

CITY OF GARDEN GROVE
INTER-DEPARTMENT MEMORANDUM

Garden Grove Agency for Community Development

To:	Matthew Fertal	From:	Chet Yoshizaki
Dept:	Director	Dept:	Economic Development
Subject:	EXCLUSIVE REPRESENTATION AND COMPENSATION AGREEMENT		
		Date:	October 13, 2009

OBJECTIVE

The purpose of this staff report is to request the Garden Grove Agency for Community Development (Agency) to consider a Representation and Compensation Agreement (Agreement) with Nationwide USA II, Inc. (Broker) to act as the Agency Broker for the acquisition of real property located at 12581 Harbor Boulevard for the (Property) owned by the Slaton Trust (Property Owner).

BACKGROUND/DISCUSSION

On May 12, 2009, the Agency entered into a Development and Disposition Agreement ("DDA") with McWhinney Real Estate Services, Inc. ("McWhinney") for the proposed development of a water park hotel site generally located at 12721 Harbor Boulevard in the City of Garden Grove ("Proposed Development Site"). McWhinney prepared a preliminary concept plan for the Proposed Development Site that includes a hotel with 600 rooms, an indoor/outdoor water park, approximately 18,000 square feet of retail space, one or more restaurants, and a parking structure containing not fewer than 1,000 parking spaces. This Agreement will provide for the acquisition of the property, which is a part of the McWhinney Water Park Hotel site, and an Agency obligation to acquire under the terms and conditions of the DDA.

An Agreement has been reached with Nationwide USA II Inc. (Attachment 1) that includes the following terms and conditions:

- The Term of the Agreement is for six (6) months.
- If Buyer acquires the Property within one (1) year after this Agreement terminates, then said commission shall be paid to Broker from Client.
- Buyer shall pay to Broker a commission equal to 6.0% of the total purchase price (the "Commission").

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- If Seller in fact pays any such commission, Broker's commission herein shall be reduced by such commission amount.

FINANCIAL IMPACT

- Contract cost is six percent (6%) of the negotiated purchase price.

COMMUNITY VISION IMPLEMENTATION


- Improving the City's economic base through the development of tax generating uses where appropriate.

RECOMMENDATION

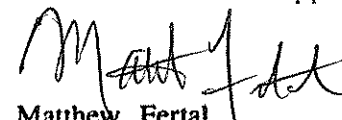
Staff recommends that the Agency:

- Approve the attached Agreement and authorize the Agency Director to execute the Agreement and other documents as necessary on behalf of the Agency.


CHET YOSHIZAKI
Economic Development Director


By: Greg Blodgett
Senior Project Manager

Recommended for Approval


Matthew Fertal
Director

Attachment 1: Exclusive Representation and Compensation Agreement

Attachment 2: Parcel Map

mm(h:Staff/GBI/Excl Rep and Compensation Agr sr 101309v2.doc)