

SUNSHINE COMMUNITY MEETING

2115 MAIN STREET, SANTA ANA, CALIFORNIA

THURSDAY, MARCH 9, 2017

5:30 P.M.

REPORTED BY:
SHARRON K. NISBETT, CSR, RPR
CSR NO. 9839

1 APPEARANCES:

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3
4 KEVIN COLEMAN - Net Development Co.

5 SELENA KALAHHER - City of Santa Ana Planning Department

6 KRISTI LOVE
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1 THURSDAY, MARCH 9, 5:30 P.M.

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3 MR. COLEMAN: Ladies and gentlemen, if we could get
4 started, that would be great. First off, I'd like to thank
5 you all for coming out. My name is Kevin Coleman. I am the
6 party that is representing developing this real estate,
7 acquiring this property that you're sitting in and the
8 parking lot adjacent to this and putting that together. We
9 are recording this. This is under the ordinance, Sunshine
10 Act Ordinance of the City of Santa Ana, to ensure
11 transparency of what's going on, the council requests that
12 developers like myself do this. I've done a few of these.
13 This is the biggest turnout I've ever had. The last two I
14 had nobody show up, so we sat for 45 minutes and said, "So do
15 we go home now," and we got up and went home --

16 MS. LOVE: This is making me win the bet.

17 MR. COLEMAN: Oh, yeah, I just lost lunch to this
18 young lady because I wasn't sure, but she had it right on the
19 money, so ... that's why she runs my life and we work that
20 way.

21 Okay. What you see here today is basically a
22 design for a Hampton Inn and it will be placed along Main
23 Street with the adjacent parking lot and the restoration of
24 the existing historical home and one more historical home
25 that's on the -- facing Bush Street that will be -- we've had

1 it surveyed, you know, with the historical folks to have it
2 lifted, turned and placed onto Main Street. Both of them
3 will receive monuments speaking to the McFadden -- the folks
4 that were here, the MacFarlanes, originally, and the home
5 that had that, which go back to the 1920s. So we're going to
6 keep those as historical homes, use them for professional
7 businesses in here. And then the hotel will have 133 rooms
8 on the Hampton Inn, a Hilton product, that we've built other
9 Hilton products and the city requested that they, you know,
10 get a hotel on this property, and that's what we're going to
11 do.

12 As I said earlier, we are recording, we have a
13 court reporter here with us so we can turn in minutes to the
14 city to abide by the ordinance requirements. And today,
15 basically, a couple of things I wanted to point out is we're
16 assembling the real estate from the apartments and the
17 adjacent, I call it the Green Parrot property, this
18 direction. And we will be assembling this property to build
19 this project site as you see here. Bush Street will be
20 re-cul-de-sac'd moving the cul-de-sac back towards the end of
21 Bush Street. There will be no commercial access from this
22 property onto Bush Street. The only access is for the fire
23 marshal at his request, but he has to blow through a gate to
24 come onto the property. So there will be no access coming
25 through for the patrons of the hotel. All that access will

1 be taken from a singular three-point driveway right here on
2 the edge, on the south edge, as we've depicted here, so that
3 we have left in, we'll have two lanes out, both right and
4 left in and two lanes out giving the people going north a
5 singular lane, giving the people stacking up to turn left a
6 lane. So that's occurring here.

7 The existing historical home that's in front of us
8 here, this building, the home, the thousand-foot home back
9 there, will be moved to this location and then the hotel will
10 run along here keeping all the parking to the rear of the
11 property, keeping the scenic view along Main Street so that
12 it is visual, it's not just a bunch of cars.

13 The hotel has a lobby, the accoutrements that a
14 normal Hampton would have, and then the bedrooms on the upper
15 five floors. It is a six-story building. It is in review
16 with the city now. It's been submitted for plan review and
17 they're doing that process as we speak and that's all been
18 filed.

19 I avail myself today to basically answer any
20 questions that you might have or thoughts or concerns, that's
21 kind of my job and what I do. I have been doing this for 40
22 years. I've developed, I've been a participant here in Santa
23 Ana for the last 30-some years. I own other properties here.
24 I sit on the board of directors of the Chamber of Commerce.
25 I also sit on the Government Affairs Council. I'm the chair

1 of that council that coordinates between the city and
2 ourselves for governmental needs and working with the
3 restaurants and the different things. When the city invokes
4 new changes, we kind of vet them with the folks and then give
5 businesses their chance to speak to us through the city.

6 So with that, I would more than willing open this
7 up to questions, comments, thoughts. Yes, ma'am.

8 UNIDENTIFIED FEMALE SPEAKER: Who do you think will
9 rent your rooms?

10 MR. COLEMAN: These are actual hotel rooms, they're
11 not apartments.

12 UNIDENTIFIED FEMALE SPEAKER: Yes.

13 MR. COLEMAN: So there will be folks that are -- we
14 look at the -- currently, take a wedding at Bowers Museum,
15 which they hold numerous weddings, most of those folks head
16 south all the way to the south end of our city. We have the
17 law clerks, the lawyers and the folks that deal in the
18 courthouses, they also currently reside at the far end of our
19 city. So if you all drove up Main Street, some of you who
20 are local, I had to drive up Main Street, you can tell that's
21 not a fun drive sometimes. It can be 30, 40 minutes just to
22 come from down at the end of Main to here. So we're looking
23 at that type of situation. We do have the Discovery Cube
24 that we've had information from them, we've got the mall,
25 we've got different things where folks come into town, but

1 there is no place for anybody to stay at this end of the
2 township.

3 UNIDENTIFIED FEMALE SPEAKER: Do you have meeting
4 rooms?

5 MR. COLEMAN: Yes, there will be a meeting room in
6 there. We're not going to overemphasize the meeting rooms,
7 primarily because we don't want to compete with Bowers and we
8 don't want to compete with Discovery Cube. Discovery Cube
9 has just invested millions of dollars in their deal. If any
10 of you have attended any of our GROW conferences that the
11 chamber puts on, they've created a phenomenal facility up
12 there and there's no need for me to replicate that.

13 UNIDENTIFIED FEMALE SPEAKER: What will a room cost
14 a night?

15 MR. COLEMAN: They'll run in the 150s to 175 range,
16 and that's all depending on ADR for the time that we get the
17 building open.

18 UNIDENTIFIED FEMALE SPEAKER: Is there any limit on
19 how long a person can rent a room for, like two weeks or --

20 MR. COLEMAN: Yes. They watch that very carefully.
21 This is a -- Hampton historically is about a three to four
22 night. I've been a Hampton fan for all the years that I've
23 traveled. You have your extended stays, of which I'm
24 building up in the City of Azusa right now, which is created
25 for people to stay two to three weeks depending on their stay

1 for business in the city.

2 UNIDENTIFIED FEMALE SPEAKER: I call those
3 residency hotels. This isn't going to be a residency hotel?

4 MR. COLEMAN: No, this is a standard Hampton Inn
5 like you would stop anywhere, stay a night and move on.

6 Yes, sir.

7 UNIDENTIFIED MALE SPEAKER: I have a question for
8 you. Who owns the property -- the parking lot property?

9 MR. COLEMAN: The City of Santa Ana.

10 UNIDENTIFIED MALE SPEAKER: And how -- the City of
11 Santa Ana is going to sell it to you guys, give it to you?

12 MR. COLEMAN: No, we're buying it at full market
13 value. There was an appraisal done. There was a large group
14 of folks that were shown the real estate, I stepped up and
15 offered to buy it and it's all -- there's no -- there's no
16 participation on the city's part. This is a straight up
17 development transaction, straight purchase and sale agreement
18 and we would acquire it. The only stipulation the city has
19 placed on it is they asked it be made as a hotel.

20 UNIDENTIFIED MALE SPEAKER: And also the city is
21 going to sell you the alleyway and part of the street?

22 MR. COLEMAN: The city -- the end-open streets or
23 alleyways, actually, the underlying property is owned by the
24 adjacent property. So this alley right here is currently
25 owned half by this piece of property and half by that piece

1 of property. And that's standard in most municipalities,
2 cities don't own their streets. They're actually the
3 under -- under by them by the adjacent property. So I will
4 file vacations and I will ask for the streets to be vacated
5 and that property will reside back to the current property
6 owner at that time.

7 UNIDENTIFIED MALE SPEAKER: So this alley has been
8 used for a long time and also the street, especially the
9 alley has been an easement to it.

10 MR. COLEMAN: An easement?

11 UNIDENTIFIED MALE SPEAKER: Yes, an easement.

12 MR. COLEMAN: There is utility easements in it,
13 which will stay in their locations, but they will be placed
14 underground as part of the development expenses on my part.
15 All of the overhead lines, everything will go underground,
16 but those are easements owned by utility companies, not by
17 the city.

18 UNIDENTIFIED MALE SPEAKER: Is the plan to just
19 dead-end the alley?

20 MR. COLEMAN: Hammerhead it, yes, so that the
21 trucks can get in and out off of it. Right now there's
22 only -- the only truck that comes to the end of it is the
23 apartment complex, that's the furthest trash enclosure. And
24 then the adjacent property on this side, they go through a
25 gate on the other end and pick up the trash cans there. So

1 that's the intent.

2 UNIDENTIFIED MALE SPEAKER: So how would the trash
3 people turn around? You say you're going --

4 MR. COLEMAN: It's called a hammerhead. They
5 actually do a backup and leave in the same fashion they came
6 in back down the same alley.

7 UNIDENTIFIED MALE SPEAKER: What's the date of the
8 groundbreaking?

9 MR. COLEMAN: That's all predicated on our lovely
10 city. If you got some dice we could roll them or we could
11 get a crystal ball out and guess, but I would anticipate it's
12 probably a three- to four-month process and could go all the
13 way up to six months.

14 UNIDENTIFIED MALE SPEAKER: A couple of questions.
15 One is I take it Hampton is on board on this deal?

16 MR. COLEMAN: Yes, sir.

17 UNIDENTIFIED MALE SPEAKER: And it has to be six
18 stories, is that their requirement, you've got to go six
19 stories for a hotel?

20 MR. COLEMAN: No. Basically, you design a hotel
21 according to the demand and needs and the cost. If you look
22 at where is the breakpoint, my hotel in Azusa is four
23 stories. This hotel is six stories, because I created a
24 little more public space on the ground floor and done a
25 little more accoutrements that would not normally be in a

1 Hampton, but I felt this area warranted doing that, and so we
2 spent the extra dollars for that purpose.

3 UNIDENTIFIED MALE SPEAKER: You say the ingress and
4 egress is going to be at the south end of this property; is
5 that right?

6 MR. COLEMAN: Yes, sir, right --

7 UNIDENTIFIED MALE SPEAKER: Are people going to be
8 turning left out of the property?

9 MR. COLEMAN: Yes, sir.

10 UNIDENTIFIED MALE SPEAKER: And there's a light
11 from Palm Court over to the Bowers.

12 MR. COLEMAN: Yes, sir.

13 UNIDENTIFIED MALE SPEAKER: That light I think is
14 too far away for people to get in and out. Turning left out
15 of this property is going to be virtually impossible, because
16 we're next door and it's very difficult getting out of that
17 property until the light was put in. So are people going to
18 be turning left and there's going to be no light?

19 MR. COLEMAN: That's correct.

20 UNIDENTIFIED MALE SPEAKER: One other question I
21 have. We have the property next door here on Palm Court, and
22 the real blight is the four-story complex behind our
23 property.

24 MR. COLEMAN: Yes, sir.

25 UNIDENTIFIED MALE SPEAKER: It's been there for 30

1 years. I take it that's going to be there forever, as far as
2 you know?

3 MR. COLEMAN: I have no knowledge of even who owns
4 that. I don't -- I have not looked into that at all. I have
5 no desires to go past this edge which aligns with your
6 property. There's no need for it.

7 UNIDENTIFIED MALE SPEAKER: Do you have any idea
8 what the -- based on the bidding process what the fair market
9 value of an acre here is on Main Street?

10 MR. COLEMAN: I haven't broken it down on an
11 acreage basis and it is very random due to the different mix
12 on this street. Is it French?

13 UNIDENTIFIED FEMALE SPEAKER: Yeah, French.

14 UNIDENTIFIED MALE SPEAKER: Yes. Are there any
15 applications that require a public hearing for the project by
16 the city or planning commission?

17 MR. COLEMAN: All the normal processes are being
18 followed. There is the city council. There has already been
19 two city council meetings on it and there is -- then there is
20 the actual -- I believe -- introduce yourself.

21 MS. KELAHER: Hello, I'm Selena Kelahe. I'm with
22 the planning department of the City of Santa Ana. The intent
23 of this meeting is for the developer to be able to answer
24 questions like he's doing now, so I'm going to be limited,
25 I'm not going to provide too much information. But he has

1 submitted, so what's going to happen now is we're reviewing
2 the plans for the project and we'll provide formal comments
3 back to him, which will also detail out what the process is.
4 There will be at least one public hearing. Hotels in our
5 city require conditional use permit in the C1 and D district,
6 which will require planning commission review, and then it
7 will go to the city council for consensus.

8 UNIDENTIFIED MALE SPEAKER: How will we know about
9 that? This is the first I've heard of this (inaudible).

10 MS. KELAHER: Right. So this is just the initial
11 outreach, it's on the developer's behalf. Any official city
12 meeting you'll be receiving the same kind of notice in the
13 mail, the same mailing radius. We'll also be posting notices
14 on-site, and there is a website or a link to the project
15 page, which has my contact information on the city website,
16 and I do have some cards that are available if you would like
17 to pick them up. We'll keep updating that page with
18 information, meeting dates and things like that.

19 UNIDENTIFIED MALE SPEAKER: So do you have
20 something that's traditional, such as a sign-in sheet, so we
21 can receive information, or do we have to be proactive to go
22 to you?

23 MS. KELAHER: So did you receive a notice in the
24 mail? You'll continue to receive it in the mail.

25 UNIDENTIFIED MALE SPEAKER: We're not within the

1 radius, we didn't know about this project.

2 UNIDENTIFIED MALE SPEAKER: This was posted.

3 MS. KELAHER: And it was posted, right.

4 UNIDENTIFIED MALE SPEAKER: We didn't know about
5 the project.

6 MS. KELAHER: Yeah, this is the initial -- it just
7 got submitted to the city, which is why we haven't done any
8 outreach. This is the first part of the process. There will
9 be plenty of time to review and provide input. So if you can
10 -- I will get a copy of the sign-in sheet. Does that have
11 contact information on there?

12 UNIDENTIFIED MALE SPEAKER: No.

13 UNIDENTIFIED MALE SPEAKER: The gentleman mentioned
14 there was two city council meetings already. What was the
15 nature of those?

16 MS. KELAHER: I believe that was in regards to the
17 parking lot transaction. So this is for the project, this is
18 for something different. But I'll give you my card and I'll
19 give a piece of paper around and we can get contact
20 information for a mailing list.

21 MR. COLEMAN: Right back to the young lady here.

22 UNIDENTIFIED FEMALE SPEAKER: As you know, that
23 parking lot services hundreds of people a day. A lot of the
24 businesses around here have maybe five or six parking spaces.
25 My office, in particular, I am a supervisor at a mental

1 health clinic for youths. We service over 200 young people.
2 We ourselves are over 80 people. Again, with about 12
3 parking spaces, we use this space. What would be the
4 proposition of where we go to park to be able to continue
5 providing the services, as well as all the other businesses
6 that use it, as well as the bus that stops right here?

7 MR. COLEMAN: The bus stop will not change. The
8 parking situation I can't speak to. I know what the codes
9 are when I develop and it mandates that I have adequate
10 parking to operate a facility.

11 UNIDENTIFIED FEMALE SPEAKER: You should ask the
12 planning commission.

13 UNIDENTIFIED FEMALE SPEAKER: Let me ask you this.
14 We are right across the street from the bank. The parking
15 lot for the bank is very big, but they tow and they will tow
16 you in, like five, ten minutes. So is that something that
17 you're going to be implementing at your hotel, because people
18 need this parking.

19 MR. COLEMAN: The parking for this hotel will be
20 for this hotel.

21 (Untranscribed discussion among the audience.)

22 MS. LOVE: Can you try to remember that this is
23 being recorded and so for people not to speak over each
24 other, because she's going to struggle trying to get your
25 words.

1 UNIDENTIFIED MALE SPEAKER: I own the building
2 catty-corner from here, 2202 North Main, 2210 North Main,
3 2216 and 2218, so pretty much the block, except for the
4 flower shop.

5 MR. COLEMAN: Okay.

6 UNIDENTIFIED MALE SPEAKER: And at one time they
7 used to have parking along Main that was kind of diagonal
8 before -- I mean, before they expanded Main. They used to
9 have parking on each side of Buffalo before they made it into
10 an on-ramp over here and they made it a one-way street and
11 you could park on both sides. This building here
12 particularly, the one on 2202 North Main, has no parking at
13 all. They own a lot -- the area behind there was owned by
14 O'Hara, I think he just sold it, Mike O'Hara. And so they
15 really park over here, as does a lot of other cars, 30 or 40
16 cars here at 5:30, nearly 30 cars, I counted about 30 at
17 5:30. And she's totally right down there, there's no
18 alternative parking down here. The chiropractor down here,
19 you know, that's 2218 North Main, he contacted me and he
20 says, "Listen" -- he's got, I don't know, five or six spaces
21 over there that's approved and behind him, he says he has
22 overflow and he parks over here. So you take that away, this
23 building here is basically useless, there's no parking. And
24 there's no parking anywhere in the area here. You can't park
25 in the credit union, they'll tow you, she's right. So for me

1 it's making my building obsolete and a number of buildings
2 obsolete.

3 MR. COLEMAN: I understand that, but, again,
4 I'm -- I didn't create the parking lot, I'm just buying it.

5 UNIDENTIFIED MALE SPEAKER: I understand, but
6 that's public parking over there, it's public owned. It's
7 Santa Ana owned and it's public and you're taking away
8 something that is useful to the area here a number of
9 businesses and you're taking it away for a hotel, it doesn't
10 seem right.

11 UNIDENTIFIED MALE SPEAKER: These council meetings
12 that have been held already, was there any public notice?
13 Was it in the newspaper?

14 MR. COLEMAN: Yes.

15 UNIDENTIFIED MALE SPEAKER: So this upcoming one
16 there's going to be public notice also, correct?

17 MR. COLEMAN: Yes.

18 UNIDENTIFIED MALE SPEAKER: Where do you expect for
19 this to be, in the Register?

20 MS. LOVE: I published one in the Orange
21 County --

22 UNIDENTIFIED MALE SPEAKER: This was in the
23 Register about a week ago.

24 MR. COLEMAN: We took counsel from the city which
25 newspaper they liked, we went to the Register and we put it

1 in there.

2 Yes, ma'am.

3 UNIDENTIFIED FEMALE SPEAKER: What's your name
4 again?

5 MS. KELAHER: Selena Kelaher.

6 UNIDENTIFIED FEMALE SPEAKER: Selena, the question
7 that was asked earlier is since this has been used for public
8 parking, does the city have any plans to redirect that public
9 parking for these people that have been using it?

10 MS. KELAHER: As far as I know, I do not think
11 there are any plans for relocating parking for this. I was
12 not involved in the transaction -- or the council meetings
13 regarding the transaction to this future development. So I
14 can get those details and that would be part of the -- that
15 would be included as part of the staff report to the planning
16 commission, but even -- each private property is responsible
17 for --

18 UNIDENTIFIED FEMALE SPEAKER: And that should have
19 been (inaudible) --

20 MR. COLEMAN: Let me defend her for a minute.
21 She's a really nice lady and she's new to the city, and I
22 really feel bad that she got stuck with this. The people
23 that were doing this aren't at the city now, so she's
24 inherited this. This has been going on almost a year now,
25 and so it's not new, but it is new to Selena and she has been

1 a champ trying to come up to speed with everything that's
2 going on. So I want you to know she's here because she cares
3 and she is trying to look at this stuff.

4 UNIDENTIFIED FEMALE SPEAKER: So it is something
5 that should have been taken into consideration.

6 MR. COLEMAN: Yeah, the city has debated on this
7 before they ever put it out for sale, so I came into it --
8 they asked me to come and look --

9 UNIDENTIFIED FEMALE SPEAKER: You're doing your
10 thing, but the city should have information to give to people
11 about this plan.

12 UNIDENTIFIED MALE SPEAKER: What about the building
13 right in front of you? I have 12 office spaces that rely on
14 that parking every day, public parking every day. Get my
15 property and add it to your hotel.

16 UNIDENTIFIED FEMALE SPEAKER: Or have the city buy
17 it and put in a parking lot.

18 MR. COLEMAN: Go ahead.

19 UNIDENTIFIED MALE SPEAKER: I just have a quick
20 question. Are you going to submit an environmental impact
21 report?

22 MR. COLEMAN: Yes.

23 UNIDENTIFIED MALE SPEAKER: Will we have access to
24 those copies?

25 MR. COLEMAN: Sure. I mean, it becomes public

1 record once I submit it.

2 UNIDENTIFIED MALE SPEAKER: When was it conducted?
3 The environmental impact report, what date did you conduct
4 it?

5 MS. KELAHER: There's nothing that's been
6 conducted.

7 UNIDENTIFIED MALE SPEAKER: How did this
8 transaction occur, then, between the selling of a public
9 parking structure to a private company if no environmental
10 impact report was conducted to see the impact it was going to
11 have in this neighborhood in regards to traffic, safety
12 and --

13 MS. KELAHER: The impact report will be coming with
14 the development of this parcel. So it's not triggered
15 through the sale of the property, it's triggered through the
16 actual project.

17 UNIDENTIFIED MALE SPEAKER: Is the property in
18 escrow right now?

19 MR. COLEMAN: It is.

20 UNIDENTIFIED MALE SPEAKER: Thanks for the notice.

21 MR. COLEMAN: I have to go back there. I'm sorry.

22 UNIDENTIFIED FEMALE SPEAKER: We live on the other
23 side of Bowers and we're also outside of the notification
24 area. And it's interesting and, you know, obviously it's
25 just the way it fell, but your notification area is, like,

1 freeway, mostly. I know that's the law, but, I mean, you
2 might want to look at that, a lot of it is the freeway. And
3 so I contacted one of my other neighbors and that was the
4 first thing she said also, that she comes to programs down
5 here and uses that parking lot all the time, and so maybe you
6 can contact the city council.

7 MS. KELAHER: Sure. The purpose of this meeting is
8 for me to be able to get the comments from you guys as well
9 and relay them back.

10 UNIDENTIFIED MALE SPEAKER: The planning person is
11 going to hear a lot as these public hearings start up
12 (inaudible).

13 MR. COLEMAN: I want you to understand, as a
14 developer, and as I said I've be doing it for 40 years, they
15 set the rules, we play by the rules. In this case, in the
16 Sunshine Ordinance, typical rules, you notify property
17 owners. In this case, the city has gone a step further and
18 said notify residents also. So of the handful of owners, we
19 sent out 340-some notices, because every single resident got
20 a notice, too, even though they weren't owners. And that's
21 to the benefit of the city in their efforts to try to make
22 this public knowledge and to get it out. The property was
23 posted for over a week, there was signs all over it. We've
24 done every --

25 UNIDENTIFIED MALE SPEAKER: I am about 200 feet in

1 front of you, the other side of the street, I never got any
2 notice. Your actual letter was the very first notice that I
3 got.

4 MR. COLEMAN: That's the only notice we sent out.
5 This is the only notice that's been sent out.

6 (Untranscribed discussion among the audience.)

7 MS. KELAHER: It's not a city notice that went out.
8 They are responsible for noticing and they use the tax
9 assessor's records, so sometimes things do get sent to
10 different addresses that people know about. What I'm hearing
11 generally from everyone are noticing, what's going to happen
12 for future noticing and parking concerns. So in regards to
13 future noticing, it will be a certified list of people within
14 500 feet mailed to residents, property owners and posted on
15 the site. It will also be posted in the newspaper and on the
16 city's website. So those are the ways that you can get
17 notified, in addition to my card.

18 UNIDENTIFIED FEMALE SPEAKER: Could the 500 feet be
19 shifted south?

20 MS. KELAHER: No.

21 MR. COLEMAN: I don't make the rules, and whoever
22 said it is very right, when she sent me the list I went
23 freeway, freeway, freeway.

24 UNIDENTIFIED FEMALE SPEAKER: Parking lot.

25 (Untranscribed discussion among the audience.)

1 MR. COLEMAN: I'm going to go back here.

2 UNIDENTIFIED MALE SPEAKER: This shouldn't be a
3 circle that you have here, because its 500 feet from each
4 corner of your property.

5 MR. COLEMAN: This was done by a professional firm
6 that that's all they do for us is reach out and catch the
7 properties.

8 UNIDENTIFIED MALE SPEAKER: But the result
9 shouldn't be a circle, it should be sort of an oblong, just
10 like the property is oblong. It's 500 feet from the south
11 edge of your property and 500 feet from the north edge of
12 your property.

13 MR. COLEMAN: Yes, sir.

14 UNIDENTIFIED MALE SPEAKER: This is for the
15 planner. So what is the environmental clearance service
16 project? If there's not an EIR, is there a negative
17 declaration or is it a categorical exemption?

18 MS. KELAHER: We have not determined that. Like I
19 said, he just submitted his plans two weeks ago. In order
20 for it to go to planning commission, we'll have to make a
21 decision by then and it will be part of our notice as well.

22 UNIDENTIFIED MALE SPEAKER: So just like someone
23 asked earlier, how can we get together and see if we can
24 oppose this project with some sort of vote, because the
25 community has weighed in and there's a lot of thoughts, and a

1 lot of opinions and I think they all come to one final
2 conclusion.

3 MS. KELAHER: So that would be at the public
4 hearing, which would be for the conditional use permit for
5 the planning commission. If you have concerns, then you can
6 talk to your neighborhood and get together. And Kevin is
7 here to answer any questions regarding design detail,
8 operations of the hotel, but we're hearing the opposition.

9 UNIDENTIFIED MALE SPEAKER: It's the parking lot.

10 UNIDENTIFIED FEMALE SPEAKER: My question to you
11 is, the planning commission, is it still going to be within
12 500 feet, those are the only people are going to get
13 notified?

14 MS. KELAHER: And in the newspaper and on the
15 website.

16 UNIDENTIFIED MALE SPEAKER: We need to get the word
17 out ourselves.

18 UNIDENTIFIED FEMALE SPEAKER: I'm not opposed to
19 the Hampton Inn, but the city needs to address the parking
20 problem.

21 MR. COLEMAN: And that's a valid point for all of
22 you. I spoke to the folks that run the senior home down
23 here, and they actually said to me they have, like, 4 parking
24 places for about 30 employees, and you go how does that work?

25 UNIDENTIFIED FEMALE SPEAKER: And they park down

1 here.

2 MR. COLEMAN: And they park down here, but the
3 rules --

4 UNIDENTIFIED MALE SPEAKER: They overbuilt this
5 whole area and the way it's taken care of is any little spot
6 they'll build a house this way straight up. Any little piece
7 of property, they don't care, they just put it in. The city
8 doesn't care and, therefore, parking is a big problem.

9 MR. COLEMAN: But I -- I need you to understand
10 you're making this statement about a residential builder, or
11 whatnot. For me to build this property there's parking
12 ordinances. This property makes those and actually exceeds
13 those by about five stalls, but that's a requirement that's
14 in the code books today. When you talk about some of this
15 property, when I heard that that property down there became a
16 senior's home, and the poor lady tells me "We have no place
17 to park." And I go, "Well, who parks in your parking spot?"
18 "My boss." It's like, "Okay. So your boss has his on-site
19 parking, but nobody else has it." That's a tough one,
20 because that's stuff that everybody has got to live with. I
21 don't get to live with that. I get the rules that say "You
22 will put this many parking stalls in or you won't build,"
23 that's it. The historical stuff that's already existing, I
24 can't control that. I do know what the city controls of me
25 today, and that is adequate parking.

1 UNIDENTIFIED MALE SPEAKER: I want to direct more
2 to Selena.

3 MR. COLEMAN: Sorry, darling.

4 UNIDENTIFIED MALE SPEAKER: I'll be a gentle one.
5 I'm with the ownership of Hollybrook Senior Living, we have
6 more than four spaces, but already not enough to serve 100
7 residents and their family members and medical professionals.
8 This project and losing the parking will seriously have an
9 adverse effect on many, many families and people's lives. I
10 want to make sure that's said.

11 MS. KELAHER: I've noted the comments and the
12 comments that are being made tonight will be attached to the
13 planning commission staff report. Like I said, we're
14 gathering the comments tonight to be relayed back and then
15 talked about with staff as well.

16 And then in regards to parking, each property does
17 have development standards even now for single family,
18 commercial, office and there's set standards by the city.
19 There were properties that were developed 100 years ago, 20
20 years ago, and the standards have changed over time, so a lot
21 of these buildings, yes, are underparked, but that's
22 something that they were able to build at that point in time.
23 So now we do require everyone to provide on-site parking so
24 that we don't have these parking problems that we have here.
25 And so it is each private property owner that's supposed to

1 provide parking on their site.

2 UNIDENTIFIED MALE SPEAKER: But city has removed
3 the parking on Buffalo and Main Street, so -- that building
4 that's across the street from Bill's, there's adequate
5 parking now. When they removed it, they removed it on
6 Buffalo, there is no parking. Now this is going to be
7 removed, there will be absolutely no parking. I don't know
8 where --

9 MR. COLEMAN: But, again, as she stated on-site,
10 you're required to contain your own parking on your own site.

11 UNIDENTIFIED MALE SPEAKER: That building was
12 built.

13 MR. COLEMAN: That's what I said. The older stuff
14 didn't have rules like they do today.

15 You're up now.

16 UNIDENTIFIED FEMALE SPEAKER: Perhaps there should
17 be consideration by the city to build parking structures in
18 this area. I have a historical home on Buffalo Avenue, but
19 I'm thinking of the area there.

20 MS. KELAHER: Okay.

21 UNIDENTIFIED MALE SPEAKER: Besides the parking lot
22 issue, there's another issue. That parking the city has used
23 for a multiple purpose. In the summer families get together
24 with the kids to play with -- you know, bicycles. And they
25 also have different activities, they do yoga, they actually

1 run around. The elderly people from the Hollybrook, they
2 actually come and they walk around the place. And also,
3 besides that, when the city built the house in -- right here
4 on Bush, they promised -- the developers and the city
5 promised that the residents of that property, they were not
6 going to park on the street. And we actually went to the
7 city to a meeting and they said that they were not allowed to
8 park on the street, and now they do park on the street. We
9 have an issue with a parking spot, but, you know, the street
10 is for everyone. So that was a promise that was not kept
11 from the City of Santa Ana. So on more than the parking
12 issue I -- it is, you know, the issue of all the families
13 gathering together. They took away that space that they used
14 to have for all the kids. You know, they used to have a
15 program, the city had a program where all the kids gather and
16 get together. That was a gang prevention to keep the kids,
17 you know, busy and they took away that space, you know, from
18 us and now they're taking away the parking space. I mean, I
19 don't think it will be the right thing to do.

20 MR. COLEMAN: Hang on, guys. Yes, ma'am.

21 UNIDENTIFIED FEMALE SPEAKER: Two questions. About
22 the hotel, actually. It does have to do with the parking
23 lot. If the parking lot were to stay, is there a way of
24 fitting that hotel with (inaudible), or would you have to
25 eliminate something or downsize?

1 MR. COLEMAN: I could not create the property
2 without -- I couldn't create this on that. As you see, I'm
3 acquiring other lots to accomplish that.

4 UNIDENTIFIED FEMALE SPEAKER: So if that stayed it
5 would eliminate the project?

6 MR. COLEMAN: It would kill the whole project.

7 UNIDENTIFIED FEMALE SPEAKER: I saw that there was
8 (inaudible) giving four star hotels, three star hotels.

9 MR. COLEMAN: I'm not participating in that at all.
10 I'm straight up paying my own bills, paying my own thing.
11 That ordinance -- I went through it and tossed it aside,
12 because it had no merit to it, in my mind, to actually do
13 anything. This is a straight business transaction for me, if
14 it makes sense we do it, if it doesn't make sense we leave.
15 In this case, I could not build on that lot alone. That's
16 what they asked me to do. I said, "I can't do it, it's too
17 small." And fortunately I came and was able to talk with the
18 adjacent owners and acquired this property to put together an
19 assemblage to make a project.

20 UNIDENTIFIED FEMALE SPEAKER: Do you ever put
21 parking structures with these?

22 MR. COLEMAN: They, again, kill the value of the
23 real estate at that point, because the cost of the parking
24 structure is so expense per stall that it doesn't make any
25 economic sense, so then the hotel makes no money.

1 UNIDENTIFIED FEMALE SPEAKER: Even underground?

2 MR. COLEMAN: We actually designed this as an
3 underground site. This property was designed as an
4 underground site. I had to go down three stories to do that.
5 I don't like going underground. So I have to look at it from
6 an operational standpoint. If I don't want to drive under
7 and park my car, why would I ask a guest to do that. And to
8 be able to surface park here, it actually made more sense.
9 Cost-wise, the acquisition of the land versus the digging in
10 the hole, probably the same dollars to me, except digging in
11 the hole didn't make sense to me. So that's how we worked it
12 out.

13 You're up again.

14 UNIDENTIFIED MALE SPEAKER: I would like to direct
15 a comment to Selena. I've been a resident here for 20-plus
16 years, and I would like to supplement what he just mentioned
17 to you, you know, about there used to be a gang prevention
18 program right here that a lot of children benefit from,
19 including myself. They used to take us on field trips, it
20 was called the (inaudible). They used to take us on field
21 trips, take us a lot of places and that program was stripped
22 from the community in order to build this housing or that
23 further impacted our area and our neighborhood. Now you're
24 talking about developing a building that has 132 residents
25 plus employees, you're talking about bringing 150-plus people

1 in an area that's already overpopulated. You're stripping
2 this community from benefits in order to build buildings.

3 MS. KELAHER: I don't have a history of that,
4 that's --

5 UNIDENTIFIED MALE SPEAKER: I'm just giving you a
6 little bit of background, because I've been here 20 years.
7 You know, I've lived here for 20 years, I've seen the changes
8 that go on here both positive and negative. And that's why
9 I'm just giving you a little bit of background on the
10 programs that we had benefited from and that have been slowly
11 stripped away.

12 MS. KELAHER: So I'll note that. And then regards
13 to bringing in people, it's not going to be for living long
14 term. These are short night stays -- or a couple night
15 stays, at most, and I don't know if you would have full
16 occupancy all the time.

17 UNIDENTIFIED MALE SPEAKER: The thing is that --
18 what I read is that -- you know how it says that this is a
19 professional C zone district. It states somehow that no
20 businesses can operate from 12:00 to 5:00 on it. Can you
21 translate that for me, because I can't understand it? And
22 even when I read the professional C zone district rules and
23 regulations, it states something about businesses not being
24 able to operate from 12:00 to 5:00. Coincidentally, this
25 parking structure does not allow you to park from 12:00 to

1 5:00 a.m. So my question is the hotel is open 24 hours, how
2 are they going to operate in that time frame?

3 MR. COLEMAN: Let me ask you a question. Have you
4 ever seen that parking lot empty?

5 UNIDENTIFIED MALE SPEAKER: From 12:00 to 5:00
6 a.m. --

7 (Untranscribed discussion among the audience.)

8 MR. COLEMAN: It is never empty. I have been
9 photographing this parking lot for a year now. I have
10 watched people -- please bear with me for a minute, because
11 you all get to talk, I want to be able to say something too.
12 I watched people change their engines in their cars out
13 there. I've watched actual prostitution going on against
14 that fence at lunchtime, I have photographs of it. And I
15 look at that and go, "Oh, my God, do I want my kids around
16 that?" No. I am involved with Kids Works in this city. I
17 put my money where my mouth is. I'm trying to buy a lot to
18 put a community garden in right now. I do that kind of stuff
19 because I believe exactly what you believe, that if you don't
20 take care of the kids there's nothing left. And I watch what
21 goes on in this parking lot and I'm appalled. And when you
22 see people coming here, this is public parking right now, but
23 it is not your local garage, it's not your workout zone, it's
24 not all those things. If they fenced this off according to
25 the hours that they're supposed to, those people wouldn't be

1 parking there ever. I have talked to the residents in this
2 neighborhood that park there because that's the only place
3 they can park because the street is full. That's not my
4 fault, though. My job is to do what is right and what meets
5 codes, and in this case, yes, somebody maybe got away with
6 stuff or elder buildings were built in the day when there
7 weren't as many cars as there are today, but everything on
8 this property has to meet the code today and it will meet
9 those codes.

10 UNIDENTIFIED MALE SPEAKER: I completely
11 understand. You're talking about illicit activities that
12 occur in the parking structure, do you believe that your
13 structure is going to prevent that from happening?

14 MR. COLEMAN: Yes, 24-hour a day operation, with
15 security and --

16 UNIDENTIFIED MALE SPEAKER: Maybe from out of view
17 it won't happen, but there's no guarantee that it will
18 prevent (inaudible) --

19 MR. COLEMAN: I own hotels. I have security guards
20 on all of our properties, the lights are on, it's a protected
21 environment. The liability and the requirements of Hilton
22 Hotels is to have guests, patrons show up at 9:00, ten
23 o'clock at night to check into a room, you're liable for
24 their safety. And trust me, this will be safe. There is no
25 access to the back, this is this property only, it will be

1 nothing connected to Bush Street. And that's a business
2 decision that is required by Hilton.

3 UNIDENTIFIED MALE SPEAKER: Talking about taking
4 care of the kids, I take care of my kids (inaudible) the
5 business is right in front of -- (inaudible). I took care of
6 -- I live with the homeless being in my parking lot day and
7 night every single day. If I pay taxes, isn't the city
8 supposed to provide with extra parking for the neighborhoods?
9 This doesn't -- everything is not going to -- everybody that
10 doesn't have a spot is now going to park in my parking lot
11 from now on?

12 MR. COLEMAN: Other questions?

13 UNIDENTIFIED MALE SPEAKER: I just want to make a
14 quick comment. I've been parking over here for a couple of
15 years, so I've seen what's going on here. It's a police
16 enforcement problem, that's all that is.

17 MR. COLEMAN: Oh, yeah.

18 UNIDENTIFIED MALE SPEAKER: When I forgot that my
19 vehicle was over here it got ticketed, and there's a sign
20 posted right out here by the street that says you can't park
21 here.

22 MR. COLEMAN: They don't enforce that.

23 (Untranscribed discussion among the audience.)

24 MR. COLEMAN: There was a hand over here. Did I
25 miss something, if not --

1 UNIDENTIFIED MALE SPEAKER: That property is owned
2 by the City of Santa Ana, the property belongs to me and to
3 all of you guys, so if it is my property, I'm not just going
4 to give it away for you guys to build a hotel, because it is
5 my property, it belongs to me and all of you guys.

6 MR. COLEMAN: Not a problem. But do you know what
7 that property costs to operate? Does anybody in this room
8 know what the operational expense of that property is for the
9 City of Santa Ana?

10 UNIDENTIFIED MALE SPEAKER: It doesn't matter, we
11 all pay for it.

12 UNIDENTIFIED MALE SPEAKER: I have a question.
13 Does not the Bowers Museum have overflow parking for events?

14 UNIDENTIFIED FEMALE SPEAKER: I think people do
15 park there that don't want to pay the parking fee.

16 MR. COLEMAN: That would make sense.

17 (Untranscribed discussion among the audience.)

18 UNIDENTIFIED MALE SPEAKER: What is the operation
19 cost?

20 MR. COLEMAN: \$184,500 a year, something of that
21 nature, and that's no police enforcement, that's just the
22 maintenance they put into that place to keep it running.

23 (Untranscribed discussion among the audience.)

24 MR. COLEMAN: Yes, ma'am.

25 UNIDENTIFIED FEMALE SPEAKER. So the question is

1 have you figured out how much this will bring into Santa Ana,
2 and with the lot being sold, is there a way of taking some of
3 that money initially and the lot money and figure out where
4 to find -- reestablish some parking so this can be built.

5 MR. COLEMAN: I'm now going to give you community
6 involvement, how is that?

7 UNIDENTIFIED MALE SPEAKER: Perfect.

8 MR. COLEMAN: You have an actual valid point. The
9 total TOT on my hotel and what they will save on the parking
10 lot maintenance is \$1 million, almost \$1.1 million annually.

11 UNIDENTIFIED FEMALE SPEAKER: What's a TOT?

12 MR. COLEMAN: Bed tax, because bed tax for -- none
13 of you are paying that bed tax. Whoever comes and stays in
14 that hotel, and that's with any hotel that you stay in
15 literally across the country is you pay a bed tax. It's a
16 little note on your bill and you don't ever see it, because
17 you just pay the bottom line, and that's what it is. But
18 that money is going to go into the city coffers, it goes into
19 the general fund. There is no -- it is not assigned to, hey,
20 it can only go to restore the hotel or it can only go to
21 maintain the street in front of the hotel, it is general fund
22 money. You speak to community involvement and spending that
23 money, that is readily available for you people to go in and
24 say "What do we do? We know this is occurring. You've made
25 the sale. We're going to have a bed tax. We're going to

1 have income. How do we get on the roster to say how about
2 fixing the parking lots? How about getting us another
3 parking space?" That is something that you would have to
4 take up with the city. For my end of it, I have to do it, I
5 can't develop without it, it's just the rules, black and
6 white.

7 UNIDENTIFIED MALE SPEAKER: So when you talk about
8 running the hotel parking structure at a price of \$184,000
9 yearly, I think the community can easily pay that amount of
10 money if you rent out the stalls -- when you live in a
11 residential neighborhood and you go apply for a parking
12 permit, you pay a fee of \$60 for two years, for 24 months
13 you're allowed to park in your structure. When the city was
14 looking for revenue, they should have gave us that option and
15 rented all the residents that live here and benefit from this
16 parking structure an opportunity to actually pay for it to be
17 able to park there. Now you're talking about how you're
18 going to be bringing in revenue for the city, your bed taxes
19 and all that. You know, that money is not going directly to
20 the city. You know, this money is going to go directly to
21 the city. There's so many programs that benefit from this
22 structure, including the police department when they do their
23 successful checkpoints. You're going to strip that from the
24 police department as well. This is where they set up their
25 successful checkpoints to stop illicit activities that you so

1 don't want to happen, you know.

2 MR. COLEMAN: I don't know what to comment on that.

3 UNIDENTIFIED MALE SPEAKER: What is the number of
4 spaces, parking spaces in the existing lot as it sits today?

5 MR. COLEMAN: I believe -- I have not physically
6 counted them dead on, but I think they're somewhere around 65
7 in there, 60.

8 UNIDENTIFIED MALE SPEAKER: It seems like more.

9 MR. COLEMAN: It seems like more, but if you go out
10 and count them there's -- I can do that and provide that.

11 UNIDENTIFIED MALE SPEAKER: That's going to be the
12 question.

13 MR. COLEMAN: I'm going to grab somebody else for a
14 minute.

15 (Untranscribed discussion amount the audience.)

16 UNIDENTIFIED MALE SPEAKER: You've done many
17 developments, apparently, and my question is how does this
18 type of development typically, once it's completed, how does
19 it typically impact property values, let's say within a
20 thousand feet or --

21 MR. COLEMAN: It goes up, because you have a
22 traffic index of people that come through here that want to
23 experience the city, want to go to restaurants, want to go to
24 Bowers Museum, want to go to the Discovery Cube, want to go
25 to the shops around here and everybody is elevated, all the

1 surrounding businesses come out on the upside.

2 UNIDENTIFIED MALE SPEAKER: Is there any rule of
3 thumb about how much this might typically have --

4 MR. COLEMAN: I can't say. I've never really -- I
5 mean, there's statistics out there, but I don't dwell down
6 into those that much, but it is a proven fact and it's
7 publicized that the surrounding areas benefit from the
8 advancement and the growth of a facility of this nature.

9 Yes, sir.

10 UNIDENTIFIED MALE SPEAKER: Man what's the height
11 of your building, approximately, if you don't know the exact.

12 MR. COLEMAN: I don't know the exact height.

13 UNIDENTIFIED MALE SPEAKER: Approximately, roughly?

14 MR. COLEMAN: It's six stories.

15 UNIDENTIFIED MALE SPEAKER: Six stories. You're a
16 developer that's been in business for 40 years, can you
17 approximate, roughly?

18 MR. COLEMAN: If you think I'm that smart, I
19 apologize.

20 UNIDENTIFIED MALE SPEAKER: You obviously have the
21 experience roughly about how many feet (inaudible) --

22 MS. KELAHER: Around 70 feet.

23 MR. COLEMAN: 65, 65 feet.

24 UNIDENTIFIED MALE SPEAKER: You certainly will the
25 tallest one (inaudible) --

1 MR. COLEMAN: No. Across the street, those are
2 already that high. They're actually built up and (inaudible)
3 so, no, I won't be the tallest. And this zone, by the way,
4 is unlimited. There will be a 31-story building across the
5 street soon.

6 UNIDENTIFIED FEMALE SPEAKER: Where is that?

7 MR. COLEMAN: The Broadway one.

8 UNIDENTIFIED FEMALE SPEAKER: I'm the head of the
9 historical preservation society.

10 MR. COLEMAN: Yes, ma'am.

11 UNIDENTIFIED FEMALE SPEAKER: And very interested
12 in the historical buildings you're going to be using in the
13 project, and I'm wondering and who's going to be managing
14 this property and what do you envision them being used for.

15 MR. COLEMAN: They will be part of the hotel
16 property. They will be operated through the management of
17 the hotel. And we are currently kicking around the use of a
18 coffee shop and a restaurant, or a coffee shop and more of a
19 professional use. It will be the home right in front here,
20 the MacFarlane home is staying, and -- what's the name of
21 that house? I just saw it in the report, because we've had
22 the historical people come and do the report on the home, and
23 the family that -- I forget their names, but they -- I think
24 it's Melton. This was the Melton home, the cottage that sits
25 right back here, the thousand foot craftsman style slat

1 house, and that will be picked up, rotated and facing the
2 street. That is this building.

3 UNIDENTIFIED FEMALE SPEAKER: So the MacFarlane
4 home doesn't move, it stays right there?

5 MR. COLEMAN: It stays right where it sits. The
6 worker station won't be here, but the house in front of it
7 will be.

8 (Untranscribed discussion among the audience.)

9 MR. COLEMAN: Yes, sir.

10 UNIDENTIFIED MALE SPEAKER: I'm all for a hotel and
11 I always thought this area needed one. We have the Bowers
12 Museum and across the street is a car wash, which is
13 ridiculous. The city doesn't even know what it wants to do
14 next, and there should be a hotel here. And I wish -- I'm
15 looking at the drawings and I hope you have some other
16 architecture somewhere in your back pocket, because it looks
17 pretty uninspired. I would like to see something special
18 looking.

19 MR. COLEMAN: Well, mind you, this young lady and
20 her boss have already made that comment. So I start with a
21 pallet and then I have to leave it open to the interpretation
22 of the city. So I basically always take direction from the
23 planning department, the folks that actually have a say and a
24 feel for what's going on. All of you are locals, the street
25 is very eclectic, it ranges from the '20s all the way through

1 modern day, so you've got a cadre of things here. We stuck
2 that there, it's a starting point, it will be adjusted.

3 UNIDENTIFIED MALE SPEAKER: Oh good, because it
4 doesn't look very good, I got to say.

5 MR. COLEMAN: That's all right. I just appreciate
6 the fact that you're okay with the hotel being up here,
7 because we do need one.

8 UNIDENTIFIED MALE SPEAKER: To me architecture of
9 any structure should be inspiring, not make people want to
10 leave the area.

11 MR. COLEMAN: Wow. Okay. I'll get you my knife,
12 here you go.

13 UNIDENTIFIED MALE SPEAKER: I'll happily come to
14 more meetings and help you out with that.

15 MR. COLEMAN: No, it's quite all right, that's why
16 I say -- I mean, what do you think of it. That's why it's
17 being adjusted. I hire people, they put it together, they
18 put it in front of me, and I go "Yeah, okay." That's where
19 it is for now.

20 UNIDENTIFIED MALE SPEAKER: When do you plan to
21 break ground?

22 MR. COLEMAN: We're looking at four to six months.

23 UNIDENTIFIED MALE SPEAKER: Four to six months?

24 MR. COLEMAN: Yes, sir.

25 Yes, ma'am.

1 UNIDENTIFIED FEMALE SPEAKER: This is the museum
2 district. Do you know if there's any restrictions they're
3 putting on it you to make it fit in the museum district?

4 MR. COLEMAN: The city will do their normal job of
5 telling me what they want to see and how they want to see it.
6 Communications to date have been very well received in the
7 sense of Bowers Museum having some place for their patrons to
8 actually reside while they're having weddings and doing
9 functions, because right now they can't, they have nowhere to
10 go. They have to go south or they go towards Disney. So if
11 you want to keep the income and the people in your city you
12 have to provide accoutrements that they need to stay in your
13 city. And that's what Bowers Museum is looking for. The
14 folks that own the Discovery Cube are elated that they can
15 have an event and actually be able to say "Right there you'll
16 be able to stay." So they can coordinate with folks staying
17 in our community and spending their funds and their dollars.

18 UNIDENTIFIED FEMALE SPEAKER: No special
19 restrictions and hotels do fit within that district?

20 MR. COLEMAN: Yes.

21 UNIDENTIFIED MALE SPEAKER: You mentioned earlier
22 that there would be fire truck access from the closed gate on
23 Bush Street cul-de-sac.

24 MR. COLEMAN: Yes.

25 UNIDENTIFIED MALE SPEAKER: Now, where would the

1 large trucks for deliveries and --

2 MR. COLEMAN: All come from Main Street.

3 UNIDENTIFIED MALE SPEAKER: Now, I worked for the
4 City of Brea in planning and engineering for quite a long
5 time, and I'm thinking that's awfully tight for circulation
6 for larger vehicles to try to move through that parking lot.
7 I think that's a very optimistic parking design and I'm sure
8 you'll get that comment from the city.

9 MR. COLEMAN: Well, the city is -- before I start I
10 try to ask the departments, and fire marshals, everybody has
11 looked at this for flow and circulation, but they do have
12 their say, and that's why there's engineers, that's why
13 there's folks that do that specific work.

14 UNIDENTIFIED MALE SPEAKER: I have a question for
15 you. On the 55 there is a Hilton, so did you guys develop
16 that Hilton too?

17 MR. COLEMAN: No.

18 UNIDENTIFIED MALE SPEAKER: Okay. Because for some
19 reason that used to be part of the freeway, also was part of
20 the city, and they took away -- the Hilton took away some of
21 the land that actually was a federal land and they moved the
22 entrance, the entranceway to get 55 North, and I couldn't
23 understand how in the world they took city land or city
24 property and they developed that.

25 MR. COLEMAN: That's actually in the City of

1 Tustin. It's a Marriott product. There's two Marriott
2 products that were developed by Artie Olson. And that was a
3 federal acquisition of that whole corner to realign the 55
4 freeway and Edinger and that whole corner. As a matter of
5 fact, I think they took out three different -- they took out
6 a coal plant, they took out a couple of things on that corner
7 to realign all that street. That was actually done by
8 Caltrans originally. They took the real estate and then
9 disposed it back to the city and then the city subsequently
10 sold it to Artie Olson.

11 UNIDENTIFIED MALE SPEAKER: Well, it is a Hilton.
12 Has anybody --

13 MR. COLEMAN: No, it's a Fairfield and a Residents
14 Inn Marriott, I only know because I deal with those guys
15 every day.

16 Sir.

17 UNIDENTIFIED MALE SPEAKER: If you're able to start
18 construction, how long does it take for the place to get in
19 operation after you start construction?

20 MR. COLEMAN: One year. That's our normal turn is
21 about one year.

22 Yes, sir.

23 UNIDENTIFIED MALE SPEAKER: What are the hours for
24 construction?

25 MR. COLEMAN: They're operated by the city, I

1 believe its 7:00 to 5:00 or 7:00 to 6:00, something like
2 that, but they're very controlled.

3 UNIDENTIFIED MALE SPEAKER: Seven days a week?

4 MR. COLEMAN: No, oh, no, there's no -- I don't
5 work my people on Sunday, it's just my belief. So there is
6 no Sundays and Saturdays are even limited. It pushes the
7 starting hours later in the day and shuts them down sooner in
8 the evening.

9 UNIDENTIFIED MALE SPEAKER: What is the
10 construction material? Is it going to be a concrete?

11 MR. COLEMAN: The base structure -- it's called a
12 podium construction. The base structure is a concrete
13 platform that will go up with a 14-foot clear ceiling height
14 and then the thickness of the floor and from there up and
15 it's a stick and stucco construction.

16 UNIDENTIFIED MALE SPEAKER: Five story wood.

17 MR. COLEMAN: Five story wood.

18 Yes, sir.

19 UNIDENTIFIED MALE SPEAKER: There was a little
20 triangle between Santa Clara, Main Street and 101, which
21 is (inaudible) -- and there was a little machine shop in
22 there. I worked in there running aircraft parts in World War
23 II. And from Main Street to Tustin -- to Chapman Avenue,
24 that's where all the hot rods -- had to test my brand-new '49
25 Oldsmobile.

1 MR. COLEMAN: I appreciate stories like that,
2 because my drag strip was back behind the Warner Drive-in,
3 it's no longer there.

4 UNIDENTIFIED MALE SPEAKER: I'm Santa Ana High of
5 '45.

6 MR. COLEMAN: Okay. Guys, he brings up the changes
7 that have occurred here. Do you realize all of this property
8 was adjusted because of the Santa Ana Freeway? It was
9 adjusted because the Santa Ana Freeway allows under our
10 government that what's best for the whole takes over and
11 supercedes what's best for the people that are involved. My
12 neighborhood that I grew up in they threw up the 22 freeway
13 right through the middle of it. All my friends on that end
14 of the street were now on the other side of a freeway. You
15 had to go down and around and back to them to play with them
16 and hang out. This -- literally, this property was multiple
17 independent residential homes. This Bush Street went
18 through, this was all part of something at one time.

19 UNIDENTIFIED MALE SPEAKER: Santa Clara went
20 through.

21 MR. COLEMAN: Yeah, until our government decided
22 that we needed a bigger freeway and they bulldozed it down.

23 UNIDENTIFIED MALE SPEAKER: There used to be a
24 train track that ran along there too. That was going to be
25 the bullet train between L.A. and San Diego.

1 MR. COLEMAN: That's right.

2 UNIDENTIFIED MALE SPEAKER: How would you love
3 that?

4 MR. COLEMAN: But those are things that in our
5 lifetime we see all this. Our properties in Anaheim, they
6 took a third of our buildings and just bulldozed them to
7 widen the freeway. I had no say. I could have fought and
8 yelled and screamed, the city didn't care. It's called
9 eminent domain, they blew it through because it's better for
10 the whole. If you go up the 5 freeway now in the City of
11 Carmenita, in that area they're doing the same thing right
12 now. They're blowing down every one of those buildings and
13 widening the freeway. Go out the 91, there were 385
14 residents effected by the widening of the 91. They didn't
15 care, they said, "There's millions of people that benefit
16 from the 91 freeway, sorry, you 300-some people, you're out
17 of here. And you can drive that freeway right now and see
18 how they've cut the braces of the buildings off. We always
19 don't get a say in what our future is. You have a chance,
20 you have a voice, you have a city hall, you can go talk to
21 them. My job tonight was to inform you folks of what I see
22 for this property. You all have the same voice that can go
23 say you don't want to see it. I commend you if that's what
24 you want to do, because that's the democratic way. I'm
25 allowing you to have a voice. I never oppose anybody

1 speaking, because that's what we're supposed to have the
2 right to do. Is there enough upside benefit to the
3 neighborhood, in my opinion, yes, but I'm the developer, so
4 I'm the bad guy, and I can accept that, I'm the bad guy. So
5 I understand the concerns that have been voiced here. I
6 understand that 35, 40 years ago when the freeway came
7 through and that was going to be sold off by Caltrans the
8 city bought it and threw a parking lot there. Now the city
9 wants to get rid of that parking lot, I'm just the guy that
10 bought it.

11 UNIDENTIFIED MALE SPEAKER: I have a question for
12 you. So what is the city going to benefit with this project?
13 What is the benefit for the city?

14 MR. COLEMAN: A million dollars a year for as long
15 as that hotel operates, and that increases because TOT, bed
16 tax goes up too.

17 Yes, sir.

18 UNIDENTIFIED MALE SPEAKER: I think it's important
19 to have because if you have any visitors there's nowhere for
20 them to stay.

21 UNIDENTIFIED MALE SPEAKER: There's the Red Roof
22 Inn.

23 (Untranscribed discussion held among the audience.)

24 MR. COLEMAN: You know what, I don't want to cast
25 aspersions on any -- there's another motel at the end of the

1 street down here.

2 UNIDENTIFIED MALE SPEAKER: Across the street.

3 MR. COLEMAN: Yeah, across the street. But the
4 reality is you're correct. If you look at this end of the
5 city, it has not been developed in a fashion that it warrants
6 to be treated. We have some of the greatest students right
7 down the street here. My daughter was accepted to that
8 school in two different departments, chose not to go there
9 because they don't pray, it's not a Christian school. You
10 have stuff at this end of town that's never been served
11 adequately. And we have a lot of people up here and it's a
12 shame that they have to go to the far end of town if they
13 want to stay the night in a decent hotel, and that's the
14 purpose of the city bringing this up.

15 (Untranscribed discussion among the audience.)

16 MR. COLEMAN: Over here.

17 UNIDENTIFIED MALE SPEAKER: Okay. This is for all
18 of us here. No matter what we say, the city is not going to
19 care, because you already said it. The city is going to make
20 a million dollars of taxes from all your business. The city
21 is going to say "If you own two or three cars, I don't care,
22 you sell them, do whatever, right on (inaudible), they're not
23 going to care. I live here in the house, the last house
24 (inaudible). I was going to move in here to make -- I own a
25 small air conditioning business. I was going to move here.

1 Actually, I did the air here, but it's not finished.

2 MR. COLEMAN: I thought, "Wait a minute, turn it
3 up."

4 UNIDENTIFIED MALE SPEAKER: This was -- we didn't
5 know what it was going to be in the future. I was going to
6 move in here and rent me the spot to make my business bigger.
7 You know, it feels bad, my garage is here, because, you know,
8 I'm growing as a business here, I was going to jump in here,
9 but the city is not going to care.

10 MS. LOVE: You'd be surprised.

11 UNIDENTIFIED MALE SPEAKER: I wish. I grew up
12 right here in the apartments. I've been here longer than
13 Moise, you know, Moise. I saw him when he was three years
14 old. I worked at the Green Parrot when I was 16 years old.
15 I remember -- he's not here.

16 MR. COLEMAN: He went that way.

17 UNIDENTIFIED MALE SPEAKER: He used to be the owner
18 here and I worked there when I was 16 years old. I used to
19 dish washer, I had a car wash, I did a lot of stuff. It's
20 your business, you want to make money, you want to make
21 something successful, but, you know, like Moise and everybody
22 else is kind of, you know, not trying to get it done. But,
23 like I say, I don't want to make all them feel bad, but like
24 she says, don't be surprised, something can happen. You
25 already bought the area and everything and I don't know

1 what's going to happen.

2 MR. COLEMAN: Well, and I -- I want to take tonight
3 to make sure you guys understand I'm not here to kick anybody
4 out or do anything to hurt anybody. I mean, I walk away from
5 projects that I don't think are right all the time. I've
6 been doing it for 40 years. If I don't feel right about
7 something I leave.

8 UNIDENTIFIED MALE SPEAKER: I don't blame it on
9 you. It's just like, you know, the city is trying to sell
10 and making like -- I don't know how much people pay on taxes
11 here, but I'm sure the city is going to get way more money
12 from what you're going to make sure here from what we're
13 paying right now.

14 MR. COLEMAN: You are correct with that. Cities
15 strive for the hotels because it is pure income for them that
16 cost no resident in the city a dime. So the city looks at it
17 as basically a free source of funds that comes to them from
18 the patrons and the guests that visit the city. And it's
19 like, "Okay. You're going to come in my city, use my
20 streets, I'm going to put it in a bed tax so you're going to
21 help us pay for all that stuff."

22 UNIDENTIFIED MALE SPEAKER: That's a good point
23 that you're making here, because I heard before, you know,
24 there's people doing sex over there, using drugs, you see
25 containers of drugs all over the place. Homeless trying to

1 pick up -- you know, if somebody left drugs in there, I seen
2 them -- I wake up at 5:00 in morning to go to work, so I see
3 all these people looking -- it's when the parking is kind of
4 empty. And then people at night, they patrol, they ticket,
5 but they patrol, they use it as a hotel, they put their cars
6 towards that way, they put something to cover the windows and
7 do their thing, so now you're making a real hotel.

8 MR. COLEMAN: Maybe we can get a cut of that
9 income.

10 (Untranscribed discussion among the audience.)

11 MR. COLEMAN: I got to tell you, the day that I
12 heard that, I was absolutely so dumbfounded, I drove and I
13 went "I did not see that." I went around, I came back, and I
14 went "Oh, my God, I did see that," and it was amazing and
15 this is just broad daylight. And you go "This is what a
16 nooner is," because that's what was going on.

17 UNIDENTIFIED MALE SPEAKER: I catch them doing it.
18 Right here in my cul-de-sac I got cameras that I don't want
19 to turn them too much that way, because I'm going to see
20 action. But I can see people, you know, and I call the
21 police, but they come, like, 30, 40 minutes after.

22 UNIDENTIFIED FEMALE SPEAKER: It's too late.

23 MR. COLEMAN: Yeah, they look at that as "Well,
24 that didn't cost us anything." What do they call it? A
25 victimless crime. Okay. Except for the poor guy that paid

1 for it.

2 Yes, sir.

3 UNIDENTIFIED MALE SPEAKER: These 38 parking
4 spaces, are those going to be (inaudible), or is that
5 validated or is it self-park?

6 MR. COLEMAN: It will be self-parking for the hotel
7 and probably permits we will issue so that we know those
8 guests are part of the hotel.

9 UNIDENTIFIED MALE SPEAKER: So you want to break
10 ground in four months, you said?

11 MR. COLEMAN: As fast as this young lady --

12 MS. KELAHER: Kevin has been pretty helpful --

13 UNIDENTIFIED MALE SPEAKER: When would the
14 improvements in architecture --

15 MR. COLEMAN: Oh, that all goes through them. They
16 will beat me up --

17 (Untranscribed discussion among the audience.)

18 MS. KELAHER: Kevin, do you want to wrap it up?

19 MR. COLEMAN: Anyone else? Seeing none, thank you
20 all so much for coming.

21 (Meeting was concluded at 6:50 p.m.)
22
23
24
25

1 State of California)

2) ss.

3 County of San Diego)

4

5 I, SHARRON K. NISBETT, a Certified Shorthand
6 Reporter, License No. 9839, for the State of California, do
7 hereby certify:

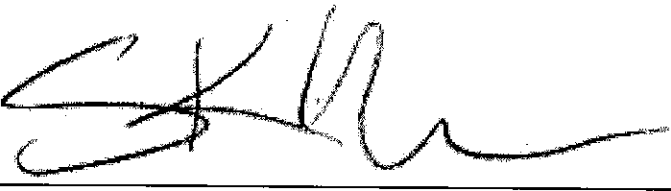
8 That the foregoing proceedings were taken
9 before me at the time and place herein set forth; that a
10 record of the proceedings was made by me using machine
11 shorthand which was thereafter transcribed under my
12 direction; that the foregoing transcript is a true record of
13 the proceedings.

14 In witness whereof, I have subscribed my name.

15

16

17

A handwritten signature in dark ink, appearing to read 'SKN', is written over a horizontal line.

18

SHARRON K. NISBETT, CSR NO. 9839

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