

EXHIBIT “A”

RESOLUTION NO. 19-119

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, APPROVING THE REAL PROPERTY EXCHANGE AGREEMENT WITH PROLOGIS TARGETED U.S. LOGISTICS FUND, L.P. TO EXCHANGE THE CITY YARD PROPERTY AT 2390/2400 E. DOMINGUEZ, CARSON FOR THE PROLOGIS REAL PROPERTY AT 18620 SOUTH BROADWAY & 18601 SOUTH MAIN STREET, CARSON.

WHEREAS, the City of Carson ("**City**") currently owns that certain real property located at located at 2390/2400 E. Dominguez (APN 7316-026-900) consisting of approximately 10.48 acres ("**City Yard Property**") on which the City has operated the city yard for over 40 years; and

WHEREAS, Prologis Targeted U.S. Logistics Fund, LP, a Delaware limited partnership ("**Prologis**") owns that certain real property located at 18620 South Broadway & 18601 South Main Street, in the City of Carson (APN 7339-013-024) consisting of approximately 6.39 acres with a number of buildings ("**Prologis Property**"); and

WHEREAS, the current buildings and facilities on the City Yard Property are in need of substantial repair and renovation which would be expensive and would significantly interfere with the services to the City; and

WHEREAS, the Prologis Property is more centrally and better located within the City for the operation of the City Yard to serve the City; and

WHEREAS, the City could acquire the Prologis Property through condemnation subject to compliance with all applicable laws which would take time and incur significant costs and expenses; and

WHEREAS, under threat of possible condemnation, Prologis has agreed to exchange the Prologis Property for the City Yard Property upon certain terms and conditions as set forth in an Exchange Agreement under Threat of Condemnation and Joint Escrow Instructions; and

WHEREAS, both the City Property and Prologis Property have been appraised which has determined that the fair market value of the City Property is \$25,824,000 and the fair market value of the Prologis Property is \$15,624,000 with the net difference being \$10,200,000 ("**Excess Amount**") which will be due to City (subject to offset as noted below); and

WHEREAS, as additional consideration, Prologis will also construct the internal improvements in the existing building on the Prologis Property which are estimated to cost \$4,871,733 of which Prologis shall pay \$2,410,000 and City shall be responsible for

\$2,461,733 which will be offset against the Excess Amount at close of the transaction reducing the Net Proceeds to \$7,738,267 (except for any change orders from City which will be at City's cost) ; and

WHEREAS, the plans and specifications for the improvements ("**Improvements**") were prepared by MVA Architects and approved by City ("**Approved Plans**"); and

WHEREAS, upon execution of the Exchange Agreement, Prologis shall have 10 business days to perform due diligence inspection of the City Yard Property; and

WHEREAS, upon expiration of the due diligence period, Prologis must either cancel the Exchange Agreement or deposit \$1,500,000 into escrow which is non-refundable (except if City breaches); and

WHEREAS, also upon expiration of the due diligence period, Prologis is to promptly commence and diligently construct the Improvements in accordance with the Approved Plans and to complete same within 9 months of commencement; and

WHEREAS, Prologis will comply with prevailing wage laws for construction of the Improvements even though construction is occurring prior to the transfer of the Prologis Property to City; and

WHEREAS, the Improvements will be completed prior to closing of the transaction and, at closing, Prologis will provide, at Prologis's cost, copies of As-Built Plans and an updated final ALTA survey at Prologis's cost; and

WHEREAS, the parties have each retained environmental consultants to review the Phase I and II reports and to investigate the respective properties. Prologis retained PARTNER Engineering and Science, Inc. and City initially retained Dr. Susan Mearns and subsequently EFI Global to conduct a peer review. PARTNER and EFI are both major internationally recognized environmental firms and have issued reports indicating that there are no major environmental concerns on either property. PARTNER has issued a reliance letter for their report on the Prologis Property in favor of the City which is supported by \$5M in errors and omissions insurance; and

WHEREAS, the Exchange Agreement specifies that each party is accepting the property being acquired in AS-IS condition and will not have any rights against the transferring party but may pursue prior owners and the environmental consultants ("**AS-IS Covenant**"); and

WHEREAS, the purchase price for the City Property was increased by \$200,000 so as to permit the City to obtain environmental insurance evidence of which must be provided to Prologis as a condition to closing; and

WHEREAS, the City has the right (but not the obligation) to request that the Prologis Property be vested in the Carson Reclamation Authority (“**CRA**”) at closing subject to certain conditions including that CRA acknowledging the AS-IS Covenant; and

WHEREAS, the uses of the respective properties does not trigger any CEQA issues as uses will be consistent with existing zoning and general plan uses and the permitted uses were adequately disclosed in the EIR certified in 2004 as part of the City’s General Plan; and

WHEREAS, The escrow will close 45 days after substantial completion of the Improvements which is defined as the last to occur of (a) a certificate of substantial completion certificate executed by the Architect, General Contractor, and Prologis which will be delivered to the City, (b) a notice of completion under Civil Code 8412 has been recorded, and (c) a certificate of occupancy has been issued by the City in accordance with standard procedure; and

WHEREAS, After the closing of escrow, City will lease back the City Yard Property for 30 days rent free to allow the city yard operations to be shifted to the Prologis Property. Furthermore, City has the right to remove any and all items from existing City Yard at its discretion; and

WHEREAS, At Closing, City will receive an extended ALTA owner’s title policy with the cost of the survey and policy paid by Prologis; and

WHEREAS, Prologis will pay **all** title, escrow recording, report and commission costs as well as documentary transfer taxes for both properties; and

WHEREAS, Provided City does not make any change orders to the Improvements, the net proceeds to City will be \$7,738,267; and

WHEREAS, Prologis has executed a reimbursement agreement with City for reimbursement of city attorney fees to a maximum of \$125,000; and

WHEREAS, Prologis has executed a reimbursement agreement with City for reimbursement of City’s environmental work to a maximum of \$25,000; and

WHEREAS, although as a charter city, the City is not required to provide public notice and a public hearing regarding the sale of the City Yard Property under Government Code 37420, et. seq., the City, desiring to provide the public with an opportunity to give input on the transfer of the City Yard, adopted Resolution No. 19-114 at the June 4, 2019 City Council meeting, setting the public hearing for June 18, 2019, or such time thereafter as may be set by the City Council; and

WHEREAS, the City Council provided notice of the public hearing as described in Resolution 19-114 and the hearing was held on June 12, 2019.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CARSON DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct, and are incorporated herein by reference as though set forth in full.

SECTION 2. The transaction is categorically exempt under the California Environmental Quality Act (“**CEQA**”) pursuant to Public Resource Code Section 21083 and 21084 - CEQA Guideline Section 15331 (Existing Facilities).

SECTION 3. The Exchange Agreement under Threat of Condemnation and Joint Escrow Instructions between Prologis and City, a copy of which is attached hereto as Exhibit A, is hereby approved.

SECTION 4. The City Manager or her designee is hereby authorized to execute such additional documents as may be necessary to consummate the transaction.

SECTION 5. The City Manager or her designee is hereby authorized to execute change orders for the Improvements up to a cumulative maximum amount of \$_____.

SECTION 6. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

SECTION 7. This Resolution shall be effective immediately upon passage and adoption..

PASSED, APPROVED AND ADOPTED by the City Council of the City of Carson, California, at a regular meeting held on the 18th day of June, 2019.

ATTEST:

Mayor Albert Robles

City Clerk Donesia Gause-Aldana

APPROVED AS TO FORM:

City Attorney Sunny K. Soltani

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF CARSON)

I, Donesia Gause-Aldana, City Clerk of the City of Carson, California, do hereby certify that the whole number of members is five; that the foregoing resolution, being Resolution No. 19-___ was duly and regularly adopted by said City at a regular meeting duly and regularly held on the ___ day of _____ 2019, and that the same was passed and adopted by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

By: _____
City Clerk