



AGENDA

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

Tuesday,
March 14, 2017

6:30 PM

Community Meeting Center, 11300
Stanford Avenue, Garden Grove, CA
92840

Steven R Jones

Chair

Kris Beard

Vice Chair, District 1

John R. O'Neill

Member, District 2

Thu-Ha Nguyen

Member, District 3

Phat Bui

Member, District 4

Stephanie

Klopfenstein

Member, District 5

Kim Nguyen

Member, District 6

Meeting Assistance: Any person requiring auxiliary aids and services, due to a disability, to address the Successor Agency, should contact the City Clerk's Office 72 hours prior to the meeting to arrange for accommodations. Phone: 714) 741-5040.

Agenda Item Descriptions: Are intended to give a brief, general description of the item. The Successor Agency may take legislative action deemed appropriate with respect to the item and is not limited to the recommended action indicated in staff reports or the agenda.

Documents/Writings: Any revised or additional documents/writings related to an item on the agenda distributed to all or a majority of the Successor Agency Members within 72 hours of a meeting, are made available for public inspection at the same time (1) in the City Clerk's Office at 11222 Acacia Parkway, Garden Grove, CA 92840, during normal business hours; (2) on the City's website as an attachment to the Successor Agency meeting agenda; and (3) at the Council Chamber at the time of the meeting.

Public Comments: Members of the public desiring to address the Successor Agency are requested to complete a pink speaker card indicating their name and address, and identifying the subject matter they wish to address. This card should be given to the City Clerk prior to the start of the meeting. General comments are made during "Oral Communications," and should be limited to matters under consideration and/or what the Successor Agency has jurisdiction over. Persons wishing to address the Successor Agency regarding a Public Hearing matter will be called to the podium at the time the matter is being considered.

Manner of Addressing the Successor Agency Members: After being called by the Chair, you may approach the podium, it is requested that you state your name for the record, and proceed to address the Successor Agency. All remarks and questions should be addressed to the Successor Agency as a whole and not to individual Members or staff members. Any person making impertinent, slanderous, or profane remarks or who becomes boisterous while addressing the Successor Agency shall be called to order by the Chair. If such conduct continues, the Chair may order the person barred from addressing the Successor Agency any further during that meeting.

Time Limitation: Speakers must limit remarks for a total of (5) five minutes. When any group of persons wishes to address the Successor Agency on the same subject matter, the Chair may request a spokesperson be chosen to represent the group, so as to avoid unnecessary repetition. At the Successor Agency's discretion, a limit on the total amount of time for public comments during Oral Communications and/or a further limit on the time allotted to each speaker during Oral Communications may be set.

PLEASE SILENCE YOUR CELL PHONES DURING THE MEETING.

AGENDA

Open Session

6:30 PM

ROLL CALL: Member O'Neill, Member T. Nguyen, Member Bui, Member Klopfenstein, Member K. Nguyen, Vice Chair Beard, Chair Jones

1. ORAL COMMUNICATIONS (to be held simultaneously with other legislative bodies)
2. CONSENT ITEMS
(Consent Items will be acted on simultaneously with one motion unless separate discussion and/or action is requested by a Successor Agency Member.)
 - 2.a. Approval of termination of the Disposition and Development Agreement with Landmark Companies, LLC. *(Action Item)*
 - 2.b. Receive and file minutes from the meeting held on February 14, 2017. *(Action Item)*
 - 2.c. Approval of Warrants. *(Action Item)*
3. MATTERS FROM SUCCESSOR AGENCY CHAIR, MEMBERS AND DIRECTOR
4. ADJOURNMENT

The next Regular Successor Agency meeting will be held on Tuesday, March 28, 2017, at 5:30 p.m. at the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Lisa L. Kim
Dept.:	Director	Dept.:	Community and Economic Development
Subject:	Approval of termination of the Disposition and Development Agreement with Landmark Companies, LLC. (<i>Action Item</i>)	Date:	3/14/2017

OBJECTIVE

To request that the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency") consider the termination of the Disposition and Development Agreement by and between the Garden Grove Agency for Community Development and Landmark Companies, LLC.

BACKGROUND

In January 2007, the Garden Grove Agency for Community Development ("Former Agency") entered into a Disposition and Development Agreement ("DDA") with Landmark Companies, LLC ("Developer") that provided for development of the Embassy Suites Hotel and a future hotel expansion. On February, 1, 2012, all California Redevelopment Agency's were officially dissolved. Subsequently, the Successor Agency has completed all of the requirements of the dissolution statutes and received a Finding of Completion from the California Department of Finance on May 15, 2013.

DISCUSSION

On February 15, 2017, the Developer submitted a formal letter to the Successor Agency requesting termination of the 2007 DDA based on a failure of a condition precedent. Under the terms of the DDA, the ability of the Former Agency and the Developer to perform, with respect to the acquisition of an interest in land and subsequent development, was premised upon the ability of the Former Agency to acquire from the Garden Grove Sanitary District, an interest in certain real property (referred in the DDA as the "Agency Parcels"). Due to a variety of circumstances that are not the fault of either party to the DDA, neither the Former Agency nor the Successor Agency was able to acquire the requisite interest in the Agency Parcels. Therefore, it is not feasible for either party to proceed with development under the DDA due to many conditions as required by Section 204.1 and 204.2 of the DDA.

Both the Successor Agency and Developer are now in mutual agreement to terminate the DDA for the Embassy Suites Expansion. Unless the Successor Agency is interested in contesting the basis of termination, the attached Termination Letter constitutes termination of the DDA upon execution.

FINANCIAL IMPACT

There is no impact neither to the General Fund nor the Successor Agency's Recognized Obligation Payment Schedule.

RECOMMENDATION

It is recommended that the Successor Agency:

- Approve the termination of the Disposition and Development Agreement with Landmark Companies, LLC; and
- Authorize the Director to execute the Notice of Termination; and
- Transmit the Notice of Termination to the Oversight Board for approval.

By: Greg Blodgett, Sr. Project Manager

ATTACHMENTS:

Description	Upload Date	Type	File Name
Termination Letter	3/8/2017	Backup Material	Landmark_Companies_-_Notice_of_Termination_3-14-17.pdf

LANDMARK COMPANIES LLC

February 15, 2017

Garden Grove Agency for Community Development
c/o Successor Agency to the Garden Grove Agency for Community Development
11222 Acacia Parkway
Garden Grove, California 92842
Attention: Executive Director

Successor Agency to the Garden Grove Agency for Community Development
11222 Acacia Parkway
Garden Grove, California 92842
Attention: Executive Director

Subject: Notice of Termination, Disposition and Development Agreement by and between the
Garden Grove Agency for Community Development and Landmark Companies, LLC

Executive Director:

This letter is made by and on behalf of Landmark Companies, LLC ("Developer") as a party to that certain Disposition and Development Agreement dated as of January 4, 2007 by and between the Garden Grove Agency for Community Development ("Former Agency") and Developer (the "DDA"). Under the DDA, the ability of the Former Agency and the Developer to perform, with respect to the acquisition of an interest in land and subsequent development and operational activities, was premised upon the ability of the Former Agency to acquire from the Garden Grove Sanitary District ("District") an interest in certain real property (referred to in the DDA as the "Agency Parcels"). Due to a variety of circumstances that are not the fault of either party to the DDA, neither the Former Agency nor the Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency") was able to acquire the requisite interest in the Agency Parcels. As a result of that inability, the Agency's Conditions Precedent to the Sublease (as set forth in Section 204.1 of the DDA, including without limitation subsections (a), (d), (g), and (j)) have not been satisfied, and, in addition, the Developer's Conditions Precedent to the Sublease (as set forth in Section 204.2 of the DDA, including without limitation subsection (c) thereof) have not been satisfied. Developer has further determined, upon consultation with representatives of the Successor Agency that the Successor Agency will not be able to accomplish the acquisition of the requisite interest with the ability to sublease to the Developer.

As a result of the foregoing, and notwithstanding the diligent efforts of the parties to the DDA with respect thereto, it is not feasible for performance by either party (and, in the case of the Former Agency, the Successor Agency) to proceed under the DDA.

Under the DDA, the Developer has the right to terminate the DDA prior to the commencement of subleasing, as set forth in Section 503 of the DDA. Section 503 provides, in part:

"From the date the Developer submits written Notice of termination of this Agreement to the Agency and thereafter this Agreement shall be deemed terminated and there shall be no further rights or obligations between the parties with respect to the Agency Parcels the Parking Facility, or the Hotel Facility by virtue of or with respect to the Agreement, except for such rights that the Developer may have as a result of the Agency's Default hereunder." (capitalized terms not defined herein shall have the respective meanings set forth therefor in the DDA)

There being no defaults under the DDA, this writing constitutes final Notice of termination of the Agreement in all respects. This Notice, per Section 503 of the DDA, shall be immediately effective upon the earliest receipt thereof by the Successor Agency (whether by electronic means, mail, or hand delivery). For our record keeping purposes, Developer respectfully requests that Successor Agency return a copy of this Notice counter-signed by Successor Agency; however, this Notice is effective without regard to whether it is executed by Successor Agency.

Sincerely,



Landmark Companies, LLC, a California limited liability company

By: Mark B. David, President

Enclosure

cc: Stradling Yocca Carlson & Rauth, Attn: Thomas P. Clark, Jr.

ACKNOWLEDGMENT OF RECEIPT:

Successor Agency to the Garden Grove Agency for Community Development

By:

Its: Executive Director

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Teresa Pomeroy

Dept.: Director Dept.: City Clerk

Subject: Receive and file minutes Date: 3/14/2017
from the meeting held on
February 14, 2017. (*Action
Item*)

Attached are the minutes from the February 14, 2017, meeting recommended to be received and filed as submitted or amended.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Minutes	3/9/2017	Backup Material	cc-min_02_14_2017.pdf

MINUTES

THE CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

Regular Meeting

Tuesday, February 14, 2017

Community Meeting Center
11300 Stanford Avenue, Garden Grove, CA 92840

CONVENE MEETING

At 7:05 p.m., Chair Jones convened the meeting in the Council Chamber.

ROLL CALL PRESENT: (7) Chair Jones, Members Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K. Nguyen

ABSENT: (0) None

ORAL COMMUNICATIONS

Speakers: John Walcutt, Charles Mitchell, Pauline Merry, Gerald Tolman, Josh McIntosh, Sandra Berrera, Lenore Albert Sheridan, Vong Nguyen, Viet Tran, Beatrice Jones

RECEIVE AND FILE MINUTES FROM THE MEETINGS HELD ON DECEMBER 13, 2016, AND JANUARY 10, 2017 (F: Vault)

It was moved by Chair Jones, seconded by Member T. Nguyen that:

The minutes from the meetings held on December 13, 2016, and January 10, 2017, be received and filed.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K. Nguyen, Jones
Noes: (0) None

WARRANTS (F: 60.5)

It was moved by Chair Jones, seconded by Member T. Nguyen that:

The Regular Warrants 1490 through 1494, be approved as presented in the warrant register submitted that have been audited for accuracy and funds are available for payment thereof by the Finance Director.

The motion carried by a 7-0 vote as follows:

Ayes:	(7)	Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K. Nguyen, Jones
Noes:	(0)	None

ADJOURNMENT

At 7:30 p.m., Chair Jones adjourned the meeting. The next Regular Meeting will be held Tuesday, February 28, 2017, at 5:30 p.m. in the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.

Teresa Pomeroy, CMC
Secretary

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Teresa Pomeroy
Dept.: Director Dept.: City Clerk
Subject: Approval of Warrants. Date: 3/14/2017
(*Action Item*)

Attached are the warrants recommended for approval.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Warrants	3/9/2017	Cover Memo	SA_Warrants_3-14-17.pdf

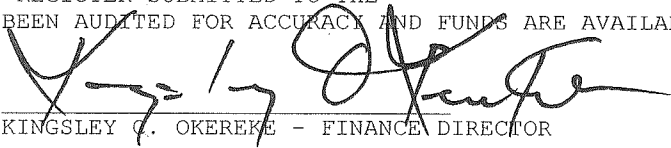
REDEVEL. SUCCESSOR AGENCY
CHECK REGISTER
03/14/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
1498	ORRICK, HERRINGTON & SUTCLIFFE LLP	ARBITRAGE SERV	1,500.00 *

PAGE TOTAL FOR "*" LINES = 1,500.00

FINAL TOTAL 1,500.00 *

DEMANDS #1498 - 1498 AS PRESENTED IN THE WARRANT REGISTER SUBMITTED TO THE
GARDEN GROVE CITY COUNCIL MARCH 14, 2017, HAVE BEEN AUDITED FOR ACCURACY AND FUNDS ARE AVAILABLE
FOR PAYMENT THEREOF


KINGSLEY C. OKEREKE - FINANCE DIRECTOR