



MINUTES

REGULAR MEETING OF THE CARSON RECLAMATION AUTHORITY

CALL TO ORDER: The meeting was called to order at 5:34 P.M. by Authority Chairman Albert Robles.

ROLL CALL: Authority Secretary Gause-Aldana called the roll:

Authority Board Members Present:

Chairman Albert Robles, Authority Vice Chairman Elito Santarina, Board Member Ray Aldridge, Jr., 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; 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 2018-501 APPROVAL OF THE APRIL 3, 2018, MAY 1, 2018, AND MAY 8, 2018 CARSON RECLAMATION AUTHORITY MEETING MINUTES

Recommendation:

Approve the minutes as listed.

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

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

CONSENT: (Items 2-5)

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

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

Item No. 2. 2018-375 CONSIDER APPROVAL OF RESOLUTION NO. 18-07-CRJPA RATIFYING CLAIMS AND DEMANDS IN THE AMOUNT OF \$1,996,875.87.

Recommendation:

1. WAIVE further reading and APPROVE RESOLUTION NO. 18-07-CRJPA, "A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY RATIFYING CLAIMS AND DEMANDS IN THE AMOUNT OF \$ 1,996,875.87."
2. AUTHORIZE the Authority Chairman to execute Resolution No. 18-07-CRJPA following approval as to form by the Authority Counsel.

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

Item No. 3. 2018-400 CONSIDER MONTHLY INVESTMENT AND CASH REPORT FOR THE CARSON RECLAMATION AUTHORITY AS OF APRIL 30, 2018

Recommendation:

RECEIVE and FILE.

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

Item No. 4. 2018-511 **CONSIDER MONTHLY INVESTMENT AND CASH REPORT FOR THE CARSON RECLAMATION AUTHORITY AS OF MAY 31, 2018**

Recommendation:

RECEIVE and FILE.

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

Item No. 5. 2018-425 **REPORT ON THE AUDIT OF THE RECORDS AND ACCOUNTS OF THE CARSON RECLAMATION JOINT POWERS AUTHORITY FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2017**

Recommendation:

1. RECEIVE and FILE.
2. AUTHORIZE staff to submit the financial reports to the Auditor-Controller of the County of Los Angeles.

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

DISCUSSION: (Items 6-7)

Item No. 6. 2018-468 **CONSIDER RESOLUTION NO. 18-08 CRJPA ADOPTING PROPOSED FISCAL YEAR 2018-19 BUDGET FOR THE CARSON RECLAMATION AUTHORITY**

Executive Director Raymond provided the staff report.

Board Member Aldridge, Jr. asked clarifying questions pertaining to the fund balance.

Recommendation:

Waive further reading and ADOPT RESOLUTION NO. 18-08-CRJPA, A RESOLUTION OF THE CARSON RECLAMATION JOINT POWERS AUTHORITY ADOPTING THE FISCAL YEAR 2018-19 BUDGET AND APPROVING APPROPRIATIONS FOR FISCAL YEAR 2018-19.

ACTION: It was moved to waive further reading and adopt Resolution No. 18-08-CRJPA on motion of Robles, seconded by Young and unanimously carried by the following vote:

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

RECESS:

The meeting was recessed at 5:39 P.M. by Chairman Robles.

RECONVENE:

The meeting was reconvened by Chairman Robles for a joint session with Carson City Council/Successor Agency/Housing Authority to discuss Item No. 28.

Item No. 7. 2018-488 CONSIDER IMPLEMENTATION OF PROJECT AGREEMENTS 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, THE FORMER CAL-COMPACT LANDFILL; INCLUDING: (1) APPROVAL OF CONSENT TO TRANSFER WHEREBY MACERICH TRANSFERS 50% OF THE DEVELOPMENT ENTITY TO SI-CARSON PROPERTY GROUP OR A SUBSIDIARY; (2) APPROVAL OF AN AGREEMENT TO UNDERTAKE A VALIDATION ACTION OF THE TRANSACTION AND PROVIDE FOR REIMBURSEMENT OF CITY/AUTHORITY EXPENSES; (3) CONDUCT A PUBLIC HEARING PURSUANT TO CODE SECTION 53083; AND (4) AUTHORIZING MAYOR, CHAIRMAN, CITY MANAGER OR EXECUTIVE DIRECTOR AS THE CASE MAY BE, TO APPROVE CERTAIN IMPLEMENTING AGREEMENTS INCLUDING AN OPERATIONAL AGREEMENT, EASEMENT, DEED OF TRUST, AND OTHER IMPLEMENTING AGREEMENTS (THIS IS A JOINT ITEM BETWEEN RECLAMATION AUTHORITY, CITY COUNCIL AND SUCCESSOR AGENCY)

Council Item No. 28 and Carson Reclamation Authority Item No. 7 were heard in joint session after Oral Communications – Members of the Public.

Mayor/Agency Chairman/Authority Chairman Robles declared the Public Hearing open at 8:02 P.M.

City Clerk/Agency Secretary/Authority Secretary Gause-Aldana reported Notice of Public Hearing has been given pursuant to applicable law, including but not limited to the timely publication and such copy of proof received by the City Clerk. Notice to the applicants via email and confirmed by staff. Postings as required by law and other mailings as requested by individuals and organizations. The affidavits attesting to mailing such notice are on file in the City Clerk's Office. No written communications were received.

Announcement

Mayor/Agency Chairman/Authority Chairman Robles invited everyone to sing the Happy Birthday song to Mayor Pro Tem/Agency Vice Chairman/Authority Vice Chairman Jawane Hilton.

City/Agency/Authority Soltani presented the staff report and provided copies of the revised provisions of the Conveyancing Agreement to the Mayor, Council Members, and staff. She stated she would provide a red-line version of the changes to the City Clerk. She noted for the record the following additions in bold:

Section 11.2.1 *Title Policy*. The Title Company shall stand ready to issue at the Closing an ALTA Owner's **or Leasehold, as the case may be**, Policy of Title Insurance with liability in the amount of the development budget for the Project, subject only to the Permitted Exceptions, with such endorsements as may be reasonably requested by Macerich (the "Title Policy"), insuring that Macerich owns fee simple absolute title **or a valid leasehold interest, as the case may be**, to the Cell 2 Surface Lot, dated as of the day the Deed is recorded.

Section 13.1.1. *Deed*. Either a grant deed, or if Macerich elects to acquire instead a ground lease interest in the Cell 2 Surface Lot, a long term ground lease of the Cell 2 Surface Lot, (whichever Macerich selects, the "Deed"), in recordable form, for the Cell 2 Surface Lot, executed by Authority with respect to the Cell 2 Surface Lot, in recordable form, conveying a fee or leasehold interest in the Cell 2 Surface Lot to Macerich, subject only to the Permitted Exceptions, and containing the provisions described in Section 1.1 above.

Section 23.13 Survival Provisions. Any provision of this Agreement providing for obligations continuing beyond the delivery of the Deed or the long term ground lease of the Cell 2 Surface Lot shall survive the Closing and all representations and warranties shall similarly survive the Closing.

She noted that the changes would be for the Carson Reclamation Authority Board to reaffirm the Conveyancing Agreement approved on April 3, 2018 with the changes she just read into the record. The new partners also requested that a validation action be undertaken to validate the Cooperation Agreement component of the deal structure. Although, the City would be undertaking the validation action, the parties have agreed to reimburse all the expenses of the City and pay for the validation action. They also asked for several of the documents to be completed at a later time to be prepared now which include the Deed of Trust, certain easements, and operating agreement to modify the development schedule. They also asked for a side agreement if the validation action is unsuccessful creating the option for another arrangement that does not impact the financial obligations of the parties but simply provides for another method that the transaction would be put together which is the lease to lease structure described in the staff report.

City/Agency/Authority Attorney Soltani reviewed the staff recommendations.

(Mayor/Agency Chairman/Authority Chairman Robles exited the meeting at 8:22 P.M.)

Assistant City Manager Raymond offered additional information related to the economic development subsidy conclusions.

(Mayor/Agency Chairman/Authority Chairman Robles reentered the meeting at 8:24 P.M.)

(Mayor Pro Tem/Agency Vice Chairman/Authority Vice Chairman Hilton exited the meeting at 8:27 P.M. and reentered the meeting at 8:28 P.M.)

Assistant City Manager Raymond continued with the staff report.

Mayor/Agency Chairman/Authority Chairman Robles inquired about the beneficiaries section of the conveyancing agreement.

Attorney Maria Hoya, representing Latham Watkins on behalf of Simon Company

Stated the Simon entity is entering into an agreement with Macerich as Si-Carson which is a wholly owned subsidiary of the Simon Company which is why they are listed in the beneficiaries. She referred to the consent letter.

City/Agency/Authority Attorney Soltani noted the consent letter, Exhibit B of the staff report, first page, last sentence then read a consent submitted by Simon Company.

Mayor/Agency Chairman/Authority Chairman Robles inquired about the signatories on the consent form. City/Agency/Authority Attorney Soltani noted the form on the staff report is an old version, but it is the intention for Simon, Cam-Carson and Macerich to sign the consent form as well.

Attorney Maria Hoya confirmed she discussed with the City Attorney that Simon and Macerich entity would sign the consent letter as well.

Garrett Newland, Vice President Development, project lead representing Macerich

Introduced Ann Menard, new Chief Legal Officer for Macerich; spoke about their intention to bring on Simon Property Group that he believes will help make the project greater. He commended Mayor, City Council and staff for working diligently on the project and their patience.

Ms. Menard offered additional comments in support of the project.

Mayor/Agency Chairman/Authority Chairman Robles inquired about the joint-venture. Representatives of Simon and Macerich confirmed that the joint-venture agreement was signed today. Attorney Hoya confirmed that Executive Steve Fivel from Simon signed the consent form.

Mayor/Agency Chairman/Authority Chairman Robles inquired who will be signing the Consent Letter.

City/Agency/Authority Attorney Soltani confirmed that Ms. Minard will be signatory for both Macerich and Cam-Carson. Ms. Hoya confirmed that Mr. Steve Fivel, Secretary and General Counsel, will be signing the consent letter on behalf of Simon Company.

Bill Shopoff, President, Shopoff Realty Investments

Offered comments related to the specifics of the exclusivity of the agreement. He stated his company's been discussing with the City about the other 4 cells within the Cal Compact Landfill and would like to make the City aware in the event there is trepidation with continued venture with two entities or if something should happen in the future where they decide not to proceed with the 44 acres on particular cell, his firm remains interested, committed, and is prepared to move forward with the project. They've already committed to substantial capital with the City and other investments. He presented a check for \$4 million as a deposit should the opportunity exist for this cell or the other 4 cells to proceed with the project. They remain interested in the other 4 cells.

City/Agency/Authority Attorney Soltani offered comments about the process for the development of the remainder of the sites.

Mr. Bob Furante, Advisor and Consultant to Shopoff Group

Offered comments in support of his firm and for Council to consider their company to move forward with the project.

There being no other persons wishing to speak, Mayor/Agency Chairman/Authority Chairman Robles closed the Public Testimony portion of the Public Hearing at 9:05 P.M.

Recommendation:

TAKE the following actions:

1. APPROVE consent to transfer whereby Macerich transfers 50% of the development entity to SI-Carson property group or a subsidiary;
2. APPROVE Agreement to Undertake Validation Action and Reimbursement Agreement II Between City of Carson and the Carson Reclamation Authority and CAM-Carson LLC;
3. AUTHORIZE City Manager and/or Executive Director of the Carson Reclamation Authority to approve and execute certain implementing agreements including an Operational Agreement, Easement, Deed of Trust, and other Implementing Agreements;
4. OPEN the Public Hearing; TAKE public testimony; then CLOSE the Public Hearing; and then APPROVE the Report and economic development subsidy conclusions in Section VG(4) hereof;
5. REAPPROVE the conveyancing agreement approved on April 3, 2018 to provide the option for possession to be transferred via a lease
6. AUTHORIZE Mayor/Chairman to execute all relevant Agreements.

ACTION: City/Agency/Authority Attorney Soltani asked that the Council reconvene to Closed Session for further discussion including Carson Reclamation Authority Item No. 7.

RECESS TO CLOSED SESSION

After approval of the Consent Items, the City Council/Successor Agency/Housing Authority and Carson Reclamation Authority were recessed at 9:31 P.M. by Mayor/Agency Chairman/Authority Chairman Robles to Closed Session.

RECONVENE TO OPEN SESSION

The City Council/Successor Agency/Housing Authority and Carson Reclamation Authority were reconvened at 11:14 P.M. by Mayor/Agency Chairman/Authority Chairman Robles with all members previously noted present.

Council Item No. 29 was heard at this time.

At 11:15 P.M., after City/Agency/Authority Attorney Soltani Report on Closed Session, Item No. 28 was heard in joint session with Carson Reclamation Authority Item No. 7.

City/Agency/Authority Attorney Soltani stated there has been some discussion during Closed Session about cleaning up some of the documents that are before the Council adding certain provisions, obtaining the correct signatures, and bringing items back after completed. After all the documents are executed by Cam-Carson LLC. and signature pages verified by the City will be held in escrow until the day of the meeting then all those to execute documents will execute subsequent immediately after approvals.

She stated that staff asks Council and Carson Reclamation Authority to approve the Report and Economic Development Subsidy Conclusion in Section VG(4) of the staff report this evening. City Council to approve the consent to transfer whereby Macerich transfers 50% of the development entity to Si Carson and allow the City Manager and the Executive Director of the Carson Reclamation Authority to execute the document. There has been a Request that the document include a standard provision that the signatories are authorized to sign which will be added. Therefore, the motion to amend the staff recommendations to include the provision. Both Simon and Cam-Carson LLC to sign the document once approved.

She noted to take the following actions:

- Council to approve the Economic Development Subsidy Conclusion Section VG(4) of the report.
- Carson Reclamation Authority and City Council approve the consent to transfer with the amendments she stated for the record and remainder of items will be taken up at another meeting.

City/Agency/Authority Attorney Soltani stated for the record that this is only to clean up the documents, to make sure the documents are in the right form, signed and not to renegotiate or open up the deal.

Mayor/Agency Chairman/Authority Chairman Robles referred to the Economic Development Subsidy Section VG. He inquired about page 10 of 13.

City/Agency/Authority Attorney Soltani confirmed it was page 10 and referred to Roman Number IV. She stated there was a request to the beneficiaries of economic development subsidy's lists required to be identified by the statute that the Macerich Company and Simon Property Group be added to the list; they would be potential beneficiaries.

Carson Reclamation Authority Item No. 7

It was moved to approve the economic development subsidy portion section 6 of the staff report with the amendment that listed as a beneficiary be the Simon Property Group LP with address at 225 W. Washington Street, Indianapolis, Indiana 46204 and also the Macerich Company be listed with address at 401 Wilshire Boulevard, Suite, Santa Monica, California, 94101 on motion of Robles, seconded by Young and carried by the following vote:

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

Council Item No. 28

It was moved to approve the economic development subsidy portion section 6 of the staff report with the amendment that listed as a beneficiary be the Simon Property Group LP with address at 225 W. Washington Street, Indianapolis, Indiana 46204 and also the Macerich Company be listed as a beneficiary with address at 401 Wilshire Boulevard, Suite, Santa Monica, California 94101 on motion of Robles, seconded by Hilton and carried by the following vote:

Ayes: Mayor/Agency Chairman/Authority Chairman Robles, Mayor Pro Tem/Agency Vice Chairman/Authority Vice Chairman Hilton, Council Member/Agency Member/Authority Board Member Davis-Holmes and Council Member/Agency Member/Authority Board Member Hicks
Noes: Council Member/Agency Member/Authority Board Member Santarina
Abstain: None
Absent: None

Carson Reclamation Authority Item No. 7

It was moved to approve the consent agreement, Exhibit B of the staff report, amended as discussed with modification to add the requested provision that the persons executing have the authority to execute and be notarized and signed by someone from Cam-Carson LLC and Simon as the new partner on motion of Robles, seconded by Aldridge and carried by the following vote:

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

Council Item No. 28

It was moved to approve the consent with same amendments on motion of Robles, seconded by Hilton and carried by the following vote:

Ayes: Mayor/Agency Chairman/Authority Chairman Robles, Mayor Pro Tem/Agency Vice Chairman/Authority Vice Chairman Hilton, Council Member/Agency Member/Authority Board Member Davis-Holmes and Council Member/Agency Member/Authority Board Member Hicks
Noes: None

Abstain: Council Member/Agency Member/Authority Board Member Santarina
Absent: None

City/Agency/Authority Attorney Soltani inquired if the motion included authorization for the City Manager and the Executive Director to execute the consent agreement after it is executed by Simon and Cam-Carson LLC.

Mayor/Agency Chairman/Authority Chairman Robles amended his motion to include language as stated by City/Agency/Authority Attorney Soltani for Council Item No. 28 and Carson Reclamation Authority Item No. 7, with no objections heard.

ORDINANCE SECOND READING: (None)

ORAL COMMUNICATIONS (MEMBERS OF THE PUBLIC) – None.

ORAL COMMUNICATIONS (AUTHORITY MEMBERS) – None.

ADJOURNMENT

The meeting was adjourned at 11:25 P.M. by Authority Chairman Robles.

Authority Chairman Albert Robles

ATTEST:

Authority Secretary Donesia Gause-Aldana, MMC

APPROVED BY CARSON RECLAMATION AUTHORITY	
9-4-2018	
Approved as Submitted.	AR/ES 4/0