

Zimbra

gracel@ci.garden-grove.ca.us

Re: [External] Garden Grove Willowick Meeting

From : Lisa Kim <lisak@ggcity.org>

Thu, Aug 12, 2021 04:45 PM

Subject : Re: [External] Garden Grove Willowick Meeting**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>, Thomas P. Clark <tclark@stradlinglaw.com>, Tily Shue <tily.shue@tpl.org>, Alex Size <Alex.Size@tpl.org>, Greg Blodgett <greg1@ggcity.org>

Good Afternoon Robin,

Appreciate the follow-up email and please see the City's responses below.

1. As to engaging in a third appraisal, we think that it would be better for TPL to engage an MAI to perform an unrestricted appraisal. TPL has acknowledged that its current appraisal is a "restricted appraisal" which in our view clearly does not come close to estimating the value of the property based on the City team's experience and information. As we have indicated, the City's appraisal was not subject to any restrictions or any specific scope of work.
2. As to the City's proceeding with negotiations with all 3 proposers, we intend to negotiate with each in the same manner we have been negotiating with TPL. To ensure transparency, we intend to continue to post all correspondence with all 3 proposers on the website.
3. The City's special counsel, Tom Clark, did not state that the City is not willing to sell the property if it is unentitled. Mr. Clark's statement merely recognized that contingent sales normally don't close escrow before entitlements.
4. Your statement that Tom Clark stated that \$90 million is the lowest bid the City would accept is also misplaced. Tom Clark simply noted that based on the City's experience as confirmed by its current appraisal, the \$90 million would represent a floor. The City is currently reviewing the proposals submitted by the other two proposers, which as they currently stand, appear to provide a value in excess of \$90 million. We further note that the Willowick Community Partners proposal includes a non-contingent offer at \$50 million.
5. As to our meeting with the City Council in closed session on [July 27, 2021](#), the City reports Council action as required by Govt. Code sect. 54957.1(a)(1). On the other hand, given that we are negotiating with TPL, the City Council authorized me to provide you the follow up response I provided to you based on our understanding at the end of our [July 27, 2021](#) conference. Otherwise, the City Council's discussion is confidential and may not be disclosed without City Council consent under Govt. Code sect. 54963(a).
6. As to the last paragraph in your e-mail, we continue to be confused with what TPL is proposing. Govt. Code sect. 54227(b) provides first priority to a governmental entity listed in Govt. Code sect. 54222(b) if that entity "agrees to use the site for park or recreational purposes if the land being offered is already being used and will continue to be used for park or recreational purposes, or if the land is designated for park and recreational use in the local general plan and will be developed for that purpose." Yet, in one of our conference calls with TPL, when we suggested that the land would have to be deed restricted for park or recreational purposes if acquired for open space, TPL objected and asserted that the law did not require a deed restriction for open space. We then understood TPL to still be intent in reserving acreage for Clifford Beers Housing as indicated in TPL's original written proposal.

At this point, we are concerned that TPL's actions, including its continuous revisions to its intended use of the property following acquisition, its refusal to provide the City a counter offer for the price it is willing to pay for the property, its continuous suggestion that the City must sell the property to TPL at a

depressed price because of the Surplus Land Act, its reliance on a restricted appraisal it will not publicly share, and its insinuated threats of litigation, suggest something other than an effort to negotiate with the City in good faith. We certainly hope that we could move forward with good faith negotiations as two parties dealing with each other honestly and fairly in order to reach a mutually agreed to price and terms for the disposition of the property, free of any pressure to buy or sell, which is in the best interests of the residents of the City of Garden Grove, to whom the Garden Grove City Council owes a fiduciary duty.

Regards,
Lisa

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Sent: Friday, August 6, 2021 12:04:32 PM
Subject: RE: [External] Garden Grove Willowick Meeting