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COMMUNITY DEVELOPMENT
DEPARTMENT

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May 9, 2017

SENT VIA FEDERAL EXPRESS & E-MAIL (jraymond@carson.ca.us)

Mr. John Raymond
Director of Community & Economic Development – City of Carson
Carson City Hall
701 East Carson Street
Carson, CA 90745

Re: Exception Request to Ordinance # 17-1618 U

Dear Mr Raymond:

This letter is written on behalf of AL2 LLC ("AL2") to request an Exception to Ordinance No. 17-1618U, the City's recently adopted and extended moratorium (the "Moratorium"). AL2 is the owner¹ of property located within the City at 2061 East 220th Street, 21900 South Wilmington Avenue, and 21930 South Wilmington Avenue (collectively, the "Property"). The Property is the site of a former scrap yard and automobile shredding facility. It presently is occupied by a 63-foot tall, barn-style metal building and vacant lot surrounded by chain-link fencing. AL2 has applied for a Design Overlay Review to transform the Property into a state-of-the-art, LEED certified, flexible use facility (the "Review"), in full compliance with the City's general plan and zoning. AL2's Review application was deemed complete by staff in January of this year, is the subject of a Mitigated Negative Declaration (the "MND"), and, but for the Moratorium, is nearing its Planning Commission hearing.

As further background, the former scrap yard and auto shredding operations were shut down in 2003 in accordance with a "Settlement Agreement and Mutual General Release" dated August 31, 1999, between AL2, the City, and Watson Land Company (the "Settlement Agreement"). The Settlement Agreement resolved litigation brought by AL2 alleging, among other things, that the actions of the City constituted inverse condemnation of the Property. Among the terms of the Settlement Agreement is a provision providing that in connection with any development of the Property, "off-site improvements for which the development is responsible shall be limited

¹ AL2 LLC, a California limited liability company, acquired title to the Property as Alpert and Alpert Iron and Metal Company, a partnership.

to its 'fair share' considering the cumulative impacts of existing and/or proposed Watson Land development and development by other property owners" (the "Settlement Limitation").

Based upon this background, AL2 requests that the Property be granted an Exception to the Moratorium on one or more of the following grounds, each of which, standing alone, qualifies for an Exception under the corresponding provisions of Section 6A of the Moratorium:

1. **No Material Negative Impact Upon the Public Health, Safety, and Welfare.** The MND for the Review establishes that the proposed project will not have a significant impact upon the public health, safety, and welfare.
2. **Undue Financial Hardship.** Application of the Moratorium would impose an undue financial hardship on AL2. The Property has been owned by the same family for 60 years. Since the closing of the scrap metal and automobile shredding operations in 2003, millions of dollars have been spent in environmental remediation efforts to prepare the Property for development, as was clearly contemplated by the Settlement Agreement. Additionally, over \$200,000, of which more than \$20,000 has been paid directly to the City, has been spent on the entitlement process over the last year-and-a-half. AL2 has dedicated significant resources to this project and the uncertainty and delay resulting from the Moratorium places their development efforts and expenditures at risk. Given AL2's substantial expenditures to perform its commitments under the Settlement Agreement and its reasonable expectation that its fair share of off-site improvements would be subject to the Settlement Limitation, imposing the Moratorium on the Review is an unfair burden.
3. **City-Controlled Land.** Not applicable at this time.
4. **Participate in CFD.** AL2 will agree to participate in a CFD that:
 - a. Is adopted consistent with the substance and procedures provided by law;
 - b. Imposes on the Property only those assessments for offsite improvements (i.e., capital costs) that are within the scope of the Settlement Limitation;
 - c. Limits assessments for maintenance of property and facilities (including roads) to the same scope as applied to offsite improvements by the Settlement Limitation; and
 - d. Establishes a cap on assessments which, in AL2's opinion, is fair and reasonable.

AL2 reserves the right to object to the formation of and its participation in any CFD to the full extent provided by law if, in AL 2's view, these prerequisites are not met.

5. **Alternative Agreement.** As an alternative to participating in a CFD, AL2 will consider participation in an alternative public financing mechanism that meets the same objectives and requirements set forth for a CFD in Paragraph 4 above.
6. **No Fiscal Impact.** The enclosed Fiscal Impact Report submitted to the City in July of 2016 shows that the project will generate *net positive funds* to the City's General Fund.
7. **No Material Adverse Truck Impacts.** The enclosed Traffic Impact Analysis submitted to the City in July of 2016, states "the addition of Project traffic does not result in a significant impact on the study area intersections based on the City of Carson's LOS [level of service] threshold of significance."
8. **Development Impact Fees Agreement.** AL2 will enter into a Development Agreement which will provide for the payment by AL2 of a Development Impact Fee of \$2 per square foot of the footprint of the building constructed pursuant to the Review. This Development Impact Fee shall offset all impact fees and in lieu payments related to the proposed project.
9. **Permitted Use.** The proposed use is consistent with the Property's zoning.
10. **General Plan and Moratorium Consistency.** The proposed use is consistent with the City's General Plan. Because so many of the Exceptions listed in the Moratorium apply to this Property even without the CFD or Development Agreement options, the Property and the proposed project are consistent with the intent of this Moratorium.
11. **Consistency with Future Approvals.** At this time, AL2 knows of no specific proposed or contemplated action which would amend the General Plan, a Specific Plan (none applies to the Property), or the Zoning Code in a manner that would be inconsistent with the proposed project.
12. **Hazardous Material, Truck Yard, or Container Storage Facility.** The proposed use is none of these.
13. **Impacts on Abutting Sensitive Uses.** There are no abutting sensitive uses.
14. **Health, Safety, and Welfare.** As noted in Paragraph 1 above, the MND for the Review establishes that the proposed project will not have a significant impact upon the public health, safety, and welfare.

Mr. John Raymond
Director of Community & Economic Development – City of Carson
May 9, 2017

Based on the numerous Exceptions for which this Property and the proposed project qualify under the Moratorium, we respectfully request that this Exception request be placed on the City Council's agenda for May 16, 2017.

Sincerely,

Tim Paone

Attachments

cc: Howard Farber
Scott Kelrick

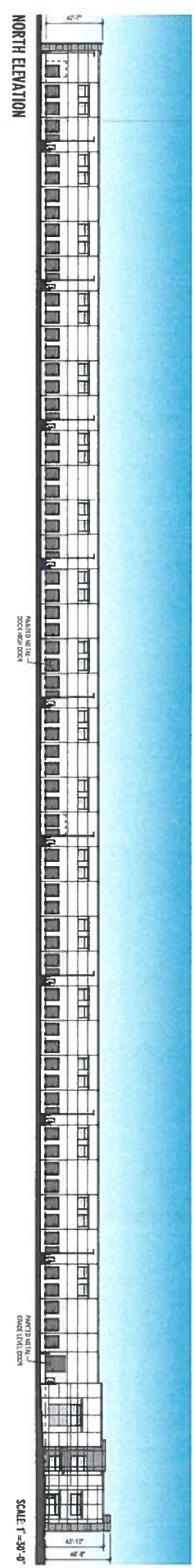
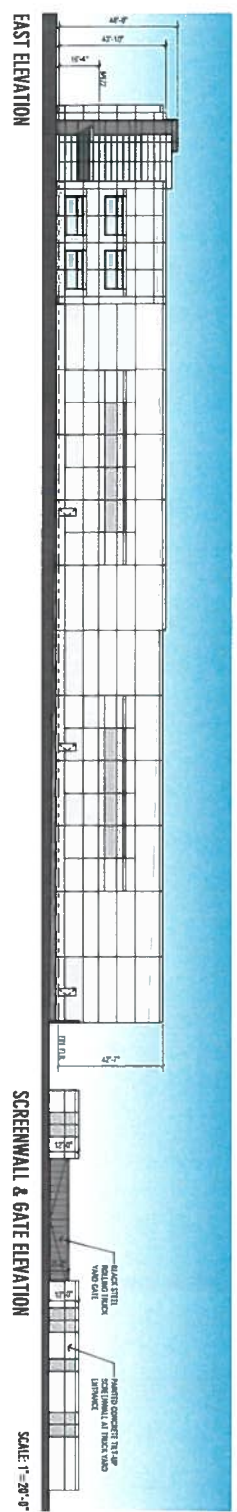
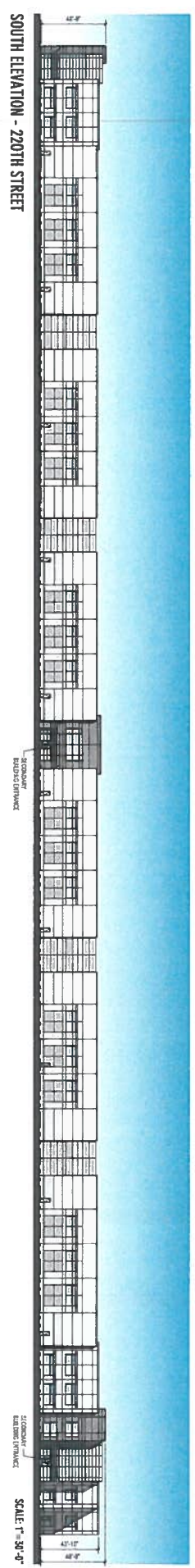
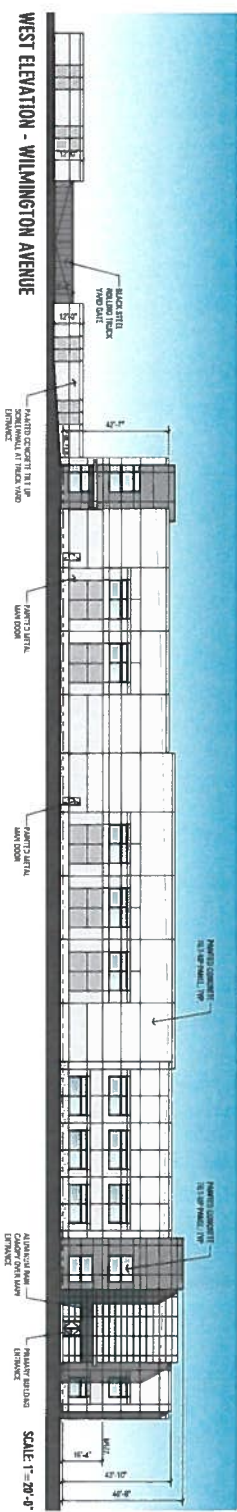
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CURRENT SITE



NEW SITE





RGA

OWNER / DEVELOPER:

AL2 LLC
1815 SOUTH SOTO ST.
LOS ANGELES, CA 90023
TEL: 323-265-4040
CONTACT: SCOTT KEL RICK
EMAIL: scott@al2properties.com

AL2 LLC INDUSTRIAL DEVELOPMENT

21900 S. WILMINGTON AVE. CARSON

PRELIMINARY ELEVATIONS

NO.	DATE	DESCRIPTION	BY	CHKD.
1	10/20/18	ISSUED FOR PERMIT REVIEW	SCOTT KEL RICK	SCOTT KEL RICK
2	11/05/18	ISSUED FOR PERMIT REVIEW	SCOTT KEL RICK	SCOTT KEL RICK
3	11/05/18	ISSUED FOR PERMIT REVIEW	SCOTT KEL RICK	SCOTT KEL RICK
4	11/05/18	ISSUED FOR PERMIT REVIEW	SCOTT KEL RICK	SCOTT KEL RICK
5	11/05/18	ISSUED FOR PERMIT REVIEW	SCOTT KEL RICK	SCOTT KEL RICK
6	11/05/18	ISSUED FOR PERMIT REVIEW	SCOTT KEL RICK	SCOTT KEL RICK
7	11/05/18	ISSUED FOR PERMIT REVIEW	SCOTT KEL RICK	SCOTT KEL RICK
8	11/05/18	ISSUED FOR PERMIT REVIEW	SCOTT KEL RICK	SCOTT KEL RICK
9	11/05/18	ISSUED FOR PERMIT REVIEW	SCOTT KEL RICK	SCOTT KEL RICK
10	11/05/18	ISSUED FOR PERMIT REVIEW	SCOTT KEL RICK	SCOTT KEL RICK

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