

Zimbra

gracel@ci.garden-grove.ca.us

RE: Willowick Community Partners - Response to City's Questions

From : Ryan Aeh <ryan@cityventures.com>
Subject : RE: Willowick Community Partners - Response to City's Questions
To : Grace Lee <gracel@ggcity.org>
Cc : Lisa Kim <lisak@ggcity.org>, Greg Blodgett <greg1@ggcity.org>, David Abasta <DAbasta@primestor.com>, Michael Massie <mmassie@jamboreehousing.com>

Wed, Oct 20, 2021 04:26 PM

 1 attachment

Hi Grace,

Thank you for sending us Lisa Kim's letter dated October 1, 2021. Willowick Community Partners, LLC (WCP) remains ready to enter into a binding agreement with the City of Garden Grove (the "City") to acquire the Willowick Golf Course (the "Property") for the purpose of developing the Property for critically needed housing (including homes restricted to low- and moderate-income households), open space, cultural facilities, and other compatible uses. Our team has come together to redevelop, reimagine, and transform an inclusive community that will be cherished by existing neighboring residents of Garden Grove and Santa Ana.

Over the past seven months WCP has allocated significant time and team resources to conduct community outreach and presentations with various stakeholders such as leaders from the City of Santa Ana, local chambers of commerce, local housing advocacy groups, regional economic groups, and other community stakeholders. The response to our vision for the redevelopment of the Property has been very positive and we have immense confidence that our approach is well positioned to obtain land use approvals from the City of Santa Ana in an efficient manner.

Attached, please find our responses to the questions outlined in the October 1, 2021 letter. We feel that WCP has separated itself from the other negotiating parties as the WCP proposal accomplishes the following:

- WCP's contingent offer (\$100M) is greater than the City's appraisal value (\$90M),
- WCP's non-contingent offer at \$50M is nearly 25 times larger than the offer from the Trust For Public Land – to our knowledge no other group has provided a non-contingent offer,
- WCP's offers assume a 25% affordable component, whereas the City's appraisal only assumed 15%,
- WCP is offering a clear and defined economic value to the City. WCP's proposal is not contingent upon the City taking market risk related to future revenue/income streams nor does WCP require the City to pay WCP any fees or reimbursements for pre-development costs. WCP enables the City to maximize value without taking on development and market risk,
- WCP benefits from City Ventures' \$250M unsecured credit facility so that land development can occur without a deed of trust being recorded against the Property,
- WCP's purchase structure allows the Property to come back on the tax rolls sooner, which will benefit the Garden Grove Unified School District and other local taxing entities.
- WCP's is providing the City an option to enter into a long-term ground Lease in either the contingent or non-contingent scenario.

Thanks again for the opportunity to provide this additional information to the City of Garden Grove. We look forward to meeting with you to discuss the WCP proposal and the next steps towards a binding transaction agreement.

Ryan Aeh
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From: Grace Lee <gracel@ggcity.org>
Sent: Thursday, July 29, 2021 5:08 PM
To: Ryan Aeh <ryan@cityventures.com>
Cc: Lisa Kim <lisak@ggcity.org>; Greg Blodgett <greg1@ggcity.org>; David Abasta <DAbasta@primestor.com>;