Report to Mayor and City Council

Tuesday, December 15, 2020

Consent

SUBJECT:

CONSIDER RESOLUTION NO. 20-184, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF THE CITY OF CARSON COMMUNITY FACILITIES DISTRICT NO. 2018-01 (MAINTENANCE AND SERVICES) APPROVING ANNEXATION NO. 5 OF PROPERTY LOCATED AT THE 333 W. GARDENA BLVD (APN: 6125-019-024; 041; 042; 043; 044; 050) WITHIN THE FUTURE ANNEXATION AREA (CITY COUNCIL)

I. SUMMARY

On November 7, 2018, the City adopted Resolution No. 18-119 establishing the City of Carson Community Facilities District No. 2018-01 (“CFD No. 2018-01”) (Maintenance and Services) and Future Voluntary Annexation Areas. With the formation of CFD No. 2018-01 complete, projects in the city-wide Future Voluntary Annexation Areas are now able to be annexed into CFD No. 2018-01. This action would authorize the annexation of the 333 W. Gardena Blvd Property (“Property”) into CFD No. 2018-01 by unanimous consent of the property owner.

II. RECOMMENDATION

TAKE the following actions:

1. WAIVE further reading and ADOPT Resolution No. 20-184, “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF THE CITY OF CARSON COMMUNITY FACILITIES DISTRICT NO. 2018-01 (MAINTENANCE AND SERVICES) APPROVING ANNEXATION NO. 5 OF PROPERTY LOCATED AT 333 W. GARDENA BLVD (APN: 6125-019-024; 041; 042; 043; 044; 050) WITHIN THE FUTURE ANNEXATION AREA.”

2. RECEIVE and FILE the Unanimous Approval Consent Letter from LIT CTR Gardena Owner LP.

III. ALTERNATIVES

TAKE another action deemed appropriate by the City Council.

IV. BACKGROUND

The 333 W. Gardena Blvd project ("CT Warehouse") consists of the demolition of a former salvage yard and two single-family residential dwellings and the construction of a 145,840 square foot warehouse with surface parking. Uses for the new facility would include freight forwarding, warehousing, delivery or manufacturing. The CT Warehouse project was approved by the Planning Commission on April 28, 2020.

When the City formed CFD No. 2018-01, certain properties including the 333 W. Gardena Blvd Property were identified on the boundary map as being within the Future Voluntary Annexation Area. Pursuant to the Mello-Roos Community Facilities Act of 1982, Section 53311, et seq. of the California Government Code (the "Act"), this prior hearing allowed the 333 W. Gardena Blvd Property to be annexed by unanimous consent of affected landowners of the Properties without holding a second public hearing and election of property owners.

On November 23, 2020, the property owner of the 333 W. Gardena Blvd Property, *LIT CTR Gardena Owner LP.,* submitted an Executed Unanimous Approval Consent Letter (Exhibit No. 1) with the City for annexation into the CFD No. 2018-01. This Council action would allow the 333 W. Gardena Blvd to annex into the CFD No. 2018-01 to pay for ongoing services associated with the development. These ongoing services include all City services permitted by the CFD, including the maintenance of parks, roadways, and sidewalks. Should Council adopt Resolution No. 20-184 (Exhibit No. 2), the City Clerk, or designee, would be directed to record the Amendment No. 5 to Notice of Special Tax Lien (Exhibit No. 3) with the Los Angeles County Recorder's Office to effectuate the levying of special taxes on the property.

CT Warehouse will be taxed in accordance to Tax Zone No. 7 of the Rate and Method of Apportionment for CFD No. 2018-01, which amounts to $18,287.36 ($2,799.23 per acre) annually. The amount is consistent with the calculation methodology used to determine the *"Industrial Zone No. 1"* rate from the city-wide Fiscal Impact Analysis report prepared by the City's CFD Consultant, NBS Government Finance Group, and approved by the City Council on April 2, 2019.

V. FISCAL IMPACT

Annexation of the 333 W. Gardena Blvd property into CFD No. 2018-01 will increase the City's revenues by approximately $2,799.23 per acre, which amounts to $18,287.36 annually. The cost for the annexation is paid by the developer/owner pursuant to the City's Deposit System (Development Application Process). As a result, there is no immediate impact to the City's General Fund.

VI. EXHIBITS

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1. Executed Unanimous Approval Consent Letter from LIT CTR Gardena Owner LP (pgs. 4-12)
2. Resolution No. 20-184 (pgs. 13-28)
3. Amendment No. 5 to Notice of Special Tax Lien (pgs. 29-40)

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