



Legislation Text

File #: 2023-0514, Version: 1

Report to Mayor and City Council

Tuesday, July 18, 2023

Consent

SUBJECT:

CONSIDER MUTUAL TERMINATION OF REGULATORY AGREEMENT AND DECLARATION OF COVENANTS AND RESTRICTIONS; RELEASE OF ALL REFERENCES TO SETTLEMENT, RELEASE AND INDEMNITY AGREEMENT; MUTUAL TERMINATION OF DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS AND GRANT OF EASEMENTS; AND TERMINATION OF DEVELOPMENT AGREEMENT RELATED TO AND AS SUCCESSOR IN INTEREST TO PRIOR TRANSACTIONS MADE BY CARSON MARKETPLACE, LLC BY AND BETWEEN CM AND THE CITY OF CARSON

I. SUMMARY

The Carson Reclamation Authority ("CRA") is currently the successor in interest to a number of agreement and restrictions entered into on the Former Cal Compact Landfill Property ("Property") with the City of Carson by former owners during the period of 2006 and 2013. These restrictions are no longer effective and have been superseded by new agreements with different developers and must be removed from the title prior to the recordation of a new grant deed to the developers currently working on the Property. The CRA took action on June 5, 2023 as the property owner and successor in interest to these agreements; the City Council also needs to approve these as the other party to the transactions.

II. RECOMMENDATION

1. APPROVE the Release of Regulatory Agreement and Declaration of Covenants and Restrictions dated September 29, 2006, which was recorded on November 28, 2006 as Instrument No. 2006-2621524 and modified by Instrument No. 20150585320 in the Official Records of Los Angeles County.
2. APPROVE the Release of All References to the Settlement, Release, and Indemnity Agreement in the form of the Grant Deed.

3. APPROVE the Mutual Termination of Declaration of CC&Rs and Grant of Easements set forth in that certain Declaration of Covenants, Conditions and Restrictions and Grant of Easements dated December 13, 2013 which was recorded on January 3, 2014 as Instrument No. 20140004197 in the Official Records of Los Angeles County.
4. APPROVE the termination of the Development Agreement dated March 21, 2006 which was recorded on October 3, 2006 as Instrument No. 20062201898 in the Official Records of Los Angeles County as amended by: (i) the First Amendment recorded on November 14, 2012 as Instrument No. 20121727624; (ii) the Second Amendment recorded on September 4, 2014 as Instrument No. 20140920683; and (iii) Partial Assignment and Assumption Agreement recorded on May 20, 2015 as Instrument No. 20150585319 (collectively, the "Development Agreement").
5. AUTHORIZE the Mayor to execute all documents related to these terminations and direct Staff to cause the recordation.
6. AUTHORIZE the City Manager to send letters to Fidelity Title to request the removal of certain exceptions to the title on the property related to the Community Facilities District 95-1 and the effectiveness of the former Redevelopment Plan.

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III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

On May 20, 2015 the CRA acquired fee title to the 157-Acre Former Cal Compact Landfill ("Property") and currently owns the Property. Carson Marketplace, LLC, a California limited liability company ("Prior Owner"), as grantor, conveyed the Property to the CRA, as grantee, pursuant to that certain Grant Deed recorded on May 20, 2015 as Instrument No. 20150585322 in the Official Records of Los Angeles County ("Grant Deed").

In 2006, the Prior Owner owned the Property and entered a number of agreements with the former Carson Redevelopment Agency and City of Carson, and the project was subject to certain conditions placed on it by the City of Carson. With the current ownership of the site by the CRA and the newly approved projects on the Site by new developers, which are different from what was proposed by the Prior Owner, it is necessary to terminate these covenants and other restrictions as they are now defects on the Property's title and an impediment to closing the sale of the parcels. These were approved in June by the CRA as

the property owner and these releases and terminations also need to be approved by the City Council, as beneficiary.

None of these releases affect or are affected by the Development Agreements and other CC&Rs entered into related to the Property since 2018 by CAM-Carson, LLC or by Carson Goose Owner, LLC. Those agreements still apply to the specific projects and developers in the agreements. These releases only apply to agreements entered into by the Prior Owner, which currently encumber the entire site.

Regulatory Agreement and CC&Rs

In December 2006, the Prior Owner, as Declarant, and the City of Carson entered into a Regulatory Agreement and Declaration of Covenants and Restrictions dated September 29, 2006, which was recorded on November 28, 2006 as Instrument No. 2006-2621524 and modified by Instrument No. 20150585320 in the Official Records of Los Angeles County ("Regulatory Agreement").

The City and CRA would mutually agree to terminate the Regulatory Agreement in its entirety and release same from the Property.

Release of All References to Settlement, Release, and Indemnity Agreement

The Grant Deed stated that Grantee took the Property subject to the release of claims, indemnity provisions and other provisions set forth in that certain Settlement, Release and Indemnity Agreement among grantor, the City of Carson, the Successor Agency to the Carson Redevelopment Agency and grantee ("Settlement Agreement"). The Settlement Agreement was not intended and pursuant to its terms, does not purport to run with the Property and, accordingly by this Release all references to the Settlement Agreement in the Grant Deed would be deleted from the public record with the specific understanding the terms and provisions in the Settlement Agreement remain in full force and effect among the parties thereto to the extent specified in the Settlement Agreement.

Mutual Termination of Declaration of CC&Rs and Grant of Easements

In December 2013, the Prior Owner, as Declarant, and the City of Carson entered into that certain Declaration of Covenants, Conditions and Restrictions and Grant of Easements dated December 13, 2013 which was recorded on January 3, 2014 as Instrument No. 20140004197 in the Official Records of Los Angeles County ("CC&Rs").

The City and CRA would mutually agree to terminate the CC&Rs in their entirety and release same from the Property.

Termination of Development Agreement

In March 2006, the Prior Owner, as Developer, and the City of Carson entered into that certain Development Agreement dated March 21, 2006 which was recorded on October 3, 2006 as Instrument No. 20062201898 in the Official Records of Los Angeles County as amended by: (i) the First Amendment recorded on November 14, 2012 as Instrument No. 20121727624; (ii) the Second Amendment recorded on September 4, 2014 as Instrument No. 20140920683; and (iii) Partial Assignment and Assumption Agreement recorded on May 20, 2015 as Instrument No. 20150585319 (collectively, the "Development Agreement"). However, with the CRA's acquisition of the Property the Prior Owner no longer has any interest, right, or title to the Property.

The City and CRA would mutually agree to terminate the Development Agreement in its entirety and release same from the Property.

Removal of Title Exceptions

Certain items can be removed from title merely with a letter from the City Manager. Two letters to Fidelity Title are included here for authorization. CFD 95-1 was authorized by City Council in 1995 but never made effective, and all redevelopment agencies in California were dissolved by State Law in 2012.

V. FISCAL IMPACT

There is no Fiscal impact from these terminations.

VI. EXHIBITS

1. Mutual Termination of Regulatory Agreement and Declaration of Covenants and Restrictions (pgs.5-8)
2. Release of References to Settlement, Release and Indemnity Agreement (pgs.9-13)
3. Mutual Termination of Declaration of Covenants, Conditions & Restrictions and Grant of Easements (pgs.14-17)
4. Termination of Development Agreement (pgs.18-21)
5. Letter to Fidelity - Removing Title Exceptions Related to CFD 95-1 (pg.22)
6. Letter to Fidelity - Removing Title Exceptions Related to the Redevelopment Agency (pg.23)

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