

MINUTES
GARDEN GROVE AGENCY
FOR
COMMUNITY DEVELOPMENT

A Regular Meeting of the Garden Grove Agency for Community Development was called to order in the Council Chamber of the Community Meeting Center, 11300 Stanford Avenue, on Tuesday, June 27, 2006, at 6:21 p.m.

ROLL CALL: PRESENT: (3) VICE CHAIR ROSEN, MEMBERS DALTON, KREBS

ABSENT: (1) CHAIR NGUYEN, MEMBER LEYES (Member Leyes joined the meeting at 6:45 p.m.)

PUBLIC INPUT ON CLOSED SESSION ITEM

There was no input from the public concerning the Cbsed Session item.

ADJOURN TO CLOSED SESSION

At 6:22 p.m., under the Ralph M. Brown Act, the Vice Chair announced that the meeting was being adjourned to Closed Session in the Founders Room to discuss the following:

**CONFERENCE WITH REAL PROPERTY NEGOTIATORS-
PURSUANT TO GOVERNMENT CODE SECTION 54956.8**

Property: Commonly referred to as the "Langston Pit/former landfill site" located at the northwest section of Harbor Boulevard and Chapman Avenue, Assessor Parcel Number/APN 233 181 01, located at 12261 - 12263 Chapman Avenue, Garden Grove, and currently owned by the Garden Grove Sanitary District

Agency's Negotiators: Matthew Fertal, Agency Director
Chet Yoshizaki, Economic Development Director
Greg Brown, Economic Development Project Manager
Celeste Stahl Brady, Agency Counsel
Tom Nixon, City Attorney

James Burba, Agency Economic Consultant
Cory Limbach, Agency Economic Consultant

Negotiating Parties: Garden Grove Agency for Community Development and Landmark Companies, LLC

Under Negotiation: Potential sale or other disposition of the above-listed real property from the Agency to Landmark Companies, LLC, and price and terms of payment.

Factors Affecting Price and Terms under Negotiation

- Acquisition of subject property
- Recorded covenants
- Scope of redevelopment of subject property and offsite improvements
- Physical condition of property at close of escrow
- Condition of title to property at close of escrow
- Indemnities of Buyer/Seller
- Representations and warranties of Seller
- Potential highest and best use of property and potential alternative land uses

Factors affecting time of payment:

- Conditions to closing of escrow
- Due diligence period
- Environmental condition and remediation of property

CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) - Pending Litigation [Litigation to which local agency is a party and has been initiated formally.]

Agency Board Closed Session to confer with Agency Counsel regarding pending litigation: *RD Golf Center Company, LLC vs. Garden Grove Sanitary District; the City of Garden Grove; Matthew Fertal; the Garden Grove Agency for Community Development;*

Atrium Plaza, LLC; Flamingo Street, LLC; Landmark Companies, LLC; Rigg Hotel; Garden Grove Lodging, LLC; Harbor Suites, LLC; Buca Incorporated; and Does 1-10, Inclusive, Pending in Orange County Superior Court (OCSC), Case No. 04CC12195, filed December 15, 2004.

**CONFERENCE WITH REAL PROPERTY NEGOTIATORS
PURSUANT TO GOVERNMENT CODE SECTION 54956.8**

Properties: Parcels owned by the Agency located at the northeast corner of Acacia Parkway and Westlake Avenue, and northwest corner of Acacia Parkway and Westlake Avenue, comprised of the following parcels listed by Assessor Parcel Number (APN):

- APN 089-202-33, Garden Grove
- APN 089-202-09, Garden Grove
- APN 089-201-16, Garden Grove

Agency's Negotiators: Matthew Fertal, Agency Director
Chet Yoshizaki, Economic Development Manager
Greg Brown, Economic Development Project Manager
Robert Garcia, Economic Development Project Manager
Celeste Stahl Brady, Agency Counsel

Negotiating Parties: Garden Grove Agency for Community Development and Thom Falcon, GG Homes LLC; Rebecca Weimer, Weimer & Associates; Phuoc (Paul) Bui; and Henry Trien Nguyen.

Under Negotiation: Potential disposition, real property sale, price(s) and terms of payment of the above-listed parcels of real property.

Factors Affecting Price and Terms under Negotiation:

- Physical condition of property at close of escrow
- Condition of title to property at close of escrow
- Indemnities of Buyer/Seller
- Representations and warranties of Seller
- Potential highest and best use of property

Factors affecting time of Closing:

- Conditions to closing of escrow
- Due diligence period
- Environmental condition and remediation of property, if any

RECESS

At 7:15 p.m., the Vice Chair declared a recess.

RECONVENE

At 7:27 p.m., the meeting was reconvened in Open Session with Vice Chair Rosen and Agency Members Dalton, Krebs, and Leyes in attendance, and it was announced that the previously disclosed items were discussed and that the Agency Board gave instructions to its negotiator.

RECESS

At 7:28 p.m., the Vice Chair declared a recess.

RECONVENE

At 7:56 p.m., the meeting was reconvened with Vice Chair Rosen and Agency Members Dalton, Krebs, and Leyes in attendance.

ORAL COMMUNICATIONS - PUBLIC

Verla Lambert addressed the Agency, cautioning them to keep in mind the Magic Mountain failure when looking for a theme park for Lido and International West. (F: A-53.3)

Ray Littrell addressed the Agency, commenting that he believes the Agency has a cash flow problem. (F: A-53.3)

RECESS

At 9:00 p.m., the Vice Chair declared a recess.

RECONVENE

At 9:15 p.m., the meeting was reconvened with Vice Chair Rosen and Agency Members Dalton, Krebs, and Leyes in attendance.

MINUTES (F: Vault)

It was moved by Member Krebs, seconded by Member Dalton, and carried by unanimous vote of those present, that the minutes of the Regular Meeting of the Agency held June 13, 2006, be and hereby are approved.

PUBLIC HEARING TO CONSIDER THE AGENCY'S PROPOSED BUDGET FOR FISCAL YEAR 2006-07 (F: A-34.1)

Staff reports dated June 27, 2006, were introduced and reviewed by staff. The total proposed budget for Fiscal Year 2006-07 is \$26,721,695.

Vice Chair Rosen declared the public hearing opened and asked if anyone wished to address the Agency on this matter.

Charles Mitchell addressed the Agency and inquired what the amount was that the Agency paid for properties and what the developers paid. He also inquired about tax increments and about the impact on the sewer system from the proposed hotels and condominiums on Garden Grove Boulevard.

Ray Littrell addressed the Agency and inquired into the amount of money the Agency has borrowed from the City. He commented that land, sewer, and road improvements should be paid for by the developers. He expressed a concern that there is a cash flow problem and the City should not be lending money to the Agency.

Peggy Bergin addressed the Agency and commented that there are no figures on the budget report for the public to review.

There being no further response from the audience, the public hearing was declared closed.

Member Leyes questioned staff relative to the transfer of \$1 million from the City to the Agency and where it was shown in the budget.

RESOLUTION NO. 656

It was moved by Member Krebs, seconded by Member Leyes, and carried by unanimous vote of those present, that full reading of Resolution No. 656 be waived, and said Resolution entitled A RESOLUTION OF THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT ADOPTING AN ANNUAL BUDGET FOR FISCAL YEAR 2006-07, be and hereby is adopted.

RESOLUTION NO. 657

It was moved by Member Leyes, seconded by Member Krebs, and carried by unanimous vote of those present, that full reading of Resolution No. 657 be waived, and said Resolution entitled A RESOLUTION OF THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT'S EXPENDITURE OF FUNDS FOR THE PROVISION OF CERTAIN ADMINISTRATIVE FUNCTIONS, be and hereby is adopted.

CONCEPTUAL MASTER PLAN FOR THE 15.5-ACRE PROPERTY KNOWN AS THE "BROOKHURST TRIANGLE" (F: A-116.7)

Staff report dated June 27, 2006, was introduced and reviewed by staff.

Scott Choppin, representing Urban Pacific Builders, LLC, addressed the Agency Members concerning the project, commenting that high-rise living is becoming more predominant. He also noted that they have had low level and conceptual discussions relative to proposed tenants for the retail portion of the project.

Member Leyes suggested that the drawings for this project be displayed in the lobby of City Hall.

It was moved by Member Krebs, seconded by Member Dalton, and carried by unanimous vote of those present, that the Conceptual Master Plan for the 15.5-acre property known as the "Brookhurst Triangle," be and hereby is received and filed.

ADJOURNMENT

At 9:52 p.m., the meeting was declared adjourned.

RUTH E. SMITH
SECRETARY