

Zimbra

gracel@ci.garden-grove.ca.us

RE: [External] Garden Grove Willowick Meeting

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

Tue, Oct 05, 2021 02:17 PM

Subject : RE: [External] Garden Grove Willowick Meeting**To :** Grace Lee <gracel@ggcity.org>**Cc :** Lisa Kim <lisak@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>

Thank you, Grace. Please provide a date by when the City expects us to provide this information.

Thank you,

Robin Mark
323.333.6310

From: Grace Lee <gracel@ggcity.org>**Sent:** Friday, October 1, 2021 2:39 PM**To:** Robin Mark <Robin.Mark@tpl.org>**Cc:** Lisa Kim <lisak@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>**Subject:** Re: [External] Garden Grove Willowick Meeting

Hello Robin,
Please find attached correspondence from the City.

Thank you.

Grace E. Kim
Sr. Economic Development Specialist
o: (714) 741-5130
w: ggcity.org/econdev

From: "Robin Mark" <Robin.Mark@tpl.org>**To:** "Lisa Kim" <lisak@ggcity.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>**Sent:** Wednesday, September 29, 2021 8:28:40 AM**Subject:** RE: [External] Garden Grove Willowick Meeting

Hello Lisa,

I hope you are well. As I am sure you and your colleagues are aware, members of the Santa Ana City Council directly addressed the sale of the Willowick Golf Course in response to a Receive and File report on the agenda of the September 7th, 2021 City Council meeting. During that meeting, which you can watch via [this link](#) at timecode 03:16:02, Councilmembers Bacerra and Hernandez, as well as Mayor Sarmiento openly voiced their support for a project that provides open space for Santa Ana residents. They also discussed the same point TPL has been making with respect to the appraisal the City of Garden Grove has received. That it is based on a zoning change that is 'very illusory at this point.'

To your point in the email below, we share your desire to secure an appraisal that represents the fair market value of the property which is why we continue to ask Garden Grove to work with us to secure a mutually agreed upon appraisal report that reflects that value. I request again, for Garden Grove to work with us to

select a mutually agreed-upon MAI appraiser and define the scope for a narrative appraisal report. TPL will incur all expenses. If you are willing, we should set up a time to talk and develop a list of appraisers.

I look forward to your thoughts.

Robin Mark
323.333.6310

From: Lisa Kim <lisak@ggcity.org>
Sent: Friday, September 3, 2021 9:30 AM
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>
Subject: Re: [External] Garden Grove Willowick Meeting

Good Morning Robin,

Thank you for your August 23 e-mail. Below we provide the following reply to the items that require a response:

1. As to whether the City of Garden Grove is willing to work with TPL to select a mutually agreed-upon MAI appraiser and to scope the appraisal, we want to reassert that the City seeks to receive fair market value for the property, which State law and the HCD SLA Guidelines recognize is the price that the land would sell for on the open market. We are not interested in receiving the appraised value or some other estimate of value that does not reflect current real property values in Central Orange County. Blending the estimates of two or more appraisals is not fair market value in and of itself.
2. As to whether the proposals that the City is contemplating from the other two proposers, we also want to reconfirm that the City is following, and intends to continue to follow, the requirements of the SLA and the HCD Guidelines.
3. As to TPL's proposal to acquire the land for open space purposes and our comment regarding a deed restriction for open space, please advise us how TPL would have the parties comply with subdivision (b) of section 54227 of the Government Code, which provides priority to a governmental agency "that 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." In our experience with real estate transactions, agreements affecting the use of land would normally be memorialized through a recorded covenant or deed restriction.
4. As to revised proposals, the City received and sought clarification of different proposals received from TPL. See City's December 14, 2020 letter to TPL and associated parties. Furthermore, the City has never indicated that it would not consider further revised proposals from TPL and has in fact requested updated offers or term sheets numerous times. Should TPL wish to submit a revised proposal, the City will duly receive and review it.

Regards,
Lisa

Lisa L. Kim
Assistant City Manager/Community and Economic Development Director
City of Garden Grove
Direct: (714) 741-5148
Email: lisak@ggcity.org
<http://www.ggcity.org>

From: "Robin Mark" <Robin.Mark@tpl.org>
To: "Lisa Kim" <lisak@ggcity.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>
Sent: Thursday, September 2, 2021 4:07:35 PM
Subject: RE: [External] Garden Grove Willowick Meeting

Hello Lisa,

Following up on my email below, please respond to our request to work with the City to select a mutually agreed-upon MAI appraiser and define the scope for a narrative appraisal report. TPL will incur all expenses. If you are willing, we should set up a time to talk and develop a list of appraisers.

Additionally, I would like to better understand why our competitors, McWhinney and Willowick Community Partners LLC, were afforded the opportunity, per your emails on July 29, 2021, to revise their proposals from August of 2020. TPL was not provided this opportunity; instead, the City questioned us repeatedly about the "mixed messages" we were supposedly providing the City with our proposal and subsequent correspondence. Please explain how this disparate treatment is reflective of a fair and equitable negotiation process.

Thank you,

Robin Mark
323.333.6310

From: Robin Mark
Sent: Monday, August 23, 2021 8:06 AM
To: Lisa Kim <lisak@ggcity.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>
Subject: RE: [External] Garden Grove Willowick Meeting

Hello Lisa,
Please see my responses to your points below in BLUE.
Robin Mark
323.333.6310

From: Lisa Kim <lisak@ggcity.org>
Sent: Thursday, August 12, 2021 4:45 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>; Thomas P. Clark <tclark@stradlinglaw.com>; Tily Shue <tily.shue@tpl.org>; Alex Size <Alex.Size@tpl.org>; Greg Blodgett <greg1@ggcity.org>
Subject: Re: [External] Garden Grove Willowick Meeting

Good Afternoon Robin,

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

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.

The term "restricted appraisal" we use is a technical term, characterizing the abbreviated format of presentation of content and limited number of intended users. It does not mean the valuation is less valid or reliable than valuation documented in the format of a narrative appraisal report, nor does it mean what you seem to misconstrue. Our appraisal determined valuation of the property at its highest & best use, without any extraordinary assumptions or hypothetical conditions. We do plenty of transactions where we start off with the restricted appraisal format to set price for negotiation, and then expand the documentation to that of a narrative appraisal report to meet the requirements of different funding sources; the fundamental factual data do not change.

TPL is willing to engage an MAI to establish valuation and document the work in the format of a narrative appraisal report. We made that offer clear in our email below on August 6th. That said, we would like some assurance that the City of Garden Grove will consider this forthcoming appraisal as the agreed-upon basis for establishing valuation, as you have failed to consider our existing restricted appraisal valid despite the many attempts to clarify the value of this type of document. Additionally, we have lost quite a bit of time during this negotiation process due to the City's refusal to consider our existing appraisal. We have only met twice as part of the negotiation process and now, without prior notice, the City is negotiating with all parties. To avoid losing more time and to further demonstrate our willingness to work with the City on the appraisal we repeat our request below, if TPL is willing to engage an MAI to commission a narrative appraisal report, paying for all related expenses, is the City willing to work with us to select a mutually agreed-upon MAI appraiser and to scope the appraisal?

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.

Thank you

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.

Mr. Clark's statement was made in the context of the discussion on valuation and as "rationalization" of the City's projected/desired price range. Given the City's valuation is predicated on the property being up-zoned to residential/mixed use and fully entitled for development as a master-planned community of a certain target density, we seek clarification as to whether the City is not willing to sell the property if it is unentitled, i.e., zoned for open-space use, which is the property as is.

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.

Mr. Clark's statement was made in a particular context – in conveying his dismissal of TPL's valuation as nowhere near the City's desired \$90million number. In alluding to "the City's experience" – Mr. Clark was referring to offer(s) made to the City prior to the lawsuit against the City, which could not have been accepted, let alone consummated, so we appropriately question the relevance of those abortive offers as reliable data. The City's current appraisal does not take into account that this property is expressly being put up for sale pursuant to the Surplus Land Act, and is governed by the provisions of the statute, in particular, Govt. Code Section 54227(b). (This is quite apart from the questionable value conclusion in the City's appraisal for lack of a credible discount factor even in the context of the extraordinary assumption made, as pointed out by Alex Size in the July 27 call.) 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. Are these offers predicated on compliance with the SLA? We further note that the Willowick Community Partners proposal includes a non- contingent offer at \$50 million. What is truly non-contingent in this so-called "non-contingent offer"? It's difficult to perform a "reality check" without more details. Offers are made everyday at prices that cannot be sustained.

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).

Thank you for clarifying.

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.

I find it difficult to understand why the City of Garden Grove remains confused by TPL's intentions to purchase the Willowick property. Not only have we clarified in the email below from August 6th that our intention is to purchase the property for open space as is consistent with the current zoning and as you state is prioritized by Govt. Code sect. 54227(b) to receive first priority, but we have clarified this intention multiple times in our previous communication. Please see the attached letter from December 14, 2020 where we state explicitly the multiple times over the course of the last year where TPL has made our intention to purchase the property for open space purposes abundantly clear. Please explain where your confusion comes from and how we may be any clearer in communicating the following: **TPL proposes to purchase the property for open space and recreational uses as is consistent with the current zoning of the property.** When the City "suggested that the land would have to be deed restricted for park or recreational purposes if acquired for open space" we simply pointed out that there's no such requirement in the SLA. Would the land be deed restricted to only affordable housing purposes if the City were to sell to the other proposers under the different priority assigned to affordable housing developers? TPL's clarification of what the law requires should in no way be distorted to impute an unspoken 'intent.' That said, we remain open to discussing this deed restriction if it will aid in progressing our negotiations with you.

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.

We reject this paragraph entirely as it is a total mischaracterization of TPL's actions to this point. The record of our communications is clear. We have clarified, on multiple occasions as demonstrated above and attached, that our proposal is to purchase the property for open space and recreational uses. Additionally we have offered, now multiple times, to secure a third appraisal without financial contribution from the City. We are simply requesting that the City work in partnership to select a mutually acceptable appraiser and confirm a scope of work to ensure our efforts and financial resources are not later dismissed. TPL has in no way insinuated threats of litigation but has pointed out that the City has previously lost lawsuits when you have not acted according to the law, thus reference to pre-lawsuit offers to purchase the property are no longer relevant in these negotiations. We are a national non-profit organization with a mission of 'land for people.' We only operate in good faith and any suggestion by you to the contrary is a gross mischaracterization of how we do business.

Regards,
Lisa

Lisa L. Kim
Assistant City Manager/Community and Economic Development Director
City of Garden Grove

Direct: (714) 741-5148
 Email: lisak@ggcity.org
<http://www.ggcity.org>

From: "Robin Mark" <Robin.Mark@tpl.org>
To: "Lisa Kim" <lisak@ggcity.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>
Sent: Friday, August 6, 2021 12:04:32 PM
Subject: RE: [External] Garden Grove Willowick Meeting

Hello Lisa,

Thank you for the information in your email below. I have the following questions and comments:

1. We recognize that appraisals can be costly and it may be prohibitive for the City of Garden Grove to incur a portion of the cost to engage in a third appraisal with TPL at this time. That said, we still believe that in order to negotiate in good faith and collaboratively find an agreed-upon value for the property, a third appraisal is essential. TPL is willing to pay for the entire cost of the third appraisal contingent on the City of Garden Grove's willingness to work with us to identify a mutually agreed-upon MAI appraiser and develop a mutually agreed-upon scope of work. Please confirm the City's willingness to engage in this effort.
2. Given your response below that the City will continue negotiations with TPL while concurrently negotiating with other proposers, please provide the particulars of your process for conducting three sets of negotiations concurrently. Up until this point the City has stated that they have only been negotiating with TPL, how do you intend to negotiate with all parties and assure fairness, both substantive and process-wise, to competing proposers? We believe it is important that the City be transparent about your negotiation process.
3. Please confirm the statement made by Tom Clarke on the July 27th phone call between City of Garden Grove and TPL, that the City is not willing to sell the property if it is unentitled.
4. Please also confirm the statement made by Tom Clarke on the same phone call, that \$90M is the lowest bid the City would accept for the property.
5. Our July 27th phone call ended with City staff confirming that you did not have the authority to initiate a third appraisal with TPL and that you would seek City Council direction/approval. We cannot find a record of this issue having been discussed at the Council Meeting that occurred that evening. In fact, when asked to report back on relevant closed session items, which may include the Willowick property, Omar Sandoval stated that 'there was no reportable action.' Please clarify who from the City determined the unwillingness to engage with TPL on a third appraisal?

Lastly I want to clarify, once again, to ensure there is no misunderstanding or confusion, The Trust for Public Land is offering to purchase the Willowick Golf Course property for continued use as recreational open space. That is our current proposal. This proposal does not include work with Clifford Beers Housing to develop a portion of the property for affordable housing. This is a simple purchase for open space as is prioritized under the Surplus Land Act and as is consistent with current zoning of the property.

I look forward to your responses.

Thank you,

Robin Mark
 323.333.6310

From: Lisa Kim <lisak@ggcity.org>
Sent: Thursday, July 29, 2021 4:54 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>; Thomas P. Clark <tclark@stradlinglaw.com>; Tily Shue <tily.shue@tpl.org>; Alex Size <Alex.Size@tpl.org>; Greg Blodgett <greg1@ggcity.org>
Subject: Re: [External] Garden Grove Willowick Meeting

Good Afternoon Robin,

Thank you for meeting with us this week. As a follow up, the City is not willing to proceed with a new appraisal. However, the Council directed us to continue negotiations with TPL and open negotiations with the other two proposers.

Regards,
Lisa

Lisa L. Kim
Assistant City Manager/Community and Economic Development Director
City of Garden Grove
Direct: (714) 741-5148
Email: lisak@ggcity.org
<http://www.ggcity.org>

From: "Robin Mark" <Robin.Mark@tpl.org>
To: "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>, "Thomas P. Clark" <tclark@stradlinglaw.com>, "ch3 city council" <ch3_city_council@ci.garden-grove.ca.us>, "Tily Shue" <tily.shue@tpl.org>, "Alex Size" <Alex.Size@tpl.org>, "Greg Blodgett" <greg1@ggcity.org>
Sent: Thursday, July 29, 2021 10:36:17 AM
Subject: RE: [External] Garden Grove Willowick Meeting

Hello Tom and Omar,
Thank you for the call on Tuesday to discuss the Willowick Community Park project. Please provide an update on your meeting with the Garden Grove City Council on Tuesday evening in regards to working with us jointly to commission a third appraisal.

Thank you,

Robin Mark
323.333.6310

-----Original Appointment-----

From: Grace Lee <gracel@ggcity.org>
Sent: Friday, July 23, 2021 2:37 PM
To: Grace Lee; Omar Sandoval; Omar Sandoval; Lisa Kim; Thomas P. Clark; ch3 city council; Tily Shue; Robin Mark; Alex Size; Greg Blodgett
Subject: [External] Garden Grove Willowick Meeting
When: Tuesday, July 27, 2021 2:00 PM-3:00 PM 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.

The following meeting has been modified:

Subject: Garden Grove Willowick Meeting
Organizer: "Grace Lee" <gracel@ggcity.org>

Location: Conference Call [MODIFIED]
Time: Tuesday, July 27, 2021, 2:00:00 PM - 3:00:00 PM GMT -08:00 US/Canada Pacific

Invitees: osandoval@wss-law.com; omars@ci.garden-grove.ca.us; lisak@ci.garden-grove.ca.us; tclark@stradlinglaw.com; ch3_city_council@ci.garden-grove.ca.us; tily.shue@tpl.org; Robin.Mark@tpl.org; Alex.Size@tpl.org; greg1@ci.garden-grove.ca.us

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Dial-in number (US): (605) 472-5534
Access code: 283413#