



CITY COUNCIL AGENDA REPORT

MEETING DATE: February 17, 2004

ITEM NUMBER: Item Number

SUBJECT: Sakioka Property Development Agreement Assignment

DATE: February 5, 2004

FROM: City Attorney's Office

PRESENTATION BY: Tom Wood, Acting City Attorney

FOR FURTHER INFORMATION CONTACT: Tom Wood, 714.754.5399

RECOMMENDATION:

Approve Assignment Agreement and authorize Mayor and Deputy City Clerk to sign and certify its execution.

BACKGROUND:

In November 1999, the City entered into a Development Agreement with the owners of the Sakioka Property. The Sakioka Property is an approximately 73 - acre parcel roughly bounded by Sakioka Drive, Sunflower Avenue, Main Street, the Costa Mesa Freeway and the San Diego Freeway. Under the provisions of the Development Agreement the owners of the Sakioka Property can transfer parts of the property to new owners and assign to them certain owner rights and obligations contained in the Development Agreement. The owners have transferred the ownership of the property to new ownership entities. That portion of the property designated Lot 1 (the residential parcel) is owned by four limited liability companies collectively called "Sunflower Partners," and Lot 2 (the commercial parcel) is owned by Roy K. Sakioka & Sons, a general California partnership ("RKSS"). This Assignment Agreement allocates the Development Agreement rights and obligations between these two ownership entities.

ANALYSIS:

Basically, the Assignment Agreement transfers to Sunflower Partners all obligations related to the development of Lot 1 and transfers to RKSS all obligations related to the development of Lot 2. The significant obligations allocated by the agreement are the *potential* obligations to dedicate land for a one-acre site for an urban rail transit station and to reserve land for possible rail tracks. The Assignment Agreement also allocates the benefit of a \$1,046,000 credit granted to the owner in the Development Agreement against future fire or similar safety fees. This credit is divided between Lot 1 and Lot 2 in the amounts of \$566,723 and \$479,277, respectively.

ALTERNATIVES CONSIDERED:

There were no alternatives considered for this action.

FISCAL REVIEW:

There is no fiscal impact caused by the execution of this Assignment Agreement.

LEGAL REVIEW:

The City Attorney's Office drafted this report and no further legal analysis is needed.

CONCLUSION:

This Assignment Agreement satisfactorily allocates the rights and obligations of the Sakioka Property Development Agreement between RKSS and the Sunflower Partners.

TOM WOOD
Acting City Attorney

DISTRIBUTION: City Manager
Deputy City Clerk
Director of Development Services

ATTACHMENTS: [Assignment and Assumption of Development Agreement for Sakioka Property](#)