

MINUTES
GARDEN GROVE CITY COUNCIL
AND
AGENCY FOR COMMUNITY DEVELOPMENT

An Adjourned Regular Meeting of the City Council of the City of Garden Grove and the Agency for Community Development was called to order in the Council Chamber of the Community Meeting Center, 11300 Stanford Avenue, on Tuesday, August 30, 2005, at 6:40 p.m.

CITY COUNCIL

ROLL CALL: PRESENT: (5) MAYOR DALTON, COUNCIL MEMBERS KREBS, LEYES, NGUYEN, ROSEN

ABSENT: (0) NONE

AGENCY

ROLL CALL: PRESENT: (5) CHAIR NGUYEN, MEMBERS DALTON, KREBS, LEYES, ROSEN

ABSENT: (0) NONE

PLEDGE OF ALLEGIANCE

Council Member Nguyen led the Pledge of Allegiance to the Flag of the United States of America.

ORAL COMMUNICATIONS – PUBLIC

Harry Pearce addressed the City Council concerning uncoordinated traffic signals. He suggested the removal of signals at Pavilion Way and Chapman Avenue; and on Gilbert Street at Costco. He also suggested that some traffic signals could be set to flash yellow and then go to red.

Mayor Dalton asked the Traffic Engineer to investigate this.
(F: 53.3) (XR: 24.11)

David Lautherboren addressed the City Council expressing his support for a casino in Garden Grove, noting that it is an avenue from which to recover financially. He suggested holding a special

public meeting with the people involved in gaming establishments to find out what they will give us. He also noted that surrounding cities are also looking at putting in gaming establishments. (F: 53.3) (XR: 60.12)

Nancy O'Shaughnessy addressed the City Council expressing her support for a casino in Garden Grove, noting it will bring a lot of jobs to the city, and the city will prosper. She also commented that casinos have fabulous security, so there should be no problem with crime. (F: 53.3) (XR: 60.12)

Richard Alvarado addressed the City Council, expressing his support for a casino in Garden Grove to help our financial situation. He also spoke about the lack of parking on his street (Medina Drive), noting that people park overlapping his driveway. He requested permission to paint his curb red.

Mayor Dalton directed staff to look into the parking issue. (F: 53.3) (XR: 60.12) (XR: 80.2)

Verla Lambert addressed the City Council, noting that she was a member of the Financial Working Group. She read from a letter she had previously submitted to the City Council opposing a casino in Garden Grove. (F: 53.3) (XR: 60.12) (XR: 122.76)

Wiley Drake of Buena Park addressed the City Council expressing his opposition to having a casino in Garden Grove, commenting that crime will skyrocket. (F: 53.3) (XR: 60.12)

Rafael Torres addressed the City Council, through an interpreter, concerning the Travel Country Recreational Vehicle Park and the problems that have been occurring there. He referenced a petition previously submitted and indicated they are waiting for answers to their issues. He also indicated that there are three law firms helping them, and they will return to the City Council meeting on September 13. (F: 53.3) (XR: A-55.290)

Mario Salcedo addressed the City Council, through an interpreter, and expressed his support for the Travel Country RV Park families. (F: 53.3) (XR: A-55.290)

Tony Flores addressed the City Council, noting that he was a member of the Financial Working Group. He presented a copy of the District Attorney's report concerning allegations of Agency violation of the Brown Act and a copy of the City's press release. He commented that he is not in favor of a casino in Garden Grove

because the taxpayers will end up funding it. He indicated that he has an alternative plan comprised of hotels, a multi sports complex, and a shopping center, and he offered to discuss this with the City Council.

Mayor Dalton advised Mr. Flores that he would like to review his alternative plan. (F: 53.3) (XR: 60.12) (XR: 122.76)

Helen Elich addressed the City Council, noting her opposition to a casino in Garden Grove, citing crime, prostitution, and money laundering activities it would bring to the community. (F: 53.3) (XR: 60.12)

Michelle Lemoi addressed the City Council, noting that she lives in the Harbor Corridor and is against the casino because of increased traffic. She also commented that there are schools near the site, and there will be an extra drain on our Police Department. (F: 53.3) (XR: 60.12)

Janine Fowler addressed the City Council, noting she was a member of the Financial Working Group. She indicated that it is the City Council's job to look to the future. She expressed concern about the justification of spending \$50,000 to join the League of California Cities. (F: 53.3) (XR: 60.12) (XR: 122.76) (XR: 74.10)

J. Tilman Williams addressed the City Council, expressing his support for a casino in Garden Grove. He also called for the troops to come home from Iraq. (F: 53.3) (XR: 60.12)

Robin Marcario addressed the City Council, noting that she was a member of the Financial Working Group. She praised the Firefighters and Paramedics for their prompt, professional, and personable response to an emergency in her neighborhood. She noted that relative to the Financial Committee report, she is not sure the decisions would have been the same if they had delayed their meetings until after the July financial figures had been released. (F: 53.3) (XR: 60.12) (XR: 122.76)

Tony Rector addressed the City Council, commenting that if the casino project ever goes forward, special attention should be paid to its appearance, noting that if it is combined with restaurants and other development, it could be good for the city. He also noted that the surrounding area should fall into a parking and business improvement district. (F: 53.3) (XR: 60.12)

CITY COUNCIL DISCUSSION CONCERNING THE RECOMMENDATIONS OF THE COMMUNITY FINANCIAL WORKING GROUP (F: 60.12) (XR: 122.76)

Staff report dated August 30, 2005, was introduced, along with two communications from residents noting their support for a resort/casino in Garden Grove.

The City Manager reviewed background information concerning the financial state of the community and the recommendations to address the deficit that were presented by the Community Financial Working Group at the Council Meeting of July 12, 2005; i.e., a casino, aggressive redevelopment, and a utility user's tax.

It was moved by Council Member Rosen, seconded by Council Member Krebs, and carried by unanimous vote, that Agenda item 3.a. to reconsider the City Council's previous direction to staff to cease discussions with any casino interest be moved forward for discussion concurrently with this item.

CITY COUNCIL RECONSIDERATION OF CITY COUNCIL'S PREVIOUS DIRECTION TO STAFF TO CEASE DISCUSSIONS WITH ANY CASINO INTEREST AND NOT PURSUE ANY CASINO OR GAMBLING INTEREST IN THE CITY OF GARDEN GROVE, AS REQUESTED BY COUNCIL MEMBER KREBS (F: 122.76) (XR: 60.12) (XR: 127.1)

Council Member Krebs commented that the City is on a collision course with financial disaster, and all possibilities to avert this should be discussed. The City Council should take the leadership in this important matter. He expressed his support to continue with an aggressive redevelopment program and look into a possible casino here in Garden Grove.

Council Member Krebs moved that the City Council reconsider its previous direction to staff to cease discussions with any casino interest and not pursue any casino or gambling interest; hold meetings relative to a gaming resort, and report back to the City Council. Additionally, any funds needed are to be screened by the City Council.

Council Member Rosen seconded the motion for the purpose of discussion. He commented that it is premature to look at a utility user tax. However, he supported the pursuit of aggressive redevelopment.

He further commented that placing a gag order on staff not to talk about a possible casino is disadvantageous. He noted that those

who have tourist attractions do not want this competition. Other cities have been helped by the presence of casinos in their locations. What would be planned for Garden Grove would be a Resort Casino. The market demand is there; however, at present the chances of this happening are slim to very slim. Garden Grove should not spend any of its own money on this; however, if private business wants to invest in this, that is fine. He agreed that the gag order should be removed.

Council Member Leyes expressed his disappointment that the remainder of the meeting will not be televised. He spoke about past Brown Act violations relative to casino talks. He expressed his opinion that a casino is a horrible idea for the city and would bring crime, prostitution, and the mafia. He further indicated that a casino is out of character for the community and is counter to its family friendly image. He noted that the Governor has issued a proclamation saying no urban casinos, and two ballot measures were voted down. The Board of Supervisors, the City of Anaheim, and Disneyland are against it. He spoke of the need to find budget savings instead. He wants to leave the gag order in place.

Council Member Nguyen noted that she was not a part of the casino talks last year. She indicated that she is philosophically opposed to a casino and noted that it is not a quick fix for the financial picture. She expressed concern about excessive traffic it would bring, and indicated she cannot support staff spending time and effort in pursuing a casino at this time, but rather, they should be looking at an immediate solution instead of one down the road.

Mayor Dalton commented that it would be an insult to dismiss the Committee's recommendations, noting that further study might provide other options. He commented that both short-term and long-term goals must be looked at. He commented that he would like to see the proposal that Mr. Flores referenced. He does not believe Garden Grove will ever get a casino; however, he does not support preventing staff from checking into it. He further commented that if information is gathered, he wants the public to be made aware of it. Additionally, it should go to the vote of the people if there is a definite proposal.

The previous motion was restated as follows, with approval of the maker of the motion and the second: Rescind the restrictions on staff to hold meetings pertaining to a world class destination resort and gaming complex in Garden Grove, with staff reporting all meetings and proposals to the City Council and the public, along with any funding requests for reports, EIR's, or travel, in open

meetings to get some affirmative indication before proceeding further. Said motion carried by the following vote:

AYES: COUNCIL MEMBERS: (3) KREBS, ROSEN, DALTON
NOES: COUNCIL MEMBERS: (2) LEYES, NGUYEN
ABSENT: COUNCIL MEMBERS: (0) NONE

Council Member Leyes moved that no document be kept secret and that staff review and distribute a report from the California Research Bureau called "Gambling in California," paying special attention to the chapter on Gambling and Crime. The motion died for lack of a second.

Council Member Leyes moved, seconded by Council Member Nguyen, that the Utility User Tax recommendation by the Committee be rejected.

Council Member Rosen commented that the motion is premature. He further commented on money that has been spent in areas that he is not supportive of, and he recommended that cuts be looked at in the area of expenditures. Further, that the Utility User Tax issue be raised next year.

Council Member Krebs expressed his agreement with Council Member Rosen.

Council Member Leyes noted that the City Council must look at other solutions, and a Utility User's Tax is unfair.

Council Member Rosen moved, seconded by Council Member Krebs, to table the previous motion until the first City Council meeting in July 2006. Said motion carried by the following vote:

AYES: COUNCIL MEMBERS: (3) KREBS, ROSEN, DALTON
NOES: COUNCIL MEMBERS: (2) LEYES, NGUYEN
ABSENT: COUNCIL MEMBERS: (0) NONE

Council Member Leyes inquired why the rest of the meeting is being held in the Founders Room and will not be televised.

The City Manager indicated the purpose is to maintain the integrity of the study session.

RECESS

At 8:45 p.m., the Mayor declared a recess.

RECONVENE

At 8:58 p.m., the meeting was reconvened in the Founders Room with Mayor Dalton and all Council Members in attendance, and Chair Nguyen and all Agency members in attendance.

REDEVELOPMENT AGENCY UPDATE CONCERNING SITE B2 HOTEL DEVELOPMENT AND OTHER AGENCY PROPERTIES ON HARBOR BOULEVARD (F: A-128.1) (XR: A-116.6)

Staff reviewed the history of Site B2 hotel development on Harbor Boulevard, including Harbor Boulevard acquisitions and relocations. He presented an update on the Sheraton Hotel, noting that everything is on schedule. Another hotel is being planned to the south of the Sheraton Hotel, noting that the financing package is in place and includes two hotels and a restaurant.

Discussion ensued relative to parking issues along Harbor Boulevard and possible remedies.

REDEVELOPMENT AGENCY PRESENTATION CONCERNING THE HOTEL MARKET IN THE GARDEN GROVE/DISNEY AREA AND ADDITIONAL HOTEL DEVELOPMENT (F: A-128.1) (XR: A-116.6)

Staff revisited completed hotel projects and what they have achieved for the City, noting that they are economically viable and key to the long-term progressive redevelopment of Harbor Boulevard. It was noted that the hotels have generated \$270 million of private investment. Further that a conservative projection over 30 years in generated revenue to the City and Agency is set at \$443 million. Market trends that impact the City were also reviewed, along with information pertaining to the proposed Embassy Suites expansion.

COUNCIL/AGENCY MEMBER LEYES LEFT THE MEETING ROOM AT 10:49 P.M. AND RETURNED AT 10:50 P.M.

CITY COUNCIL DISCUSSION CONCERNING HIRING LOBBYISTS, AS REQUESTED BY COUNCIL MEMBER ROSEN (F: 67.1) (XR: 67.2) (XR: A-67.1)

Council Member Rosen spoke about a need for a lobbyist for the City of Garden Grove and suggested possibly Chris Townsend, Ken Maddox, or Bruce Young.

Council Member Nguyen commented that this was brought up originally in February when she and Council Member Rosen were

meeting because of the sewer rate issue; however, the current legislative session ends in mid-September. If the City had a lobbyist, perhaps money for the sewer problem could be obtained.

The City Manager noted that the Assistant to the City Manager, George Skelton, has announced his resignation, and in his job capacity, one of his duties was to track legislative bills. A replacement will be sought.

Council Member Krebs expressed his support for the RFP process, noting that initially the duties of a lobbyist should not be entirely undertaken by a staff person; however, that person could work in conjunction with the lobbyist.

Council Member Rosen requested a memo outlining a list of past lobbyists the City has had and what they actually did for the City.

It was moved by Council Member Rosen, seconded by Mayor Dalton, and carried by unanimous vote, that staff issue an RFP for a lobbyist for Sacramento and Washington, D.C.

MATTERS FROM THE MAYOR, CHAIR, AND MEMBERS

Council Member Rosen requested information about the Vons Pavilion site on Chapman Avenue and the sale of the Pacific Electric right-of-way parcel.

Staff indicated that the right-of-way would provide additional parking for possible reuse of the property. (F: A-128.1)

Mayor Dalton asked staff to check on tall weeds growing on the Mugungwha property along the right-of-way in the Vons Pavilion area off of Chapman Avenue. (F: 113.1)

ADJOURNMENT

At 11:18 p.m., the meeting was declared adjourned.

RUTH E. SMITH
CITY CLERK/SECRETARY