



135 W Green St
Suite 200
Pasadena, CA
91105
t: 323.223.0441
f: 626.204.4444
tpl.org

October 22, 2020

Ms. Grace Lee
City of Garden Grove, Office of Economic Development
11222 Acacia Parkway
Garden Grove, CA 92840
gracel@ggcity.org

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

Dear Ms. Lee,

In response to your letter dated September 21, 2020 requesting follow-up information on the proposal The Trust for Public Land (TPL) submitted on behalf of the State Coastal Conservancy (SCC) and Clifford Bears Housing (CBH) on August 21, 2020, related to the proposed purchase of the Willowick Property (Property) for open space and affordable housing purposes, I have included the following responses:

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

Robin Mark
Los Angeles Program Director
The Trust for Public Land
robin.mark@tpl.org
323.333.6310

Alex Size
Southern California Land Protection Director
The Trust for Public Land
Alex.Size@tpl.org
727.492.7058

Tily Shue
Legal Director
The Trust for Public Land
Tily.Shue@tpl.org
415-800-5308

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

TPL proposes to purchase the Property in order to collaboratively implement the local community's vision of increased access to safe public open spaces, restoration of lands along the Santa Ana River Trail and, in partnership with CBH, develop essential affordable housing units. As stated in the submitted Notice of Intention dated July 7, 2020 and the Proposal dated August 21, 2020, SCC has designated TPL to enter into discussions and negotiations with the City of Garden Grove, with the goal of acquiring the Property for parks and open space purposes. Please note that while TPL would be the party closing escrow with the City, TPL would not be taking title to the land. Instead, at closing TPL would direct the deed effecting transfer of title from the City directly to a public agency steward. After closing, an estimated 90 acres would be restricted to public open space and recreational uses, while an approximately 12-acre portion would be leased to CBH for a partial affordable housing development.

Potential public agency stewards include:

- State Coastal Conservancy
- California State Parks
- Mountains Recreation & Conservation Authority
- Santa Ana River Conservancy
- Santa Monica Mountains Conservancy
- State Lands Commission
- Orange County
- City of Santa Ana

With the above-mentioned statements in mind, please consider the following terms for the acquisition of the property:

Earnest Money Deposit \$1,000.00 - As a non-profit organization dedicated to land conservation, TPL must manage our costs/internal capital and therefore proposes this nominal deposit. In response to the City's specific comment about the down-payment, please note this item is not a "down-payment" - as indicated below, we propose to pay the purchase price with all cash at closing; no seller-financing nor other debt is being proposed.

Purchase Price The purchase price proposed is the fair market value of the Property, estimated to be \$21,000/acre, or \$2,131,500, as recently determined by Elizabeth Finestone, MAI, AI-GRS, FRICS, CRE, with Integra Realty Resources, payable in **cash at closing**.

Appraisal TPL will cover the cost of the appraisal.

Timeline Closing would occur within 18 months of execution of a purchase agreement.

Due Diligence TPL would fund and complete all necessary due diligence for this acquisition, including contracting for title searches, surveys, environmental inspections and other activities required by TPL.

Title/Survey Issues Seller shall be responsible for resolving any title matters, including any encroachments disclosed by inspection and/or encroachments noted on the prepared survey.

Closing Costs Escrow closing costs shall be split 50/50 between Buyer and Seller.

3. Describe contingencies, if any, of purchase or lease, e.g., title, soils condition, regulatory approval, etc.
 - As stated in the Proposal submitted on August 21, 2020, the commitment to purchase and the close of escrow for the Willowick Golf Course (the "Property") would be subject to the following contingences:
 - The Property is found to be free of any Recognized Environmental Conditions (RECs) through a Phase I Environmental Site Assessment (ESA) performed by a certified environmental consultant.
 - If a Phase II ESA is required due to the likely presence of an REC(s), any discovered REC(s) will be fully remediated prior to close of escrow.
 - Condition of title must be approved by TPL's legal department. This includes removal from title those exceptions to which TPL objects.
 - A boundary survey is approved by TPL's legal department. This includes resolving any/all encroachments and exencroachments, as well as any legal description discrepancies discovered by the surveyor.
 - TPL receives and approves an appraisal report from an MAI appraiser detailing the current fair market value of the Subject Property.
 - TPL successfully fundraises from public and private sources the required purchase price amount.
 - The appraisal is approved by all partners providing funding to the proposed acquisition.

- The City of Garden Grove's lease with the current golf course operator is terminated.
- TPL's Board approves an authorization for staff to proceed with the closing, under terms agreed to by both TPL and the City of Garden Grove.

4. Describe the proposed project:

As described in our August 21st proposal and as described above, TPL proposes to purchase the subject property for open space and recreational uses given those are the only uses that are allowed under current zoning codes and are prioritized by the Surplus Land Act for a property already zoned for open space/recreational uses. After closing, an estimated 90 acres would be restricted to public open space and recreational uses, while an approximately 12-acre portion would be leased to Clifford Bears Housing for an affordable housing development once a zoning change and general plan amendment have been procured through the City of Santa Ana.

Potential funding sources for the acquisitions of the site include California State Proposition 68 (multiple programs), the California Natural Resource Agency's Environmental Enhancement and Mitigation Program (EEMP), Urban Greening, and River Parkways programs, the State Coastal Conservancy Santa Ana River Conservancy, and/or donor-directed philanthropy.

- a. For residential, if any, specifically identify the unit count, unit size and affordability level.
- i. Please provide revenue estimates in a dynamic pro forma.

Not applicable to the purchase of the property.

- b. For commercial, if any, specifically describe building sizes and proposed uses; and
- i. Your proposal did not include commercial use, please confirm.

Confirmed.


- c. For open space, if any, please specifically describe the size, location, and proposed uses.
- i. Please identify funding for the parks and green space in detail.

As described on page 30 of the proposal TPL submitted on August 21st, open space development includes the following:

- Welcome Center, Plaza and Entries – 6 acres
- Habitat Viewing Area – 18 acres
- Community Garden & Kitchen – 12 acres
- The Woods – 20 acres
- Family Nature Play – 12 acres
- Hiking & Fitness Trails – 22 acres
- Affordable Housing – 12 acres

If you have any questions or would like to speak further about this letter, please contact me at, robin.mark@tpl.org or 323.333.6310.

Respectfully,

A handwritten signature in black ink, consisting of a large, stylized initial 'R' followed by a series of connected loops and a final horizontal stroke.

Robin Mark
Los Angeles Program Director
The Trust for Public Land