

REQUEST TO REVIEW OPTIONS FOR LOTUS PLAZA PROJECT/GALLERIA PROJECT
LOCATED AT 10080 AND 10180 GARDEN GROVE BOULEVARD

February 24, 2015

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2. Construct a project utilizing the existing structure that requires a General Plan, Zone Change, and/or Zoning Code amendments, subject to City Council approval of the necessary /desired General Plan and/or Zoning amendments and a new Site Plan and other required land use entitlements.
3. Full or partial demolition of the existing structure in conjunction with construction of an entirely different project on the Site, subject to Planning Commission and City Council approval of all required General Plan or Zoning amendments and required land use entitlements.
4. Full demolition of the existing structure prior to consideration and/or approval of a replacement project.

As I believe you will hear at your meeting, there are conflicting interests for the site due to market conditions, a desire to utilize what has already been invested in the site and the City's General Plan goals. At this point in time, it is unclear whether those competing interests can be reconciled and, if so, in what fashion, at what cost, and in what length of time?

Any options under discussion will need to take all of these factors into consideration.



ALLAN ROEDER
Interim City Manager

Attachment: Timeline for Emlen W. Hoag Foundation Project

Timeline for Emlen W. Hoag Foundation Project

At 10080 and 10180 Garden Grove Boulevard

Galleria Project 2004-2011

Lotus Plaza Project 2011 – 2014

- 2004 **REVIEW OF CONCEPTUAL PLANS.** Planning staff begins working on review of Design Development plans for the Galleria project with Architect Sungjun Yoo. By October 2004, regular meetings are occurring with Planning, Engineering, Building and Fire staff to review Galleria project and work on outstanding issues.
- May 6, 2005 **NEIGHBORHOOD MEETING** held at the Boys & Girls Club Gymnasium at 9680 Larson Street to discuss the Garden Grove Galleria mixed-use project.
- May 19, 2005 **PLANNING COMMISSION APPROVES SITE PLAN.** The Galleria project is presented to Planning Commission and a public hearing is held. Planning Commission votes 5 - 1 to adopt the Mitigated Negative Declaration and to approve the Site Plan and to recommend to City Council the approval of the General Plan Amendment, Mixed Use Planned Unit Development, and a Development Agreement. [SP-368-05, PUD-107-05, GPA-2-05(A)]
- June 28, 2005 **CITY COUNCIL MEETING.** The Galleria project is heard by City Council, a public hearing is held and all interested parties were given an opportunity to be heard and the proposal was given due and careful consideration.
- July 12, 2005 **CITY COUNCIL ADOPTS ORDINANCES APPROVING GPA, PUD, & DA.** The City Council adopts ordinances approving the Planned Unit Development (PUD-107-05) which changes the zoning designation from C-3 (Heavy Commercial) to Mixed Use PUD, approving the General Plan Amendment [GPA-2-05(A)] changing the land use designation from Heavy Commercial (HC) to Mixed Use (MU), and approving a Development Agreement for the Garden Grove Galleria, LLC.
- January 10, 2007 **PERMITS ISSUED.** The City issued Building Permits numbered 88685 through 88688 for the Galleria Project.
- July 20, 2009 **LAST INSPECTION.** The last building inspection by the City in relation to the Galleria project was conducted on July 20, 2009.

- February 2010 **GG GALLERIA LLC, FILES LAWSUIT.** The Garden Grove Galleria, LLC, files a lawsuit against Cathay Bank.
- March 22, 2010 **GALLERIA DEVELOPER STOPS WORK.** Garden Grove Galleria, LLC advises the City that they had temporarily stopped work on the Project, citing “the economic climate and funding from Cathay Bank”.
- March 23, 2010 **CITY GRANTS FIRST BUILDING PERMIT EXTENSION.** Garden Grove Galleria requests a 180-Day extension of the Building permits which is granted by the Building Department. (**SUBSEQUENT EXTENSIONS** were requested on September 13, 2010, March 7, 2011, August 5, 2011, and February 15, 2012. All these requests were granted by the Building Department.
- September 2011 **GG GALLERIA, LLC, TERMINATES LEASE AND ABANDONS PROJECT.** The Hoag Foundation is served a Notice of Default and Right to Terminate Garden Grove Galleria’s ground lease. Garden Grove Galleria, LLC, notifies the Hoag Foundation that it is abandoning the property and giving possession to the Hoag Foundation.
- January 2012 **NEW MIXED USE ZONING FOR PROPERTY.** The City Council adopts an ordinance approving new Mixed Use Zones throughout the City. The subject property is rezoned to Garden Grove Mixed Use 1 (GGMU1) which allows for 42 residential units per acre with a mandatory commercial component of 0.3 FAR (Floor Area Ratio).
- January 2012 **REVISED PROJECT (Lotus Plaza) FROM NEW ARCHITECT AND DEVELOPER.** A new architect and developer for the Hoag Foundation submits design development plans for a revised project. The developer, Tri-Millennium Homes, and their architect, Mahmoud Gharachedaghi, propose 144 residential units and 53,000 sq. ft. of commercial floor area.
- February 22, 2012 **FINAL NOTICE OF EXTENSION ISSUED BY BUILDING DEPARTMENT.** The final notice of extension is issued by the City on February 15, 2015 for the Galleria project. The final notice specifies that Building Permits will expire on September 1, 2012, unless work on the Project recommences and inspections are requested by that date.
- February 2012 **MEETINGS BETWEEN CITY STAFF AND LOTUS PLAZA ARCHITECT AND DEVELOPER.**
- August 31, 2012 **JURY VERDICT FOR GARDEN GROVE GALLERIA.** Jury verdict in favor of Garden Grove Galleria, LLC, and against Cathay Bank. Jury awards GG Galleria the amount of its investment. The judgment is appealed.

- September 1, 2012 **BUILDING PERMITS EXPIRED.**
- July 2, 2013 **NOTICE AND ORDER ISSUED BY CITY BUILDING OFFICIAL.** Given the lack of construction activity, a Notice and Order was issued. The Notice and Order required that the Project site be boarded for future repair for a period not to exceed one year from the date of the Notice and Order, and that the Project be demolished in the event that construction on the Project did not recommence within the one-year period.
- October 30, 2013 **BOARD OF APPEALS MEETING – CATHAY BANK APPEAL IS DENIED.** Cathay General Bankcorp, Inc. (Cathay Bank) appealed the July 2, 2013 Notice and Order. The Garden Grove Administrative Board of Appeals met on October 30, 2013, held and closed a public hearing, and adopted a Resolution to deny the appeal.
- End of 2013 – 2014 **ONGOING MEETINGS AND REVIEW OF LOTUS PLAZA PROJECT.** Lotus Plaza project goes through process of committee technical review.
- May 2014 **MEETING WITH HOAG FOUNDATION BOARD AND ATTORNEY.** Susan Emery and Erin Webb meet with members of the HOAG Foundation Board and their attorney, Bill Brinckloe.
- July 2014 **CITY AGREES TO GPA TO AMEND DU PER ACRE/NATIVE AMERICAN TRIBAL NOTIFICATIONS ARE SENT/DRAFT OF NEW INITIAL STUDY – MITIGATED NEGATIVE DECLARATION IS SUBMITTED/HOAG FOUNDATION AGREES TO 12-FOOT LOT LINE ADJUSTMENT.** Through committee review process, City agrees to allow General Plan Amendment to change density from 42 du per acre to 50 du per acre (50 du is the density approved and being built at the Brookhurst Triangle also in the GGMU-1 zone). Because of GPA, notification is required to be sent to the Native American Tribal Council. Notices are sent and the representatives have 4 months to respond with an end date of November 17, 2014. This will delay the noticing for any public hearing.
- September 2014 **TECHNICAL REVIEW OF TRAFFIC TECHNICAL MEMO AND PROPOSED DROP-OFF.**
- October 29, 2014 **LETTER FROM HOAG FOUNDATION ARCHITECT STATING LOTUS PLAZA IS NOT A VIABLE PROJECT.** The architect states that the project is under parked based on his review of City requirements including the Housing Element and the commercial component is not viable. He states the project has little chance for success.
- November 3, 2014 **PHONE CONVERSATION WITH LOTUS PLAZA ARCHITECT ABOUT HOAG CONCERNS.** HOAG Foundation is not in agreement with the 10% reduction in

parking provided by the zoning code. The architect is working to minimize this to a 4% reduction. Also, HOAG asked him to inquire if the City would allow a waiver from the required commercial FAR of .3; they would like the amount of commercial space reduced.

- November 7, 2014 **LETTER FROM CITY ATTORNEY EXTENDING NOTICE & ORDER DEADLINE TO 12/1/14.**
- November 24, 2014 **LETTER FROM CATHAY BANK ATTORNEY THAT A DRAFT TRI-PARTY AGREEMENT HAD BEEN RECEIVED AND REQUESTING A 45-DAY EXTENSION OF THE 12/1/14 DEADLINE FOR THE NOTICE & ORDER.**
- January 9, 2015 **LETTER FROM ATTORNEY FOR HOAG FOUNDATION THAT THE BOARD DISAPPROVED THE LOTUS PLAZA PROJECT.**