

The proposed LRPMP Amendment addresses the following property interests of the former Agency:

Properties Subject to Enforceable Obligations

- 1) The Site C project was approved by the former Agency on June 14, 2011, and has been placed on ROPS 15-16B. Ten properties of various sizes make up the 4-acre project site. The properties are vacant, but still contain some minor improvements. The project is located in the Community Project Area of the former Agency. The project site is part of the Harbor Boulevard Specific Plan, of which hotel, resort, and tourist oriented development is the goal. The project is fully entitled for three hotels totaling 769 rooms, 39,000 square feet of conference, meeting, and banquet space, and 45,000 square feet of restaurant, retail, and entertainment uses. The Site C Hotel project is anticipated to generate 600 - 800 new jobs, \$1.2M to \$2.8M in overall annual sales tax revenue, and \$192,000 - \$268,000 in new property tax to the Redevelopment Property Tax Trust Fund. This project is listed in the former Agency's Five Year Implementation Plan for the period 2010 - 2014, on page 27, number 3 in the table of Non-Housing Projects and Programs.

Although the Director of the former Agency signed the Site C DDA after the effective date of AB x1 26, the Board of the former Agency approved the Site C DDA and the Developer (Land & Design, Inc.) signed the Site C DDA prior to the effective date of AB x1 26. Therefore, the Site C DDA was an enforceable agreement, binding against the former Agency, prior to the effective date of AB x1 26 and is therefore an "enforceable obligation" as defined in Health and Safety Code Section 34171(d)(I)(E). The properties described as "Site C - Hotel Development" in the LRPMP Amendment are subject to the Site C DDA and will be disposed of in accordance with that enforceable obligation.

Properties Retained (transferred to City) for Governmental Purpose

- 2) An easement over private property located adjacent to Garden Grove City Hall. The easement provides vehicular access, ingress and egress to and from City Hall from Civic Center Drive to the east.
- 3) An easement for ingress and egress to the former landfill located near the northwest corner of Harbor Boulevard and Chapman Avenue. This easement provides ingress and egress for City staff to conduct site maintenance as well as the monitoring and maintenance of a methane venting system installed on the site.

Properties Retained (transferred to City) for Future Development

The Site C properties have been moved to the Enforceable Obligation category.

Properties to be Sold

- 4) The Successor Agency owns a freeway sign that is located on property owned by a private entity that operates a car dealership at the site. The former Agency constructed the freeway sign on the auto dealership property as part of a redevelopment transaction with the car dealer. The Successor Agency has access rights for purposes of maintaining the freeway sign through an easement agreement entered into between the former Agency and the car dealer.

The freeway sign is now in disrepair and needs a significant amount of work to place it in a reasonable condition. The Successor Agency estimates that the necessary rehabilitation of the freeway sign will cost approximately \$28,000 and additionally estimates annual maintenance costs for the sign at \$10,800 thereafter. Alternatively, demolition of the sign will cost approximately \$30,000. The freeway sign has no value to the Successor Agency. Recently, the current auto dealer has expressed an interest in demolishing the sign and replacing it with a new freeway sign that would be owned and maintained by the owner of the auto dealership. This would save the Successor Agency from having to spend money to rehabilitate and maintain the sign, increasing residual Redevelopment Property Tax Trust Fund moneys available for distribution to the taxing agencies and reducing liabilities that could accrue to the Successor Agency as a result of the poor condition of the sign and/or rehabilitation and maintenance activities with respect to the sign.

Upon the conveyance and/or demolition of the freeway sign, the access easement will automatically terminate by its terms.

The Successor Agency proposes to sell the freeway sign to the auto dealer for \$0 and concurrently execute an instrument to confirm the termination of the access easement relating to the freeway sign.

FINANCIAL IMPACT

If approved by the DOF, the LRPMP Amendment, specifically the Site C Hotel project, will have a significant positive impact on revenue generation for the City of Garden Grove once the project is completed and operating, and will reduce the cost to the City of site preparation associated with this hotel development.

RECOMMENDATION

Staff recommends the Successor Agency:

- Adopt the attached Resolution approving an Amendment to the Long Range Property Management Plan pursuant to Section 34191.5 of the Health and Safety Code; and
- Authorize the Director to transmit the Amendment to the Long Range Property Management Plan to the Oversight Board and DOF for approval.


KINGSLEY OKEREKE
Finance Director


By: Jim DellaLunga
Senior Project Manager

Attachment 1: Summary Table Describing Amendment to the Long Range Property Management Plan for the Successor Agency to the Garden Grove Agency for Community Development

Attachment 2: Resolution of the City of Garden Grove acting as Successor Agency to the Garden Grove Agency for Community Development Approving an Amendment to the Long Range Property Management Plan

Recommended for Approval



Scott C. Stiles
Director

GARDEN GROVE SUCCESSOR AGENCY

RESOLUTION NO. _____

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT APPROVING AN AMENDMENT TO THE LONG RANGE
PROPERTY MANAGEMENT PLAN AND AUTHORIZING THE EXECUTION OF DEEDS
AND OTHER ACTIONS NECESSARY TO IMPLEMENT THE LONG RANGE PROPERTY
MANAGEMENT PLAN

WHEREAS, the Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency") is a public body corporate and politic, organized and operating under Parts 1.8 and 1.85 of Division 24 of the California Health and Safety Code, and the successor to the former Garden Grove Agency for Community Development ("former Agency") that was previously a community redevelopment agency organized and existing pursuant to the Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.* ("CRL");

WHEREAS, Assembly Bill x1 26 ("AB x1 26") added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code and which laws were modified, in part, and determined constitutional by the California Supreme Court in the petition *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 ("*Matosantos* Decision"), which laws and court opinion caused the dissolution of all redevelopment agencies and winding down of the affairs of former redevelopment agencies; thereafter, such laws were amended further by Assembly Bill 1484 ("AB 1484") (together AB x1 26, the *Matosantos* Decision, and AB 1484 are referred to as the "Dissolution Laws");

WHEREAS, as of February 1, 2012 the former Agency was dissolved pursuant to the Dissolution Laws and as a separate public entity, corporate and politic, the Successor Agency 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, Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a "long-range property management plan" (also referred to herein as the "LRPMP") addressing the future disposition and use of all real property of the former Agency no later than six months following the issuance by the California Department of Finance ("DOF") to the Successor Agency of a finding of completion pursuant to Health and Safety Code Section 34179.7;

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

WHEREAS, the Successor Agency prepared an LRPMP and the LRPMP prepared by the Successor Agency was approved by the Oversight Board and the DOF;

WHEREAS, the Successor Agency has determined that one property listed in the LRPMP should be recharacterized as a property held for an enforceable obligation and that certain additional property interests should be included in the LRPMP; and

WHEREAS, an amendment to the LRPMP (the "Amendment") has been prepared to implement the following changes and additions to the LRPMP:

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1) The Site C project was approved by the former Agency on June 14, 2011, and has been placed on ROPS 15-16B. Ten properties of various sizes make up the 4-acre project site. The properties are vacant, but still contain some minor improvements. The project is located in the Community Project Area of the former Agency. The project site is part of the Harbor Boulevard Specific Plan, of which hotel, resort, and tourist oriented development is the goal. The project is fully entitled for three hotels totaling 769 rooms, 39,000 square feet of conference, meeting, and banquet space, and 45,000 square feet of restaurant, retail, and entertainment uses. The Site C Hotel project is anticipated to generate 600 - 800 new jobs, \$1.2M to \$2.8M in overall annual sales tax revenue, and \$192,000 - \$268,000 in new property tax to the Redevelopment Property Tax Trust Fund. This project is listed in the former Agency's Five Year Implementation Plan for the period 2010 - 2014, on page 27, number 3 in the table of Non-Housing Projects and Programs.

Although the Director of the former Agency signed the Site C Disposition and Development Agreement ("Site C DDA") after the effective date of AB x1 26, the Board of the former Agency approved the Site C DDA and the Developer (Land & Design, Inc.) signed the Site C DDA prior to the effective date of AB x1 26. Therefore, the Site C DDA was an enforceable agreement, binding against the former Agency, prior to the effective date of AB x1 26 and is therefore an "enforceable obligation" as defined in Health and Safety Code Section 34171(d)(l)(E). The properties described as "Site C - Hotel Development" in the LRPMP Amendment are subject to the Site C DDA and will be disposed of in accordance with that enforceable obligation.

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The freeway sign is now in disrepair and needs a significant amount of work to place it in a reasonable condition. The Successor Agency estimates that the necessary rehabilitation of the freeway sign will cost approximately \$28,000 and additionally estimates annual maintenance costs for the sign at \$10,800 thereafter. Alternatively, demolition of the sign will cost approximately \$30,000. The freeway sign has no value to the Successor Agency and the current auto dealer has expressed an interest in demolishing the sign and replacing it with a new freeway sign that would be owned and maintained by the owner of the auto dealership. This would save the Successor Agency from having to spend money to rehabilitate and maintain the sign, increasing residual Redevelopment Property Tax Trust Fund moneys available for distribution to the taxing agencies and reducing liabilities that could accrue to the Successor Agency as a result of the poor condition of the sign and/or rehabilitation and maintenance activities with respect to the sign.

Upon the conveyance and/or demolition of the freeway sign, the access easement will automatically terminate by its terms.

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WHEREAS, the Successor Agency desires to approve the Amendment and authorize the execution of deeds and other instruments and such other actions as may be necessary to implement the LRPMP, as amended by the Amendment.

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

Section 1. The Successor Agency hereby approves this Resolution and the table summarizing the Amendment in substantially the form submitted with this Resolution. This Resolution and the summary table attached hereto as Attachment No. 1 shall together amend the Successor Agency's LRPMP, and constitute the Amendment approved by this Resolution.

Section 2. The Successor Agency hereby approves the Resolution approving the Amendment to Long Range Property Management Plan and authorizes the

Successor Agency to transmit said Amendment to the Oversight Board and State Department of Finance for approval.

Section 3. The Successor Agency hereby authorizes and directs the Chair, the Director, and the Secretary of the Successor Agency, and their authorized designees to execute such deeds and other instruments and take such other actions on behalf of the Successor Agency as may be necessary or appropriate to implement the LRPMP, as amended by the Amendment, including without limitation paying fees and charges relating to escrow, title, recording and taxes, if applicable. The Director and Secretary of the Successor Agency and their authorized designees are further authorized and instructed to obtain preliminary title reports, title commitments, and title insurance policies relating to the conveyance of properties listed in the LRPMP, as amended by the Amendment, if and to the extent determined to be appropriate by the Director.

Section 4. The Chair shall sign the passage and adoption of this Resolution and thereupon the same shall take effect and be in force.

ATTACHMENT NO. 1

AMENDMENT TO LONG RANGE PROPERTY MANAGEMENT PLAN

[to be attached]