



Legislation Details (With Text)

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File created: 6/17/2024 **In control:** Carson Reclamation Authority
On agenda: 6/18/2024 **Final action:**
Title: CONSIDER AN AMENDMENT TO THE TERM OF THE OPTION AGREEMENT WITH CARSON GOOSE OWNER, LLC FOR CELLS 3, 4, AND 5 OF THE FORMER CAL COMPACT LANDFILL PURSUANT TO SECTION 2.4 OF THE TO THE OPTION AGREEMENT; AND CONSIDER THE FIFTH AMENDMENT TO THE OPTION AGREEMENT

Sponsors:

Indexes:

Code sections:

Attachments: 1. CGO Request for Extension to November 1 2024

Date	Ver.	Action By	Action	Result
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Report to Carson Reclamation Authority

Tuesday, June 18, 2024

Discussion

SUBJECT:

CONSIDER AN AMENDMENT TO THE TERM OF THE OPTION AGREEMENT WITH CARSON GOOSE OWNER, LLC FOR CELLS 3, 4, AND 5 OF THE FORMER CAL COMPACT LANDFILL PURSUANT TO SECTION 2.4 OF THE TO THE OPTION AGREEMENT; AND CONSIDER THE FIFTH AMENDMENT TO THE OPTION AGREEMENT

I. SUMMARY

The Option Agreement with Carson Goose Owner, LLC (“Option Agreement” or “Option”) is defined, collectively, as the Option Agreement and Joint Escrow Instructions dated as of December 20, 2020, as amended by Assignment of Option Agreement and Joint Escrow Instructions dated as of January 15, 2021, Amendment to Option Agreement and Joint Escrow Instructions dated as of October 4, 2022, Second Amendment to Option Agreement and Joint Escrow Instructions dated as of May 15, 2023, Third Amendment to Option Agreement and Joint Escrow Instructions deemed effective as of September 20, 2020, written extension granted on December 28, 2023, and Fourth Amendment to Option Agreement and Joint Escrow Instructions dated as of December 28, 2023, and extension letter granted on March 4, 2024.

Pursuant to Section 2.4 of the Option, Carson Goose Owner, LLC (“Developer”) has requested a 123-day extension to the expiration of the Term of the Option, to November 1, 2024. The section provides that if, despite diligent efforts on the part of Developer, they have not received the approval of a Prospective Purchaser Agreement (“PPA”) by the California Department of Toxic Substances Control (“DTSC”), they may request an extension which may not be unreasonably withheld by the CRA. The Developer believes the PPA will be fully approved by DTSC by November 1, 2024 and has requested and extension to that date (the “Clean Extension”).

On addition, the CRA and Developer have negotiated a fuller Fifth Amendment to the Option which contains the same extension along with the clean up of a number of other items. If the Fifth Amendment is approved the Clean Extension does not need to be acted upon.

The Fifth Amendment also contains language related to changes to the payment of the Lenardo contribution by Developer and a reconciliation of the carry costs obligations with the payment of the CFD obligations after closing.

II. RECOMMENDATION

1. **APPROVE** an extension of the Term of the Option Agreement to November 1, 2024; or
2. **APPROVE** the Fifth Amendment to the Option Agreement and **AUTHORIZE** the Executive Director to execute the Fifth Amendment in a form acceptable to the Authority Counsel.

III. ALTERNATIVES

TAKE another action the Board deems appropriate.

IV. BACKGROUND

None.

V. FISCAL IMPACT

None.

VI. EXHIBITS

1. Letter requesting extension under Section 2.4 of the Option (pg. 3)
2. Fifth Amendment to Option Agreement (to be provided)

- 1.

Prepared by: John S. Raymond, Executive Director