

**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

***Garden Grove Agency for Community Development  
And  
City of Garden Grove***

To: Matthew J. Fertal                                      From: Economic Development  
Dept: Director/City Manager  
Subject: AGENCY ANNUAL REPORT                      Date: December 14, 2010  
                  FY 2009-2010

**OBJECTIVE**

The purpose of this report is to request that the Garden Grove Agency for Community Development (Agency) consider and forward to the City Council the Agency Annual Report for fiscal year 2009-2010.

**BACKGROUND**

In compliance with California Community Redevelopment Law, *Section 33080.1* the Agency has prepared its FY 2009-10 Annual Report, which provides a review of the Agency's activities undertaken during the fiscal year. This Annual Report must be presented to the Agency and the City Council, and transmitted to the State Controller within six (6) months of the end of the fiscal year. The FY 2009-10 Annual Report is attached for Agency consideration.

**DISCUSSION**

The FY 2009-10 Annual Report contains 1) a narrative description of the Agency's activities conducted during the fiscal year; 2) an independent financial audit report; 3) a supplemental to Annual Report; 4) a fiscal statement; 5) the California Department of Housing and Community Development reporting forms; 6) a blight alleviation report; 7) a property report of Agency acquisitions; 8) a list of Agency non-performing loans, and 9) a copy of the Statement of Indebtedness.

The Annual Report was prepared by the Economic Development Department and the Finance Department, and pertains to both the Garden Grove Community and Buena-Clinton Project Areas. The narrative report describes the Agency's activities commenced and/or completed during the fiscal year. The report also details the Agency's achievements in accomplishing its goals and objectives. Following is a list of highlights of the Agency's accomplishments in FY 2009-10:

- On July 14, 2009, the Agency approved the purchase of the former Black Angus site for \$2.7 Million. On August 25, 2009, escrow closed on the Black Angus purchase. The site is 1.86 acres in area and is being evaluated as a potential location for a new Fire Department Headquarters.

- On August 11, 2009, Agency closed escrow on real property located at 12601 Leda Lane to facilitate future development of the water park hotel.
- In August 2009, the Agency entered into a Cooperation Agreement with the City to provide \$80,000 in funding for the installation of a playground surfacing at Jardin de los Niños Park, located on Keel Street between Buena Street and Clinton Street.
- On September 10, 2009, the Agency closed escrow on 12252 Harbor Boulevard, part of the property known as C.C. Camperland, in anticipation for a future hotel development.
- On October 9, 2009, the Agency closed escrow on real property located at 12602 Leda Lane to facilitate future development of the water park hotel.
- On November 10, 2009, the Agency assisted the Planning Division obtain entitlements for the Brookhurst Triangle project located on the northwest corner of Garden Grove Boulevard and Brookhurst Street.
- In December 2009, the Agency conducted a public hearing and adopted the 2010-2015 Five Year Implementation Plan. The Implementation Plan outlines the goals and objectives of the Agency, identifies potential projects and programs planned to alleviate the various physical and economic blighting conditions in both redevelopment project areas, provides a good faith estimate of revenues and expenditures, and incorporates a ten-year Affordable Housing Compliance Plan addressing affordable housing production needs and accomplishments.
- In December 2009, the Agency helped facilitate Garden Grove Hyundai's move from its location on Garden Grove Boulevard to the Garden Grove Auto Center at the location once occupied by Union Dodge, on Trask Avenue, visible from the 22 freeway. Garden Grove Hyundai has taken over the Agreement that Union Dodge had with the City while it was operating.
- In January 2010, the Agency entered into an Affordable Housing Agreement with Dale Apartments, LLC for the purchase of low-income affordability covenants on six units in a 25-unit apartment complex located at 12632 Dale Street. The Agency's affordability covenants increase the affordability term of the units from 30 years (provided for pursuant to a Density Bonus Agreement with the City) to 55 years.
- On February 23, 2010, the Agency entered into an Assignment and Assumption Agreement and Amended Lease Agreement from Hardin Hyundai to Garden Grove Automotive, Inc., doing business as Kia Motors. Garden Grove Kia's lease is month-to-month (in anticipation for the Brookhurst Triangle development) at a rate of \$3,000 per month.

- In February 2010, the Agency entered into a Cooperation Agreement with the City to sell real property at 13531 Fairview Street to facilitate the development of 20 townhomes by Brandywine Homes.
- On April 13, 2010, the Agency entered into an amended and restated Disposition and Development Agreement with McWhinney for the water park hotel development. The revised deal structure includes a provision for an Agency contribution of \$42 Million upon the opening of the hotel. The Developer plans to develop a full-service hotel with a 100,000 square foot indoor/outdoor water park, 600 new hotel rooms, 15,000 square feet of conference space, and a 10,000 square foot restaurant pad and parking structure.
- On April 13, 2010 the Agency approved a Disposition and Development Agreement with Brandywine Homes to develop a 53-unit town home project on the project site known as the Century Triangle, located on the northwest corner of Century Boulevard and Taft Street (on the west side of Costco). The housing project will be developed in three phases.
- In April 2010, the Agency entered into a Cooperation Agreement with the City in order to provide \$460,000 in funding towards the construction costs of the Buena Clinton Youth and Family Center. The center is a two-story, 6,600 square foot facility and serves as a location for social and supportive services, programs and community recreational activities.
- On May 11, 2010, the Agency approved the purchase of real property located at 12581 Harbor Boulevard to facilitate future development of the water park hotel in International West.
- The Agency is assisting the Fire Department in assembling a 29,800 square foot site for a new fire station. The Agency and City of Garden Grove currently own three parcels (12401, 12411 & 12421 Harbor Blvd., just south of Twintree Avenue), totaling 17,880 square feet.
- The Agency, in conjunction with its marketing and branding consultant Szen Marketing, continued to implement the marketing of International West. Agency staff designed new I-West metal signs to hang on the light poles. A total of 16 metal signs were installed along Harbor Boulevard, promoting the International West Resort District.
- The Economic Development Department continues management of the Travel Country RV Park. Many improvements have been made and rules continue to be enforced to maintain a clean and orderly park.
- The Economic Development Department continued to implement its Business Retention Program, which has been well received by the business community. Programs and partnerships are listed and described below:

- The Mayor's Business Breakfast was designed to welcome new businesses to our community and help to answer any questions they may have. The sixth Mayor's Business Breakfast was held on October 20, 2009 at the Marriott Hotel and Resort. The Garden Grove Chamber of Commerce, the Small Business Development Center and SCORE had informational tables set up and City staff was on hand to answer questions and provide information regarding services available to them.
- The Mayor's Link is a visitation/outreach effort by the Mayor and City staff to personally connect with existing small to medium size businesses and assess needs and future assistance that the City can provide. This past fiscal year, the Economic Development Department staff coordinated 28 visitations with the Mayor to local businesses.
- Garden Grove Salutes is an effort to say "thank you" to the businesses that have made significant contributions to the community and local economy. In fiscal year 2009-10, the Economic Development Department once again partnered with the Garden Grove Chamber of Commerce to honor two businesses at their annual Installation of Officers. GKN Aerospace was honored for their Community Outreach and Home Depot was honored for their Economic Impact.
- Business Beautification Program: The Economic Development Department partnered with the Community Relations Division and sponsored the "Business Beautification Award" for small, medium and large businesses. This was held in conjunction with the Garden Grove Pride event on May 3, 2010. Photos of nominees were displayed on-line on the department's website and 886 votes were received. Honors were given to Pathway Medical Group (small), Sunny Hills ADHC (medium) and the Money Mailer (large).
- Business Spotlight: The Economic Development Department developed this program to spotlight local businesses within the City of Garden Grove. Spotlights are presented at the first council meeting of each month. For Fiscal Year 2009-10 the following businesses were spotlighted: Donald Hemphill, M.D., Dave & Jim's Auto Repair, Haz Rental Center, Advance Beauty College, Hycor Biomedical, Buca di Beppo and Garden Grove Shell Station.
- Garden Grove Chamber of Commerce: The Economic Development Department hosted its third networking mixer on September 16, 2009. This time the City partnered with Los Sanchez Restaurant in celebration of their 30<sup>th</sup> Anniversary.

FISCAL IMPACT

Not applicable.

RECOMMENDATION

It is recommended that the Agency:

- Approve the FY 2009-2010 Annual Report; and
- Forward the report to the City Council for approval and authorization to transmit the report to the Controller of the State of California.

It is recommended that the City Council:

- Approve the FY 2009-2010 Annual Report and authorize its transmittal to the Controller of the State of California.

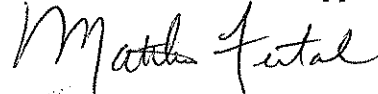


JIM DELLALONGA  
Senior Project Manager



By: Grace Lee  
Economic Development Specialist

**Recommended for Approval**



**Matthew Fertal**  
Director

Attachment: FY 2009-2010 Agency Annual Report

mm(h:Staff/GL/Agency Annual Rpt 2009-10 sr 121410v3.doc)