

CITY OF GARDEN GROVE

INTER-DEPARTMENT MEMORANDUM

Garden Grove Agency for Community Development

To:	Matthew Fertal	From:	Chet Yoshizaki
Dept:	Director	Dept:	Economic Development
Subject:	PURCHASE AND SALE AGREEMENT FOR CONVEYANCE OF AGENCY-OWNED PROPERTY LOCATED AT 12461 SPRINGDALE STREET (APN No. 130-592-23) TO MEDALLION HEALTH PROPERTIES LLC		
		Date:	December 11, 2007

OBJECTIVE

It is requested that the Garden Grove Agency for Community Development (Agency) consider the sale of the real property located at 12461 Springdale Street, consisting of 30,111 square feet and owned by the Agency.

BACKGROUND/DISCUSSION

On September 25, 2007, the Agency directed staff in closed session to proceed with a Purchase and Sale Agreement (Agreement) (see Attachment 2) with Medallion Health Properties LLC. This direction occurred after a prolonged period of marketing the site for redevelopment.

Medallion offered to purchase the property for \$1.1 million dollars, which represents the highest and most feasible out of a total of four (4) offers received. Medallion is proposing to operate a 15-bed medical rehabilitation facility and construct a new building to accommodate such a use. The Agreement calls for escrow to close when proper approvals and permits have been obtained from the City. The Agreement contemplates and outside closing date of June 1, 2008.

FINANCIAL IMPACT

Gross revenue from the sale will be \$1.1 million dollars. Costs of the sale will be limited to those obligations outlined in the Agreement.

COMMUNITY VISION IMPLEMENTATION

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

RECOMMENDATION

Staff recommends that the Agency:

- Approve the attached Agency Resolution (Attachment 1) approving a Purchase and Sale Agreement for the sale of 12461 Springdale Street to Medallion Health Properties, LLC, for \$1.1 million dollars;
- Authorize the Director and Secretary to execute the Purchase and Sale Agreement when appropriate to do so.

CHET YOSHIKAWA
Economic Development Director

By: GREG BROWN
Sr. Project Manager

Attachment 1 - Agency Resolution
Attachment 2 - Purchase and Sale Agreement
Attachment 3 - Site Map

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