

Carson Reclamation Authority

# Development of Former Cal-Compact Landfill Site (Cells 3, 4 and 5)

Developer Information Package and  
Invitation to Propose

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## Please Read These Two Pages First

The Carson Reclamation Authority (“Authority”) previously issued a Request for Qualifications (“RFQ”) in June, 2016 and an Invitation to Propose in October, 2017 to partner with a Developer to develop the 157-acre former landfill site (“Project Site”). The Project Site is owned by the Authority and shown on Exhibit A-1.

This current Invitation to Propose process is neither a RFQ process nor a RFP. The Authority will review each developer / proposers’ (“Developer”) site plans, project concepts, and pro formas and make a decision as to which developer(s) it chooses to move forward with in negotiation. Developer shall describe conceptual project proposal, articulate how the development concept conforms (or does not conform) to the Specific Plan, demonstrate the market and financial feasibility of the project proposal, describe any development partners for the project, and describe their experience in developing such a project on other sites. As the Project Site is a former landfill, the Developer should be able to demonstrate familiarity with developing on contaminated land or that they have or will have a strong team of environmental advisors.

This process involves **three of the five** former landfill cells on the Project Site (i.e., Cells 3, 4 and 5, shown on Exhibit A-2), as the Authority has entered into various agreements with CAM-Carson, LLC for the development of a fashion outlet mall on Cell 2 (known as the “Los Angeles Premium Outlets”) and in exclusive negotiations with Grapevine Development, LLC for a project on Cell 1. The Cells are not legal parcels, but were established by the Department of Toxic and Substances Control (“DTSC”) as shown on Exhibit A-2. Cells 3, 4, and 5 are referenced as “PA 3” under The District at South Bay Specific Plan (“Specific Plan”) for the Project Site as shown on Exhibit B.

Given the significant environmental remediation costs of developing a former landfill site, *the single key factor in selecting a developer* for the next round of negotiation is for the developer to have a solid project pro forma which demonstrates sufficient revenues in order to assist with the payment of the environmental and remediation costs required for vertical development as well as all vertical development costs to justify the project’s feasibility. The Authority’s further objective is that the completed project be a “signature” property for Carson, and that the proposed development would create a community amenity and sense of place for Carson and surrounding communities. The Authority understands that sales tax and transient occupancy taxes (“TOT”) may be required for the financial feasibility of any project proposed.

The following documents are available to you for the completion of your proposal. They include:

1. The District at South Bay Draft Specific Plan (approved on April 3, 2018)
2. Authority's current Carry Costs for Cells 3, 4, & 5
3. The District at South Bay Supplemental EIR
4. TRC cost estimates to complete all the remedial systems
5. Cell 2 Site Plan
6. RE|Solutions, LLC Amended & Restated Development Management Agreement dated June 19, 2019
7. Cell 2 Conveyancing Agreement with CAM-Carson, LLC
8. Cell 2 Development Agreement with CAM-Carson, LLC
9. Insurance Program Summary
10. General estimate of pile cost on a unit cost basis and basic guidelines for piles per square foot, etc.
11. TRC estimate of the building protection system ("BPS") costs on a unit cost basis and a basic guideline for BPS
12. Financial estimate to complete the street infrastructure - which does not include Stamps Rd. (except for the small leg north of Lenardo)
13. Release Agreement (for execution by the proposer in favor of the Authority)

These documents are available at the following link:

[[UPDATE LINK](#)]

Additional documents can be found at the following link:

<https://www.cra-cclf.com>

**If you or your firm plans to respond to this Invitation to Propose, or are considering responding, please register in the process by sending an email to John Raymond at [jraymond@carson.ca.us](mailto:jraymond@carson.ca.us) with "Include me in the Invitation to Propose process" in the subject line.** You will receive a confirmation by email that you are registered for the process. You may also contact RE|Solutions, LLC, Authority's development manager for the Project Site for further information regarding this Invitation to Propose: Stuart Miner; 303-945-3017; [stuart@resolutionsdev.com](mailto:stuart@resolutionsdev.com).

**All submissions are due by 4:00 p.m. on October 31, 2019 in the Carson City Clerk's Office in the format required herein, unless the Authority agrees to allow an extension in any particular case.**

## **Section I. Introduction; Background and Scope of Development**

The Carson Reclamation Authority is a joint powers authority, formed in 2015 to deal with the City of Carson's landfill properties and address their environmental concerns. The Project Site was acquired by the Authority in May 2015. The Project Site suffers from serious environmental contamination (including hazardous substances) and poor soil compaction, and is subject to a Remedial Action Plan ("RAP") approved by DTSC in 1995. In addition, the Project Site is subject to a Compliance Framework Agreement with DTSC, dated September 28, 2006 (as amended by a First Amendment to Compliance Framework Agreement, dated as of December 31, 2007, the "CFA"), which sets forth a plan for addressing the environmental conditions of the Project Site.

The Prior RFQ and Invitation to Propose process resulted in successful negotiations with CAM-Carson LLC ("CAM") for the development of the Los Angeles Premium Outlets ("LAPO") project on Cell 2, which will consist of a regional fashion outlet mall totaling approximately 400,000 square feet, followed by an additional 166,000 square feet in its second phase.

In addition, the Authority is currently working on an agreement with Grapevine Development for the development of Cell 1. The current development plans include 2 select service hotels with 400 rooms, along with 2 pads of restaurant/retail space consisting of just under 10,000 s.f., and open space / event space; however, plans are subject to change as negotiations are ongoing.

### **Site Remediation Activity and Responsibilities**

In 2017 the Authority contracted with RE|Solutions, LLC ("RES") to undertake the necessary environmental remediation work required to prepare the Project Site for vertical development by developers of each of the Cells. Below is a description of RES' scope.

RES serves as the Authority's Development and Environmental Risk Manager for the development of the Project Site and to assist the Authority and other developers by undertaking the installation of remedial and geotechnical systems, e.g. landfill cap, structural piles, etc. (collectively, the "Remedial Work") to prepare the Project Site for vertical development, all as required by the RAP.

RES performs a number of tasks related to the regulatory approvals for the development of the Project Site, which are overseen by DTSC, as well as preparation of the project schedule for the development of Cell 2 with the Los Angeles Premium Outlets project, general environmental oversight, and other assistance with the negotiation with other developers for Cells 1, 3, 4, and 5. RES' role as the "Horizontal Developer" for the Project Site includes site grading, installation of certain remedial systems, including a landfill cap, gas extraction and treatment system, and groundwater

collection and treatment system on the Project Site (“Remedial Systems”), and installation of piles, BPS components, and the structural slabs required for vertical development of the Cells, as well as the construction of certain on-site infrastructure. Under its contract with the Authority, it has and will contract out with various contractors to install piles and deliver structural slabs to each vertical developer, in each case with the approval of the Authority.

RES has contracted with TRC Solutions, Inc. (“TRC”) a national engineering, consulting and construction management firm, to perform the design, installation, grading, and horizontal development work for the Remedial Work on Cell 2. RES has also contracted with SL Carson Builders, LLC (a subsidiary of Snyder Langston) to serve as the general contractor responsible for construction of the infrastructure improvements and civil improvements required for the Project Site and the development of Cell 2. Various other contractors have been working on the Project Site, each of which is under contract with RES, including the following:

- Leighton Consulting Inc. (geotechnical engineering)
- Cambridge CM, Inc. (project scheduling)
- Cummings Curley and Associates Inc. (landscape architecture)
- Nadel Studio One (architectural feasibility studies)
- KPFF (structural engineering)
- Michael Baker International, Inc. (civil engineering)
- Securitas Security Services USA Inc. (site security)
- B&D Construction (site maintenance/stormwater management)
- DIRTONU, Inc./Murow CM (dry utility consulting)
- TER International LLC (noise/vibration monitoring)
- Twining Consulting, Inc. (materials testing and building inspections)
- Cumming Construction Management, Inc. (budget and schedule analysis)
- Labor Compliance Management (prevailing wage reporting and compliance)
- Mayfield Enterprises, Inc. (landscaping and site maintenance)

The long-term Operations & Maintenance contractor for the Remedial Systems is also under contract RES, prior to turning the responsibility over to the two Community Facilities Districts that were created to serve the Project Site (further information is provided below).

Under the Development Agreement and Conveyancing Agreements entered into with CAM, (1) the 157 Acre Site was vertically subdivided into a surface lot (the “Surface Lot”) and a subsurface lot (the “Subsurface Lot”), so that CAM would only take title to the Surface Lot of Cell 2; (2) the Authority, through RES, will perform all of the pre-development work within the Subsurface Lot (including installing the public improvements owned by the City) that is necessary in order to allow for vertical development of the LAPO project; (3) the Authority, through RES, will install the public

improvements necessary to serve the LAPO Project (*i.e.*, roadway and traffic improvements, water and sewer, drainage, power, gas, cable, telephone, fiber and other utilities, which the City would otherwise be required to construct and install) (referred to herein as the “Offsite Improvements”); (4) the Authority, through RES, will perform all the Remedial Work; (5) the Authority, through RES, shall perform all grading and soil preparation activity (including importation of clean soil) and construct and install certain subsurface improvements within the Cell 2 site in order to make the Cell 2 site developable (the “Site Development Work”); and (6) ownership of the Cell 2 Surface Lot (via a lease arrangement) shall be transferred to CAM following completion of the Site Development Work and the work required for the remediation of the Cell 2 Site by Authority (which shall require certification by the DTSC) and thereafter, CAM shall construct the vertical improvements above the foundation-level at CAM’s cost. CAM reimburses the Authority for the Authority’s Site Development Work, which will be repaid via a sales tax sharing arrangement over a 25 year period. In addition, CAM has also provided a \$10M loan to the Authority for the installation of the public improvements necessary to serve the LAPO Project.

### **Completion of Site Remediation**

Respondents to this Invitation to Propose should describe their relevant experience on environmentally contaminated sites. Respondents are not asked to assume liability for the Remedial Work or install the Remedial Systems, provided they understand the structure of the proposed cost-sharing arrangement for the construction of the subsurface and remedial structures.

The Authority (subject to any DTSC approvals and to the extent available from existing funding sources) may commit a portion of its funds, but not the City of Carson’s General Fund revenues (except pursuant to a tax sharing agreement described below), from an Enterprise Fund account, the bond proceeds account as available to complete the design and construction of the outstanding remedial work for the Project Site, including outstanding remedial costs incurred. The Authority funds will only be enough to cover a small portion of the overall remediation costs, with the remaining remedial system costs borne by the Developer.

### **Long-Term Responsibility for Environmental Conditions**

During the pre-development and development periods, the Authority will retain the responsibility for the operation, maintenance and monitoring of the Remedial Systems as required by the DTSC. The mechanism for funding the Authority’s future, post-development, environmental obligations is through the allocation of funds provided by two Community Facilities Districts (“CFD”). The CFDs will collect special taxes from owners of the Cells to fund long-term operation, maintenance and monitoring of the Remedial Systems, to fund any unexpected environmental response actions at the Project Site, to purchase renewal or replacement environmental liability insurance, to

fund the administrative expenses of the CFDs, to create appropriate reserves, and, if surplus funds are available, to reimburse the Authority for a portion of the pre-funded costs.

## **Liability and Environmental Insurance Issues**

The Authority maintains a robust insurance program to provide coverage against environmental claims and provides protection to the public entities, developers, property owners and contractors carrying out construction on the 157 Acre Site, including coverage for general liability, personal injury, property damage and other claims and to which each developer must pay its fair share for. The total insurance coverage provided is almost One Billion Dollars (\$1,000,000,000) for all types of insurance provided by the program. This program includes a comprehensive pollution legal liability ("PLL") program that provides coverage for costs that the Authority is obligated to pay as a result of a pollution condition at, on, under, or migrating from the Insured Property. A similar program exists for Contractors Pollution Liability and Professional Liability Insurance ("CPL/PLI") and with a master Comprehensive General Liability and Builder's Risk Program through an Owner Controlled Insurance Program ("OCIP"). Each developer will participate in these insurance programs with the Authority on a pro rata or risk allocation basis. A description of the full insurance program covering the activities and liabilities related to the development and operation of the Project Site is provided in the sharelink set forth above.

## **Entitlements**

The entire 157 acre Project Site plus an additional 11 acre parcel on the north side of Del Amo Boulevard is subject to The District at South Bay Specific Plan ("Specific Plan"). The 11 acre parcel, shown as DD3 on Exhibit B, is not owned by the Authority and was not subject to the prior RFP or this Invitation to Propose. The Specific Plan was approved by the City Council in April, 2018 along with a Supplemental EIR ("SEIR"). It directly incorporates the uses proposed for the Los Angeles Premium Outlets project on Cell 2.

Developers should review the Specific Plan and SEIR to understand whether their proposal is compliant with the Specific Plan or will require further amendment, and whether an amendment to the SEIR will be necessary. They are available for review at the Community Development Department, Planning Division located at: City of Carson City Hall, 701 East Carson Street, Carson, CA 90745. The SEIR is also available online at the City of Carson website:

<http://ci.carson.ca.us/CommunityDevelopment/TheDistrict.aspx>

They are also available on the sharelink site set forth above.

## **II. Process for Selection**

### **A. Proposal Submission**

All responses are due at the offices of the **Carson City Clerk** by 4:00 p.m. on **October 31, 2019, unless an extension is granted by the Authority**. Proposals must be submitted in person to:

City of Carson, City Clerk's Office  
701 E. Carson Street Way  
Carson, CA 90745

**Postmarks will not be accepted. Facsimile (fax) proposals will not be accepted. Email responses will not be accepted.** Please include one original and four (4) hard copies. Respondents shall include the name of the Developer submitting the proposal, mailing address, email address, telephone number, and the name of the individual to contact for further information.

In order to streamline the flow of information to interested developers, the Authority has designated the primary contact for additional information. Specific questions in regards to this Invitation to Propose should be directed to:

John Raymond, Executive Director  
Carson Reclamation Authority  
(310) 952-1773  
[jraymond@carson.ca.us](mailto:jraymond@carson.ca.us)

### **B. Response Contents and Format**

For the purposes of this proposal, the Developer is not required to -but highly encouraged to- prepare detailed site plans or elevations. The proposal shall, however, clearly present the proposer firm's qualifications as well as a detailed conceptual design (not merely photos of other developments) and development pro forma encompassing the features of the proposal based on the current entitlements. The Authority could choose to negotiate with the successful developer based on the firm's qualifications, the conceptual proposal, or a combination of the two. **The successful Developer will be the one with a high quality development with a demonstrably feasible development plan (as shown in the pro forma) that allows a project to be financed with the least amount of subsidy from the Authority.** The Authority reserves the right to select more than one Developer for further consideration and negotiation.

The following describes the required elements of the Project proposal:



### **(1) Cover Letter**

The cover letter must include the company name, address, email, name, and telephone number(s) of the person(s) authorized to represent the development team. The cover letter should also indicate which of the Cells 3, 4, and 5 are proposed to be developed.

The Cover Letter shall include attachments with the following:

### **(2) Participation Deposit.**

Deliver to Authority a \$50,000 deposit ("Participation Deposit") to participate in the selection process. The Participation Deposit shall be 50% reimbursable if neither Developer nor any member of its development team is selected for the development of its Project on the Project Site or any Cell of the Project Site.

### **(3) Release Agreement.**

Developer must deliver to Authority, on behalf of its development team, an executed Release Agreement in the form included in the sharelink file provided in this Invitation to Propose. The agreement provides for a waiver of the right to protest or sue the Authority or City over the decision to determine the final developer(s) selected for Cells 3, 4, and 5 or to approve an agreement with any participant.

### **(4) Project Partners and Development Team (Key Personnel, Brownfield Experience)**

Indicate any development partners or joint venturers who may participate in the development of the Project. Also provide the development team's past experience (including level of involvement) within the past ten years for this type of Project. The project team could include principals and employees of the development company; other LLC partners or members, if identified; the architect, if identified; and the project general contractor, if identified. Significant development experience, specifically major mixed use development experience and with projects developed on previously contaminated land / brownfields, is desirable. Evidence of partnership will be required if the Proposer is successful and moves into the next phase of negotiation.

If a retail or hotel project is proposed and the developer's team includes a retail or hotel operator, provide a full list of centers or hotels the company owns, including location, type of center, GLA and key anchor tenants. The respondent should submit resumes of key personnel who would manage the Project, if available.

## **(5) Project Site Plan**

Please provide the overall project concept for the Project Site, including the allocation of the site for the various land uses, by Cell. Include the quality level of the product and the market segment proposed for the Project. The more detailed and site specific this component, the more weight it will be given.

Note that the SEIR already contemplates a proposed site plan for Cells 3, 4 and 5; however, the Authority understands there may be concerns about the economic feasibility of such site plan. If the Projects land uses or other components are other than what is in the Specific Plan, please describe. Upon the successful selection of a Developer, the Authority will work with the Developer to effect revisions to the existing Specific Plan and to update the SEIR, if necessary.

**PLEASE NOTE THE FOLLOWING:** Under the approvals by DTSC, residential development is only approved for Cell 1, and even in that case any residential occupancy must be the last thing to occur on the Project Site. There cannot be residents living on any portion of the Project Site when any subsurface activity remains to be done. In addition, “intra-cell phasing” is NOT allowed by DTSC. Once a Cell is opened and liner and landfill gas systems are installed and signed off, it is not allowed to later “unzip” a closed Cell to install new piles, perform additional development, or otherwise work in the regulated layer except pursuant to the Management Approach to Phased Occupancy. Future required work, such as relocation of utilities, will be controlled by an Institutional Control Plan and Environmental Regulatory Agreement on the Project Site. Finally, any land use that requires extra excavation (or trash relocation) or presents an additional environmental risk (such as lakes, pools, or other water features) should be accompanied in the Proposal by a technical discussion of how the environmental risk will be minimized.

## **(6) Business Plan / Pro Forma (Financing and Project Feasibility)**

The Developer shall provide an initial draft pro forma showing the following:

- (i) estimated budget for the development and construction of the Project on a building by building and/or Cell by Cell basis – this component must demonstrate that the remedial issues and costs associated with same have been taken into consideration in developing the estimated budget (it is recommended that proposers contact RES, as noted above, regarding this component for guidance on remedial system requirements and some cost history on the site),
- (ii) public revenues from the Project (i.e., taxes) and other financial benefits generated by the Project for the Authority/City,

- (iii) projected return on investment,
- (iv) financial assistance from Authority, including direct financial assistance or installation of offsite public improvements (the pro forma should clearly state the amount and provide justification of the requested assistance showing the Developer's return on investment).

The pro forma should break down Developer's share of overall on-site and off-site costs and Remedial Systems costs and any estimated "gap" in the economics for the Project.

Based on the Authority's experience on the Project Site, **the economic feasibility of any proposed project is the most important aspect of the project**, followed by the economic strength and prior experience of the Developer. One of the key aspects of the business transaction will be the ability of the Developer to fully fund the vertical development of the Project, and the installation of the Remedial Systems as well.

The Developer may also suggest any grant funds or other programs that they anticipate could be used to bridge the estimated gap and if the Developer's team has any experience securing these particular funds.

The Authority will negotiate a sales tax (or TOT) sharing deal where the Developer would receive a rebate of local sales tax (or TOT) generated from the Project for the purpose of facilitating the financing and construction of the Developer's Project. If there is no public revenue anticipated from the Site (i.e. no sales tax or TOT) the Developer must demonstrate the feasibility of the Project without any tax sharing from the Authority or the City.

## **C. Evaluation Process**

### **Initial Evaluation**

Following Authority's confirmation that a Developer seeks to submit a project proposal (by registering in the process via email to [jraymond@carson.ca.us](mailto:jraymond@carson.ca.us)), Authority will put the Developer in contact with RES to provide further background information and assist the Authority in the evaluation of the proposed Project. Once Project proposals are received, the responses will be evaluated by the Authority to develop a list of qualified developers. The Authority may choose a single Developer for further negotiation or choose several Developers and will work with them refine their proposals with more detailed site planning or business terms.

### **Interviews**

The Authority Board expects to establish an evaluation committee which may require formal oral presentations by the developer(s). The Authority reserves the right to hold interviews or select a preferred developer or developers without interviews. The recommendation for selection will be made based on qualifications, the soundness of the development proposal, the financial strength of the developer's pro forma (demonstrating the Project is feasible and generates revenues sufficient to assist with the Authority's environmental and remediation costs for the Site), and the team's demonstrated experience in the proposed market and working on brownfield sites. Developers will be selected for final negotiation based upon the following factors:

### **III. Developer Obligations and Process Following Proposal Submission**

Upon selection, the Authority may choose to either:

- (i) to negotiate an Exclusive Negotiation Agreement ("ENA") to provide for an exclusive negotiation period for the for the Project, or
- (ii) to forgo an ENA process and directly negotiate a Conveyancing Agreement (or other form of purchase and sale agreement or lease agreement) together with a Development Agreement to provide for the transfer of the surface parcels to Developer for the development of their Project.

The City and Authority Board will have ultimate authority over the approval of any Project proposed by the Developer under the Conveyancing Agreement and Development Agreement.

#### **If Selected for Further Negotiations for an ENA and/or a Conveyancing Agreement and Development Agreement, Participants will be Required to Comply with the Following Requirements:**

Deposit. Developer shall deliver a \$650,000 deposit ("Deposit") per Cell.

Reimbursement Agreement. Developer will be required to enter into a Deposit & Reimbursement Agreement to provide as follows:

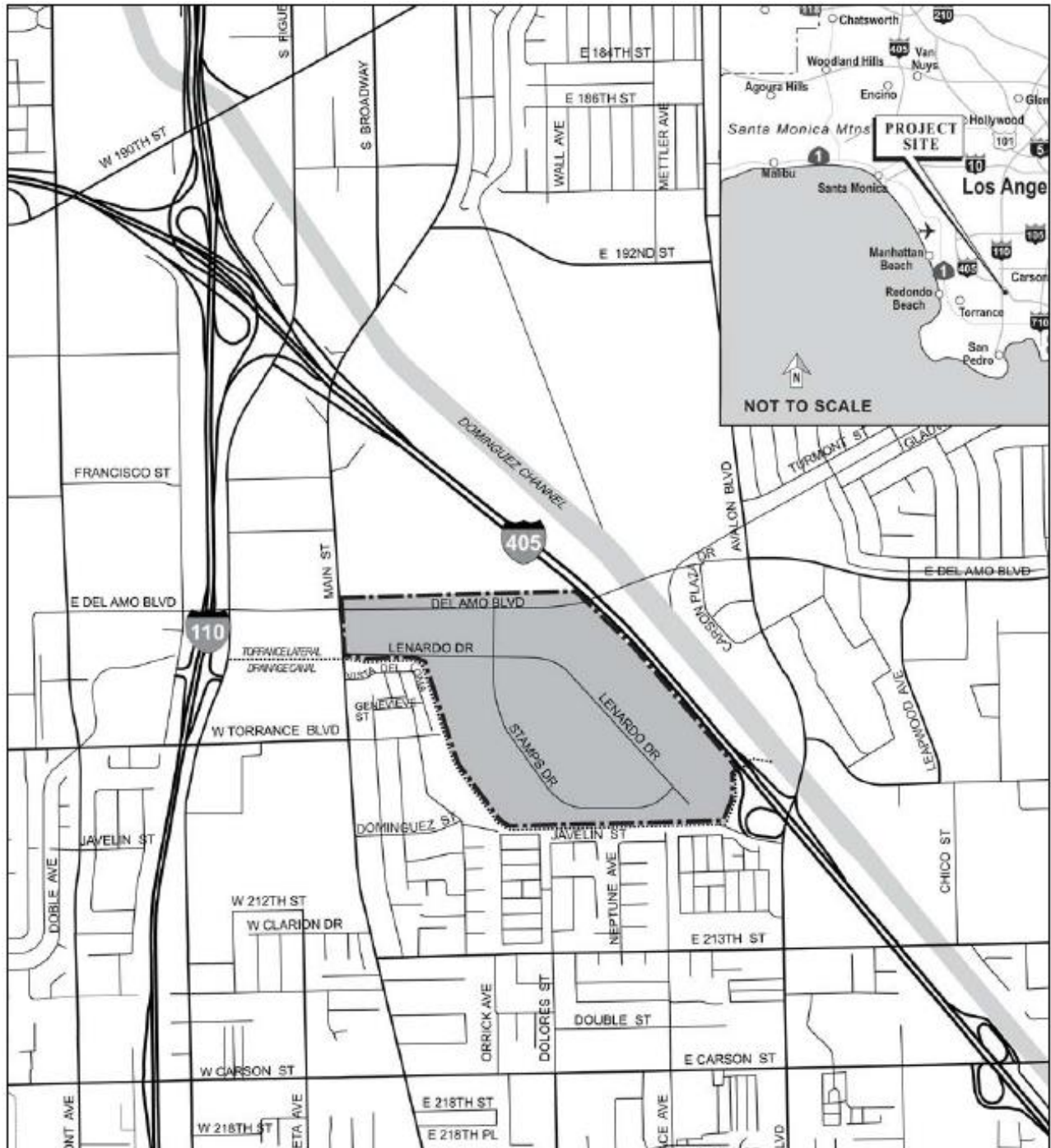
- The Authority's negotiating costs for the ENA (if any), Conveyancing Agreement, and Development Agreement, and all costs incurred in processing the Project (including CEQA) shall be chargeable against the Deposit.
- Terms regarding the maintenance and accounting for expenditures from the Deposit.
- The Authority is currently paying approximately \$1,500.00 per acre per month ("Carry Cost") to pay the costs of maintaining the Project Site and operating the Remedial

Systems. Upon selection, Developer will pay its prorated share of the Carry Cost monthly based on the number of acres of its Project in relation to the entire Site area.

Refunds of Deposit; Application to Project. Unexpended portions of the Deposit are reimbursable if, without fault of Developer, the City or Authority fail to enter into a Development Agreement and/or Conveyancing Agreement for the Project. If the Developer and Authority successfully enter into a Conveyancing Agreement for the development of one or more Cells, unexpended portions of Deposit shall be allocated to the monetary obligations due by Developer under the Conveyancing Agreement.

General Terms of the Conveyancing Agreement and Conveyancing Agreement. The Conveyancing Agreement and Development Agreement will task the Developer to complete the vertical development of Cells 3, 4, and 5 of the Project Site (or such portion of the Site the Developer is selected for), including but not limited to assuming responsibility for a pro rata share of the ongoing Carry Costs incurred by the Authority during the pre-development and development period for holding and maintaining such Cells. Completion of outstanding Remedial Work and infrastructure installation as necessary to deliver Cells for vertical construction, plus the completion of all off- and on-site improvements and utilities required for the development of each Cell, will mostly be undertaken by the Authority, however, the Authority will require certain advance funding therefor, the apportionment of which shall be specified in the Conveyancing Agreement. The Developer shall be required to: (i) design, finance, and construct the vertical development of its Cells, working with the Authority to integrate the horizontal and vertical construction activity; (ii) integrate the horizontal construction work into the overall site plan, and provide a mechanism for funding such improvements; and (iii) source and execute sales and/or lease transactions with buyers and tenants for the different surface parcels pursuant to the a development plan approved by the City and the Authority.

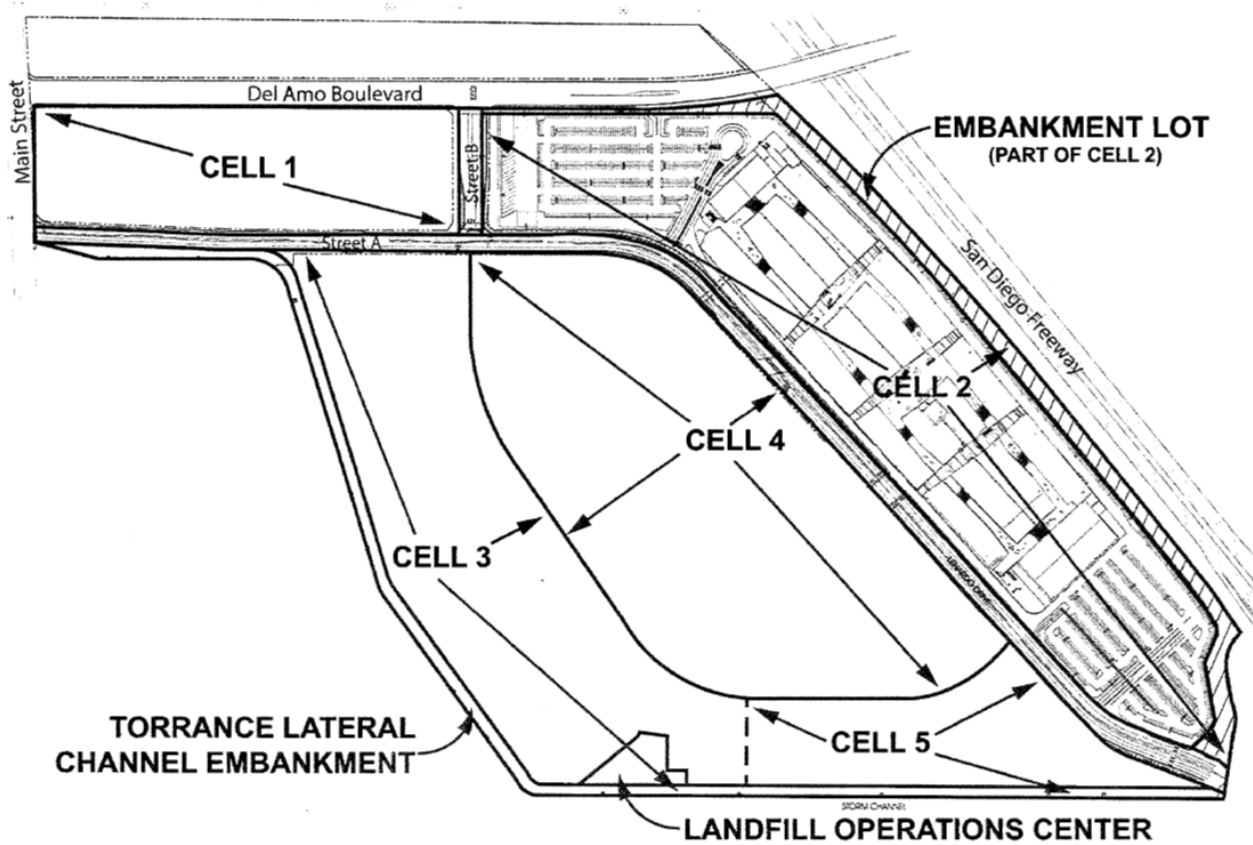
**EXHIBIT A-1**  
**PROJECT SITE AREA**





**EXHIBIT A-2**  
**CELL MAP**





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Cal Compact Landfill Redevelopment

October 1, 2019



**EXHIBIT B**  
**PLANNING AREAS UNDER THE SPECIFIC PLAN**

