



CITY OF CARSON

Legislation Text

File #: 2018-500, Version: 1

Report to Successor Agency

Tuesday, July 03, 2018

Consent

SUBJECT:

CONSIDER APPROVAL OF A LICENSE AGREEMENT BY AND BETWEEN THE CARSON SUCCESSOR AGENCY AND WIN CHEVROLET, INC. FOR TEMPORARY USE OF A PORTION OF 2254 E. 223RD STREET FOR AUTOMOBILE STORAGE (SUCCESSOR AGENCY)

I. SUMMARY

This License Agreement (License) would allow the Successor Agency to provide access for WIN Chevrolet, Inc. (Licensee) to store their automobile inventory on Successor Agency owned property located at 2254 E. 223rd Street for 120 days. Under the terms of the License, an additional extension of 90 days may be granted by the Successor Agency. The Licensee currently stores their inventory on a nearby parcel on north side of 223rd owned by the City (APN 7315-012-900).

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE the License Agreement between the Carson Successor Agency and WIN Chevrolet, Inc. for access to the property located at 2254 E. 223rd Street.
2. AUTHORIZE the Chairman to execute the License Agreement following approval as to form by Agency Counsel.

III. ALTERNATIVES

TAKE any other action the Board deems appropriate.

IV. BACKGROUND

On January 21, 2014, the Successor Agency entered into a Purchase and Sale Agreement (“PSA”) with Panattoni Development, Inc. for facilitating the redevelopment and revitalization of the Carson Consolidated Project Area and developing two (2) industrial buildings on the property located at 2254 E. 223rd Street (APN: 7315-007-903). Managing Agent Co, Inc., a Delaware corporation became successor to Panattoni Development Company, Inc. pursuant to the Assignment and Assumption of Real Estate Purchase Agreement effective as of July 15, 2016 (collectively, “Buyer”). Subsequently, the Buyer processed a development application through the City of Carson (“City”) and the Los Angeles County Department of Public Works which the City Council approved in February 2017.

The PSA, however, remains open. Buyer, Successor Agency, and the City have been under litigation by the adjacent property owner, which has delayed the Buyer’s project by more than a year. To date, the litigation and settlement discussions are not fully resolved, and the escrow at Ticor Title Company between Successor Agency and Buyer has not closed.

In the interim, Licensee is currently operating a Chevrolet automobile dealership on 223rd Street and is interested in expanding the amount of inventory available to the Auto Dealership. The City had previously leased a portion of a parcel it owns, at 2403 E. 223rd, to Licensee, but is now selling that parcel to another buyer. In order for the due diligence to occur in that sale, the automobiles must be removed to allow for soil testing and so the lease was terminated. This action would grant the licensee access to store the additional automobile inventory on the property located at 2254 E. 223rd Street (APN: 7315-007-903) for 120 days, with an option to extend for an additional 90 days. During that time the parties will seek another longer-term solution for inventory storage.

V. FISCAL IMPACT

The Successor Agency will receive approximately \$16,804 over the 120-day License term (\$4,201 per month), and approximately an additional \$12,603 if a 90-day extension is granted.

VI. EXHIBITS

1. Vicinity Map (pg. 3)
2. License Agreement (pgs. 4-14)

Prepared by: John Raymond, Assistant City Manager