

**CITY OF GARDEN GROVE**

**INTER-DEPARTMENT MEMORANDUM**

***Garden Grove City Council  
and  
Garden Grove Agency for Community Development***

To: Matthew Fertal From: Economic Development  
Dept: City Manager/Director  
Subject: AMENDMENT NO. 1 TO AGREEMENT AFFECTING REAL PROPERTY AND WATER MAIN AND SERVICE EXTENTIONS AGREEMENT AND QUITCLAIM DEED AND TERMINATION OF COVENENTS, CONDITIONS AND RESTRICTIONS AFFECTING Date: November 8, 2011

OBJECTIVE

It is requested that the Garden Grove City Council ("City") approve Amendment No. 1 to Agreement Affecting Real Property and Water Main and Service Extension Agreement ("Amendment No. 1"); and the Garden Grove Agency for Community Development ("Agency") also approve Amendment No. 1 (as the current owner of two of the affected properties) and accept a Quitclaim Deed and Termination of Covenants, Conditions, and Restrictions from each of the eight (8) other Leda Lane property owners ("Property Owners") and the Leda Lane Mutual Association, which affect Agency owned property at 12601 Leda Lane and 12602 Leda Lane.

BACKGROUND

Leda Lane is a private residential street located south of Lampson Avenue, one block west of Harbor Boulevard. There is a private water well ("Well") on a separate parcel situated between 12601 Leda Lane and 12602 Leda Lane (the "Well Site"), that was used exclusively by the ten (10) single family residences located on Leda Lane. The Leda Lane Mutual Association ("Association"), a nonprofit corporation comprised of the ten (10) Property Owners on Leda Lane, previously maintained the Well. In November of 2007, the City provided a temporary water connection after the Well failed. On August 12, 2008, the City entered into an Agreement Affecting Real Property and Water Main and Service Extension Agreement ("Agreement") with the Association and the then-current Property Owners to provide a permanent connection to the City's water system for the ten (10) Leda Lane parcels. The terms of the Agreement provided for the Property Owners pay for the cost of the water connection, the abandoning of the well (protecting the City's water supply) and the dissolution of the Association. The Property Owners each paid for their share of the

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permanent connection to the City's water system, but the Well has not yet been abandoned. In order to protect the City's water supply, it is important that the Well be properly abandoned.

In late 2009, the Agency acquired 12601 and 12602 Leda Lane to expand the project site of the Great Wolf Water Park ("Project"). As owner of these two properties, the Agency is now a member of the Association and a party to the 2007 Agreement. In order to incorporate the Well Site parcel into the Project, the Agency needs to obtain clean title to the Well Site. The continuing existence of the Well and various deed restrictions recorded over the years in favor of the Property Owners serve to cloud title to the Well Site and the Agency-owned properties located at 12601 and 12602 Leda Lane.

#### DISCUSSION

In order to facilitate both the City's and the Agency's interests, Staff negotiated an Amendment No. 1 to the original Agreement with the Property Owners with the following proposed terms:

- The City will assume responsibility for abandoning the Well.
- The City will pay for the one-time slurry seal of Leda Lane, but not be responsible for future maintenance.
- The Property Owners and the Association will each execute a Quitclaim Deed relinquishing all interest they have in the Well Site, if any, and eliminating the deed restrictions clouds to title currently impacting the Well Site and the two Agency-owned parcels. Since the Agency is now the owner of 12601 and 12602 Leda Lane and needs to acquire the Well Site for the Project, staff has had the Association and each of the Property Owners execute the necessary Quitclaim Deeds directly in favor of the Agency.
- The Association and the Property owners will cooperate with the Agency to sever the Association's membership interest in the Association prior to construction of the Water Park Hotel Project.

#### FINACIAL IMPACT

- The financial impact to the Agency is estimated to be \$40,000.

#### RECOMMENDATION

Based on the foregoing information, staff recommends that the City Council and Agency take the following actions:

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City Council Action:

- Approve Amendment No. 1 to Agreement Affecting Real Property and Water Main and Service Extension Agreement; and
- Authorize the City Manager to execute the Amendment No. 1 on behalf of the City.

Agency Actions:

- Approve Amendment No. 1 to Agreement Affecting Real Property and Water Main and Service Extension Agreement;
- Authorize the Executive Director to execute the Amendment No. 1 on behalf of the Agency; and
- Authorize and ratify acceptance by the Agency Secretary of a Quitclaim Deed and Termination of Covenants, Conditions, and Restrictions from each of the Property Owners and the Leda Lane Mutual Association in a form approved by Agency Counsel.

  
GREG BLODGETT  
Senior Project Manager

  
By: Carlos Marquez  
Senior Real Property Agent

Attachment 1: Map and Leda Lane Property Owner Chart  
Attachment 2: Amendment No. 1 to Agreement Affecting Real Property and Water Main and Service Extension Agreement  
Attachment 3: Nine (9) Quitclaim Deed and Termination of Covenants, Conditions, and Restrictions

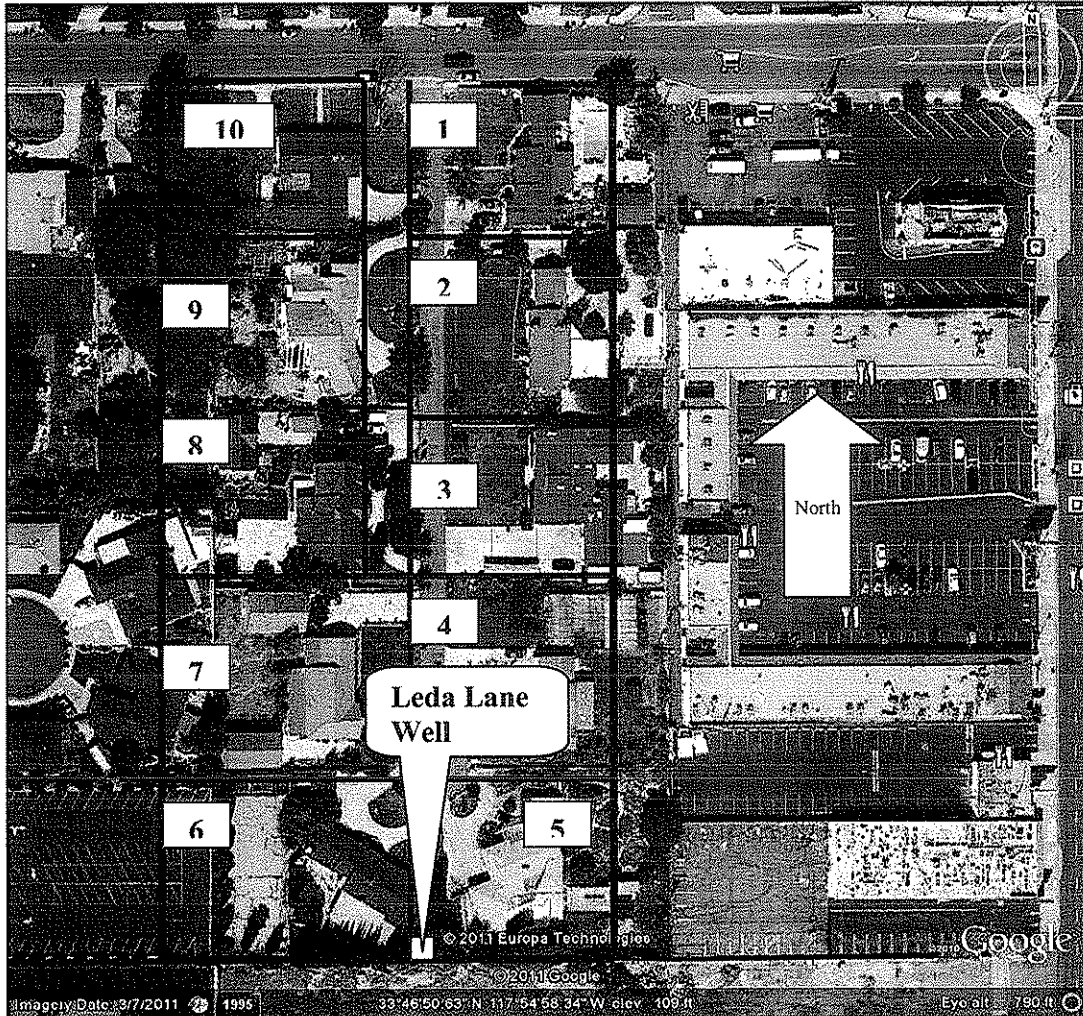
**Recommended for Approval**



**Matthew Ferial  
City Manager**



Attachment 1  
Map and Leda Lane Property Owner Chart



No.	Address	Owner
1	12522 Leda Lane	Infinitive Investment Inc.
2	12532 Leda Lane	Ngoc Lan Thi Du
3	12562 Leda Lane	Lam H. Khong
4	12582 Leda Lane	Mien Van Pham & Van Thuy Pham
5	12602 Leda Lane	Garden Grove Agency for Community Development.
6	12601 Leda Lane	Garden Grove Agency for Community Development
7	12581 Leda Lane	Linh Van Dang
8	12561 Leda Lane	Tina Hue Nguyen
9	12531 Leda Lane	Tin Van Nguyen & Rue Thi Tran
10	12362 Lampson Ave.	Flor Canseco

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OF THE WATER MAIN AND SERVICE EXTENSION  
AGREEMENT AND THE QUITCLAIM DEEDS.**