

ORDINANCE NO. 22-2208

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, APPROVING DEVELOPMENT AGREEMENT NO. 29-2021 BETWEEN THE CITY OF CARSON, THE CARSON RECLAMATION AUTHORITY AND CARSON GOOSE OWNER, LLC, FOR 1,567,090 SQUARE FEET OF LIGHT INDUSTRIAL USES AND 11.74 ACRES OF PUBLICLY ACCESSIBLE, BUT PRIVATELY MAINTAINED OPEN SPACE AND COMMERCIAL/COMMUNITY AND AMENITY USES ON PLANNING AREA 3 OF THE DISTRICT AT SOUTH BAY SPECIFIC PLAN PROJECT

WHEREAS, there is a 157-acre site generally located southwest of the Interstate 405 (I-405) Freeway (the San Diego Freeway) and north of the Avalon Boulevard interchange at 20400 Main Street in the City of Carson ("Project Site"), which includes the former Cal-Compact Landfill also referred to herein as the "157 Acre Site" and / or the "Project Site") which operated as a Class II landfill from 1959 until 1965; and

WHEREAS, The Carson Reclamation Authority ("Authority"), the City of Carson ("City"), and Carson Goose Owner, LLC, ("Developer"), are negotiating the sale and development of approximately 84 acres of the surface-only area of Cells 3, 4 and 5, (the "Remainder Cells Surface Lot") located within Planning Area 3; and

WHEREAS, the sale and development of the Developer Property (as defined below) shall be accomplished, primarily, pursuant to the following actions of the City:

- (1) A Development Agreement, which is attached hereto as **Attachment "A"**, and
- (2) Specific Plan Amendment No. SPA 27-2021, consisting of an amendment to The District at South Bay Specific Plan, and
- (3) General Plan Amendment No. GPA 112-2021 to change the land use designation of PA3(a) from Commercial Marketplace (CM) to Light Industrial (LI), and
- (4) Site Plan and Design Review No. DOR 1877-2021 for Planning Area 3, and
- (5) Vesting Tentative Tract Map No. VTTM 83481 Planning Area 3, and
- (6) Environmental approvals including a Supplemental Environmental Impact Report ("SEIR") pursuant to the California Environmental Quality Act, Public Resources Code §21000 et seq. (CEQA), and
- (7) Such other permits and entitlements as may be required by the City or Authority, all collectively referred to herein as the "Entitlements"; and

WHEREAS, concurrently with consideration of this Development Agreement by the City Council, it is anticipated that (1) Authority will consider entering into a purchase and sale agreement between Authority and Developer whereby Authority will convey and Developer will acquire the

Developer Property (including certain easement agreements,). The effectiveness of the Development Agreement is contingent, one on the other and the priority of various agreements is further described in the Development Agreement. As required by Sections 65864 through 65869.5 of the Government Code as a condition to execution by City of the Development Agreement, the Option Agreement previously entered into between the Developer and the Authority provides Developer with a legal or equitable interest in the Developer Property; and

WHEREAS, the Authority, City and Developer entered into an Option Agreement, and Deposit and Reimbursement Agreement pursuant to which the Developer was given an option to acquire the Property and Developer agreed, among other things, to(a) reimburse City and Authority for their respective costs in negotiating this Agreement and the other Project Agreements, (b) reimburse the City and Authority for their respective costs in CEQA processing for the Developer's proposed project and amendments to The District at South Bay Specific Plan, and (c) make advances to the Authority for its Carry Costs incurred in connection with holding and maintaining the 157 Acre Site; and

WHEREAS, as set forth in the Option Agreement, the Authority shall (i) retain the Subsurface Lot of the Remainder Cells and (ii) convey to Developer: (1) fee title to the Property (i.e., the Surface Lot of the Remainder Cells), as more particularly described on Exhibit C of the Development Agreement; (2) an easement in certain portions of the land underlying the Surface Lot of the Remainder Cells ("Subsidence Easement Area") in order to permit Developer to construct the Project; (3) an easement over the Subsurface Lot of the Remainder Cells to a level 500 feet below the upper surface thereof ("Subjacent Support Easement Area"), for support for the Project and the Surface Lot of the Remainder Cells; and (4) easements for the delivery of water, gas, electricity, telephone, cable, fiber optic and other communications services and utilities, and the removal and drainage of sanitary waste and stormwater, over Authority's property and facilities for such utilities located in the Subsurface Lot of the Remainder Cells and the other portions of the 157 Acre Site ("Utility Easements"). The real property interests comprising the Remainder Cells Surface Lot, the Subsidence Easement Area, the Subjacent Support Easement Area, the Utility Easements, and such other easements and rights, if any, with respect to the 157 Acre Site as Developer may acquire from Authority pursuant to the Grant Deed made by Authority in favor of Developer, recorded through Certificates of Compliance (the "Grant Deed") are referred to herein collectively as the "Developer Property;" and

WHEREAS, the Developer's proposed Project on the Property will consist of the following: (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 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 (as depicted on Exhibit C and Exhibit D of the Development Agreement, the "Project"); and

WHEREAS, Consideration Paid by Developer to the Authority for the Property. Pursuant to the terms and conditions of the Option Agreement, Developer has agreed to pay the Authority, among other

amounts, consideration in the amount of \$45M (the “Purchase Consideration”) for the Developer Property; and

WHEREAS, An application for a Specific Plan Amendment and Development Agreement has been duly filed by the Applicant, with respect to real property consisting of 157 acres located generally south of the I-405 freeway, west of Avalon Boulevard interchange, east of Main Street and north and south of Del Amo Boulevard. The property fully described in the District at South Bay Specific Plan. The project will replace the previously approved general commercial uses under the 2018 Project with a maximum of 1,567,090 sf of light industrial development and supportive office uses and up to approximately 11.74 acres of publicly accessible but privately maintained open space and commercial/community-use and amenity areas on Planning Area 3 of the Specific Plan Area; and

WHEREAS, on April 18, 2022, the Planning Commission, after giving notice pursuant to Government Code Sections 65090, 65091, 65092 and 65094, (i) held a special public hearing for Development Agreement No. DA 29-2021, Specific Plan Amendment No. SPA 27-2021, General Plan Amendment No. GPA 118-2021, Site Plan and Design Review No. DOR 1877-2022, Vesting Tentative Tract Map No. VTTM 83481, and Supplemental Environmental Impact Report for The District at South Bay Specific Plan, State Clearinghouse No. 2005051059 (the "SEIR"); and (ii) adopted Resolution No. 22-2830 Approving Site Plan and Design Review No. DOR 1877-2022, Vesting Tentative Tract Map No. VTTM 83481, certifying Supplemental Environmental Impact Report, adopting CEQA Findings of Fact and a Statement of Overriding Considerations for The District at South Bay Specific Plan, State Clearinghouse No. 2005051059, and (iii) Adopted Resolution 22-2831 Recommending City Council Approval for Development Agreement No. DA 29-2021, Specific Plan Amendment No. SPA 27-2021, General Plan Amendment No. GPA 118-2021. The Planning Commission’s decision was appealed on April 21, 2022; and

WHEREAS, on April 21, 2022, an application for an Appeal was filed to appeal the Planning Commission’s decision to approve Resolution 22-2830 (1) adopting the Findings required by CEQA Guidelines; (2) certifying the 2022 to the Final EIR (SCH No. 20050551059) for the District at South Bay Specific Plan; (3) adopting a Mitigation Monitoring and Reporting Program, (4) adopting a Statement of Overriding Considerations; and (5) approving Site Plan and Design Review No. DOR 1877-2021 and Vesting Tentative Tract Map No. VTTM 83481; and

WHEREAS, pursuant to California Government Code Sections 65867 and 65090, the City of Carson on April 22, 2022, published a legal notice of the public hearing regarding Specific Plan Amendment No. 27-2021, General Plan Amendment No. GPA 112-2021 and Development Agreement No. DA 29-2021, to be held by the City Council on May 3, 2022. In addition, on April 21, 2022, a public hearing notice was mailed to each property owner within an expanded radius of 2,000 feet of the Project site, indicating the date and time of the public hearing regarding the Development Agreement in accordance with state law; and

WHEREAS, the City Council consideration of the provisions of Specific Plan Amendment No. 27-2021, General Plan Amendment No. GPA 112-2021 and Development Agreement No. DA 29-2021 at the public hearing on May 3, 2022, was continued to May 23, 2022, and the meeting was adjourned to a following regular City Council meeting on May 23, 2022; and

WHEREAS, the City Council considered and (1) approved Ordinance No. 22-2208 adopting Development Agreement No. DA 29-2021; a at a duly noticed public hearing on May 23, 2022, and all interested parties were given an opportunity to be heard regarding the Agreement, and thereafter introduced this Ordinance; and

WHEREAS, Sections 65864-65869.5 of the California Government Code authorize the City to enter into development agreements and requires the planning agency of the City to find the proposed development agreement to be consistent with the policies and programs of the General Plan and any applicable specific plan, which the Planning Commission has done; and

WHEREAS, Government Code Section 65865 authorizes the City to enter into development agreements with any person having a legal or equitable interest in real property, which interest Developer has in the Developer Property via the Conveyancing Agreement; and

WHEREAS, Development Agreement No. 29-2021 was assessed by the 2022 SEIR, which identified that implementation of the proposed modified Project would require certain approvals, including approval of the Development Agreement by the City of Carson, and which Development Agreement was expressly included within the scope of the project and was environmentally assessed in the 2022 SEIR; and

WHEREAS, all other legal prerequisites to the adoption of this Ordinance have occurred, and the City Council desire to approve Development Agreement No. DA 29-2021 between the City of Carson, the Carson Reclamation Authority and Carson Goose Owner, LLC, by adoption of this uncodified Ordinance.

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

Section 1. RECITALS. The above recitals are true and correct and incorporated fully herein.

Section 2. CEQA FINDINGS. The 157 Acre Site was previously analyzed for development pursuant to: (1) a Final Environmental Impact Report for the Carson Marketplace Specific Plan (SCH No. 2005051059), which was certified by the City of Carson on February 8, 2006 (2006 FEIR); (2) Addendum 1 to the 2006 FEIR, which was approved in March 2009; and (3) a Supplemental Environmental Impact Report, which was certified by the City on April 3, 2018 (2018 SEIR). A Supplemental Environmental Impact Report, was certified by the Planning Commission on April 18, 2022 (2022 SEIR), The Planning Commission certification of the 2022 SEIR was appealed on April 21, 2022. The 2022 SEIR was considered by the City Council on May 23, 2022 and the City Council approved Resolution No. 22-085 (1) adopting the Findings required by CEQA Guidelines; (2) certifying the 2022 to the Final EIR (SCH No. 20050551059) for the District at South Bay Specific Plan; (3) adopting a Mitigation Monitoring and Reporting Program, (4) adopting a Statement of Overriding Considerations; and (5) approving Site Plan and Design Review No. DOR 1877-2021 and Vesting Tentative Tract Map No. VTTM 83481. .

Section 3. FINDINGS. Pursuant to Government Code Sections 65864 through 65869.5 and in light of the record before it including the staff report (and all attachments), and all evidence and testimony heard at the public hearing for this item, and in light of all evidence and testimony provided in connection with the SEIR and the Entitlements, and consistent with the findings and recommendations of the Planning Commission as set forth in Resolution No. 18-2621, the City Council makes the following findings pertaining to the Development Agreement as related to the proposed disposition of the Developer Property for purposes of the Project:

- a) The Development Agreement is consistent with the goals and policies of the General Plan, its purposes and applicable Specific Plan(s). The Specific Plan Amendment contains an analysis of the consistency between the entire proposed modified Project, which includes the Specific Plan Amendment and the remaining Entitlements, including the Development Agreement, and the goals and policies of the General Plan. The Planning Commission has reviewed the analysis and determined that the proposed Development Agreement is consistent with the Specific Plan Amendment, the Specific Plan Amendment is consistent with the General Plan, pursuant to General Plan Amendment No. GPA 112-2021, and the Development Agreement is therefore consistent with the General Plan. The SEIR also found that the "Project would be compatible with the existing General Plan," and specifically identifies the Development Agreement as one of the approvals anticipated for the Project; the Planning Commission has likewise affirmed that finding. The City Council has also reviewed the analysis and record, and affirms the same findings and determinations.
- b) The Development Agreement is consistent with and furthers a number of goals and objectives identified in the City's General Plan. The Project proposed by the Development Agreement represents a productive reuse of a brownfield site that is compatible with surrounding uses, and offers Carson residents new opportunities for residential, retail, light industrial, open space and amenity uses and employment. The cumulative, 168-acre project features up to 1,550 residential units, with 1,250 permitted in Planning Area 1 south of Del Amo, bringing needed housing to the City and generating a unique mixed-use environment that can serve as a signature project for Carson. The City's General Plan also envisions an expanded commercial base, including encouraging specialty retail development. Further detailed findings of consistency between the Project and the General Plan are an appendix to the SEIR, which findings and supporting evidence has been previously certified by the City Council.
- c) The Development Agreement provides for amendment or cancellation in whole or in part, by mutual consent of the parties to the agreement or their successors in interest as required in Section 65868 of the Government Code.
- d) The development of the Project is expected to realize significant regional and community public benefits, including, without limitation, the following:

1. Overcoming Constraint of Remediation Cost. The 157 Acre Site is one of the largest undeveloped properties along the I-405 in Los Angeles County. The Project represents a unique opportunity to develop a significant portion of the 157 Acre Site and remediate the underlying soil, soil vapor and groundwater issues afflicting the Site.
2. Community Amenity and Gathering Area. The Project includes the Carson Country Mart, which will consist of approximately 11.12 acres that will serve to benefit the local community and provide a regional draw for visitors to the Site, based on the commercial uses, restaurant uses, programmed areas, open space and community amenities proposed within such area. Such uses are intended to help establish the 157 Acre Site as a community and regional focus of social activity, which will help to provide a new community center for the City.
3. Job Generation. The Project entails a land use and infrastructure plan that will support the creation of a major job center in the City and significantly improve the City's jobs to housing balance. The Project is proposed to provide substantial economic and employment opportunities for the community, with a goal of generating approximately 2,000 new direct construction jobs, with another 3,000 indirect and induced, as well as approximately 4,600 new permanent jobs.
4. Insurance. The Project will contribute to a robust insurance program for the 157 Acre Site to provide coverage to the public entities, developers, property owners and contractors carrying out construction on the 157 Acre Site, to which Developer pays its fair share.
5. Carry Costs. Developer has agreed to reimburse Authority for a proportional share of the Carry Costs of the Site which will substantially assist the Authority in its ongoing operations and maintenance of the Site.
6. Public Art. The Project shall implement on-site public art features as set forth in Section 6.10 of the 2022 Specific Plan. The Developer shall submit a comprehensive public art plan for Planning Area 3 (including both the Carson Country Mart and light industrial uses within PA3((a)) to the Director for his or her review and approval prior to issuance of a building permit for the Project.
7. Private Security Services. Developer shall provide private security sufficient to serve the Property (or coordinate with the City to have the Los Angeles County Sheriff's Department ("Sheriff") provide security services for the Property (and/or for specific events), and in all cases Developer shall coordinate with the Sheriff in security matters with respect to the Project.
8. Sheriff's Services and Fees. Developer shall pay for any and all supplemental or overtime services that are requested by Developer or required for the Project.

9. Affordable Housing. Prior to the issuance of a certificate of occupancy for the last light industrial building constructed on the Property, the Developer shall agree to one of the following affordable housing public benefit options: (i) participate in any adopted City-wide affordable housing program, (ii) record a deed restriction committing to construct at least 100 units of Lower Income (at or below 80 percent of the Area Median Income) affordable housing off-site either within the Specific Plan area or at another off-site location anywhere else in the City, or (iii) pay an in lieu affordable housing fee of \$3.11 per square foot of the Project's light industrial floor area.

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 passage.

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 this 23th day of May, 2022.

Mayor Lula Davis-Holmes

ATTEST:

Dr. Khaleah K. BradshawCity Clerk

APPROVED AS TO FORM

Sunny Soltani, City Attorney

Attachment “A”
Development Agreement