



## Legislation Text

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### Report to Mayor and City Council

Monday, October 17, 2016

Discussion

#### **SUBJECT:**

**HOLD A WORKSHOP ON THE PROPOSED MACERICH OUTLET MALL ON 46 ACRES  
WITHIN THE 157-ACRE CARSON RECLAMATION AGENCY PROPERTY**

#### **I. SUMMARY**

On July 5, 2016, the City Council approved an Exclusive Right to Negotiate Agreement (ENA) between the City of Carson, the Carson Reclamation Authority, and CAM-CARSON, LLC, an entity of Macerich for the development of a high end fashion outlet mall on a portion of the Property owned by the Authority. Macerich is proposing to develop plans for a 46-acre, 562,000 square foot regional outlet mall immediately adjacent to the I-405 Freeway on the 157-acre former landfill. The abandoned landfill was purchased by the Carson Reclamation Authority in 2015 in anticipation of the development of the NFL stadium. The outlet mall will include 150 stores and provide 1,800 permanent jobs and 1,700 construction jobs. It is estimated that the outlet mall will generate \$4 million annually in sales tax revenue and revenues may double as the remained of the 157-acre site is developed. The purpose of this Workshop is for Macerich to present the preliminary design of the outlet mall and obtain input from the City Council, Carson Reclamation Authority (CRA), and the wider community on the project.

#### **II. RECOMMENDATION**

HOLD the workshop.

#### **III. ALTERNATIVES**

None.

#### **IV. BACKGROUND**

Since the approval of the ENA, staff and Macerich have spent numerous hours negotiating on the details of the Memorandum of Understanding (MOU). Staff expects to finalize the MOU in late 2016 and will schedule it for City Council's consideration. Meanwhile, Macerich has also been busy designing the project. At the Workshop, they will unveil the concepts for the design for the outlet mall for the first time to the City Council, CRA, various commissions, the community, and staff.

#### Developer's Qualifications

Prior to the Authority's acquisition of the 157-Acre Site, the Developer was investigating the development of a portion of the Property with the previous owner, and consequently has a working understanding of the development constraints and environmental conditions, and is continuing to conduct its due diligence on the Site. As such, Developer has been investigating the Cell 2 Site with both the Authority and predecessor for over three years, and has spent over 2,000 person-hours in this effort to date.

The Developer and its affiliate Macerich currently own and manage 55 million square feet of regional shopping centers and are the third-largest owner and operator of shopping centers in the United States. They have demonstrated skill and expertise in retail and mixed use real estate development and the ability to attract first class commercial tenants. Headquartered in Santa Monica, the Developer also has substantial local experience, owning Santa Monica Place, Lakewood Center, Los Cerritos Center and Stonewood Mall. The company has developed a Fashion Outlet in the Chicago area and is developing similar properties in Philadelphia and San Francisco.

Fashion Outlets of Chicago is an enclosed outlet mall located one-half mile west of O'Hare International Airport, in Rosemont, Illinois. It opened on August 1, 2013. The outlet mall contains about 150 stores including Armani, Bloomingdale's Outlet, Neiman Marcus Last Call, Saks Fifth Avenue Off Fifth Outlet as well as well-known fashion brands such as Tory Burch, Prada, Barneys New York, Burberry, Elie Tahari, Longchamp, and Herve Leger. Its location provides easy access for travelers near O'Hare International Airport and they make it a priority to accommodate travelers to be able to shop at the mall by providing them with an area to print tickets and check in their luggage directly. The site in Carson has a similar appeal for travelers at LAX.

In March 2015, Fashion Outlets of Chicago was selected as the 2014 Best Factory Outlet Center in the world at the MAPIC Awards. Created in 1996, the MAPIC Awards reward excellence, innovation and creativity in the retail real estate industry at a prestigious gala dinner attended by 300 of the most influential industry professionals in the world. The mall was also the recipient of ICSC's 2014 U.S. Design and Development Gold.

## **V. FISCAL IMPACT**

None

## **VI. EXHIBITS**

None.

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