

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 26, 2006, at 6:17 p.m.

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

ABSENT: (2) MEMBERS LEYES, NGUYEN (Member Leyes joined the meeting at 6:31 p.m., and Chair Nguyen joined the meeting at 7:00 p.m.)

PUBLIC INPUT ON CLOSED SESSION ITEM

Elaine Steele addressed the Agency regarding the Closed Session item relative to Grove Avenue. She expressed concerns about a lack of parking for senior citizens and car show and Farmers Market attendees, and for people visiting Main Street businesses.  
(F: A-53.3)

ADJOURN TO CLOSED SESSION

At 6:21 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 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 for Community Development closed session to confer with Litigation 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

Property: 1.66 acres of real property generally located on the east side of Grove Avenue, west of Main Street and north of Garden Grove Boulevard, Garden Grove, 10936 Acacia (APN 089-213-28, 29), 12892 Grove Avenue (APN 089-213-02, 12942 Grove Avenue (APN 089-213-31, 32)).

Agency's Negotiators: Matthew Fertal, Agency Director; Chet Yoshizaki, Economic Development Director; Greg Blodgett, Senior Project Manager; Alison Moore, Project Manager; Gina M. Gallagher, Real Property Manager; Armando Morales, Real Property Consultant; Paul Marra, Keyser Marston Associates; Reena Arvizu, Keyser Marston Associates; Jon Goetz, Agency Counsel.

Negotiating Parties: Garden Grove Agency for Community Development and Sheldon Public Relations, a California corporation.

Under Negotiation: Potential sale of the above-listed real property from the Agency to Sheldon Public Relations, and price and terms of payment.

Factors Affecting Price and Terms under Negotiation:

- Financing of purchase price
- Recorded covenants
- Scope of redevelopment of subject property and offsite improvements
- City parking requirements and required Vehicle Parking District actions
- 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
  - Purchase price financing terms

MEMBER LEYES JOINED THE MEETING AT 6:31 P.M.

CHAIR NGUYEN JOINED THE MEETING AT 7:00 P.M.

RECONVENE IN OPEN SESSION

At 7:04 p.m., the meeting was reconvened in the Council Chamber with Chair Nguyen and Agency Members Dalton, Krebs, Leyes, and Rosen in attendance and it was announced that the previously disclosed items were discussed and that no reportable action was taken relative to the Grove Avenue property.

Further, it was also announced a settlement was reached relative to the 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, Case No. 04CC12195, by which RD Golf Center Company, LLC, will be paid the total sum of \$2,050,000 in return for giving up its lease and vacating the property, and dismissal of the lawsuit in its entirety, by the following vote:

AYES:	MEMBERS:	(4)	DALTON, KREBS, LEYES, ROSEN
NOES:	MEMBERS:	(0)	NONE
ABSENT:	MEMBERS:	(1)	NGUYEN

RECESS

At 7:05 p.m., the Chair declared a recess.

## RECONVENE

At 7:13 p.m., the meeting was reconvened with Chair Nguyen and all Agency Members in attendance.

## ORAL COMMUNICATIONS - PUBLIC

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

## MINUTES (F: Vault)

It was moved by Member Krebs, seconded by Chair Nguyen, and carried by unanimous vote, that the minutes of the Regular Meeting of the Agency held August 22, 2006, be and hereby are approved, as amended.

## EXCLUSIVE NEGOTIATING AGREEMENT WITH RYAN COMPANIES US, INC., FOR THE DEVELOPMENT OF A FULL SERVICE RESORT HOTEL ON THE 4.5-ACRE SITE LOCATED ON HARBOR BOULEVARD, FORMERLY THE FIRE STATION MOTEL SITE, APN 231-43-102 (F: A-55.327) (XR: A-55.188A)

Staff report dated September 26, 2006, was introduced and reviewed by staff.

It was moved by Member Rosen, seconded by Member Krebs, and carried by unanimous vote, that the Exclusive Negotiating Agreement by and between the Garden Grove Agency for Community Development and Ryan Companies US, Inc., for the development of a full service resort hotel on the 4.5 acre site located on Harbor Boulevard, formerly the Fire Station Motel site, APN 231-43-103, be and hereby is approved.

## ADJOURNMENT

At 7:30 p.m., the meeting was declared adjourned.

RUTH E. SMITH  
SECRETARY