

**GARDEN GROVE REDEVELOPMENT PROJECT
GARDEN GROVE, CALIFORNIA**

**SUMMARY REPORT PERTAINING TO THE DISPOSITION
OF CERTAIN PROPERTY WITHIN THE
GARDEN GROVE COMMUNITY
PROJECT AREA**

**California Community Redevelopment Law
Section 33433**

**PURSUANT TO PROPOSED DISPOSITION AND DEVELOPMENT
AGREEMENT BETWEEN
GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT
AND
LAND & DESIGN, INC.**

**Garden Grove Agency for Community Development
Garden Grove, California**

June 14, 2011

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A. INTRODUCTION

The following Summary Report ("Summary Report") has been prepared pursuant to Section 33433 of the California Health and Safety Code. This report sets forth certain details of the proposed Disposition and Development Agreement ("Agreement") between Garden Grove Agency for Community Development ("Agency") and Land & Design, Inc. ("Developer").

In accordance with Section 33433 of the California Health and Safety Code, before any property acquired by a Redevelopment Agency in whole or part, directly or indirectly with tax increment moneys is conveyed to the Developer, the City Council and Redevelopment Agency Board must approve such transaction by resolution after a joint public hearing. The notice of the time and place of the public hearing shall be published in a newspaper of general circulation in the community at least once per week for at least two successive weeks prior to the hearing.

A Summary Report has been prepared in accordance with the requirements of Section 33433. The Agency shall make available for public inspection and copying at a cost not to exceed the cost of duplication the Summary Report no later than the time of publication of the first notice of hearing. In addition to providing a general description of the project, this Summary Report describes the following:

- I. Salient Points of the Agreement:** This section summarizes the major responsibilities imposed on the Developer and the Agency by the Agreement.
- II. Cost of the Agreement to the Agency:** This section details the total cost to the Agency associated with implementing the Agreement.
- III. Estimated Value of the Interests to be Conveyed Determined at the Highest Use Permitted under the Redevelopment Plan:** This section estimates the value of the interests to be conveyed determined at the highest use permitted for the Site and the requirements imposed by the Redevelopment Plan.
- IV. Estimated Reuse Value of the Interests to be Conveyed:** This section summarizes the valuation estimate for the Site based on the required scope of development and other conditions and covenants required by the Agreement.
- V. Consideration Received and Comparison with the Established Value:** This section describes the compensation to be received by the Agency and explains any difference between the compensation to be received and the estimated value based on the highest and best use of the Site.
- VI. Blight Elimination:** This section describes the existing blighting conditions on the Site, and explains how the Agreement will assist in alleviating the blighting influence.

VII. Conformation with the AB1290; Five-Year Implementation Plan:

This section describes how the Agreement achieves the goals identified in the Agency's adopted AB 1290, Five-Year Implementation Plan.

I. SALIENT POINTS OF THE AGREEMENT

A. Project Description

The property which is the subject of this Agreement is approximately five acres (5) acres located within the boundaries of the Project Area located at the northeast quadrant of Twintree Lane and Harbor Boulevard and is comprised of certain property owned by the Agency ("Agency Property") and property currently owned by third parties ("Third Party Property").

The Agreement provides for the Agency to transfer the Site to the Developer for the proposed development that includes a hotel with approximately nineteen (19) stories and between three hundred (300) and four hundred rooms (400), including not less than ten thousand (10,000) square feet of meeting space (collectively, the "Upper Upscale Hotel"), as well as a minimum of ten thousand (10,000) and a maximum of sixty-five thousand (65,000) square feet of retail/restaurant/entertainment, including one (1) or more restaurants (the "Retail/Restaurant/Entertainment Component"), a Parking Structure, all as more specifically described in the Scope of Development (Exhibit C), and such other improvements as may be required by the Land Use Approvals (collectively, the "Upper Upscale Hotel Component"). In addition, Developer has also proposed up to two (2) Limited/Select/Focus Service/Suites/Extended Stay type hotels (collectively, the "Limited Service Hotels" and each a "Limited Service Hotel"), consisting of approximately 125 - 200 rooms each. The Limited Service Hotels are more specifically described in the Scope of Development. The Upper Upscale Hotel, the Limited Service Hotels, Retail/Restaurant/Entertainment Component, Parking Structure, and the other improvements required to be constructed on the Site pursuant to this Agreement and the Land Use Approvals are collectively referred to herein as the "Developer Improvements" or "Project," and individually "Separate Component(s)."

The Agreement requires the Agency to acquire and convey the Site, relocate the existing tenants/businesses along with carrying the cost of an existing lease for approximately two years, demolish the existing improvements, and rough grade the Site at no cost to the Developer. In return, the Developer must construct the Project.

The Agreement imposes development restrictions on the Project including quality levels, size and amenities, which impact the proposed Hotel's feasibility. As such, the Agreement requires the Agency to provide financial assistance to the Developer to mitigate the economic impact caused by the controls.

Agency Responsibilities Under the Agreement

Subject to the specific terms and conditions stated in the Agreement and outlined in the summary of the Salient Points, the Agency's key responsibilities are:

1. **Additional Property.** To acquire additional property currently owned by third parties located at 12302 Harbor, 12511, 12531, 12551, and 12571 Twintree Lane and to be conveyed to the Developer for the proposed Project.
2. **Agency Property.** To convey certain property owned by the Agency to the Developer for the proposed Project.
3. **Upper Upscale Hotel Covenant Consideration.** In consideration for the granting of the Covenants by the Developer to the Agency, Agency shall pay to the Developer annually, within thirty (30) days after receipt by the City of Transient Occupancy Tax attributable to the Upper Upscale Hotel, from the date on which Completion of Construction of the Upper Upscale Hotel occurs:
 - (a) through June 30, 2034, an amount equal to fifty-eight percent (58%) of the Transient Occupancy Tax Revenues which have been paid to and received by the City in each calendar year during such period with respect to the Upper Upscale Hotel(s); and
 - (b) for a period of twelve years, an amount equal to fifty percent (50%) of the Remaining Revenues in each calendar year during such period. Remaining Revenues means (i) an amount equal to the balance of the Transient Occupancy Tax attributable to the Upper Upscale Hotel after deducting the amounts described in (a) above (i.e., the remaining 42% of the Transient Occupancy Tax Revenues attributable to the Upper Upscale Hotel), (ii) Net Tax Increment Revenues attributable to the Upper Upscale Hotel Component in each calendar year during such period, and (iii) Sales Tax Revenues attributable to the Upper Upscale Hotel Components in each calendar year during such period, after deducting an amount equal to fourteen and 29/100 percent (14.29%) of the Agency Improvement Costs each such calendar year until the total amount of the Agency Improvement Costs has been reached.
4. **Limited Service Hotel Covenant Consideration.** In consideration for the granting of the Covenants by the Developer to the Agency, and with respect to each Limited Service Hotel on the Site, Agency shall pay to the Developer annually, for the period commencing on the date on which Completion of Construction of such Limited Service Hotel(s) has occurred and expiring ten (10) years thereafter, an amount equal to fifty percent (50%) of (i) the Transient Occupancy Tax Revenues which have been paid to and received by the City in each calendar year during such period with respect to each such Limited Service Hotel, (ii) the Net Tax Increment attributable to the Limited Service Hotel(s) in each calendar year during such period, and (iii) Sales Tax Revenues attributable to the Limited Service Hotel(s) in each calendar year

during such period. Such payments will be made to Developer within thirty (30) days after receipt of such revenues by the City or Agency, as applicable.

5. **Sunbelt Property Covenant Consideration.** In consideration for the granting of the Covenants by the Developer to the Agency, the Agency shall pay to the Developer annually with respect to the Sunbelt Property, from and after Completion of Construction of any portion of the Retail/Restaurant/Entertainment Component on the Sunbelt Property, an amount equal to fifty percent (50%) of the Net Tax Increment Revenues and Sales Tax Revenues attributable to Retail/Restaurant/Entertainment Component of the Sunbelt Property for a period of ten (10) years from the date on which Completion of Construction of each such portion of the Retail/Restaurant/Entertainment Components on the Sunbelt Property (i.e., there shall be separate 10-year payment periods for each such portion of the Retail/Restaurant/Entertainment Components on the Sunbelt Property), in each case as received by the City in each calendar year during such period. The payments required shall be prorated for any partial years at the beginning or end of the applicable periods and paid to Developer within thirty (30) days after receipt of such revenues by the City or Agency, as applicable.

Developer Responsibilities Under the Agreement

Subject terms and conditions to the specific stated in the Agreement and outlined in the summary of the Salient Points, the Developer's key responsibilities are:

1. Design and construct the specific Improvements as specified in the Scope of Development, the Land Use Approvals, and the approved Final Construction Plans.
2. Meet development milestones, including commencement and completion of construction, by the dates specified in the Schedule of Performance.

II. COST OF THE AGREEMENT TO THE AGENCY

The estimated costs incurred by the Agency to implement the Agreement are Fifteen Million Eighth Hundred Thousand Dollars (\$15,800,000), and include the following:

Agency costs to acquire the Site (relocation costs, demolition costs, and costs for hazardous materials abatement), CEQA documentation, site preparation, administrative costs, and the Agency costs for other public improvement's \$15,800,000. Agency to provide direct financial assistance to the Developer for the Project of \$15,800,000.

The Agency will receive the Property Tax Increment generated by the Project, which will partially defray the Agency cost to implement the Agreement. In addition, the City will receive the Transient Occupancy Tax (TOT) and Sales Tax Revenues

generated by the Project, which are projected to produce substantial General Fund revenues over time.

III. ESTIMATED VALUE OF THE INTERESTS TO BE CONVEYED DETERMINED AT THE HIGHEST AND BEST USE PERMITTED UNDER THE REDEVELOPMENT PLAN

This section presents an analysis of the fair market value of the Site at its highest and best use.

In appraisal terminology, the highest and best use is that use of the Site that generates the highest property value and is physically possible, financially feasible, and legally permitted. Therefore, value at highest and best use is based solely on the value created and not whether or not that use carries out the redevelopment goals and policies for the City of Garden Grove. The subject property is located in a Land Use District, the Harbor Corridor Specific Plan HCSP. The district allows for tourist related land uses including hotels, retail and entertainment land uses.

Horwath Hospitality and Leisure, LLC ("Horwath"), the Agency's economic consultant, undertook a review of available appraisals and comparable land sales in order to determine the fair market value of Site. An appraisal was conducted by Lidgard and Associates, Inc. (Lidgard) on a portion of the Subject Site, which did not include the corner portion, with a date of value of March 31, 2009. Lidgard appraisal methodology relied on the comparable sales approach to value, with a conclusion range of value from \$43.00 to \$56.00 per SF of land (rounded). Subsequent to this appraisal, Lidgard provided sales as of April 2011. Horwath concluded the value of the Site (5.0 acres) as of May 9, 2011, to be \$10,900,000, or \$50.00 per SF of land, without consideration of costs such as the removal of current improvements on the Site.

In addition, a separate analysis of five Restaurant and Retail pad sites on a total of 2.422 acres by Keyser Marston Associates, Inc. concluded to an estimated \$50 per square foot for each parcel, or a total approximate land value of \$5,275,000. Added to this value were the Cost Savings from Sitework and Landscaping, for an Effective Land Payment of \$5,908,000. Subtracting Estimated Parking Costs by the Master Developer, resulted in Remaining Land Proceeds of \$2,624,000. This was considered to partially offset the negative Residual Reuse Value of the Hotel Site.

IV. ESTIMATED REUSE VALUE OF INTERESTS TO BE CONVEYED

In an "Option 1 - Estimated Reuse Value Report - Site C Proposed for Development by Land & Design, Inc. - Upper Upscale with Casitas, Select Service and All-Suite Hotels" dated June 9, 2011, Horwath prepared a reuse valuation analysis of the proposed Project. Based upon the financial terms and conditions imposed by the Agreement, Horwath analysis concluded that the Project generates a negative reuse value inclusive of the Agency Assistance, of Thirty-Six Million Dollars

(\$36,000,000). Adjusting for the partial offset from the Restaurant and Retail pad site(s), the Project generates a negative reuse value inclusive of the Agency Assistance, of Thirty-Three Million Four Hundred Thousand Dollars (\$33,400,000), rounded.

If the Developer chooses Option 2, which is a second full-service hotel with up to 225 rooms or two (2) Upper Upscale Hotels consisting of 450 in aggregate, in an "Option 2 - Estimated Reuse Value Report - Site C Proposed for Development by Land & Design, Inc. - Upper Upscale with Casitas and Upscale Full Service Hotel" dated June 9, 2011, Horwath prepared a reuse valuation analysis of the proposed Project. Based upon the financial terms and conditions imposed by the Agreement, Horwath analysis concluded that the Project generates a negative reuse value inclusive of the Agency Assistance, of Twenty Million Dollars (\$20,000,000). Adjusting for the partial offset from the Restaurant and Retail pad site(s), the Project generates a negative reuse value inclusive of the Agency Assistance, of Seventeen Million Four Hundred Thousand Dollars (\$17,400,000), rounded.

V. CONSIDERATION RECEIVED AND COMPARISON WITH THE ESTABLISHED VALUE

The Agreement requires the Agency to convey the Agency Properties to the Developer at no cost and to provide the Developer with direct financial assistance.

The Developer is required to provide public parking in a structure on the Site, develop an Upper Upscale hotel with approximately nineteen (19) stories and between three hundred (300) and four hundred rooms (400), including not less than ten thousand (10,000) square feet of meeting space as well as a minimum of ten thousand (10,000) and a maximum of sixty-five thousand (65,000) square feet of retail/restaurant/entertainment, including one (1) or more restaurants, all as more specifically described in the Scope of Development (DDA - Exhibit C). In addition, Developer has also proposed up to two (2) Limited Service Hotels and each a "Limited Service Hotel", consisting of approximately 125 - 200 rooms each. The Limited Service Hotels are more specifically described in the Scope of Development. The Upper Upscale Hotel, the Limited Service Hotels, Retail/Restaurant/Entertainment Component, Parking Structure, and the other improvements required to be constructed on the Site pursuant to this Agreement and the Land Use Approvals are collectively referred to herein as the "Developer Improvements" or "Project," and individually "Separate Component(s)."

The Agency is also imposing extraordinary land use controls on the Site, i.e., the quality of the Project must be comparable to noted upper up-scale Westin Pasadena California. As indicated previously, the Horwath analysis concluded that the Agency Property has a negative reuse land value. Thus, Horwath concluded that the consideration to be received is essentially equal to the established fair use value.

VI. BLIGHT ELIMINATION

The Redevelopment Plan (Plan) for the Garden Grove Community Project Area governs the Site. In accordance with Section 33490 of the California Community Redevelopment Law, the Plan contains the goals and objectives and the projects and expenditures proposed to eliminate blight within the Project Area.

The Site, approximately 5 acres in size and encompasses fourteen (14) parcels, which will be used to develop the Project, is currently occupied with two (2) vacant and unimproved lots; four (4) lots that were formerly used as a trailer park (non-fixed recreational vehicle park) and are improved with vacant buildings (office, restroom, and laundry) that will be demolished; two (2) lots improved with a commercial building with the rear used as a trailer park (non-fixed recreational vehicle park) that will be demolished; four (4) lots improved with single-family homes that will be demolished; and two (2) lots comprising a portion of an unimproved backyard of two single-family home residences, which the residential structures are not part of this project. The development of the proposed Project on the Site will eliminate blight at this location by replacing substandard uses, underutilized land, uneconomic land uses, and obsolete structures defective in design character and physical condition, with a new high quality, mixed-use development. The Project will facilitate land assembly to prevent piecemeal development that would leave economic potential underachieved, re-plan, redesign and develop underdeveloped areas that are stagnant or improperly utilized, encourage private sector investment in development of the project areas, and strengthen hospitality, entertainment, retail and other commercial functions in the project areas.

VII. CONFORMANCE WITH AB 1290, FIVE-YEAR IMPLEMENTATION PLAN

The primary AB 1290 Implementation Plan program objective for the Garden Grove Community Project is to eliminate conditions which negatively impact economic development of the community by acquiring, removing, consolidating and rehabilitating substandard properties. To that end, the Agency plans to convey the Site to the Developer for the development of the Project.

Furthermore, the Agency's Implementation Plan 2010 through 2014 (Implementation Plan) also establishes a priority objective of increasing the community's economic base by encouraging new investment in the redevelopment project area. The Implementation Plan explicitly lists ensuring that optimum generation of sales tax revenues by facilitating the reuse, rehabilitation and development of commercial properties as an Agency goal. The Project, which will provide new commercial development and the subsequent transient occupancy and sales tax revenues, and property tax increment within the redevelopment project area, conforms to the Implementation Plan, and will achieve goals specifically defined in the Implementation Plan.

ENVIRONMENTAL CHECKLIST FORM

1. **PROJECT TITLE:**
Land & Design, Inc. Disposition and Development Agreement
2. **LEAD AGENCY:**
City of Garden Grove
11222 Acacia Parkway
P.O. Box 3070
Garden Grove, CA 92840
3. **CONTACT PERSON:**
Greg Blodgett, Senior Project Manager, City of Garden Grove
4. **PROJECT LOCATION:** The proposed project is located on the northeast corner Harbor Boulevard and Twintree Lane, Assessor's Parcel Numbers: 231-521-01, 231-521-02, 231-521-03, 231-521-04, 231-521-05, 231-521-06, 231-521-07, 231-521-08, 231-521-09, 231-521-10, 231-491-18, 231-491-19, 231-491-20, and 231-491-21 in the City of Garden Grove.
5. **PROJECT SPONSOR:**
City of Garden Grove Economic Development Department
11222 Acacia Parkway
Garden Grove, CA 92840
6. **ENVIRONMENTAL SETTING:**
The project site is approximately 5 acres in size and encompasses fourteen (14) parcels. The project site includes two (2) vacant and unimproved lots; four (4) lots that were formerly used as a trailer park and are improved with vacant buildings that will be demolished; two (2) lots improved with commercial buildings with the rear used as a trailer park that will be demolished; four (4) lots improved with single-family homes that will be demolished; and two (2) lots comprising a portion of an unimproved backyard of two single-family home residences, which the residential structures are not part of this project.

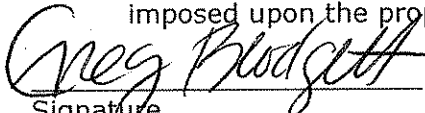
Ten (10) of the lots have a General Plan Land Use Designation of International West Mixed Use and are zoned HCSP-TZN (Harbor Corridor Specific Plan-Transition Zone North); two (2) lots have a General Plan Land Use Designation of International West Mixed Use and are zoned R-1 (Single-Family Residential); while the remaining two (2) lots have a General Plan Land Use Designation of Low Density Residential and are zoned R-1 (Single-Family Residential). The project includes changing the residential properties' General Plan Land Use Designation from Low Density Residential to International West Mixed Use and a corresponding zoning change from R-1 to Planned Unit Development (PUD). In addition, the other properties' zoning will be changed from HCSP-TZN (Harbor Corridor Specific Plan-Transition Zone North) to PUD.

POSTED**MAY 20 2011**

TOM DALY, CLERK-RECORDER

By  DEPUTY

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project COULD have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.



 Signature

Greg Blodgett
 Printed Name

Date May 20, 2011
 For:
City of Garden Grove

POSTED

MAY 20 2011

TOM DALY, CLERK-RECORDER
 By  DEPUTY

EVALUATION OF ENVIRONMENTAL IMPACTS:

1. A brief explanation is required for all answers except "No Impact" answers that are adequately supported by the information sources a lead agency cited in the parentheses following each question. A "No Impact" answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A "No Impact" answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis.)
2. All answers must take into account the whole of the action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
3. Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. "Potentially Significant Impact" is appropriate if there is substantial evidence that an effect may be significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.
4. "Negative Declaration: Less Than Significant With Mitigation Incorporated" applies where the incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less than Significant Impact." The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from "Earlier Analysis," as described in (5) below, may be cross-referenced.

5. Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:
 - a) Earlier Analysis Used. Identify and state where they are available for review.
 - b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such efforts were addressed by mitigation measures based on the earlier analysis.
 - c) Mitigation Measures. For effects that are "*Less than Significant with Mitigation Measures Incorporated,*" describe the mitigating measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
6. Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g. general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
7. Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
8. This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is elected.
9. The explanation of each issue should identify:
 - a) The significance criteria or threshold, if any, used to evaluate each question; and
 - b) The mitigation measure identified, if any, to reduce the impact to less than significance

	Potentially Significant Impact	Potentially Significant Unless Mitigated	Less than Significant Impact	No Impact
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I. AESTHETICS*

Would the project:

- a. Have a substantial adverse effect on a scenic vista?
- b. Substantially damage scenic resources, including but not limited to trees, rock, outcroppings, and historic buildings within a state scenic highway?

Response (a-b): The project site is not located adjacent to any officially designated scenic vistas or highways. The project site is located in an urbanized area that is surrounded by commercial and residential uses. The proposed site improvements will be designed to be compatible with the Community Design Element as stated in the General Plan and with other improvements and developments in the area.

- c. Substantially degrade the existing visual character or quality of the site and its surroundings?

Response: The property is located in the International West Resort District, which is intended as a tourist destination that offers hotels, restaurants, retail, and entertainment venues. The properties located northwest of the project site are improved with hotels and restaurants. There are no unique or scenic visual resources on the project site or in its vicinity. The proposed hotel and restaurant project will be consistent with the visual character of the area.

During the design review phase, the architectural design of the project, including exterior paint colors, architectural detailing, and street and on-site landscaping, will be reviewed to ensure consistency with the vision of the International West Resort District as set forth in the City's adopted General Plan. The proposed development, along with recommended conditions of approval, will ensure compatibility with the goals and objectives of the Community Design Element contained in the City's adopted General Plan, and other similar developments in the area.

- d. Create a new source of substantial light or glare, which would adversely affect day or nighttime views in the area?

Response: The project site is located in an urban area where illumination is provided by building and pole-mounted lighting both on the site and in the immediate vicinity of the project site. Although the project will contribute additional lighting within the area, the project is required to adhere to all Municipal Code requirements pertaining to maximum light levels. When specific project details are developed and available during the entitlement phase of the project, a Light and Glare Study and a Shade and Shadow Study will be prepared to evaluate possible impacts to adjacent uses, and all appropriate mitigation measures will be specified in the conditions of approval.

II. AGRICULTURE AND FOREST RESOURCES*

In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental

	Potentially Significant Impact	Potentially Significant Unless Mitigated	Less than Significant Impact	No Impact
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effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. Would the project:

- a. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of California Resources Agency, to non-agricultural use?
- b. Conflict with existing zoning for agricultural use, or a Williamson Act contract?
- c. Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)), timberland (as defined by Public Resources Code Section 4526), or timberland zoned Timberland Production (as Defined by Government Code Section 51104(g))?
- d. Result in the loss of forest land or conversion of forest land to non-forest use?
- e. Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?

Response (a-e): According to the California Department of Conservation Farmland Mapping and Monitoring Program, the site has not been mapped as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance. The project is not zoned for farmland or forest land and is not located within an area that is used or zoned for farming or forest uses. The project is not subject to a Williamson Act contract, and thus will not conflict with a Williamson Act contract, as the properties are not zoned or used for agricultural purposes.

The project is located in an urbanized area, and the properties are zoned HSCP-TZN (Harbor Corridor Specific Plan-Transition Zone North) and R-1 (Single-Family Residential), and have a General Plan Land Use designation of International West Mixed Use and Low Density Residential. The properties with a land use designation of Low Density Residential will be changed to International West Mixed Use, and all the properties will be rezoned to a Planned Unit Development to allow the proposed development. The project site includes two (2) vacant and unimproved lots; two (2) lots that were formerly used as a trailer park and are improved with vacant buildings that will be demolished; two (2) lots improved with commercial buildings that will be demolished; four (4) lots improved with single-family homes that will be demolished; and two (2) lots comprising a portion of an undeveloped backyard of two single-family residences, which the residential structures will not be part of this project. The project does not propose a change of zoning that would conflict with or convert existing forest or timberland zoning.

	Potentially	Potentially	Less than	
	Significant	Significant	Significant	No
	Impact	Unless	Impact	Impact
		Mitigated		

There are no forest lands within this area, so no loss of forest land or conversion of forest land to non-forest use will occur.

The project site is not located in close proximity to forest land or farmland designated by the California Department of Conservation. Therefore, the project does not involve other changes that, due to their location or nature, would result in conversion of farmland to non-agricultural use or conversion of forest land to non-forest use.

III. AIR QUALITY*

Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a. Conflict with or obstruct implementation of the applicable air quality plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions, which exceed quantitative thresholds for ozone precursors)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d. Expose sensitive receptors to substantial pollutant concentrations? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Response (a-d): The project will not conflict with adopted air quality plan. The project site is located within the South Coast Air Quality Management District (SCAQMD). SCAQMD has adopted both regional and localized air quality significance thresholds. A project's air quality impacts can be separated into short-term impacts from construction, and long-term permanent impacts from project operations. Short-term impacts generally include fugitive dust from construction activities (i.e., demolition, grading, and dirt-hauling) and gaseous emissions from the use of heavy equipment in addition to the use of solvents and paint at the project site; while long-term operational impacts typically include vehicles traveling in and out of the project site and land use emissions. When specific project details are developed and available during the entitlement phase, an Air Quality Study will be prepared to analyze the project's potential short-term and long-term air quality impacts.

- | | | | | |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|
| e. Create objectionable odors affecting a substantial number of people? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|

Response: No objectionable odors would be created by the proposed development. Temporary odors may occur within the area during the construction phase of the project as a result of the construction material used, such as paint, coatings, solvents, and gas powered vehicles and equipment in the immediate vicinity of the project site. These emissions, however, dissipate rapidly. The General Plan EIR addressed odors that may arise as the result of new construction.

Potentially Significant Impact	Potentially Significant Unless Mitigated	Less than Significant Impact	No Impact
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IV. BIOLOGICAL RESOURCES*

Would the project:

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|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a. Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors or impede the use of native wildlife nursery sites? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f. Conflict with the provisions of an adopted Habitat Conservation Plan, or other approved local, regional or state habitat conservation plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Response (a-f): The project is located within a highly urbanized area and is devoid of any native vegetation. There are no identified species or habitats on the site. The properties that comprise the project site include parcels used as a trailer park, commercial/retail uses, single-family homes, and two (2) vacant and unimproved lots. Endangered species are not expected to occur in the area due to the lack of suitable habitat and heavy disturbance of the existing environment.

The project site does not contain any standing surface water. Therefore, there would be no potential impact on riparian habitats or other sensitive riparian natural communities. Additionally, there would not be any potential impacts on federally protected wetlands, marsh, or vernal pools.

The project does not conflict with any local policies or ordinances protecting biological resources. Additionally, as indicated in the Final Environmental Impact Report prepared and certified in August 2008 for the General Plan 2030 Update, State Clearinghouse No. 2008041079 (the "General Plan EIR"), the projected development intensity for the International West Mixed Use area would not conflict with any local,

	Potentially Significant Impact	Potentially Significant Unless Mitigated	Less than Significant Impact	No Significant Impact
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regional or state habitat conservation plan. No biological resource impacts are anticipated.

V. CULTURAL RESOURCES*

Would the project:

- a. Cause a substantial adverse change in the significance of a historical resource as defined in Section 15064.5?
- b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5?
- c. Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?
- d. Disturb any human remains, including those interred outside of formal cemeteries?

Response (a-d): The site is located in an urbanized area, and, according to the General Plan EIR, no significant historical, archeological, paleontological, or geological resources were identified within the International West Mixed Use area, nor are there any known burial sites within the project site area. If unanticipated archeological resources, paleontological resources, or human remains are discovered during construction, all attempts will be made to preserve in place or leave in an undisturbed state in compliance with California Health & Safety Code § 7050.5 and Public Resources Code § 20183.2. No cultural resources impacts are anticipated.

VI. GEOLOGY AND SOILS*

Would the project:

- a. Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:
 - i. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.
 - ii. Strong seismic ground shaking?
 - iii. Seismic-related ground failure, including liquefaction?
 - iv. Landslide?

Response (i-iv): According to the General Plan EIR, the nearest major active fault along which a rupture or a major seismic event could occur is the Newport-Inglewood Fault. This fault is located just west of Dana Point Harbor and continues north through Newport Beach into south Los Angeles County. The seismic parameters of the site are similar to those of other areas in Orange County during the maximum credible event along the Newport-Inglewood Fault Zone that is estimated to be of 7.5 magnitude. No fault rupture is expected in the immediate vicinity of the project.

	Potentially	Potentially	Less than	
Potentially	Significant	Significant	Significant	No
Significant	Unless	Unless	Unless	Impact
Impact	Mitigated	Mitigated	Mitigated	Impact

Liquefaction could potentially occur during a maximum intensity event along the Newport-Inglewood fault due to the possibly saturated nature of the sandy soils in the area.

Some exposure to seismic-related hazards, therefore, is expected. All construction, however, shall comply with applicable building codes including, but not limited to, the California Building Code, Fire Code, and other related City requirements. In general, seismic issues are common for most of South California, and adherence to project design features, the California Building Code, Fire Code, and City requirements would ensure that the impacts due to seismic ground shaking or failure would be less than significant. As a result, the risk of loss, injury, or death involving seismic rupture or shaking would be considered less than significant and no mitigation measures would be necessary.

Additionally, the project area is relatively flat and therefore would not normally be subject to landslides or mudslides. The construction of the proposed project will likely involve excavations and such excavation work will be required to be performed in accordance with all applicable codes and standards to minimize the threat of a landslide or mudslide. No impacts are anticipated.

- b. Result in substantial soil erosion or the loss of topsoil?

Response: The General Plan EIR states that "The City of Garden Grove is characterized as gentle slopes ranging from 0 to 2 percent. Alluvial sediments, deposited by ancestral Santa Ana River, underlie the City. Alluvium sediments are typically comprised of a variety of materials including fine particles of silt and clay and larger particles of sand and gravel. The City is 99 percent built out as an urbanized city. The General Plan 2030 Update focused on preserving existing residential neighborhoods, guiding the remaining development and redevelopment opportunities and encouraging revitalization of selected areas. Much of the area available for new development or redevelopment would be on infill sites covered by primarily disturbed vegetation or impermeable surfaces. This would result in minimal soil erosion or loss of top soil." The project will require excavation and grading of the site in order to accommodate the proposed project, which will require preparation of a grading plan. Site drainage will be required to meet Engineering Services Division standards requiring storm water drainage to flow off the site. This storm water drainage, however, must also comply with applicable Water Quality Management Plan ("WQMP") provisions. This will allow the overall drainage pattern to flow to the adjoining streets or storm drains in and around the subject site depending on the magnitude of the project's intensity and density. Drainage easements may be required for storm drain purposes. The location of the easement(s) and the size of storm drains will be determined before site preparation begins. In order to mitigate potential site drainage issues, all construction involving excavation and/or grading is required to adhere to the requirements of the Engineering Services Division. All improvements are required to adhere to applicable codes including the California Building Code, and State and Federal Occupational Safety requirement.

- c. Be located on a geologic unit or soil that is unstable,
or that would become unstable as a result of the
project, and potentially result in on- or off-site landslide,
lateral spreading, subsidence, liquefaction or collapse?
- d. Be located on expansive soil, as defined in Table

	Potentially	Potentially	Less than	
Potentially	Significant	Significant	Significant	No
Impact	Unless	Mitigated	Impact	Impact

18-1-B of the Uniform Building code (1994), creating substantial risks of life or property?

Response (b-d): The site is not located on an identified landslide hazard area where local topographical, geological, geotechnical and subsurface conditions signify landslide potential. Vertical displacement or subsidence of the land surface can be caused by several factors, including the withdrawal of oil, gas, or water from underlying formations, decomposition of buried organic material, and construction of heavy manmade structures above underlying poorly consolidated materials. None of these or any other conditions typically contributing to subsidence are expected in the project area. All new construction is required to adhere to the requirements of the Engineering Services Division to address any subsidence of the land. All improvements are required to adhere to applicable codes including the California Building Code, and State and Federal Occupational Safety requirements.

- e. Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?

Response: The subject site and project will be served by the City's sewers system and therefore no alternative wastewater disposal system is needed to support the project. No impacts are anticipated.

VII. GREEN HOUSE GAS EMISSIONS*

Would the project:

- a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?
- b. Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?

Response (a-b): The project would result in both short-term and long-term emissions. The project would result in short-term emissions of greenhouse gases during construction and long-term emissions after construction is completed and the project becomes operational. When specific project details are developed and available during the entitlement phase, an Air Quality Impact Study will be prepared to analyze the project's potential greenhouse gas (GHG) impacts, and is required to comply with statewide significance threshold levels, if applicable, or with the South Coast Air Quality Management District's (SCAQMD) standard for devising an acceptable methodology to properly analyze GHG emissions.

VIII. HAZARDS AND HAZARDOUS MATERIALS*

Would the project:

- a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?
- b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of

Potentially Significant Impact	Potentially Significant Unless Mitigated	Less than Significant Impact	No Impact
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hazardous materials into the environment?

- c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?

Response (a-c): Similar to other large hotel and restaurant developments, hazardous materials, including paints, solvents, and other materials, may be stored on-site and utilized in daily operations or maintenance of the property. All proposed uses within the project, however, must comply with applicable federal, state, and local regulations pertaining to the transport, storage, use and/or disposal of hazardous materials on the site. There will be no health hazards or potential for health hazards created by the proposed development or uses. The development will not create any health hazards or increase the potential of exposure to existing hazards through the day-to-day operations of the project or through any transport of hazardous materials. The project will not increase the risk of accidental explosion or release of hazardous substances or waste within one-quarter mile of a school.

- d. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would create a significant hazard to the public or the environment?

Response: The project is not located on a site that has been included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5. Since the site is not located on a hazardous materials site, no impact is anticipated.

- e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?

- f. For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?

Response (e-f): The project site is not located within an airport land use plan, within two-miles of a public airport or public use airport, or within the vicinity of private airstrip. Therefore, the project would not result in a safety hazard for people residing or working in the project area. No impacts are anticipated.

- g. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?

Response: The project would not physically interfere with an adopted emergency response plan or emergency evacuation plan.

- h. Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands.

Response: The project is within a highly urbanized area and is not located adjacent to any wildlands or an area where residences are intermixed with wildlands.

	Potentially	Potentially	Less than	
	Significant	Significant	Significant	No
	Impact	Unless	Impact	Impact
		Mitigated		

Therefore, based on the location of the project, no exposure of people or structures to a risk of loss, injury, or death involving a wildfire is anticipated.

IX. HYDROLOGY AND WATER QUALITY*

Would the project:

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|--|--------------------------|--------------------------|-------------------------------------|-------------------------------------|
| a. Violate any water quality standards or waste discharge requirements? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level that would not support existing land uses or planned uses for which permits have been granted?) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on or off-site? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface run-off in a manner which would result in flooding on- or off-site? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. Create or contribute run-off water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f. Otherwise substantially degrade water quality? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Response (a-f):

The Federal Clean Water Act establishes a framework for regulating potential water quality impacts from construction activities through the National Pollutant Discharge Elimination System (NPDES) program. The proposed project is required to comply with State regional, and local water quality standards, including the requirements of the California Regional Water Quality Board implementing the NPDES program and the requirements of the Garden Grove Sanitation District and the Garden Grove Public Works Water Services Division such as the implementation of a Storm Water Pollution Prevention Plan ("SWPPP") and Water Quality Management Plan ("WQMP"), including the operation of Best Management Practices to prevent and reduce the potential release of pollutants.

The project site is located within an urbanized area with existing residential and commercial uses. Both the site and the area surrounding the site are almost entirely covered with impermeable surfaces. The project, therefore, will not involve operations that could affect aquifers' recharge capability or alter the direction of groundwater flow beyond existing conditions. Project construction will not require

	Potentially	Potentially	Less than	
	Significant	Significant	Significant	No
	Impact	Unless	Impact	Impact
		Mitigated		

substantial excavation or other related below-grade work, and is not expected to use of large quantities of water. Any water pumped out, if necessary, will be subject to discharge requirements of the Regional Water Quality Control Board, the Garden Grove Sanitation District, and the Garden Grove Public Works Water Services Division.

There are no surface waters within the project area. The Santa Ana River is located east of the project site. All run-off from the area is, and will continue to be, collected in local and regional storm drain facilities. These waters will be transported with other urban run-off into City and County drainage facilities as regulated by the City and County NPDES programs.

There will be less than significant change in absorption rates, drainage patterns and in the rate or amount of surface run-off as of the land is presently developed. To ensure proper drainage is provided, grading and drainage plans are required to be incorporated into the construction plans and approved by the Engineering Services Division prior to issuance of any building permits and commencement of construction. When specific project details are developed and available during the entitlement phase, a Water Quality Impact Report will be prepared for the project that addresses any additional water quality and run-off issues that may arise due to the construction and operation of the proposed project.

- g. Place housing within a 100-year flood hazard area
as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?
- h. Place within a 100-year flood hazard area structures
which would impede or redirect flood flows?
- i. Expose people or structures to a significant risk of loss,
injury or death involving flooding, including flooding as a result of the failure of a levee or dam?

Response (g-i): The project area is located within the Regular Flood Hazard Zone "X", as determined by the Federal Emergency Management Agency Flood Insurance Rate Map No. 06059C0141J (Community No. 060220, Panel No. 0141J), issued on December 3, 2009. Flood Zone "X" includes areas of 500 year flood; with average depths of less than one foot, or with drainage areas less than one square mile; and areas protected by levees from 100-year floods. Titles 6, 9, and 14 of the City's Municipal Code provide regulations to minimize flooding, and losses resulting from flooding. In particular, Title 9, Chapter 12 establishes a Flood Hazard Overlay Zone which includes the City's floodplain management regulations. The risk of flood is also addressed in the City's Emergency Management Plan. In addition, grading improvement plans will be required to address potential flooding in designing the placement of the buildings, the height of the building pads, and related improvements to ensure the development meets the Federal Emergency Management Agency ("FEMA") requirements. Compliance with the City's Municipal Code, the City's Emergency Management Plan and grading improvement plan restrictions reduce potential flood impacts a level of less than significant. Flood Zone "X" is not subject to the Flood Hazard Overlay Zone.

- j. Inundation by seiche, tsunami, or mudflow?

Potentially Significant Impact	Potentially Significant Unless Mitigated	Less than Significant Impact	No Impact
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Response: Seiches, tsunamis, and mudflows are not anticipated to occur in the vicinity of this project due to its distance from the coast, absence of large bodies of water, or hilly or mountainous areas that potentially could cause mudflows.

X. LAND USE AND PLANNING*

Would the project:

- a. Physically divide an established community?

Response: The project site includes two (2) vacant and unimproved lots; two (2) lots that were formerly used as a trailer park and are improved with vacant buildings that will be demolished; two (2) lots improved with commercial buildings that will be demolished; four (4) lots improved with single-family homes that will be demolished; and two (2) lots comprising a portion of an undeveloped backyard of two single-family residences, which the residential structures will not be part of this project. The proposed Planned Unit Development zoning designation and subsequent intended development of the site are compatible with the surrounding area, and will not physically divide existing residential or commercial developments in the area. During construction there may be disruptions in traffic patterns or an increase in noise. These impacts are considered to be less than significant as these disruptions are temporary in nature and were addressed in the General Plan EIR.

- b. Conflict with any applicable land use plan, policy or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?

Response: The subject site is comprised of fourteen (14) parcels with a combined land area of approximately 5 acres. The project site abuts commercial uses to the north; commercial and single-family homes to the south; single-family homes to the east; and commercial and hotel uses to the west, including vacant commercial properties.

The project site includes two (2) vacant and unimproved lots; four (4) vacant lots that were formerly used as a trailer park and are improved with vacant buildings that will be demolished; two (2) lots improved with commercial buildings with the rear used as a trailer park that will be demolished that will be demolished; four (4) lots improved with single-family homes that will be demolished; and two (2) lots comprising a portion of an undeveloped backyard of two single-family residences, which the residential structures will not be part of this project.

The properties have a General Plan Land Use Designation of International West Mixed Use and Low Density Residential, and are zoned HCSP-TZN (Harbor Corridor Specific Plan-Transition Zone North) and R-1 (Single-Family Residential). The project includes changing the General Plan Land Use Designation for four (4) parcels from Low Density Residential properties to International West Mixed Use and changing their zoning from R-1 to Planned Unit Development (PUD). In addition, the other property's zoning will be changed from HCSP-TZN (Harbor Corridor Specific Plan-Transition Zone North) to PUD. With the changing of the General Plan Land Use designation and zoning, the project will be consistent with the goals of the General Plan Element for the International West Mixed Use which allows for resort, entertainment, retail, and hotels.

	Potentially	Potentially		
	Significant	Significant	Less than	No
	Impact	Unless	Significant	Impact
		Mitigated	Impact	Impact

The proposed project includes the construction of a hotel with approximately nineteen (19) stories and between three hundred (300) and four hundred (400) rooms, as well as a minimum of ten thousand (10,000) square feet of retail/restaurant/entertainment, including one (1) or more restaurants (the "Retail/Restaurant/Entertainment Component"), a Parking Structure, and not less than ten thousand (10,000) square feet of meeting space (the "Meeting Space Component") (collectively, the "Upper Upscale Hotel"). In addition, Developer has also proposed to construct up to a maximum of sixty five thousand (65,000) square feet of retail/restaurant/entertainment, including one (1) or more restaurants. In addition, Developer has also proposed to construct up to two (2) Limited/Select/Focus Service/Suites/Extended Stay type hotels (collectively, the "Limited Service Hotels"), consisting of approximately one hundred twenty five to three hundred (125-300) rooms each.

Therefore, no conflict with the General Plan Land Use designation or the property's zoning is anticipated, since the project is a resort hotel, which is the intended land use for properties within the International West Mixed Use area. As set forth in this initial study, the project does not conflict with any other applicable land use plan, policy, or regulation adopted by an agency with jurisdiction over the project.

- c. Conflict with any applicable habitat conservation plan or natural community conservation plan?

Response: The proposed project is located within a highly urbanized area of Orange County and is in conformance with applicable federal, state and City of Garden Grove environmental requirements and plans. The General Plan EIR analyzed intense commercial development for this area, including hotels, restaurants, and entertainment venues, and associated potential impacts such as increased traffic in the area, water and sewer concerns, and design issues. The project is not located within an area that is subject to any habitat conservation plan or natural community conservation plan.

XI. MINERAL RESOURCES*

Would the project:

- a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?
- b. Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan?

Response (a-b): The City's General Plan and the Harbor Boulevard Specific Plan identify known areas with mineral resources. The project is not located in any known area with mineral resources identified in the City's General Plan or the Harbor Boulevard Specific Plan.

XII. NOISE*

Would the project result in:

- a. Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other

Potentially Significant Impact	Potentially Significant Unless Mitigated	Less than Significant Impact	No Impact
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agencies?

- b. Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?
- c. A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?
- d. A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?

Response (a-d): When specific project details are developed and available during the entitlement phase of the project, a Noise Study will be required for the project that analyzes the potential noise impacts generated by the development, such as the noise generated from the additional traffic created by the project (roadway noise), exterior noise generated from the exterior pool area, the loading/unloading area, the trash compactor, the parking structure, noise generated during construction of the project, and interior noise levels. The sensitive noise areas are located directly to the east of the property, and are improved with single-family homes.

Construction will occur within the project area. Although construction noise could cause an annoyance for surrounding uses, due to the temporary nature of any construction activities and the fact that construction activities and future development would be required to adhere to the County and City noise ordinance, the impact of extreme noise levels from any potential construction activities is considered less than significant. Noise from the proposed use will not be extreme as the activities are limited and regulated by the Garden Grove Municipal Code. Furthermore, activities that are likely to increase noise within the proposed development, have been addressed in the General Plan EIR.

- e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport, or public use airport, would the project expose people residing or working in the project area to excessive noise levels?
- f. For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?

Response (e-f): The project site is not located within an airport land use plan, within two-miles of a public airport or public use airport, or within the vicinity of private airstrip. No impacts are anticipated.

XIII. POPULATION AND HOUSING*

Would the project:

- a. Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?

Potentially Significant Impact	Potentially Significant Unless Mitigated	Less than Significant Impact	No Impact
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- b. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?
- c. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?

Response (a-c): Due to the nature of the proposed development, the project will not increase population and housing in the immediate area, other than temporary transient occupancy. There are four single-family residential units existing on the site that will be displaced as a result of the proposed development. These residential units are not designated as affordable housing. This minimal displacement will not necessitate the construction of replacement housing elsewhere. In addition, the proposed project is located in a highly urbanized area and all infrastructure is already in place. The proposed development will be designed to be in conformance with the development standards for the proposed zoning designation of hotel development. The development of the project is within the thresholds that were considered and addressed within the General Plan EIR.

XIV. PUBLIC SERVICES*

- a. Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

Fire protection?

Response: The City of Garden Grove Fire Department provides emergency response service to the project area. The project is not likely to induce significant growth and will not result in a substantial new demand for fire protection services. New construction, however, will occur, and due to the nature of the uses, there will be a slight increase in need for fire protection services. The development will be required to comply with the conditions of approval of the Fire Department including, but not limited to, providing a fire sprinkler system, ensuring clearly unobstructed emergency paths of travel, providing and maintaining a water storage system for fire fighting purposes, and compliance with other regulations per the Fire Department's specifications that address this type of development.

Police protection?

Response: The Garden Grove Police Department provides police protection in the area. The project is not likely to induce growth beyond that planned for the site and will not result in substantial new demand for police protection services. There are no anticipated physical changes within the area that would significantly affect police protection. However, due to the nature of the proposed use, it is likely that there will be minimal increased demand for police protection. The development shall comply with the conditions of approval of the Police Department.

Schools?

	Potentially Significant Impact	Potentially Significant Unless Mitigated	Less than Significant Impact	No Impact
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Response: The proposed development is a transient use that will not increase the number of children within the Garden Grove Unified School District. This development is subject to the applied mitigation school fees currently applied to new development in the City by the Garden Grove Unified School District. The Developer shall provide the Community Development Department proof of payment of appropriate school fees, adopted by the Garden Grove Unified School District, prior to the issuance of building permits in accordance with the provisions of state law.

Parks?

Response: The proposed development is not located on a site that was previously developed as a park or is a site that is designated for parkland. The project will not require the creation of additional parkland. The proposed project would not result in population growth which could otherwise increase the burden on parks and/or other recreational facilities. Additionally, the developer is required to pay park in-lieu fees that are applied to the City's parks and recreation programs.

Other public facilities?

Response: It is not likely that the project will increase demands on other governmental services.

XV. RECREATION*

a. Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that the substantial physical deterioration of the facility would occur or be accelerated?

Response: The proposed project will provide private recreational amenities on the premises for guests, such as an outdoor pool and/or indoor recreation spaces. No increase in use of the existing parks or other public recreational facilities that are located within the immediate area are anticipated that could substantially cause the deterioration of an existing park or other recreational facilities. Additionally, the developer is required to pay park in-lieu fees that are applied to the City's parks and recreation programs.

b. Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?

Response: The proposed project will provide on-site recreational amenities such as outdoor pool and/or indoor recreation spaces, which will be constructed concurrently with the buildings. When specific project details are developed and available during the entitlement phase of the project, the proposed outdoor recreational facilities will be evaluated for possible impacts to adjacent uses, such as noise, and all appropriate mitigation measures will be established to reduce possible impacts.

XVI. TRANSPORTATION*

Would the project:

a. Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit, and non-motorized

	Potentially	Potentially	Less than	No
	Significant	Significant	Significant	Impact
	Impact	Unless	Impact	Impact
		Mitigated		

travel and relevant components of the circulation system, including, but not limited to, intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?

- b. Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?
- c. Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?
- d. Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?

Response (a-d): The development is likely to increase vehicle trips and traffic congestion in the area, but not beyond the scope analyzed in the General Plan EIR. When specific project details are developed and available during the entitlement phase of the project, the applicant may be required to prepare a traffic analysis for the proposed project should the City's Traffic Engineer deem it appropriate due to the final layout and design of the project. Any future traffic analysis will include measures to mitigate any identified impacts and also include any significant traffic related improvements in order to facilitate the proposed development. This will include any increased traffic during the construction of the project, which are temporary in nature and typically do not create a significant impact. All projects involving construction in the public right-of-way will be required to submit a traffic safety plan to minimize traffic congestion.

- e. Result in inadequate emergency access?

Response: Emergency access to the proposed development and surrounding areas will not be affected. As addressed in the General Plan EIR, Police and Fire services in the area are adequate to accommodate both existing and future development provided the project complies with the conditions of approval included on the project during the entitlement review process by the Police and Fire Department.

- f. Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?

Response: Barriers for pedestrians or bicyclists may occur during the period of construction. If barriers are required, the applicant will be required to submit a traffic safety plan for review and approval by the City prior to the commencement of construction in the public right-of-way in order to ensure the safety of pedestrians and/or bicyclists.

XVII. UTILITIES AND SERVICE SYSTEMS*

Would the project:

- a. Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?

Potentially Significant Impact	Potentially Significant Unless Mitigated	Less than Significant Impact	No Impact
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Response: As explained above, the project is required to implement the requirements of the Regional Water Quality Control Board.

- b. Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?

Response: see (e) below.

- c. Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?

Response: The project area is a highly urbanized area and storm water drainage facilities are in place and adequate to meet the needs for this area including those generated by this project.

- d. Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?

Response: When specific project details are developed and available during the entitlement phase of the project, a Water Supply Assessment Study (WSA) will be prepared to calculate if the project complies with the thresholds established by Senate Bill 610.

- e. Result in determination by the wastewater treatment provider, which serves or may service the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?

Response (b, e): The Garden Grove Sanitary District provides sewer service to the City of Garden Grove. The Garden Grove Sanitary District and the Orange County Sanitation District charge fees for sewerage connection. These fees are required to construct new sewer infrastructure and/or incremental expansions to the existing sewerage system to accommodate individual development. New developments are not permitted to connect to sewer systems unless there is sufficient capacity to accommodate the new development. Therefore, new development is not permitted to exceed the available capacity of wastewater conveyance systems or treatment facilities. The Garden Grove Sanitary District has determined that the existing infrastructure and wastewater treatment capacity is sufficient to meet projected increased sewage flows from the proposed project. No new or expanded wastewater treatment facilities would be required.

- f. Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?

- g. Comply with federal, state, and local statutes and regulations related to solid waste?

Response (f-g): Solid waste disposal services are administered by the Garden Grove Sanitary District. Collection services are provided via a contract with a private trash collection contractor. As part of the development of this site, the overall solid waste disposal system will be coordinated with the Garden Grove Sanitary District

	Potentially	Potentially		
	Significant	Significant	Less than	
	Unless	Unless	Significant	No
	Impact	Mitigated	Impact	Impact

and their contractor for specific matters such as trash pick-up times, number and types of trash receptacles, and the locations of such trash receptacles.

XVIII. MANDATORY FINDINGS OF SIGNIFICANCE

- a. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?
- b. Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?
- c. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?

XIX. EARLIER ANALYSIS

Earlier analyses may have been used where, pursuant to the tiering, program EIR, or other CEQA process, one or more effects have been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D).

a. EARLIER ANALYSIS:

1. The City of Garden Grove General Plan Update.
2. The City of Garden Grove Existing Conditions Report.
3. The City of Garden Grove Final Environmental Impact Report for the General Plan Update, State Clearinghouse No. 2008041079, August 2008.
4. Title 9 of the Garden Grove Municipal Code.
5. Redevelopment Project Plan and subsequent EIR dated July 2, 2002, Resolution No 629.
6. Garden Grove Sanitary District Sewer Deficiency Analysis and Sewer Improvement Master Plan.

b. IMPACTS ADEQUATELY ADDRESSED:

1. Land Use
2. Population and Housing
3. Geophysical
4. Water
5. Air Quality
6. Transportation
7. Noise

8. Public Services
9. Aesthetics
10. Green House Gas Emissions

c. MITIGATION MEASURES:

The project is consistent with the analysis that was done within The City of Garden Grove Final Environmental Impact Report for the General Plan 2030 Update, State Clearinghouse No. 2008041079, and Redevelopment Project Plan and EIR, July 2, 2002. The project will be required to adhere to all mitigation measures as stated within the current General Plan's EIR, Redevelopment Plan EIR, as well as conditions of approval and any future studies that will be required during the design phase and entitlement review process for the project.