  <i>Schools, Public or Private:</i> Allowed with CUP from Planning Commission  <i>Other:</i> Additions of 10,000 square feet or more in floor area (to an existing building) require a CYP from the Zoning Administrator  <i>Industrial Districts:</i> Day Care, General: Allowed with CUP from Zoning Administrator.  <i>Schools, Public or Private:</i> Daycare, elementary, or secondary schools are not permitted.	<i>Residential Districts:</i> Max. height: 35 feet Max. lot coverage: 50%  <i>Commercial Districts:</i> Min. lot area: 10,000 sq.ft. Max. height: 40-50 ft. Max. Floor Area Ratio: 1.0-1.5 Max. lot coverage: none Min. Site Landscaping: 8%  <i>Industrial Districts:</i> Min. lot area: 20,000 sq.ft. Max. height: 40 ft. Max. Floor Area Ratio: 0.75 Max. lot coverage: none Min. Site Landscaping: 8%	Residential designations may not provide the visibility that UCP-OC desires; would recommend pursuing commercial district where possible  Housing Element has special provisions that encourage childcare density bonus incentives in conjunction with affordable housing projects as provided for under State Law.	Day Care, General: 1 per staff member plus one per classroom  <i>Schools, Public or Private:</i> 1 per staff member, plus one per classroom	Conditional Use Permit to Planning Commission: \$6,941  Conditional Use Permit to Zoning Administrator: \$3,568  If needed:  Environmental Assessment: \$7,255  Mitigated Negative Declaration: \$2,206  Dept. of Fish & Game Fees: \$1,876	Conditional Use Permit to Planning Commission: 2-3 months  Conditional Use Permit to Zoning Administrator: 2 months
Mission Viejo	DAY CARE FACILITY, CHILDREN- A facility which provides nonmedical care to children under 18 years of age in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual on less than a 24-hour basis. Day care facilities include family day care homes, infant centers,	<i>Residential Zones:</i> Private schools – CUP to Planning Commission  <i>Commercial Zones:</i> Day care centers – CUP to Planning Commission  <i>Industrial Zones:</i> Appears to be prohibited. Code allows: Commercial, convenience (uses [i.e., restaurant, mini-market,	<i>Residential Zones:</i> Min. lot area: 5,000 sq. ft. Max. height:: 35 feet or two stories whichever is less Max. lot coverage: 50%  <i>Commercial Zones:</i> Min. lot area: 10,000 – 20,000 sq. ft. Max. height:: 35 ft. or 3		Nursery/preschool: 1 space for each staff member, plus 1 space for each 6 children	Conditional Use Permit - Planning Commission Action: \$ 1,700  Categorical Exemption: \$120  Initial Study/	8 weeks plus 15-day appeal period (not "officially" approved until appeal period has expired)







## Jurisdictional Comparison Table

City	Classification	Land Use Category Where Allowed & Entitlements Required	Development Standards	Other special considerations in the Zoning Code or General Plan	Parking Requirements	Cost to Entitle (City Fees)	Processing Timeframes
Yorba Linda	"Child day care center" means a child day care facility operated by a person, corporation or association used primarily for the provision of daytime care, training or education of children at any location other than their normal place of residence. The terms, "Preschool" and "Nursery" are included within the meaning of "Child day care center".	<p><i>Residential Zones:</i> Conditional Use Permit (to PC)</p> <p><i>Commercial Zones:</i> Conditional Use Permit (to PC)</p> <p><i>Industrial Zones:</i> Conditional Use Permit (to PC)</p>	<p><i>Residential Zones:</i> Min. lot area: 10,000 sq. ft. to 1 acre Max. height: 35 ft.</p> <p><i>Commercial Zones:</i> Min. lot area: 10,000 sq. ft. Max. height: 35 ft. Max. Floor Area Ratio: none Max. lot coverage: 60%, 35% or 50% depending on zone</p> <p><i>Industrial Districts:</i> Min. lot area: 10,000 sq. ft. Max. height: 35 ft. Max. Floor Area Ratio: none Max. lot coverage: 60%</p>		Day nursery or nursery school: 1 space for each staff member plus 1 space for each 10 students	<p>CUP to PC: \$1,000 deposit (\$108 per hour after that if additional time is needed)</p> <p>If needed: Negative Declaration: \$1,993</p>	Approximately 3-4 months





## ULI TAP PROGRAM



The Urban Land Institute (ULI) was founded in 1936 as a non-profit institute to conduct research and provide information on all aspects of real estate development and land use policy. ULI has over 34,000 public and private sector members comprised of professionals in all aspects of real estate development, policy, and regulation. ULI has 65 district councils in The Americas, Europe, the Middle East and Asia, a worldwide staff of over 130, and a \$52 million annual operating budget in FY2010. The ULI has been a leader in smart growth, mixed use development, urban redevelopment, transportation, and affordable housing. ULI Orange County is among the top 10 largest District Councils in the world with nearly 1,200 individual members.



Since 1947, ULI's Advisory Services Program has been assisting communities by bringing together panels of seasoned real estate, planning, financing, marketing, and development experts to provide unbiased pragmatic advice on complex land use and development issues. Often these panels meet with the sponsoring government or non-profit entity for five days at a fee of about \$110,000, and typically address issues of a broad and long-range scope.



The ULI District Councils provide panel services of one or two days. A fee is charged for the advisory service, but the panel members are not compensated for their time. To ensure objectivity, panel members cannot be involved in matters pending before or be working for the sponsor and cannot solicit work from the sponsor during the panel's assignment period.



Sponsors request technical assistance services on complex land use issues. The District Council assists the sponsor in refining the scope of the assignment and in organizing the panel efforts. Panels are then formed to provide the expertise to address those issues. At the conclusion of the work period, the panel issues a report with recommendations to the sponsor.



The Young Leaders Group of the ULI Orange County began conducting Technical Assistance Panels (TAPs) in 2007 on a pro bono basis for charitable organizations. This type of TAP was the first of its kind in Orange County and for a ULI District Council.

The selection of the panelists for the UCP-OC TAP consisted of reaching out to ULI Orange County members and confirmation with the United Cerebral Palsy of Orange County (UCP-OC) that the panelists' background and experience would be beneficial in this particular project. All TAP panelists are members of the ULI.

## LIST OF TAP PANELISTS

### **Wendy Grant**

*Senior Planner*

The Planning Center

1580 Metro Drive

Costa Mesa, CA 92626

PH: (714) 966-9220

[wgrant@planningcenter.com](mailto:wgrant@planningcenter.com)

### **Omar Masry**

*Assistant Planner*

City of Irvine,

Community Development

1 Civic Center Plaza

Irvine, California 92623

PH: (949) 724-6000

[omasry@ci.irvine.ca.us](mailto:omasry@ci.irvine.ca.us)

### **James McMurray**

*Consultant*

Marstel-Day, LLC

2217 Princess Anne St. Ste 101-1A

Fredericksburg, VA 22401

PH: (571) 274-1722

[jbmcmurray@gmail.com](mailto:jbmcmurray@gmail.com)

### **Phil Owens**

*Principal*

Marshall Ventures, LLC

212 Knoll Lake

Mission Viejo, CA 92692

PH: (949) 307-0001

[phillip@marshallvent.com](mailto:phillip@marshallvent.com)

### **Ludmilla Schappert**

*Senior Consultant*

Meyers Builder Advisors

2712 East Coast Hwy., Ste. 101

Corona del Mar, CA 92625

PH: (949) 640-0050

[lschappert@builderadvisors.com](mailto:lschappert@builderadvisors.com)

### **Miguel Vasquez**

*Vice President,*

*Development Services*

Coastal Rim Properties, Inc.

1 Macarthur Pl, Ste. 100

Santa Ana, CA 92707

**PH: (714) 708-0880**

[mvasquez@coastalrim.com](mailto:mvasquez@coastalrim.com)

### **Chris Williams**

*Principal, Senior Planner*

William Hezmalhalch Architects, Inc.

2850 Redhill Ave., Ste. 200

Santa Ana, CA 92705

PH: (949) 250-0607

[ChrisW@whainc.com](mailto:ChrisW@whainc.com)

## **TAP ORGANIZERS**

### **Nathan McElmurry**

*Principal*

Wind River Group, LLC

PH: (949) 235-4435

[nathan.mcelmurry@gmail.com](mailto:nathan.mcelmurry@gmail.com)

### **Michelle Thrakulchavee**

*Land Acquisition &*

*Development Associate*

Province Group

1601 Dove Street, Suite 250

Newport Beach, CA 92660

PH: (949) 553-4800

[michellet@provincegroup.com](mailto:michellet@provincegroup.com)

## **ULI ORANGE COUNTY STAFF**

### **Phyllis Alzamora**

*Executive Director*

[Phyllis.alzamora@uli.org](mailto:Phyllis.alzamora@uli.org)

### **Yolanda Sepulveda**

*Co-Vice Chair, Young Leaders Group*

*Committee*

[yolanda\\_sepulveda@hotmail.com](mailto:yolanda_sepulveda@hotmail.com)





## PANELISTS' BIOGRAPHIES

### **Wendy Grant:**

Wendy is a Senior Planner for the Planning Center where she works with both the public and private sector to develop Specific Plans, General Plans, and other related entitlement work. Wendy is a versatile planner who has more than 10 years of professional planning experience with both public and private sector experience. She has a passion for relationship building between public and private interests as well as facilitating community participation and visioning workshops. In the City of Westminster, Wendy is currently leading the Moran and Weststate Street Comprehensive Plan effort in Little Saigon and in the newly-incorporated City of Menifee, she is managing the preparation of the Town Center Specific Plan, which will establish the community's civic core. Wendy also has experience in corridor planning in the cities of Santa Fe Springs and Stanton, and managed a joint effort of the County of San Bernardino and the cities of Fontana, Colton, Rialto and Ontario to establish design standards for the I-10 Freeway Corridor. Wendy also managed the Palm Springs General Plan update, which included a Downtown Urban Design Guide. Wendy has a Bachelor of Science in Urban Planning and Development as well as a Master of Planning from the University of Southern California. In addition to ULI, she is a current member of APA and was formerly on the Board of Directors for the Southern California Planning Congress.

### **Michael Finger:**

Michael moved to Orange County in April 2004, after completing his MBA at Rice University in Houston, his home town. Until January of this year, Michael has been working in multifamily development for AvalonBay Communities, an S&P 500 real estate investment trusts, focusing on due diligence, entitlement, design, permitting and construction and leasing oversight. His projects were located throughout Southern California, including Ventura, Los Angeles, Orange

and San Diego counties and included Avalon Irvine, a 279-unit four-story community currently under construction in Irvine (with Phase II currently in design); Avalon Camarillo, a 249-unit three-story community in Ventura County, Avalon Wilshire, a 127-unit property in the Miracle Mile area in Los Angeles, and Avalon Fashion Valley, a 161-unit project in San Diego's Mission Valley. Prior to graduate school, he worked for private office and multifamily developers in Houston, focusing on acquisitions, due diligence and financial analysis for projects located in Texas, Louisiana and Georgia.

### **Omar Masry:**

Omar Masry is an Assistant Planner with the City of Irvine's Community Development Department. He works primarily as a project manager in conjunction with the development community, residents, and peer departments to evaluate applications for various entitlements ranging from conditional use permits for churches to sign programs for office parks. In addition, Omar is currently working on an update to the City's Subdivision Ordinance and Manual which govern the process for subdividing land within Irvine. Omar holds a degree in Business Finance from CSU Northridge and previously served with the US Army in Iraq where he focused on reconstruction projects throughout Baghdad.

### **James McMurray:**

James has experience in both the public and private sectors, and is currently working with Marstel-Day, LLC, which provides a wide range of consulting services and programmatic support to military and civilian agencies, local public and quasi-public organizations, private businesses, environmental remediation firms, and non-profit conservators. Specifically, James works with Department of Defense clients to identify and implement ways to effectively manage its land and coordinate with community stakeholders on local, regional and national levels.



Previously, James worked as a development consultant to lead a group of approximately two dozen stakeholders in creating a “Strategic & Implementation Plan” to guide future development in a 170-acre transit center in metro Detroit. Also, as a land use planner with Northern Engineering based in Orem, Utah, James performed entitlement and due diligence work for numerous projects throughout the intermountain region, including in-fill projects and master-planned communities.

James holds a bachelor’s degree from Brigham Young University in urban planning, and is a graduate of the master’s programs in real estate development and urban planning at the University of Michigan. He is actively involved with the Urban Land Institute, and is a certified planner with the National Charrette Institute.

***Phil Owens:***

Phil is the Founder of Marshall Ventures, a boutique real estate consulting company providing financial analysis, feasibility studies, property retention solutions and capital placement for local development, investment and real estate operating companies.

Prior to making the full-time transition to Marshall Ventures, Phil was Director of Acquisitions & Development at The Advent Group, where he was responsible for sourcing and executing approximately \$50MM of new development projects. Prior to joining The Advent Group, Phil worked for Steadfast Companies, a leading regional real estate development company headquartered in Newport Beach, CA. While at Steadfast, he was responsible for all aspects of numerous and diverse finance, acquisition, disposition and development transactions valued in excess of \$400MM. Phil began his career with J.P. Morgan as a corporate finance analyst in San Francisco, CA.

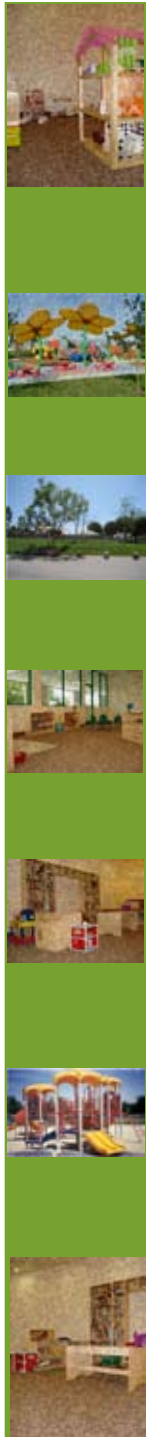
Phil Owens earned his bachelor’s degree in business administration from the University of Southern California and his MBA from the University of California, Berkeley where he focused his studies on real estate finance and development.

***Ludmilla Schappert:***

Ludmilla has over eight years of market research experience in the real estate industry, consulting for numerous builders and developers across the country. As a senior consultant with Meyers Builder Advisors, her consulting expertise includes a full spectrum of consumer research and strategic planning projects, market and financial feasibility studies, land acquisition due diligence and absorption analyses, demographic and economic studies, product planning analyses, and market opportunity assessments. Prior to that position, Ludmilla held various analytical positions in the consulting and online published research departments for Meyers Group and subsequently Hanley Wood Market Intelligence.

***Miguel Vasquez:***

Miguel has been involved in real estate development since 2003, and has carried out a variety of duties for Coastal Rim Properties and currently serves as the Vice President of Development Services. Throughout his tenure, he has worked closely with the company’s construction management teams for the projects we self perform and carry the general contractors’ license on behalf of our firm. Miguel is a liaison between his general contracting company and the lenders, owners, & investors. Additionally, he is intimately involved in each project during the acquisition and entitlement phase. Providing due diligence evaluations and financial analysis for a variety of projects has enabled him to efficiently assess a project’s feasibility. He works closely with city staff, planning commissions, city council members, consultants, community organizations, lenders, and property owners to diligently process and facilitate entitlements.



**Chris Williams:**

Chris is a Principal/Senior Planner with William Hezmalhalch Architects and is thoroughly skilled in CAD layout, grading diagrams, community meetings and conceptual plotting for multi-family and single family residential, recreational can clubhouse facilities. He also has experience with landscape architecture for several state parks. He has a Bachelor of Science in Environmental Design from the University of Oklahoma.

**TAP ORGANIZERS****Nathan McElmurry:**

Nathan is a Principal of Wind River Group, LLC – a privately held real estate investment firm with offices in Los Angeles and Orange County, California. Wind River Group specializes in the acquisition, development and management of commercial and mixed-use real estate assets. The company seeks capital appreciation through the identification of investment opportunities with significant potential for risk-adjusted returns, investment of private equity capital and application of development expertise.



Nathan joined Wind River Group from his prior position as Director at GE Real Estate. In this role he was involved in over \$1 billion of structured and CMBS debt transactions for all types of commercial real estate. Prior to GE, Nathan was a Senior Analyst with CBRE Capital Markets, where he was responsible for helping source debt and equity financing for projects nationwide. He holds an MBA from the University of Texas and a Bachelor of Science from Texas A&M University.

**Michelle Thrakulchavee:**

Michelle is an Associate with The Province Group – an entrepreneurial real estate development and investment company. Michelle joined the company two years ago and assists in identifying and researching investment and development opportunities, conducting market research,



financial analysis, due diligence, and project management. In this market, much of her role has been shifted to sourcing distressed opportunities, both by way of non-performing loans as well as real estate assets and REO property. In addition, Michelle has had a significant role in the business development of PG Advisors, the asset management and dispositions arm of Province Group, and has been responsible for building rapport with banks, financial institutions, potential investors, and clients.

Before joining Province Group, Michelle was a Land Acquisition Specialist for Richmond American Homes in their Irvine and San Diego division where she assisted in the sourcing and underwriting of land acquisitions. Michelle graduated from the University of Southern California in 2006 with a Bachelors of Science in Business, though she began her education studying architecture. While in school, she studied abroad for a semester at the Copenhagen Business School. She has been an Urban Land Institute Young Leaders Member since graduating and was a Student Member while in school. Currently, she serves as the Community Outreach Co-Chair on the ULI Orange County Young Leaders Group's Executive Committee. She also is the University Liaison between the ULI Young Leaders Group and USC. Michelle has been passionate about architecture, real estate development, and land use since the age of seven.



# Urban Land Institute

Orange County

Address: c/o Hobbs Institute  
Chapman University  
One University Drive  
Orange, CA 92866  
Phone: (714) 628-2856  
Fax: (714) 744-2196  
[orangecounty.uli.org](http://orangecounty.uli.org)

Staff: Phyllis Alzamora  
*Executive Director*  
[phyllis.alzamora@uli.org](mailto:phyllis.alzamora@uli.org)

Kendra Chandler  
*Associate*  
[kendra.chandler@uli.org](mailto:kendra.chandler@uli.org)

ULI Address: **ULI - the Urban Land Institute**  
1025 Thomas Jefferson Street, N.W.  
Suite 500 West  
Washington, D.C. 20007  
Phone: (202) 624-7000  
Fax: (202) 624-7140  
[uli.org](http://uli.org)

Graphic Design: Gena Guisar  
*Senior Planner*  
Danielian Associates Architecture and Planning  
[gguisar@danielian.com](mailto:gguisar@danielian.com)  
[danielian.com](http://danielian.com)

