



Legislation Text

File #: 2023-0942, Version: 1

Report to Carson Reclamation Authority

Thursday, December 28, 2023

Discussion

SUBJECT:

CONSIDER FOURTH AMENDMENT TO AN OPTION AGREEMENT WITH CARSON GOOSE OWNER, LLC FOR THE DEVELOPMENT OF CELLS 3, 4, AND 5 AT THE FORMER CAL COMPACT LANDFILL, 20400 SOUTH MAIN STREET

I. SUMMARY

The proposed Fourth Amendment to Option Agreement (“Fourth Amendment”) extends the term of the Option Agreement to March 1, 2024 and makes certain changes to the payments required from Carson Goose Owner, LLC (“Developer”), to the Carson Reclamation Authority (“CRA”) at the closing and transfer of the Cells 3, 4, and 5 portion of the former Cal-Compact Landfill. The proposed Fourth Amendment amends the original Option Agreement, which was entered into on December 17, 2020, and was subsequently amended in October 2022, May 2023, and again in September 2023.

II. RECOMMENDATION

1. **APPROVE** the Fourth Amendment to Option Agreement and Joint Escrow Instructions between the Carson Reclamation Authority and Carson Goose Owner, LLC; and
 2. **AUTHORIZE** the Board Chair to execute the Fourth Amendment and any related documents.
- 1.

III. ALTERNATIVES

TAKE another action the Authority Board deems appropriate.

IV. BACKGROUND

The CRA and Faring Capital, LLC (“Faring”) previously entered into an Option Agreement and Joint Escrow Instructions, dated December 17, 2020 (the “Original Option Agreement”). Faring assigned all its rights and obligations under the Original Option

Agreement to Carson Goose Owner, LLC (“Developer”), and Developer assumed the same pursuant to an Assignment of Option Agreement and Joint Escrow Instructions, dated January 15, 2021 (the “Assignment”). Subsequently, Developer and the CRA entered into an Amendment to Option Agreement and Joint Escrow Instructions, dated October 4, 2022 (the “First Amendment”), and the Second Amendment to Option Agreement and Joint Escrow Instructions, dated May 15, 2023. The Third Amendment was approved by the Board on September 11, 2023 (the “Third Amendment”, together with the Original Option Agreement and the First and Second Amendments are, collectively, the “Option Agreement”).

The Developer and CRA seek to close and transfer Cells 3, 4, and 5 (“Property”) to the Developer with a target date of March 1, 2024, and to facilitate the transaction, Developer has requested certain changes made to the Option Agreement.

The primary changes made by the Fourth Amendment to the terms of the Option Agreement are related to the extension of the intended closing date, as certain required conditions precedent to the closing have taken longer than expected. Other changes have been made to restructure certain payments due from Developer to the CRA for the Infrastructure Improvements (i.e., Lenardo and Stamps) that the CRA needs to commence work on.

The Fourth Amendment acknowledges that there shall also be a future “Amended and Restated Option Agreement”.

The final version of the Fourth Amendment will be provided at the Board meeting and staff and the Authority Counsel will walk the Board through the changes.

V. FISCAL IMPACT

The basic economic obligations of the Developer to the CRA are not changed by the Fourth Amendment, except certain obligation to make the funds available to the CRA for the infrastructure improvements has been accelerated to be March 1, 2024.

VI. EXHIBITS

1. To be provided

Prepared by: John S. Raymond, Executive Director