

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, September 12, 2006, at 8:02 p.m.

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

ABSENT: (0) NONE

ORAL COMMUNICATIONS – PUBLIC (F: A-53.3)

There were no oral communications from the public relevant to the Agency.

PUBLIC HEARING TO CONSIDER SUBLEASE (OVERLEASE) OF PROPERTY LOCATED AT 11277 GARDEN GROVE BOULEVARD, BY THE AGENCY TO THE CITY OF GARDEN GROVE (F: A-55.170)

Staff report dated September 12, 2006, was introduced.

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

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

In response to Member Krebs' and Chair Nguyen's questions about the cost to the City and Agency and the fees paid by the City of La Habra, staff reported that the City of La Habra will be paying \$1.50 per square foot for rent, janitorial services, and utilities.

It was moved by Member Rosen, seconded by Member Krebs and carried by unanimous vote, that the Agreement by and between the Garden Grove Agency for Community Development and the City of Garden, for the Sublease (Overlease) property located at 11277

Garden Grove Boulevard, be and hereby is approved; the proposed Sub-Sublease by and between the City of Garden Grove and the City of La Habra be and hereby is consented to; and the Director and Secretary are authorized to execute the pertinent documents on behalf of the Agency.

AGREEMENT WITH GARDNER, UNDERWOOD AND BACON TO PROVIDE INDEPENDENT FINANCIAL ADVISORY SERVICES FOR THE PROPOSED ISSUANCE OF TAX ALLOCATION REVENUE BONDS (F: A-55.324)

AGREEMENT WITH HDL COREN & CONE TO PROVIDE FISCAL CONSULTANT SERVICES RELATIVE TO TAX ALLOCATION BONDS (F: A-55.325)

Staff reports dated September 12, 2006, on the two above-listed items were introduced.

In response to Member Nguyen's inquiry about an underwriter, staff explained that when the initial analysis is complete, a recommendation will be brought to the Agency.

Member Leyes commented on the list of projects included in the staff report and asked whether approval of these agreements would commit the City to the bond issue.

Staff responded that the funds will not be tied to a particular project. The agreements for financial advisory services and financial consultant services will allow for the determination of what the tax increments could be; the potential of freeing up current obligations; and the benefits of certain kinds of bond structures. Once the size of the bond issue is determined, a recommendation will be made to the Agency on what projects could be funded.

Member Rosen requested that staff provide projections and ranges before spending \$95,000 on a new bond issue. He also would like to receive details on the anticipated additional revenues received from the hotels through the hotel tax and property tax increment; how much has been spent on debt service and what funds are still available from the 2002 Certificate of Participation bonds; and how much the new bonds will take away from the cash flow that would otherwise go toward city services.

Staff responded that the information requested without the help of a consultant would be preliminary and not reliable enough to make the kind of decisions needed.

Member Leyes moved, seconded by Chair Nguyen for discussion purposes, that the Agency approve the Consultant Services Agreement by and between the Agency for Community Development and Gardner, Underwood & Bacon to review existing debt and financing alternatives, prepare a plan of finance/debt capacity analysis, and review and evaluate financing and investment proposals at a cost not to exceed \$95,000.

After further discussion, Chair Nguyen indicated that she would support Member Rosen's request for more information and removed her second to the motion.

It was moved by Chair Nguyen, seconded by Member Rosen, and carried by unanimous vote, that staff be directed to provide the past bond information requested by Member Rosen and bring this matter back to the Agency.

ADJOURNMENT

At 9:06 p.m., the meeting was declared adjourned.

KATHLEEN BAILOR
DEPUTY SECRETARY