

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 13, 2005, at 6:15 p.m.

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

ABSENT: (0) NONE

PUBLIC INPUT

Verla Lambert thanked staff for providing more information on the Closed Session items. (F: A-53.3)

CLOSED SESSION:

At 6:16 p.m., under the Ralph M. Brown Act, the Chair announced that pursuant to Government Code section 54956.8, the meeting is 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.

Properties: The following parcels listed by Assessor Parcel Number (APN), address, if available, and current owner:

Properties: Parcels commonly referred to as the "Brookhurst Triangle" and comprised of the following parcels listed by Assessor Parcel Number (APN), address, if available, and current owner:

- APN 89-071-05 (parking lot) and 89-071-14 (10071 Garden Grove Blvd.). Owner: Jose L. Gonzalez.
- APN 89-071-06 (parking lot) and 89-071-07 and 89-071-13 (10081 Garden Grove Blvd.). Owner: Herbert Friedlander and Taylor Katz.

- APN 89-071-08 (12861 Brookhurst St.) and 89-071-12 (10115 Garden Grove Blvd.). Owner: JoAnn Ayala.
- APN 89-071-11, (10111 Garden Grove Blvd.). Owner: Dale G. Ruebsamen.
- APN 89-071-24 (12882 Brookhurst St.), 89-661-03 (12791 Brookhurst St.), 89-661-04 (12801 Brookhurst St.), 89-661-05 (12857 Brookhurst St.). Owner: Garden Grove Agency for Community Development.
- APN 89-071-25 (10151 Garden Grove Blvd.). Owner: Joann Owen Ayala.
- APN 89-071-30 (10011 Garden Grove Blvd.). Owner: Choi Jae Moon.

Agency's Negotiators: Matthew Fertal, City Manager/Agency Director
Chet Yoshizaki, Economic Development Director
Greg Blodgett, Economic Development Project

Manager

Celeste Stahl Brady, Agency Counsel
Jon E. Goetz, Agency Counsel

Negotiating Parties: Garden Grove Agency for Community Development and Scott Choppin and Mark Tolley of Urban Pacific Builders and Garden Grove Housing Investors, LLC

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
 - 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
 - Affordable housing requirements
- Factors affecting time of payment:
 - Conditions to closing of escrow
 - Due diligence period
 - Environmental condition and remediation of property, if any

And 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, *Garden Grove Agency for Community Development v. Mary Lynn Colclasure, Jonathan Colclasure, Maria Lynn Colclasure, and Samuel Ray Ball*, Pending in Orange County Superior Court (OCSC), Case No. 05WL04535, filed August 16, 2005.

RECONVENE

At 7:33 p.m., the meeting was reconvened in the Council Chamber with Chair Nguyen and all Agency Members in attendance, and the Chair announced that the first Closed Session item was discussed with no action taken, and the second item was not discussed.

RECESS

At 7:34 p.m., the Chair declared a recess.

RECONVENE

At 7:40 p.m., the meeting was reconvened with Chair Nguyen and all Agency Members in attendance.

ORAL COMMUNICATIONS – PUBLIC

Robin Marcario urged the Agency to approve the Resolution to make repairs at the Travel Country RV Park. (F: A-53.3) (XR: A-55.290)

Maria Limon (with the aid of an interpreter) expressed her appreciation for what has already been done at the Travel Country RV Park and for the repairs that will be done. (F: A-53.3) (XR: A-55.290)

Gary McGaha commented that he is an attorney representing some of the residents at the RV Park and was in support of the resolution regarding the repairs that will be done. He noted that the resolution does not contain a deadline of when the repairs will be done, and the residents would like to know when that will be. (F: A-53.3) (XR: A-55.290)

Benny Diaz thanked the Agency for the work that has been done at the RV Park. (F: A-53.3) (XR: A-55.290)

Martin Hernandez commented that even though some repairs have been made, there is a lot of work left to do. He would like to know when the

work will take place. He also thanked staff for providing a Spanish translation of the staff report. (F: A-53.3) (XR: A-55.290)

RECESS

At 8:25 p.m., the Chair declared a recess.

RECONVENE

At 8:26 p.m., the meeting was reconvened with Chair Nguyen and all Agency Members in attendance.

LICENSE AGREEMENT WITH THE KOREAN FESTIVAL COMMITTEE OF ORANGE COUNTY FOR USE OF AGENCY-OWNED PROPERTY LOCATED AT 12791-12891 BROOKHURST STREET AND 12882 BROOKHURST WAY (F: A-55.296) (XR: 42.7a)

Staff report dated September 13, 2005, was introduced.

It was moved by Member Rosen, seconded by Member Krebs, and carried by unanimous vote, that the License Agreement by and between the Agency for Community Development and the Korean Festival Committee of Orange County for use of Agency-owned property located at 12791-12891 Brookhurst Street and 12882 Brookhurst Way, generally located south of the southwest corner of Brookhurst Street and Stanford Avenue, be and hereby is approved; and the Chair and Secretary are authorized to execute the agreement.

MINUTES (F: Vault)

It was moved by Member Rosen, seconded by Member Krebs, and carried by unanimous vote, that the minutes of the Regular Meeting of the Agency held August 23, 2005, be and hereby are approved.

PUBLIC HEARING – PROPOSED PURCHASE AND SALE AGREEMENT TO M.X.A. ASSOCIATES FOR THE PURCHASE OF A PORTION OF THE OCTA RIGHT-OF-WAY GENERALLY LOCATED AT THE SOUTHWEST CORNER OF BROOKHURST STREET AND CHAPMAN AVENUE (F: A-55.316) (XR: A-116.8)

Staff report dated September 13, 2005, was introduced.

Member Rosen commented that the sale of this property will facilitate Wal-Mart as the user for property that is already zoned for retail and the sale of groceries. He noted that there will not be a need to change the General Plan. He questioned whether there will be a hearing before the Planning Commission. The Economic Development Director noted that there will

need to be approval of the Planning Commission when they are ready to build.

Member Rosen noted that the Agency's decision tonight is the last discretionary opportunity, and it will be taking the public out of the picture.

The Director commented that if Wal-Mart does move further with its proposal, a series of public meetings will be conducted in addition to the Planning Commission public hearing.

Member Rosen noted that the agenda and staff report do not mention Wal-Mart. He indicated that there are pros and cons about Wal-Mart, and the City Council should have the opportunity to consider all the reports that have been written about Wal-Mart.

Member Leyes questioned why the Agency purchased the property from OCTA. The Director commented that purchasing the property was a way to assist in the development of some commercial projects. Structures cannot be on the right-of-way and it can only be used for parking.

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

Matt Bell commented that this is a very heavy traffic area, and the community would like to have a say on what is developed in that area. He requested that this item be continued so that the community can be advised of what is going on.

Fred Frueh commented that this item was only brought to his attention today. He had a concern on what the added traffic would do to the community. There are long-standing businesses that need to be protected, and the community needs to know what is going on.

Benny Diaz commented that small businesses are loyal to the community, and questioned what will happen to them if there is a Wal-Mart. He noted that staff is doing this without informing the community, and he felt that it is not ethical.

Pat Butler requested that this item be continued because there has not been full disclosure to the public. She commented that Wal-Mart is a ruthless company; and if they do not meet their quota at that location, they will leave and the city will have a vacant building. She indicated that their business plan calls for them to eliminate competitors, which will drive away out the small businesses.

Robin Marcario commented that City staff should have notified the public prior to having this item on the agenda. She noted that the community wants to be included in the decision. She indicated that she would be very happy to put this type of information in the Central Garden Gove Association newsletter.

Rick Eiden commented that he is the Vice President of the Orange County Food and Commercial Workers' Union, which membership includes 931 in this community. He noted that the members did not attend this meeting because they have no idea what is being discussed. He requested that this item be continued to allow the community an opportunity to respond.

Ray Littrell commented that he was on the City Council when the Agency purchased the property. He indicated that Agency Members should be aware of what has been purchased and sold on the right-of-way. He also requested a copy of the 33433 report and questioned why it wasn't prepared.

Peter Schultz commented that he was representing M.X.A. Associates, and they do not have any deals with anybody. He indicated that they want to lease the property but feel that they need to purchase the right-of-way so that they can include it in their negotiations. He noted that the only value the right-of-way would have is for parking because it cannot be developed. He commented that he is surprised about all the discussion concerning Wal-Mart since they do not have any agreement with them.

In response to Chair Nguyen, Mr. Schultz commented that they have owned the Vons property since 1978 and Vons is still paying rent until the end of the year.

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

The Director commented that what is before the Agency this evening is the property owner approached staff in an effort to market the property. They felt that it would help them in negotiating with any tenant if they owned the right-of-way. Relative to Wal-Mart or any tenant on that site, the City knows that the community would like more information. He noted that the City intends to notify the community when there is something to report on that site. He indicated that Wal-Mart has shown interest in the site; however, they are not at the point where they feel that they can make an announcement that they will come to Garden Grove. There will be a series of public meetings to let the public know that they are serious about coming to Garden Grove.

Member Rosen commented that people need to voice their concerns before the City Council makes a meaningful vote. He also noted that there is no 33433 report because the matter before the Agency is not a Redevelopment project. He requested a written report from Legal Counsel to let the public know what is going on.

The Director noted that discussions about Wal-Mart are premature. He indicated that this item could be continued until Wal-Mart makes an offer.

Member Rosen commented that the staff report makes no reference to Wal-Mart; however, a report in the Manager's Memo dated August 25 stated that this purchase and sale agreement is to facilitate a Wal-Mart. He noted that the Agency Members were told but the public was not.

Member Leyes commented that two weeks ago the Wal-Mart issue was discussed and brought up at a public meeting. The sale of this parcel does not deny or prohibit a Wal-Mart. If Vons were still there, it would not be an issue. Vons never recovered from the strike and had to close the store. He indicated that the item before the Agency is a land sale.

Members Krebs commented that when he first read the staff report, he understood that it was a land sale and did not connect it to Wal-Mart. He did not want to rush into a decision and felt that there needed to be more answers.

Member Rosen moved, seconded by Member Krebs, that the Purchase and Sale Agreement with M.X.A. Associates be continued for four weeks.

Member Leyes questioned what the Agency would know in four weeks that it will not know in one week.

Member Krebs commented that he would like to see the Attorney reports in writing.

The Director noted that four weeks might be better if a decision is made that additional noticing will be required along with a summary report.

Legal Counsel commented that this item was properly noticed for the sale of property and did not require a 33433 report. However, it could be provided.

It was moved by Member Leyes, seconded by Chair Nguyen, a substitute motion, that this matter be continued for two weeks.

Member Rosen commented that the 33433 report is one of the last items requested in the letter that was given to us tonight by John McClendon. He

noted that he would like a response, and the public should have the opportunity to prepare and address the Agency.

Chair Nguyen commented to Member Rosen that the information he needs on Wal-Mart is in front of him. She noted that she has no problem with the amount of time for a continuance; however, the item before the Agency is a purchase and sale agreement. She indicated that this is one of the few opportunities to put money back into the Agency. Everyone is talking about a Wal-Mart, but there is no Wal-Mart before the Agency. She was in favor of continuing the item for two weeks.

The Director commented that staff could prepare a response in two weeks.

Member Krebs commented that he has not had an opportunity to read the letter that was placed in front of him tonight and felt that a continuance for four weeks was reasonable.

Chair Nguyen repeatedly pressed Member Krebs to be more specific on what kind of information he wants staff to prepare and what items he needs in four weeks.

Member Krebs commented that he cannot say it more simply since he does not speak Vietnamese, which offended Chair Nguyen.

The foregoing motion to continue the item for two weeks carried by the following vote:

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

Legal Counsel clarified that the Public Hearing was held on this matter and is closed. The Agency decision has been continued to September 27, 2005.

AGREEMENT WITH THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
TO OBTAIN A LOAN THROUGH THE CALIFORNIA ENVIRONMENTAL
REDEVELOPMENT FUND LOAN PROGRAM (F: A-55.160)

Staff report dated September 13, 2005, was introduced.

It was moved by Member Rosen, seconded by Member Krebs, and carried by unanimous vote, that the Agreement by and between the Agency for Community Development and the California Pollution Control Financing Authority in the amount of \$125,000.00 to obtain a loan through the California Environmental Redevelopment Fund loan program to assist with the cleanup of Agency-owned property on the southeast corner of

Rockinghorse Road and Garden Grove Boulevard, be and hereby is approved; and the Chair is authorized to execute the agreement.

RESOLUTION INDICATING AN EMERGENCY EXISTS AND AUTHORIZING THE REPAIR OF CERTAIN PUBLIC FACILITIES, WITHOUT COMPETITIVE BIDDING AT AGENCY-OWNED PROPERTY LOCATED AT 12721 HARBOR BOULEVARD (TRAVEL COUNTRY RV PARK) (F: A-55.290)

Staff report dated September 13, 2005, was introduced.

RESOLUTION NO. 652

It was moved by Member Leyes, seconded by Member Dalton and carried by unanimous vote, that full reading of Resolution No. 652 be waived, and said Resolution entitled A RESOLUTION OF THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT FINDING THAT AN EMERGENCY EXISTS AND AUTHORIZING THE REPAIR OF CERTAIN PUBLIC FACILITIES WITHOUT COMPETITIVE BIDDING, be and hereby is adopted.

ADJOURNMENT

At 10:00 p.m., the meeting was declared adjourned.

PRISCILLA STIERSTORFER
DEPUTY SECRETARY