



# CITY OF GARDEN GROVE

September 21, 2020

McWhinney

Mr. Peter Lauener, Executive Vice President, Master Planned Communities  
1800 Wazee St Suite 200  
Denver, CO 80202

RE: Sale of the property located 3017 W. 5th Street, Santa Ana, CA 92703 pursuant to California Government Code Section 54220 et. seq. (the "Surplus Land Act").

Dear Mr. Lauener,

You are receiving this letter because the City received your offer on August 21, 2020 for the purchase of the Willowick Property for low and moderate income housing purposes and/or open space purposes in accordance with the terms of the Surplus Land Act. The City is now requesting additional information from you to help us complete our review of your proposal (see Attachment 1).

Please submit the requested follow-up information as detailed in Attachment 1, described below on standard 8 1/2"x 11" letter size paper. In addition to mail or hand-delivery, an electronic PDF copy must be sent via email to Grace Lee, Sr. Economic Development Specialist, at [gracel@ggcity.org](mailto:gracel@ggcity.org) by the submittal deadline. The submittals will not be returned for any reason. Please submit all follow-up information either by hand-delivery or U.S. Mail to:

City of Garden Grove  
Office of Economic Development  
Attention: Grace Lee  
Title: Willowick Follow-up Submittal  
11222 Acacia Parkway  
Garden Grove, California 92840

Please direct all questions or requests for clarification to Grace Lee, Sr. Economic Development Specialist at [gracel@ggcity.org](mailto:gracel@ggcity.org). Please submit your updated proposal to the City no later than 5:00 P.M. (PST) on October 28, 2020.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Lisa Kim', with a long horizontal flourish extending to the right.

Lisa Kim  
Assistant City Manager/Community and Economic Development Director

**Steven R. Jones**  
Mayor

**John R. O'Neill**  
Mayor Pro Tem - District 2

**George S. Brietigam**  
Council Member - District 1

**Diedre Thu-Ha Nguyen**  
Council Member - District 3

**Patrick Phat Bui**  
Council Member - District 4

**Stephanie Klopfenstein**  
Council Member - District 5

**Kim Bernice Nguyen**  
Council Member - District 6

McWhinney  
Attachment I

1. Identify the proposing entity and the contact information for the individual(s) who will be negotiating with the City.

Completed.

2. Describe in detail terms of purchase or lease, i.e., purchase price, contingent purchase price and/or rent payments.

- a. What is the deposit to be included in the offer?
- b. What are your proposed financing sources?

3. Describe contingencies, if any, of purchase or lease, e.g., title, soils condition, regulatory approval, etc.

- a. Could the developer accelerate payment to City?
- b. Please provide an estimated project schedule?

4. Describe the proposed project:

- a. For residential, if any, specifically identify the unit count, unit size and affordability level.

- i. Please provide a dynamic pro forma for your proposal (market rate housing and affordable housing components).

- b. For commercial, if any, specifically describe building sizes and proposed uses; and

- i. Please provide a dynamic pro forma for your proposal.

1. Master Plan underground site development costs
2. Revenue estimates have not been updated and information provided last year is being assumed
3. Please provide financial projections providing 15% versus 25% for affordable housing.

- c. For open space, if any, please specifically describe the size, location, and proposed uses.

- i. Provide more details on the construction of the open space and regional park for the Orange County residents and describe details on the capital cost.

- ii. Provide more details on the costs to build and manage the park space once it is developed.

The County of Orange has submitted a proposal to provide a "value add" arrangement with a developer, which we attached for your review and consideration (Attachment 2).



## *County Executive Office Real Estate*

### **Willowick Submittal**

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August 21, 2020

To: Grace Lee, City of Garden Grove

From: Brian A. Bauer, Land Development Manager

Subject: County of Orange; Response to Notice of Availability of the Willowick Property

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The County of Orange, through CEO Real Estate and OC Parks, (collectively the “County”) provides this response to the City of Garden Grove’s (“Garden Grove”) Notice of Availability of the Willowick Property (“Property”) for open space and housing development purposes. In order to respond in full to the City of Garden Grove’s Notice of Availability letter dated July 24, 2020, and to comply with Government Code Section 54220 et. seq. (the “Surplus Land Act”), the following information is provided to more fully detail the County’s interest in the Property.

#### **Proposing Entity:**

On behalf of the County, CEO Real Estate submits the following response. The County’s primary points of contact will be as set forth below:

- i. Brian A. Bauer, Land Development Manager
  1. Address: 601 N. Ross St., Santa Ana, CA 92701
  2. Office Phone: (714) 834-5663
  3. Email Address: [brian.bauer@ocgov.com](mailto:brian.bauer@ocgov.com)
- ii. Stacy Blackwood, Director of OC Parks

1. Address: 13042 Old Myford Rd, Irvine, CA 92602
2. Office Phone: 714-973-6644
3. Email Address: [stacy.blackwood@ocparks.com](mailto:stacy.blackwood@ocparks.com)

**Terms of Acquisition:**

The County would like to propose a “value add” arrangement for current or future uses of the Property. The County foresees potential scenarios in which a developer may desire to work with the County to place a combination of market rate, supportive, and affordable housing developments on the Property. The City of Santa Ana (“Santa Ana”) will also likely require the development to provide a portion of the Property for park or open space to address a deficit of such land in Santa Ana. To address the need both for housing and open space, the County would like to propose the operation and maintenance of twenty (20) acres of the Property as Open Space as a part of the County Regional Park system and an additional fifteen (15) acres of the Property for a combination of market rate, supportive and income qualified affordable housing.

Under this proposal, the County will provide operation and maintenance of a Regional Park that would serve the population of Santa Ana and permit a private developer the opportunity to focus on the housing portion of the Property. After the park portion is improved by the developer, it will be turned over to the County for future operation and maintenance. This proposal would fulfill three important purposes: 1) it addresses Garden Grove’s desire to monetize this asset while addressing regional needs; 2) it addresses the important need for open space required by the citizens of Santa Ana and surrounding areas; and, 3) it helps the County realize its purpose in providing parkland for the citizens in the County of Orange while at the same time tying into important future regional transportation (i.e., the OC Streetcar).

Working with the Housing Finance Trust, the County believes development of this property is a great opportunity to further its affordable housing goals and begin discussions with Santa Ana to realize this goal. Maintaining the open space or regional park would also help any housing or other developments placed on the Property to meet their open space requirements.

**Contingencies of Purchase:**

The County of Orange does not seek to purchase the twenty (20) open space acres at this time but seeks to add value to the development of another respondent or future proposer. As such, after the applicable portion of the Property is improved by the developer for park purposes, the County would accept the 'no-fee' transfer of the property for administration and maintenance as a Regional Park. The County would accept such transfer after the property has been appropriately improved for open space purposes. The County would accept the transfer of the affordable housing portion of the property after it has been approved and readied for affordable housing. For the fifteen (15) acres of affordable housing the County would propose to partner with a developer during an option period and accept transfer of the acreage once a development partner had been secured.

**Proposed Project:**

The County has put together the below development scenarios for a regional park and affordable housing component on the Property.

In the illustrated attached conceptual site plan (see, Attachment A), the regional park is conceptualized as a 20-acre parcel adjacent to the Santa Ana River and the future streetcar system which would be joined with a 15-acre affordable housing parcel. The

regional park could address access to the streetcar and walking trails and exist as a rest stop for travelers along the Santa Ana River Bike Trail. Conceptually, no structures would be placed on the regional park and, as much as possible, open space would be preserved in a natural state. Meanwhile the affordable housing component could host numerous affordable units to promote affordable housing and economic development in this community.

**Financing Sources:**

1. The proposed operation of the regional park would be financed from either future development, governmental grants, or the OC Parks budget. The ownership of the land could be either through a fee conveyance, a lease, or an easement on the future development.
2. The proposed development and operation of the affordable units would be financed from either future development, affordable in-lieu fees, or governmental grants. The ownership of the land would be through a fee conveyance.

Thank you very much for the opportunity to respond to this Notice of Availability. At your convenience we would like to discuss future cooperation on the Willowick Property and how a County open space park effort and affordable housing could add a tremendous value to all parties involved in this development.

August 21, 2020  
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Please contact the undersigned if you have any questions or need any further information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brian A. Bauer', written over a horizontal line.

**Brian A. Bauer**

*Manager – County Land Development*  
County Executive Office, Real Estate  
County of Orange  
County Administrative South  
601 N. Ross St., Second Floor  
Santa Ana, CA 92701

**ATTACHMENT A – CONCEPTUAL SITE PLAN**

