

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Matthew Fertal
Dept: City Manager
Subject: SALE OF REAL PROPERTY BAHIA VILLAGE MOBILE HOME PARK AT 13096 BLACKBIRD STREET APN 101-011-09 AND 101-433-41 AND EMERALD ISLE MOBILE HOME PARK AT 13741 CLINTON STREET APN 101-151-01 (CITY OWNED PROPERTIES)

From: Chet Yoshizaki
Dept: Economic Development
Date: June 9, 2009

OBJECTIVE

It is requested that the City Council consider the sale of real property, the Bahia Village Mobile Home Park located at 13096 Blackbird Street and the Emerald Isle Mobile Home Park located at 13741 Clinton Street (the "Property"), owned by the City of Garden Grove ("Property Owners").

BACKGROUND

In 1993, the City of Garden Grove purchased the 86-unit Bahia Village Mobile Home Park on approximately 7.76 acres of land (Attachment 3) and the 168-unit Emerald Isle Mobile Home Park on approximately 11.12 acres of land (Attachment 4).

In late 2008, numerous mobile home park operators approached the City to find out if the City was willing to sell the Property. Staff was given direction to begin the process of accepting and evaluating legitimate offers for the Property.

On February 5, 2009, the City presented to the Planning Commission with Resolution No.5669 regarding the sale of the Property and to determine if the sale was consistent with the General Plan. The Planning Commission found the item consistent and approved the resolution (Attachment 5).

On May 26, 2009, the City received a letter of intent (Attachment 2) from Fischer Investment Group LLC (the "Buyer") to purchase the Property. The Buyer has a combined 30-years of operating and owning mobile home parks. Their management philosophy is based on frequent and effective communication, as well as focused and hands-on management.

DISCUSSION

The Buyer's letter of intent indicates the desire to acquire fee title interest on the Property. Upon the City's approval of the letter of intent, the general terms and conditions of the agreement are as follows:

- The purchase price for the Property shall be Twenty Five Million Dollars (\$25,000,000).
- The purchase price shall be paid in cash at the Close of Escrow.
- The Buyer shall deposit an initial deposit of One Hundred Thousand Dollars (\$100,000) into escrow within two (2) business days upon execution of the Purchase and Sale Agreement. This deposit is non-refundable.
- The Buyer shall deposit a second deposit of One Hundred Fifty Thousand Dollars (\$150,000) into escrow within two (2) business days upon the expiration of the Feasibility Period.
- The Close of Escrow shall take place on or before August 30, 2009.

COMMUNITY VISION IMPLEMENTATION


- Seek to ensure quality-housing opportunities in the community, without unduly burdening existing residents.

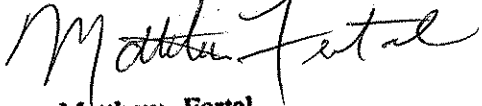
RECOMMENDATION

It is recommended that the City Council:

- Approve the sale of the subject Property, 13096 Blackbird Street (APN 101-011-09 and 101-433-41) and 13741 Clinton Street (APN 101-151-01);
- Authorize the City Manager and City Clerk to execute the pertinent documents on behalf of the City, and
- Authorize the Finance Officer to fund \$25,000 for closing cost.


CHET YOSHIZAKI
Economic Development Director

By: 
Greg Blodgett
Senior Project Manager


Recommended for Approval

Matthew Fertal
City Manager

SALE OF BAHIA VILLAGE AND EMERALD ISLE MOBILE HOME PARKS
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- Attachment 1: Purchase and Sale Agreement
- Attachment 2: Fischer Investment LLC, Letter of Intent
- Attachment 3: Bahia Village Mobile Home Park Site Map
- Attachment 4: Emerald Isle Mobile Home Park Site Map
- Attachment 5: Garden Grove Planning Commission Regular Meeting
February 5, 2009

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