

**CITY OF GARDEN GROVE/
GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**

INTER-DEPARTMENT MEMORANDUM

| | | | |
|----------|--|-------|----------------------|
| To: | Matthew J. Fertal | From: | Economic Development |
| Dept: | City Manager/Director | Dept: | |
| Subject: | COOPERATION AGREEMENT: 13501 HARBOR BOULEVARD (APN 100-122-31) | Date: | September 14, 2010 |

OBJECTIVE

It is requested that the City Council and the Agency adopt concurrent Resolutions approving a Cooperation Agreement between the City of Garden Grove (City) and the Garden Grove Agency for Community Development (Agency) for the transfer of real property located at 13501 Harbor Boulevard, Garden Grove, to the Agency; and that the Agency approve a lease agreement with Galaxy Oil Company (A California Corporation) for said real property.

BACKGROUND/DISCUSSION

In order for the real property at 13501 Harbor Boulevard, Garden Grove, to be leased to a subsequent party for redevelopment purposes, it must be transferred to the Agency. The property to be transferred is located on southwest corner of Harbor Boulevard and Trask Avenue and is located in a Redevelopment Project Area.

The leased site contains approximately 13,500 square feet of land improved with a 1,484 square foot commercial structure that was acquired in 2005 as part of a street widening project.

FINANCIAL IMPACT

There are no financial impacts associated with this transaction.

RECOMMENDATION

Staff recommends that the City Council take the following actions:

- Approve the attached Resolution approving a Cooperation Agreement between the City of Garden Grove and the Garden Grove Agency for Community Development transferring real property located at 13501 Harbor Boulevard, Garden Grove (APN 100-122-31) to the Agency; and

- Authorize the City Manager to execute the Agreement and make minor modifications as needed, on behalf of both entities.

Staff recommends that the Agency for Community Development take the following actions:

- Approve the attached Resolution approving a Cooperation Agreement between the City of Garden Grove and the Garden Grove Agency for Community Development accepting the transfer of real property located at 13501 Harbor Boulevard, Garden Grove (APN 100-122-31);
- Authorize the Agency Director to execute the Agreement and make minor modifications as needed, on behalf of the both entities; and
- Authorize the Agency Secretary to accept a Grant Deed on behalf of the Agency.

GREG BROWN
Real Property Manager

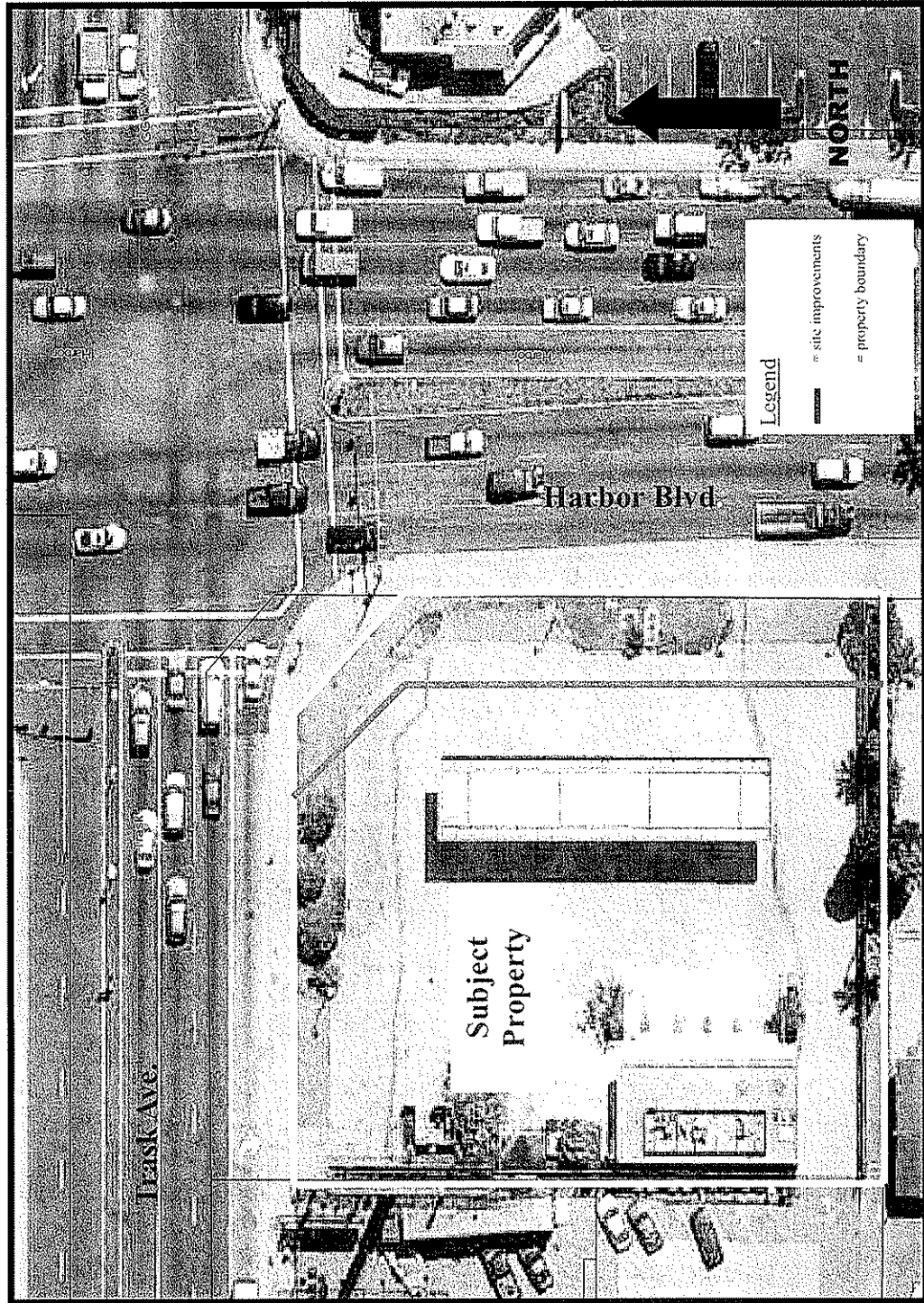


Attachment 1 Site Map
Attachment 2: Resolution, Agency
Attachment 3: Resolution, Council
Attachment 4: Cooperation Agreement (Section 33220 Agreement)

Recommended for Approval


Matthew Ferial
Director

Gas Station Site



GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

RESOLUTION NO.

A RESOLUTION OF THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT
APPROVING A HEALTH AND SAFETY CODE SECTION 33220 AGREEMENT BY AND
BETWEEN THE CITY OF GARDEN AND THE AGENCY

WHEREAS, the Garden Grove Agency for Community Development (Agency) is a redevelopment agency validly existing and exercising powers pursuant to the California Community Redevelopment Law, Part 1 of Division 24, Section 33000 et seq. of the Health and Safety Code (Community Redevelopment Law);

WHEREAS, the Agency is charged with implementing the Redevelopment Plan as adopted for the Garden Grove Community Project (Redevelopment Plan);

WHEREAS, the City of Garden Grove (City) is the owner of approximately 13,000 square feet of land containing a building generally located at 13501 Harbor Boulevard, Garden Grove (Property), which Property is located within the Garden Grove Community Project and more particularly described in the Legal Description of the Property attached hereto as Exhibit A and incorporated herein by reference;

WHEREAS, the Agency is desirous of acquiring the Property in order to effectuate the terms and provisions as set forth in the Redevelopment Plan;

WHEREAS, the Agency may, pursuant to Health and Safety Code Section 33220, accept a conveyance of an interest in property from the City for the purpose of aiding and cooperating in the planning, undertaking, and construction or operation of a redevelopment project;

WHEREAS, the Agency is considering the approval of that certain lease between the Agency and Galaxy Oil Company, a California Corporation (Tenant) with respect to the Property; and

WHEREAS, the City and the Agency propose to enter into the Health and Safety Code Section 33220 Agreement (Agreement) pursuant to which the City will convey the Property to the Agency.

NOW, THEREFORE, THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT DOES RESOLVE AS FOLLOWS:

Section 1. The Agency finds and determines that the acquisition of the Property will aid the Agency in the implementation of the Redevelopment Plan and hereby approves the Agreement.

Section 2. The Agency hereby finds and determines that the acquisition and disposition of the Property pursuant to the Agreement and the Lease will assist in the elimination of blight within the Project Area by providing for the proper reuse and redevelopment of a portion of the Project Area that was declared blighted.

Section 3. The Agency Director (or his designee) is hereby authorized, on behalf of the Agency, to sign all documents, to make all approvals, and take all actions necessary or appropriate to carry out and implement the Agreement and the Lease.

EXHIBIT A

LEGAL DESCRIPTION

APN 100 122-31

THE SOUTH 168.19 FEET OF THE NORTH 218.19 FEET OF THE EAST 210.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 5 SOUTH, RANGE 10 WEST IN RANCHO LAS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDED OF SAID COUNTY.

EXCEPTING UNTO THE CITY OF GARDEN GROVE, IN FEE TITLE, FOR STREET AND HIGHWAY PURPOSES THAT PORTION OF SAID LAND WHICH LIES NORTHEASTERLY AND EASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE NORTH LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 4, DISTANT NORTH $89^{\circ} 43' 39''$ WEST 131.56 FEET FROM THE NORTHEAST CORNER THEREOF; THENCE SOUTH PARALLEL WITH THE EAST LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 50.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH $46^{\circ} 00' 01''$ EAST 50.14 FEET; THENCE SOUTH $01^{\circ} 43' 40''$ EAST 133.70 FEET TO THE SOUTH LINE OF TH NORTH 218.19 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 4

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE
APPROVING A HEALTH AND SAFETY CODE SECTION 33220 AGREEMENT BY AND
BETWEEN THE CITY AND THE GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT

WHEREAS, the City of Garden Grove (City) is authorized pursuant to Government Code Section 37350 to "... purchase, lease, receive, hold, and enjoy real and personal property, and control and dispose of it for the common benefit";

WHEREAS, the Garden Grove Agency for Community Development (Agency) is a redevelopment agency validly existing and exercising powers pursuant to the California Community Redevelopment Law, Part 1 of Division 24, Section 33000 et seq. of the Health and Safety Code (Community Redevelopment Law);

WHEREAS, the Agency is charged with implementing the Redevelopment Plan as adopted for the Garden Grove Community Project (Redevelopment Plan);

WHEREAS, the Agency is authorized to convey property or, an interest in property, under Sections 33430 et seq. of the Health and Safety Code in furtherance of the implementation of the Redevelopment Plan;

WHEREAS, the City is the owner of approximately 13,000 square feet of land containing a building generally located at 13501 Harbor Boulevard, Garden Grove (Property), which Property is more particularly described in the Legal Description of the Property attached hereto as Exhibit A and incorporated herein by reference;

WHEREAS, the Property is located within the Garden Grove Community Project. The Agency is desirous of acquiring the Property in order to effectuate the terms and provisions as set forth in the Redevelopment Plan;

WHEREAS, the City may, pursuant to Health and Safety Code Section 33220 sell or convey an interest in any of its property to the Agency for the purpose of aiding and cooperating in the planning, undertaking, and construction or operation of a redevelopment project;

WHEREAS, the Agency is considering the approval of that certain lease between the Agency and Galaxy Oil Company, a California Corporation (Tenant) with respect to the Property; and

WHEREAS, the City and the Agency propose to enter into the Health and Safety Code Section 33220 Agreement (Agreement) pursuant to which the City will convey the Property to the Agency.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE
DOES RESOLVE AS FOLLOWS:

Section 1. The City Council finds and determines that the sale of the Property to the Agency will aid the Agency in the implementation of the Redevelopment Plan pursuant to the Lease and hereby approves the Agreement.

Section 2. The City Council hereby finds and determines that the acquisition and disposition of the Property by the Agency pursuant to the Agreement will assist in the elimination of blight within the Project Area by providing for the proper reuse and redevelopment of a portion of the Project Area that was declared blighted.

Section 3. The City Manager (or his designee) is hereby authorized, on behalf of the City, to sign all documents, to make all approvals, and take all actions necessary or appropriate to carry out and implement the Agreement and the Lease.

EXHIBIT A

LEGAL DESCRIPTION

APN 100 122-31

THE SOUTH 168.19 FEET OF THE NORTH 218.19 FEET OF THE EAST 210.00 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 5 SOUTH, RANGE 10 WEST IN RANCHO LAS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING UNTO THE CITY OF GARDEN GROVE, IN FEE TITLE, FOR STREET AND HIGHWAY PURPOSES THAT PORTION OF SAID LAND WHICH LIES NORTHEASTERLY AND EASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE NORTH LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 4, DISTANT NORTH $89^{\circ} 43' 39''$ WEST 131.56 FEET FROM THE NORTHEAST CORNER THEREOF; THENCE SOUTH PARALLEL WITH THE EAST LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 50.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH $46^{\circ} 00' 01''$ EAST 50.14 FEET; THENCE SOUTH $01^{\circ} 43' 40''$ EAST 133.70 FEET TO THE SOUTH LINE OF THE NORTH 218.19 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 4

HEALTH & SAFETY CODE SECTION 33220 AGREEMENT

This **HEALTH & SAFETY CODE SECTION 33220 AGREEMENT** ("Agreement") is entered into as of _____, 2010, by and between the **CITY OF GARDEN GROVE**, a California municipal corporation ("City"), and the **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body, corporate and politic ("Agency").

RECITALS

A. City is the owner of approximately 13,500 square feet of land generally located at 13501 Harbor Boulevard in the City ("Property") which Property includes certain service station improvements. The Property is more particularly described in the Legal Description of the Property attached hereto as Exhibit "A" and incorporated herein.

B. Agency is a redevelopment agency validly existing and exercising powers pursuant to the California Community Redevelopment Law, Part 1 of Division 24, Section 33000, *et seq.* of the Health and Safety Code ("Community Redevelopment Law").

C. The Property is located within the Garden Grove Community Project Area. In order to effectuate the terms and provisions set forth in the Redevelopment Plan, the Agency is desirous of acquiring a leasehold interest in the Property which is a remnant parcel from a larger parcel acquired by the City for street and highway purposes.

D. Concurrently with this Agreement, Agency has approved that certain lease agreement ("Galaxy Lease") between Agency and Galaxy Oil Company, a California corporation ("Galaxy").

E. For the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of the redevelopment projects within the area in which it is authorized to act, City, upon the terms and with or without consideration as it determines, may dedicate, sell, convey, or lease any of its real property to the Agency in accordance to the provisions set forth in Health & Safety Code Section 33220.

F. In order to facilitate Agency's obligations under the Galaxy Lease, City desires herein to convey a fee interest in the Property to Agency in accordance with the terms and conditions set forth in this Section 33220 Agreement concurrently with the acquisition by Galaxy of a leasehold interest in the Property pursuant to the Galaxy Lease.

NOW THEREFORE, City and Agency hereby agree as follows:

1. Conveyance of Property. City shall sell the Property to Agency and Agency shall acquire a fee interest in the Property from City in accordance with Health and Safety Code Section 33220 and the terms and conditions of the Lease Agreement attached hereto as Exhibit B and incorporated herein by reference.

2. Condition of the Property. Agency expressly understands and agrees that Agency shall acquire a fee interest in the Property in an "AS IS" condition. City specifically disclaims the making of any representations or warranties, express or implied, regarding the Property or matters affecting the Property, including without limitation, the physical and environmental condition of the Property.

3. General Provisions.

a. Approvals and Actions. Agency shall maintain authority of this Agreement and the authority to implement this Agreement through the Agency Director (or his duly authorized representative). The Agency Director shall have the authority to make approvals, issue interpretations, waive provisions, and/or enter into certain amendments of this Agreement on behalf of Agency so long as such actions do not add to the costs incurred or to be incurred by Agency as specified herein, and such approvals, interpretations, waivers and/or amendments may include extensions of time to perform. All other material and/or substantive interpretations, waivers, or amendments shall require the consideration, action and written consent of the Agency Board.

City shall maintain authority of this Agreement and the authority to implement this Agreement through the City Manager (or his duly authorized representative). The City Manager shall have the authority to make approvals, issue interpretations, waive provisions, and/or enter into certain amendments of this Agreement on behalf of City so long as such actions do not add to the costs incurred or to be incurred by City as specified herein, and such approvals, interpretations, waivers and/or amendments may include extensions of time to perform. All other material and/or substantive interpretations, waivers, or amendments shall require the consideration, action and written consent of the City Council.

b. Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.

c. Severability. If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

d. Cooperation. Each party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases or additional agreements.

e. Assignment. This Agreement shall be binding upon and shall inure to the benefit of City and Agency and their respective successors and assigns. Agency shall have the right to assign this Agreement or any interest or right under this Agreement or without obtaining the prior written consent of City.

IN WITNESS WHEREOF, City and Agency have executed this Agreement as of the date first set forth above.

AGENCY:

**GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT,**
a public body, corporate and politic

By: _____
Chairperson

ATTEST:

Agency Secretary

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth
Agency General Counsel

CITY:

CITY OF GARDEN GROVE, a California
municipal corporation

By: _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

[to be inserted]

EXHIBIT B
LEASE AGREEMENT

[to be inserted]