

**MEMORANDUM OF AGREEMENT
BETWEEN
THE CITY OF CARSON
AND
COUNTY OF LOS ANGELES
FOR
VICTORIA GOLF COURSE REMEDIATION AND/OR INFRASTRUCTURE
IMPROVEMENTS COSTS AND COUNTY'S PARTICIPATION IN CARSON
ENHANCED INFRASTRUCTURE FINANCING DISTRICT**

This Memorandum of Agreement (this “**Agreement**”) is made and entered into as of November ____, 2020, between the City of Carson (the “**City**”) and the County of Los Angeles (the “**County**”) with regard to the parties’ respective financial contributions to the remediation and improvement of the Victoria Golf Course and the County’s participation in Carson’s Enhanced Infrastructure Financing District (the “**Carson EIFD**”). The County and the City may be referred to herein collectively as the “**Parties**” and each individually as a “**Party**”.

RECITALS

WHEREAS, the County is the owner of that certain real property comprised of approximately one hundred sixty-seven (167) acres, located at 340 East Martin Luther King Jr. Street, in the City of Carson, and currently improved with an 18 hole public golf course known as the Victoria Golf Course (the “**Golf Course**”);

WHEREAS, pursuant to Resolution No. 19-192 adopted by the City Council for the City on December 3, 2019 (the “**EIFD Resolution**”), the City stated its intention to establish the Carson EIFD, the purpose of which will be to provide funding for the improvement of public infrastructure and to promote economic development within the City;

WHEREAS, the proposed boundaries of the Carson EIFD are depicted on **Exhibit A** attached hereto and the Golf Course is located within such boundaries;

WHEREAS, a portion of the Golf Course, comprising approximately 80 acres is, or shortly hereafter will be, leased by the County to a non-profit corporation with plans to develop thereon the Carol Kimmelman Athletic and Academic Campus (“**CKAAK**”);

WHEREAS, the County is currently in negotiations with Plenitude Holdings, LLC (“**Plenitude**”) for a ground lease of the remaining approximately 87 acres of the Golf Course not leased to CKAAK (the “**Site**”), upon which Plenitude intends to construct a new commercial development known as “The Creek at Dominguez Hills”) and consisting of half a million square feet of improvements including a multi-use indoor sports complex, a retail center, clubhouse, indoor sky-diving facility, enhanced driving range, youth learning center, and various restaurants and auxiliary retail uses (“**The Creek at Dominguez Hills**”);

WHEREAS, the redevelopment of the Site is in the best interests of the City and the County, The Creek at Dominguez Hills meets the stated objectives of the Carson EIFD as set forth in the Resolution, and the Parties desire to facilitate the redevelopment of the Site by

providing financial assistance to the developer of the Site including by way of tax rebates and the allocation of Carson EIFD funds to pay for on-Site infrastructure and remediation costs;

WHEREAS, the City and Plenitude have entered into, or shortly hereafter will enter into, a Memorandum of Agreement setting forth various rights, duties and obligations of the City and Plenitude with regard to the construction and subsequent operation of The Creek at Dominguez Hills (the “**Plenitude MOA**”); and

NOW, THEREFORE, in consideration of the mutual covenants herein set forth and the mutual benefits to be derived therefrom, the Parties hereby agree as follows:

I. PURPOSE

The purpose of this Agreement is to set forth the Parties’ respective funding obligations with regard to the redevelopment of the Site.

II. FUNDING OBLIGATIONS

A. Sales Tax Portion

The City and Plenitude have agreed on terms and will diligently and expeditiously work to enter into an agreement pursuant to which the City and/or a related entity will agree to pay to Plenitude an amount equal to fifty percent (50%) of the City’s Bradley-Burns share of all sales taxes generated by The Creek at Dominguez Hills subject to all proper findings and audits. The term of the agreement will commence upon the date that any part of The Creek at Dominguez Hills opens for business and starts generating sales taxes, and will continue in effect for a period of thirty (30) years thereafter. The sales tax based payment will be payable by the City to Plenitude one year in arrears of the date upon which the City receives the sales taxes. All City and/or related entity subsidies for The Creek at Dominguez Hills are subject to the County’s approval of the Resolution of Intent to participate in the Carson EIFD and completion of the Carson EIFD pursuant to the terms hereof, subject to permissible discretion of the City Council and the Board of Supervisors.

B. Property Tax Portion

For the first thirty (30) years of the term of Plenitude’s ground lease of the Site (the “**Ground Lease**”), the County will rebate to Plenitude an amount equal to fifty percent (50%) of the County’s share of incremental possessory interest and incremental property taxes generated by the Site (i.e., excluding taxes collected by the County on behalf of the City and other taxing agencies including special districts, in addition to taxes collected from sub-lessees) assuming Plenitude remains in good standing pursuant to the lease terms with the County. Such rebate will be made by the County to Plenitude one year in arrears of the date upon which the taxes are actually received by the County. Notwithstanding the foregoing, the County will separately contribute to the Carson EIFD (see Section C below).

C. Carson EIFD

1. The County's Board of Supervisors is concurrently considering a Resolution of Intent to contribute to the Carson EIFD, for the duration of the Carson EIFD term, twenty-five percent (25%) of the County's share of all property taxes and possessory interest taxes generated by properties located within the Carson EIFD (i.e., excluding taxes collected by the County on behalf of the City and other taxing agencies), subject to the following terms and conditions: (i) an amount equal to ten million dollars (\$10,000,000) of Carson EIFD property tax increment funds received ("**EIFD Contribution**") will be allocated for the payment of certain on-Site infrastructure and remediation projects for development of that portion of the Golf Course that is not CKAAC, and a list of such projects will be agreed upon in advance by City and County (collectively, the "**Victoria Golf Course Approved Remediation and Infrastructure Projects**"); (ii) at least twenty percent (20%) of all annual EIFD revenues will be allocated to the development of low and moderate income housing within the City of Carson (the "**Housing EIFD Revenues**"); (iii) after the allocation of the Housing EIFD Revenues, fifty percent (50%) of all annual EIFD revenues will be allocated to the Victoria Golf Course Approved Remediation and Infrastructure Projects up to the amount of the EIFD Contribution; (iv) the sequence in which EIFD revenues are applied annually shall be as follows: (1) Housing EIFD Revenues shall be set aside for low and moderate income housing; (2) all remaining EIFD revenues shall be applied on a 50/50 basis as provided in Subsection (iii) above; (v) payments on the EIFD Contribution shall be contingent on and commence from the receipt by The Creek at Dominguez Hills of the Remedial Action Completion Report by the Department of Toxics and Substance Control and shall be based on eligible costs incurred on the Victoria Golf Course Approved Remediation and Infrastructure Projects; (vi) the Carson EIFD will not include funds to support ongoing operations of oil refinery activities; and (vii) the County and City agree to enter into an agreement describing various obligations should the Ground Lease be terminated or the County enters into an agreement with another developer. If Plenitude pays for the costs of any Victoria Golf Course Approved Remediation and Infrastructure Projects prior to the availability of the EIFD Contribution, then Plenitude will be reimbursed such costs from the EIFD Contribution funds once the Carson EIFD Contribution funds become available, subject to the terms outlined in this Agreement. If The Creek at Dominguez Hills or another vertical development on Site explicitly agreed upon by the City and the County is not substantially completed by December 31, 2032, any funds remaining from the EIFD Contribution shall be remitted back to the EIFD, and the EIFD will be released from any obligation related to the Victoria Golf Course or the County as described herein, and such funds may be expended on projects mutually agreed to by the County and City other than the **Victoria Golf Course Approved Remediation and Infrastructure Projects**.

3. Nothing in this Agreement obligates the City or County to form the Carson EIFD. The City acknowledges and agrees that the County's participation in the Carson EIFD must be approved by the County's Board of Supervisors before any of the County's property tax revenue may be used by the Carson EIFD, however the adoption of this MOA will be considered by the Board of Supervisors at the same time as a Resolution of Intent to enter into the Carson EIFD.

4. County shall use good faith efforts to diligently pursue all processes required by law to effectuate County's intent to participate in the Carson EFID in accordance with Section II.C above. City shall use good faith efforts to enter into a tax sharing agreement with Plenitude, as soon as reasonably possible following the date hereof, and to diligently pursue all processes required by law to effectuate City's intent under Section II.A. above.

5. County shall pay an amount no less than \$50,000 toward the formation costs of the Carson EIFD.

III. AMENDMENTS

This Agreement may only be amended by mutual written consent of the City and County. Neither verbal agreements nor conversation by any officers, employees and/or representatives of either party shall affect or modify any of the terms and conditions of the Agreement.

IV. GENERAL PROVISIONS

A. Applicable Law

The terms of this Agreement shall be interpreted according to the laws of the State of California. If litigation arises with respect to this Agreement, the venue shall be in the Superior Court of Los Angeles County. The Parties hereto shall be bound by all federal, state and local laws, ordinances, regulations, and directives pertaining to the services to be performed hereunder.

B. Rights and Remedies Are Cumulative

Except as otherwise expressly stated herein, the rights and remedies of the Parties are cumulative, and the exercise by a party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by the other party. Except as otherwise expressly stated herein, neither party is waiving any rights or remedies it may have under applicable law, and no such waiver will be implied or inferred in the absences of express language of any such waiver.

C. Attorneys' Fees

Each Party shall bear its own attorneys' fees and other costs in any legal action or other proceeding or an action for declaratory relief brought between the Parties to enforce this Agreement or because of a dispute, breach, default, or misrepresentation in connection with this Agreement.

D. Further Acts

Each Party shall execute such further documents and do such further acts as may be reasonably required to effectuate the Parties' intent and carry out the terms of this Agreement.

E. Severability

If any clause, provision or section of this Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining provisions.

F. Authority

Contingent upon approval of the respective governing bodies, each person executing this Agreement on behalf of a party hereby represents and warrants that (i) the signatory hereto has authority to sign on behalf of the stated party, (ii) such authority has been duly and validly conferred by that party's governing body, and (iii) said entity has full authority to enter into this Agreement.

G. Term

This Agreement shall be effective upon execution by both Parties. It shall remain in full force and effect for the term of the Ground Lease, unless terminated sooner by: (i) the mutual written agreement by the Parties, or (ii) the decision by Plenitude not to proceed with the development of The Creek at Dominguez Hills, or (iii) the County disapproving The Creek at Dominguez Hills.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the City of Carson and the County of Los Angeles Department of Parks and Recreation hereto have executed this Agreement effective as of the day, month, and year first written above.

CITY OF CARSON

By: _____
Name/Title: Albert C. Robles, Mayor

Date: _____

COUNTY OF LOS ANGELES

By: _____
Name/Title:

Date: _____

APPROVED AS TO FORM:

Rodrigo A. Castro-Silva
Acting County Counsel

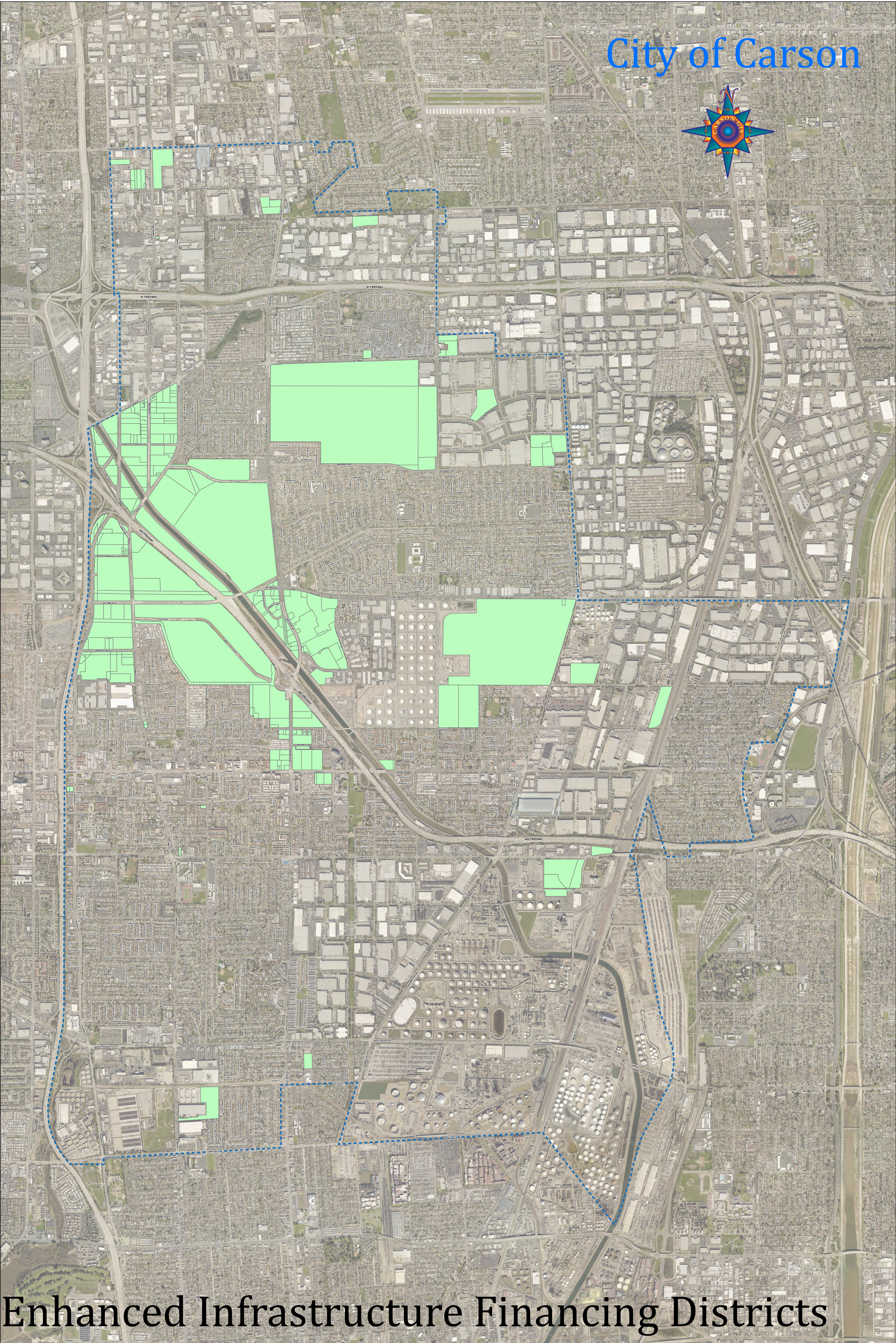
By: _____ Date: _____

City of Carson, City Attorney

By: _____ Date: _____

Exhibit A

Proposed Boundaries of Carson EIFD



Enhanced Infrastructure Financing Districts