

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, October 24, 2006, at 6:17 p.m.

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

ABSENT: (2) MEMBER LEYES, VICE CHAIR ROSEN (Leyes joined the meeting at 6:22 p.m. and Rosen joined the meeting at 6:18 p.m.)

PUBLIC INPUT ON CLOSED SESSION ITEM

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

VICE CHAIR ROSEN JOINED THE MEETING AT 6:18 P.M.

ADJOURN TO CLOSED SESSION

At 6:20 p.m., under the Ralph M. Brown Act, the meeting was 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 Sr. Project Manager; Jim DellaLonga, Economic

Development Project Manager; Jon Goetz, Agency Counsel; Omar Sandoval, Deputy City Attorney.

Ronald Lofy, Environmental Consultant; James Regan, Agency Economic Consultant.

Negotiating Parties: Garden Grove Agency for Community Development and Situs Development.

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

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

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Agency's Negotiators: Matthew Fertal, Agency Director; Chet Yoshizaki, Economic Development Director; Greg Brown, Economic Development Sr. Project Manager; Jim DellaLonga, Economic Development Project Manager; Jon Goetz, Agency Counsel; Omar Sandoval, Deputy City Attorney; James Burba, Economic Consultant; and 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, and price and terms of payment, from the Agency to Landmark Companies, LLC

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
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Factors Affecting Time of Payment:

- Conditions to closing of escrow
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- Environmental condition and remediation of property

MEMBER LEYES JOINED THE MEETING AT 6:22 P.M.

RECONVENE IN OPEN SESSION

At 7:43 p.m., the meeting was reconvened in the Council Chamber with Chair Nguyen and all Agency Members present. It was announced that the previously disclosed items were discussed and that no reportable action was taken.

agencies for schools and park districts before offering the property to the public.

Staff further explained that under Redevelopment Law, city councils have the authority to convey real property to redevelopment agencies for redevelopment purposes. Tonight's hearing is meant to address the sale of property acquired for public parking spaces and will allow both the Agency and City Council to determine if the property is needed for public parking spaces or whether it could be used for other public uses and convey the land for redevelopment use.

Steve Sheldon of the Sheldon Group addressed the Agency/City Council and provided more information and additional drawings of the development. He outlined what he and his staff have done during the development of this project, including meetings with City staff, the Parking and Main Street Commission, the merchants, the neighborhood, the Downtown Merchants Association, and Home Depot. As a result of these meetings, one of the conditions of approval is that this project, through the Homeowners Association, will pay \$12,000 per year, with a COLA attached, to the City to be used for downtown Main Street.

Member/Mayor Dalton declared the public hearing opened and asked if anyone wished to address the Agency/City Council on the matter.

Janine Fowler addressed the Agency/City Council, expressing her concerns that, although the project is beautiful, parking will be reduced.

Vice Chair/Council Member Rosen confirmed with staff that in addition to gated parking for the residents within the project, there will be 39 additional spaces for public parking.

Scott Weimer commented that the Downtown Business Association does not oppose the general concept of the project, expressing that this type of project can revitalize and help Main Street economically. However, he was concerned that this project was not brought to the Parking and Main Street Commission for its review.

RECESS

At 9:04 p.m., the Member/Mayor Dalton declared a recess.

RECONVENE

At 9:11 p.m., the meeting was reconvened with Agency Member/Mayor Dalton and Agency/Council Members Krebs, Leyes, and Rosen in attendance.

Paige Blodgett, Peter Katz, Ralph Ascher, Harry Pearce, Robin Marcario, John Scott, Valerie Ward, Kat Wakula, and Ramesh Manchanda, addressed the Agency/City Council in opposition to the project. Their concerns included the impact on parking, especially the tandem parking, the process used bringing the project to the Agency/City Council, and the changes the project will make to the character of Main Street.

In response to Agency/Council Member Rosen's question about tandem parking, staff responded that the tandem parking will not be for public parking, but will be part of the residential subterranean parking.

Rebecca Weimer addressed the Agency/City Council, expressing displeasure with the lack of a bid process to select a developer for this project.

Leo Zlaket addressed the Agency/City Council in support of the project. He stated that he has been waiting for a project of this type for 15 years. In his observations of the parking situation on Main Street, he has not seen the public parking lots full and has not had any complaints from his customers about the lack of parking.

Bob Owens, Ray Littrell, and Malcolm Pecor addressed the Agency/City Council in opposition to the project. Mr. Littrell and Mr. Pecor claimed that the property owners who have been paying an assessment fee since the District's inception owned the parking district.

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

In response to Vice Chair/Council Member Rosen's questions about the conflict between the merchants on the east side of Main Street and the College regarding parking, staff indicated that they are not aware of this being an ongoing problem.

In response to the discussion on the ownership of the Parking District and the assessment paid by the business owners, Agency/Council Member Leyes pointed out that paying an

assessment fee for a sewer pipe, for example, does not make one an owner of the sewer pipe, and that the City owns the Parking District.

Agency/Council Member Krebs expressed his opposition to the project based on residential high density. Main Street needs to be rejuvenated with commercial projects. He feels there is a parking issue and he has heard that other business uses have been denied on Main Street citing lack of parking.

Agency/Council Member Leyes responded to the concerns that the Parking and Main Street Commission was not involved in the decision-making process. He commented that the Agency/City Council has the authority to make development decisions. Efforts have been made to revitalize Main Street through clean-up programs, re-tenant incentives, and other developments around Main Street, but more still needs to be done. He feels this proposal integrates Main Street architecturally and provides a captive market. He is pleased with the contribution by the Homeowners Association of \$12,000 a year, which will inflate, for upkeep of Main Street, and will be supporting the proposal.

Vice Chair/Council Member Rosen commented that the Main Street he has heard about tonight, with the successful businesses and overflowing parking is not the Main Street he has heard about before. When the car show and the farmer's market were being proposed, he was told by the merchants that they needed these activities to bring people to Main Street. Merchants approached the City for funding to hire a consultant to develop a plan to bring more businesses to Main Street. This live/work project will bring people to Main Street; and developing a parking lot as residential/commercial will put it back on the tax rolls. Efforts to rejuvenate Main Street in the past have not worked, and we need to move forward with ideas. This type of development has worked in other cities and it is worth a try for Garden Grove. He has asked a lot of questions about the parking and based on the answers he has received, he will be supporting this project.

Member/Mayor Dalton commented that he remembers when the car show was unpopular with the merchants on Main Street, but they discovered how successful both the car show and the farmer's market have been for their businesses. He agrees with Mr. Zlaket that the parking is not going to be impacted. The project has built-in customers as well as offering retail, bringing in more customers to the area. He feels the project will be beneficial to Main Street and will be supporting it.

RESOLUTION NO. 658

Member Leyes moved, seconded by Vice Chair Rosen, that full reading of Resolution No. 658 be waived, and said Resolution entitled A RESOLUTION OF THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE AGENCY AND SHELDON PUBLIC RELATIONS AND A COOPERATION, PURCHASE AND SALE AGREEMENT BETWEEN THE CITY OF GARDEN GROVE AND THE AGENCY AND MAKING CERTAIN OTHER FINDINGS IN CONNECTION THEREWITH, be and hereby is adopted upon the following vote:

AYES:	MEMBERS: (3)	LEYES, DALTON, ROSEN
NOES:	MEMBERS: (1)	KREBS
ABSENT:	MEMBERS: (1)	NGUYEN

said Resolution No. 658 was declared adopted.

RESOLUTION 8741-06

Council Member Leyes moved, seconded by Council Member Rosen, that full reading of Resolution No. 8741-06 be waived, and said resolution entitled A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT AND SHELDON PUBLIC RELATIONS, AND A COOPERATION, PURCHASE AND SALE AGREEMENT BETWEEN THE CITY AND THE AGENCY, AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH, be and hereby is adopted upon the following vote:

AYES:	COUNCIL MEMBERS: (3)	LEYES, ROSEN, DALTON
NOES:	COUNCIL MEMBERS: (1)	KREBS
ABSENT:	COUNCIL MEMBERS: (1)	NGUYEN

said Resolution No. 8741-06 was declared adopted.

RECESS

At 10:40 p.m., Agency Member/Mayor Dalton declared a recess.

RECONVENE

At 11:00 p.m., the meeting was reconvened with Chair Nguyen and all members in attendance.

ADJOURNMENT

At 11:01 p.m., the meeting was declared adjourned.

KATHLEEN BAILOR
DEPUTY SECRETARY