

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

Garden Grove Agency for Community Development

To:	Matthew Fertal	From:	Chet Yoshizaki
Dept:	Director	Dept:	Economic Development
Subject:	ACQUISITION OF REAL PROPERTY 13082 CENTURY BOULEVARD (APN: 099-092-02)	Date:	June 10, 2008

OBJECTIVE

It is requested that the Garden Grove Agency for Community Development ("Agency") consider the acquisition of the real property located at 13082 Century Boulevard, owned by Grae Ventures, LLC, a California Limited Liability Company ("Developer").

BACKGROUND

On November 13, 2006, the Agency entered into a 180-day Negotiating Agreement (NA) with the Developer for the mixed-use development of the 6.4-acre Century Triangle site. During this time, the Developer acquired the subject property, located at the corner of Walnut Street and Century Boulevard. The Developer conducted a Phase I Environmental Site Assessment and proceeded to demolish the multi-family residential structures located on the subject property.

In February 2007, the Developer requested an extension to explore additional development options due to the declining residential housing market. However, the Developer allowed the NA to expire in June 2007 and subsequently withdrew from participation in the Century Triangle development project, citing declining market conditions and site assemblage issues as the major obstacles.

The NA stipulates that the Agency must begin negotiations, in good faith, for the acquisition subject property from the Developer within 270 days after the expiration of the NA.

DISCUSSION

An agreement has been reached with the Developer to acquire fee title interest of 13082 Century Boulevard. The agreed upon purchase price of \$615,357.19 includes only the Developer's costs associated with the purchase and clearing of the property, such as environmental testing and abatement, as well as demolition of the existing structures. The purchase price of the subject property has been

determined to be at fair market value by an independent appraiser. The property contains approximately 7,700 square feet of unimproved land.

FINANCIAL IMPACT

Housing Set-Aside funds are available and will be used for the acquisition of the subject property.

COMMUNITY VISION IMPLEMENTATION

Improving the City's economic base through the development of tax-generating uses where appropriate.


RECOMMENDATION

- Approve the acquisition of 13082 Century Boulevard (APN: 099-092-02);
- Authorize the Agency Director and Secretary to execute the pertinent and documents on behalf of the Agency;
- Authorize the Finance Director to draw a warrant in the amount of \$615,357.19 when appropriate to do so.


CHET YOSHIZAKI
Economic Development Director

By: Carlos Marquez
Real Property Agent

Recommended for Approval


Matthew Ferial
Director

Attachment 1: Site Map
Attachment 2: Purchase & Sale Agreement

mm(h:Real Property/13082 Century sr 061008.doc)