

**CITY OF CARSON
RECLAMATION AUTHORITY**



**TUESDAY, April 3, 2018
701 East Carson Street
Helen Kawagoe Council Chambers
7:00 P.M. – Regular Session**

MINUTES

REGULAR MEETING OF THE CARSON RECLAMATION AUTHORITY

CALL TO ORDER: The meeting was called to order at 9:33 P.M. by Authority Chairman Albert Robles.

ROLL CALL: Authority Secretary Gause-Aldana noted the following:

Authority Board Members Present:

Chairman Albert Robles, Authority Vice Chairman Elito Santarina, Board Member Ray Aldridge, Jr., Board Member Louie Diaz and Board Member Rashina Young

Other Elected Officials Present:

Donesia Gause-Aldana, Authority Secretary and Monica Cooper, Authority Treasurer

Also Present:

John Raymond, Executive Director; Sunny Soltani, Authority Attorney; Glenn Turner, Computer Systems Support Technician

CLOSED SESSION – None.

RECONVENE: OPEN SESSION – None.

REPORT ON CLOSED SESSION ACTIONS – None.

ORAL COMMUNICATIONS FOR MATTERS LISTED ON THE AGENDA (MEMBERS OF THE PUBLIC) – None.

APPROVAL OF MINUTES:

Item No. 1 **2018-148** **DECEMBER 12, 2017 SPECIAL MEETING
DECEMBER 19, 2017 REGULAR MEETING
JANUARY 9, 2018 REGULAR MEETING
FEBRUARY 6, 2018 REGULAR MEETING**

Recommendation:

Approve the minutes as listed.

ACTION: The minutes were approved as submitted on motion of Robles, seconded by Santarina, and unanimously carried by the following voice vote:

Ayes: Authority Chairman Robles, Authority Vice Chairman Santarina, Board Member Aldridge, Jr., Board Member Diaz and Board Member Young
Noes: None
Abstain: None
Absent: None

CONSENT: (Items 2-5)

It was moved to approve Consent Calendar Items on motion of Robles, seconded by Diaz and unanimously carried by the following voice vote:

Ayes: Authority Chairman Robles, Authority Vice Chairman Santarina, Board Member Aldridge, Jr., Board Member Diaz and Board Member Young
Noes: None
Abstain: None
Absent: None

Item No. 2. 2018-135 CONSIDER APPROVAL OF RESOLUTION NO. 18-03-CRJPA RATIFYING CLAIMS AND DEMANDS IN THE AMOUNT OF \$10,415,848.97

Recommendation:

1. WAIVE further reading and APPROVE RESOLUTION NO. 18-03-CRJPA, "A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY RATIFYING CLAIMS AND DEMANDS IN THE AMOUNT OF \$10,415,848.97."
2. AUTHORIZE the Authority Chairman to execute Resolution No. 18-03-CRJPA following approval as to form by the Authority Counsel.

ACTION: Item No. 2 was approved on the Consent Calendar.

Item No. 3. 2018-223 CONSIDER MONTHLY INVESTMENT AND CASH REPORT FOR THE CARSON RECLAMATION AUTHORITY AS OF FEBRUARY 28, 2018

Recommendation:

RECEIVE and FILE.

ACTION: Item No. 3 was approved on the Consent Calendar.

- Item No. 4. 2018-216 **CONSIDER A SPECIAL COUNSEL ENGAGEMENT LETTER WITH ORRICK, HERRINGTON & SUTCLIFFE LLP, WITH REGARDS TO THE TRANSACTIONAL AGREEMENTS BETWEEN THE CARSON RECLAMATION AUTHORITY AND THE CITY OF CARSON AND CAM-CARSON LLC FOR THE DEVELOPMENT OF CELL 2 OF THE 157-ACRE PARCEL OWNED BY THE CARSON RECLAMATION AUTHORITY, THE FORMER CAL COMPACT LANDFILL****

Recommendation:

1. APPROVE a Special Counsel Engagement Letter between the City of Carson, the Carson Reclamation Authority and Orrick, Herrington & Sutcliffe LLP, with regards to the transactional agreements between the Carson Reclamation Authority, the City of Carson and CAM-Carson LLC for the development of Cell 2 of the 157-acre parcel owned by the Carson Reclamation Authority, the former CAL-Compact landfill, in a form acceptable to Authority Counsel; and
2. Authorize the Chairman to execute all documents related to this agreement subject to approval by the Authority Counsel.

ACTION: Item No. 4 was approved on the Consent Calendar.

- Item No. 5. 2018-231 **RATIFY THE EXTENSION OF COVERAGE THROUGH JUNE 1, 2018 AND APPROVE PAYMENT FOR A BUILDER'S RISK POLICY THROUGH LEXINGTON INSURANCE COMPANY IN THE AMOUNT OF \$2,549.00 PLUS \$81.57 IN SURPLUS LINES TAXES AND STAMPING FEES, AND A GENERAL LIABILITY POLICY THROUGH FIRST SPECIALTY INSURANCE COMPANY IN THE AMOUNT OF \$4,174.00 PLUS \$133.57 IN SURPLUS LINES TAXES AND STAMPING FEES, PROCURED THROUGH JLT SPECIALTY INSURANCE SERVICES****

Recommendation:

RATIFY THE EXTENSION OF COVERAGE THROUGH JUNE 1, 2018 AND APPROVE PAYMENT FOR A BUILDER'S RISK POLICY THROUGH LEXINGTON INSURANCE COMPANY IN THE AMOUNT OF \$2,549.00 PLUS \$81.57 IN SURPLUS LINES TAXES AND STAMPING FEES, AND A GENERAL LIABILITY POLICY THROUGH FIRST SPECIALTY INSURANCE COMPANY IN THE AMOUNT OF \$4,174.00 PLUS \$133.47 IN SURPLUS LINES TAXES AND STAMPING FEES, PROCURED THROUGH JLT SPECIALTY INSURANCE SERVICES

ACTION: Item No. 5 was approved on the Consent Calendar.

SPECIAL ORDERS OF THE DAY: (None)

DISCUSSION: (Item 6)

Item No. 6. 2018-238 CONSIDER A CONVEYANCING AGREEMENT WITH CAM CARSON, LLC, A DELAWARE LIMITED LIABILITY CORPORATION AND AN AFFILIATED ENTITY OF MACERICH, FOR THE DEVELOPMENT OF A FASHION OUTLET RETAIL CENTER ON THE CELL 2 SURFACE LOT OF A 157-ACRE PARCEL OWNED BY THE CARSON RECLAMATION AUTHORITY, THE FORMER CAL-COMPACT LANDFILL; CONSIDER A COOPERATION AGREEMENT WITH THE CITY OF CARSON FOR THE REIMBURSEMENT OF SALES TAXES TO FUND PUBLIC INFRASTRUCTURE AND SITE DEVELOPMENT COSTS OF THE CELL 2 SURFACE LOT OF A 157-ACRE PARCEL OWNED BY THE CARSON RECLAMATION AUTHORITY, THE FORMER CAL-COMPACT LANDFILL

Executive Director Raymond summarized the staff report.

Garrick Newland, Vice President Development representing Macerich

Thanked the Carson Reclamation Authority for their consideration and look forward to starting the project.

Vice Chairman Santarina inquired about job creation that the project will generate.

Executive Director Raymond stated there are programs that generate the number of jobs based on variables related to the construction project.

Discussion ensued around the types of jobs that will be available and Local Hire.

Executive Director Raymond noted the Local Hire provision is part of the Langston contract. In addition, the Workforce Investment Board is providing assistance.

Mary Hashem

Stated RE| Solutions does not have local hire quotas, but has made a commitment to provide job opportunities to local workforce.

City Manager Farfsing provided the Mayor and Council a revised Resolution No. 18-04-CRJPA.

Authority Attorney Soltani noted amendments to Resolution No. 18-04-CRJPA as follows:

- Section 10. – Add Approval. “Based on the findings of public benefit and subject to the provisions hereof, the Conveyancing Agreement between the Carson Reclamation Authority, a California Joint Powers Authority, and CAM-Carson, LLC...” and another and the rest remains the same – “...Cooperation Agreement between the City of Carson, a California general law municipal corporation, and the Carson Reclamation Authority, a Joint Powers Authority, are hereby approved and shall be executed by Chairman and Mayor in a final form approved by the City

Attorney/Authority Counsel. The Executive Director shall take all necessary actions to implement the Agreements in accordance with their terms.”

She noted that the revised resolution is not addressing both the Cooperation Agreement and Conveyancing Agreement and will be added where needed. Therefore, she suggested to the board members to approve the provisions subject to the Authority Attorney’s modifications she just made.

In addition, she noted changes to the Conveyancing Agreement as follows:

- Section 19.2.2 on Page 41, under Re-processing the first word says following a final unappealable judgment of the highest that following going to change to up to 120 days following a final unappealable judgment of the highest court to decide if they are going to process their application. She further stated within 120 days Macerich needs to put Carson Reclamation Authority on notice. Macerich confirmed that they will give the City 120 days notice that they intend to apply for reapplication then have another 90 days to get their actual application for reprocessing.
- Section 19.2.2 – referred to eight lines from end of provision, revised to say “diminution in project value solely due to a discretionary new condition of city unrelated to compliance with the final adverse judgment.”
- Noted after parentheses is less than the greater of (x), that (x) changes to 1/% of the budgeted hard costs of the sub-foundation systems, the foundation systems and vertical construction of the project’s building core and shell (therefore excluding, for the avoidance of doubt, the remedial systems, design and engineering, tenant improvements, financing and other costs, and (y), that (y) needs to be removed and \$2.75 million so either 1% of the cost or \$2.75 million whichever is greater, which is the intent. In each case whether such conditions or mitigation measures are of the type allocated to Macerich as Vertical Developer under the Entitlements approved concurrently herewith, or of the type allocated to authority thereunder, but which Macerich must pay because Authority declines to pay. She further noted the need to clarify and make sure that \$2.75 million cap is on new conditions on the re-processing and not dealing with trying to make it cumulative with the current discretionary conditions being done on the City Council, which is the intent.
- Section 19.2.3 – Re-processing material adverse change needs to change to mean anything goes beyond \$2.75 million cap or anything going to diminish the value of the project and solely due to a discretionary new condition of the City unrelated to compliance with final adverse judgment.

Authority Attorney Soltani stated there were two additional cleanups – 6.2 being incorporated that Macerich understand making changes not substantive but consistent.

Authority Chairman Robles noted for the record to reflect the acknowledgement by Macerich of all changes, agreement of the terms, and intent.

Authority Attorney Soltani noted for the record that documents have been a working progress with everyone working hard and diligently and that these were the big business terms changed.

Recommendation:

TAKE the following actions:

1. APPROVE a Conveyancing Agreement by and between the Carson Reclamation Authority and CAM-CARSON, LLC, a Delaware limited liability company, an affiliate of The Macerich Company of Santa Monica, California for the development of a high end fashion outlet mall on approximately 41 net acres of the Surface Lot of Cell 2 and certain easement areas therein legally described in Exhibit "C-1" of the Agreement, in a form acceptable to Authority Counsel; and
2. APPROVE a Cooperation Agreement by and between Carson Reclamation Authority and the City of Carson for the Authority to install public infrastructure and Authority Improvements and perform other site work for City and to receive funds from City therefore calculated based on sales taxes received by City, in a form acceptable to Authority Counsel, and
3. APPROVE Resolution 18-04-CRJPA, "A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY APPROVING A CONVEYANCING AGREEMENT TO SELL THAT CERTAIN CELL 2 SURFACE LOT OF THE 157 ACRE PARCEL OWNED BY THE CARSON RECLAMATION AUTHORITY AND APPROVING A COOPERATION AGREEMENT WITH THE CITY OF CARSON FOR THE REIMBURSEMENT OF SALES TAXES TO FUND PUBLIC INFRASTRUCTURE AND SITE DEVELOPMENT COSTS OF THE CELL 2 SURFACE LOT OF A 157-ACRE PARCEL OWNED BY THE CARSON RECLAMATION AUTHORITY, THE FORMER CAL-COMPACT LANDFILL" and
4. AUTHORIZE the Chairman to execute several agreements in a final form approved by Authority Counsel and authorizing the Executive Director to take other actions necessary to implement the Agreements.

ACTION: It was moved to approve staff recommendation nos. 1, 2, 3) Approve Resolution No. 18-04-CRJPA, as amended by the Authority Attorney in concurrence with representatives from Macerich, "A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY APPROVING A CONVEYANCING AGREEMENT TO SELL THAT CERTAIN CELL 2 SURFACE LOT OF THE 157 ACRE PARCEL OWNED BY THE CARSON RECLAMATION AUTHORITY AND APPROVING A COOPERATION AGREEMENT WITH THE CITY OF CARSON FOR THE REIMBURSEMENT OF SALES TAXES TO FUND PUBLIC INFRASTRUCTURE AND SITE DEVELOPMENT COSTS OF THE CELL 2 SURFACE LOT OF A 157-ACRE PARCEL OWNED BY THE CARSON RECLAMATION AUTHORITY, THE FORMER CAL-COMPACT LANDFILL", and 4) Authorize the Chairman to execute several agreements in a final form approved by Authority Counsel and authorizing the Executive Director to take other actions necessary to implement the agreements, including the Conveyancing Agreement as modified tonight by the authority's counsel in concurrence and agreement with Macerich who is present and participated on motion of Robles, seconded by Diaz and unanimously carried by the following voice vote:

Ayes: Authority Chairman Robles, Authority Vice Chairman Santarina, Board
Member Aldridge, Jr., Board Member Diaz and Board Member Young
Noes: None
Abstain: None
Absent: None

ORDINANCE SECOND READING: (None)

ORAL COMMUNICATIONS (MEMBERS OF THE PUBLIC) – None.

ORAL COMMUNICATIONS (AUTHORITY MEMBERS) – None.

**ANNOUNCEMENT OF UNFINISHED OR CONTINUED CLOSED SESSION ITEMS (AS
NECESSARY) – None.**

RECESS TO CLOSED SESSION – None.

RECONVENE TO OPEN SESSION – None.

ADJOURNMENT

The meeting was adjourned at 10:26 P.M. by Authority Chairman Robles.

Authority Chairman Albert Robles

ATTEST:

Authority Secretary Donesia Gause-Aldana, MMC

APPROVED BY CARSON RECLAMATION AUTHORITY	
7-3-2018	
Approved as Submitted.	AR/ES 4/0