

OVERSIGHT BOARD REVIEW AND CONSIDERATION FOR APPROVAL OF VARIOUS
OBLIGATIONS FROM THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE

April 4, 2012

Page 2

In addition to the other materials attached, Staff has also included the City Comprehensive Annual Financial Report (CAFR), in which the items above are listed. The CAFR is prepared each year by the City and reviewed annually by an independent auditor.

RECOMMENDATION

Staff recommends that the Oversight Board:

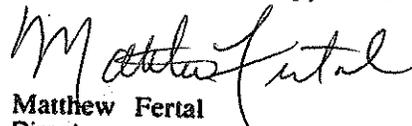
- Individually consider, approve, and affirm the obligations listed above and include these obligations as part of the Recognized Obligation Payment Schedule.



JIM DELLALONGA
Department Administrative Officer

Attachments

Recommended for Approval



Matthew Fertal
Director

ROPS Item 1

2003 Tax Allocation Bond

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: George L. Tindall
From: Matthew Fertal
Dept: City Manager/Director
Dept: Community Development
Subject: **2003 TAX ALLOCATION
REFUNDING BONDS**
Date: August 12, 2003

OBJECTIVE

The purpose of this report is to request that the City of Garden Grove approve the issuance by the Garden Grove Agency for Community Development of tax allocation bonds for the Garden Grove Community Project; the Agency authorize the issuance and sale of tax allocation bonds, and approve other related financial documents; and the Board of Directors of the Garden Grove Public Financing Authority authorize the purchase and sale of the tax allocation bonds, approve other related financial documents and authorize certain other actions.

BACKGROUND

The Garden Grove Agency for Community Development is proposing to issue 2003 Tax Allocation Refunding Bonds in order to currently refund all of the 1993 Tax Allocation Refunding Bonds, fund a reserve account for the bonds, and pay the costs associated with the issuance of new bonds. The bonds will be secured by a pledge of tax increment revenue from the Garden Grove Community Project.

DISCUSSION

The 2003 Refunding Tax Allocation Bonds will be issued in the par amount of approximately \$57,700,000, and will be used to refund the 1993 Tax Allocation Refunding Bonds, outstanding in the amount of \$53,325,000 as well as fund new projects within the Merged Project Area. The non-housing revenues of the Agency will secure the new bond issue. The debt service is structured so that it is no greater than the existing 1993 Tax Allocation Refunding Bonds, provides a minimum of 200% coverage to the final maturity date (2029), and defers principal amortization until 2006 to meet cash flow needs of the Agency and potential ERAF obligations.

The refunding bonds have been structured to maintain the debt service at the current level while expanding the overall debt amount. The savings realized by making interest only payments for the first three (3) years will be approximately \$6.1 million. An additional \$1.3 million dollars will be generated by the bond issuance. It is estimated that the refunding will generate a total of approximately \$7.4 million dollars in tax increment savings to fund projects and operations;

however, it should be noted that the recent volatility in the bond market will affect the amount of bond proceeds at the time of sale.

The attached tables to this report show the total issue sources and uses of bond funds, a gross debt service comparison between the old and new debt service, and a present value analysis summary. According to provisions contained within the existing bond documents, the refunding process must be completed by September 1, 2003, in order to refund the bonds this calendar year.

RECOMMENDATION

It is recommended that the City take the following action:

- Adopt the Resolution approving the issuance by the Garden Grove Agency for Community Development of its 2003 Tax Allocation Bonds for the Garden Grove Community Project.

It is recommended that the Agency take the following actions:

- Adopt the Resolution authorizing the issuance and sale of 2003 Tax Allocation Bonds for the Garden Grove Community Project, approving certain related documents and authorizing certain other actions.

In adopting this Resolution, the Agency will also approve the following:

- Purchase Agreement between the Garden Grove Agency for Community Development and the Garden Grove Public Finance Authority.
- Escrow Agreement between the Garden Grove Agency for Community Development and J.P. Morgan Trust Company, National Association.
- Preliminary Official Statement.
- Indenture of Trust between the Garden Grove Agency for Community Development and J.P. Morgan Chase Bank.

It is recommended that the Board of Directors of the Garden Grove Public Financing Authority take the following action:

- Adopt the Resolution authorizing the purchase and sale of the 2003 Tax Allocation Bonds for the Garden Grove Community Project, approving certain related documents and authorizing certain other actions.

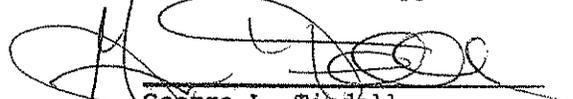
2003 Tax Allocation Refunding Bonds
August 12, 2003
Page 3

MATTHEW FERTAL
Assistant City Manager



By: Glen Krieger 
Economic Development Manager

Recommended for Approval


George L. Tindall
Director

Attachments: Tables
Total Issues Sources and Uses
Gross Debt Service Comparison
Gross Debt Service Comparison (NPV)
Binder
1. Agency Resolution
2. Preliminary Official Statement
3. Escrow Agreement
4. Purchase Agreement
5. Indenture of Trust

ROPS Item 2

City to Agency Loan 1

ROPS Item 3

City to Agency Loan #2

ROPS Item 4

City to Agency Loan #3

Backup for ROPS Items 2 - 4

1974 Loan Agreement
between
City and Agency

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*Agreement No. 1144
Page 37
Approved by
Council 5-11-74*

AGREEMENT
(Agency-City Relationships)

THIS AGREEMENT is entered into this 7th day of
May, 1974, by and between the CITY OF GARDEN GROVE,
hereinafter referred to as "CITY," and the GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT, hereinafter referred to as "AGENCY."

RECITALS

1. Creation: Pursuant to the California Community Redevelopment
Law (California Health & Safety Code, Section 33000 et seq.) the Garden
Grove City Council, on October 20, 1970, by Ordinance No. 1144, declared
that there was a need for a redevelopment agency to function in the City.

2. Appointment of Agency Members: The City Council by said
Ordinance No. 1144 declared itself to be the Agency and such Council
Members are serving as Agency Members.

3. Agency Name Change: The City Council by Ordinance No. 1373
on January 15, 1974, changed the name of the Agency from GARDEN GROVE
AGENCY FOR COMMUNITY CENTER DEVELOPMENT to GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT.

4. City Manager--Director of Agency: The City Manager has been
appointed as the Director of the Agency. As a portion of his duties and
functions, he shall have ultimate day-to-day administrative responsibility
to carry out Agency programs and affairs.

5. Agency Officers, Employees, Agents, Consultants and
Contractors: The officers of the Agency shall be City officials as
established in the By-Laws of the Agency. The City Manager with the
approval of the Agency Members may select, appoint, employ, and contract
for such permanent and temporary consultants, contractors, agents and
employees as it requires, and determine their qualifications, duties,

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1 benefits and compensation, subject to the other provisions of this Agreement
2 and the law.

3 AGREEMENT

4 THE PARTIES MUTUALLY AGREE AS FOLLOWS:

5 6. Services to be Provided:

6 (a) The City, its officers and employees, shall perform
7 services for the Agency in carrying out its work of redevelopment. The
8 Agency shall also have access to the facilities of the departments and
9 offices of the City.

10 (b) Those City officers and employees who are also appointed
11 to positions or offices with or related to the Agency shall perform services
12 for the Agency in a dual capacity. The City Manager shall perform services
13 in his capacity as City Manager and also as Director of the Agency.

14 (c) The City Manager and other appropriate City officials
15 and the Agency shall determine and establish the procedures to be followed
16 in the request for, and the rendering of such services.

17 7. Compensation by the Agency for Services Rendered:

18 (a) The Agency shall reimburse the City for all costs
19 incurred by City officers and employees. The Agency shall reimburse the
20 City for all such services performed on an hourly basis at rates including
21 overhead established by the City Manager.

22 (b) No City officer or employee shall be paid extra compen-
23 sation for any work performed for the Agency unless such compensation is
24 expressly authorized and provided for by the City Council.

25 8. Method of Payment:

26 (a) Costs under this Agreement shall accrue on the basis
27 established by the City Manager for the services being performed. The
28 Agency, however, shall not be responsible for the payment of accrued costs

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1 for services until funds are available to the Agency for this purpose.

2 (b) Agency revenues may come from many sources, many of
3 which may be available to the Agency only for limited and special purposes.

4 It is expected that any funds which may become available to the Agency for
5 the reimbursement of costs for services rendered by the City will be used
6 to pay the accrued costs. The Agency shall reimburse the City for such
7 costs only if funds become available. Once funds become available from
8 which the Agency may pay costs for services, then all costs theretofore
9 accrued shall be paid in a time and manner consistent with the needs of
10 the Agency.

11 9. City Aid and Assistance: The City will aid and cooperate in
12 the planning, undertaking, construction or operation of redevelopment
13 projects within the City.

14 10. Administrative Fund: The City may, if it deems necessary,
15 establish a community redevelopment agency administrative fund with money
16 appropriated by the City Council to the Agency as a loan to be repaid
17 upon such terms and conditions as the City Council may provide.

18 11. Redevelopment Revolving Fund: The City may, if it deems
19 necessary, establish a redevelopment revolving fund.

20 12. Agency Offices: The principal office of the Agency shall be
21 located in the City Hall of the City of Garden Grove. The City agrees to
22 lease to the Agency necessary and ample space for business offices and
23 meeting rooms of the Agency. Said space shall also include use of the City
24 Council Chambers or other space for meetings of the Agency. Leases for
25 such purposes shall be entered into from time-to-time as separate space is
26 needed by the Agency. Said space shall be used in accordance with the
27 rules and regulations of the City as applicable to other buildings and
28 offices of the City. Agency revenues may come from many sources, most of

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1 which are available to the Agency only for limited and special purposes.
2 Any funds which may become available to the Agency for the payment of rent
3 shall be used to pay the accrued rent. The Agency shall pay the rent only
4 if funds become available for such purposes.

5 13. Agency By-Laws and Regulations: The Agency has adopted by-laws
6 and other regulations to carry into effect the powers, purposes and functions
7 of the Agency and to establish the policies of the Agency Members for the
8 guidance of the City Manager serving as Director. The Agency shall supply
9 such information and reports to the City as may be required.

10 The parties hereto have executed this Agreement the day and year
11 first above written.

12 CITY OF GARDEN GROVE

13 ATTEST:

14 By

Bernard Adams
Mayor

15 Lucy H. Levin
16 City Clerk

17 APPROVED AS TO FORM:

18 Eric Lauter
19 ERIC LAUTERER, City Attorney

20 GARDEN GROVE AGENCY FOR COMMUNITY
21 DEVELOPMENT

22 By

W. Brown
23 Chairman

24 ATTEST:

25 Lucy H. Levin
26 Recording Secretary

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Agmt # 471
Agmt # 48
Garden Grove 4/26-75

AGREEMENT

(Reimbursement - G. G. Agency for Community Development - City)

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3 THIS AGREEMENT is made and entered into this 3rd day
4 of June, 1975, by and between the CITY OF GARDEN GROVE, a Municipal
5 corporation, hereinafter designated as "CITY," and GARDEN GROVE
6 AGENCY FOR COMMUNITY DEVELOPMENT, hereinafter designated as "AGENCY."

RECITALS

7
8 1. Agency has been created pursuant to the provisions
9 of the Community Redevelopment Law contained in Sections 33000 et
10 seq. of the Health and Safety Code of the State of California.

11 2. Agency has established a project area or areas
12 pursuant to said law and more particularly described and outlined
13 in Exhibit "A" attached hereto.

14 3. City has made and desires to continue, pursuant to
15 the provisions contained in the Community Redevelopment Law, includ-
16 ing Section 33445 of the Health and Safety Code, to make certain
17 improvements and expenditures in or adjacent to project area des-
18 cribed herein, all of which both parties agree, has or will serve
19 as a benefit to both Agency and said project area.

AGREEMENT

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21 THE PARTIES MUTUALLY AGREE AS FOLLOWS:

22 4. City has or agrees to take all steps necessary,
23 including providing staff, documents, contracts, specifications,
24 equipment and facilities necessary to make those certain improve-
25 ments described on Exhibit "B" attached hereto, all of which have
26 or will benefit both the Agency and project area described herein.

27 5. Agency, in consideration for City making said
28 improvements and the further consideration of the benefit to be

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1 derived by the project area described herein, agrees to reimburse
2 the City for all contributions, expenditures, physical and
3 administratively made or to be made by City in connection with
4 the improvements described on Exhibit "B" attached hereto.
5 Agency shall reimburse City in accordance with the time sequence
6 and formula appearing on Exhibit "C" attached hereto.

7 6. The obligation of Agency under this agreement, shall
8 constitute an indebtedness of Agency for the purpose of carrying
9 out the redevelopment project for the project areas involved,
10 which indebtedness may be payable out of taxes levied in the
11 project area and allocated to Agency under subsection (b) of
12 Section 33670 of the Health and Safety Code of the State of Calif-
13 ornia, or out of any other available funds.

14 The parties hereto have executed this agreement the
15 day and year first appearing herein.

16 CITY OF GARDEN GROVE

17 By Bernard C. Adams
Mayor

18 ATTEST:

19 Ruby K. Lavin
20 City Clerk

21
22 GARDEN GROVE AGENCY FOR COMMUNITY
DEVELOPMENT

23
24 By Kathryn R. Barry
Chairman

25 ATTEST:

26 Ruby K. Lavin
Recording Secretary

27 APPROVED AS TO FORM:

28 Eric Lauterer
ERIC LAUTERER, City Attorney

REIMBURSABLE CITY IMPROVEMENTS

CIVIC CENTER ACQUISITIONS - PROJECT NO. 229

Location - East of Euclid, south of Stanford, north of Acacia Parkway, and within the project area.

This project is in its final phase with four acquisitions remaining to complete needed Civic Center acquisitions. These acquisitions will enable completion of remaining facilities within the project area. Future completion of public facilities will serve to enhance and benefit the Civic Center Office Plaza, Main Street as well as further private development. The total reimbursement will be an amount not to exceed \$90,000.

NINTH STREET STORM DRAIN - PROJECT NO. 1511

Location - Ninth Street from Chapman on the north to Garden Grove Boulevard on the south and adjacent to the project area.

The Agency will reimburse for the portion of the improvements that will be of direct benefit to the project area. Correction of existing drainage problems and the completion of subsequent street improvements will serve to increase traffic safety and improve traffic circulation within the project area. The Agency will reimburse an amount not to exceed \$365,000.

KNOTT/STANFORD SIGNAL - PROJECT NUMBER TO BE DETERMINED

Location - Intersection of Knott Street and Stanford Avenue and within the project area.

Completion of this traffic signal will serve to enhance and improve the traffic circulation and the traffic safety within the project area. The signal will be installed as part of a major private development within the project area. Total cost of the reimbursement not to exceed \$35,000.

GARDEN GROVE BOULEVARD, HARBOR TO FAIRVIEW - PROJECT NO. 149

Location - Garden Grove Boulevard, from approximately 200' west of Sungrove to Haster Street and within the project area.

This major street improvement project of approximately 1 1/4 mile in length passes through a major portion of the project area and will serve to encourage further private development within the project area. In addition the improvements will serve to increase traffic safety and traffic circulation within the project area. Total cost to be reimbursed will not exceed \$75,000 based on actual project costs.

Exhibit B continued

88 ACRES STORM RELIEF PROJECT - PROJECT NUMBER TO BE DETERMINED

Location - East of Brookhurst, south of Garden Grove Boulevard, north of Trask, and west of Bowen Street or the projection of Bowen Street and located within the project area.

Correction of drainage problems within the project area will serve to enhance and benefit those existing uses. This project, when completed, will directly benefit those that now reside within the project area. Total cost not to exceed \$35,000.

ASSOCIATED SOUTHERN IMPROVEMENTS - CID

Location - East of Knott, south of Chapman, north of Lampson, and west of Western and within the project area.

Major public improvements have been installed within the project area in the form of street improvements including curb, gutter, sidewalks and other public improvements which have served to stimulate private development within the project area, increasing the industrial development and tax yield potential of the project area. The Agency will reimburse over a period of years the outstanding debt for these improvements in an amount not to exceed \$530,000.

EXHIBIT "C"

REIMBURSEMENT TIME AND SEQUENCE FORMULA

The Agency agrees to reimburse the City pursuant to the following schedule. In each case, where a fiscal year repayment is noted, it is understood by both parties that reimbursement shall be made after the annual tax increment has been received by the Agency but prior to the end of the fiscal year as noted unless otherwise agreed to by both parties.

Fiscal Year 1975-76

Civic Center Acquisitions - Project No. 229	\$ 90,000	
Knott/Stanford Signal - Project No. to be determined	35,000	
88 Acres Storm Relief Project	35,000	
Garden Grove Boulevard, Harbor to Fairview - Proj. No. 149	75,000	
Associated Southern Improvements - CID	<u>30,000</u>	
Total Reimbursement		<u>\$265,000</u>

Fiscal Year 1976-77

Ninth Street Storm Drain - Project No. 1511	<u>\$365,000</u>	
Associated Southern Improvements - CID	<u>50,000</u>	
Total		<u>\$415,000</u>

Fiscal Year 1977-78 through Fiscal Year 1987-88

Associated Southern Improvements - CID	<u>\$450,000</u>	
Total		<u>\$450,000</u>

It is further understood that the repayment shall not in any case exceed the total amount of \$1,130,000.

EXHIBIT C

*Original #51
Rev. #51*

AMENDMENT TO AGREEMENT
(Reimbursement - G. G. Agency for Community Development - City)

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THIS AGREEMENT is made and entered into this 12th day of August, 1975, and between the CITY OF GARDEN GROVE, a Municipal corporation, hereinafter designated as "CITY," and GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, hereinafter designated as "AGENCY."

RECITALS

1. The parties hereto entered into an agreement dated June 3, 1975, concerning reimbursement and pursuant to the provisions of the Health and Safety Code.

2. Since execution of said agreement the parties find that circumstances require that the agreement dated June 3, 1975, be amended in accordance with the provisions contained herein. All other provisions in said agreement shall remain in full force and effect.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

3. Exhibit "B" of said agreement is amended as follows:

(a) Regarding the Ninth Street Storm Drain, Project No. 1511, the amount of \$365,000 is changed to the sum of \$685,000.

(b) By adding the following:

GARDEN GROVE BOULEVARD, FERN TO CASA LINDA - Project No. 187

Location - Garden Grove Blvd. from approximately Josephine Street to Magnolia and adjacent to the project area.

This major street improvement project passes through a significant portion of the project area and will serve to encourage further

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*cc: to be seen
Controlled
City Attorney*

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1 private improvements in the project area. In addition, the
2 improvements will serve to increase traffic safety and traffic
3 circulation within the project area. Total cost to be reimbursed
4 will not exceed \$50,000.

5 4. Exhibit "A" is hereby amended in accordance with
6 the new Exhibit "C" attached hereto:

7 (a) For the Fiscal year 1975-76, this amendment
8 adds the category "Ninth Street Storm Drain - Project No. 1511"
9 in the amount of \$250,000.

10 (b) In the Fiscal year 1975-76, adds the category
11 "Garden Grove - Fern to Casa Linda - Project No. 187" in the
12 amount of \$50,000.

13 (c) In the Fiscal year 1975-76, "Civic Center
14 Acquisition - Project No. 229" is reduced from \$90,000 to \$50,000.

15 (d) In the Fiscal year 1976-77, "Associated
16 Southern Improvements - CID" is reduced from \$50,000 to \$35,000.

17 (e) In the Fiscal year 1976-77, "Civic Center
18 Acquisition - Project No. 229" is added in the amount of \$40,000.

19 The parties hereto have executed this agreement the day
20 and year first appearing herein.

21 CITY OF GARDEN GROVE

22
23 By General C. Adams
Mayor

24 ATTEST:

25 [Signature]
26 City Clerk
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REIMBURSABLE CITY IMPROVEMENTS

CIVIC CENTER ACQUISITIONS - PROJECT NO. 229

Location - East of Euclid, south of Stanford, north of Acacia Parkway, and within the project area.

This project is in its final phase with four acquisitions remaining to complete needed Civic Center acquisitions. These acquisitions will enable completion of remaining facilities within the project area. Future completion of public facilities will serve to enhance and benefit the Civic Center Office Plaza, Main Street as well as further private development. The total reimbursement will be an amount not to exceed \$90,000.

NINTH STREET STORM DRAIN - PROJECT NO. 1511

Location - Ninth Street from Chapman on the north to Garden Grove Boulevard on the south and adjacent to the project area.

The Agency will reimburse for the portion of the improvements that will be of direct benefit to the project area. Correction of existing drainage problems and the completion of subsequent street improvements will serve to increase traffic safety and improve traffic circulation within the project area. The Agency will reimburse an amount not to exceed \$365,000.

KNOTT/STANFORD SIGNAL - PROJECT NUMBER TO BE DETERMINED

Location - Intersection of Knott Street and Stanford Avenue and within the project area.

Completion of this traffic signal will serve to enhance and improve the traffic circulation and the traffic safety within the project area. The signal will be installed as part of a major private development within the project area. Total cost of the reimbursement not to exceed \$35,000.

GARDEN GROVE BOULEVARD, HARBOR TO FAIRVIEW - PROJECT NO. 149

Location - Garden Grove Boulevard, from approximately 200' west of Sun Grove to Haster Street and within the project area.

This major street improvement project of approximately 1½ mile in length passes through a major portion of the project area and will serve to encourage further private development within the project area. In addition the improvements will serve to increase traffic safety and traffic circulation within the project area. Total cost to be reimbursed will not exceed \$75,000 based on actual project costs.

Exhibit B continued

88 ACRES STORM RELIEF PROJECT - PROJECT NUMBER TO BE DETERMINED

Location - East of Brookhurst, south of Garden Grove Boulevard, north of Trask, and west of Bowen Street or the intersection of Bowen Street and located within the project area.

Correction of drainage problems within the project area will serve to enhance and benefit those existing uses. This project, when completed, will directly benefit those that now reside within the project area. Total cost not to exceed \$35,000.

ASSOCIATED SOUTHERN IMPROVEMENTS - CID

Location - East of Knott, south of Chapman, north of Lamson, and west of Western and within the project area.

Major public improvements have been installed within the project area in the form of street improvements including curb, gutter, sidewalks and other public improvements which have served to stimulate private development within the project area, increasing the industrial development and tax yield potential of the project area. The Agency will reimburse over a period of years the outstanding debt for these improvements in an amount not to exceed \$530,000.

EXHIBIT "B"

REIMBURSEMENT TIME AND SEQUENCE FORMULA

The Agency agrees to reimburse the City pursuant to the following schedule. In each case, where a fiscal year repayment is noted, it is understood by both parties that reimbursement shall be made after the annual tax increment has been received by the Agency but prior to the end of the fiscal year as noted.

Fiscal Year 1975-76

Civic Center Acquisitions - Project No. 229	\$50,000	
Knott/Stanford Signal - Project No. to be determined	35,000	
88 Acres Storm Relief Project	35,000	
Garden Grove Boulevard, Harbor to Fairview- Project No. 149	1475,000	
Associated Southern Improvements - CID	30,000	
Ninth St. Storm Drain - Project No. 1511	250,000	
Garden Grove - Fern to Casa Linda - Project No. 187	50,000	
Total		<u>\$525,000</u>

Fiscal Year 1976-77

Ninth Street Storm Drain - Project No. 1511	\$435,000	
Associated Southern Improvements - CID	35,000	
Civic Center Acquisitions - Project No. 229	40,000	
Total		<u>\$510,000</u>

Fiscal Year 1977-78 through Fiscal Year 1987-88

Associated Southern Improvements - CID	\$450,000	
Total		<u>\$450,000</u>

It is further understood that the repayment shall not in any case exceed the total cost of the project as it relates to benefit the project area.

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*Agreement
Rev. #60*

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AGREEMENT (Reimbursement - Agency and City)

This Agreement is made and entered into this 25th day of October, 1976, by and between the City of Garden Grove, a municipal corporation, hereinafter designated as "CITY", and the Garden Grove Agency for Community Development, hereinafter designated as "AGENCY".

RECITALS

1. Agency has been created pursuant to the provisions of the Community Redevelopment Law contained in Sections 33000 et seq of the Health and Safety Code of the State of California.
2. Agency has established Community Center Project No. 1 As Amended, pursuant to said law and more particularly described and outlined in Exhibit A attached hereto.
3. City has made and desires to continue, pursuant to the provisions contained in the Community Redevelopment Law, including Section 33445 of the Health and Safety Code, to make certain improvements and expenditures in or adjacent to portions of said project area described herein, all of which both parties agree has or will serve as a benefit to both Agency and said Project Area.
4. Agency, formerly operated by the Community Development Commission, and City entered into an agreement dated June 3, 1975 and amended said agreement on August 12, 1975 and January 20, 1976, concerning reimbursements for said project area.
5. Community Development Commission and City entered into an agreement dated October 14, 1975 concerning reimbursements to the City by Agency within said project area.
6. Agency and City desire to allow the original agreements and amendments thereto to terminate and enter into a separate agreement herewith.

*Rec of Agreement to ... 11/2/76
Rec to City Attorney
Rec to Controller*

11/2/76

A G R E E M E N T

The parties mutually agree as follows:

7. By this agreement the parties desire to deal with the general topic originally covered in their prior agreements and amendments thereto. All provisions in the original agreements and amendments thereto shall have no further force and effect upon the execution of this agreement by both parties, with the exception that all dates of indebtedness established by the prior agreements, shall remain in full force and effect unless otherwise provided herein.

8. City has or agrees to take all steps necessary, including providing staff, documents, contracts, specifications, equipment and facilities necessary to make those certain improvements described on Exhibit B attached hereto, all of which have or will benefit both the Agency and project area described herein.

9. Agency, in consideration for City's making said improvements and the further consideration of the benefit to be derived by the project area described herein, agrees to reimburse the City for all contributions, expenditures, physical and administratively made or to be made by City, in connection with the improvements described on Exhibit B attached hereto. Agency shall reimburse City in accordance with the time sequence and formula appearing on Exhibit C attached hereto.

10. The obligation of Agency under this agreement shall constitute an indebtedness of Agency for the purpose of carrying out the redevelopment project for the project area involved, which indebtedness may be payable out of taxes levied in the project area and allocated to Agency under subsection (b) of Section 33670 of the Health and Safety Code of the State of California or out of any other available funds.

The parties hereto have executed this agreement the day and year first appearing herein.

CITY OF GARDEN GROVE

By J. Thomas Williams
Mayor

ATTEST:

Jeri Smith Nelson
City Clerk

APPROVED AS TO FORM:

E. J. Suter
City Attorney

GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

By Kathryn H. Barr
Chairman

ATTEST:

Jeri Smith Nelson
Secretary

477 1/10/76

EXHIBIT B

NINTH STREET STORM DRAIN - PROJECT NO. 1511

LOCATION - Ninth Street from Chapman Avenue on the north to Garden Grove Boulevard on the south and adjacent to the project area.

The Agency will reimburse for the portion of the improvements that will be of direct benefit to the project area. Correction of drainage problems and the completion of street improvements will serve to increase traffic safety and improve traffic circulation within the project area. The Agency will reimburse an amount not to exceed \$435,000.

GARDEN GROVE BLVD. - CASA LINDA TO BEACH
PROJECT NO. 187

LOCATION - Garden Grove Boulevard from Magnolia Street to approximately 650 feet west of Magnolia Street and abutting a portion of the Project Area.

This major street improvement project of approximately one mile in length will directly benefit the project area and will serve to increase traffic safety and traffic circulation, including pedestrian access, and will significantly relieve flooding problems within this part of Project No. 1. Total cost to be reimbursed will not exceed \$50,000.

ASSOCIATED SOUTHERN INVESTMENT COMPANY IMPROVEMENTS - CID

LOCATION - East of Knott Street, south of Chapman Avenue, north of Lampson Avenue and west of Western Avenue and within the Project Area.

Major public improvements have been installed within the project area in the form of street improvements including curb, gutter, sidewalks, and other public improvements which have served to stimulate private development within the Project Area, increasing the industrial development and tax yield potential of the project. The Agency will reimburse over a period of years the outstanding debt for these improvements in an amount not to exceed \$485,000.

EXHIBIT B

CIVIC CENTER ACQUISITIONS - PROJECT NO. 229

LOCATION - East of Euclid Street, south of Stanford Avenue, north of Acacia Parkway and within the Project Area.

This project is in its final phase as the City has recently approved the acquisition of the final parcel needed for the Garden Grove Civic Center. This acquisition will enable completion of remaining facilities within the Civic Center part of the project area. Future completion of public facilities will serve to enhance and benefit the Civic Center Office Plaza, Main Street Development, as well as further private development. The total reimbursement will be an amount not to exceed \$25,000.

4471 10/25/16

EXHIBIT C

REIMBURSEMENT AGREEMENT

REIMBURSEMENT TIME AND SEQUENCE SCHEDULE

The Agency agrees to reimburse the City, pursuant to the following schedule. In each case where a fiscal year repayment is noted, it is understood by both parties that reimbursement shall be made after the annual tax increment has been received by the Agency but prior to the end of the fiscal year as noted, unless otherwise agreed to by both parties.

Fiscal Year 1976-77

Ninth Street Storm Drain - Project No. 1511	\$435,000
Garden Grove Blvd. - Casa Linda to Beach	50,000
Associated Southern Improvements Reimbursement	35,000
Civic Center Acquisitions - Project No. 229	<u>25,000</u>
	\$545,000

Fiscal Year 1978 to 1988

Associated Southern Improvements Reimbursement	<u>\$450,000</u>
Total	\$995,000

It is further understood that the repayment shall not in any case exceed the total cost of the project as it relates to benefit the project area.

EXHIBIT "C"

491 10/5/76

*File
re 1974
loan*

GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

A RESOLUTION OF THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT
AUTHORIZING THE AGENCY TO BORROW FUNDS FROM THE CITY OF GARDEN
GROVE

RESOLUTION NO. 40

WHEREAS, the Garden Grove Agency for Community Development, hereinafter known as the Agency, anticipates issuing tax allocation bonds during Fiscal Year 1974-75; and

WHEREAS, the revenue from said bonds will be used to finance the legally authorized activities of the Agency for developing the City of Garden Grove; and

WHEREAS, the Agency desires to continue its progress in community development prior to the issuing of said bonds, and

WHEREAS, Section 53854 of the Government Code of the State of California authorizes any public agency to borrow funds from another public agency to assist it in its legally authorized activities; and

WHEREAS, the Garden Grove Agency for Community Development has a need for a loan in the amount of \$500,000 at an interest rate of seven percent (7%) in order to proceed with the acquisition of properties in Project No. 1, As Amended, and such loan is in accord with the Agreement entered into between the City of Garden Grove and the Agency on May 7, 1974;

NOW, THEREFORE, BE IT RESOLVED, that pursuant to Section 53854 of the Government Code and 33600 et seq. of the Health and Safety Code of the State of California, the Garden Grove Agency for

Community Development makes a request to the City of Garden Grove for a loan in accordance with the amount stated herein and subject to the preparation and execution of all documents necessary thereto as indicated by the City Attorney.

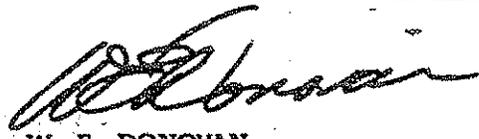
Moved by Agency Member: BARR

Seconded by Agency Member: ERICKSON

AYES: ADAMS, BARR, ERICKSON, KRIEGER, DONOVAN

NOES: NONE

ABSENT: NONE



W. E. DONOVAN
Chairman

ADOPTED: JULY 23, 1974

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6. Agency and City allowed the original agreements and amendments thereto to terminate and entered into a separate agreement adopted October 25, 1976; this agreement replaces that agreement of October 25, 1976.

AGREEMENT

7. By this agreement the parties desire to deal with the general topic originally covered in their prior agreements and amendments thereto. All provisions in the original agreements and amendments thereto shall have no further force and effect upon the execution of this agreement by both parties, with the exception that all dates of indebtedness established by the prior agreements shall remain in full force and effect unless otherwise provided herein.

8. City has or agrees to take all steps necessary, including providing staff, documents, specifications, equipment and facilities necessary to make those certain improvements described on Exhibit B attached hereto, all of which have or will benefit both the Agency and Project Area described herein.

9. Agency, in consideration for City's making said improvements and the further consideration of the benefit to be derived by the Project Area described herein, agrees to reimburse the City for all contributions, expenditures, physical and administratively made or to be made by City, in connection with the improvements described on Exhibit B attached hereto.

10. The obligation of Agency under this agreement shall constitute an indebtedness of Agency for the purpose of carrying out the redevelopment project for the Project Area involved, which indebtedness may be payable out of taxes levied in the Project Area

1 and allocated to agency under subsection (b) of Section 33670 of
2 the Health and Safety Code of the State of California or out of
3 any other available funds.

4 The parties hereto have executed this agreement the day and
5 year first appearing herein.

6
7 CITY OF GARDEN GROVE

8 BY John Williams
9 Mayor

10 ATTEST:

11
12 Lucretia Marris
13 City Clerk (deputy)

14 APPROVED AS TO FORM:

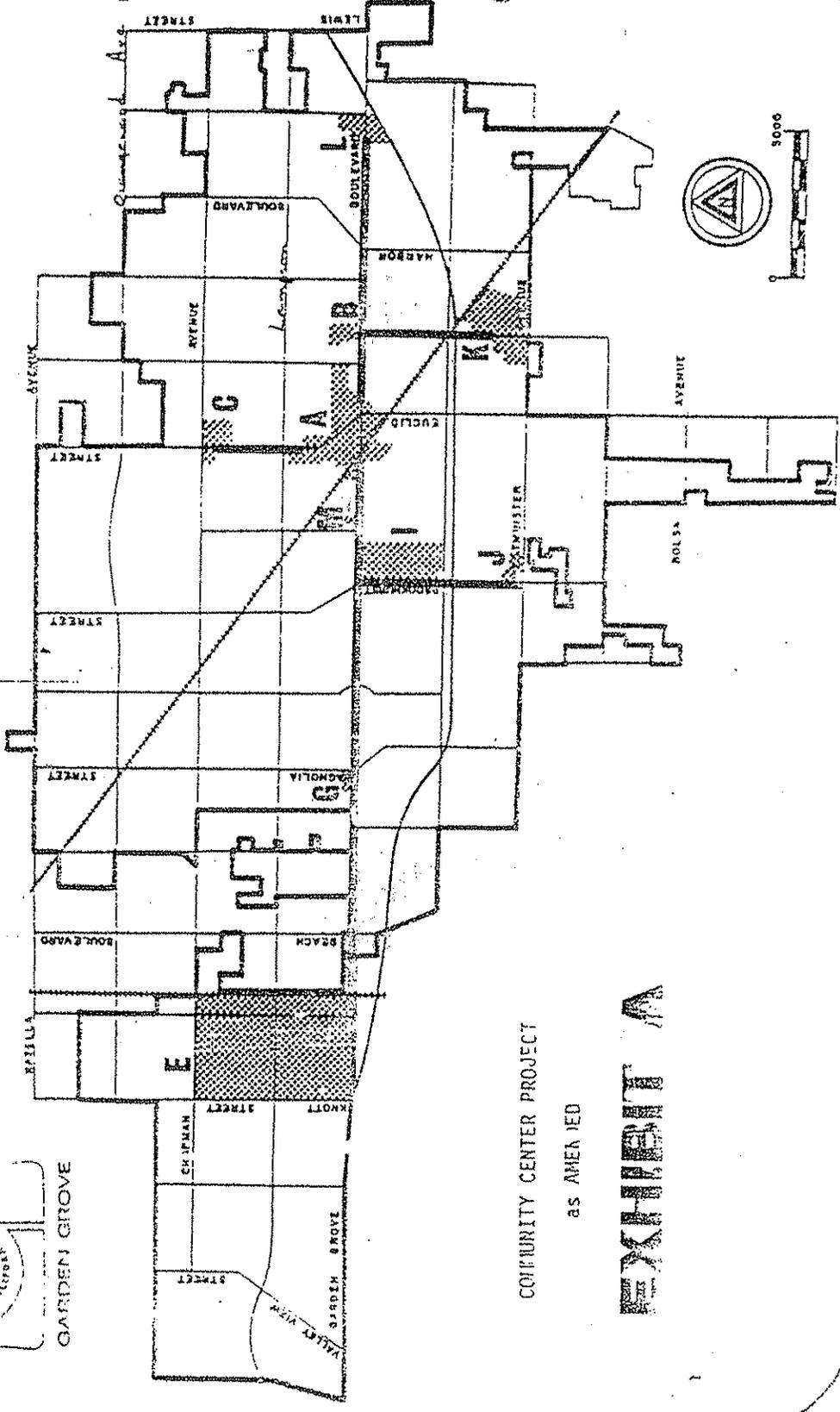
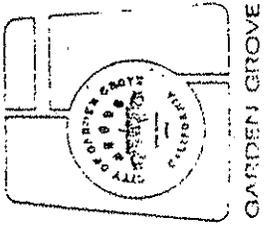
15 Eric Laufer
16 City Attorney

17
18 GARDEN GROVE AGENCY FOR COMMUNITY
19 DEVELOPMENT

20 BY Kathryn L. Barr
21 Chairman

22 ATTEST:

23
24 Lucretia Marris
25 Secretary (deputy)



COMMUNITY CENTER PROJECT
as AMENDED

EXHIBIT A

ASSOCIATED SOUTHERN INVESTMENT COMPANY
IMPROVEMENTS - C.I.D.

LOCATION - East of Knott Street, south of Chapman Avenue, north of Lampson Avenue and west of Western Avenue and within the Project Area.

Major public improvements have been installed within the Project Area in the form of street improvements including, curb, gutter, sidewalks, and other public improvements which have served to stimulate private development and tax yield potential of the project. The Agency will reimburse over a period of years the outstanding debt for these improvements in an amount not to exceed \$450,000.

STORM DRAIN FACILITIES

LOCATION: Various portions of Community Center Project, As Amended.

This project will provide storm drainage facilities within various parts of this Project Area, preventing flooding within the project. The total reimbursement will not exceed \$1,379,000.

GENERAL FUND LOAN
CITY OF GARDEN GROVE

This borrowing will provide Agency continuing opportunity to acquire and aggregate property within the Project Area. The amount of the project loan from the City is \$500,000 plus 7% interest.

STREET RECONSTRUCTION

LOCATION - East of Brookhurst Street, south of Garden Grove Boulevard, north of Trask Avenue, and west of Bowen Street and within the Project Area.

Major street reconstruction work, including replacement of street surface, construction of curbs and gutters, relocation of utilities and lowering the street elevation, is required to resolve a long-standing drainage deficiency. Completion of the work will increase the residential development and tax yield potential of the Project Area. Agency funding, in an amount not to exceed \$900,000 combined with Economic Development Administration grant funds of \$125,000 and previously committed Agency funding of \$57,000 is required to complete the necessary work over a period of years.

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AMENDMENT TO AGREEMENT
(G. G. Agency for Community Development)

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THIS AMENDMENT TO AGREEMENT is made and entered into this 24th day of October, 1977, by and between the CITY OF GARDEN GROVE, a Municipal corporation, hereinafter designated as "CITY," and the GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a redevelopment agency, hereinafter designated as "AGENCY."

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RECITALS

1. The parties entered into an agreement dated September 23, 1977, concerning reimbursement for funds expended pursuant to the California Community Redevelopment Law.
2. The parties desire by this agreement to more clearly delineate circumstances under which reimbursement shall be required as reimbursement is described in said original agreement commencing with Page two thereof.

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AGREEMENT

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THE PARTIES MUTUALLY AGREE AS FOLLOWS:

3. The parties by this amendment add a new paragraph 11 to their agreement dated September 23, 1977, to read as follows. All other terms and provisions shall remain in full force and effect.

"11. Agency's obligations, under this agreement, shall be subject to the right of Agency to exercise those options authorized by the California Redevelopment Law, Health and Safety Code Section 33220. Agency's obligation regarding time for reimbursement of any funds described herein shall be through and including

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September 23, 1987, unless otherwise extended by
written agreement between the parties."

The parties hereto have executed this agreement the
day and year first appearing herein.

CITY OF GARDEN GROVE

ATTEST:

Carolyn Morris
Deputy City Clerk

BY [Signature]
Mayor

APPROVED AS TO FORM:

[Signature]
City Attorney

GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT

BY Kathleen L. Barr
Chairman

ATTEST:

Carolyn Morris
Deputy Secretary

*Agreed To
by
Garden Grove City Council
November 14, 1978*

AGREEMENT
(Garden Grove Agency for Community Development)

THIS AGREEMENT is made and entered into this 14th day of November, 1978, by and between the CITY OF GARDEN GROVE, a municipal corporation, hereinafter designated as "CITY", and the GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a redevelopment agency, hereinafter designated as "AGENCY".

RECITALS

1. Agency has been created pursuant to the provisions of the Community Redevelopment Law contained in Sections 33000 et seq of the Health and Safety Code of the State of California.
2. Agency has established the Community Center Project, as Amended, pursuant to said law and more particularly described and outlined in Exhibit "A" attached hereto.
3. City has made certain improvements and expenditures within said Project Area all of which both parties agree has or will serve as a benefit to both Agency and said Project Area and, in conjunction with said improvements and expenditures, City finds itself the owner of those certain remnant parcels of land located within said Project Area and described in Exhibit "B" attached hereto ("Subject Property" herein).
4. Agency is desirous of acquiring Subject Property from City in order to facilitate its redevelopment in accordance with the Redevelopment Plan for said Project Area.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

5. City agrees within thirty (30) days following execution of this Agreement by both parties to quitclaim Subject Property to Agency.

11/15/78

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6. Agency, in consideration for City's quitclaiming Subject Property and in further consideration of the benefit to be derived by the Project Area described herein, agrees to reimburse City for Subject Property in accordance with the values established through a re-use appraisal obtained by City at Agency expense. City shall provide Agency with a copy of said re-use appraisal within sixty (60) days of execution of this agreement by both parties and Agency agrees to reimburse City for the cost of obtaining said re-use appraisal within thirty (30) days of receipt of same.

7. The obligation of Agency under this Agreement shall constitute an indebtedness of Agency for the purpose of carrying out the redevelopment project for the Project Area involved, which indebtedness may be payable out of taxes levied in the Project Area and allocated to Agency under Sub-section (b) of Section 33670 of the Health and Safety Code of the State of California or out of any other available funds. Agency shall pay City, no later than November 7, 1988, the value established through the re-use appraisal, unless the parties otherwise agree to extend said date.

The parties hereto have executed this Agreement the day and year first appearing herein.

CITY OF GARDEN GROVE

By *Robert L. Erickson*
Mayor

ATTEST:

Candace Manis
City Clerk (Deputy)

APPROVED AS TO FORM:

Paul J. ...
City Attorney

GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT

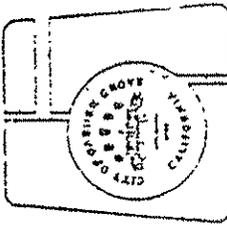
By *Walter ...*
Chairman

ATTEST:

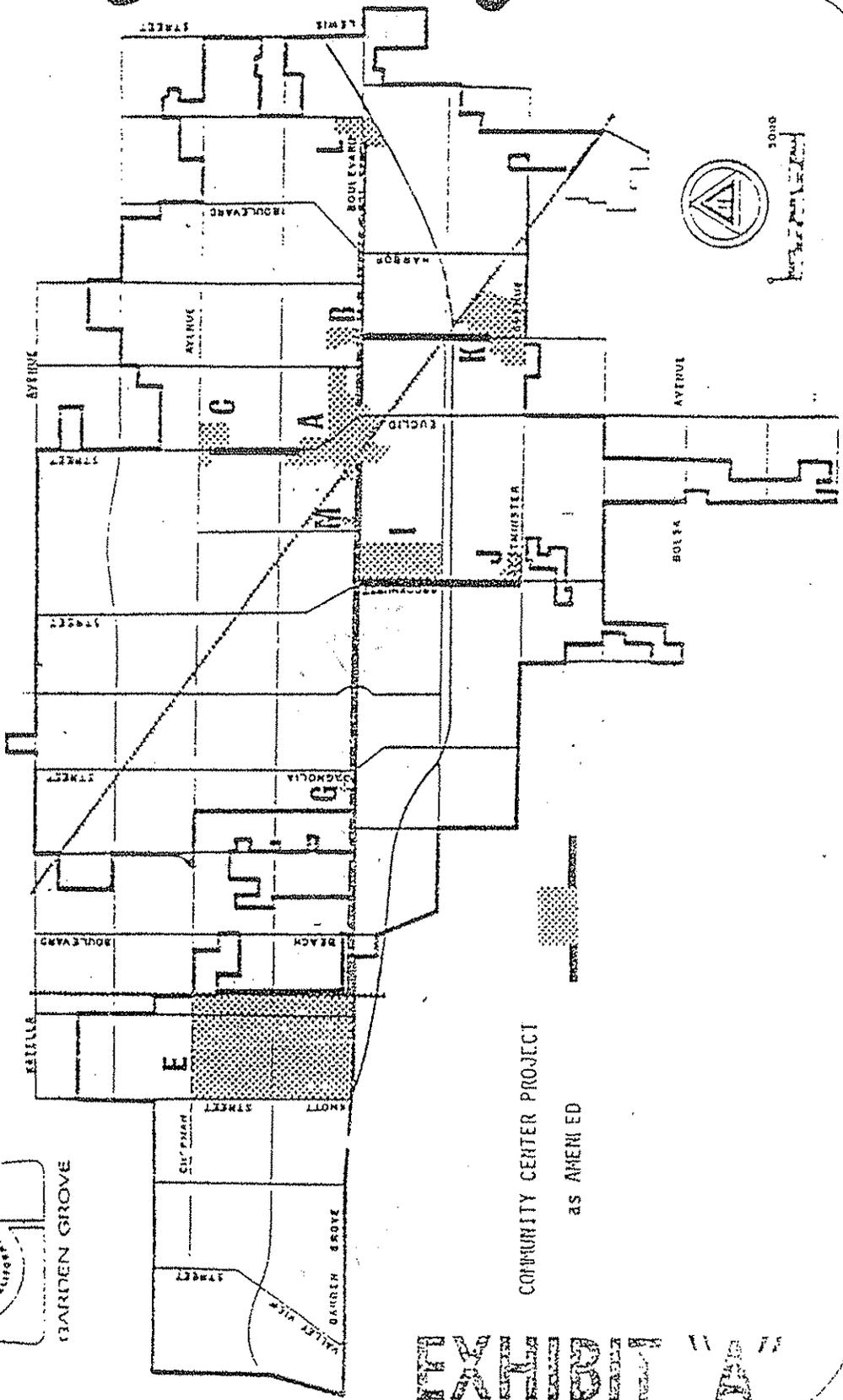
Candace Manis
Secretary (Deputy)

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4/11/76



GARDEN GROVE



COMMUNITY CENTER PROJECT
as AMENIED

EXHIBIT



3100
CITY OF GARDEN GROVE

MAIN STREET

MAIN ST

32.33 GARDEN GROVE (OCEAN AVE)

45.81
73.5

STREET 8

STREET

LINCOLN

PENN AVE. 60

(EUCLID AVE)

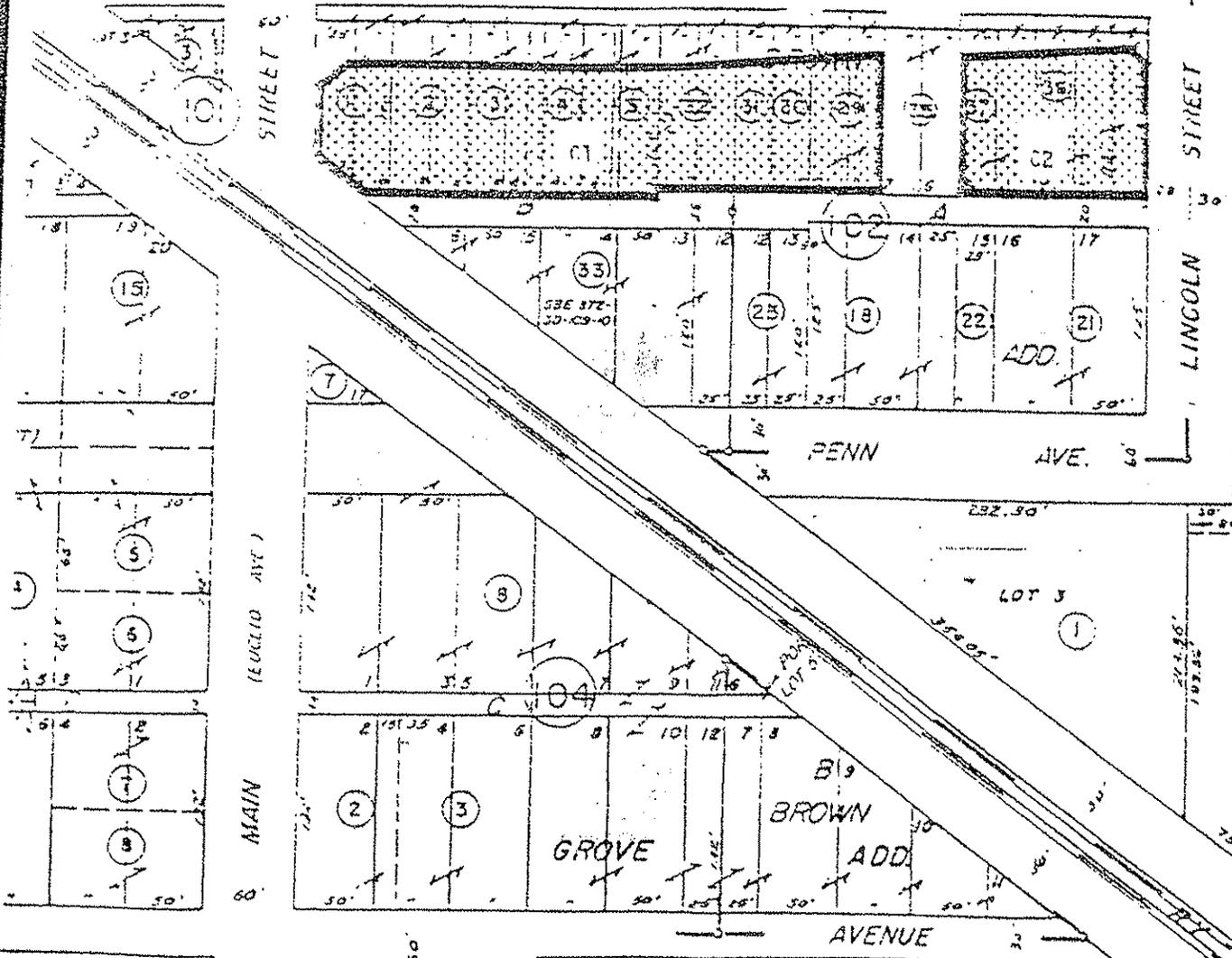
MAIN

AVENUE

SUBJECT PROPERTY



EXHIBIT "B"



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PUBLIC WORKS AGREEMENT
COMMUNITY REDEVELOPMENT PROJECT

THIS AGREEMENT is entered into this 21st day of May, 1984, by and between the GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body, corporate and politic, (the "Agency"), and the CITY OF GARDEN GROVE, a municipal corporation (the "City").

Recitals

A. By Ordinance No. 1750 adopted on June 9, 1981, the City Council of the City of Garden Grove adopted and approved a certain Amended Redevelopment Plan (the "Redevelopment Plan") for the Garden Grove Community Project (the "Project").

B. Pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 et seq.), the Agency is carrying out the Redevelopment Plan for the Project in the redevelopment project area (the "Project Area").

C. Under the Redevelopment Plan, the City shall aid and cooperate with the Agency in carrying out the Project and take actions necessary to ensure the fulfillment of the purposes of the Plan and to prevent the recurrence or spread of conditions causing blight in the Project Area.

D. In furtherance of the Project, the Agency and the City desire to enter into an agreement under which the City will install and construct certain street, utility and other public improvements and facilities to serve the Project (the "Improvements") as described in Exhibit A attached hereto and incorporated herein, and the Agency will pay the City for all costs of such Improvements by periodic payments over a period of years according to the terms of this Agreement.

E. The Agency and the City Council of the City have determined that the Improvements are of benefit to the Project Area and that no other

1 reasonable means of financing such improvements are available to the community.

2 Agreements

3 The Agency and the City hereby agree as follows:

4 1. Public Improvement Work.

5 Within the Project Area, the City shall cause to be designed,
6 constructed and installed the street, utility and other public improvements
7 and facilities which are specified in Exhibit A. Said improvements shall be
8 constructed and installed in the priority directed by the Agency in a
9 satisfactory and proper manner pursuant to plans and specifications to be
10 prepared by the City and submitted to the Agency for its approval. The City
11 shall acquire land and other property interests as necessary in order to
12 complete the improvements. (The City's obligation hereunder is conditioned
13 upon the receipt of sufficient funds from the Agency under Section 2 of this
14 Agreement, and the City shall be under no obligation to commence and complete
15 any of the improvements until it has adequate funds therefor.) The parties
16 contemplate that the cost of the improvements will be approximately the
17 amounts shown on Exhibit A, but it is understood that said amounts are
18 estimates only and that the actual costs of any of the improvements will be
19 determined at the time said improvement is undertaken by the City. Upon
20 completion of any of the improvements, the City shall submit a statement to
21 the Agency indicating the actual costs therefor.

22 2. Payment by the Agency.

23 In consideration of the undertakings of the City under Section 1
24 of this Agreement, and after first making adequate provision for the annual
25 payment of principal and interest due on any bonds or other indebtedness of
26 the Agency which may be incurred by the Agency in carrying out the Project and
27 for which the annual tax allocations to the Agency from the Project (the "Tax
28 Allocations") are pledged or committed, the Agency shall pay to the City such

1 Tax Allocations in order to provide the City with sufficient moneys to
2 undertake the Improvements plus accrued interest on unreimbursed amounts due
3 the City pursuant to this agreement at the rate of ten percent per annum. The
4 Agency shall pay the Tax Allocations to the City in semi-annual installments,
5 as said funds are available to the Agency, or in such other amounts and times
6 as the parties may agree. The City shall deposit the Tax Allocations into a
7 special fund of the City which shall earn interest. The Agency shall have no
8 liability hereunder except as set forth in this Section 2 after first making
9 adequate provision for annual payments of principal and interest payments on
10 bonds and other indebtedness of the Agency secured by said tax allocations.

11 3. Indebtedness of Agency.

12 This Agreement constitutes an indebtedness of the Agency incurred
13 in carrying out the Project, and a pledging of Tax Allocations from the
14 Project to repay such indebtedness, under the provisions of Section 16 of
15 Article XVI of the California Constitution and sections 33670-33674 of the
16 Health and Safety Code; provided, however, that such pledge of Tax Allocations
17 shall always be subordinate and subject to the right of the Agency to pledge
18 or commit Tax Allocations from the Project to repay bonds or other
19 indebtedness incurred by the Agency in carrying out the Project.

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1 4. Termination of Agreement.

2 This Agreement and the obligations of the City and the Agency
3 hereunder shall terminate upon the completion of the Improvements by the City.
4 At such time, any moneys paid by the Agency to the City hereunder and not
5 needed by the City to pay for the Improvements, as well as any interest earned
6 on said sums shall be returned to the City by the Agency.

7 IN WITNESS WHEREOF, the Agency and the City have executed this
8 Agreement as of the date first above written.

9
10 GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT

11 ATTEST:

12 By *David M. Masia*
13 Secretary

By *William K. ...*
Chairman

14 Approved by Agency: 5/7/84

CITY OF GARDEN GROVE

15 ATTEST:

16 By *David M. Masia*
17 City Clerk

By *Jonathan W. ...*
Mayor

18 Approved by Council: 5/21/84

19 APPROVED AS TO FORM

20 By *Eric Lauterer*
21 ERIC LAUTERER, City Attorney

22 Date: 5-21-84

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3/27/84

EXHIBIT A
PROJECT IMPROVEMENTS

<u>PROJECT</u>	<u>LOCATION</u>	<u>PACKAGE</u>	<u>ESTIMATED COSTS</u>
1 G.G. Blvd. Imp.	Euclid to Brookhurst	730/731	\$1,861,911
5 G.G. Blvd. Street/ Storm Drain Imp.	Fern to Casa Linda	739/801	468,600
7 G.G. Blvd. Storm Drain	Hoover to Dale	801	50,000
8 Magnolia St. Imp.	G.G. Blvd. to Lameson	755	15,000
			Total \$2,405,511

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3/27/84

ROPS Item 5

Richard and Yong Kil Purchase Agreement & Note

- Terms: The Owners have agreed to finance the principal balance of the acquisition in the amount of two million five hundred thousand dollars (\$2,500,000) over a period of twenty one (21) months at six and one half percent (6.5%) simple interest, for a total of two million seven hundred eighty four thousand three hundred eighty two dollars (\$2,784,382), as outlined in the Promissory Note which is secured by a Deed of Trust.

The Agency has a 10-day period to identify objectionable contingencies pertaining to title or the condition of the subject property. The Agency, at its discretion, may inform the Owners of items that are not approved and request that the Owner remove them at their expense. The residential and commercial tenants are eligible for relocation assistance pursuant to California Relocation Law when the Agency issues notices to vacate.

FINANCIAL IMPACT

Agency funds will be used for the purchase of the subject property.

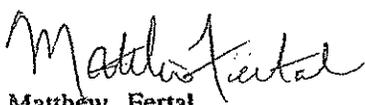
RECOMMENDATION

Based on the foregoing, staff recommends that the Agency:

- Approve the acquisition of the subject property;
- Authorize the Agency Director to execute the Agreement and any other necessary documents to complete the transaction, on behalf of the Agency;
- Authorize the Secretary to accept the Grant Deed on behalf of the Agency;
- Authorize the Finance Officer to draw a warrant in the amount of two million five hundred thousand dollars (\$2,500,000) and funds necessary for closing costs; and
- Authorize the Finance Officer to draw warrants in the appropriate amounts as set forth in the Promissory Note;


By: Carlos Marquez
Real Property Agent

Recommended for Approval


Matthew Fertal
Director


Attachments - Site Map

Purchase and Sale Agreement and Joint Escrow Instructions

SITE MAP

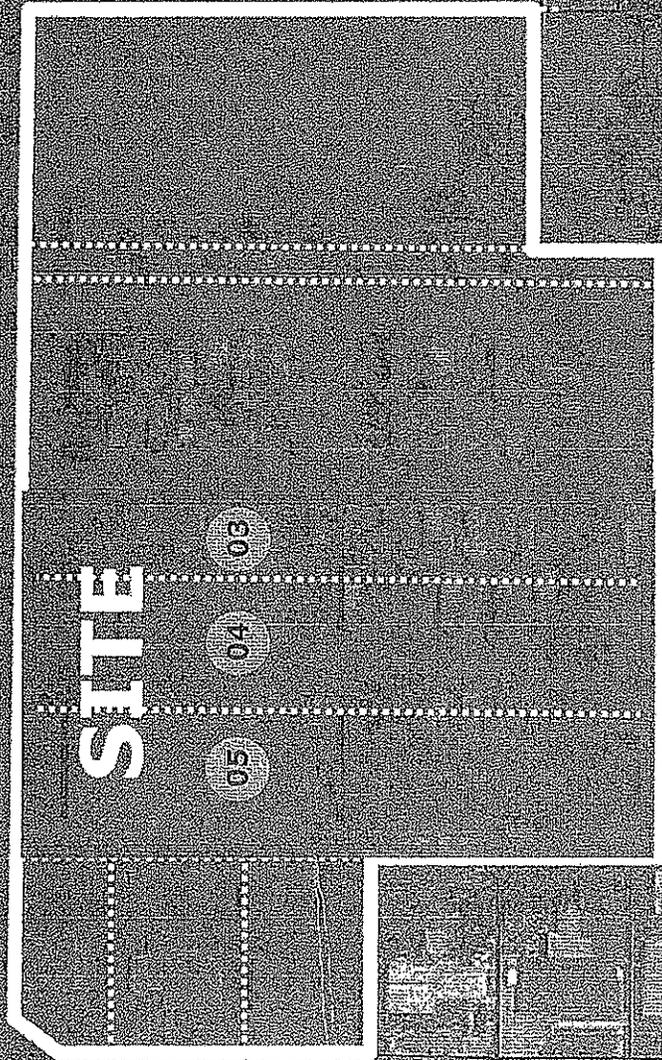
"12272 & 12292 HARBOR BLVD"

Attachment 2



August 18, 2010

Harbor Blvd.



Twintree Lane

Choussier Road

Redevelopment Project Area

Site area to acquire

Site "C" area

Parcels (231-521-03, 04, and 05)



ROPS Item 6

2002 Certificates of Participation/Bonds

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

Garden Grove Public Financing Authority

To: George L. Tindall
Dept: Director
Subject: **CERTIFICATES OF PARTICIPATION**

From: Matthew Fertal
Dept: Community Development
Date: February 26, 2002

OBJECTIVE

The purpose of this report is to request that the Garden Grove Public Financing Authority approve several financial documents required in order to effectuate the procedures necessary for the issuance of a Certificates of Participation. The Certificates of Participation are a financing vehicle used by municipalities to raise capital for public improvements similar to a municipal bond issue.

BACKGROUND

The City of Garden Grove is seeking additional capital to finance the acquisition and construction of parking facilities and certain other capital facilities and equipment to assist redevelopment activities of the Garden Grove Agency for Community Development. The Agency's activities are primarily targeted for future development along Harbor Boulevard.

The Garden Grove Public Financing Authority and the City have determined that it would be beneficial to the Authority, the City and residents of the City to authorize the preparation, sale and delivery of the Certificates of Participation, Series A of 2002 Financing Project, in an aggregate principal amount not-to-exceed \$23,000,000. The Certificates of Participation will allow financing in a form of lease revenue bond that pledges a stream of lease payments for repayment, which, in this case would be annual lease payments from the City to the Garden Grove Public Financing Authority.

The City will lease unencumbered city assets to the Garden Grove Public Financing Authority for \$23 million. The City will then lease back these assets from the Authority. The City will make annual lease payments of \$1.5 million to the Garden Grove Public Financing Authority. The City assets will include Willowick Golf Course and Garden Grove Park, and the Village Green.

DISCUSSION

Since the proceeds from the transfer of assets is intended to be used by the Redevelopment Agency for improvements along Harbor Boulevard, the Agency will provide the necessary funds to the City, to enable the City to make the annual lease payments of \$1.5 Million. The two hotels and proposed additional parking for the new hotels and existing hotels should provide the required revenue to the Agency for the lease payments. The City will be obligated to repay an annual lease payment for a period of thirty years. The first three years of repayment will be provided by capitalized interest. The first annual payment will not be due until March 2005. It is anticipated that the two new hotels and parking agreements with existing hotels will be in place by March of 2005 to provide the Agency the necessary funds to make the lease payments.

Should either of these events not occur, the increase in Agency Tax Increment and decrease in Agency Obligations should result in sufficient Agency Funds to make the lease payment to the City in March of 2005.

The Agency cost to incur financing for the Certificates of Participation is as follows:

Project Funds	20,000,000
Costs	1,896,763
Capitalized Interest	120,000
Cost of Issuance	191,505
Underwriters Discount	276,305
Surety	45,052
<u>Additional Proceeds</u>	<u>373</u>
Total	\$22,530,000

RECOMMENDATION

It is recommended that the Garden Grove Public Financing Authority:

- adopt a Resolution approving the issuance and sale of Certificates of Participation in the principal amount not-to-exceed \$23,000,000; and,
- authorize Finance Authority Director and Finance Officer to sign documents to complete transaction

In adopting this Resolution Garden Grove Public Financing Authority will approve the following:

- Lease/Purchase Agreement site lease by and between the City of Garden Grove and the Garden Grove Public Financing Authority. The Authority intends to lease back the Property to the City pursuant to a Lease/Purchase Agreement.
- Trust Agreement, made by and among U.S. Bank Trust National Association, a national banking association organized under the laws of the United States, as trustee (the "trustee"), and the Garden Grove Public Financing Authority.
- Certificate Purchase Agreement – for the purchase of the Certificates of Participation by Jones Hall.
- Preliminary Official Statement – A Preliminary Statement offering circular used by the issuer and underwriters to inform the marketplace of the terms of the bonds being issued prior to receipt of bids at the competitive sale.
- Continuing Disclosure Agreement, made by the City for the benefit of the holders and beneficial owners of the Certificates and in order to assist the participating underwriters in complying with SEC Rule 15SC2-12(b)(5).
- Agreement for Disclosure Counsel Services, made between the City of Garden Grove and Jones Hall Attorneys.

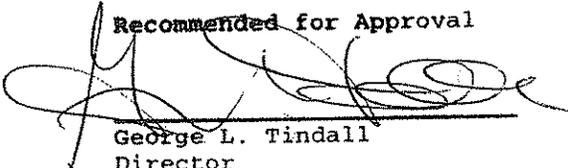
MATTHEW FERTAL
Assistant City Manager



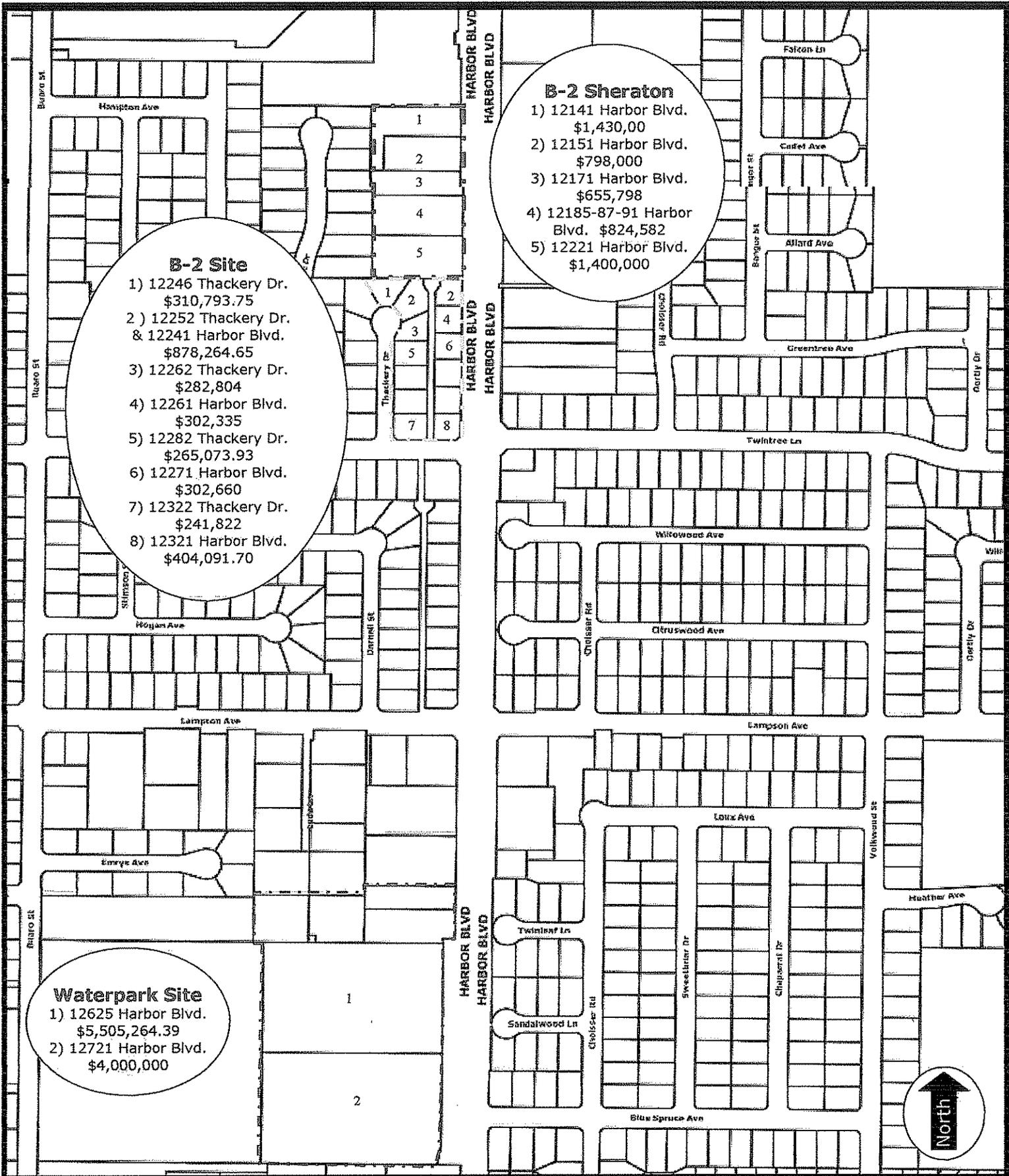
- Attachments:
1. Resolution approving various Agreements
 2. Lease/Purchase Agreement
 3. Trust Agreement
 4. Assignment Agreement
 5. Certificate Purchase Agreement
 6. Preliminary Official Statement
 7. Continuing Disclosure Agreement
 8. Site Lease

h:j:ed:greg:certificates financing auth1

Recommended for Approval



George L. Tindall
Director



2002 COPS Loan Acquisitions (2 of 2)
B-2 Sheraton, B-2 Site, and Waterpark

ROPS Item 10

OfficeMax Commercial Rehabilitation Agreement

CITY OF GARDEN GROVE

INTER-DEPARTMENT MEMORANDUM

Agency for Community Development

To:	George L. Tindall	From:	Matthew Fertal
Dept:	Director	Dept:	Community Development
Subject:	PARTICIPATION AGREEMENT WITH BOISE CASCADE	Date:	February 7, 1995

OBJECTIVE

The purpose of this report is to request the Agency approve a Participation Agreement with Boise Cascade for the rehabilitation of an industrial site located at 12131 Western Avenue.

BACKGROUND

The Agency has been contacted by Mr. Jeff Georger of Boise Cascade ("Boise") regarding the possibility of establishing Boise's distribution warehouse and sales operation in Garden Grove. Their basic business activity will include the distribution and sale of office products to large businesses primarily within southern California. It should be noted this is not a retail sales facility with customers coming to the site but essentially a warehouse distribution center which includes a direct sales component.

Boise was initially attracted to Garden Grove by the opportunity to better serve its customer base but has since also commented on our pro-business attitude and willingness of the Agency to work with them on their project. Boise has requested the Agency participate in the capital improvement and relocation costs requisite to their utilizing the facility located at 12131 Western Avenue (the former Baxter building). The Baxter building has been vacant since 1990, the size of the building has made leasing the facility difficult. Since November of 1994, Agency staff and Boise have been negotiating toward a Participation Agreement (the "PA") for the reuse of the property. Negotiations have been completed and the agreement is submitted for Agency consideration.

Section 33444.6 of the California Health and Safety Code states that within a project area, and as part of an agreement that provides for the development or rehabilitation of property that will be used for industrial or manufacturing purposes, an agency may assist with the financing of facilities or capital equipment. The proposed PA is consistent with this provision of the Code.

ANALYSIS

A. Project Description

The proposed PA provides for the tenanting and reuse of an existing warehousing, distribution facility located at 12131 Western Avenue which is approximately 188,000 square feet in area. Boise will lease the building and operate a warehouse distribution center as well as a business to business sales component of office products. It should be noted that they will not be a retail sales operation and that customers will not come to the site. Their sales component will conduct sales through telephone and electronic media. Additionally, Boise anticipates it will employ 60 warehouse and 120 office staff at this facility who can be accommodated based on the current site configuration and building layout.

This is essentially a similar use of the facility as by the previous tenant, Baxter Pharmaceutical. Boise will be responsible for obtaining all requisite government permits, and the purchase and installation of all capital equipment needed to operate the business at this location. Additionally, Boise will be required to continuously operate from the facility during the term of the Agency's financial assistance in the project.

Rehabilitation of the Boise facility will include the planning, designing, rehabilitating, constructing, and developing of the building, including the purchasing, retrofitting and installment of the required capital equipment. It is anticipated that the cost of the improvements will exceed nine million five hundred thousand dollars (\$9,500,000), making the move cost prohibitive without assistance from the Agency. Boise has agreed to front the capital improvement costs for this project in anticipation of securing Agency assistance as provided below.

B. Agency Financial Assistance

The Agreement is structured as a rehabilitation grant in which the Agency agrees to assist in the repayment of expenses and rehabilitation costs for a period of twelve years. The grant would be equal to, but at no time would exceed, one-half (1/2) of the value of the Sales and Use Taxes actually received by the City which are directly attributable to and received by Boise. The grant is to be distributed on a quarterly basis following the first year of operation.

Boise's lease is structured as a ten (10) year lease, with five (5), two (2) year options. The Agreement provides for the Agency to grant the cost of the expenses and costs provided Boise remains in operation and that they renew their lease for a minimum of the first renewable term. Should Boise terminate its lease or cease

operations, the Agency's rehabilitation grant would cease, the PA would terminate automatically, and no further assistance would be provided by the Agency.

C. Schedule of Performance

The Schedule of Performance is described in detail in Attachment No. 3 of the proposed PA, however, in summary; the schedule provides for execution of the Agreement between Boise and the Agency; that Boise obtain and pay for all required permits and fees; that Boise must obtain its Certificate of Completion and Certificate of Occupancy prior to opening for business; that commencement of operations must take place no later than January 1, 1996; and the Agency will disburse quarterly payments (not to exceed 48 payments), with the first payment made at the commencement of the first quarter following the anniversary of Boise's operations in the Garden Grove facility which would be January 1, 1997.

D. Project Costs/Benefits

The Agreement assumes that based on Boise's representation, they will produce annual sales of \$110,000,000. Based upon their current operations, approximately 88% of these sales are to customers within California. Of the California sales, approximately 88% are taxed as retail transactions. Based upon these representations, Boise estimates taxable sales projections for 1996 to be approximately \$85,000,000. Assuming no increase in sales, Boise would produce an estimated \$1.02 billion dollars in taxable sales over the twelve year period of this the Agreement. Although not a direct benefit to the Agency, this would provide a net new increase in general fund revenue to the City of \$10.2 million dollars over the term of the PA. These revenues could be used at the City's discretion to improve facilities or services which is a goal of the Agency.

Additionally, the City and Agency would derive an increased industrial employment base of 180 employees and the relocation of a nationwide manufacturing tenant. Property taxes paid will also directly benefit the Agency by increasing the amount of increment paid through the lease agreement between Boise and the property owner, Fujita.

In turn, the Agency would reimburse Boise for half of the costs of its rehabilitation and improvements to the facility, estimated to be approximately \$9,500,000. The Agency would repay Boise for its costs in an amount equal to one-half (1/2) of the sales tax (sales tax amount is to be used as a performance indicator) received by the City on a quarterly basis, estimated to be approximately \$93,750 per quarter or \$375,000 per year. Sales tax revenues received by the City would not be pledged to repay the Agency's obligation.

It should be noted that the cost to the Agency may vary based upon Boise's actual sales performance to the City. Therefore, costs presented are estimates based upon their anticipated performance level at the time of this Agreement. However, in no case shall the Agency's costs exceed the rehabilitation costs presented by Boise.

E. Environmental Review

The Agency for Community Development, acting as lead Agency has determined the reuse of the facility as a warehouse, distribution facility being consistent with the previous use of the property. Therefore, no new or additional environmental impacts will be generated from the project. Additionally, the project remains consistent with the Environmental Impact Report prepared for the Community Redevelopment Project and the PA does not add new environmental impacts and neither a supplemental nor a subsequent EIR is required.

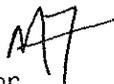
SUMMARY

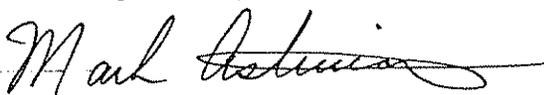
Negotiations have been completed with Boise Cascade Corporation and the PA for the retenancing and reuse of the existing building located at 12131 Western Avenue is submitted for Agency consideration.

Section 33444.6 of the State Health and Safety Code requires that the Agency conduct a public hearing prior to approving the PA for the proposed project. Attached for Agency consideration at the hearing is a copy of the proposed Agreement.

RECOMMENDATION

Following the public hearing, staff recommends that the Garden Grove Agency for Community Development adopt the attached resolution approving the terms of the Participation Agreement and environmental findings for the project.


MATTHEW FERTAL, Director
Community Development



By: Mark Asturias
Economic Development Manager

Attachments: Agency Resolution
Participation Agreement

RESOLUTION NO.

A RESOLUTION OF THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING THE PARTICIPATION AGREEMENT BY AND BETWEEN THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT AND BOISE CASCADE CORPORATION AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

WHEREAS, the Garden Grove Agency for Community Development (the "Agency") is engaged in activities necessary to carry out and implement the Amended Redevelopment Plan (the "Redevelopment Plan") for the Garden Grove Community Project (the "Project"); and

WHEREAS, the Agency is required pursuant to the Plan and the Community Redevelopment Law (California Health and Safety Code Section 33000, et seq.) to provide for the participation of owners of property within the Project; and

WHEREAS, the Agency is authorized pursuant to Section 33444.6 of the Community Redevelopment Law to assist with the financing of facilities or capital equipment within a project area as part of an agreement that provides for the development or rehabilitation of property that will be used for industrial or manufacturing purposes; and

WHEREAS, in order to carry out and implement the Redevelopment Plan, the Agency desires to enter into that certain Participation Agreement (the "Agreement") with Boise Cascade Corporation, a Delaware corporation (the "Participant") for the rehabilitation of the existing building located at 12131 Western Avenue in the City of Garden Grove (the "Site"); and

WHEREAS, the Participant would use the proceeds of the Agency Rehabilitation Grant for the installation and retrofitting of capital equipment necessary for the operation of an office products warehouse and distribution facility (the "Facility") on the Site, and would make such improvements, operate the Facility, and generate taxable sales upon the Site; and

WHEREAS, it has been represented that it would not have been financially feasible for the Participant to develop the Facility and install the capital equipment therein without the receipt of the Agency Rehabilitation Grant; and

WHEREAS, it has been represented that no financial assistance is available in the private market which would make the Participant's development of the Facility financially feasible; and

WHEREAS, the Participant has represented to the Agency that it has entered into a legally enforceable agreement for the long term lease of the Site; and

WHEREAS, on February 7, 1995, the Agency held a duly noticed public hearing on the proposed Agreement in accordance with the requirements of Health and Safety Code Section 33444.6, at which time the Agency reviewed and evaluated the proposed Agreement and all comments for and against the Agreement; and

WHEREAS, the Agency has determined the Agreement does not create any new or additional environmental impacts than were considered in the Environmental Impact Report for the Project; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the Agency has duly considered all terms and conditions of the proposed Agreement and believe that the Agreement is in the best interests of the City of Garden Grove and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, BE IT RESOLVED by the Garden Grove Agency for Community Development as follows:

Section 1. The Agency hereby finds and determines that the assistance to be provided by the Agency pursuant to the Agreement is necessary for the economic feasibility of the development of the Facility on the Site.

Section 2. The Agency hereby finds and determines that the assistance to be provided by the Agency pursuant to the Agreement cannot be obtained on economically feasible terms in the private market.

Section 3. The Agency hereby finds and determines that the environmental status of the project remains consistent with the Environmental Impact Report prepared for the Project and the Agreement does not add new environmental impacts and neither a supplemental nor a subsequent Environmental Impact Report is required.

Section 4. The Agency hereby approves the Agreement. The Agency Chairman is authorized and directed to execute the Agreement on behalf of the Agency. A copy of the Agreement when executed shall be placed on file in the office of the Agency Secretary. The Director of the Agency or his designee is authorized and directed to implement the Agreement and execute all documents necessary to carry out the Agreement.

Section 5. The Secretary shall certify to the adoption of this

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

Garden Grove Agency for Community Development

To: Matthew Fertal
Dept: Director
Subject: PROPOSED EXTENSION OF PARTICIPATION AGREEMENT WITH BOISE CASCADE OFFICE PRODUCTS CORPORATION

From: Glen Krieger
Dept: City Manager
Date: July 27, 2004

OBJECTIVE

The purpose of this memorandum is to transmit a request from Boise Cascade Office Products Corporation (Boise) to amend their current Participation Agreement (Agreement) with the Garden Grove Agency for Community Development (Agency) and enter into a new Participation Agreement in conjunction with their proposed relocation to a larger building located at 7300 Chapman Avenue, immediately west of their current location.

BACKGROUND

In 1995, the Agency entered into an Agreement with Boise Cascade Corporation. The Agreement is structured as a rehabilitation grant in which the Agency agreed to the repayment of upgrading and rehabilitation costs of their current building for a period of 12 years. The grant is paid in quarterly payments equal to one half of the amount of sales tax generated by the operation of Boise. Over the past seven (7) years, Boise has generated over \$9.5 million in sales taxes to the City of Garden Grove. In accordance with the terms of the Agreement, the Agency has rebated approximately \$4.5 million back to Boise.

DISCUSSION

Boise is a Fortune 500 Company and generates approximately \$200 million in sales at their Garden Grove facility. In 2005, Boise expects to reach \$250 million in total sales, and increase their sales three (3) percent to five (5) percent per year thereafter. Approximately 80 percent to 90 percent of Boise's sales are subject to sales tax.

Boise is presently leasing an 188,253 square foot building located at 12131 Western Avenue. Their lease expires in June 2005. In order to accommodate future growth needs, Boise is proposing to relocate their operations to an expanded facility equipped with state of the art racking, conveyors, sorting and delivery systems. Boise estimates their capital expenditures and costs to install their state of the art product delivery system and tenant improvements is approximately \$9.2 million dollars. They estimate that installation of these improvements will take approximately six (6) to nine (9) months.

Boise has expressed their interest in entering into a new Participation Agreement to help facilitate their proposed relocation to a larger 311,237 square foot building located at 7300

Chapman Avenue. This proposed lease space is currently occupied by GES Exhibition Services, who will be leaving at the end of their lease in July 2004. Boise has finalized negotiations with the property owner of 7300 Chapman for a long-term lease of the GES space. Included as part of this negotiation is a right of first refusal on an additional 198,000 square feet located at the rear of the building, which is likely to be vacated by Boeing in November 2004.

Boise is proposing a new Agreement for a period of ten (10) years. This term will match the term of the negotiated lease for the Chapman Avenue facility. The existing agreement with Boise will be terminated once their current facility has been vacated.

FINANCIAL IMPACT

The Agency is obligated under the new Agreement to make rehabilitation grant payments in quarterly installments equal to the rehabilitation and equipment costs incurred at their new facility. Grant payment obligations will be funded by sales tax revenues generated by their new facility.

Under the amendment to their current Agreement, Boise will agree to the deferral of two-years of grant payments beginning July 1, 2004, providing that the deferral is repaid during the following five (5) years with five (5) percent interest.

RECOMMENDATION

It is recommended that the Agency:

- Conduct a public hearing and adopt the attached Resolution approving the First Amendment to the Agreement with Boise Cascade Office Products Corporation and the new Participation Agreement with Boise Cascade Office Products Corporation and authorize the Director and Secretary to execute the Agreements.

GLEN KRIEGER *AK*
Economic Development Manager

Allison Mills
By: Allison Mills
Administrative Analyst

Attachments: First Amendment to Participation Agreement
New Participation Agreement
Resolution

mm(h:Staff/Mills A/Boise mem 7 27 04.doc)

Approved for Agenda Listing

Matthew Fertal
Matthew Fertal
Director

ROPS Item 13

Augustine Note

CITY OF GARDEN GROVE

INTER-DEPARTMENT MEMORANDUM

Agency for Community Development

To: George L. Tindall
Dept: Director
Subject: **HARBOR/CHAPMAN AREA B-2
ACQUISITION OF 12185-87-91
HARBOR BOULEVARD
PROJECT 8865, PARCEL 4**

From: Matthew Fertal
Dept: Community Development
Date: January 8, 2002

OBJECTIVE

It is requested that the Garden Grove Agency for Community Development consider the acquisition, on an all-inclusive basis, the real property located at 12185-87-91 Harbor Boulevard owned by Meir Levin and Mark Mintz.

BACKGROUND

On June 26, 2001, the Garden Grove Agency for Community Development (Agency) and the Garden Grove City Council (City) considered and approved a Disposition and Development Agreement (DDA) with Palm Court Lodging, LLC for the development of two limited service, all suites hotels along the west side of Harbor Boulevard, between Chapman avenue and Twintree Avenue. In accordance with the California Environmental Quality Act (CEQA) the potential environmental impact of the proposed development was previously evaluated in a Negative Declaration prepared for the 5.5-acre redevelopment project. This Negative Declaration was considered and adopted on June 26, 2001, by the City Council and Agency Board by Resolutions No's 8364-81 and 620, respectively.

On December 11, 2001, the Agency authorized staff to initiate the acquisition of the parcels that comprise the development project.

DISCUSSION

An all-inclusive Agreement has been reached with Meir Levin and Mark Mintz, the owners of the subject property, which contains 32,940 square feet of land and is improved with two one-story retail commercial buildings, collectively containing 10,463 square feet. The purchase price agreed to is \$1,650,000. This amount includes the fee interest in the land and improvements, improvements pertaining to the realty, which are at the fair market value determined by and independent appraisal, in addition to relocation assistance, loss of goodwill and rents and any claim whatsoever of the owners which might arise out of or related in any respect to the acquisition of the subject property by the Agency.

The property is encumbered with a Promissory Note secured by a Deed of Trust with a remaining balance in the amount of \$832,089.79. The Agreement further provides for the Agency to deduct the unpaid balance from the purchase price and assume the obligation of said Deed of Trust.

FINANCIAL IMPACT

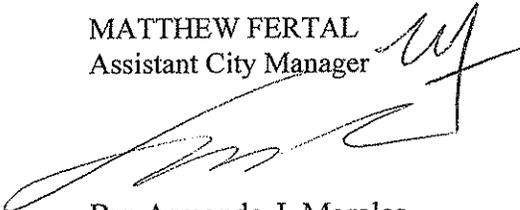
Funds for this acquisition of this property have been allocated by the Agency.

RECOMMENDATION

Based on the foregoing, staff recommends that the Agency:

- approve the acquisition of the subject property;
- authorize the Agency Director and Secretary to execute the pertinent documents on behalf of the Agency when appropriate to do so;
- authorize the Finance Officer to draw a warrant in the proper amount when appropriate to do so;
- authorize staff to provide relocation assistance and benefits too the two remaining business tenants; and
- authorize the Agency Director to execute agreements for asbestos testing, asbestos abatement, and demolition at the lowest responsible bids.

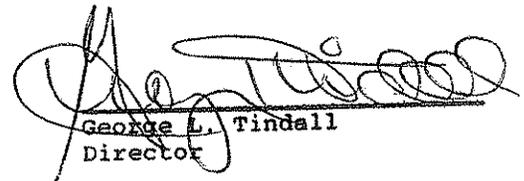
MATTHEW FERTAL
Assistant City Manager



By: Armando J. Morales
Real Property Manager

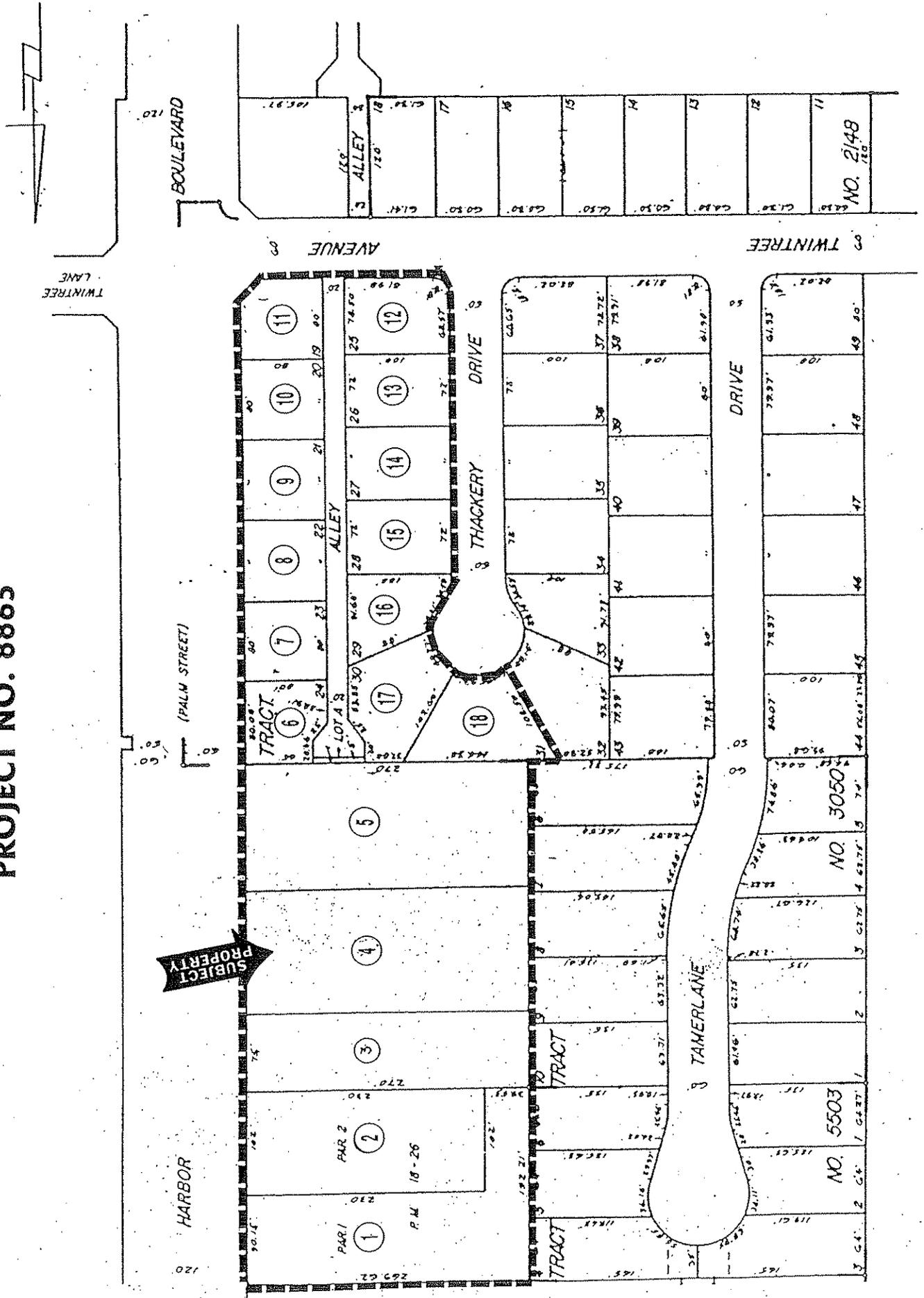
Attachments: Plot Map
Purchase Agreement
Grant Deed

Recommended for Approval



George L. Tindall
Director

HARBOR/CHAPMAN/TWINTREE AREA B-2 PROJECT NO. 8865



ROPS Item 14

Coastline Community College Lease

INTER-DEPARTMENT MEMORANDUM

AGENCY FOR COMMUNITY DEVELOPMENT

To: George L. Tindall
Dept.: Director
Subject: DISPOSITION AND DEVELOPMENT
AGREEMENT: COAST COMMUNITY
COLLEGE DISTRICT

From: Matthew Fertal
Dept.: Community Development
Date: March 8, 1994

OBJECTIVE

The purpose of this report is to request that the Agency for Community Development ("Agency") consider the approval of a Disposition and Development Agreement ("DDA") with the Coast Community College District ("District") for the disposition and redevelopment of approximately 4.0 acres of Agency-owned land located generally on the southwest corner of Euclid Street and Acacia Parkway.

BACKGROUND

On July 14, 1992, the City Council adopted an Amendment to the Garden Grove Community Project which discussed specific elements within the city which were believed to assist in the existence of blight within the community, specifically, a lack of businesses which attract a strong employment base and diminishing sales tax generation within a central core. The goal of the Redevelopment Plan has and is to deter and eliminate the presence of blight within the City.

The Agency has been present within the Community Center area for the past several years continuing to expand the Civic Center into a more diverse and thriving downtown. The elimination of growth in the in the office market directed the Agency in considering non-traditional developments to fill the Civic Center and to bring employment to the downtown.

In October 1992, the Agency began discussions with the District in an effort to bring employees and students into the Community Center. The discussion involved the development of an educational center which incorporated four-year universities, community colleges and technical schools and would assist in the development of a more traditional downtown; featuring high-rise buildings and an increase in potential daytime and evening shoppers. During 1993, the Agency negotiated with the District toward a DDA for the development of an educational center. The students would assist in increasing the amount of sales tax received throughout the Community Center area, which was another goal of the Agency's Redevelopment Plan.

ANALYSIS

Attached for the Agency's review is a Disposition and Development Agreement ("DDA") establishing the terms and conditions of the Agency's participation; the following is a brief synopsis of the Agreement.

A. Project Description

The proposed DDA provides for the conveyance to the District for a 4.0 acre pad site. The District shall retain control over their building pad site, however, the Agency will retain the rights over the remainder of the site to develop parking facilities if deemed necessary for the overall educational center project. The development shall include the construction by the District of a 45,000 square foot, minimum 3-story education center facility and sufficient surface parking to meet the District's needs. The District will initially occupy 25,000 square feet of the building with the Agency leasing the remaining 20,000 square feet for a period not to exceed 20 years.

The proposed building will be situated on the site in such a manner as to orient itself toward the Civic Center park on the northeast corner of Euclid Street and Acacia Parkway. At present, the main vehicular entries/exits for the site will be located off of Garden Grove Boulevard and Acacia Parkway, between Euclid and Main Street. The Agency will be responsible for completing the landscaping and paving of the remainder of the overall development area depicted on the attached map during this first phase of the development.

A site plan, architectural renderings, and landscaping improvements have not yet been designed by the District. However, the site is currently being analyzed by an architectural design firm and an urban design plan is being created to orient the site toward the Community Center and Main Street area. The building will meet the design guidelines of the Urban Design Master Plan.

B. Purchase Price

On July 27, 1993, the Agency approved a Tax Sharing Agreement ("Agreement") between the Agency and the Coastline Community College District. That Agreement provided for the sharing of tax increment from the added redevelopment area as a result of the Plan Amendment, adopted by the Agency on July 14, 1992. The amount of tax increment to be passed through to the District is estimated at \$9.2 million dollars during the life of the Plan. Staff has adjusted this amount to reflect its net present value at approximately \$1.75 million dollars. The District has agreed to waive the Tax Sharing Agreement and utilize the pass-through monies to acquire the site pursuant to the terms of the DDA.

C. Project Cost/Benefit

The District estimates that approximately 7,000 students per semester will attend the Garden Grove campus. In addition to the District students, it is estimated that the Agency will lease the remaining space to other educational Coastline colleges and universities, which will generate an additional 5,000 students per semester. Due to the fact that the District is a public agency, the project will not generate new tax increment from the site. However, the new student population is expected to generate approximately \$12 million in new sales within the Community Center area annually. Additional benefits include:

- o 60 to 75 construction jobs
- o The project provides an impetus for additional spin-off retail and restaurant development, both on and off the site.
- o As many as 1,800 new shoppers will be congregating throughout the Community Center area, patronizing restaurants, shops and other establishments.
- o Enhanced name and image recognition for the City.

The Agency has expended approximately \$1.4 million to assemble and clear the 4.0 acres that the District is acquiring via the funds they would derive from their Pass-Through Agreement, which has a present value of \$1.75 million. The Agency would receive a net profit of \$300,000(+) for the sale of the land.

The Agency's lease payment for the 20,000 square foot space will be equivalent to the interest and principal portions of the District's bond in addition to the operating expenses of the educational center. The Agency's annual lease payment is estimated to be \$259,200 per year. As a sub-lessor of the space, the Agency is anticipating lease payments beginning at \$1.00 Triple Net for the lease.

Utilizing a conservative lease analysis of 0% lease-up for the first 2 years, 75% lease up for years 3 through 20, and a 25% vacancy factor; staff utilized an annual lease increase of 4% or a compounded rate of 21.67% over five (5) years, the Agency could receive approximately \$4.6 million dollars in lease payments over the twenty year period. The Agency would realize a net loss of approximately (\$955,180) dollars in lease payments, however, with the \$2.0 million dollar principal payment due to the Agency at the end of year 20, the Agency would receive a net profit over 20 years of approximately \$1,044,820.

D. Leasing of Agency Space

As previously mentioned, the Agency will lease 20,000 square feet of building space with the ability to sublease to educational tenants. To date, the Agency has received a Letter of Commitment from Cal State University at Fullerton's, Dean of Extended Education, to lease 10,000 square feet of the facility. Staff will continue to contact other colleges and universities for the remainder of the space.

E. Schedule of Performance

The DDA requires that the close of escrow for the exchange occur not later than eighteen and one half (18.5) months following the approval of the DDA or September 1, 1995. Coastline is required to complete construction of the facility by November 1996; however, staff is anticipating completion prior to the above date. Completion is dependent upon the State Architect's review period, which the District and Agency will work cooperatively to expedite.

F. Environmental Review

The Agency has prepared an Initial Study for Environmental Determination for the DDA (see attached). The DDA was presented to the Planning Coordinating Committee (PCC), the City's environmental review committee for consideration. PCC recommends that a Negative Declaration be adopted, subject to the incorporation of mitigation measures recommended in the traffic and parking generation study which will be conducted Coast DDA for the project. The mitigation measures recommended in the traffic and parking generation study would have to be approved by the City's Engineering Section and PCC.

SUMMARY

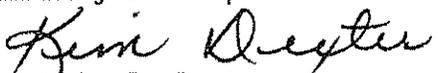
The Agency and the District have completed negotiations and are presenting a DDA for the development of a 45,000 square foot education center facility, located generally on the southwest corner of Euclid Street and Acacia Parkway.

The proposed structure will be architecturally attractive and will be consistent with the guidelines set by the Urban Design Plan created for the Community Center area. The site plan will provide parking for students, as well as, incorporate parking for Main Street patrons.

RECOMMENDATION

Staff recommends that the City Council and the Agency approve the DDA with the Coastline Community College District, and authorize the Chairman and Secretary to execute the necessary documents and authorize the Director and Secretary to take all necessary steps and sign all documents necessary to carry out the DDA. Staff further recommends that the City Council and Agency adopt the attached resolutions relative to the proposed sale of the property and the appropriate environmental findings.

MATTHEW FERTAL, Director
Community Development



By: Kimberly Dexter
Project Manager

Approved for Agenda Listing


George E. Tindall
Director

Coast DDA
March 8, 1994
Page Five

Attachments: Proposed Disposition and Development Agreement
Summary Report
Salient Provisions of DDA
Negative Declaration/Initial Study
City Council Resolution Relative to Environmental Findings
Agency Resolution Relative to Environmental Findings
City Council Resolution Approving DDA and Sale of Land
Agency Resolution Approving DDA and Sale of Land

ROPS Item 15

Garden Grove Center Building Lease

DISCUSSION

In October, staff commenced discussions with the owner of the building located at the northwest corner of Garden Grove Boulevard and Civic Center Drive, formerly the Pacific Bell building. Negotiations consisted of the Agency leasing the 31,000 square foot, two-story building, with the Agency subsequently sub-leasing the building to Rancho Santiago Community College for adult education classrooms. Rancho Santiago would sub-lease approximately 24,500 square feet of the facility, with the remaining 6,500 square feet to still be sub-leased by another user.

The attached lease represents the following dealpoints:

1. The Garden Grove Agency for Community Development will lease the 31,000 square foot building, at a rate of \$1.08 per square foot, for a period of ten (10) years, with two five (5) year options. The lease will be a modified gross lease, with the Agency being responsible for the payment of the electricity and janitorial services for the interior portion of the building only.
2. Annual lease increases will be tied to the National Consumer Price Index, and payment of the increases will occur every two years, e.g. 1998, 2000, 2002, 2004, etc.
3. Annual lease payments would be made at the beginning of every year commencing March 1, 1996.
4. The lessor will be responsible for all operating expenses and building maintenance costs pertaining to the building. January 1, 1997 to December 31, 1997 will set the base year regarding operations and maintenance costs, from that time forward any increases in operations and maintenance costs will be capped at 5% annually, with the Agency having review of operation increases.
5. The terms as requested by the Agency in a letter dated November 20, 1995 (Attachment "A") relate to interior tenant improvements.

RECOMMENDATION

Staff recommends that the Agency approve the attached lease between the Agency and the owner of the building, Frank Purcell, and that the Agency Director and Secretary be authorized to take all actions, and sign all documents necessary and/or incidental thereto to activate the lease.

Matthew Fertal

MATTHEW FERTAL, Director
Community Development

Recommended for Approval

George L. Tindall

George L. Tindall
Director

Attachment A: Lease for Property at 11277 Garden Grove Boulevard

ROPS Item 21

Union Bank Loan

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: UNION BANK LOAN AGREEMENT

Date: May 13, 2008

OBJECTIVE

The purpose of this report is to request approval of a bank loan agreement between the Garden Grove Agency for Community Development (Agency) and Union Bank of California, N.A. (Union Bank).

BACKGROUND

At the direction of the Agency, a loan agreement with Union Bank has been negotiated. The loan proceeds will be used to complete the purchase of real property for the Brookhurst Triangle and other Harbor Boulevard properties.

On March 27, 2007 the Agency approved a Purchase and Sale Agreement for an approximately three-acre parcel of improved real property, which is currently being used for the operation of the Garden Grove Hyundai automobile dealership, located at 10071 and 10081 Garden Grove Boulevard owned by Debbie K. Lee And Dai R. Lee (Sellers). The total purchase price for the Property is Thirteen Million Dollars (\$13,000,000). An initial deposit of Two Million Dollars (\$2,000,000) has been paid as well as One Million Dollars (\$1,000,000) for relocation and goodwill interest. The balance due to Seller is the sum of Eleven Million Dollars (\$11,000,000).

On August 28, 2007 the Agency approved a Purchase and Sale Agreement between the Agency and Jo Ann Traasdahl, approximately 3.22 acres of improved real property, which is currently being used for the operation of certain retail businesses, located on the northwest corner of Garden Grove Boulevard and Brookhurst Street in the City of Garden Grove. On August 28, 2008 the Agency will increase the deposit to the sum of One Million Dollars (\$1,000,000). The total purchase price for the property is Eleven Million Nine Hundred Thirty-Five Thousand Seven Hundred Twenty-Five Dollars (\$11,935,725). The initial deposit of Two

UNION BANK LOAN AGREEMENT

May 13, 2008

Page 2

Million Dollars (\$2,000,000) was paid at the opening of escrow. In February 2009 the remaining balance of Eight Million Nine Hundred Thirty-Five Thousand Seven hundred Twenty-Five Dollars (\$8,935,725) is due.

- Various parcels along the east side of Harbor Boulevard, north of the International West plan are currently under negotiations.

On March 25, 2008, the Agency entered into a Negotiating Agreement (NA) with JPI California Development Services, L.P. (JPI) for the development of the 13.9 acres of real property in the City of Garden Grove, known as the "Brookhurst Triangle," which is bounded on the south by Garden Grove Boulevard, on the west by Brookhurst Way, and on the northeast by Brookhurst Street (the "Site"). JPI is proposing a medium density mixed-use project with 650 to 750 high-end residential rental and ownership units in both podium and wrap style development, as well as 20,000 to 50,000 square feet of commercial space on the 13.9-acre site. Upon approval of a Disposition and Development Agreement (DDA), the proceeds of the sale to JPI will be used to pay off the loan.

DISCUSSION

The General terms and conditions of the Union Bank Loan are as follows:

- Loan Term: 12-year Loan, structured as follows: three years (36 months) capitalized interest (the Initial Loan period), followed by one (1) year of interest only and eight (8) years of principal and interest amortization to fully amortize the loan at maturity (the Extended Loan period.)
- Loan Amount: not to exceed \$32 Million
- Interest: Initial Loan Period (3 years) - 4.22%

Extended Loan Period (9 years) - Libor + 75 Basis Points

NOTE: Loan may not be pre-paid during the Initial Loan Period.

The Loan may be prepaid on any payment date without penalty during the Extended Loan period.

- Origination Fee: None.
- Legal Fees And Other Out Of Pocket Expenses: The fees are estimated as follows: Bank Legal Counsel - \$15,000.00

FINANCIAL IMPACT

- The interest on the loan would be capitalized for three years (the initial loan period) and thus, the Agency will not be required to budget or make any debt service payments during this period. The Agency plans to payoff the loan balance during this period with the proceeds of the land sale to JPI (Developer) upon approval of the related Disposition and Development Agreement (DDA). However, if necessary, the loan would be amortized over 9 years beginning in FY2011-12 Alternatively, the Agency would issue cheaper tax increment bonds and use the proceeds to payoff the bank loan.
- Agency Financial Advisor fees are \$20,000.
- Agency Special Counsel fees not to exceed \$5,000.
- Union Bank legal fees not to exceed \$15,000.
- Upon Project completion, the Brookhurst Triangle project could generate residual land value of up to \$35 Million Dollars and estimated annual tax increment of \$2.5 Million Dollars.

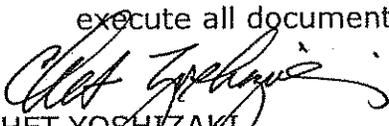
COMMUNITY VISION IMPLEMENTATION

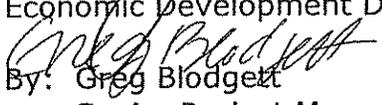
- Improve the aesthetics of the community and eliminate blighting influences.
- Improve the City's economic base through the development of tax-generating uses where appropriate.

RECOMMENDATION

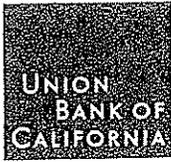
It is recommended that the Garden Grove Agency for Community Development take the following action:

- Approve the attached Union Bank Commitment Letter, and
- Authorize the Agency Director or his designee and Agency Secretary to execute all documents related to the loan.


CHET YOSHIZAKI
Economic Development Director


By: Greg Blodgett
Senior Project Manager

Attachment: Union Bank Commitment Letter



May 9, 2008

Mr. Chet Yoshizaki
City of Garden Grove
Economic Development Department
11222 Acadia Parkway
Garden Grove, CA 92842

Re: Garden Grove Agency for Community Development Loan

Dear Mr. Yoshizaki,

Union Bank of California, N.A. (the "Bank") is pleased to submit our commitment to supply a loan based on the following, as summarized below.

<u>FACILITY TYPE:</u>	12-year loan, structured as follows: three years (36 months) capitalized interest (the Initial Loan period), followed by one year of interest only and eight years of principal and interest amortization to fully amortize the loan at maturity (the Extended Loan period.)
<u>FACILITY AMOUNT:</u>	not to exceed \$32 million
<u>FACILITY TERM:</u>	12 years
<u>INTEREST:</u>	Initial Loan Period (3 years) – 4.22% ¹ Extended Loan Period (9 years) - Libor + 75 bppa
	Note that the loan may not be pre-paid during the Initial Loan Period.
	The Loan may be prepaid on any payment date without penalty during the Extended Loan period.
<u>ORIGINATION FEE:</u>	None.
<u>CANCELLATION FEE:</u>	\$50,000; payable only if (i) the Bank offers a final commitment to provide the Facility, (ii) such commitment is accepted by the Agency, and (iii) the Facility is then canceled by the Agency or the Facility is not provided within 90 days of the commitment, unless extended at the sole discretion of the Bank.

¹ Synthetic fixed rate, based on Bank's swap rate for three-year period, no amortization, + 75bps. Rate is an indication only. Final rate will be set when swap is executed at the direction of the Agency.

BANK OFFICER:

Karen M. Coleman, VP
Phone: (213) 236-6435
Fax: (213) 236-6917
e-mail: karen.coleman@uboc.com

Union Bank of California
445 South Figueroa Street, G08-268
Los Angeles, CA 90071

LEGAL COUNSEL:

Robert B. Anderson, Esq.
Phone: (415) 984-8224
Fax: (866) 947-1714
e-mail: randerson@nixonpeabody.com

Nixon Peabody LLP
One Embarcadero Center, 18th Floor
San Francisco, CA 94111-3600

LEGAL FEES AND OTHER
OUT OF POCKET EXPENSES:

The fees are estimated as follows:

Bank Counsel - \$15,000.00

(Legal fees are for the account of the Agency, accrue upon written acceptance of our commitment letter and are payable upon the issuance or cancellation of the issuance of the Facility.)

DEFAULT RATE:

Bank's Reference Rate + 3% floating, calculated on a 360-day basis, actual days elapsed.

COVENANT AND
CONDITIONS PRECEDENT:

Standard covenants and conditions precedent for these types of issues. In addition, Agency must covenant that any additional debt issued by the Agency must be used in part to take out this Facility.

DOCUMENTATION:

This letter is not meant to contain and define all terms and conditions of the Facility. Rather it is intended to outline certain basic terms and conditions around which the Loan Document and related transaction documents will be structured. This commitment is subject to the review and acceptability of the relevant documentation by the Bank and its legal counsel.

ACCEPTANCE:

The Agency accepts this Commitment by signing and returning this Commitment Letter to Union Bank of California, N.A. by the close of business on May 14, 2008.

COMMITMENT
TERMINATION:

This Commitment to issue the Facility terminates on June 11, 2008.

This letter supersedes all prior letters, discussions and negotiations about the Facility that have transpired. Once the Loan Document and the related transaction documents are executed, this letter shall be automatically superseded and canceled.

Any controversy or claim arising out of or relating to this letter, including any alleged torts, shall be determined by arbitration in accordance with Title 9 of the U.S. Code and the Commercial Arbitration Rules of the American Arbitration Association. Judgment upon the award rendered may be entered in any court having jurisdiction.

This Commitment by the Bank may not be transferred or assigned to, or relied upon by, any other individual or entity.

We look forward to receiving your signed acceptance, to the successful completion of this financing, and to the accomplishment of your financing goals.

Very truly yours,

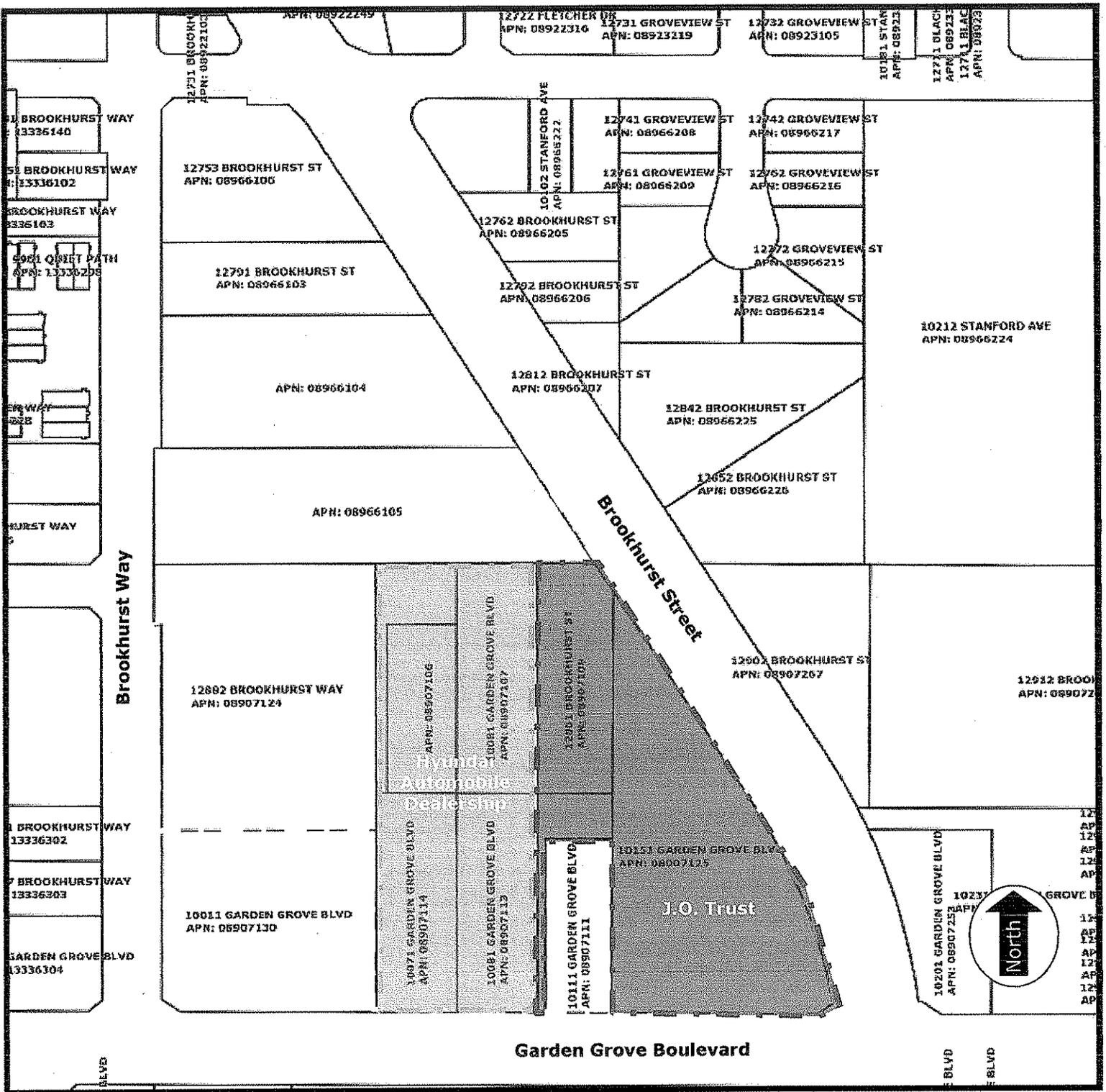


Karen Coleman
Vice President

AGREED AND ACCEPTED ON _____, 2008
Garden Grove Agency for Community Development

By: _____

Title: _____



Union Bank Loan Acquisitions (1 of 2)

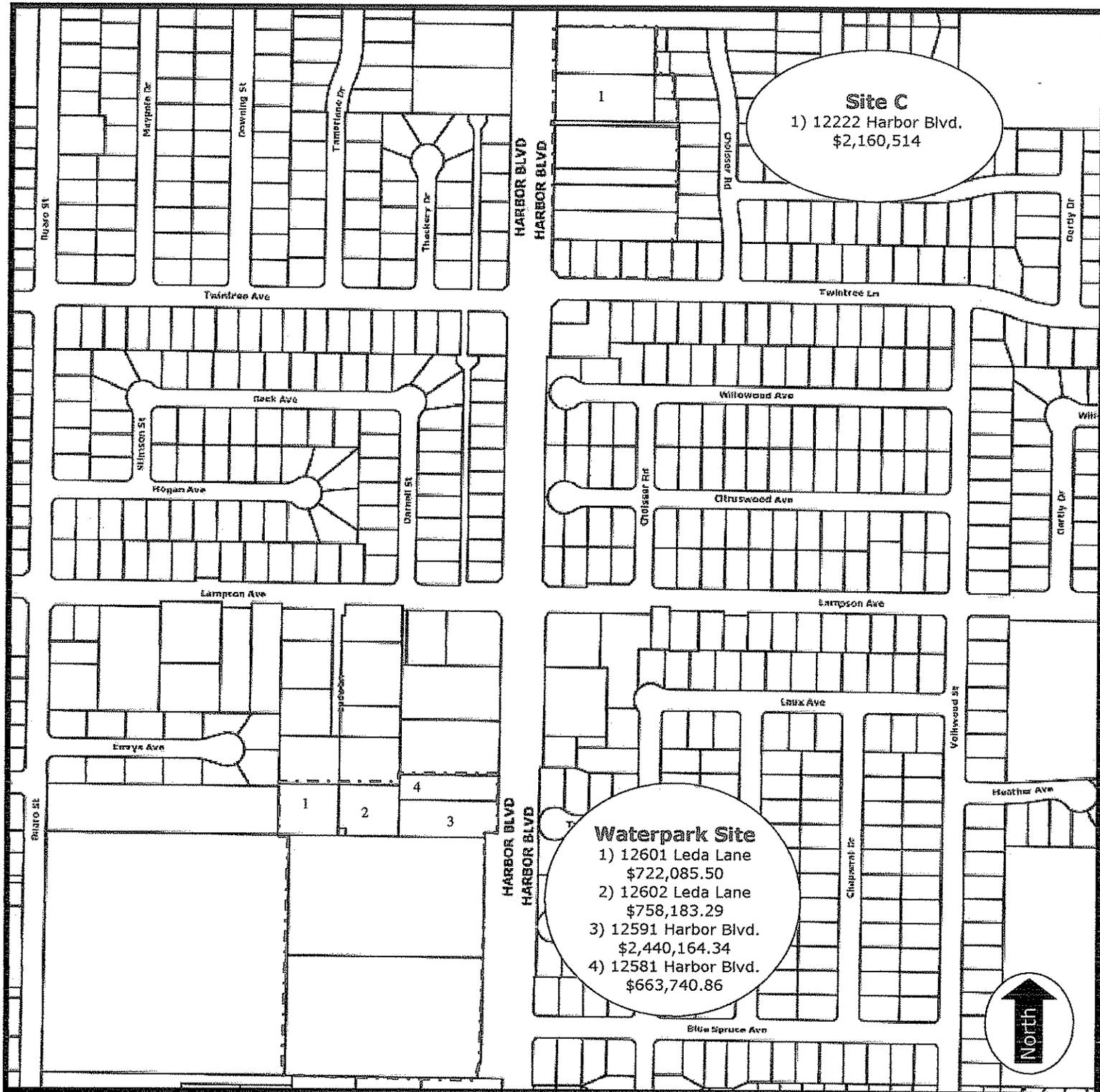
Brookhurst Triangle

Hyundai Automobile Dealership

Price: \$11,067,010.25

J.O. Trust

Price: \$11,966,202.17



Union Bank Loan Acquisitions (2 of 2)

Site C and Waterpark