

CITY OF GARDEN GROVE

INTER-DEPARTMENT MEMORANDUM

***Oversight Board of the Successor Agency to
the Garden Grove Agency for Community Development***

To: Matthew J. Fertal From: William E. Murray
Dept: Director Dept: Public Works
Subject: COOPERATION, PURCHASE AND Date: December 12, 2012
AGREEMENT SALE FOR REAL
PROPERTY LOCATED AT 12291
AND 12311 HARBOR
BOULEVARD AND 12292 AND
12312 THACKERY DRIVE,
GARDEN GROVE

OBJECTIVE

To consider the adoption of a Resolution approving a Cooperation, Purchase, and Sale Agreement ("Cooperation Agreement") between the City of Garden Grove ("City") and The City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency") for the Successor Agency's acquisition of real property located at 12291 and 12311 Harbor Boulevard, and 12292 and 12312 Thackery Drive.

BACKGROUND/DISCUSSION

On June 30, 2006, the Former Agency entered into a Disposition and Development Agreement (DDA) with Kam Sang Corporation for development of a hotel project that required the purchase of these properties. On April 24, 2012, the Successor Agency approved the purchase of the subject properties, which are part of a proposed project covered under the DDA. The Former Agency had attempted to purchase these properties over a lengthy period of time during which time the seller was not cooperative for a proposed sale. Subsequently, the property owner became willing to sell the property; however the Department of Finance had determined that the DDA was not an enforceable obligation. Due to delays associated with the DOF decision, the seller indicated that they would look elsewhere for a buyer. As a result, the City proceeded with the purchase in order to ensure that the terms of the DDA could be met.

The Successor Agency successfully appealed the DOF's decision, and the DDA has now been determined to be an enforceable obligation. As a result, the City is now proceeding with the transfer of the property to the Successor Agency.

COOPERATION, PURCHASE AND SALE AGREEMENT FOR REAL PROPERTY LOCATED
AT 12291 and 12311 HARBOR BOULEVARD AND 12292 and 12312 THACKERY
DRIVE

December 12, 2012

Page 2

FINANCIAL IMPACT

The purchase price for the Property shall be an amount equal to the purchase price paid by the City in the amount of \$2.55 million dollars plus closing costs.

RECOMMENDATION

It is recommended that the Oversight Board:

- Adopt the attached Resolution approving the Cooperation, Purchase, and Sale Agreement conveying the subject properties to the Garden Grove Agency for Community Development As Successor Agency for The Garden Grove Agency for Community Development; and

Maria Styer for

WILLIAM E. MURRAY
Public Works Director

By: Greg Brown
Senior Project Manager

Attachment 1: Site Map

Attachment 2: Oversight Board Resolution

Attachment 3: Cooperation, Purchase, and Sale Agreement

Recommended for Approval

Maria Styer for

Matthew Fertal
Director

ATTACHMENTS WILL BE PROVIDED UPON AVAILABILITY