


Zimbra

gracel@ci.garden-grove.ca.us

RE: [External] Garden Grove & TPL, Coastal Conservancy, & CBH - Willowick Appraisal Meeting

From : Robin Mark <Robin.Mark@tpl.org> Wed, Jul 21, 2021 02:18 PM
Subject : RE: [External] Garden Grove & TPL, Coastal Conservancy, & CBH - Willowick Appraisal Meeting  1 attachment
To : Omar Sandoval <omars@ggcity.org>
Cc : Alex Size <Alex.Size@tpl.org>, Thomas P. Clark <tclark@stradlinglaw.com>, Grace Lee <gracel@ggcity.org>, Lisa Kim <lisak@ci.garden-grove.ca.us>, greg1 <greg1@ggcity.org>, Tily Shue <tily.shue@tpl.org>

Omar,

Thank you for your email on July 15th with George Hamilton Jones' response to Beth Finestone's comments on the City's appraisal. Additionally, I appreciate your email below from July 19th where you state that the City's intention is to negotiate in good faith with TPL. We too are committed to working collaboratively with the City of Garden Grove to come to an agreed upon value of the Willowick property. That said, it is important we remember that the sale of the property is guided by the Surplus Land Act, a key fact that has not been considered by the George Hamilton Jones appraisal or their response to Beth Feinston's review. Selling this property, which has been deemed as surplus, to a public agency is not the same as selling a piece of land on the open market. The fundamentals of the negotiation process are governed by the law of the SLA, thus our request to collectively secure a third appraisal still stands.

Per your email below, I too think it is time we get on another call to discuss this directly. Please confirm which of the times below works best for your team.

- Tuesday, July 27 after 2pm
- Thursday, July 29 – before 1pm
- Friday, July 30 – before 1pm

Thank you,

Robin Mark
323.333.6310

From: Omar Sandoval <omars@ggcity.org>
Sent: Monday, July 19, 2021 1:40 PM
To: Robin Mark <Robin.Mark@tpl.org>
Cc: Alex Size <Alex.Size@tpl.org>; Thomas P. Clark <tclark@stradlinglaw.com>; Grace Lee <gracel@ggcity.org>; Lisa Kim <lisak@ci.garden-grove.ca.us>; greg1 <greg1@ggcity.org>; Tily Shue <tily.shue@tpl.org>
Subject: Re: [External] Garden Grove & TPL, Coastal Conservancy, & CBH - Willowick Appraisal Meeting

Robin, it is our intention to continue to negotiate in good faith and not get further sidetracked by circular debates over tangential legal issues that, in the final analysis have very little to do with reaching an agreement on a purchase price acceptable to both TPL and the City. We have provided the response of the City's appraiser to the issues raised by your appraiser. Let's set up a time to discuss these issues in person and any others that you may wish to raise in hopes of reaching an agreement. Thank you. Omar.

Omar Sandoval
City Attorney
City of Garden Grove
(714) 741-5368
omars@ggcity.org

From: "Robin Mark" <Robin.Mark@tpl.org>

To: "Omar Sandoval" <omars@ggcity.org>

cc: "Alex Size" <Alex.Size@tpl.org>, "Thomas P. Clark" <tclark@stradlinglaw.com>, "Grace Lee" <gracel@ggcity.org>, "Lisa Kim" <lisak@ci.garden-grove.ca.us>, "greg1" <greg1@ggcity.org>, "Tily Shue" <tily.shue@tpl.org>

Sent: Thursday, July 15, 2021 9:46:24 AM

Subject: RE: [External] Garden Grove & TPL, Coastal Conservancy, & CBH - Willowick Appraisal Meeting

Hi Omar,

In an email to Lisa Kim on January 7, 2021, TPL provided clarification to the City of Garden Grove that our offer to acquire the subject property could be revised subject to additional evidence of value (i.e., a third appraisal). This is in recognition that the appraisal report we received from Beth Finestone, MAI was a "Restricted Appraisal" and that further research and work on an "Appraisal Report" could produce a different value, thus giving TPL – as a nonprofit organization, the ability to revise its offer. As such, it is not correct or factual to categorize TPL's offer as "firm", as you've done in the second sentence of your July 9th email. TPL remains able to review and revise our bid based on an appraisal that sets forth a supportable and documented fair market value (FMV). Unfortunately, the appraisal the City received doesn't provide such evidence, as was documented in the appraisal review Beth Finestone, MAI provided to TPL and which TPL has provided to the City.

In reaction to the valuation discussion in your email, I should note that the presence of offers, in fact contingent offers, that the City has received is not evidence of market value. These offers are not closed sales (i.e., comps) where buyer and seller have agreed on terms, money changes hands and a deed is passed from one party to another. In addition, based on how speculative the contingencies are therein (i.e., general plan amendment, re-zoning of the property, and/or securing entitlements for a master-planned community) it is highly questionable whether a sale of the property based on the offered terms would ever come to pass (this is why appraisers typically rely heavily on comps - not offers, to determine FMV for any given property). Due to this fact and the major deficiencies of the City's contracted appraisal, the City's stated opinion of value for the property (i.e., \$90-200M) is not supported and cannot be relied upon by TPL or the City.

It is not uncommon for buyers and sellers to differ on the value of the property under discussion. In the 4,723 transactions TPL has closed across the country to date, this is something we routinely encounter, yet we are still able to eventually "come to terms" with our landowner partners and successfully move forward. A common approach when a disagreement over value exists is the procurement of a third appraisal. As you know, this is an option specifically identified under the SLA when buyer and seller can't come to terms. However, this step of receiving a third appraisal requires both parties to be working in good faith. As such, I want to stress again TPL's willingness to pay 50% of the cost to procure a third appraisal and ask that the City of Garden Grove partner with us in this process by committing to pay the balance of 50%. Whatever the City's decision is to this request, please provide a response by July 22, 2021 so that we can quickly determine our next steps.

Until then, we look forward to receiving George Hamilton Jones' response to Beth Finestone's review of their appraisal.

Thank you,

Robin Mark
323.333.6310

From: Omar Sandoval <omars@ggcity.org>
Sent: Friday, July 9, 2021 3:35 PM
To: Robin Mark <Robin.Mark@tpl.org>
Cc: Alex Size <Alex.Size@tpl.org>; Thomas P. Clark <tclark@stradlinglaw.com>; Grace Lee <gracel@ggcity.org>; Lisa Kim <lisak@ci.garden-grove.ca.us>; greg1 <greg1@ggcity.org>; Tily Shue <tily.shue@tpl.org>
Subject: Re: [External] Garden Grove & TPL, Coastal Conservancy, & CBH - Willowick Appraisal Meeting

Robin,

Our appraiser estimates that he will have his response by the end of next week. Of course, I will let you know if we receive it sooner.

As to the rest of your correspondence, we are now clear that TPL's offer to acquire the land is a firm \$2,131,500 based on a "restricted" appraisal obtained by TPL, which the City has not been able to review since TPL requested that it be deleted and the City complied due to the City's unwillingness to accept TPL's conditions for its receipt. However, in the City's April 16, 2021 letter to TPL, the City clearly stated that this offer amount was unacceptable. We have further indicated that based on offers received by the City in 2019 prior to SB 1486 becoming effective, plus the recent appraisal obtained by the City, the value of the land is between \$90 million and \$200 million. To further clarify, the definition of "fair market value" in Section 102 of the HCD Surplus Land Act Guidelines provides that "Fair Market Value is the price a particular parcel would sell for on the open market when certain conditions are met. Those conditions are: (1) the parties involved are aware of all the facts, (2) are acting in their own interest, (3) are free of any pressure to buy or sell, and (4) have ample time to make the decision." This is consistent with various California statutes as well as case law. In some cases, the standard is summarized as "the price a willing buyer would pay to a willing seller in an arms' length transaction." Please advise if you have authority to the contrary. We otherwise have found no authority establishing that fair market value is established by multiple appraisals. The Guidelines suggest that parties may seek a broker's opinion of value or an appraisal, but neither are mandatory.

In sum, as we have stated multiple times, the City wishes to consider an offer from TPL commensurate with the value of the land.

Thank you. Omar.

Omar Sandoval
City Attorney
City of Garden Grove
(714) 741-5368
omars@ggcity.org

From: "Robin Mark" <Robin.Mark@tpl.org>
To: "Omar Sandoval" <omars@ggcity.org>, "Alex Size" <Alex.Size@tpl.org>
cc: "Thomas P. Clark" <tclark@stradlinglaw.com>, "Grace Lee" <gracel@ggcity.org>, "Lisa Kim" <lisak@ci.garden-grove.ca.us>, "greg1" <greg1@ggcity.org>, "Tily Shue" <tily.shue@tpl.org>
Sent: Friday, July 9, 2021 9:30:36 AM
Subject: RE: [External] Garden Grove & TPL, Coastal Conservancy, & CBH - Willowick Appraisal Meeting

Hello Omar,

Thanks for your email yesterday, letting us know that you have asked George Hamilton Jones Inc. to prepare their response to Beth Finetone's review of their appraisal in writing. Please provide a timeline for when we can expect their response.

Additionally, in your email below you assert that TPL has yet to provide the City a term sheet for consideration. I previously addressed this assertion in my May 27, 2021 email to Grace Lee. I would like to point out, again, that TPL has provided a term sheet to Garden Grove more than once, first, in our initial Acquisition Proposal provided to the City on August 21, 2020, and then a second time on October 26, 2020, in response to your Request for Additional Information dated September 21, 2020. Please clarify if your expectations for a "term sheet" are different from what we have provided. If something other than what we have provided to date is required, please clarify what specifically is lacking. We have offered to pay a price that is equal to the fair market value of the property. As you know, the parties are in the process of ascertaining fair market value through the appraisal process. Given that there are concurrently two appraisals establishing different value conclusions, we will need to engage in a third appraisal to determine an agreed upon valuation of the property and can set our terms from there.

Lastly, I would like to reference the [HCD Guidelines](#), Section 102. Definitions, Page 8, (I) - where under Fair Market Value, HCD describes the process of a securing a third appraisal; 'If consensus on fair market value is not reached after the second appraisal, the parties may average the results of the two appraisals, or a third appraisal may be obtained.' Given this information, I suggest we initiate a third appraisal paid for equally by both the City of Garden Grove and TPL.

Looking forward to your thoughts.

Robin Mark
323.333.6310

From: Omar Sandoval <omars@ggcity.org>
Sent: Thursday, July 8, 2021 11:35 AM
To: Alex Size <Alex.Size@tpl.org>; Robin Mark <Robin.Mark@tpl.org>
Cc: Thomas P. Clark <tclark@stradlinglaw.com>; Grace Lee <gracel@ggcity.org>; Lisa Kim <lisak@ci.garden-grove.ca.us>; greg1 <greg1@ggcity.org>; Tily Shue <tily.shue@tpl.org>
Subject: Re: [External] Garden Grove & TPL, Coastal Conservancy, & CBH - Willowick Appraisal Meeting

Alex and Robin, I wanted to confirm that last week I asked our appraiser to prepare a written response to your appraiser's comments. I am still waiting for our appraiser's written response. I will follow up with you once I have received our appraiser's response. Thank you. Omar.

Omar Sandoval
City Attorney
City of Garden Grove

(714) 741-5368

omars@ggcity.org

From: "Alex Size" <Alex.Size@tpl.org>

To: "Omar Sandoval" <omars@ggcity.org>, "Robin Mark" <Robin.Mark@tpl.org>

cc: "Thomas P. Clark" <tclark@stradlinglaw.com>, "Grace Lee" <gracel@ggcity.org>, "Lisa Kim" <lisak@ci.garden-grove.ca.us>, "greg1" <greg1@ggcity.org>, "Tily Shue" <tily.shue@tpl.org>

Sent: Wednesday, June 30, 2021 7:00:49 PM

Subject: RE: [External] Garden Grove & TPL, Coastal Conservancy, & CBH - Willowick Appraisal Meeting

Hello Omar,

Robin asked me to provide the following response to you, as she is now on vacation with her family. Please see below.

Thank you, Omar. Our preference is that your appraiser provide his comments in writing. We can hold off on another Zoom meeting until we have received his written response and proceed with negotiations from there. As you are aware, time is of the essence in this negotiation. Perhaps George Hamilton Jones can use the hour we would have met on July 6th to prepare their written response?

Please let me/us know if you have any questions or concerns.

Sincerely Yours,

Alex Size
Southern CA Land Protection Director
The Trust for Public Land
101 Montgomery Street, Suite 900
San Francisco, CA 94104
415-800-5275
www.tpl.org



From: Omar Sandoval <omars@ggcity.org>

Sent: Tuesday, June 29, 2021 5:16 PM

To: Robin Mark <Robin.Mark@tpl.org>

Cc: Thomas P. Clark <tclark@stradlinglaw.com>; Grace Lee <gracel@ggcity.org>; Lisa Kim <lisak@ci.garden-grove.ca.us>; greg1 <greg1@ggcity.org>; Alex Size <Alex.Size@tpl.org>; Tily Shue <tily.shue@tpl.org>

Subject: Re: [External] Garden Grove & TPL, Coastal Conservancy, & CBH - Willowick Appraisal Meeting

Robin, our appraiser is in depositions this week and may not be able to have a written response by the time of our proposed next conference. We could delay our conference until we are able to obtain a written response, but I don't have a date by when we would receive it.

Alternatively, we can proceed with a conference without our appraiser's written response, which I think might be more productive.

After my discussion with our appraiser, I am confident that he can support his opinion of the value of the City's land. On the other hand, it has become clear to me that your appraiser was working under restrictions with respect to the property while I did not provide any restrictions or instructions to our appraiser. Instead of engaging in arguments about appraisals, we should proceed to discuss whether TPL is willing to make an offer that we could recommend to the City Council. On your January 7, 2021 e-mail to Lisa Kim, you stated, "I do want to clarify that while our proposal includes a dollar amount to purchase the property which is based on a restricted appraisal of the site, we believe this number may be subject to change once we enter into negotiations with the City." In addition to the appraisal that the City obtained, Garden Grove received an unconditional cash offer in 2019, prior to the OCCORD litigation, that supports the conclusion that the land value, even unentitled, is worth substantially more than what TPL has offered to date. Additionally, the City had requested that TPL provide a term sheet for our consideration, but we have yet to receive one.

Let us know whether you wish to proceed with a conference without further appraisal responses, and whether you have availability tomorrow and Thursday, or whether you prefer to keep the Tuesday schedule.

Thank you. Omar.

Omar Sandoval
City Attorney
City of Garden Grove
(714) 741-5368
omars@ggcity.org

From: "Robin Mark" <Robin.Mark@tpl.org>
To: "Omar Sandoval" <omars@ggcity.org>
cc: "Thomas P. Clark" <tclark@stradlinglaw.com>, "Grace Lee" <gracel@ggcity.org>, "Lisa Kim" <lisak@ci.garden-grove.ca.us>, "greg1" <greg1@ggcity.org>, "Alex Size" <Alex.Size@tpl.org>, "Tily Shue" <tily.shue@tpl.org>
Sent: Tuesday, June 29, 2021 12:50:56 PM
Subject: RE: [External] Garden Grove & TPL, Coastal Conservancy, & CBH - Willowick Appraisal Meeting

Hello Omar,

Thank you for your email. Our appraiser, Beth Finestone, provided her review in writing and we respectfully request that George Hamilton Jones submit their response in writing. Please provide this prior to the proposed

meeting on July 6th at 1pm so we can come prepared and make the best use of everyone's time.

Thank you,

Robin Mark
323.333.6310

From: Omar Sandoval <omars@ggcity.org>
Sent: Monday, June 28, 2021 5:38 PM
To: Robin Mark <Robin.Mark@tpl.org>
Cc: Thomas P. Clark <tclark@stradlinglaw.com>; Grace Lee <gracel@ggcity.org>; Lisa Kim <lisak@ci.garden-grove.ca.us>; greg1 <greg1@ggcity.org>; Alex Size <Alex.Size@tpl.org>; Tily Shue <tily.shue@tpl.org>
Subject: Re: [External] Garden Grove & TPL, Coastal Conservancy, & CBH - Willowick Appraisal Meeting

Our appraiser has been extremely busy as of lately. I was able to speak with him late last week and he is available to join us on a call on 7/6 to go over our appraisal. Let us know if you are available for a conference call at 1 p.m. on 7/6 so that we can schedule the call. Thank you. Omar.

Omar Sandoval
City Attorney
City of Garden Grove
(714) 741-5368
omars@ggcity.org

From: "Robin Mark" <Robin.Mark@tpl.org>
To: "Thomas P. Clark" <tclark@stradlinglaw.com>
cc: "Grace Lee" <gracel@ggcity.org>, "Omar Sandoval" <osandoval@wss-law.com>, "Omar Sandoval" <omars@ci.garden-grove.ca.us>, "Lisa Kim" <lisak@ci.garden-grove.ca.us>, "greg1" <greg1@ggcity.org>, "Alex Size" <Alex.Size@tpl.org>, "Tily Shue" <tily.shue@tpl.org>
Sent: Wednesday, June 23, 2021 8:40:38 AM
Subject: RE: [External] Garden Grove & TPL, Coastal Conservancy, & CBH - Willowick Appraisal Meeting

Hi Tom,
Following up on the appraisal review sent over to your office last week, please let us know when we can expect a response from George Hamilton Jones, Inc.

Thank you,

Robin Mark
323.333.6310

-----Original Message-----

From: Robin Mark
Sent: Wednesday, June 16, 2021 10:05 AM
To: Clark, Thomas P. <tclark@stradlinglaw.com>

Cc: Grace Lee <gracel@ggcity.org>; Omar Sandoval <osandoval@wss-law.com>; Omar Sandoval <omars@ci.garden-grove.ca.us>; lisak <lisak@ci.garden-grove.ca.us>; Greg Blodgett <greg1@ggcity.org>; Alex Size <Alex.Size@tpl.org>; Tily Shue <Tily.Shue@tpl.org>
Subject: RE: [External] Garden Grove & TPL, Coastal Conservancy, & CBH - Willowick Appraisal Meeting

Hi Tom,

Attached, please find the review of George Hamilton Jones' appraisal of the Willowick site prepared by Beth B. Feinstone, MAI. Please relay this to George Hamilton Jones for comment.

Thank you,

Robin Mark
323.333.6310

-----Original Message-----

From: Clark, Thomas P. <tclark@stradlinglaw.com>

Sent: Friday, June 11, 2021 12:26 PM

To: Robin Mark <Robin.Mark@tpl.org>

Cc: Grace Lee <gracel@ggcity.org>; Omar Sandoval <osandoval@wss-law.com>; Omar Sandoval <omars@ci.garden-grove.ca.us>; lisak <lisak@ci.garden-grove.ca.us>; Greg Blodgett <greg1@ggcity.org>; Alex Size <Alex.Size@tpl.org>; Tily Shue <tily.shue@tpl.org>

Subject: Re: [External] Garden Grove & TPL, Coastal Conservancy, & CBH - Willowick Appraisal Meeting

Robin, please send the list of issues for the appraiser to consider

Sent from my iPhone

> On Jun 11, 2021, at 10:26 AM, Robin Mark <Robin.Mark@tpl.org> wrote:

>

> Hi all,

> Seems we may have lost you on the call. We are still on the line if you are able to rejoin.

>

> Robin Mark

> 323.333.6310

>

>

> -----Original Appointment-----

> From: Grace Lee <gracel@ggcity.org>

> Sent: Thursday, June 3, 2021 3:47 PM

> To: Grace Lee; Omar Sandoval; Omar Sandoval; lisak; Greg Blodgett; Thomas P. Clark; Alex Size; Tily Shue; Robin Mark

> Subject: [External] Garden Grove & TPL, Coastal Conservancy, & CBH - Willowick Appraisal Meeting

> When: Friday, June 11, 2021 10:00 AM-11:00 AM America/Los_Angeles.

> Where: Conference Call

>

> CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

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> The following meeting has been modified:

>

> Subject: Garden Grove & TPL, Coastal Conservancy, & CBH - Willowick Appraisal Meeting

> Organizer: "Grace Lee" <gracel@ggcity.org>

>

> Location: Conference Call

> Time: Friday, June 11, 2021, 10:00:00 AM - 11:00:00 AM GMT -08:00 US/Canada Pacific

>

> Invitees: osandoval@wss-law.com; omars@ci.garden-grove.ca.us; lisak@ci.garden-grove.ca.us; greg1@ci.garden-grove.ca.us; tclark@stradlinglaw.com; Alex.Size@tpl.org; tily.shue@tpl.org; Robin.Mark@tpl.org

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> *~*~*~*~*~*~*~*~*~*

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> Dial-In Number: (605) 472-5534

> Access Code: 283413

