

MINUTES

GARDEN GROVE SANITARY DISTRICT

A Special Meeting of the Garden Grove Sanitary District Board of Directors was called to order in the Council Chamber of the Community Meeting Center, 11300 Stanford Avenue, on Tuesday, January 9, 2007, at 7:55 p.m.

ROLL CALL: PRESENT: (5) PRESIDENT DALTON, MEMBERS BROADWATER, DINA NGUYEN, JANET NGUYEN, ROSEN

ABSENT: (0) NONE

ORAL COMMUNICATIONS – PUBLIC

There were no oral communications from the public relevant to the Sanitary District.

RECESS

At 8:25 p.m. the President declared a recess.

RECONVENE

At 9:24 p.m. the meeting was reconvened with President Dalton and all Board members in attendance.

AGENCY

ROLL CALL: PRESENT: (5) CHAIR BROADWATER, MEMBERS DALTON, DINA NGUYEN, JANET NGUYEN, ROSEN

ABSENT: (0) NONE

JOINT PUBLIC HEARING WITH THE GARDEN GROVE SANITARY DISTRICT TO CONSIDER A DISPOSITION AND DEVELOPMENT AGREEMENT WITH LANDMARK COMPANIES FOR THE CONSTRUCTION OF A 225-ROOM EXPANSION OF THE EXISTING EMBASSY SUITES HOTEL LOCATED AT 11767 HARBOR BOULEVARD; AND APPROVAL OF A COOPERATION AGREEMENT AND SITE EXPANSION AND PARKING SITE LEASES WITH THE GARDEN GROVE SANITARY DISTRICT (F: A-55.190) (XR: S-55.21)

Staff report dated January 9, 2007, was introduced, and staff reviewed the salient points of the proposed Disposition and Development Agreement and the Cooperation Agreement. Pursuant to Legal Notice published December 28, 2006, and January 4, 2007, public hearing on the case was ordered by the Agency and District to be held this date.

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

Mark David, CEO of Landmark Companies, and Dominic Acolino, General Manager of the Embassy Suites, addressed the District/Agency, presenting a brief history on the success of the hotel and the challenge they face to fill the hotel during the week. The expansion would not only change the Embassy Suites from a hotel to a resort with all the additional amenities, but would add more meeting space, creating a demand by business groups for more rooms. Embassy Suites is owned by Hilton Hotels, and Hilton supports the expansion; as a condition to the expansion, Hilton has agreed not to grant another Embassy Suites franchise in the Garden Grove/Anaheim area for 20 years.

Tom Trischler addressed the District/Agency discussing his ideas on how the Embassy Suites expansion could be integrated into his plan for the whole area including the landfill site, and expressed his willingness to work with Landmark and the Embassy Suites.

Charles Mitchell addressed the District/Agency regarding funding being used for the expansion and commented on the settlement agreement with the driving range. He also expressed his concern on the lease agreement with the Embassy Suites for the driving range property.

Ray Littrell addressed the District/Agency commenting that he thinks the hotel expansion would look nice on Harbor Boulevard, and Embassy Suites is a fine corporate citizen, but stated that there

needs to be more number crunching before the project should be approved.

RECESS

At 9:58 p.m. the Chair declared a recess.

RECONVENE

At 10:10 p.m. the meeting was reconvened with President/Member Dalton and Chair/Member Broadwater and all Sanitary District Board/Agency members in attendance.

Mark Beizer addressed the District/Agency, offering his suggestions on developing the Langsdon Pit property.

Allan Farwell, Hyatt Regency General Manager, addressed the District/Agency in support of the Embassy Suites expansion, stating that it would be a dynamic part of the Garden Grove economy that would in turn affect the Hyatt Regency in a positive manner.

David Terry Lautherboren addressed the District/Agency in support of the expansion; however, he expressed safety concerns for the methane gas in the landfill.

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

President/Member Dalton asked that staff report back on any negative impact the landfill liability might have on the bonding capacity for the City.

Member Rosen commented that he looked through a directory of Embassy Suites and believes that with this expansion, the Garden Grove Embassy Suites would be the largest one in the United States. Combined with the exclusive agreement that no other Embassy Suites will be franchised in the area, this is a very valuable product for Garden Grove. Garden Grove is in a unique position to attract these types of developments because of the city's proximity to Disneyland, and he will be supporting the project. The alternative proposal discussed for the landfill site would not be compatible with this expansion, but would be a good development elsewhere in the city.

Member/Chair Broadwater commented on the gamble the City and the developers took in the beginning of the development of the

Harbor/Chapman hotel sites. The City invested \$44 million at the time, and this year cleared \$13 million back to the treasury that will continue from now on. This is another opportunity to expand what has begun with a proven developer, and he will be supporting the project.

Member Janet Nguyen commented that negotiations for this project have been ongoing for a year and half. Her concerns centered on the parking needs and they have been addressed in the project. She supports the project.

President/Member Dalton stated that the Embassy Suites has done a fantastic job and the project is good and the increased parking is needed. The exclusive agreement with Hilton is an advantage to the City, and he also will be supporting the project. He would like to find out the real cost to remediate the landfill site to determine if future development is possible.

Member Dina Nguyen commented that she understands the risk the hotels take when they invest in Garden Grove and the return that the City gets from the joint projects and appreciates the sacrifice past Councils have made when they made agreements with the developers. She indicated that she would be supporting this project.

In response to Member Dina Nguyen's expressed concern regarding the safety and liability for using the landfill, staff indicated that the same safety provisions put in place on the Hyatt property will be provided for this project; burners will be set so that the methane gas will be burned off and does not evaporate into the area.

RESOLUTION NO. 3697

It was moved by Member Rosen, seconded by President Dalton, and carried by unanimous vote, that full reading of Resolution No. 3697 be waived, and said Resolution entitled A RESOLUTION OF THE GARDEN GROVE SANITARY DISTRICT APPROVING A COOPERATION AGREEMENT BETWEEN THE GARDEN GROVE SANITARY DISTRICT AND THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, be and hereby is adopted.

After discussion regarding the future development of the landfill and the need to determine the feasibility of different types of development, it was moved by President/Member Dalton, seconded by Member Janet Nguyen, and carried by unanimous vote, that staff be directed to retain the services of an environmental consultant to assess the condition of the landfill and make recommendations.

RESOLUTION NO. 659

It was moved by Member Dalton, seconded by Member Rosen, and carried by unanimous vote, that full reading of Resolution No. 659 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 LANDMARK COMPANIES, LLC AND A COOPERATION AGREEMENT BETWEEN THE GARDEN GROVE SANITARY DISTRICT AND THE AGENCY AND MAKING CERTAIN OTHER FINDINGS IN CONNECTION THEREWITH, be and hereby is adopted.

RECESS

At 10:53 p.m. the President declared a recess.

RECONVENE

At 10:55 p.m. the meeting was reconvened with President Dalton and all Board members in attendance.

MINUTES (F: Vault)

Member Rosen moved, seconded by Member Janet Nguyen, that the minutes of the Regular Sanitary District Board Meeting held November 28, 2006, be and hereby are approved. Said motion carried by the following vote:

AYES:	MEMBERS: (3)	JANET NGUYEN, ROSEN, DALTON
NOES:	MEMBERS: (0)	NONE
ABSENT:	MEMBERS: (0)	NONE
ABSTAIN:	MEMBERS: (2)	BROADWATER, DINA NGUYEN

PROFESSIONAL SERVICES AGREEMENT WITH DAVE DALRYMPLE FOR THE OPERATION AND MAINTENANCE OF THE HARBOR GREENS GOLF PRACTICE CENTER LOCATED AT 12261 CHAPMAN AVENUE (F: S-55.4)

Staff report dated January 9, 2007, was introduced.

It was moved by Member Rosen, seconded by Member Dina Nguyen, and carried by unanimous vote, that the Agreement by and between the Garden Grove Sanitary District and Dave Dalrymple, for the operation and maintenance of the Harbor Greens Golf Practice Center, be and hereby is approved; the General Manager and City Clerk are authorized to execute the pertinent documents on behalf

of the Garden Grove Sanitary District; and the appropriation of \$90,000 in Fund 661-Refuse/Landfill for operation of the Driving Range is approved.

ADJOURNMENT

At 10:57 p.m., the meeting was declared adjourned.

KATHLEEN BAILOR
DEPUTY SECRETARY