

**The City of Garden Grove as Successor Agency to the
Garden Grove Agency for Community Development**

INTER-DEPARTMENT MEMORANDUM

To:	Allan L. Roeder	From:	Kingsley Okereke
Dept:	Interim Director	Dept:	Finance
Subject:	ADOPTION OF A RESOLUTION APPROVING AN AGREEMENT WITH LIDGARD & ASSOCIATES, INC., FOR REAL PROPERTY APPRAISAL SERVICES		
		Date:	January 13, 2015

OBJECTIVE

The purpose of this report is to request that the Successor Agency adopt a resolution approving a professional services agreement (the "Agreement") with Lidgard and Associates, Inc., (the "Consultant") for real property appraisal services.

BACKGROUND/DISCUSSION

On February 26, 2014, the Oversight Board adopted Resolution No. 31-14 approving certain revisions to the Long Range Property Management Plan (the "LRPMP") for identifying the disposition and use of former Successor Agency's real property assets pursuant to Section 34191.5(b) of the Health and Safety Code (the "Dissolution Act"). The revised LRPMP was submitted to the Department of Finance (the "DOF") for review and was subsequently approved on March 7, 2014.

As part of the Dissolution Act, the Successor Agency is to dispose of real property assets identified for liquidation in the LRPMP. The initial phase of the disposition process is to appraise the properties to identify fair market value for each parcel. To expedite the process, staff engaged the services of the Consultant to prepare the required appraisals of the properties as outlined below for the indicated costs:

Property Address	Appraisal Cost
1. 12361 Chapman Avenue	\$ 3,850.00
2. 13502 Lanning St., 13501 Barnett Way, & 13502 Barnett Way	\$ 3,750.00
3. Former Pacific Electric R/W (Chapman/Brookhurst)	\$ 2,500.00
4. Site C	\$ 4,450.00
Total	\$14,550.00

Pursuant to Garden Grove Municipal Code Section 2.50.060, because the contract amount is less than \$25,000, no bidding process was required.

ADOPTION OF A RESOLUTION APPROVING AN AGREEMENT WITH LIDGARD &
ASSOCIATES, INC., FOR APPRAISAL SERVICES

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FINANCIAL IMPACT

The appraisal costs qualify under Recognized Obligation Payment schedule in accordance with the Dissolution Act and will be paid through the Redevelopment Property Tax Trust Fund in the amount of \$14,550.

RECOMMENDATION

Based on the foregoing, staff recommends that the Successor Agency:

- Adopt the Resolution approving the Agreement with Lidgard & Associates, Inc., for real property appraisal services in the amount of \$14,550.00;
- Authorize the Director to execute the Agreement and make minor modifications as needed; and
- Direct staff to transmit the Resolution and Agreement to the Oversight Board for approval.


KINGSLEY OKEREKE
Finance Director

By: Carlos Marquez
Sr. Real Property Agent

Attachment 1: Resolution
Attachment 2: Agreement

Recommended for Approval


Allan L. Roeder
Interim City Manager

GARDEN GROVE SUCCESSOR AGENCY

RESOLUTION NO.

A RESOLUTION OF THE CITY OF GARDEN GROVE AS SUCCESSOR AGENCY
TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING AN
AGREEMENT WITH LIDGARD AND ASSOCIATES, INC., FOR REAL PROPERTY APPRAISAL
SERVICES AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Garden Grove Agency for Community Development (herein referred to as the “Former Agency”) was a community redevelopment agency duly organized and existing under the California Community Redevelopment Law (Health and Safety Code Sections 33000 *et seq.*), and was authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the Garden Grove City Council (“City Council”) of the City of Garden Grove (“City”);

WHEREAS, Assembly Bill 1x 26, chaptered and effective on June 27, 2011, added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies (“Dissolution Act”);

WHEREAS, the Former Agency is now a dissolved community redevelopment agency pursuant to the Dissolution Act;

WHEREAS, as of February 1, 2012, the City serves as the “Successor Agency” and administers the enforceable obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs, all subject to the review and approval by a seven-member oversight board (“Oversight Board”);

WHEREAS, pursuant to Section 34171(h) of the Health and Safety Code, a “Recognized Obligation Payment Schedule” means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period as provided in subdivisions (l) and (m) of said Section;

WHEREAS, Assembly Bill 1484 (“AB 1484”), chaptered and effective on June 27, 2012, made certain amendments to the Dissolution Act, including with respect to the process of adopting Recognized Obligation Payment Schedules;

WHEREAS, pursuant to subdivisions (l) and (m) of Section 34177 of the Health and Safety Code, the Successor Agency, prepared its Recognized Obligation Payment Schedule (“ROPS”) for the period covering January 1, 2015, through June 30, 2015;

WHEREAS, on September 23, 2014, the Successor Agency, approved the ROPS and authorized the transmittal of the ROPS to the Oversight Board and concurrently to the County Administrative Officer, the County Auditor-Controller, and the State Department of Finance (“DOF”);

WHEREAS, on September 24, 2014, the Oversight Board adopted a Resolution approving the ROPS for the period covering January 1, 2015, through June 30, 2015, and transmitted the approved ROPS to the DOF, State Controller’s Office, and the County Auditor-Controller;

WHEREAS, on November 7, 2014, the Department of Finance provided written confirmation approving the ROPS for the period covering January 1, 2015, through June 30, 2015, including Item 27 entitled Agency Property Maintenance/Management;

WHEREAS, Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a “long range property management plan” (the “LRPMP”) addressing the future disposition and use of all real property owned by the Former Agency no later than six months following the DOF issuance to the Successor Agency of a finding of completion pursuant to Health and Safety Code Section 34179.7;

WHEREAS, the DOF issued a finding of completion to the Successor Agency on May 15, 2013;

WHEREAS, the Successor Agency prepared and submitted a LRPMP to the Oversight Board and DOF, which were subsequently approved; and

WHEREAS, by this Resolution, the Successor Agency desires to approve the professional services agreement with Lidgard and Associates, Inc., pursuant to Section 34171(d)(1)(F) of the Health and Safety Code, for purposes of establishing fair market values for those properties identified in the LRPMP for disposition.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT:

Section 1. The foregoing recitals are true and correct and constitute a substantive part of this Resolution.

Section 2. The professional services agreement with Lidgard and Associates, Inc., is approved together with such augmentation, modification, additions, or revisions as the Director and/or the Finance Director or their authorized designees may find necessary to effectuate the services of the consultant.

Section 3. The Director or his authorized designee on behalf of the Successor Agency shall cause this professional services agreement with Lidgard and Associates, Inc., to be transmitted to the Oversight Board.

Section 4. This Resolution shall be effective immediately upon adoption.

Section 5. The Secretary on behalf of the Successor Agency shall certify to the adoption of this Resolution.

PROFESSIONAL SERVICES AGREEMENT

Lidgard & Associates, Inc.

THIS AGREEMENT is made this _____ day of _____ 2014, by the **CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body, ("SUCCESSOR AGENCY"), and **LIDGARD AND ASSOCIATES, INC.**, a California Corporation ("CONSULTANT").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Agreement is entered into pursuant to Garden Grove City Council Resolution No. 9212-14.
2. SUCCESSOR AGENCY desires to utilize the services of CONSULTANT to prepare appraisals of various designated property(ies) or interests in real property(ies) on an as-needed basis. The specific scope of services for each appraisal to be conducted by CONSULTANT may vary based on the facts and circumstances, and may include original appraisals, review appraisals, inspection of real property(ies), public record review, research and collection of comparable market data, valuation of property interests, and preparation of appraisal reports in compliance with applicable state and/or federal laws, rules, and regulations. Appraisal reports prepared by CONSULTANT shall comply with the requirements set forth in Title 25, Division 1, Chapters 6 and 7 of the California Code of Regulations and the Uniform Standards of Professional Appraisal Practice (USPAP), as applicable.
3. CONSULTANT is qualified by virtue of experience, training, education and expertise to provide appraisal services.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Term of Agreement:** The term of the agreement shall be for a period of **one (1) year from full execution** of the agreement. This Agreement may be terminated by the SUCCESSOR AGENCY without cause as provided in Section 3.4 below. In such event, SUCCESSOR AGENCY will compensate CONSULTANT for work performed to date in accordance with the Proposal incorporated herein by reference as Exhibit "A". CONSULTANT is required to present evidence to support performed work completion.
2. **Services to be Provided:** The services to be performed by CONSULTANT shall consist of tasks as set forth in the Proposal incorporated herein by reference as Exhibit "A." The Proposal and this Agreement do not guarantee any specific amount of work. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.
3. **Compensation.** CONSULTANT shall be compensated as follows:
 - 3.1 **Amount.** Compensation under this agreement shall be the Not To Exceed (NTE) amount of **Fourteen Thousand Five Hundred and Fifty Dollars (\$14,550.00)**, payable in arrears.

- 3.2 Payment. For work under this Agreement, payment shall be made per invoice for work completed. For extra work not a part of this Agreement, written authorization by the SUCCESSOR AGENCY prior to commencing any extra work will be required, and payment shall be based on a schedule approved in conjunction with such written authorization.
- 3.3 Records of Expenses. CONSULTANT shall keep complete and accurate records of payroll costs, travel and incidental expenses. These records will be made available at reasonable times to SUCCESSOR AGENCY.
- 3.4 Termination. SUCCESSOR AGENCY and CONSULTANT shall each have the right to terminate this Agreement, without cause, by giving thirty-(30) days written notice of termination to the other party. If SUCCESSOR AGENCY terminates the Agreement, then the provisions of paragraph 3 shall apply to that portion of the work completed.

4. **Insurance Requirements**

- 4.1 Commencement of Work. CONSULTANT shall not commence work under this Agreement until all certificates and endorsements have been received and approved by the SUCCESSOR AGENCY. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify the SUCCESSOR AGENCY of any material change, cancellation, or termination at least thirty (30) days in advance.
- 4.2 Workers Compensation Insurance. For the duration of this Agreement, CONSULTANT and all subcontractors shall maintain Workers Compensation Insurance in the amount and type required by law, if applicable. The insurer shall waive its rights of subrogation against the SUCCESSOR AGENCY, the City of Garden Grove, their officers, officials, agents, employees, and volunteers.
- 4.3 Insurance Amounts. CONSULTANT shall maintain the following insurance for the duration of this Agreement:
 - a) Commercial general liability in the amount of \$1,000,000 per occurrence; (claims made and modified occurrence policies are not acceptable); Insurance companies must be admitted and licensed in California and have a Best's Guide Rating of A-, Class VII or better, as approved by the SUCCESSOR AGENCY.
 - b) Automobile liability in the amount of \$1,000,000 per occurrence; (claims made and modified occurrence policies are not acceptable) Insurance companies must be admitted and licensed in California and have a Best's Guide Rating of A-, Class VII or better, as approved by the SUCCESSOR AGENCY.
 - c) Professional liability in the amount of \$1,000,000 per occurrence; Insurance companies must be acceptable to SUCCESSOR AGENCY and have an AM Best's Guide Rating of A-, Class VII or better, as approved by the SUCCESSOR AGENCY. If the policy is written on a "claims made" basis, the policy shall be continued in full force and effect at all times during the term of the agreement, and for a period of three (3) years from the date of the completion of services provided. In the event of termination, cancellation, or material change in the policy, professional/consultant shall obtain continuing insurance coverage for the prior acts or omissions of professional/consultant during the course of performing services under the term of the agreement. The coverage shall be evidenced by

either a new policy evidencing no gap in coverage, or by obtaining separate extended "tail" coverage with the present or new carrier.

An Additional Insured Endorsement, **ongoing and completed operations**, for the policy under section 4.3 (a) shall designate the SUCCESSOR AGENCY, the City of Garden Grove, its officers, officials, employees, agents, and volunteers as additional insureds for liability arising out of work or operations performed by or on behalf of the CONSULTANT. CONSULTANT shall provide to SUCCESSOR AGENCY proof of insurance and endorsement forms that conform to city's requirements, as approved by the SUCCESSOR AGENCY.

An Additional Insured Endorsement for the policy under section 4.3 (b) shall designate the SUCCESSOR AGENCY, the City of Garden Grove, its officers, officials, employees, agents, and volunteers as additional insureds for automobiles owned, lease, hired, or borrowed by CONSULTANT. CONSULTANT shall provide to SUCCESSOR AGENCY proof of insurance and endorsement forms that conform to city's requirements, as approved by the SUCCESSOR AGENCY.

For any claims related to this Agreement, CONSULTANT's insurance coverage shall be primary insurance as respects to the SUCCESSOR AGENCY, the City of Garden Grove, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the SUCCESSOR AGENCY, the City of Garden Grove, its officers, officials, employees, agents, or volunteers shall be excess of the CONSULTANT's insurance and shall not contribute with it.

If CONTRACTOR maintains higher insurance limits than the minimums shown above, CONTRACTOR shall provide coverage for the higher insurance limits otherwise maintained by the CONTRACTOR.

5. **Non-Liability of Officials and Employees of the SUCCESSOR AGENCY.** No official or employee of SUCCESSOR AGENCY shall be personally liable to CONSULTANT in the event of any default or breach by SUCCESSOR AGENCY, or for any amount, which may become due to CONSULTANT.
6. **Non-Discrimination.** CONSULTANT covenants there shall be no discrimination against any person or group due to race, color, creed, religion, sex, marital status, age, handicap, national origin or ancestry, in any activity pursuant to this Agreement.
7. **Independent Contractor.** It is agreed to that CONSULTANT shall act and be an independent contractor and not an agent or employee of SUCCESSOR AGENCY, and shall obtain no rights to any benefits which accrue to SUCCESSOR AGENCY'S employees.
8. **Compliance With Law.** CONSULTANT shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government.
9. **Disclosure of Documents.** All documents or other information developed or received by CONSULTANT are confidential and shall not be disclosed without authorization by SUCCESSOR AGENCY, unless disclosure is required by law.
10. **Ownership of Work Product.** All documents or other information developed or received by CONSULTANT shall be the property of SUCCESSOR AGENCY. CONSULTANT shall provide

SUCCESSOR AGENCY with copies of these items upon demand or upon termination of this Agreement.

11. **Conflict of Interest and Reporting.** CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.

12. **Notices.** All notices shall be personally delivered or mailed to the below listed addresses, or to such other addresses as may be designated by written notice. These addresses shall be used for delivery of service of process.

(a) Address of CONSULTANT is as follows:

Lidgard & Associates, LLC
2592 N. Santiago Boulevard
Orange, CA 92867
Attn: Scott Lidgard

(b) Address of SUCCESSOR AGENCY is as follows (with a copy to):

Economic Development Division	City Attorney
Attention: Carlos Marquez	City of Garden Grove
City of Garden Grove	P.O. Box 3070
P.O. Box 3070	Garden Grove, CA 92840
11222 Acacia Pkwy	
Garden Grove, CA 92840	

13. **Licenses, Permits and Fees.** At its sole expense, CONSULTANT shall obtain a **Garden Grove Business License**, all permits and licenses as may be required by this Agreement.

14. **Familiarity With Work.** By executing this Agreement, CONSULTANT warrants that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the facilities, difficulties and restrictions of the work under this Agreement. Should CONSULTANT discover any latent or unknown conditions materially differing from those inherent in the work or as represented by SUCCESSOR AGENCY, it shall immediately inform SUCCESSOR AGENCY of this and shall not proceed, except at CONSULTANT'S risk, until written instructions are received from SUCCESSOR AGENCY.

15. **Time of Essence.** Time is of the essence in the performance of this Agreement.

16. **Limitations Upon Subcontracting and Assignment.** The experience, knowledge, capability and reputation of CONSULTANT, its principals and employees were a substantial inducement for SUCCESSOR AGENCY to enter into this Agreement. CONSULTANT shall not contract with any other entity to perform the services required without written approval of the SUCCESSOR AGENCY. This Agreement may not be assigned voluntarily or by operation of law, without the prior written approval of SUCCESSOR AGENCY. If CONSULTANT is permitted to subcontract any part of this Agreement, CONSULTANT shall be responsible to SUCCESSOR AGENCY for the acts and omissions of its subcontractor as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationship between any subcontractor and SUCCESSOR AGENCY. All persons engaged in the work will be considered employees of

CONSULTANT. SUCCESSOR AGENCY will deal directly with and will make all payments to CONSULTANT.

17. **Authority to Execute.** The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement and that by executing this Agreement, the parties are formally bound.
18. **Indemnification.** To the fullest extent permitted by law, CONSULTANT agrees to protect, defend, and hold harmless SUCCESSOR AGENCY and its elective or appointive boards, officers, agents, and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for injury or death of any person, or damages of any nature, including interference with use of property, arising out of, or in any way connected with the negligence, recklessness and/or intentional wrongful conduct of CONSULTANT, CONSULTANT's agents, officers, employees, subcontractors, or independent contractors hired by CONSULTANT in the performance of the Agreement. The only exception to CONSULTANT'S responsibility to protect, defend, and hold harmless SUCCESSOR AGENCY, is due to the negligence, recklessness and/or wrongful conduct of SUCCESSOR AGENCY, or any of its elective or appointive boards, officers, agents, or employees.

This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONSULTANT.
19. **Modification.** This Agreement constitutes the entire agreement between the parties and supersedes any previous agreements, oral or written. This Agreement may be modified only by subsequent mutual written agreement executed by SUCCESSOR AGENCY and CONSULTANT.
20. **Waiver.** All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the SUCCESSOR AGENCY and CONSULTANT.
21. **California Law.** This Agreement shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the central branch of the Orange County Superior Court.
22. **Interpretation.** This Agreement shall be interpreted as though prepared by both parties
23. **Preservation of Agreement.** Should any provision of this Agreement be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.
24. **Agreement Limitations.** CONTRACTOR understands and agrees that the implementation and effectiveness of this Agreement shall be subject to approval by the Successor Agency Oversight Board and all provisions of ABX1-26 (2011) and AB 1484 (2012). CONTRACTOR further understands and agrees that any and all liability under this Agreement shall be solely that of the SUCCESSOR AGENCY, and not that of the City of Garden Grove, and, in accordance with Health and Safety Code Section 34173(e), shall be limited in scope and amount to the actual property tax revenues received by, and the value of assets transferred to, the SUCCESSOR AGENCY pursuant ABX1-26 and AB 1484.

IN WITNESS THEREOF, these parties hereto have caused this Agreement to be executed as of the date set forth opposite the respective signatures.

"SUCCESSOR AGENCY"
CITY OF GARDEN GROVE AS
SUCCESSOR AGENCY TO THE GARDEN
GROVE AGENCY FOR COMMUNITY
DEVELOPMENT, a public body

Dated: _____, 2014

By: _____
Executive Director

ATTEST

"CONSULTANT"
LIDGARD & ASSOCIATES, INC.

City Clerk

By: _____
Title: PRESIDENT

Dated: _____, 2014

Dated: December 19, 2014

APPROVED AS TO FORM:

If CONSULTANT/CONTRACTOR is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to CITY

[Signature]
Garden Grove City Attorney

Dated: December 19, 2014

EXHIBIT A



February 10, 2014

Greg Blodgett
Project Manager
City of Garden Grove
11222 Acacia Parkway, 3rd Floor
Garden Grove, California 92840

Subject: Land Value Study
Development Site "C"
Northeast Corner of
Harbor Blvd. and Twintree Ave.
Garden Grove, California

Dear Mr. Blodgett:

I appreciate the opportunity of submitting this proposal for professional real estate appraisal services pertaining to the above-referenced property.

The scope of our services will include (1) an inspection of the subject property from the adjacent rights-of-way, (2) a review of the Grove District Resort Hotel Development Agreement, dated April 9, 2013, (3) a review of public records particularly with respect to Planned Unit Development No. PUD-128-12, (4) the research and collection of comparable market data in the immediate and general subject market area, (5) a valuation employing applicable methodology based on an analysis of the comparable market data, and (6) preparation of a formal narrative appraisal report in summation of the activities outlined above.

The purpose of the appraisal study is the estimation of market value of the unencumbered fee simple interest in the subject underlying land parcel as presently entitled for hotel development. based on its highest and best use. Market value, as defined in Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), is defined as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

Long Beach Office:
3353 Linden Avenue
Suite 200
Long Beach, CA
90807 - 4503

Orange County Office:
2592 N. Santiago Blvd.
Orange, CA
92867 - 1862

Telephone:
(562) 988-2926
(714) 633-8441

Facsimile:
(714) 633-8449

Greg Blodgett
Project Manager
City of Garden Grove
February 10, 2014
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1. *Buyer and seller are typically motivated;*
2. *Both parties are well informed or well advised, and acting in what they consider their own best interests;*
3. *A reasonable time is allowed for exposure in the open market;*
4. *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
5. *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

The intended use of the report is to assist the City of Garden Grove in negotiating with various taxing entities. Intended users are City officials and consultants thereof for the explicit purpose and intent indicated above. The report is not intended to be delivered to, or relied upon by, third parties. The property will be appraised as of a current date.

The appraisal report will comply with reporting requirements set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), under Standard Rule 2-2(b) for a summary appraisal report, and will incorporate, by reference, the data and valuation analysis contained in our office file/database. The report will be suitable for public acquisition negotiation purposes with the private property owner.

Based on the amount of time estimated to complete the appraisal study, and formal narrative appraisal report, the fee for our services will be in the total amount of \$4,450, payable upon delivery of the appraisal report. The summary appraisal report can be delivered, in triplicate, within approximately four weeks following receipt of your authorization to proceed.

If you are in agreement with the above terms, please sign and date a copy of this letter-agreement, and return to our office along with the retainer. Please do not hesitate to contact me in the event you have any questions regarding this proposal.

Very truly yours,



Scott A. Lidgard, MAI, CCIM
Certified General Real Estate Appraiser
California Certification No. AG 004014

SAL:sp

Greg Blodgett
Project Manager
City of Garden Grove
February 10, 2014
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I hereby authorize the firm of LIDGARD AND ASSOCIATES, INC. to perform the appraisal services referred to above.

Greg Blodgett

Date



February 25, 2014

Greg Blodgett
Project Manager
City of Garden Grove
11222 Acacia Parkway, 3rd Floor
Garden Grove, California 92840

Subject: Market Value Study
City-Owned Property
Restaurant/Nightclub Facility
12361 Chapman Avenue
Garden Grove, California

Dear Mr. Blodgett:

I appreciate the opportunity of submitting this proposal for professional real estate appraisal services pertaining to the above-referenced property. The subject property was appraised by the undersigned as of July 10, 2010.

The scope of our services will include (1) a review of our original work file and appraisal report, (2) a complete on-site field inspection of the subject property, (3) a review of public records, (4) the research and collection of comparable market data in the immediate and general subject market area, (5) a valuation employing applicable methodology based on an analysis of the comparable market data, and (6) preparation of a formal narrative appraisal report in summation of the activities outlined above.

The subject property is located on the north side of Chapman Avenue, generally between Harbor Boulevard and Buaro Street, within the corporate limits of the City of Garden Grove. The parcel has an interior (versus corner) location adjacent to the Hyatt Hotel facility, effectively rectangular land configuration, level topography, and contains 0.481 acres, per Orange County Assessor's records, or 20,952 square feet of land area.

The property is improved with a primarily single story restaurant/nightclub facility of wood frame and stucco construction. While the facility is presently vacant, it was formerly operated as the Belluno Restaurant and JC Fandango Nightclub. According to information provided to the appraiser by the City of Garden Grove, the building contains 10,828 square feet including a small second floor office, was originally constructed in 1984, and extensively renovated in 2002.

*Long Beach Office:
3353 Linden Avenue
Suite 200
Long Beach, CA
90807 - 4503*

*Orange County Office:
2592 N. Santiago Blvd.
Orange, CA
92867 - 1862*

*Telephone:
(562) 988-2926
(714) 633-8441*

*Facsimile:
(714) 633-8449*

Greg Blodgett
Project Manager
City of Garden Grove
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Other appurtenant on-site improvements located within the boundaries of the subject parcel include concrete walkways, business signage, inground irrigation system, and extensive ornamental landscaping including several mature palm trees. Overall condition of the existing building and on-site improvements is rated average-good, considering the age. The existing development represents the highest and best use of the subject underlying land parcel.

Automobile parking for the subject facility is provided via a reciprocal easement and parking agreement with the adjoining Hyatt Hotel ownership. The parking lot agreement commenced in June, 2000, and provides for validation of customer parking. The initial annual fee was \$20,000, which is scheduled to increase 2.5% annually. The subject restaurant facility is entitled to 50 designated parking spaces located in close proximity thereto. In addition to on-site business signage, the subject property has signage rights on the larger Hyatt property situated at the prominent corner of Harbor Boulevard and Chapman Avenue.

The purpose of the appraisal study is the estimation of market value of the unencumbered fee simple interest in the subject property as presently improved, exclusive of non-realty fixtures/equipment. Market value, as defined in Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), is defined as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 1. Buyer and seller are typically motivated;*
- 2. Both parties are well informed or well advised, and acting in what they consider their own best interests;*
- 3. A reasonable time is allowed for exposure in the open market;*
- 4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- 5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

The intended use of the report is to assist the City of Garden Grove in negotiating with various taxing entities. Intended users are City officials and consultants thereof for the explicit purpose and intent indicated above. The report is not intended to be delivered to, or relied upon by, third parties. The property will be appraised as of a current date.

Greg Blodgett
Project Manager
City of Garden Grove
February 25, 2014
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The appraisal report will comply with reporting requirements set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), under Standard Rule 2-2(a). The report will contain a moderate level of detail with respect to the market data, appraisal methodology, and reasoning supporting the analysis, opinions, and conclusions. It will contain sufficient information for the purpose, intent, and users for which it is written.

Based on the amount of time estimated to complete the appraisal study, and formal narrative appraisal report, the fee for our services will be in the total amount of \$3,850, payable upon delivery of the appraisal report. The appraisal report can be delivered, in triplicate, within approximately four weeks following receipt of your authorization to proceed.

If you are in agreement with the above terms, please sign and date a copy of this letter-agreement, and return to our office along with the retainer. Please do not hesitate to contact me in the event you have any questions regarding this proposal.

Very truly yours,



Scott A. Lidgard, MAI, CCIM
Certified General Real Estate Appraiser
California Certification No. AG 004014

SAL:sp

I hereby authorize the firm of LIDGARD AND ASSOCIATES, INC. to perform the appraisal services referred to above.

Greg Blodgett

Date



April 1, 2014

Greg Blodgett
Senior Project Manager
City of Garden Grove
Economic Development Department
12222 Acacia Parkway
Garden Grove, California 92842

Subject: Market Value Studies
Three Residential Land Parcels
Garden Grove, California

Dear Mr. Blodgett:

I appreciate the opportunity of rendering our services in connection with valuation studies involving the above-referenced properties.

The scope of our services will include (1) an inspection of each property from the adjacent rights-of-way, (2) a review of public records, (3) the research and collection of comparable market data in the immediate and general subject market area, (4) a valuation employing applicable methodology based on an analysis of the comparable market data, (5) preparation of a formal narrative multi-parcel appraisal report in summation of the activities outlined above.

The purpose of the appraisal study is the estimation of market value of the unencumbered fee simple interest in each property appraised. Market value as defined in Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) is defined as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

*Long Beach Office:
3353 Linden Avenue
Suite 200
Long Beach, CA
90807 - 4503*

*Orange County Office:
2592 N. Santiago Blvd.
Orange, CA
92867 - 1862*

*Telephone:
(562) 988-2926
(714) 633-8441*

*Facsimile:
(714) 633-8449*

Continued . . .

Greg Blodgett
Senior Project Manager
City of Garden Grove
Economic Development Department
April 1, 2014
Page 2

1. *Buyer and seller are typically motivated;*
2. *Both parties are well informed or well advised, and acting in what they consider their own best interests;*
3. *A reasonable time is allowed for exposure in the open market;*
4. *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
5. *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

The intended use of the studies is to assist the City of Garden Grove in potential sale negotiations as well as negotiating with various taxing entities. Intended users are the City officials and consultants thereof for the explicit purpose and intent indicated above. The report is not intended to be delivered to, or relied upon by, third parties. The properties will be appraised as of a current date.

The appraisal report will comply with reporting requirements set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), under Standard Rule 2-2(a). The report will contain a moderate level of detail with respect to the market data, appraisal methodology, and reasoning supporting the analysis, opinions, and conclusions. It will contain sufficient information for the purpose, intent, client, and intended users for which it is written.

Based on the amount of time estimated to complete the appraisal studies, and formal narrative multi-parcel appraisal report, the total fee will be in the amount of 3,750, payable upon delivery of the appraisal report. The appraisal report can be delivered, in triplicate, within approximately four to five weeks following receipt of your authorization to proceed.

If you are in agreement with the above terms, please sign and date a copy of this letter-agreement, and return to our office. Please do not hesitate to contact me in the event you have any questions regarding this proposal.

Very truly yours,

LIDGARD AND ASSOCIATES, INC.



Scott A. Lidgard, MAI, CCIM
Certified General Real Estate Appraiser
California Certification No. AG 004014

SAL:sp

Greg Blodgett
Senior Project Manager
City of Garden Grove
Economic Development Department
April 1, 2014
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I hereby authorize the firm of LIDGARD AND ASSOCIATES, INC. to perform the appraisal services referred to above..

Greg Blodgett

Date



August 1, 2014

Greg Blodgett
Senior Project Manager
City of Garden Grove
Economic Development Department
12222 Acacia Parkway
Garden Grove, California 92842

Subject: Land Value Study
City-Owned Property
Former OCTA Right-of-Way
Chapman Avenue and Brookhurst Street
Garden Grove, California

Dear Mr. Blodgett:

I appreciate the opportunity of submitting this proposal for professional real estate appraisal services pertaining to the above-referenced property.

The scope of our services will include (1) a field inspection of the subject property from the adjacent property, (2) a review of public records, (3) the research and collection of comparable market data in the immediate and general subject market area, (4) a valuation employing applicable methodology based on an analysis of the comparable market data, and (5) preparation of a restricted appraisal report in summation of the activities outlined above.

The purpose of the appraisal study is the estimation of market value of the unencumbered fee simple interest in the subject underlying land parcel based on its highest and best use. Market value, as defined in Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), is defined as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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Greg Blodgett
Senior Project Manager
City of Garden Grove
Economic Development Department
August 1, 2014
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1. *Buyer and seller are typically motivated;*
2. *Both parties are well informed or well advised, and acting in what they consider their own best interests;*
3. *A reasonable time is allowed for exposure in the open market;*
4. *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
5. *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

The intended use of the report is to assist the City of Garden Grove in potential sale negotiations with the adjacent property owner. Intended users are City officials and consultants thereof for the explicit purpose and intent indicated above. The report is not intended to be delivered to, or relied upon by, third parties. The property will be appraised as of a current date.

The appraisal report will comply with reporting requirements set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), under Standard Rule 2-2(b). The market data, appraisal methodology, and reasoning supporting the analysis, opinions and conclusions will be included therein by reference only. The rationale regarding the opinions and conclusions may not be understood properly without additional information from the appraiser's work file. The report will contain sufficient information for the purpose, intent, client, and intended users for which it is written.

Based on the amount of time estimated to complete the appraisal study, and restricted appraisal report, the fee for our services will be in the total amount of \$2,500, payable upon delivery of the appraisal report. The appraisal report can be delivered, in triplicate, within approximately three to four weeks following receipt of your authorization to proceed.

Please do not hesitate to contact me in the event you have any questions regarding this proposal.

Very truly yours,



Scott A. Lidgard, MAI, CCIM
Certified General Real Estate Appraiser
California Certification No. AG 004014

SAL:sp

Greg Blodgett
Senior Project Manager
City of Garden Grove
Economic Development Department
August 1, 2014
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I hereby authorize the firm of LIDGARD AND ASSOCIATES, INC. to perform the appraisal services referred to above.

Greg Blodgett

Date