

**ORDINANCE NO. 22 -2201**

**AN ORDINANCE OF THE CITY COUNCIL OF CITY OF CARSON, CALIFORNIA APPROVING AN ECONOMIC BENEFIT AGREEMENT WITH SOUTH BAY CARSON, LLC**

**WHEREAS**, The City of Carson Charter at Section 206 authorizes a comprehensive set of economic development incentives and programs to promote development given the unique environmental constraints in the City of Carson, to create jobs and to preserve the sound fiscal basis of the City;

**WHEREAS**, the City's Charter powers include the authority to enter into agreements, and to loan, grant, fund, or finance projects which will provide public benefit and protect the public health, safety and welfare of the community, which programs may be carried out singly or in combination in a manner to promote the economic development objectives set forth in Section 206 of the Charter, which specifically allows for the use of "Tax and Assistance Agreements" for sales or other taxes to be shared with the generator;

**WHEREAS**, additionally, Government Code Section 53803 authorizes the City to provide financial incentives to businesses to promote economic activity;

**WHEREAS**, South Bay Carson, LLC (Sywest) owns property at 20151 South Main Street (Property), which is located within a former Carson Redevelopment Agency Project Area;

**WHEREAS**, despite diligent efforts by the Carson Redevelopment Agency Board and staff to foster development of a beneficial end use for the Property, it has remained vacant for decades. In fact, the Property is currently being used as a temporary facility for the storage of vehicles as no other viable uses have been feasible;

**WHEREAS**, many projects proposed at the Property failed due to the fact that the Property was part of the former Southwest Conservation Landfill, which accepted wastes similar to other former landfills in the immediate area that now have documented soil and groundwater contamination from metals and volatile and semi-volatile organics; therefore, the Property likely has similar contamination;

**WHEREAS**, given the history of the Property and efforts to redevelop it, the prospect of development there for retail uses is unlikely as it is not economically feasible without some form of assistance from the City;

**WHEREAS**, in accordance with the City's Charter powers and Government Code Section 53803, the City Council wishes to enter into an Economic Development Benefit Agreement (Agreement) with Sywest to rebate a portion of sales taxes generated from the Property in an effort to foster development of retail facilities, including a Costco store thereon;

**WHEREAS**, the Agreement specifically provides that Sywest is to receive 65% of each dollar of sales tax revenues received by the City for the first 5 years from retail sales at the Property, and thereafter, from year 6 until no later than 20 years from the commencement of the term of the

**EXHIBIT NO. 1**

Agreement, the subsidy to Sywest will be lowered to 55% of each dollar of sales tax revenue received by the City from the Property, which subsidy is capped at \$18,000,000;

**WHEREAS**, The proposed Agreement was considered by the City's Economic Development Commission on \_\_\_\_\_, 2022 and unanimously found to be appropriate to recommend to the City Council for approval.

**WHEREAS**, in accordance with the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, §§ 15000 et seq.), and any applicable local CEQA policies and procedures, the Agreement is not a "project" for purposes of CEQA, as that term is defined by the CEQA Guidelines section 15378, because the Agreement merely contemplates a government funding mechanism or other government fiscal activity, which does not involve any commitment to any specific project which may result in potentially significant physical impact on the environment, pursuant to Guidelines section 15378(b)(4), or alternatively, it constitutes an organizational or administrative activity that will not result in a direct or indirect physical change in the environment pursuant to Guidelines section 15378(b)(5); and

**WHEREAS**, on February 15, 2022, the City Council held a public hearing, duly noticed pursuant to Government Code Section 53803 and published on the City's website, including the information required by Section 53083, considered all written documentation and testimony provided at the hearing and closed the public hearing regarding the adoption of this Ordinance and approval of the Agreement.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA DOES ORDAIN AS FOLLOWS:**

**SECTION 1. RECITALS.** The foregoing Recitals are true and correct, and are incorporated herein as findings of fact.

**SECTION 2. PUBLIC BENEFITS.** The City Council finds that the Agreement serves valid public purposes and is consistent with the authority set forth in City of Carson Charter Section 206 and Government Code Section 53083 insofar as the Agreement fosters the development of a severely blighted, undeveloped and likely contaminated site. The Agreement further serves a public purpose by including an obligation that Sywest include in all contracts (including leases) with other entities establishing and operating retail facilities at the Property to require that each such entity use reasonable efforts to recruit and hire local City residents for full and part time employment opportunities.

**SECTION 3. APPROVAL.** In light of the strong public benefits served by the Agreement, the City Council hereby approves the Agreement in the form presented at the public hearing with this Ordinance, subject to approval as to the form of the final Agreement by the City Attorney.

**SECTION 4. SEVERABILITY.** If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase, or portion thereof,

irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions thereof may be declared invalid or unconstitutional.

**SECTION 5. EFFECTIVE DATE.** This ordinance shall be in full force and effect thirty (30) days after its adoption.

**SECTION 6. CERTIFICATION.** The City Clerk shall certify to the adoption of this ordinance, and shall cause the same to be posted and codified in the manner required by law.

**PASSED, APPROVED and ADOPTED** at a regular meeting of the City Council on this 15th day of February 2022.

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Lula Davis-Holmes, Mayor

ATTEST:

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Dr. Khaleah K. Bradshaw, City Clerk

APPROVED AS TO FORM:

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Sunny K. Soltani, City Attorney