

**City of Garden Grove as Successor Agency to the
Garden Grove Agency for Community Development**

INTER-DEPARTMENT MEMORANDUM

To: Matthew J. Fertal From: Economic Development

Dept: Director

Subject: APPROPRIATION OF FUNDS FOR THE WATERPARK HOTEL PROJECT'S
PARKING STRUCTURE, ON THE 10.3-
ACRE REDEVELOPMENT SITE ON
HARBOR BOULEVARD Date: February 14, 2012

OBJECTIVE

The purpose of this report is to request that the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency") adopt a Resolution appropriating funds in furtherance of the completion of the Waterpark Hotel project's parking structure, an enforceable obligation.

BACKGROUND/ANALYSIS

Pursuant to ABx1-26 and the California Supreme Court's decision in California Redevelopment Association v. Matosantos, redevelopment agencies in California including the Garden Grove Agency for Community Development were dissolved as of February 1, 2012. The City of Garden Grove has elected to become the Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency").

As a result of the dissolution, the Successor Agency is charged with completing agreements and contracts listed on its Enforceable Obligation Payment Schedule (EOPS), Recognized Obligation Payment Schedule (ROPS), and otherwise winding down the business of the former Redevelopment Agency.

As an enforceable obligation, the Waterpark Hotel Project Disposition and Development Agreement ("Agreement") requires a commitment of \$5 million for the construction of the project's parking structure. The attached resolution appropriates those funds for the intended purpose pursuant to the Agreement.

FINANCIAL IMPACT

None.

RECOMMENDATION

Staff recommends that:

- The City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development adopt the attached Resolution approving the appropriation of funds for the Waterpark Hotel Project's parking structure, an Enforceable Obligation pursuant to the Disposition and Development Agreement by and between the former Garden Grove Agency for Community Development and Garden Grove MXD, Inc., and making certain findings in connection therewith.



JIM DELLALONGA

Senior Project Manager/Department Administrative Officer

Attachment 1: Resolution of the City of Garden Grove as Successor Agency to the
Garden Grove Agency for Community Development

Recommended for Approval



**Matthew Fertal
City Manager**

RESOLUTION NO.

A RESOLUTION OF THE CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT TO APPROPRIATE FUNDS NECESSARY FOR THE WATERPARK HOTEL PROJECT'S PARKING STRUCTURE

WHEREAS, the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development (Successor Agency) as part of the Enforceable Obligation Payment Schedule and Recognized Obligation Payment Schedule (ROPS) is planning for short term expenditures of an Enforceable Obligation; and

WHEREAS, pursuant to the Disposition and Development Agreement with Garden Grove MXD, Inc. and the Garden Grove Agency for Community Development for the Waterpark Hotel project, the Successor Agency is obligated to contribute \$5 million as the Successor Agency's share of the cost of the parking structure associated with the project.

NOW, THEREFORE, BE IT RESOLVED that the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development appropriates \$5 million specifically for the Successor Agency's share of the Waterpark Hotel Parking Structure pursuant to the Disposition and Development Agreement with Garden Grove MXD, Inc.

NOW, BE IT FURTHER RESOLVED that the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development delegates authority to the Director to assign fund balances within the Successor Agency as appropriate.