

RESOLUTION NO. 22-11-CRJPA

A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY APPROVING A COOPERATION AGREEMENT WITH THE CITY OF CARSON TO FUND PUBLIC INFRASTRUCTURE COSTS OF THE 157-ACRE SITE OWNED BY THE CARSON RECLAMATION AUTHORITY, THE FORMER CAL-COMPACT LANDFILL

WHEREAS, the Carson Reclamation Authority (“Authority”) acquired, and currently owns, approximately 157 gross acres of real property in the City of Carson, as shown on the Site Map attached hereto as Exhibit “A” (the “157 Acre Site”), which said 157 Acre Site is divided into five Cells as shown on Exhibit “A” and is subject to The Boulevards at South Bay Specific Plan, originally approved on February 8, 2006, and later amended on April 5, 2011, and further amended and re-named The District at South Bay Specific Plan on April 3, 2018, and again on May 23, 2022 (the “Specific Plan”); and

WHEREAS, the 157 Acre Site is a former landfill site, and on October 25, 1995, the California Department of Toxic Substances Control (“DTSC”) approved a Remedial Action Plan (“RAP”) for portions of the 157 Acre Site, which RAP requires the installation, operation and maintenance of certain remedial systems, including a landfill cap, landfill gas collection and control system, and groundwater extraction and treatment system on the 157 Acre Site, including re-grading and re-compaction of the soils and other materials on the site (together with other mitigation measures required by applicable law, collectively, the “Remedial Systems”); and

WHEREAS, DTSC entered into the Compliance Framework Agreement dated as of September 28, 2006, with the then-current property owner of the 157 Acre Site, Carson Marketplace LLC (“CM”), as amended by the First Amendment to Compliance Framework Agreement dated as of December 31, 2007 (collectively, the “CFA”) for the purpose of setting forth a plan for addressing the environmental condition of the 157 Acre Site, and the CFA required CM to establish financial assurance for implementation of the RAP, including long-term operation and maintenance of the Remedial Systems (“O&M”); and

WHEREAS, in 2015 CM offered to convey the 157 Acre Site to the City of Carson (“City”) without charge, but seeking indemnification; while City determined that such a transaction may be the only way to develop the 157 Acre Site, but as under the state and federal environmental law, risked landowner’s liability if City took title; the City was unwilling to put its general fund and taxpayers at risk for environmental cleanup costs, which were then expected to exceed \$100 Million; and

WHEREAS, Authority took title to the 157 Acre Site on May 20, 2015 and based on the CFA, DTSC continues to have certain oversight rights concerning the development of the 157 Acre Site and agreements affecting the Remedial Systems continue to be subject to DTSC approval; and

WHEREAS, Authority has entered an Option Agreement and City anticipates entering a Development Agreement (collectively, the “Development Agreements”) with Carson Goose Owner, LLC, a Delaware limited liability company (“Developer”, or together with Authority, the “Parties” or each a “Party”) for the development of: (i) an 11.12 acre community amenity and commercial area with a variety of programmed passive and active open spaces, including, among other uses, retail, restaurants, a performance stage and pavilion and event lawn, a dog park, and other community-serving uses (known and referred to as the “Carson Country Mart”); (ii) up to six light industrial buildings (providing for e-commerce/fulfillment center uses and distribution center/parcel hub uses) consisting of a maximum of 1,567,090 square feet total, inclusive of 75,000 square feet of associated office space; and (iii) associated signage (the “Project”); and

WHEREAS, the portion of the 157 Acre Site which is the subject of the Development Agreements is identified as Planning Area 3 or PA 3 in the Specific Plan and comprises Cells 3, 4, and 5. The 157 Acre Site has also been vertically subdivided into a surface lot (the “Surface Lot”) and a subsurface lot (the “Subsurface Lot”), which lots are referenced as Parcel 1 (Subsurface Lot) and Parcel 2 (Surface Lot) of Parcel Map No. 70372 (per map filed in Book 377 Pages 76-89, inclusive, of maps in the Office of the County Recorder for Los Angeles County (the “Official Records”); and

WHEREAS, the City would typically be obligated for and take the responsibility to provide public infrastructure and services on, over and in the 157 Acre Site, including streets, sidewalks, parkways, sewer, water, drainage, lighting, and other utilities, and assure accessibility to the 157 Acre Site (“City’s Infrastructure Obligations”); and

WHEREAS, in order to avoid any City liability for the remediation of the 157 Acre Site, which was the purpose for creating the Authority, under the Cooperation Agreement, the City shall contract by with the Authority, which will construct all such improvements including streets, sidewalks, parkways, sewer, water, drainage, lighting, and other utilities and other public offsite infrastructure, further described and defined in the Development Agreements as the “Offsite Improvements”. The Authority’s resources are insufficient to undertake all costs of the Offsite Improvements, and as such the City shall contribute \$22.4 Million in Measure R/Measure M bond funds (“Bond Funds”) towards the completion of the Offsite Improvements. In addition, the Developer shall be responsible for contributing sixty percent (60%) of the costs of the Offsite Improvements in excess of such \$22.4 Million contribution from the City.

NOW, THEREFORE, be it resolved by the Carson Reclamation Authority, a Joint Powers Authority, as follows:

Section 1. The Recitals set forth above are true and correct and incorporated herein by this reference.

Section 2. CEQA Findings. Extensive environmental review has been undertaken pursuant to CEQA for the 157 Acre Site in connection with the approval of the Boulevards

Specific Plan in 2006, the 2018 Specific Plan, and the 2022 Specific Plan (the “CEQA Review”), which culminated in a Final Environmental Impact Report, dated February 8, 2006 for the Boulevards Specific Plan, an Addendum to the Final Environmental Impact Report dated March 2009, a Supplemental Environmental Impact Report dated April 3, 2018 (collectively, the “Existing EIR”), and a Final Supplemental Environmental Impact Report specific to the Project, dated April 2022 (the “SEIR” or “2022 SEIR”). Pursuant to the terms and conditions of the Option Agreement, the Developer completed a subsequent amendment to the 2018 Specific Plan, which has approved by the City Council concurrently with the Council’s approval of this Resolution (as so amended, the “Specific Plan” or “2022 Specific Plan”). The Cooperation Agreement does not change any of the environmental assessment of the SEIR. As such, the Carson Reclamation Authority finds the Cooperation Agreement have already been fully assessed in accordance with CEQA, no subsequent review is required under CEQA Guidelines section 15162, and no further action or review is required under CEQA.

Section 3. The Cooperation Agreement between the City of Carson, a California charter city and the Carson Reclamation Authority, a California Joint Powers Authority, is hereby approved. Pursuant to the terms and conditions of the Cooperation Agreement, City shall be required to pay to Authority certain Measure R/Measure M bond funds in exchange for Authority undertaking City’s Infrastructure Obligations. Authority will carry out such obligations on behalf of the City and to receive the financial payments specified therein which will allow it to meet its obligations hereunder.

Section 4. Standards of Work Applicable to Authority Improvements. Authority shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described in the Cooperation Agreement and covenants that it shall follow the highest professional standards in performing the work required hereunder and that all materials will be of good quality, fit for the purpose intended. These assurances include:

4.1 Compliance with Law. Authority shall render all work in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State, or other governmental entities having jurisdiction over such work, as in effect at the time service is rendered.

4.2 Licenses, Permits, Fees and Assessments. Authority (or its contractors) shall obtain such licenses, permits, registrations, and approvals as may be required by law for the performance of the work required by the Cooperation Agreement. Authority shall indemnify, defend, and hold harmless City, its officers, employees, or agents of City, against any fees, assessments, taxes penalties or interest levied, assessed, or imposed against City as a result of the work performed by the Authority under the Cooperation Agreement or otherwise pursuant to the terms and provisions provided hereunder.

4.3 Protection and Care of Work and Materials. Authority shall adopt reasonable methods, during the life of the Cooperation Agreement to furnish

continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property.

4.4 Assurance of Non-Discrimination During Construction. The Authority agrees that there shall be no discrimination against, or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, sexual orientation or gender preference, national origin, or ancestry in the performance of the Offsite Improvements or any other work performed by the Authority under the Cooperation Agreement, and shall assume compliance with this provision from its contractors, subcontractors, and other performing work on the site. The Authority shall take affirmative action to ensure that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, sexual orientation or gender preference, national origin, or ancestry.

4.5 Assurance of Payment of Prevailing Wages. Authority shall ensure the payment of prevailing wages as required by law, as described in California Labor Code § 1720 with respect to the construction and performance of the Offsite Improvements. Authority acknowledges and agrees that should any third party, including, but not limited to, the Director of the Department of Industrial Relations (“DIR”), require Authority or any of its contractors or subcontractors to pay the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the DIR under Prevailing Wage Law, then Authority shall indemnify, defend, and hold City harmless from any such determinations, or actions (whether legal, equitable, or administrative in nature) or other proceedings, and shall assume all obligations and liabilities for the payment of such wages and for compliance with the provisions of the Prevailing Wage Law.

Section 5. Enforcement by Third Party Beneficiary. The City and Authority understand agree that Developer is an intended third-party beneficiary of the provisions of the Cooperation Agreement solely with respect to the required transfer of the Bond Funds by City to Authority, pursuant to the provisions set forth in Section 1.14(a) and 3.1 of the Cooperation Agreement. In the event of any failure by City to timely make such required payment/transfer of the Bond Funds provided herein to Authority, and if Authority fails to timely act to obtain the Bond Funds from City, Developer shall have the same rights as the Authority hereunder to enforce Authority’s rights against City in order to recover the full amount of the Bond Funds for the construction/development of the Offsite Improvements.

PASSED, APPROVED, AND ADOPTED this _____ day of _____ 2022.

Lula Davis-Holmes, Chair

ATTEST:

Dr. Khaleah K. Bradshaw, Authority Secretary

APPROVED AS TO FORM:

Sunny Soltani, Authority Counsel

Exhibit "A"