



AGENDA

REGULAR MEETING OF THE CARSON RECLAMATION AUTHORITY

“In accordance with the Americans with Disabilities Act of 1990, if you require a disability related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the City Clerk’s office at 310-952-1720 at least 48 hours prior to the meeting.” (Government Code Section 54954.2)

CALL TO ORDER: CARSON RECLAMATION AUTHORITY

ROLL CALL:

CLOSED SESSION: (NONE)

ORAL COMMUNICATIONS – CLOSED SESSION ITEMS ONLY

ANNOUNCEMENT OF CLOSED SESSION ITEMS

RECESS INTO CLOSED SESSION

RECONVENE: OPEN SESSION

REPORT ON CLOSED SESSION ACTIONS

ORAL COMMUNICATIONS FOR MATTERS LISTED ON THE AGENDA– MEMBERS OF THE PUBLIC (LIMITED TO ONE HOUR)

The public may address the members of the Carson Reclamation Authority on any matters within the jurisdiction of the Carson Reclamation Authority or on any items on the agenda of the Carson Reclamation Authority, other than closed session matters, prior to any action taken on the agenda. Speakers are limited to no more than three minutes, speaking once. Oral communications will be limited to one(1) hour unless extended by order of the Chair with the approval of the Authority Board.

APPROVAL OF MINUTES:

WEDNESDAY, NOVEMBER 4, 2015 (ADJOURNED REGULAR)

TUESDAY, DECEMBER 1, 2015 (REGULAR)

TUESDAY, MAY 3, 2016 (REGULAR)

WEDNESDAY, JUNE 8, 2016 (ADJOURNED REGULAR)

TUESDAY, JULY 5, 2016 (SPECIAL)

TUESDAY, JULY 5, 2016 (REGULAR)

CONSENT (Items 1-2)

These items are considered to be routine items of AUTHORITY business and have, therefore, been placed on the CONSENT CALENDAR. If AUTHORITY wishes to discuss any item or items, then such item or items should be removed from the CONSENT CALENDAR. For items remaining on the CONSENT CALENDAR, a single motion to ADOPT the recommended action is in order.

Item No. 1. 2016-884 CONSIDER RESOLUTION NO. 16-13-CRJPA APPROVING CLAIMS AND DEMANDS IN THE AMOUNT OF \$511,374.84

Recommendation: TAKE the following actions:

1. APPROVE Resolution No. 16-13-CRJPA, "A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY OF THE CITY OF CARSON, CALIFORNIA, APPROVING CLAIMS AND DEMANDS IN THE AMOUNT OF \$511,374.84."
2. AUTHORIZE the Chairman to execute the Resolution following approval as to form by the Authority Attorney.

Item No. 2. 2016-877 CARSON RECLAMATION AUTHORITY MONTHLY INVESTMENT AND CASH REPORT AS OF JULY 27, 2016

Recommendation: RECEIVE and FILE

SPECIAL ORDERS OF THE DAY (NONE)

Public testimony is restricted to three minutes per speaker, speaking once (excepting applicants who are afforded a right of rebuttal, if desired), unless extended by order of the Chair with the approval of the Authority.

DISCUSSION (Items 3-4)

Item No. 3. 2016-864 RECEIVE A COPY OF THE CARSON RECLAMATION AUTHORITY'S JULY 15, 2016 APPLICATION TO THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY FOR A CAL REUSE GRANT IN THE AMOUNT OF \$5,000,000 (CITY COUNCIL)

Recommendation: RECEIVE the CAL ReUSE grant application submitted to the California Pollution Control Financing Authority.

Item No. 4. 2016-871 RECEIVE A COPY OF THE CARSON RECLAMATION AUTHORITY'S REQUEST FOR QUALIFICATIONS FOR A MASTER DEVELOPER FOR THE BALANCE OF THE 157 ACRE FORMER CAL-COMPACT LANDFILL SITE

Recommendation: RECEIVE the Request for Qualifications

ORDINANCE SECOND READING (NONE)

ORAL COMMUNICATIONS FOR MATTERS NOT LISTED ON THE AGENDA (MEMBERS OF THE PUBLIC)

The public may at this time address the members of the Carson Reclamation Authority on any matters within the jurisdiction of the Carson Reclamation Authority. No action may be taken on non-agendized items except as authorized by law. Speakers are requested to limit their comments to no more than three minutes each, speaking once.

ORAL COMMUNICATIONS (AUTHORITY MEMBERS)

ANNOUNCEMENT OF UNFINISHED OR CONTINUED CLOSED SESSION ITEMS (AS NECESSARY)

RECESS TO CLOSED SESSION

RECONVENE TO OPEN SESSION

ADJOURNMENT



File #: 2016-884, Version: 1

Report to Carson Reclamation Authority

Tuesday, August 02, 2016

Consent

SUBJECT:

CONSIDER RESOLUTION NO. 16-13-CRJPA APPROVING CLAIMS AND DEMANDS IN THE AMOUNT OF \$511,374.84

I. SUMMARY

This action approves invoices in the amount of \$511,374.84 submitted for work pursuant to contracts and agreements previously approved by the Carson Reclamation Authority (CRA) Board.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE Resolution No. 16-13-CRJPA, "A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY OF THE CITY OF CARSON, CALIFORNIA, APPROVING CLAIMS AND DEMANDS IN THE AMOUNT OF \$511,374.84."
2. AUTHORIZE the Chairman to execute the Resolution following approval as to form by the Authority Attorney.

III. ALTERNATIVES

1. TAKE another action the Authority deems appropriate.

1.

IV. BACKGROUND

Since May, 2015 the CRA Board has taken a number of actions to move the

remediation of the former Cal-Compact Landfill project forward and to create systems that allow the review and approval of the work undertaken by the remediation contractor, Tetra Tech, and other contractors and consultants in a fair but transparent manner.

This action includes the approval of a Claims and Demands Resolution approving several Tetra Tech invoices (payment request nos. 159-170), which have been reviewed and approved by the CRA's Project Manager (SEG Advisors) and Environmental Services Advisor (SCS Engineers), Visioning consultants Kosmont Companies and PlaceWorks prior to staff approval. It also approves payments to the State Water Resources Board and lunch provided for an all-hands meeting with the developer as well.

V. FISCAL IMPACT

The total expenditure in this period is \$511,374.84.

VI. EXHIBITS

1. Resolution No. 16-13-CRJPA. (pgs. 3-4)

Prepared by: John Raymond, Community Development Director

RESOLUTION NO. 16-13-CRJPA

RESOLUTION NO. 16-13-CRJPA, A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY RATIFYING CLAIMS AND DEMANDS IN THE AMOUNT OF \$511,374.84

THE CARSON RECLAMATION AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1: The following claims and demands have been audited as required by law and are hereby ratified in the amount hereinafter set forth:

Payee Name	Payment Number	Purpose	Invoice Number	Payment Amount
Tetra Tech	166	WO16: Import of Fill & Stockpiling	51058127	\$78,944.89
Tetra Tech	159	WO18: Evaluate & Design	50157831	\$2,055.81
Tetra Tech	161	WO19: Perimeter Air Monitoring	51057840	\$35,414.07
Tetra Tech	162	WO20: Vector Control	51057842	\$3,884.91
Tetra Tech	163	WO21: Security & Site Maintenance	51058119	\$82,601.22
Tetra Tech	164	WO22: Watering Prescriptive Cover	51058125	\$16,846.02
Tetra Tech	167	WO23: Maintain Storage Yard	51059004	\$133.21
Tetra Tech	165	WO24: LFGETS OM&M	51058126	\$54,861.30
Tetra Tech	160	WO25: CRA Project Management	51057837	\$116,154.61
Tetra Tech	168	WO26: Support CRA with AIG	51059007	\$1,193.38
Tetra Tech	169	WO27: SWPP Implementation	51059011	\$48,987.32
Tetra Tech	157	WO28: Support & Coordinate Design	51059014	\$2,684.83
Total Tetra Tech				\$443,761.57
SEG Advisors		Project Management May & Jun 2016		\$40,000.00
State Water Resources		Storm Water Permit Fee 2015-16		\$4,018.00
East West Bank		Macerich, Catering 5/25/16		\$103.52
Kosmont Companies		Apr, May, Jun invoices		\$18,411.75
PlaceWorks		Feb invoice		\$5,080.00
Total Other Invoices				\$67,613.27
TOTAL OF ALL INVOICES				\$511,374.84

On August 2, 2016, the Carson Reclamation Authority ratified the above Demands and the City Treasurer is hereby directed by pay, out of the funds named hereon, to each of the Claimants listed above, the amount of warrant appearing opposite their respective names, for the purpose stated on the respective demands, making a total of \$511,374.84.

PASSED, APPROVED and ADOPTED this 2nd day of August, 2016.

CARSON RECLAMATION AUTHORITY, a
public body

By: _____
Chairman Albert Robles

ATTEST:

Deputy Secretary Joy Simarago

CERTIFICATION

In accordance with Section 37.202 of the California Government Code, I hereby certify that the above demands are accurate and that funds are available for payment thereof. I certify under penalty of perjury that the foregoing is true and correct.

EXECUTED THE _____ DAY OF
_____ AT CARSON, CALIFORNIA

DEPUTY SECRETARY
JOY SIMARAGO



File #: 2016-877, Version: 1

Report to Carson Reclamation Authority

Tuesday, August 02, 2016

Consent

SUBJECT:

CARSON RECLAMATION AUTHORITY MONTHLY INVESTMENT AND CASH REPORT AS OF JULY 27, 2016

I. SUMMARY

The responsibility of investing idle funds is that of the Reclamation Authority Treasurer. According to the Reclamation Authority Bond Indenture, idle funds can only be invested in specific securities as outlined, which include U.S. Government Treasury Notes, U.S. Government Agencies and Certificates of Deposit. Currently Reclamation Authority idle funds are distributed between these types of securities.

For review, the Carson Reclamation Authority Investment Portfolio and Cash report detailing assets held in compliance with the Reclamation Authority Investment Policy and Bond Indenture.

The total invested funds for the Reclamation Authority as of July 27, 2016 is \$43,312,027.29. The balance of the Reclamation Authority Cash/Demand account as of July 27, 2016 is \$501,801.35.

Combined total of invested funds and cash funds of the Carson Reclamation Authority is \$43,813,828.64. In the coming months there will be \$6million in revenue allocated to the CRA from the Successor Agency.

II. RECOMMENDATION

RECEIVE and FILE.

III. ALTERNATIVES

None.

IV. BACKGROUND

The Carson Reclamation Authority Investment report is provided to the legislative body to provide an accounting of the Reclamation Authority investments and available cash. This report is provided monthly to enhance transparency and accountability of Reclamation Authority Bond Funds.

V. FISCAL IMPACT

None.

VI. EXHIBITS

1. Carson Reclamation Authority Investment Portfolio June 2016. (pgs. 2-5)

Prepared by: Monica Cooper - Reclamation Authority Treasurer



Carson Reclamation Authority
Portfolio Holdings
 As of 7/27/2016

Description	CUSIP/Ticker	Security Type	Face Amount/Shares	Cost Value	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	% of Portfolio
Beal Bank 0.65 12/7/2016	07370WXH4	Certificate Of Deposit	250,000.00	250,000.00	252,175.00	0.650	0.650	12/7/2016	0.58
Berkshire Bank FDIC 0.6 12/23/2016	084601FP3	Certificate Of Deposit	200,000.00	200,000.00	200,130.00	0.600	0.600	12/23/2016	0.46
BNY Cash Reserve Account Cash	MM9588	Cash	616,614.10	616,614.10	616,614.10	0.020	0.020	N/A	1.42
Cadence Bank NA Starkville MS Birmingham 0.55 7/29	12738RCS1	Certificate Of Deposit	250,000.00	250,000.00	250,050.00	0.550	0.550	7/29/2016	0.58
Dallas Capital Bank National 0.5 10/17/2016	234553AB1	Certificate Of Deposit	245,000.00	245,000.00	245,049.00	0.500	0.500	10/17/2016	0.57
East West Bank 1.1 4/4/2017	0178863769	Certificate Of Deposit	2,000,000.00	2,000,000.00	2,000,000.00	1.100	1.100	4/4/2017	4.62
East/West Bank 1.1 4/14/2017	0178333070	Certificate Of Deposit	2,000,000.00	2,000,000.00	2,000,000.00	1.100	1.100	4/14/2017	4.62
East/West Bank 1.1 4/14/2017	0178738461	Certificate Of Deposit	2,000,000.00	2,000,000.00	2,000,000.00	1.100	1.100	4/14/2017	4.62
East/West Bank 1.1 5/25/2017	178013804	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	1.100	1.100	5/25/2017	2.31
East/West Bank 1.1 5/26/2017	178835532	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	1.100	1.100	5/26/2017	2.31
East/West Bank MM	MM8114	Money Market	1,427,244.52	1,427,244.52	1,427,244.52	0.350	0.350	N/A	3.30
FFCB 5.7 7/3/2017	31331L3B2	FFCB Bond	193,000.00	204,584.52	202,798.61	5.700	0.603	7/3/2017	0.45
FHLB 0.691 9/8/2017	3133XMCL3	FHLB Bond	165,000.00	165,000.00	173,261.55	0.691	0.691	9/8/2017	0.38
FHLB 0.71 3/28/2017	3130A7LN3	FHLB Bond	300,000.00	300,016.24	300,492.00	0.710	0.654	3/28/2017	0.69
FHLB 0.71 4/20/2017	3130A7N350	FHLB Bond	1,000,000.00	1,000,000.00	1,000,130.00	0.710	0.710	4/20/2017	2.31

Carson Reclamation Authority

Portfolio Holdings

As of 7/27/2016



Description	CUSIP/Ticker	Security Type	Face Amount/Shares	Cost Value	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	% of Portfolio
FHLB 0.75 8/17/2017	3130A62S5	FHLB Bond	1,000,000.00	999,960.00	1,001,610.00	0.750	0.753	8/17/2017	2.31
FHLB 0.875 3/19/2018	3130A7CX1	FHLB Bond	500,000.00	500,452.39	501,760.00	0.875	0.826	3/19/2018	1.15
FHLB 0.9 1/26/2018	3130A7SQ9	FHLB Bond	500,000.00	500,000.00	500,395.00	0.900	0.900	1/26/2018	1.15
FHLB 1 6/21/2017	313379DD8	FHLB Bond	500,000.00	502,666.50	501,950.00	1.000	0.533	6/21/2017	1.15
FHLB 1.03 10/27/2018	3130A7VL6	FHLB Bond	1,000,000.00	1,000,000.00	1,000,760.00	1.030	1.030	10/27/2018	2.31
FHLB 1.12 12/6/2017	3130A0F21A	FHLB Bond	500,000.00	500,497.15	503,510.00	1.120	1.057	12/6/2017	1.15
FHLB 3.25 3/9/2018	313372SN5	FHLB Bond	300,000.00	310,770.47	312,741.00	3.250	1.295	3/9/2018	0.69
FHLMC 0.85 7/28/2017	3134G8HW2(B)	FHLMC Bond	1,000,000.00	999,610.00	1,001,100.00	0.850	0.876	7/28/2017	2.31
FHLMC 0.875 10/27/2017	3134GC9EA1	FHLMC Bond	500,000.00	500,000.00	500,090.00	0.875	0.875	10/27/2017	1.15
FHLMC 0.875 11/17/2017	3134G9CG0	FHLMC Bond	500,000.00	499,925.00	500,120.00	0.875	0.884	11/17/2017	1.15
FHLMC 1 9/8/2017	3134G7TB7	FHLMC Bond	1,000,000.00	1,000,060.00	1,000,870.00	1.000	0.995	9/8/2017	2.31
FHLMC 1.05 4/26/2018	3134G9AF4	FHLMC Bond	2,000,000.00	1,999,500.00	2,000,900.00	1.050	1.063	4/26/2018	4.62
FHLMC 1.15 5/18/2018	3134G9ES2	FHLMC Bond	1,000,000.00	1,000,000.00	1,000,480.00	1.150	1.150	5/18/2018	2.31
FHLMC 1.15 5/25/2018	3134G6Y31	FHLMC Bond	200,000.00	200,360.00	200,598.00	1.150	1.062	5/25/2018	0.46
FHLMC 5.55 8/23/2017	3137EAAY5	FHLMC Bond	500,000.00	532,443.62	527,855.00	5.550	0.616	8/23/2017	1.15
FHLMC Step 5/25/2021-16	3134G9JP3A	FHLMC Bond	1,000,000.00	1,000,000.00	1,000,240.00	1.000	2.330	5/25/2021	2.31
Financing Corporation 9.8 11/30/2017	317705AC5	Financing Corporation	500,000.00	570,625.00	564,545.00	9.800	2.532	11/30/2017	1.15
FNMA 5 2/13/2017	31359M4D2	FNMA Bond	1,000,000.00	1,036,570.51	1,027,780.00	5.000	0.386	2/13/2017	2.31
GE Capital Retail Bank 1.85 4/27/2017	36157QCJ4	Certificate Of Deposit	250,000.00	250,000.00	251,800.00	1.850	1.850	4/27/2017	0.58
Mizuho Bank 0.5 9/30/2016	60688MSQ8	Certificate Of Deposit	200,000.00	200,000.00	199,910.00	0.500	0.500	9/30/2016	0.46



Carson Reclamation Authority Portfolio Holdings As of 7/27/2016

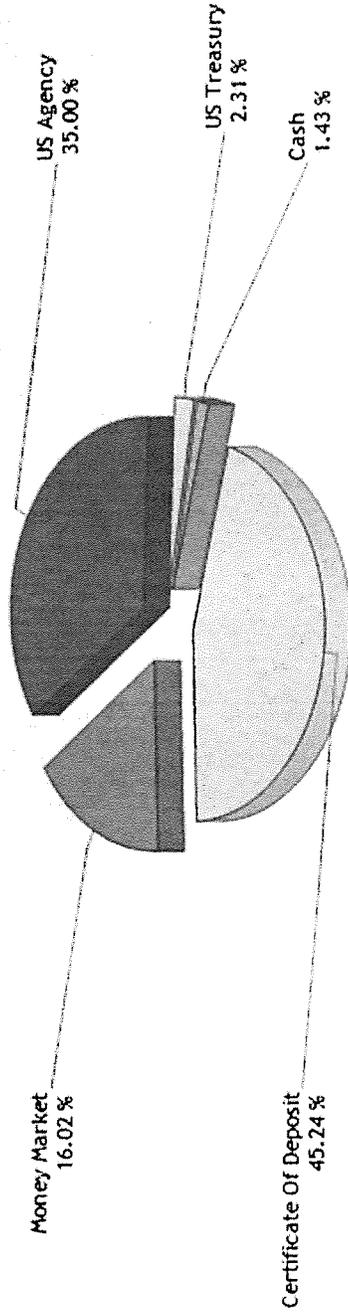
Description	CUSIP/Ticker	Security Type	Face Amount/Shares	Cost Value	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	% of Portfolio
Preferred Bank 0.75 9/14/2016	306217	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.750	0.750	9/14/2016	2.31
Preferred Bank 0.75 9/14/2016	306221	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.750	0.750	9/14/2016	2.31
Preferred Bank 0.75 9/14/2016	306218	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.750	0.750	9/14/2016	2.31
Preferred Bank 0.75 9/14/2016	306220	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.750	0.750	9/14/2016	2.31
Preferred Bank 0.75 9/14/2016	306219	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.750	0.750	9/14/2016	2.31
Preferred Bank 0.8 11/12/2016	306202	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.800	0.800	11/12/2016	2.31
Preferred Bank 0.8 11/12/2016	306203	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.800	0.800	11/12/2016	2.31
Preferred Bank 0.8 8/12/2016	306170	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.800	0.800	8/12/2016	2.31
Preferred Bank 1.1 6/21/2017	306263	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	1.100	1.100	6/21/2017	2.31
Preferred Bank 1.1 6/21/2017	306262	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	1.100	1.100	6/21/2017	2.31
Preferred Bank MM	MM2075	Money Market	5,512,848.06	5,512,848.06	5,512,848.06	0.500	0.500	N/A	12.73
RJ Cash Reserves Cash	CRA0212	Cash	2,320.61	2,320.61	2,320.61	0.080	0.080	N/A	0.01
Santander Bank NA 0.75 3/2/2017	80280JLW9	Certificate Of Deposit	200,000.00	200,000.00	200,272.00	0.750	0.750	3/2/2017	0.46
T-Note 2.75 5/31/2017	912828NG1	Treasury Note	1,000,000.00	1,024,690.62	1,020,120.00	2.750	1.095	5/31/2017	2.31
Grand Total /			43,312,027.29	43,501,759.31	43,502,519.45	1.181	0.883		100

4



Carson Reclamation Authority Investment Portfolio Composition As of July 27, 2016

Portfolio Holdings Distribution by Security Sector



Security Sector	Face Amount/Shares	Cost Value	% of Portfolio	Market Value
Cash	618,934.71	618,934.71	1.43	618,934.71
Certificate Of Deposit	19,595,000.00	19,595,000.00	45.24	19,599,386.00
Money Market	6,940,092.58	6,940,092.58	16.02	6,940,092.58
US Agency	15,158,000.00	15,323,041.40	35.00	15,323,986.16
US Treasury	1,000,000.00	1,024,690.62	2.31	1,020,120.00
Total / Average	43,312,027.29	43,501,759.31	100	43,502,519.45



File #: 2016-864, Version: 1

Report to Carson Reclamation Authority

Tuesday, August 02, 2016

Discussion

SUBJECT:

RECEIVE A COPY OF THE CARSON RECLAMATION AUTHORITY'S JULY 15, 2016 APPLICATION TO THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY FOR A CAL REUSE GRANT IN THE AMOUNT OF \$5,000,000 (CITY COUNCIL)

I. SUMMARY

This is the CAL ReUSE grant application submitted to the California Pollution Control Financing Authority for its August 16, 2016 meeting. It does not include the attachments, but is presented to the CRA Board for informational purposes only.

II. RECOMMENDATION

RECEIVE the CAL ReUSE grant application submitted to the California Pollution Control Financing Authority.

III. ALTERNATIVES

TAKE another action the Reclamation Authority deems appropriate.

IV. BACKGROUND

This application is to renew a \$5,000,000 grant applied for and received in 2009 by the previous owner of the 157 acre Cal-Compact landfill, Carson Marketplace. Under the terms of the grant the owner was to have remediated the site and built out the proposed development, including no fewer than 400 residential units, by the grant deadline of November, 2015. Further, the 400 residential units were to include 61 units available to households with income at or below 50% of Area Median Income. The CRA assumed the responsibility for complying with the grant terms when it acquired the property.

By Board action in October, 2015, the original Grant period was extended to April 30, 2016. The CPCFA then required the CRA to submit a new grant application to the CPCFA in

February, 2016, for the April Board meeting. The February 16, 2016 application identified 65 units of replacement affordable housing for 55 years.

At the April 19, 2016 Board meeting, however, Board staff recommended the Board take “no action,” thereby allowing the Grant period to expire on April 30 and the principal and interest of the Original Grant (total, \$5,600,000) to become due on May 1. The Board instead granted the CRA an additional 120 days to allow the CRA to work with the Executive Director and Board staff to resolve issues that were deemed to be problematic for extending the Grant: (1) the uncertainty about the ultimate development of the Brownfield Project; and (2) the disqualification of the “replacement affordable housing” due to it already being in the City’s development pipeline.

On April 25, 2016, CRA staff and the CRA Counsel met with Board staff at their offices in Sacramento to develop a pathway for the resubmittal of the application (Exhibit No. 1), in a manner that met the concerns of staff. The recommendations included: (1) reducing the Brownfield project area from the entire 157 acre project site to just Cell 2; (2) demonstrate a complete and credible development timetable for Cell 2 with the proposed developer, Macerich, including the approval of the Exclusive Negotiating Agreement; (3) demonstrate how DTSC would sign off on the phased development project and to sign off on the completion of the Cell 2 project; (4) show a substitute Infill Development project to replace the rejected Affirmed Housing project on Sepulveda, and demonstrate that the replacement project has some linkage to the Brownfield project.

The Infill Projects, or Substitute Housing Projects, are two separate projects proposed by different development companies, one 40 unit project located at 600-610 West Carson Street and 21723-21725 South Figueroa Boulevard, and the other 46 unit project is located at 21205 South Main Street.

The Infill Grant Regulatory Agreement will be part of the Disposition and Development Agreement package with the two affordable housing developers, Thomas Safran & Associates and Meta Housing, with the understanding that the Regulatory Agreement would be recorded against the property at the time the Infill developers acquire the property from the private sellers, and that such regulatory agreement will be replaced by the Carson Housing Authority Regulatory Agreement requiring the affordability of the units for a period of 55 years and compliance with other standard affordable housing provisions.

Housing Authority support of affordable housing projects is consistent with the City of Carson’s Housing Element and with the Redevelopment Agency Plan and related Five-Year Implementation Plan.

V. FISCAL IMPACT

If the CRA is successful in renewing the Grant, there is no fiscal impact. If the Board declines to renew or the CRA otherwise defaults on the grant terms, the full \$5,600,000 would need to be repaid from bond proceeds. This would reduce the amount available for remediation.

VI. EXHIBITS

1. CAL ReUSE Grant application. (pgs. 4-49)

Prepared by: John S. Raymond, CRA Executive Director

**CALIFORNIA RECYCLE UNDERUTILIZED SITES (CALReUSE)
REMEDIATION PROGRAM**



Application Form

July 2016

Table of Contents

To jump to a specific section, press “CTRL” while clicking the link in this Table of Contents.

Application Form

1a. Primary Applicant Information

1b. Secondary Applicant Information

2. Application Eligibility Requirements

3. Grant Eligibility Requirements

4. Funding Request

5. Brownfield Infill Project Information

6. Infill Development Project Information

7. Requirements for Application Scoring

8. Legal Status of Applicant

9. Applicant Certification

List of Exhibits

Application Form

Please read the instructions in their entirety before beginning this application form.

1a. Primary Applicant Information

A. Entity: Carson Reclamation Authority
Contact Person: John Raymond
Director of Community Development - City of Carson
Executive Director - Carson Reclamation Authority
Address: 701 East Carson Street
City: Carson State: CA Zip Code: 90745
Telephone: 310-952-1773
Email: jraymond@carson.ca.us

B. Federal Tax ID Number: 47-3975250

C. Entity type: Non-Profit Developer Redevelopment Agency
 For-Profit Developer County
 City Public Housing Authority
 Other Joint Powers Authority

D. Date business or entity was established: 02/17/2015

E. Describe the applicant's previous experience managing projects similar to the one proposed and the qualifications of key personnel involved as **Exhibit 1a**. **This Exhibit remains unchanged from the April 2016 application.**

The Property is owned by the Carson Reclamation Authority, a joint powers authority, pursuant to a Settlement, Release and Indemnity Agreement with the prior owner and original awardee, Carson Marketplace, LLC.

The former Carson Redevelopment Agency (RDA) and prior owner had a series of Owner Participation Agreements for the development of the overall Project. Largely due to the effects of the recession, Carson Marketplace failed to perform on a number of obligations. On April 21, 2015, the Carson Reclamation Authority in conjunction with the City of Carson and Carson Successor Agency approved a "Settlement, Release and Indemnification Agreement" ("Settlement") between those three entities and Carson Marketplace. The Settlement was entered to resolve ongoing disputes over the OPA between the former RDA and Carson Marketplace on July 25, 2006, and amended in 2008 and 2009. Under these agreements, the Authority assumed the obligation to continue the remediation of the 157-acre project site.

The Settlement replaced the prior obligations imposed by the OPA and set forth a new "Method of Finance" for the outstanding \$50.5 million, making such funding available for the Authority to complete Site remediation and public infrastructure. Cardinal Cavalry, the entity formed by the

San Diego Chargers to develop the proposed NFL stadium, was unwilling to take title directly from Carson Marketplace due to the liability issues, and was unwilling to indemnify Carson Marketplace. However, the Authority created to carry out the remediation was an appropriate legal vehicle. Under this structure, the City and its general fund is not liable for debts and liabilities of the Authority. In consideration of the concessions and various releases made in the Settlement, the Authority agreed to take title to the Site and indemnify Carson Marketplace.

The Carson Reclamation Authority was established on February 17, 2015 through the adoption of a Joint Powers Agreement and the Bylaws of the Carson Reclamation Authority by the members. The First Amended Joint Powers Agreement of the Carson Reclamation Authority was approved March 17, 2015.

F. Identify Entity Ownership/Key Officials:

1. For partnerships, list all partners and provide each partner's percentage of ownership. For corporations, list all stockholders and their percent ownership. Must equal 100%:
2. If the entity is a corporation, list all Officers, Directors, Principals, and Senior Executives of the entity. If the entity is a partnership, list all General and Limited Partners. If the entity is a limited liability company, identify all Members and Managers:
 - Chairman Albert Robles (Mayor, City of Carson)
 - Member Elito M. Santarina (Mayor pro tem, City of Carson)
 - Member Louie Diaz (Planning Commission)
 - Member Rashina Young (Environmental Commission)
 - Member Ray Aldridge (Economic Development Commission)

1b. Secondary Applicant Information (if applicable)

A. Entity: **N/A. There is no Secondary Applicant.**

Contact Person:

Address:

City:

State: Zip Code:

Telephone:

Email:

B. Federal Tax ID Number:

C. Entity type: Non-Profit Developer Redevelopment Agency
 For-Profit Developer County
 City Public Housing Authority Other _____

D. Date business or entity was established: N/A

E. Describe the secondary applicant's previous experience managing projects similar to the one

proposed and the qualifications of key personnel involved as **Exhibit 1b**.

F. Identify Entity Ownership/Key Officials

1. For partnerships, list all partners and provide each partner's percentage of ownership. For corporations, list all stockholders and their percent ownership. Must equal 100%: **N/A**.
2. If the entity is a corporation, list all Officers, Directors, Principals, and Senior Executives of the entity. If the entity is a partnership, list all General and Limited Partners. If the entity is a limited liability company, identify all Members and Managers: **N/A**.

2. Application Eligibility Requirements

The following are required to be eligible for the Program. Check all that apply:

- A. Brownfield is located within an Infill Area. Proof will be shown through Sections 5.J, 5.K, and 5.L.

This section has changed from the April 2016 application.

For the purpose of completing this application, the Brownfield Project is also known as the easternmost 42 +/- acres (net) of Assessor's Parcel Number 7336-010-903, also known as "Cell 2" of the original Carson Marketplace/Boulevards at South Bay Project Development Project, and includes the remediation activities and the proposed fashion outlet mall itself contained within that cell.

The Infill Projects, or Substitute Housing Projects, are two separate projects proposed by different development companies, one 40 unit project located at 600-610 West Carson Street and 21723-21725 South Figueroa Boulevard, and the other 46 unit project is located at 21205 South Main Street in the City of Carson; the first is approximately 1 mile due south and ½ mile west of the Brownfield site, and the second is approximately 1/2 mile due south of the Brownfield site. CPCFA's October, 2015 Resolution approving the extension of the Carson Reclamation Authority's application until February, 2016, in order for the Authority to resubmit the April application acknowledged that the Authority would likely segregate the Brownfield project and the Infill project into different locations, and propose an Infill Project at a different location in Carson. In the April, 2016 Board Staff Report, staff recommended denial of the application because the identified substitute Infill Development Project was already in the City's development pipeline and had, in fact, already been through one round of TCAC applications, and therefore could not be presumed to have been facilitated by the Brownfield project. In both cases, these projects are *new to the City of Carson's development pipeline* and compliance with the terms of the Grant was instrumental in the negotiation between the City and the developers. Both Exclusive Agreements to Negotiate (attached in **Exhibit 13**) contain recitals that specifically reference the City's and Authority's need to comply with the provisions of the Grant and that the projects are facilitated by the Grant. The October and April Board Staff Reports are included at **Attachment A**. **Note also**

that both Development Agreements (or Affordable Housing Agreements) will require the CAL ReUSE Regulatory Agreement to be recorded against the property, to be replaced at the completion of the Infill Project by the Housing Authority's 55 year Covenants and Regulatory Agreement.

B. Infill Development Project is one of the following development types (check one):

- 1. Residential Development; or
- 2. Mixed Use Development; or
- 3. Promotes Infill Residential Development or Mixed Use Development. Attach evidence as **Exhibit 2** that the project is both:
 - (a) directly related to and necessary for the development of a new Residential Development or Mixed Use Development within an Infill Area **and**
 - (b) required by the local governing body.

C. Applicant is, or is able to retain, a Development Entity.

D. 1. Remedial Action Plan (RAP) or Cleanup Plan (CP) has been approved by an Oversight Agency (OA). Attach approved plan as **Exhibit 3a** and proof of approval as **Exhibit 3b**. **This Exhibit remains unchanged from the April 2016 application.**

- OR -

- 2. Draft RAP or CP has been submitted to an OA and approval is anticipated within the next 12 months. Attach draft of Plan as **Exhibit 4a** and proof of submission as **Exhibit 4b**.

E. 1. Phase I All Appropriate Inquiry (AAI) is prepared in compliance with the requirements of Title 40, Part 312 of the Code of Federal Regulations. Attach as **Exhibit 5**. **This Exhibit remains unchanged from the April 2016 application.**

F. 1. Applicant is the owner of the property.

The Applicant is the Owner of the Property. Rather than providing evidence of legal interest in the property, **Exhibit 6** includes all of the documents related to the acquisition of the property by the Carson Reclamation Authority. **This Exhibit remains unchanged from the April 2016 application.**

- OR -

- 2. If the Applicant is not the owner, the Applicant can answer affirmatively to *all* of the following (check all that apply):
 - (a) Applicant has a legal interest in the property (attach proof as **Exhibit 6**); and
 - (b) Applicant or agent has signed permission from the owner to access the Brownfield (attach proof as **Exhibit 7**); and

- (c) Applicant or agent has signed permission from the owner to conduct remediation on the Brownfield (attach proof as **Exhibit 8**).

G. Infill Development Project is consistent with (or will be consistent with, upon pending change to) one or more of the following regional and local land use plans (attach supporting documentation and an explanation as **Exhibit 9** and check those that apply):

1. The adopted general plan of city, county, or city and county, in which the Infill Development Project resides;
2. The housing element of the city, county, or city and county, in which the Infill Development Project resides;
3. A project area redevelopment plan;
4. A regional blueprint plan;
5. A capital improvement plan; and/or
6. A regional transportation plan or a transportation corridor plan.

- OR -

- Consistency depends upon a pending change to a land use plan.

*If consistency with land use plans depends upon a pending change, attach a letter from the local planning director demonstrating the local governing agency's support for the Infill Development Project. The 40 unit Affordable Artists Housing requires a change of zone to allow for the development of residential units on the property. **Attached is a letter from Planning Manager Saied Naaseh supporting the change of zone application, included as Exhibit 10.***

H. The Applicant has not been convicted of a felony or misdemeanor involving the regulation of Hazardous Materials, including, but not limited to, a conviction of a felony or misdemeanor under California Health and Safety Code Section 25395.13. **This Exhibit remains unchanged from the April 2016 application.**

3. Grant Eligibility Requirements (Skip Section 3 if Only Applying for a Loan)

The project must meet all of the following criteria to be eligible for an Infill Grant.

A. The Applicant is not a Responsible Party. Refer to the definition of "Responsible Party" provided in the application instructions before checking this box.

If Box 2.B.3 is checked, answer Section B as it pertains to the new Residential Development or Mixed Use Development promoted by the Applicant's Project.

B. Use the Affordability & Density Calculation Worksheet (attach as **Exhibit 11**) to establish that the Infill Development Project satisfies one of the following two criteria:

1. Provides substantial supportive housing. Check all of the following that apply:

- (a) Housing for homeless populations;
- (b) Housing for special needs populations as defined in Section 10325(g)(3) of Title 4 of the California Code of Regulations;
- (c) Single Room Occupancy (SRO) housing as defined in Section 10325(g)(3) of Title 4 of the California Code of Regulations;
- (d) United States Department of Housing and Urban Development Section 202 Supportive Housing for the Elderly;
- (e) United States Department of Housing and Urban Development Section 811 Supportive Housing for Person with Disabilities;
- (f) Housing for families with special needs that require temporary relocation.

Narrative statement supporting the claim that the Project provides *substantial* supportive housing:

- OR -

2.(a) Meets the affordability requirements as set forth in Health and Safety Code Sections 53545.13(c)(2)(C) and 53545.13(c)(2)(D); **and**

(b) Meets density requirements as set forth in Health and Safety Code Section 53545.13(c)(3).

- i. For income-restricted rental units, provide evidence that units will be subject to a recorded covenant that ensures affordability for at least 55 years, and for income-restricted for-sale units, provide evidence that units shall be subject to a recorded covenant that includes either a resale restriction for at least 30 years or equity sharing upon resale. Attach as **Exhibit 12**.
- ii. If the Project meets the affordability requirement through Health and Safety Code 53545.13(c)(2)(D) attach evidence of the development agreement to the application as **Exhibit 13**.

Attach the following documents in support of the Affordability & Density Calculation Worksheet:

- i. Default Densities chart with the relevant designation highlighted as evidence of the Net Density Required as **Exhibit 14**.
- ii. If applying as a rural area Project, documentation required by the Rural Area Determination Procedures as **Exhibit 15**.
- iii. Documentation that shows total acres to be developed as **Exhibit 16**.

4. Funding Request

A. Type of Request: Grant Loan Both



B. Description of the requested Eligible Brownfield Infill Project costs to be financed by the Infill Grant or Infill Loan (provide a brief narrative consistent with information provided in 5.L.):

This section has changed from the April application.

The original grant funds were applied to a portion of the costs incurred under the Remedial Action Plan, including the Linear Low Density Polyethylene (LLDPE) liner. The LLDPE liner is the primary barrier between the landfill material and the surface development. All of the LLDPE liner has been purchased and stockpiled on the site, and approximately 40 acres of liner have been installed already on the Original Brownfield Site, in conjunction with the installation and activation of a section of the Landfill Gas Collection system. Most of the overall costs expended through the EAA Trust Accounts had a general benefit to the overall site and could be allocated to individual landfill cells on a pro rata basis. The proceeds of the CALReUSE grant were deposited into the environmental Trust Account and comingled with all of the other funds. **Exhibit 22** contains a summary of the Trust Account payments showing the actual remediation costs on the original 157 acre site, and applying a 27% *pro rata* factor to show how much has been “spent” on the remediation of Cell 2 based on acreage. While \$20,445,344.33 was expended on the remediation activities prior to the establishment of the Trust Account, since its establishment the Trust Account is the most reliable calculation of the funds spent on remediation, as it is solely for remediation and not for other activities, such as site maintenance, perimeter monitoring, vector control, or storm water management, which are a number of the items paid through change orders. Trust Account Draw Request 56 (TA 56) is the most recent draw request by Tetra Tech, and these numbers were confirmed by the trustee Well Fargo in May of this year.

The total amount spent on the direct remediation costs at the 2007 cost basis from the Trust Account so far has been \$42,437,904.56. The EAA with Tetra Tech allows them to increase costs from the 2007 costs in the amount of 5.9% annually; these increases are shown as “interest” cost listed separately. With interest, the total amount spent out of the trust account is over \$49 million. Pro rating the cost for Cell 2 (at 27% of the total, based on acreage), shows \$11,406,326 allocated to Cell 2 before interest or \$13,287,822 after interest is added. In either case, the amount that could be allocated to Cell 2 is greater than the \$5,000,000 of the Grant.

In terms of expenditures from the Trust Account, tasks with site-wide benefits that are allocable to Cell 2 include: design of the landfill cap and DTSC approval; design of the landfill gas collection system and DTSC approval; and design of the BPS and DTSC approval. The construction of the landfill gas collection and treatment system included delivery of the flare; purchasing the pipe for the header; delivery of material and construction of the 405 Freeway monitoring platform and the Torrance Lateral monitoring platform; installing gas probes, vertical, and horizontal landfill gas extraction wells; installing the landfill gas system header; installing the landfill gas system laterals; and, constructing the Landfill Operations Center (LOC) which serves the entire site. The LOC project included the foundation permit, the building plans, completing the slab/foundation, building construction, and obtaining the Certificate of Occupancy and installing the Gas Treatment System. Post construction activities included the Gas System Prove-out and Shakedown, the Gas System Startup, Construction Management, and DTSC Approval of the Landfill Gas Completion

Report.

In addition, rough grading to building pad elevations was done; the delivery of the LLDPE Geomembrane and delivery of LLDPE geomembrane for pile cap boots was completed, and the 405 Freeway slope was constructed as well as the prescriptive cover. The Trust Account costs also included project management, on-site administration, design team coordination, and security and site maintenance costs, which were allocated to all of the cells.

C. Amount We Are Requesting:

Grant: \$ 5,000,000

Loan: \$ 0

Total: \$ 5,000,000

*Minimum total request amount is \$50,000. Maximum total request amount is \$5,000,000. If total request amount is over \$5,000,000, attach statement as to why waiving the cap is in the public interest and advances the purposes of the program. Attach statement as **Exhibit 17. N/A.***

D. Term requested: 72 months Other (less than 72 months):

5. Brownfield Infill Project Information

A. Project Name: Factory Outlets of Los Angeles (FOLA)

This section has changed from the April 2016 application.

B. Fill in the table below. Information for each additional parcel should be provided on a new line (use the "Return/Enter" key to create a new row within each column).

Parcel Number	Address	City	County	Acreage
The easternmost 42 +/- acres (net) of APN 7336-010-903	20400 Main Street	Carson	Los Angeles	62.44 gross acres in APN, includes all of Cells 1 and 2 and a section of Stamps Road 42 +/- Net acres in Cell 2*

* The entire Carson Marketplace site is 157 gross acres.

Subdivision of the Site

Vertical Subdivision

Carson Marketplace subdivided the Site into two separate vertical air space lots, a surface lot (the "Surface Lot") and a subsurface lot (the "Subsurface Lot"), which lots are referenced as Parcels 1

(Subsurface Lot) and 2 (Surface Lot) of Parcel Map No. 70372. The Subsurface Lot consists of the landfill refuse and contamination and in which the Remedial Systems have been and will be constructed including (i) all of the land within one (1) foot above the landfill cap in all areas outside of the building slabs, (ii) all of the land below the building slabs, and (iii) all improvements now or in the future located below such depth or below the building slabs, including the Remedial Systems. The other lot (the "Surface Lot") consists of the land and airspace above the Subsurface Lot.

Horizontal Subdivision

The Authority intends to negotiate with Developer for the conveyance to Developer of the Surface Lot only of Cell 2, which is approximately 46.33 gross acres (the "Cell 2 Site") and the development thereon of a first-class regional fashion outlet shopping center. Parcel Map No. 70372 consolidated as many as ten parcels into the Surface and Subsurface Parcels and consolidated the surface parcels into two parcels. Cell 2 shares an APN with Cell 1. Cells 3, 4 and 5 are all in the same APN. The Authority will further subdivide parcels within the Surface Lot, which parcels then will be developed or leased or sold. Ownership of the Subsurface Lot was to be transferred to a mutual benefit corporation, as described below, but such obligations will now remain with the Authority.

Long-Term Responsibility for Environmental Conditions

This section remains mostly unchanged from the April 2016 application, except to correct typos.

One of the developer's obligations to DTSC was to create a structure for ensuring long-term operation, maintenance, and monitoring of the Remedial Systems. As part of that structure, Carson Marketplace was to establish a non-profit mutual benefit corporation that will have long-term responsibility for environmental conditions at the Site following construction of the Remedial Systems (the "Mutual Benefit Corporation"). In addition to operation, maintenance and monitoring of the Remedial Systems, the Mutual Benefit Corporation would have had responsibility for satisfying any unexpected environmental requirements relating to the landfill and responsibility for obtaining environmental liability insurance when the PARLL Policy expires in September 2016. **The Authority has undertaken that responsibility.**

The Authority will maintain ownership of the Remediation Lot and assign its rights and obligations under the EAAs, as applicable. The Authority's environmental obligations (other than supervision and maintaining insurance) will be performed by Tetra Tech pursuant to the EAAs until the earlier to occur of (1) termination of the EAAs by mutual consent of both Tetra Tech, the Authority and DTSC, as applicable, or (2) December 31, 2027, when the EAAs expire. Following expiration or termination of the EAAs, the Authority will have responsibility for either extending the agreement with Tetra Tech or retaining a replacement contractor.

The mechanism for funding the Authority's environmental obligations was through the formation of a Community Facilities District ("CFD"). The CFD will collect special taxes from owners of the

Surface Lots to fund long-term operation, maintenance and monitoring of the Remediation Systems, to fund any unexpected environmental response actions at the Site, to purchase renewal or replacement environmental liability insurance, to fund the administrative expenses of the CFD, to create appropriate reserves, and, if surplus funds are available, to reimburse the developer for a portion of the pre-funded costs. The CFD will transfer the taxes collected to the Authority.

Environmental Deed Restrictions

This section remains unchanged from the April 2016 application.

The Surface Lots will be subject to certain environmental covenants, conditions, restrictions, limitation, reservations, easements, rights-of-way, liens, charges, and other protective and beneficial provisions, as set forth the Environmental Covenants, Conditions and Restrictions, the Covenant to Restrict Use of the Property: Environmental Restriction, and the Reciprocal Easement and Operating Agreement. The Environmental Covenants, Conditions and Restrictions will establish operation guidelines for owners, tenants and occupants to protect the integrity of the Remedial Systems and will provide a back-up assessment mechanism for funding unexpected environmental costs in the unlikely event the CFD is not formed or the CFD funds are inadequate.

C. Description of the portions of the Brownfield site which will be dedicated to housing, commercial, retail, open space and other uses:

This section has changed from the April application.

Cell 2 is a portion of the overall site, which has been a landfill mound in the center of Carson since the landfill was closed in the late 1960's. Prior to the remediation activity, which commenced in 2008, the site was predominately bare soil that became green with non-native grasses following winter rains and turned brown by summer. There is an existing street circulation pattern offering single access points to two bordering streets, Main Street and Del Amo Boulevard. The interior streets originally functioned as the haul road system for trash trucks traveling within the landfill and were not constructed over landfill debris. Stamps Road has since been realigned to accommodate a change in the Site Plan and "New Stamps" is now partially located over compacted debris and located mostly in the interior of Cell 4; however, "Old Stamps" remains the formal cell boundary between Cell 4 and adjacent Cells 3 and 5.

CELL 2 DEVELOPMENT

For the purpose of the remainder of this application, the proposed Brownfield Development Project in Cell 2 will be referred to as the "Development Project" or "The Project" as it has a clear project schedule and a proposed development plan. Development of the entire 157 acre site is no longer "The Project," though it is impossible to avoid discussing the overall site from time to time in the application. There is also no housing in the Brownfield Development Project; the Infill Development Project(s) have been relocated to two other sites. The Development Project is as follows:

On July 5, 2015 the Authority and the City of Carson approved an Exclusive Agreement to Negotiate with CAM-CARSON, LLC, a Delaware limited liability company ("Developer"), an entity of the Macerich Company ("Macerich") of Santa Monica, California, for the development of a high end fashion outlet mall on Cell 2, called Fashion Outlets of Los Angeles (FOLA). The Authority will negotiate with the Developer for the conveyance of the Surface Lot only of Cell 2, which is approximately 42 +/- net acres (the "Cell 2 Site") and the development of a state-of-the-art approximately 585,000 square foot regional fashion outlet mall (the "Project"). As noted above, the Surface Parcel will need to be further subdivided from the remainder of APN 7336-010-903, which it shares with Cell 1. Cell 2 Site is located directly southwest of the 405 Freeway. A map of the site and a conceptual site plan is included in **Exhibit 24**.

The Development Project is projected to create \$350 million in real estate valuation and promote the economic well-being of the entire area. It will also encourage the diversification and development of the City's economic base. It is expected to produce more than 1,700 construction jobs and 1,800 permanent jobs and will generate millions each year in sales tax, property tax and hotel tax that will go to the City's general fund.

Developer's Qualifications

Prior to the Authority's acquisition of the overall 157 acre Brownfield Site, the Developer was investigating the development of Cell 2 with the original Grantee, Carson Marketplace, and has an understanding of the development constraints and environmental conditions, and continues to conduct due diligence on the Site. The Developer has now been investigating the Cell 2 Site with both the Authority and its predecessor for over three years, and has spent over \$2.7 million and 2,000 person-hours in this effort to date.

Macerich currently owns and manages 55 million square feet of regional shopping centers and is one of the largest owners and operators 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 Southern California experience, owning and managing 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 Downtown Philadelphia and at the former Candlestick Park in 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.

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. It is an organization of the most influential industry professionals in the world. The mall was also the recipient of the International Council of Shopping Centers' 2014 U.S. Design and Development Gold.

Negotiations

The City and Developer will negotiate in good faith to enter into a purchase agreement and a long-term development agreement resulting in the conveyance of ownership of the Cell 2 Site to the Developer (the "Conveyance Instrument.") Due to the extraordinary costs of developing on a former landfill, concurrent with negotiating a Conveyance Instrument, the parties will negotiate an arrangement by which Developer may be refunded a share of the annual sales tax revenues generated by the Project ("Tax Sharing") to the extent necessary to produce an acceptable economic return for the Project.

Within 120 days an Initial Project Schedule shall be developed and Developer and the City shall work diligently to produce a Project plan in such detail as can be produced during such period. At Developer's option, the Term may be extended for an additional period (the "Extended Term").

As part of the development agreements, Developer will agree to (i) develop the Project consistent with all applicable laws, ordinances, regulations, zoning, the General Plan and the applicable specific plan, and (ii) obtain design development review and approval from the City's Planning Commission and City Council. During the Initial Term, the parties shall use their good faith efforts to reach conceptual agreement on the business terms of the transaction embodied in a draft disposition and development agreement.

During the Initial Period, the Developer shall also provide a detailed pro forma showing the estimated budget for the development and construction of the Project. Developer may seek substantial financial assistance from City, without which the Project would not be economically feasible, including direct financial assistance, sales tax rebates, and installation of offsite public improvements by City, and Developer acknowledges that the pro forma must justify the requested assistance as required for the Developer's return on investment. The pro forma shall also show an estimate of the economic return to the City for at least a ten (10) year period after completion of the Project, including all taxes and fees (including proposed Tax Sharing scenarios), and other economic returns to the City as well as jobs and general community benefits.

At the conclusion of the Initial Period the parties shall negotiate and enter a Memorandum of Understanding which will contain the significant business deal points, particularly the formula and schedule of the potential sales tax sharing. This will represent a contractual milestone in the Project. The Conveyance Instrument and related Development Agreement are CEQA actions and cannot be approved until the Project has undergone CEQA review and the City can certify any addenda to the current EIR on the site, which means the Project must be designed to the level adequate to study the environmental impacts and be able to receive entitlement approval. Hence, there is the Extended Term between the end of the business negotiation and the approval

of the Development Agreement and related Conveyance Instrument.

Additionally, in the ENA, the Developer has agreed as follows:

*“E. **Developer Agreement Performance Guarantee.** The Parties acknowledge that the Developer has agreed that when the Parties execute and deliver a development agreement and Developer acquires the Cell 2 Site, an appropriately creditworthy affiliate of Developer will indemnify the City against any loss of the City’s \$5,600,000 CALReUSE grant resulting from Developer’s failure to thereafter diligently pursue the Project, all as more specifically to be set forth in the development agreement. “*

Project Schedule

The Project Schedule now combines the Developer’s anticipated development project schedule with remediation milestones, since the vertical construction of The Project cannot proceed ahead of the installation of the remedial systems and the building protection systems: it is an integrated system. Combining the Developer’s construction-heavy milestones with the remediation milestones approved by DTSC, and the City/Authority’s contractual milestones produces a schedule that allows the Grantor to monitor progress by regulatory or contractual actions, and not have to track construction-based actions to track performance. The ENA provides two key contractual milestones: the approval of the MOU to move the Parties into the Extended Term; and, the end of the twelve months of the ENA, when we anticipate that the parties will be ready to adopt the DDA.

Upon the completion of the installation of the remedial systems and the building protection systems, DTSC will issue a determination that the environmental work is complete and the Project is suitable for vertical development and occupancy. In order to establish intermediate milestones for the Grantor to monitor the work to be done, the schedule blends some construction milestones with the firm contractual/regulatory milestones.

Infill Development Projects

As described in Section 2 above, the Infill Projects, or Substitute Housing Projects, are two separate projects proposed by different development companies, one 40 unit project located at 600-610 West Carson Street and 21723-21725 South Figueroa Boulevard, and the other a 46 unit project located at 21205 South Main Street in Carson. No residential development is proposed as part of the Cell 2 Development Project.

Nevertheless, the Development Project will further the purposes of the CALReUSE program by promoting infill residential and mixed-use development. The location and nature of the infill residential and mixed-use development differ but the approval by the City of both Infill Projects was spurred by the requirements of the Grant. The City and the Reclamation Authority are committed to meeting or exceeding the number of affordable housing units provided for under the original Grant in a location within the City.

D. Description of former site uses and contaminants of concern.

This section remains unchanged from the April 2016 application.

The Site is located on a former landfill, which consists of five waste cells separated by haul roads which were built on native soil, and which operated from 1959 until approximately 1968. Clean-up of the landfill and implementation of remediation systems are subject to oversight by the Department of Toxic Substance Control ("DTSC") through a lawsuit entitled *California Department of Toxic Substances Control v. Commercial Realty Projects, Inc., et al.*, (U.S. District Court, Central District of California, Civil Action No. 95-8773). The court entered a Consent Decree in December 1996; a Consent Decree resolving claims against Atlantic Richfield Company, et al. on March 29, 2001; a Supplemental Consent Decree on March 29, 2001; and, Modifications to Supplemental Consent Decree and Defense Group Decree on March 29, 2001 (collectively, the "Consent Decree.")

During the life of the landfill, approximately 6 million cubic yards of municipal solid waste (MSW) and 6.3 million gallons of industrial liquid waste were disposed at the site. A portion of the liquid waste was drilling mud from the local oil wells. Wastes that were permitted to be accepted at the landfill included solid organic and municipal waste, drilling fluids, carbide or acetylene sludge, cleanings from interceptors, clarifiers, screen chambers for the treatment of wastewater from vehicle washing, ceramic manufacturing, laundering, and food processing, sludge derived from the softening of water (lime soda process), paint sludge recovered from water and suspended synthetic rubber, carbon black slurry and diatomaceous earth filter agent (residue from filtering steam condensate). Hazardous substances associated with the landfill have been detected in subsurface soil and groundwater on the property. The contaminants of concern include volatile organic compounds, heavy metals, and petroleum hydrocarbons.

As a result of soil and groundwater contamination at the property, resulting from its former use as a landfill, and the materials accepted for disposal, the DTSC classified the former landfill site as a hazardous substances site. Site investigations have detected the presence of Landfill Gas (LFG) as well as volatile organic compounds (VOCs) and metals in soil and groundwater. RAP implementation, initiated in 2008, resulted in the completion of planned soil compaction, grading to the level of the base of the landfill cap membrane system, installation of approximately half of the LFG extraction wells as well as the LFG flare, and installation and startup of the groundwater extraction and treatment system. In addition, the Landfill Operations Center has been constructed, including its building protection system and the landfill cap in this specific area.

The landfill waste and contamination is being addressed under the supervision and oversight of the DTSC pursuant to the Remedial Action Plan for the Upper Operable Unit that was approved by DTSC on October 25, 1995 and subsequent enhancements/refinements thereof (collectively, the "RAP"). The remedy in the RAP requires installation, operation and maintenance of (1) a landfill cap designed to encapsulate the refuse and create a barrier between future improvements and buried refuse, (2) an active gas collection and treatment system, designed to remove landfill

gasses from under the landfill cap, and (3) a groundwater collection and treatment system designed to contain the groundwater plume and treat the extracted groundwater prior to discharge. In addition to the RAP-required remedy, a building protection system consisting of a secondary membrane liner adhered to foundation slabs, passive venting systems, and monitoring equipment will be installed in buildings on the Site. As the Successor, the Authority will install the landfill cap, landfill gas system, groundwater system, and building protection system (collective, the "Remedial Systems") and has provided a mechanism for long-term operation, maintenance, and monitoring of the Remedial System.

E. Description of obstacles to the reuse of the Brownfield Development Project (e.g. regulatory issues, complex remediation, liability, marketability, etc.)

This section has changed from the April 2016 application.

The primary obstacle to reuse of the Cell 2 property remains the high cost of implementing the required environmental remediation and the cost of building foundation that will support buildings over landfill waste. Many developers have direct experience with developing on previously contaminated land, but it tends to be petroleum or heavy metal contamination that requires either removal or other forms of remediation (such as soil vapor extraction). This site compounds the issue of environmental liability, which can be mitigated, with a site which over time will endure differential settling of the soil and which, at that time, will be a future environmental issue to be dealt with. The constraints are construction cost-related, but also practical constraints on the ability to expand, excavate, demolish, or otherwise alter the site over the life of the project, and having tenants weigh the desirability of the location against the ongoing challenges of operating on the site.

Additionally, from a regulatory perspective, understanding the specific approval process for intermediate milestones and the regulatory context of DTSC's approvals has been paramount to CPCFA, Macerich, and the potential insurance carriers. The existing regulatory framework describes the Health Risk Assessment (HRA) as the mechanism to receive final sign-off from DTSC and to allow occupancy of the entire 157 acre site. The HRA was anticipated to be conducted on the entire completed site (the 157 acres), and preceded the issuance of a Certificate of Occupancy from the Building Official. The HRA was also defined as the trigger for the OM & M of the landfill gas system under the terms of the AIG EPP policy. Being able to phase Cell 2 or any other individual cell development as a stand-alone development requires a redrafting and renegotiation of the regulatory and contractual framework of the overall project, in place since 2008, in order to allow for cell-specific HRAs and a Construction Completion Report approved by DTSC that allows the occupancy of a project developed on only one cell.

Funding and Long-Term Operation

The prior Owner, Carson Marketplace, LLC, retained Tetra Tech, Inc. ("Tetra Tech"), for a period of 20 years, to construct the Remedial Systems, perform long-term operation, maintenance and monitoring of the Remedial Systems, and satisfy other environmental requirements relating to the

former landfill refuse under a Fixed Price Operations and Maintenance Environmental Assurance Agreement (“EAA”) dated December 31, 2007.

Tetra Tech’s services for the 20-year period are being performed for a fixed price, which was pre-funded by Carson Marketplace. The terms and conditions of Tetra Tech’s obligations are set forth in two agreements, the Fixed Price Design and Construction Environmental Assurance Agreement and the Fixed Price Operation and Maintenance Environmental Assurance Agreement (collectively “EAAs”). Under Section X of the EAAs, Tetra Tech has provided a broad indemnity to the property owner and its assignees (including, now, the Carson Reclamation Authority) for claims and losses arising from Tetra Tech’s performance of the services.

Under the contract, Tetra Tech is obligated to construct the Remedial Systems, perform long-term operation, maintenance, and monitoring of the Remedial Systems, and satisfy environmental requirements relating to the landfill refuse for a fixed price, irrespective of the actual cost of such services¹. Between funds contributed directly by Carson Marketplace and issuance of remediation-related bonds and cash payments by the City of Carson’s Redevelopment Agency, the fixed price has been pre-funded into an escrow account at Wells Fargo Bank (“Wells Fargo”) and an Environmental Protection Program Polity (the “EPP Policy”) that Carson Marketplace has purchased from American International Special Lines Insurance Company (“Insurer” or “AIG”).

The escrow account received funds to provide for construction of the landfill cap, landfill gas system, and building protection system, and the EPP Policy received funds to provide for construction of the groundwater system and operation, maintenance, and monitoring of all Remedial Systems. Wells Fargo and Insurer have paid Tetra Tech as work has been completed based upon the terms of the EAAs, the escrow agreement, and the EPP Policy. Outside of seeking payment from Wells Fargo, as the escrow agent, and Insurer, as the insurer, Tetra Tech has no recourse against the Authority or other parties for payment of the services it is obligated to provide under the EAAs. The Authority has assumed the policy from Carson Marketplace. The Cost Cap policy is what provided the financial assurance that there were funds available to complete the remediation, as required by DTSC.

In addition to providing a mechanism for funding a portion of the fixed payments to Tetra Tech, the EPP Policy provides \$35 million in cost overrun insurance for the work to be performed under the EAAs. The Authority will maintain ownership of the Remediation Lot and assign its rights and obligations under the EAAs, as applicable. The Authority’s environmental obligations (other than supervision and maintaining insurance) will be performed by Tetra Tech pursuant to the EAAs until the earlier to occur of (1) termination of the EAAs by mutual consent of both Tetra Tech, the Authority and DTSC, as applicable, or (2) December 31, 2027, when the EAAs expire. Following expiration or termination of the EAAs, the Authority will have responsibility for either extending the agreement with Tetra Tech or retaining a replacement contractor.

¹ Section XI of the EAAs sets forth certain limited circumstances (including schedule delays) that allow Tetra Tech to seek change orders.

If Tetra Tech fails to perform its obligations under the EAAs, the Authority or its assignees will have the right to access the funds that have been placed in the escrow account and EPP Policy and the right to seek coverage for insured cost overruns.

This Section has changed from the April 2016 application.

Market Risk

Notwithstanding the above-described financial assurance measures, due to the relatively sluggish market over the past five years, the complexity of the remediation and phasing of the project, the development and remediation proceeded much slower than expected. The lack of committed tenants caused uncertainty as to the ultimate design of the building protection systems and landfill cap. The costs to Carson Marketplace and its developers were also escalating, with Carson Marketplace's investors having already contributed some \$98 million of their funds to development of the Site. Carson Marketplace was marketing the Site and was willing to sell it for nominal value provided it was indemnified and held harmless from any environmental liability. All these outstanding obligations were resolved via the Settlement described below.

As a former Class II landfill, the trash depths range from 30 to 65 feet. The foundation systems required to support building structures must penetrate the entire depth of the trash to the native soil beneath the trash, and extend 15 to 20 feet into native soil. This creates foundations costs that are 2 to 3 times traditional costs. While this incremental cost difference does not translate to building costs at double or triple the entire cost, the additional cost to the overall project is nevertheless significant.

Once the decision from the NFL owners was made to allow the development of a football stadium in nearby Inglewood rather than at the Project site, the Authority determined that the negotiation with the Developer, Macerich, was the most expeditious way to move development forward. Part of the negotiation with Macerich in early 2016 was whether or not the company was interested in the entire 157 acre site. That decision was still an open question in the Authority's April 2016 application. It was mutually determined that the least risky way to move the Brownfield Development Project forward was to allow the Developer to proceed with Cell 2 only while the Authority undertook the process of obtaining approval of a Phased Development Plan from DTSC and selecting a Master Developer for the balance of the original Project Site. Therefore, there is no housing proposed as part of the Brownfield Development on the Project Site; however, the Authority has taken note of Board Staff's critique of the April application about the substantial reduction in proposed housing units and has worked to replace the affordable units lost from the Brownfield Site with a greater number than was originally required.

Additionally, the Authority believes that the substitute Infill locations are significantly more competitive for scoring in the Tax Credit Allocation Committee process, or in the Prop 41 Veterans' Housing process due to their superior locational advantages such as distance from transit, grocery shopping, medical facilities, or other amenities, which are already in place in the substitute locations.

As a way of mitigating market risk, the Brownfield Development Project today is proposed to be defined as Cell 2 only. The Carson Housing Authority will facilitate the development of the “replacement” Infill Development Project to meet the provisions of the Grant. The replacement projects are described in Section 6.A.1. below.

Carson Reclamation Authority Acquisition of the Property

The bulk of this section remains unchanged from the April application but has been removed from this document. For information related to the former Redevelopment Agency agreements and how they resulted in the Authority taking ownership of the parcel, please refer to the April 2016 application.

Regulatory Issues

This Section has changed from the April 2016 application.

Phased Development Project

One of the issues the Authority has had to address in proposing Cell 2 as the Development Project is its departure from the existing contractual and regulatory framework that exists today on the larger 157 acre site, largely due to the somewhat outdated risk transfer arrangements in the Tetra Tech contracts: that all 5 cells of the entire original site would developed all at once and that there would not be “phasing,” due to the risk of having occupants on site without (a) fully installed remedial systems in the undeveloped cells, or (b) having adequate separation of project occupants (e.g. non-HAZWOPER-certified workers, shoppers, or residents) in proximity to an active construction site on an adjacent cell.

Notwithstanding the proposal to make the Cell 2 Factory Outlets of Los Angeles project the Development Project for this application, the Authority does have a Request for Qualifications (“RFQ”) process underway to seek a Master Developer for the balance of the original 157 acre site that does not constitute the Project under this Application. The RFQ is included as **Attachment B**. However, even if a Master Developer for Cells 1, 3, 4 and 5 is selected in the next six months, it is likely that any development project the Master Developer would propose would be at least 12-18 months behind the Project in design and entitlement, leading to a *de facto* phased project.

Tetra Tech drafted a Phased Development Plan (PDP) for Carson Marketplace in 2012, though the document was never formally submitted to DTSC for approval. The Authority intends to develop an addendum to the 2012 draft Phased Development Plan that takes into account the relationship of the Project to the larger phased development. The Authority will then submit the full PDP (consisting of the 2012 draft and the 2016 addendum) to DTSC for review and approval once Macerich further refines their site plan and building footprint. The addendum is necessary because the draft plan was developed for a slightly different site plan and the developer was considering a different phasing plan. Since the Authority is procuring a new Pollution and

Remediation Legal Liability ("PARLL") policy, it is now obligated to address the issue of phasing in its various remediation and development contracts.

From a regulatory perspective, understanding the specific approval process for intermediate milestones and the regulatory context of DTSC's approvals has been paramount to CPCFA, Macerich, and the potential insurance carriers. The existing regulatory framework describes the Health Risk Assessment (HRA) as the mechanism to receive final sign-off from DTSC and to allow occupancy of the entire 157 acre site. The HRA was anticipated to be conducted on the entire completed site (the 157 acres), and preceded the issuance of a Certificate of Occupancy from the Building Official. The HRA was also defined as the trigger for the OM & M of the landfill gas system under the terms of the AIG EPP policy.

The original contracts and risk management program provided for an intermediate milestone, which could be obtained prior to issuance of the HRA: the Health Risk Evaluation ("HRE"). The HRE was not as comprehensive as the HRA but was allowed to be issued on a cell by cell basis. The HRE was intended to certify the completion of the remedial systems and the Building Protection System ("BPS") on any specific cell, and its purpose was to allow the contractor to begin to use non-HAZWOPER trained employees for the vertical construction (i.e. carpenters, drywall installers, roofers, electricians, plumbers, etc.), certifying the site was ready for vertical construction activity.

Under the current Compliance Framework, Macerich could still request and receive an HRE after the remedial systems, the piles, pile caps, and liner are installed and the landfill cap is in on Cell 2 only, which would allow for the vertical construction of The Project. DTSC would send an appropriate concurrence and/or approval of the HRE, which would allow the Building Department to issue a building permit for the vertical construction for the building. The building permits for the subsurface remedial work would be a "foundation only" permit, which would be issued prior to the HRE and would require HAZWOPER-trained workers. The DTSC approval of the HRE, however, would allow the vertical construction that does not involve subsurface work to be undertaken without HAZWOPER-trained workers.

DTSC has a mechanism, the approval of a Remedial Action Completion Report (RACR) that signs off on the completion of certain remedial systems under the existing RAP. Already, DTSC has signed off on certain grading activities, the installation of about 40 acres of liner, the partial installation of the landfill gas collection systems, and the construction and operation of the Landfill Operations Center under various RACRs. Even without the approval of the PDP, the Developer could seek approval of a RACR upon completion of the various remedial systems on Cell 2.

In order to receive approval of a Certificate of Occupancy ("C of O") once vertical construction is completed on the phased project, the process is similar – after presented with a Construction Completion Report ("CCR"), DTSC would send a letter to the Building Department approving the CCR and allowing the release of the C of O. Furthermore, if any construction is then underway on one of the other cells, additional information or requirements to ensure health and safety could

be imposed as determined by DTSC.

Under the current contractual and regulatory framework, an HRA would still need to be prepared for occupancy of any cell at the site, and currently an HRA can only be approved for the entire 157 acre site. This is why the Authority proposes to submit the PDP to DTSC in 2016 so that the specific environmental details related to phasing and DTSC approval of specific portions of the project can be appropriately defined. For example, the plan drafted by Tetra Tech in 2012 contains all of the appropriate safety protocols for phased development including specific procedures for gas monitoring and buffers to ensure human health and worker safety for projects that might be undertaken in different stages of the development. The PDP will also address what would occur in the "unzipping" of a cell that has been formally "closed" for environmental purposes but not yet developed with vertical construction of any kind. DTSC has indicated it would only take staff a few months to review and approve the draft PDP once submitted since they have seen and commented on the original 2012 document. The Authority has built in sufficient time for the DTSC to review and address the PDP submittal. It is anticipated that the financial assurance for the PDP will be different than the current financial assurance program. The PDP would allow DTSC to approve an HRA for the individual phased cells at the completion of the installation of the remedial systems and building protection systems without regard to an HRE, which could then be eliminated from the regulatory regime. The cell-specific HRA would contain the conditions, requirements and mitigation measures for each cell subject to the HRA.

Compliance with Infill Grant Agreement

Pursuant to Section 8102.6(a)(8) of the CAL ReUSE Regulations, which states "Agreement that upon Completion of the Infill Development Project the Grantee or Borrower will submit a Completed Infill Development Project Report(,)" Section 5.2 of the Grant Agreement requires that the Grantee provide a Completed Infill Development Project Report. The Completed Infill Development Project Report shall include an executed and recorded Regulatory Agreement that at a minimum reflects the Infill Development Project described in Exhibit A of the Grant Agreement. (See **Attachment C** for the proposed Exhibit A of the Grant Agreement.) The Grantee shall submit the Completed Infill Development Project Report to the Grantor 1) upon the Completion of the Infill Development Project(s), or 2) within the term of the Infill Grant – whichever instance occurs first.

The Infill Grant Regulatory Agreement will be part of the Disposition and Development Agreement package with the two affordable housing developers, Thomas Safran & Associates and Meta Housing, with the understanding that the Regulatory Agreement would be recorded against the property at the time the Infill developers acquire the property from the private sellers, and that such regulatory agreement will be replaced by the Carson Housing Authority Regulatory Agreement requiring the affordability of the units for a period of 55 years and compliance with other standard affordable housing provisions.

Furthermore, pursuant to Section 8102.6(a)((19) of the Regulations, which states "Agreement that the Grantee or Borrower will provide or cause to be provided to the Strategic Partner a copy of

the Brownfield Remediation Final Report within 30 days of completion of the Brownfield Remediation Final Report(;)”Section 5.3 of the Grant Agreement requires that the Grantee provide a Brownfield Remediation Final Report within thirty (30) days of completion of the Brownfield Remediation Final Report, or 2) within the term of the Infill Grant – whichever instance occurs first. Exhibit C of the Grant Agreement contains the provisions the Grantee must comply with when submitting the Brownfield Remediation Final Report, including subsections (4) and (5), which require the Grantee to submit a copy of the Brownfield Remediation Completion Document received from DTSC; and, the DTSC-approved plan that ensures that any required mitigation measures will remain in operation for the required time.

For the purposes of complying with Section 5.3 of the Grant Agreement, at Completion of the Brownfield Development Project – including the installation of the remedial systems, the piles, pile caps, liner, and landfill cap, plus the vertical development of the shopping center – the Authority and Developer will produce a Brownfield Remediation Final Report, referred to otherwise in this document as the Construction Completion Report for Cell 2 and submit the same to DTSC for review and approval. The DTSC will then approve the Construction Completion Report for Cell 2, and such plan will ensure that the required mitigation measures will remain in operation for the required time.

prior to completion of the Brownfield Development Project, the Authority will submit the PDP to DTSC for approval, amending the Compliance Framework Agreement to allow the approval of an HRA and a subsequent Construction Completion Report on one or more landfill cells, establishing the safety protocols to be utilized for Cell 2 and surrounding cells, and verifying the financial assurance necessary to ensure the operation of the remedial systems post-completion. The Authority will submit the revised and updated PDP prior to the selection of the Master Developer, with the understanding that the addendum outlining general health and safety protocols for phased development may need to be amended once the Master Developer RFQ is concluded and the two projects (Cell 2, and everything else) and schedules are reconciled.

In a simplified form, the revised and updated PDP will establish a buffer between occupied and un-remediated sections of the site; perimeter gas monitoring at the edge of the occupied site, and potentially the installation of a "sacrificial" surface landfill gas system on any unoccupied areas of the site if methane readings at the perimeter of the occupied cell are not acceptable to the DTSC. In the unlikely event that methane levels from any vacant cell remained unacceptable to DTSC, the PDP may require the full closure of a problematic vacant cell, and then an "unzipping" plan if a developer comes in later to develop the closed cell . Most of the regulatory burden will fall on the owner of the undeveloped site (likely the Authority), while the owner of the developed parcel will primarily have a monitoring responsibility.

Liability Issues

This Section has changed from the April 2016 application.

When the Site was purchased in 2006, Carson Marketplace purchased environmental liability

insurance from Indian Harbor Insurance Company (“XL”) and Chubb. The Pollution and Remediation Legal Liability Policy issued by XL and the Excess Liability Insurance Policy issued by Chubb (collectively, the “PARLL Policy”) provide \$100 million of coverage for third party property damage and personal injury claims arising from historical pollution conditions at the Site. The Policy is due to be renewed on September 29, 2016. The amount of liability limit will be based on the proposed use once the project is developed; these policies typically sold in 10-year increments, so a forward look at future land uses will be necessary. The Authority is currently in the process of procuring a policy to replace the existing PARLL at the expiration of its term; in addition, the Authority is looking to have the policy underwritten to be more flexible with respect to phased development.

The Authority also renewed a separate Contractor’s Pollution Liability policy in the amount of \$25 million on December 21, 2015. It covers Tetra Tech, Snyder Langston and their subcontractors. Part of the liability insurance coverage would be to renew the CPL policy at the end of its term as well.

F. Description of community involvement and local government support for the Brownfield and Infill Projects:

This Section has changed from the April 2016 application.

The community is a key component of the development and on-going sustainability of the project. (See community support letters included in **Exhibit 27 of the April 2016 application**).

The City of Carson, through the Carson Reclamation Authority and its Carson Successor Agency, is a stakeholder in the project and has approved both a financial assistance package and a Specific Plan amendment to the City’s General Plan for this project. (See updated City of Carson letters for the Meta Housing and TSA projects attached in **Exhibit 28**).

City/RDA Financial Support

This Section remains unchanged from the April 2016 application.

The former Carson Redevelopment Agency committed to assisting the remediation of the Site through an Owner Participation Agreement (“OPA”) with Carson Marketplace. The OPA for “The Boulevards” mixed-use project was executed on July 25, 2006, and amended in 2008 and 2009. Under the OPA, the former RDA (now Successor Agency) had the obligation to provide a total of \$120 million in financial assistance to remediation work on the Site and the development of certain on- and off-site public improvements. As of May, 2015, the RDA made payments totaling \$69.5 million, leaving an outstanding funding obligation of \$50.5 million payable by the Agency toward Site remediation. More specifically, the Successor Agency was obligated to issue additional bonds and/or provide other assistance totaling the remaining \$50.5 million for remediation and infrastructure.

Under the 2006 OPA, \$120 million of redevelopment agency funding was provided for remediation of the Site, which DTSC has been seeking to clean up since the 1996 Consent Decree. Carson Marketplace had utilized some \$69.5 million of the funds to perform remediation but the project was incomplete.

In April, 2015, the California Department of Finance (“DOF”) confirmed that the obligation of the RDA to provide redevelopment funding remains in place and approved the Successor Agency going forward with a \$50.5 million financing to continue the project. On April 27, 2015, the DOF provided a letter to the Successor Agency stating that based on the DOF’s review and application of the law, Oversight Board Resolution No. 15-27, approving the Settlement Agreement, was approved. The “Method of Finance” section of the Settlement Agreement contemplated the issuance of the Series 2015B Bonds in order to refund the Series 2015A Bonds. The issuance of both the Series 2015A Bonds and Series 2015B Bonds was approved by the DOF.

G. Brownfield Owner(s) and Operator(s).

Applicant is Owner.

- OR -

Fill in the table below. If more space is required, attach a complete list of Brownfield Owners and Operators as **Exhibit 18** and indicate below.

Owner or Operator?	Entity Name (if applicable)	First Name Last Name	Address City, State, Zip	Telephone Email
<input type="checkbox"/> Owner <input type="checkbox"/> Operator				
<input type="checkbox"/> Owner <input type="checkbox"/> Operator				
<input type="checkbox"/> A complete list of Owners and Operators is provided as Exhibit 18.				

- H. Is the Brownfield a Federal National Priorities List (NPL) site? Yes No
 1. If Yes, is the Responsible Party(s) Identified? Yes No
 i. If Yes, are any of those Responsible Parties financially viable? Yes No

This Section has changed from the April 2016 application.

When Carson Marketplace purchased the property in 2006, the Department of Toxic Substances Control (DTSC) had already entered into settlement agreements with the responsible parties having liability for landfill contamination at the site. See **Section 5.D.** above. The settling parties include the landfill operator and the generators who sent waste to the landfill (e.g. oil companies, chemical companies and municipalities). The settlement payments collected by DTSC are held in a site-specific account controlled by the agency. DTSC allowed the prior owner, Carson Marketplace, to use approximately \$7.4 million in settlement funds for implementation of the required remedy, specifically the installation of the Groundwater Collection and Treatment System, which has been installed and is treating more than 30,000 gallons of groundwater per

day.

I. Lead Oversight Agency:

Agency: Department of Toxic Substance Control
Name of Agency Staff Person Assigned to Project: Dan Zogaib
Address: 5796 Corporate Ave
City: Cypress State: CA Zip Code: 90630
Telephone: 714-484-5459
Email: daniel.zogaib@dtsc.ca.gov

Attach maps, documents, and descriptions detailing J, K and L. Documents may be cross-referenced as necessary and should be clearly labeled.

J. Current use and zoning of Brownfield, all adjacent property and surrounding neighborhood. Provide map depicting land use of site and adjacent sites, within ¼ mile radius. Include legend of land use designations, and/or vicinity map showing site within a redevelopment project area, census tract, etc. Attach maps, documents and descriptions as **Exhibit 19**.

K. Existing site layout. Include plan indicating location and dimensions of any existing buildings, utilities, and other pertinent features, if available. If vacant, provide proof of previous development. Attach maps, documents, and descriptions as **Exhibit 20**.

L. Identification of public infrastructure. Show infrastructure within ¼ mile radius (streets, water, sewer, power, telecommunications, etc.) and its proximity to the Brownfield. Attach maps, documents, and descriptions as **Exhibit 21**.

M. Budget and Timeline. Complete the Budget & Timeline Worksheet and attach as **Exhibit 22**. Directions for completing this worksheet are provided in Part C of the Instructions.

The Budget and Timeline Worksheet are attached as **Exhibit 22**.

N. List primary project participants such as project managers, environmental consultants, oversight agency staff, etc. in the table below. Participants should be consistent with those listed in Budget & Timeline Worksheet.

Name	Company/ Title	Street Address/ City, State, Zip	Phone/ Email	Responsibilities
Javier Weckmann , P.E., Vice President	Tetra Tech, Inc.	20400 Main Street Carson, California 90745	310-965-0137 Javier.Weckmann@tetratech.com	Environmental Remediation

John A. Gebhardt, Principal	<i>SEG Advisors</i>	2945 Townsgate Road, Suite 200 Westlake Village, CA 91361	310-422-4644 jgebhardt@segadvisors.com	Project Management
Raymond H. Huff, Vice President	<i>SCS Engineers</i>	3900 Kilroy Airport Way, Suite 100 Long Beach, California 90806	562-426-9544 rhuff@scsengineers.com	Environmental Quality Control/Peer Review
Daniel Zogaib	<i>Department of Toxic Substances Control</i>	5796 Corporate Avenue Cypress, California 90630	daniel.zogaib@dtsc.ca.gov 714-484-5459	Regulatory Project Management
Craig Johnson, PE, LEED AP BD+C	<i>Michael Baker International, Inc.</i>	14725 Alton Parkway Irvine, CA 92618	949-855-5797 cjohnson@mbakerintl.com	Civil Engineering

O. Identify any potential funding sources or financial means to finance the Brownfield Infill Project costs not covered by Infill Grant or Infill Loan:

This Section remains unchanged from the April 2016 application.

Sources and Uses for Environmental Remediation Project

Sources of Funds		Line Item	Amount
Carson RDA Series 2009A Bonds		\$69,500,000	
Carson Successor Agency Series 2015B Bonds		50,500,000	
	<u>Total RDA/CRA Assistance</u>		<u>120,000,000</u>
DTSC Site Specific Account		7,400,000	
	<u>DTSC Site Specific Account</u>		<u>7,400,000</u>
Developer Equity			
	<u>Developer Equity</u>		<u>33,372,209</u>
Remediation Gap/Original CALReUSE Grant		5,000,000	
	<u>CALReUSE Grant</u>		<u>5,000,000</u>
	<u>Total Sources of Funds</u>		<u>\$158,372,209</u>
Uses of Funds		Line Item	Amount
Blasland, Bouck & Lee, Inc.		656,394	
	<u>Phase I and Phase II</u>		<u>656,394</u>
Arcadis US, Inc.		3,175,778	
	<u>Site Characterization</u>		<u>3,175,778</u>
Tetra Tech Site Investigation		2,713,474	
	<u>Tetra Tech Site Investigation</u>		<u>2,713,474</u>
GB Environmental Consulting		269,691	
	<u>Environmental Consulting</u>		<u>269,691</u>
DTSC Oversight Costs		411,240	
	<u>Regulatory Oversight</u>		<u>411,240</u>
Tetra Tech Design and Construction EAA		151,145,632	
	<u>Total Tetra Tech Design and Construction EAA</u>		<u>151,145,632</u>
	<u>Total Remediation Uses of Funds</u>		<u>\$158,372,209</u>

P. Identify any potential funding sources for repayment of Infill Loan (if applicable): *N/A*

Q. Provide a table listing the permits and approvals expected to be required from local regulatory land use jurisdictions and agencies as **Exhibit 23**. The table should include permit/approval name, issuing authority, authority contact information, and current status of the permit (granted, submitted, yet to apply.)

All permits for the Brownfield remediation have been granted. Remediation work commenced in January, 2008.

6. Infill Development Project Information

A. Description of Infill Development Project:

1. Narrative description of the proposed Infill Development Project, including the number of housing units to be created and evidence that the Infill Development Project qualifies as either a Residential or Mixed Use Development. Attach any relevant plans or maps as **Exhibit 24:**

This Section has changed from the April 2016 application.

California's Housing Element law requires that each city and county develop local housing programs designed to meet its "fair share" of existing and future housing needs for all income groups, as determined by the jurisdiction's Council of Governments and the State Department of Housing and Community Development. This "fair share" allocation concept is called the Regional Housing Needs Allocation (RHNA).

The housing allocation for each jurisdiction is divided into four household income categories used in Federal and State programs: Very Low (50% of AMI); Low (50%-80% of AMI); Moderate (80%-120% of AMI); and Above Moderate (over 120% of AMI) income. The allocations are further adjusted to avoid an over-concentration of lower-income households in any one jurisdiction. Based on the RHNA, the following represents the number of extremely low-income, low-income, and moderate-income families to whom Carson will endeavor to provide affordable housing:

- Extremely Low Income - 224
- Very Low Income - 447
- Low Income - 263
- Moderate Income - 280

Proposed Replacement Affordable Housing Projects

Both Development Agreements for the Infill Development Projects will require the CAL ReUSE Regulatory Agreement to be recorded against the property, to be replaced at the completion of the Infill Project by the Housing Authority's 55 year Covenants and Regulatory Agreement.

The site plans for both Infill Projects are included in **Exhibit No. 24.**

Carson Arts – Meta Housing

On June 21, 2016 the Housing Authority and Meta Housing ("Meta") approved an ENA to negotiate the terms of an Affordable Housing Agreement ("AHA") whereby the Housing Authority would provide financial assistance to Meta for development of the proposed project. Meta has

proposed a new affordable multi-family housing development with preference for artists/creative professionals on the 1.8 acre site located at 21205 Main Street, Carson, California. The proposal includes 46 units and on-site amenities that include a digital media lab, gallery, sculpture garden, performance space, flexible work space, outdoor performance courtyard, mural wall, small private outdoor work spaces, and tot lot (see rendering in **Exhibit 24**). The units would be leased to qualifying households, with a leasing preference towards working artists. Meta proposes to build a quality product that would incorporate artist workspace and galleries. As part of the art component for the proposed Project Meta would ensure that art-related programs such as art shows, classes, and workshops are available to residents. They have demonstrated their experience and good quality of work, having completed more than 60 affordable housing projects including four successful artist-housing communities in Southern California.

Meta has a constructed a senior affordable project in Downtown Long Beach which uses arts as its programming focus, and recently completed a project in San Pedro with a similar arts focus as the Carson proposal, and which features gallery space, shared studio and music rehearsal space, and arts programming as part of the project.

The ENA would be for a period of 180 days, during which time the terms of an AHA would be crafted. Once an AHA is negotiated, it will be presented before the Housing Authority Board for review and approval before the ENA period expires.

The proposed site is surrounded by an industrial condominium complex to the north and a single-family residential neighborhood to the west and south. The site offers numerous neighborhood services and amenities that make it an ideal candidate for an affordable housing development. Within a 20 minute walk of the project site there is access to several public schools (elementary, middle, and high schools), Harbor UCLA Medical Center, parks, US Post Office, Sheriff's Department, Carson City Hall, grocery stores, Carson Town Center (neighborhood shopping center), South Bay Pavilion (regional shopping mall), and several local restaurants and shops.

The project will have leasing preference towards artists/creative professionals. Under H.R. 3221, also known as the Housing and Economic Recovery Act of 2008, the right of developers to use federal Low Income Housing Tax Credits to finance affordable housing targeted to certain specified groups – including artists, was confirmed. Artists/creative professionals shall be defined as:

- Persons who work in, or are skilled in any of the fine arts, including but not limited to: painting, drawing, sculpture, book arts, printmaking and mixed-media;
- Persons who create imaginative works of aesthetic value including but not limited to: literature, poetry, photography, music composition, choreography, architecture, film and video;
- Persons who create functional art including but not limited to jewelry, rugs, furniture, pottery, toys, and quilts;
- Performers or theatrical artists, including but not limited to: singers, dancers, musicians,

- actors, performance artists, costume, lighting, sound, and set designers; and
- Persons in all art disciplines, such as designers, technicians, teachers, or administrators who are dedicated to using their expertise within the community to support, promote, present, and/or teach and propagate their art form through events, activities, performances and classes.

In addition to the CAL ReUSE Regulatory Agreement recorded against the property, a regulatory agreement restricting income affordability levels will be recorded against the Property to specify the terms of affordability restrictions of the units to extremely-low, very-low, and low income residents for a minimum of 55 years following the issuance of the Certificate of Occupancy. Affordability restrictions are as follows:

- 20 Extremely-low Income Units
- 10 Very-low Income Units
- 15 Low Income Units
- 1 Unrestricted Manager's Unit

Veteran's Village of Carson

On June 21, 2016 the Housing Authority and Thomas Safran and Associates ("TSA") approved an ENA to negotiate the terms of an Affordable Housing Agreement ("AHA") whereby the Housing Authority would provide financial assistance to TSA for development of the proposed project. TSA is currently under a contract to acquire the Agency Property, as well as a separate contract to acquire the privately-owned Adjacent Property. Together the parcels total 1.17 acres and present a great opportunity to develop an impressive gateway when entering the city from the west.

The City Council's Housing Subcommittee directed staff in 2015 to look for development opportunities and housing programs for veterans. This project will grant leasing preference towards veterans of the US armed forces and would provide 40-units of multi-family workforce housing. The property is zoned mixed-use; therefore the proposed project would be permitted by right under the current zoning regulations, the Carson Street Master Plan.

TSA has a very positive track record in Carson with different housing types, including the Gateway senior project and the Villagio project, and has also demonstrated experience in the development of veteran housing with the recent completion of its 44-unit Veterans Village project in Glendale.

The ENA will be for a period of 180 days. The terms and conditions negotiated during the ENA period will be memorialized in an AHA that will be presented to the Authority Board for approval. Both this project and the ENA with Meta Housing for artist affordable housing are essential for the City to meet the requirements of a Cal ReUse grant for the former Boulevards project.

TSA has proposed a new affordable multi-family housing development with leasing preference for veterans of the US armed forces. The project is being proposed on the 1.16 acre site located at 600-610 W. Carson Street and 21723-21725 South Figueroa Boulevard, Carson, California. The

proposal includes 40 units and on-site amenities that include a community room, fitness room, media room, lush gardens, courtyards, wellness classes and resident services (see attached rendering).

The site offers numerous neighborhood services and amenities that make it an ideal candidate for a mixed-use affordable housing development. Therefore, the proposed project will include approximately 3,000 square feet of ground floor retail/commercial space.

In addition to the CAL ReUSE Regulatory Agreement recorded against the property, a regulatory agreement restricting income affordability levels will be recorded against the Property to specify the terms of affordability restrictions of the units to extremely-low, very-low, and low income residents for a minimum of 55 years following the issuance of the Certificate of Occupancy. Affordability restrictions are as follows:

- 8 Extremely-low Income Units
- 18 Very-low Income Units
- 13 Low Income Units
- 1 Unrestricted Manager's Unit

The Successor Agency will sell the Property at 600-610 West Carson Street to TSA at fair market value in an 'as-is' condition through a grant deed. The property on Figueroa is under contract with a private party. In addition, the Housing Authority will provide project assistance in the amount of at least \$5,000,000 towards Project development costs (Cash Assistance), which will cover the cost of all of the land acquisition plus an amount sufficient to make the project competitive in the TCAC process.

As part of its financial plan, TSA is applying for tax credit financing through the California Tax Credit Allocation Committee (TCAC). As a condition of receiving its TCAC allocation, the Developer must finalize the AHA with the Housing Authority. Pursuant to the AHA, the Developer may be allowed to apply for a tax credit allocation up to four consecutive times before the AHA terminates or is re-negotiated.

The use of housing funds for development of this affordable housing development exempts the Project from prevailing wage requirements. In the event that the Developer is required to or is determined to be responsible for paying prevailing wages for the Project, Developer will indemnify the Authority from potential prevailing wage requirements and responsibility.

Housing Authority support of affordable housing projects is consistent with the City of Carson's Housing Element and with the Redevelopment Agency Plan and related Five-Year Implementation Plan.

2. Description of area jobs, community amenities, and transit:

The bulk of this section remains unchanged from the April application but has been removed from this document. For information on jobs or community amenities, please refer back to the

April 2016 application.

3. Description of the population the **Infill Development Project** will serve:

The majority of existing affordable properties in the area are experiencing occupancy levels of 97 percent or higher and many of the comparable projects maintain waiting lists. There is an ongoing need for the creation and maintenance of affordable housing in the area over the foreseeable term.

The two sites will provide affordable multifamily housing and will represent newly constructed apartments that are in strong demand in the area. The Carson Street site is located in a mixed-use neighborhood. Retail, transit, and medical facilities are located within close proximity to the site. The proposed site will positively impact the neighborhood, which is well suited for this type. The Main Street site is at the edge of a residential neighborhood but in close proximity to most of the same amenities as the Carson Street location.

The population within the Carson area increased from 130,060 to 132,886 from 2000 to 2010, which represents a 0.2 percent annual increase. From 2010 to 2014, the population increased to 134,014, which also represents a 0.2 percent annual increase. This is a slow growth rate, though the population is forecasted to continue to increase through 2019 at a faster rate of 0.4 percent. At the time of market entry, 2019, the population is expected to be 135,777 in the area.

The largest income cohorts in the area during 2014 are the \$10,000 to \$19,999 and \$20,000 to \$29,999 brackets, followed by the \$30,000 to \$39,999 bracket. Approximately 55.6 percent of renter households earn less than \$40,000 annually in the area and 75.7 percent of renter households earn less than \$60,000 annually in the PMA. **Section 6.E.** has additional discussion the issues facing renters in Southern California.

B. Pro forma: Provide a budget, including rents (both commercial and residential), the first year operating budget, and total development budget including homeownership prices and unit mix. These are attached as **Exhibit 25.**

C. Identify any potential funding sources or financial means to finance the Brownfield Development Project and the Infill Development Project:

The remediation portion of the Brownfield Development Project (Cell 2) will be funded by a combination of previous developer equity, Redevelopment Agency bond proceeds, and funds recovered from PRPs by DTSC, in addition to the \$5,000,000 received under the prior CALReUSE grant. The ultimate commercial development on the project will be funded by developer equity and debt. The Sources and Uses for the Remediation Project are shown in **Section 5.O.** above.

The Infill Development Project will be funded by Carson Housing Authority funds (loans, grants and land contribution), LIHTC equity, and a small amount of permanent debt.

D. Timeline providing dates of commencement and completion of both the various components of the Project and the complete Infill Development Project:

The timelines for the two Infill Projects are included in **Exhibit No. 24**.

E. Goals and objectives of, and the benefit to the community from, the Infill Development Project:

This section has changed from the April 2016 application.

Since the original Grant award to Carson Marketplace in 2009, the development of affordable housing in Southern California has overshadowed one of the most important land use issues of our time, sustainability, in terms of urgency and immediate impact on quality of life in California. Sustainable development is important to urban planning, with the recognition that current consumption and living habits may be leading to problems such as the overuse of natural resources, ecosystem destruction, urban heat islands, pollution, growing social inequality and large-scale climate change. Affordable housing, however, is related to sustainability because its stabilizing effects on communities and the ability to reduce automobile use by developing denser, better located communities for workers at every income level.

Like much of the Los Angeles area, the South Bay has felt the effects of underbuilding housing of all types, particularly affordable housing, and finding renters squeezed out of the region, or into substandard housing, or out of housing altogether. With pressure at all income levels, even an attempt to “develop” market rate housing, sometimes through condominium conversions, can have devastating impacts for apartment dwellers, such as when a building is purchased and eviction notices go out.

The housing crunch is significant in Los Angeles County, by any economic measure. A database of housing affordability statistics created by The Associated Press shows the Los Angeles/Orange counties region consistently ranks among the U.S. markets that most stretch the household budgets of homeowners and renters. Data came from census figures through 2014, the latest available.²

Among the 40 largest U.S. metro areas, census figures show L.A.-O.C. had the lowest homeownership rate, the most financially stressed owners and the highest percentage of middle-age households that were renters. The region’s population and economic growth has outpaced local willingness to build more housing. For example, for every four jobs created in L.A.-O.C. and the Inland Empire from 2011-2014, only roughly one new housing unit was permitted. From 2010 to 2014, the L.A.-O.C. region added 349,000 jobs, 6.7 percent growth that topped the 3.9 percent growth seen in the nation’s 40 largest metro areas combined, government job stats show.

As a result, heavy demand for rentals pushed up rents by 3 percent in the region. The two

² “Renters feeling brunt of Southern California housing crunch,” By Greg Yee, *Press-Telegram* and Megan Barnes, *Daily Breeze*, Online article POSTED: 06/25/16, 4:50 PM PDT |

counties had the third-highest share of renters spending more than 30 percent of their income on housing among the 40 largest markets, at 53 percent. Housing's steep financial toll isn't just a simple pocketbook issue. It forces people to cram into residential units — or take long commutes — to save money. That crowds neighborhoods and freeways and puts extra wear and tear on the region's infrastructure. To combat financial strain, local renters double up in pricey units. In 2014, L.A.-O.C. had the second-most crowded rentals among the 40 largest U.S. markets, with 2.9 people per unit, census data shows.

Each year, Southern California adds the equivalent of a new Pasadena, a new Victorville or a new city of Orange to its population.³ The Southern California Association of Governments projected the region will add 433,000 households from 2014 through 2021, or almost 62,000 households a year. In addition, the nonpartisan state Legislative Analyst's Office said in a 2015 report the region needs to build roughly 100,000 units annually to keep housing costs in line with national price gains. But the region averaged fewer than 48,000 units a year from 2000 through 2015, according to building permit data from the California Homebuilding Foundation's Construction Industry Research Board report.

As a result, low-income households are spending more of their earnings on housing, homeownership rates are lower, Californians are four times more likely to live in crowded conditions and commutes are 10 percent longer, the Legislative Analyst's report said.

In addition to sustainable development benefits, an additional community benefit of the Infill and Development Project is the removal of a source of blight that is dragging down the value of surrounding properties. This Development Project will also create amenities that increase property values. The Project will demonstrate the profit potential of the neighborhood to the wider marketplace, leading others to consider the neighborhood a good economic bet. The goal is to catalyze a chain reaction of positive neighborhood-wide improvement.

This is as true of the Development Project as the Infill Project. The primary goal of the Infill Development Project itself is to create attractive living space within walking distance of entertainment and shopping amenities. The mixed use nature of the project reduces car trips and creates a more cohesive community. The Infill Development Project also increases Carson's much needed affordable housing stock and promotes social and economic diversity within the development. The TSA project is on Carson's main east-west street, Carson Street, and will replace a vacant lot (owned by the Successor Agency) and a blighted liquor store and parking lot. The Meta Housing project will replace an obsolete and unsightly automotive use and create an attractive buffer between the single family home neighborhood to the south and the industrial property to the north. The parcel itself is also very deep and narrow and has limited commercial utility.

³“How to solve Southern California's housing crisis,” By Jeff Collins, jeff.collins@ocregister.com, *Orange County Register*, Online article POSTED: 07/02/16, 7:11 PM PDT. Staff writers Neil Nisperos, Kelcie Pegher and Megan Barnes contributed to this report.

F. Description of community involvement and local government support for the Infill Development Project:

The City of Carson is fully supportive of the Development Project and the Infill Development Project (see City's letters attached as **Exhibit 28**). In general, the community has been very supportive of both projects.

7. Requirements for Application Scoring

If your Project meets a given criterion below and you have the supporting evidence required for that criterion, check the applicable box.

A. Readiness to proceed (40 points)

1. Environmental Review (10 points): *The Applicant has demonstrated that environmental review can be completed and all necessary entitlements can be received from the local jurisdictions within two years of receiving the award.*

Attach narrative statement supporting the above statement as **Exhibit 26**.

The environmental review on the Brownfield Remediation Project has been completed – the Specific Plan was approved and the Environmental Impact Report on the Carson Marketplace Specific Plan (attached in **Exhibit 26**) was certified by the City of Carson on February 8, 2006. The revised Cell 2 Project is within the development envelope of the EIR and is allowed to be entitled under the Amended Specific Plan.

The entitlements necessary for the two Infill Development Projects are described in **Exhibit 26**.

2. Funding Commitments (10 points): *Funding commitments are in place, or financing applications are under review, for the Infill Development Project.*

Fill in table below regarding the Infill Development Project.

Name of Funding Source	Amount of Funds	Type of Funds (loan, etc)	Term (if loan)	Interest Rate (if loan)	Current Status
1. Carson Redevelopment Agency/Successor Agency	\$120,000,000	Assistance based upon developer guarantee	8 years	5.5%	<input type="checkbox"/> Under Review <input checked="" type="checkbox"/> Committed <input checked="" type="checkbox"/> Received
2. Department of Toxic Substance Control	\$7,400,000	PRP collected funds.	N/A	N/A	<input type="checkbox"/> Under Review <input type="checkbox"/> Committed <input checked="" type="checkbox"/> Received

3. Developer Equity	\$33,372,209	Equity	N/A	N/A	<input type="checkbox"/> Under Review <input type="checkbox"/> Committed <input checked="" type="checkbox"/> Received
4. Cal REUse Grant	\$5,000,000	Grant	7 years	N/A	<input type="checkbox"/> Under Review <input type="checkbox"/> Committed <input checked="" type="checkbox"/> Received
Total: \$ 158,372,209		(Should be equal to Development Budget in Section 6.B.)			

The Infill Project pro formas are included in Exhibit 25.

3. Support (10 points): *The Infill Development Project has local community and government support.*

Attach support letter from local community as **Exhibit 27**.

- AND -

Attach support letter from government as **Exhibit 28**.

4. Cleanup Plan Approval (5 points): *Cleanup Plan has been approved by an Oversight Agency.*

Attach approved Remedial Action Plan or Cleanup Plan as **Exhibit 3**.

5. Permit Status (5 points): *Applicant has building permits, and all other governmental permits (encroachment, right of way, demolition, air quality permits, etc) in place or under review.*

All necessary building and governmental permits are listed in **Exhibit 23** and are either in place or under review. Attach proof of permits' status as **Exhibit 29**.

B. Location within an Economically Distressed Community (30 points):

Yes No

If Yes, check the definition (1-7) of Economically Distressed Community that applies to your Project and attach proof as **Exhibit 30**:

1. A community with an unemployment rate equal to or greater than 125% of the statewide average based on the California Employment Development Department's most recent annual average for sub-county areas.

2. A community with median family income of less than 80% of the statewide average based on the most recent census data available for cities or Census Designated Places. (If no city or Census Designated Place level data is available,

or if the Applicant chooses to identify an area that is smaller than a city or Census Designated Place, such as census tract or tracts, smaller areas will be used.)

- 3. A community with a poverty rate equal to or greater than 110% of the statewide average based on the most recent census data available for cities or Census Designated Places. (If no city or Census Designated Place level data is available, or if the Applicant chooses to identify an area that is smaller than a city or Census Designated Place, such as census tract or tracts, smaller areas will be used.)
- 4. A state designated Enterprise Zone (including a Local Agency Military Base Recovery Area, Manufacturing Enhancement Area or Targeted Tax Area).
- 5. A federally designated Empowerment Zone or Enterprise Community.
- 6. A redevelopment project area adopted pursuant to California Health and Safety Code Sections 33000 et seq., where the Strategic Partner determines that the project area meets the definition of blighted area contained in California Health and Safety Code Section 33030.
- 7. A city or county with a military base designated for closure pursuant to the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526), the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510), or any subsequent closure approved by the President of the United State without objection by the Congress. The provision will apply to proposed projects within two miles of a military base closure in an urban setting and to proposed projects within five miles of a military base closure in a rural setting.

C. Location within a priority development area of a local government entity or regional council of governments (10 points): Yes No

Provide proof as **Exhibit 31**.

D. Depth of Affordability (10 points):

- 1. 50% of Area Median Income (5 points)
- 2. 40% of Area Median Income (10 points)

Fill in Affordability & Density Calculation Worksheet and attach as **Exhibit 11**.

E. Percentage of Affordability (15 points)

- 1. Less than 30% but greater than 15% of the total number of units (5 points)
- 2. Equal to or more than 30% but less than 50% of the total number of units (10 points)
- 3. Equal to or more than 50% of the total number of units (15 points)

Fill in Affordability & Density Calculation Worksheet and attach as **Exhibit 11**.

F. Utilization of Green Building Methods (5 points)

If the Project meets one of the following, check the corresponding box and attach evidence of pursuit of standard and preliminary calculations as **Exhibit 32**:

- 1. LEED Certified
- 2. Exceeds Title 24 Standards by 30%
- 3. Achieves minimum 60 GreenPoint Rating Points

G. The Cleanup Plan for the Brownfield Infill Project does NOT Require Ongoing Operation and Maintenance (10 points):

Yes (does not require) No (requires)

If No, will Operation & Maintenance be complete within the term of the Grant or Loan agreement? Yes No

If yes, attach evidence that O& M will be complete within term of the Grant or Loan agreement as **Exhibit 33**.

Total Points Possible: 120

DOCUMENT CONTINUES ON NEXT PAGE.

8. Legal Status of Applicant

A. Provide information regarding any past or current bankruptcies, loan defaults, foreclosures, convictions, or criminal, civil or administrative investigations, orders, proceedings, litigation, settlements, or judgments relating to land development or brownfield cleanup, by or involving the Applicant or to which the Applicant is or was a party within the ten years immediately preceding the Infill Application.

None.

B. Provide all information required by the form on the following page titled *Legal Status of Applicant and Project Sponsor* in accordance with the three paragraphs below. Print and sign the form, and attach as **Exhibit 34**. If applicable, an Operator must complete a separate form.

CALReUSE Legal Questionnaire

For purposes of the following questions, the term "applicant" shall include the applicant and the project sponsor, the parent of the applicant and the project sponsor, and any subsidiary of the applicant or project sponsor if the subsidiary is involved in (for example, as a guarantor) or will be benefited by the application or the project. Public entity applicants without fiscal responsibility for the proposed project, including but not limited to, cities, counties, and joint powers authorities with 100 or more members, are not required to respond to this questionnaire.

In addition to each of these entities themselves, the term “applicant” shall also include the direct and indirect holders of more than ten percent (10%) of the ownership interests in the entity, as well as the officers, principals and senior executives of the entity if the entity is a corporation, the members of the board of directors of a for-profit corporation, the general and limited partners of the entity if the entity is a partnership, and the members or managers of the entity if the entity is a limited liability company.

Note: Members of the boards of directors of non-profit corporations, including officers of the boards are not required to respond to the questionnaire. However, Executive Directors, Chief Executive Officers, Presidents, or their equivalent and the Chief Financial Officers, the Treasurers, or their equivalent must respond. Additionally, the individual who will be executing the bond purchase agreement, if different from any of the above, must also respond.

LEGAL STATUS OF APPLICANT AND PROJECT SPONSOR

Applicant (Borrower/Grantee) Name: Carson Reclamation Authority

Disclose material information relating to any legal or regulatory proceeding or investigation in which the applicant/borrower/project sponsor is or has been a party and which might have a material impact on the financial viability of the project or the applicant/borrower/project sponsor. Such disclosures should include any parent, subsidiary, or affiliate of the applicant/borrower/project sponsor that is involved in the management, operation, or development of the project.

Disclose any civil, criminal, or regulatory action in which the applicant/borrower/project sponsor, or any current board members (not including volunteer board members of non-profit entities), partners, limited liability corporation members, senior officers, or senior management personnel has been named a defendant in such action in the past ten years involving fraud or corruption, or matters involving health and safety where there are allegations of serious harm to employees, the public, or the environment.

Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates, the nature of the allegation(s), charters, complaint or filing, and the outcome. For a publicly-traded company, the relevant sections of the company's 10K, 8K, and 10Q most recently filed with the Securities and Exchange Commission may be attached in response to question #1. With respect to a response for question #2, previous 10K, 8K, and 10Q filings of the company may be attached if applicable.

I certify this information contained in the legal questionnaire is accurate and complete.

Signature: _____

Date: _____

Title: Executive Director

9. Applicant Certification

Fill out all form fields in this document, print, and sign before a notary. Attach the signed and notarized form as **Exhibit 35**.

APPLICANT CERTIFICATION

This form must be signed and notarized

The undersigned, the Carson Reclamation Authority ("Applicant"), hereby affirms and agrees to all of the following:

1. To provide all Infill Application-related documentation to the Center for Creative Land Recycling ("Strategic Partner") upon request;
2. That the Infill Application will be evaluated according to the Authority regulations, and that an Infill Grant or Infill Loan is not an entitlement;
3. That information submitted to the Strategic Partner or the Authority is subject to the California Public Records Act (Government Code Sections 6250, et seq.); and
4. Under penalty of perjury, that all information provided to the Strategic Partner or the Authority is true and correct, and that the Applicant has an affirmative duty to notify the Strategic Partner and the Authority of changes causing information in the Application or other submittals to become false.

By: _____

By: _____

Date: _____

Date: _____

Name: John S. Raymond

Name:

Title: Executive Director

Title:

List of Exhibits

Exhibit 1.a. Primary Applicant's previous experience and qualifications of key personnel

Attached

Exhibit 1.b. Secondary applicant's previous experience and qualifications of key personnel

Attached

Not Applicable. Only one applicant

Exhibit 2. Evidence that the Project promotes development and is required by the local governing body

Attached

Not Applicable

Exhibit 3.a. Approved Remedial Action Plan or Cleanup Plan

Attached **Refer to April 2016 Application**

Not Applicable. RAP/CP not yet approved, but draft is attached as Exhibit 4a

Exhibit 3.b. Proof of Approval

Attached **Refer to April 2016 Application**

Not Applicable. RAP/CP not yet approved, but proof of draft submission is attached as Exhibit 4b

Exhibit 4.a. Draft of RAP or CP

Attached

Not Applicable. Approved RAP/CP is attached as Exhibit 3a

Exhibit 4.b. Proof of RAP or CP draft submission

Attached

Not Applicable. Proof of RAP/CP approval is attached as Exhibit 3b

Exhibit 5. Phase I All Appropriate Inquiry (AAI)

Attached **Refer to April 2016 Application**

Exhibit 6. Proof of legal interest in property

Attached **Refer to April 2016 Application**

Not Applicable. Applicant is Owner

Exhibit 7. Signed permission to access Brownfield

Attached

Not Applicable. Applicant is Owner

Exhibit 8. Signed permission to conduct remediation

- Attached
- Not Applicable. Applicant is Owner

Exhibit 9. Documentation and explanation that the Project is consistent with regional or local land use plans, or will be pending change to plan.

- Attached **Refer to April 2016 Application**

Exhibit 10. Letter from local planning director if consistency with regional or local land use plans depends upon pending change to plans

- Attached
- Not Applicable. Project is already consistent with plans and proof is attached as Exhibits 9a and 9b

Exhibit 11. Affordability & Density Calculation Worksheet

- Complete and attached

Exhibit 12. Evidence that income-restricted rental units are subject to a recorded covenant that ensures affordability for at least 55 years and that income restricted for-sale units are subject to a recorded covenant for at least 30 years or equity sharing upon resale

- Attached
- Not Applicable. Project does not include income-restricted units

Exhibit 13. Evidence of a development agreement per Health and Safety Code Section 53545.13(c)(2)(D)

- Attached
- Not applicable. Grant not requested or 15% of proposed units are affordable

Exhibit 14. Default densities chart showing required net density

- Attached
- Not Applicable. Project located in rural area.

Exhibit 15. Evidence that Project is located in a rural area

- Attached
- Not Applicable. Not applying as a rural area Project.

Exhibit 16. Justification for acreage to be used to determine average density

- Attached

Exhibit 17. Statement if request amount is over \$5 million.

- Attached
- Not Applicable. Request amount is not over \$5 million

Exhibit 18. List of Owners and Operators

Attached

Not Applicable. Complete list of Owners and Operators provided in Table 5.G

Exhibit 19. Maps, documents, and descriptions detailing current use and zoning of Brownfield, all adjacent property and surrounding neighborhood

Attached and clearly labeled **Refer to April 2016 Application**

Exhibit 20. Maps, documents and descriptions detailing existing site layout, and proof of previous development if vacant

Attached and clearly labeled **Refer to April 2016 Application**

Exhibit 21. Maps, documents and descriptions detailing public infrastructure

Attached and clearly labeled **Refer to April 2016 Application**

Exhibit 22. Budget and Timeline Worksheet

Completed and attached

Exhibit 23. Table of expected permits and approvals

Attached

Exhibit 24. Plans or maps describing proposed Infill Development Project

Attached

Exhibit 25. Pro forma

Attached

Exhibit 26. Statement confirming that environmental review can be completed and all necessary entitlements received within two years of receiving award

Attached

Exhibit 27. Support letter from local community

Attached **Refer to April 2016 Application**

Do not have local support

Exhibit 28. Support letter from government

Attached

Do not have government support

Exhibit 29. Proof that all building and governmental permits are approved or under review

Attached

Not all permits are approved or under review

Exhibit 30. Proof of location within Economically Distressed Community

- Attached **Refer to April 2016 Application**
- Not located within an Economically Distressed Area

Exhibit 31. Proof of location within priority development area

- Attached **Refer to April 2016 Application**
- Not located within a priority development area

Exhibit 32. Documents evidencing pursuit of standard and preliminary calculations proving utilization of green building methods

- Attached
- Project not seeking certification of green building methods

Exhibit 33. Proof that project will not require continued Operation and Maintenance (O & M)

- Attached
- Project will require O & M beyond the term of agreement

Exhibit 34. Legal status of Applicant and Project Sponsor

- Attached *and* signed

Exhibit 35. Applicant certification

- Attached *and* signed *and* notarized

Exhibit 36. Scoring Criteria Worksheet

- Completed and attached



File #: 2016-871, Version: 1

Report to Carson Reclamation Authority

Tuesday, August 02, 2016

Discussion

SUBJECT:

RECEIVE A COPY OF THE CARSON RECLAMATION AUTHORITY'S REQUEST FOR QUALIFICATIONS FOR A MASTER DEVELOPER FOR THE BALANCE OF THE 157 ACRE FORMER CAL-COMPACT LANDFILL SITE

I. SUMMARY

This is the Request for Qualifications to allow the Carson Reclamation Authority to select a Master Developer to develop the majority of the 157-acre former landfill site the Authority acquired in May, 2015. This is separate from the negotiations with Macerich on Cell 2 (46.33 acres). This RFQ is presented to the CRA Board for informational purposes only.

II. RECOMMENDATION

RECEIVE the Request for Qualifications.

III. ALTERNATIVES

TAKE another action the Reclamation Authority deems appropriate.

IV. BACKGROUND

The objective of this Request for Qualifications is to allow the Carson Reclamation Authority to select a Master Developer to develop the majority of the 157-acre former landfill site the Authority acquired in May, 2015. This agreement is for four of the five former landfill cells on the site, as the Authority and City have reached agreement with Macerich on Cell 2 for the development of a factory outlet mall, and that cell is excluded from this RFQ. Similar to the structure of the previous ownership of Carson Marketplace, the Master Developer may undertake all of the vertical development on the site, some of it, or only fulfill the "Master Developer" role by completing the remediation, installing the structural piles and building foundation system, and negotiating the development deals with the ultimate builders.

In the interest of time, this is an RFQ process, not an RFP. Developers are not required to prepare detailed site plans or elevations, but rather present their firm's qualifications as well as a conceptual design and business development proposal encompassing the features of the proposal based on the current entitlements. The Authority could choose to negotiate with the successful developer based on the firm's qualifications, the conceptual proposal, or a combination of the two.

In terms of experience, the RFQ asks for the Development company's or principals' project experience, especially with major mixed use projects and with projects developed on previously contaminated land. Alternatively, it asks the Developer to demonstrate the following from its development partners or consultants: significant development experience, specifically major mixed use development experience and with projects developed on previously contaminated land, is desirable from the other development partners, especially if the development company principals lack specific mixed use or contaminated land development experience.

Proposers are asked to describe their conceptual proposal and articulate how their development concept conforms (or doesn't) to the Specific Plan, demonstrate the market feasibility of the proposal, and describe their experience in developing such a project on other sites. Furthermore, since the Project Site is a former landfill, proposers must be able to demonstrate their familiarity with developing on contaminated land, particularly on landfills, or that they have a strong team of environmental advisors.

On the conceptual proposal portion of this RFQ, the Authority has asked developers to demonstrate their understanding of the Carson retail and residential markets and approach to the project, and what the proposed amenity package would be. This section is for the Developer to propose and discuss the likely set of land uses on Cells 1, 3, 4, and 5. Furthermore, there is an approved site plan that is the basis of the Specific Plan, Development Agreement, Fixed Price Contract with Tetra Tech, Cost Cap Policy with AIG, and the DTSC permit. If the Developer proposes other than what has been already approved, they were asked to describe:

- How different from the approved site plan is the proposed project, i.e. is it substantially big box retail, does it contain a residential element, are there cells the Developer would propose to leave for a future development cycle?
- What type of retail would be most suitable for the remaining four cells?
- If the Developer proposes residential for any portion of the site, what is the proposed product type, e.g. apartments vs. for-sale condominiums?
- Does the Developer propose any land use not considered in the approved site plan? (This could include any public space such as parks or sports facilities, or certain types of entertainment facilities, or office or non-retail commercial uses.) Does the Developer propose leaving approved land uses out of the plan? If so, why?
- If proposing a hotel, what market segment is the proposed hotel? What market would the Developer anticipate the hotel serving (e.g. business, retail shoppers, or patrons of other entertainment uses in Carson, such as the StubHub Center or Porsche)?

In order to improve the flow of information between the Authority and the proposers while maintaining a fair and equitable process, the Authority is using a “Request for Information” or “RFI” process to answer questions developers may have about the project, the project site or the selection process. All questions were submitted in writing and answered by the Authority via addenda to the RFQ which was emailed to all registered proposers. There were several issues where staff needed to seek DTSC concurrence prior to answering the questions, which was obtained last week.

The original submittal deadline was Thursday, July 28. Based on how long it took to answer questions, staff extended the submittal deadline for four weeks. All proposals will now be due at the offices of the Carson Reclamation Authority by 4:00 p.m. PDT on Thursday, August 25. Postmarks will not be accepted. Please include one original and three (3) copies. The remaining RFQ process is now as follows:

- Deadline for receipt of proposals Thursday, August 25, 2016.
- Proposer short list Thursday, September 15, 2016
- Interviews to be scheduled for late September-early October 2016
- Recommended selection of Master Developer at First or Second CRA/City Council Meeting in November (anticipated)
- ENA for Master Developer - December 2016/January 2017

V. FISCAL IMPACT

There is not a fiscal impact directly from the issuance of the RFQ. The ultimate fiscal impact will be determined by the selection of the developer and the nature of their proposed plan.

VI. EXHIBITS

1. Request for Qualifications for Master Developer. (pgs. 4-34)

1.

Prepared by: John S. Raymond, CRA Executive Director

Carson Reclamation Authority

Master Development of the Former
Cal-Compact Landfill Site on the
I-405 Freeway
Request for Qualifications and
Conceptual Proposals

Please Read This Page First

The objective of this Request for Qualifications is to allow the Carson Reclamation Authority (“Authority”) to partner with a Master Developer to develop the majority of the 157-acre former landfill site the Authority acquired in May, 2015. The Master Developer may undertake all of the vertical development on the site, some of it, or only fulfill the “Master Developer” role by completing the remediation, installing the structural piles and building foundation system, and negotiating the development deals with the ultimate builders.

In the interest of time, this is an RFQ process, not an RFP. Proposers should be able to describe their conceptual proposal and articulate how their development concept conforms (or doesn't) to the Specific Plan, demonstrate the market feasibility of the proposal, and describe their experience in developing such a project on other sites. Furthermore, the Project Site is a former landfill, proposers must be able to demonstrate their familiarity with developing on contaminated land, particularly on landfills, or that they have a strong team of environmental advisors.

This agreement is for **four of the five** former landfill cells on the site, as the Authority believes it has reached agreement with a developer on Cell 2, and has excluded that cell from this RFQ.

In order to improve the flow of information between the Authority and the proposers while maintaining a fair and equitable process, the Authority will use a “Request for Information” or “RFI” process to answer questions developers may have about the project, the project site or the selection process. All questions should be submitted in writing and will be answered by the Authority via addenda to this RFQ which shall be emailed to all registered proposers. If you or your firm plans to respond to this RFQ, *or is even considering responding*, please register in the process as follows:

Send an email to jraymond@carson.ca.us with “Include me in the RFQ process” in the subject line or in the body of the email. You will receive a confirmation by email that you are registered for the process. In addition, if there are other parties within your organization that should be notified of addenda, please include their email address in the body of your email. Only parties that have confirmed their participation will receive email addenda.

Requests for project documents will be filled by creating a repository of documents that may be downloaded.

Request for Qualifications

1. Introduction

1.1 Objective

The Carson Reclamation Authority (“Authority”) is seeking qualifications and conceptual proposals from commercial, retail and residential developers (“Developers”) interested in undertaking the master development of the majority of an approximately 157+ acre parcel located between the Del Amo Bridge and the Avalon Boulevard exit on the I-405 Freeway, which represents over 2,200 linear feet of frontage on one of the nation’s busiest freeways. The parcel is the former Cal-Compact Landfill (“Project Site”). The Authority’s objectives in the project are to develop a quality retail or mixed use destination that would capitalize on the unique proximity to three major freeways and access to the Southern California market, increase sales tax to the City and would increase hotel room nights in the city, thereby increasing Transient Occupancy Tax (TOT) revenues. The proposed development would also create a community amenity and sense of place for Carson and surrounding communities.

The Property is owned by the Carson Reclamation Authority, a joint powers authority (the “Authority”), pursuant to a Settlement, Release and Indemnity Agreement with the prior owner and original awardee, Carson Marketplace, LLC. Since the loss of redevelopment agencies in California in 2012, the creation of Carson Reclamation Authority was necessary for the City to fulfill its obligations under the former Owner Participation Agreement with Carson Marketplace, LLC. Successor agencies are not allowed to undertake any new obligations, and the City itself wanted to be shielded from the potential environmental liability of owning a former landfill site.

The Carson Reclamation Authority was established on February 17, 2015 through the adoption of a Joint Powers Agreement and the Bylaws of the Carson Reclamation Authority by the members. The First Amended Joint Powers Agreement of the Carson Reclamation Authority was approved March 17, 2015. The Authority now owns the Project Site.

The Authority chose to use the RFQ-Negotiate process to increase the quality of proposals received and to assist in selecting its development partner as quickly as possible in order to keep the project within the current development cycle. It is also felt that the RFQ-Negotiate process allows the developer maximum flexibility and creativity in putting together a response to this solicitation.

1.1.1 Mixed Use Project

The Authority desires to negotiate with a developer to construct or facilitate the construction of a high quality retail or mixed use project on the Project Site in order to benefit the City of Carson and be helped by the Project Site’s unique access adjacent to multiple freeways and location within the densely populated South Bay trade area. The Authority’s further objective is that the completed project be a “signature” property for Carson that would establish its own regional reputation for quality and luxury.

Note: The Project Site for the purpose of this RFQ excludes Cell 2 (see map of the landfill cells in Exhibit 3.) The City and Authority have been negotiating with a major shopping center developer and anticipate in the near term entering a separate agreement with that developer, which would not be part of or subject to the Master Developer Agreement which is the subject of this RFQ. That project, on about 40 acres, would be a high end factory outlet mall.

The entire Project Site had been conceptually designed, approved and entitled for a development known as The Boulevards at South Bay, which was designed to create a unique and vibrant center for the City of Carson. Plans were to develop the site with a central entertainment complex (including destination theaters, a live music venue, restaurants, outdoor cafes and a large outdoor promenade area) and up to 400 for-rent residential units, 1,150 for-sale residential units, 300 hotel rooms, and total retail space of about 1.25 million square feet (see "Entitlements" below). The property was located within Carson's Redevelopment Project Area No. 1, which allowed for residential and commercial development.

In early 2015, the Site was proposed as the location for an NFL stadium, as the City and the Reclamation Authority reached an agreement with the proposed NFL teams, the San Diego Chargers and the Oakland Raiders, proposing the development of an NFL stadium at the Site. Based on the decision of the NFL owners, the stadium will instead be built by the Los Angeles Rams and located in the nearby City of Inglewood.

The Project Site remains approved for the mixed-use development, although the ultimate configuration of the development may be modified from that anticipated by the Boulevards at South Bay. The Development Project could promote infill residential and mixed-use retail development. However, the location and nature of the project components may differ from the previously approved plan, or from developer to developer.

1.1.2 Requested Scope of Developer Activity

Since the end of the NFL project, the Authority has been approached by a number of solid, experienced development firms with a great interest in the Site, some interested in the approved Carson Marketplace plan and others with a different concept. Therefore, the Authority believes it has a number of alternatives it can pursue with respect to the 157 Acre Site, including negotiating directly with prospective developers on individual portions of the Project Site ("Cells"), but the Authority believes there may be some advantages to working with a Master Developer to update the Specific Plan and expedite completion of the land development of the 157 Acre Site in order to attract the type and quality of uses that will offer the greatest long term benefits to the City and its residents.

Given the timing of the negotiations with the Cell 2 developer, however, the Authority has chosen to exclude that Cell from this RFQ.

In furtherance of such a plan, the Authority has issued this RFQ to be able to evaluate different proposals from different developers, and then negotiate the material terms and conditions of such arrangement. These may include:

1.1.2.1 Master Developer Role and Responsibilities

Upon the successful selection of a Master Developer, the Authority will work with the Master Developer to effect revisions as necessary to the existing Specific Plan, Development Agreement, Owner Participation Agreement, Construction Management Agreement and/or other related documentation (the “Development Agreements”). The Development Agreements will task the Master Developer to complete the horizontal development of the 157 Acre Site, including but not limited to assuming responsibility for ongoing carry costs, completion of outstanding remedial work and infrastructure installation as necessary to deliver parcels for vertical construction to individual users. The Master Developer shall: (i) work through the City to update the Specific Plan and other existing Development Agreements; (ii) execute to completion the remediation and horizontal site development (which are integrally related) – including the design, scope and implementation of the remaining remediation work, (ii) complete all off- and on-site improvements needed to provide site delivery to each user of parcels within the 157 Acre Site; and (iii) market, source and execute sales and/or ground lease transactions with buyers and tenants for the different surface parcels pursuant to the updated development plan. The Master Developer may be the vertical developer on any or all of Cells 1, 3, 4 or 5 as well.

1.1.2.2 Completion of Site Remediation

The Master Developer would be responsible for completing the Site remediation:

- The Master Developer and Authority would negotiate a CMA whereby Master Developer will manage on behalf of the Authority the completion of the outstanding Remedial Work (as described below), including the engagement, administration and supervision of environmental and other contractors and project consultants as necessary to obtain HRA certificates from DTSC for closure of each of the 5 landfill cells, finalizing requisite DTSC financial assurances for future operations and maintenance (O&M) of the subsurface portions of the 157 Acre Site.
- Pursuant to the CMA, Master Developer will negotiate and recommend to the Authority modifications to the existing Tetra Tech contract as well as renewals of the current environmental insurance contracts (including the renewal or replacement of the AIG Environmental Protection Program Policy (EPP) and PARLL policies) as necessary to complete the Remedial Work, secure and maintain necessary DTSC approvals and manage the interim operations and maintenance of the existing remedial systems by the environmental contractor. Respondents to this RFQ should describe with specificity their relevant experience as a Master Developer of complex, multi-faceted environmentally contaminated sites and the use of specific forms of environmental and construction insurance to mitigate risk and facilitate an integrated redevelopment for the benefit of multiple parties and insureds. Respondents should also describe their willingness and ability, if any, to assume liability for the remedial work, installation of remedial systems and ongoing O&M activities and to indemnify and hold harmless CRA against the same.

- Authority (subject to any requisite DTSC approvals and to the extent available from existing sources) will make available funds, but not City of Carson General Fund revenues, except pursuant to a tax sharing agreement described in Section 2.1.8 below, from the environmental trust account, the bond proceeds account and any available insurance and/or insurance commutation account proceeds (Available Funding) as necessary to complete the design and construction of the outstanding remedial work for the 157 Acre Site, including but not limited to, outstanding remedial work, piles and pile cap installation for individual vertical uses and any required operations and maintenance (O & M) costs incurred during the development period (all of the above herein referred to as the Remedial Work). The foregoing shall include all hard and soft costs incurred with respect to such Remedial Work.
- Subject to Available Funding, the Master Developer would receive a reasonable fee for services provided by Master Developer pursuant to the CMA, in amount to be determined.

1.1.2.3 Completion of Master Development

Master Developer will, with the input and participation of the Authority, prepare and process updates to the existing Carson Marketplace Specific Plan as needed to:

- Activate the entire Project Site for economic development as soon as currently practicable (provided that no major modifications thereto shall be processed except with the mutual concurrence of Master Developer and Authority).
- Update all Development Agreements to reflect modified Specific Plan, milestones, work previously completed, etc.
- Provide for an Authority-approved enhancement or other amenity to be located within the 157 Acre Site designed for the benefit of the Authority and its residents.

Master Developer and Authority to negotiate a Development Agreement to task Master Developer with the design and development of the balance of the 157 Acre Site less Cell 2 for sale/lease to various component users.

Authority and Master Developer shall negotiate and enter into an Option Agreement providing Master Developer (or affiliate) with the exclusive option to acquire each of the surface parcels located within the 157 Acre Site. Consideration for the Option Agreement by Master Developer shall be deemed to be provided by Master Developer's financial and performance undertakings as described in this ENA (to be superseded by the Development Agreements). The terms of the Option Agreement shall provide for direct participation by the Authority in the Net Proceeds (as discussed below) which become available as a result of the sale or ground lease of each such parcel (or portion thereof) to a User.

1.1.2.4 Monetization of Surface Parcels

One of the objectives of the Authority in selecting a Master Developer would be to assist the Authority in reaping more value from the Site than it may be able to do on its own. There are a number of tasks under this subheading:

- Master Developer to identify and negotiate with users for the sale and/or lease of the residential, retail and other planned vertical developments within the 157 Acre Site. Value to be paid by the users to include:
 - Fair Value for the remediated site delivery to such users; to consist of the fair value of a fully remediated site as entitled and planned for the designated residential, retail or other use(s)
 - Funding of advance deposits for construction of any on-site improvements to be installed by Master Developer, including by way of example: pile/pile cap installation, foundations, surface parking areas, landscaping, etc.
- Authority and Master Developer will share a predetermined percentage of the "Net Proceeds" from the sales and/or ground leasing of the various component parcels of the Project Site. Net Proceeds shall include:
 - All revenue from such transactions, less all design and development costs and expenses incurred by Master Developer (or the Authority) to deliver such parcels to the users thereof, including but not limited to allocated costs of utility and other infrastructure improvements benefitting larger portions of the Project Site, any on- or off-site development costs related to such site as grading, utility installations, pile installations and foundations, remedial expenses not otherwise covered through Available Proceeds, and a reasonable and customary development fee.
 - The specific formulation of Net Proceeds and payment of the participation to the Authority shall be set forth in the Development Agreements; provided that the Authority will share in an agreed-upon amount (in addition to other benefits accruing to the Authority to include property and sales tax sharing accruing as a result of the development of the 157 Acre Site, future CFD revenue and other district financing proceeds. Master Developer will provide regular update reports to the Authority regarding all services performed pursuant to the Development Agreements and ongoing regulatory and other matters affecting the Project Site.

1.2 Proposed Project Site

1.2.1 Site History

The Site is located on the former Cal-Compact Landfill, which consists of five waste cells separated by haul roads which were built on native soil, and which operated from 1959 until approximately 1968. Clean-up of the landfill and implementation of

remediation systems are subject to oversight by the Department of Toxic Substance Control ("DTSC") through a lawsuit entitled California Department of Toxic Substances Control v. Commercial Realty Projects, Inc., et al., (U.S. District Court, Central District of California, Civil Action No. 95-8773). The court entered a Consent Decree in December 1996; a Consent Decree resolving claims against Atlantic Richfield Company, et al. on March 29, 2001; a Supplemental Consent Decree on March 29, 2001; and, Modifications to Supplemental Consent Decree and Defense Group Decree on March 29, 2001 (collectively, the "Consent Decree.")

There was also a Remedial Action Plan approved on October 25, 1995, which requires the installation, operation and maintenance of certain remedial systems, including the landfill cap, gas extraction and treatment system, and groundwater collection and treatment system on the Property.

During the life of the landfill, approximately 6 million cubic yards of municipal solid waste (MSW) and 6.3 million gallons of industrial liquid waste were disposed at the site. A portion of the liquid waste was drilling mud from the local oil wells. Wastes that were permitted to be accepted at the landfill included solid organic and municipal waste, drilling fluids, carbide or acetylene sludge, cleanings from interceptors, clarifiers, screen chambers for the treatment of wastewater from vehicle washing, ceramic manufacturing, laundering, and food processing, sludge derived from the softening of water (lime soda process), paint sludge recovered from water and suspended synthetic rubber, carbon black slurry and diatomaceous earth filter agent (residue from filtering steam condensate). Hazardous substances associated with the landfill have been detected in subsurface soil and groundwater on the property. The contaminants of concern include volatile organic compounds, heavy metals, and petroleum hydrocarbons.

As a result of soil and groundwater contamination at the property, resulting from its former use as a landfill, and the materials accepted for disposal, the DTSC classified the former landfill site as a hazardous substances site. Site investigations have detected the presence of Landfill Gas (LFG) as well as volatile organic compounds (VOCs) and metals in soil and groundwater. RAP implementation, initiated in 2008, resulted in the completion of planned soil compaction, grading to the level of the base of the landfill cap membrane system, installation of approximately half of the LFG extraction wells as well as the LFG flare, and installation and startup of the groundwater extraction and treatment system. In addition, the Landfill Operations Center has been constructed, including its building protection system and the landfill cap in this specific area.

1.2.2 Environmental Remediation

The landfill waste and contamination is being addressed under the supervision and oversight of the DTSC pursuant to the Remedial Action Plan for the Upper Operable Unit that was approved by DTSC on October 25, 1995 and subsequent enhancements/refinements thereof (collectively, the "RAP"). The remedy in the RAP requires installation, operation and maintenance of (1) a landfill cap designed to encapsulate the refuse and create a barrier between future improvements and buried refuse, (2) an active gas collection and treatment system, designed to remove landfill

gasses from under the landfill cap, and (3) a groundwater collection and treatment system designed to contain the groundwater plume and treat the extracted groundwater prior to discharge. In addition to the RAP-required remedy, a building protection system consisting of a secondary membrane liner adhered to foundation slabs, passive venting systems, and monitoring equipment will be installed in buildings on the Site. At present, the Authority is responsible for the installation of the the landfill cap, landfill gas system, groundwater system, and building protection system (collectively, the "Remedial Systems") and has provided a mechanism for long-term operation, maintenance, and monitoring of the Remedial System, as more fully described below. The map of the installed Landfill Gas System is included in Exhibit 2.

1.2.3 Funding and Long-Term Operation

The prior Owner, Carson Marketplace, LLC, retained Tetra Tech, Inc. ("Tetra Tech"), for a period of 20 years, to construct the Remedial Systems, perform long-term operation, maintenance and monitoring of the Remedial Systems, and satisfy other environmental requirements relating to the former landfill refuse under a Fixed Price Operations and Maintenance Environmental Assurance Agreement ("EAA") dated December 31, 2007. Tetra Tech is an international engineering and consulting firm with approximately 12,000 employees, annual revenues of \$2.2 billion (FY 2010), and net assets in excess of \$748 million.

Tetra Tech's services for the 20-year period are being performed for a fixed price, which has been pre-funded by Carson Marketplace. The terms and conditions of Tetra Tech's obligations are set forth in two agreements, the Fixed Price Design and Construction Environmental Assurance Agreement and the Fixed Price Operation and Maintenance Environmental Assurance Agreement (collectively "EAAs"). Under Section X of the EAAs, Tetra Tech has provided a broad indemnity to Carson Marketplace and its assignees (including, now, the Carson Reclamation Authority) for claims and losses arising from Tetra Tech's performance of the services.

Tetra Tech is obligated to construct the Remedial Systems, perform long-term operation, maintenance, and monitoring of the Remedial Systems, and satisfy environmental requirements relating to the landfill refuse for a fixed price, irrespective of the actual cost of such services. Between funds contributed directly by Carson Marketplace and issuance of remediation-related bonds and cash payments by the Authority of Carson's Redevelopment Agency, the fixed price has been pre-funded into an escrow account at Wells Fargo Bank ("Wells Fargo") and an Environmental Protection Program Policy (the "EPP Policy") that Carson Marketplace has purchased from American International Special Lines Insurance Company ("Insurer" or "AIG").

The escrow account received funds to provide for construction of the landfill cap, landfill gas system, and building protection system, and the EPP Policy received funds to provide for construction of the groundwater system and operation, maintenance, and monitoring of all Remedial Systems. Wells Fargo and Insurer have paid Tetra Tech as work has been completed based upon the terms of the EAAs, the escrow agreement, and the EPP Policy. Outside of seeking payment from Wells Fargo, as the escrow agent, and Insurer, as the insurer, Tetra Tech has no recourse against Carson Marketplace or other parties for payment of the services it is obligated to provide under

the EAAs. The Authority has assumed the policy from Carson Marketplace. The EPP Policy is what provided the financial assurance that there were funds available to complete the remediation, as required by DTSC.

In addition to providing a mechanism for funding a portion of the fixed payments to Tetra Tech, the EPP Policy provides \$35 million in cost overrun insurance for the work to be performed under the EAAs. The term of the EPP Policy is 20 years (December 31, 2027 is the termination date). If Tetra Tech fails to perform its obligations under the EAAs, the Authority will have the right to access the funds that have been placed in the escrow account and EPP Policy and the right to seek coverage for insured cost overruns.

Unfortunately, both the Tetra Tech contracts and the EPP Policy are closely tied to the 2007 Carson Marketplace development plan and attendant approvals. In light of the risk transfer components of these contracts, changes and amendments are not easily made and will require third party consents from Tetra Tech, AIG and potentially DTSC.

1.2.4 Subdivision of the Site

Carson Marketplace subdivided the Site into two separate vertical air space lots. One lot (the "Remediation Lot") consists of a subsurface lot comprised of the landfill refuse and contamination and in which the Remedial Systems will be constructed including (i) all of the land within one (1) foot above the landfill cap in all areas outside of the building slabs, (ii) all of the land below the building slabs, and (iii) all improvements now or in the future located below such depth or below the building slabs, including the Remedial Systems. The other lot (the "Vertical Lot") consists of the land and airspace above the Remedial Lot.

The Authority, as the successor, will further subdivide parcels within the Vertical Lot, which parcels then will be developed or leased or sold. Owners and lessees of the Vertical Lots will therefore not own or lease environmentally impacted property because the landfill-refuse will remain in the subsurface Remediation Lot. Ownership of the Remediation Lot was to be transferred to a mutual benefit corporation, as described below, but such obligations will now remain with the Authority.

1.2.5 Long-Term Responsibility for Environmental Conditions

One of the original developer's obligations to DTSC was to create a structure for ensuring long-term operation, maintenance, and monitoring of the Remedial Systems. As part of that structure, Carson Marketplace was to establish a non-profit mutual benefit corporation that will have long-term responsibility for environmental conditions at the Site following construction of the Remedial Systems (the "Mutual Benefit Corporation"). In addition to operation, maintenance and monitoring of the Remedial Systems, the Mutual Benefit Corporation would have had responsibility for satisfying any unexpected environmental requirements relating to the form landfill and responsibility for obtaining environmental liability insurance when the PARLL Policy expires in September 2016.

The Authority will maintain ownership of the Remediation Lot and assign its rights and obligations under the EAAs. Unless the current contract structure is revised or terminated, the Authority's environmental obligations (other than supervision and maintaining insurance) will be performed by Tetra Tech pursuant to the EAAs until December 31, 2027, when the EAAs expire.

The mechanism for funding the Authority's environmental obligations was through the formation of a Community Facilities District ("CFD"). The CFD will collect special taxes from owners of the Vertical Lots to fund long-term operation, maintenance and monitoring of the Remediation Systems, to fund any unexpected environmental response actions at the Site, to purchase renewal or replacement environmental liability insurance, to fund the administrative expenses of the CFD, to create appropriate reserves, and, if surplus funds are available, to reimburse the developer for a portion of the pre-funded costs. The CFD will transfer the taxes collected to the Authority.

1.2.6 Environmental Deed Restrictions

The Vertical Lots will be subject to certain environmental covenants, conditions, restrictions, limitation, reservations, easements, rights-of-way, liens, charges, and other protective and beneficial provisions, as set forth the Environmental Covenants, Conditions and Restrictions, the Covenant to Restrict Use of the Property: Environmental Restriction, and the Reciprocal Easement and Operating Agreement. The Environmental Covenants, Conditions and Restrictions will establish operation guidelines for owners, tenants and occupants to protect the integrity of the Remedial Systems and will provide a back-up assessment mechanism for funding unexpected environmental costs in the unlikely event the CFD is not formed or the CFD funds are inadequate.

1.2.7 Regulatory Issues

All regulatory approvals are in place, and regulatory issues do not present any new challenges, as long as the remediation project complies with the RAP. DTSC needs to approve any change in the project.

1.2.8 Liability Issues

There are a number of liability issues that will still be negotiated with the Master Developer of the Project Site, such as the ownership of the pile system (or, conversely, an airspace easement through the debris). Under the EPP Policy with AIG, however, any change to the plan is also reviewed by AIG in addition to needing DTSC approval. As described above, this policy is required as part of the financial assurance portion of the DTSC permit, but is not a Pollution Liability Policy.

Instead, when the Site was purchased in 2006, Carson Marketplace also purchased environmental liability insurance from Indian Harbor Insurance Company ("XL") and Chubb. Among other things, the Pollution and Remediation Legal Liability Policy issued by XL and the Excess Liability Insurance Policy issued by Chubb (collectively, the "PARLL Policy") provide \$100 million of coverage for third party property damage and personal injury claims arising from historical pollution conditions at the Site. The Policy

is due to be expire on September 29, 2016. The amount and coverage terms of a new pollution liability insurance program will be based on the proposed use of the site and the number of insureds sharing an aggregate limit of liability. Pollution policies are sold with a maximum term of ten (10) years, so a forward look at future land uses will be necessary. The pollution liability policies are also required as part of the financial assurance portion of the current DTSC permit.

The Authority renewed a separate stand-alone Contractor's Pollution Liability policy in the amount of \$25 million on December 21, 2015. It covers Tetra Tech, Snyder Langston and their subcontractors and will expire on December 21, 2016

1.3 Long-Term Ground Lease vs. Sale of Surface Parcel

As a public agency and given the complexity of the environmental issues on the subsurface Remediation Lot, the Authority's preference would be to enter long-term ground leases for the Vertical Lots. Nevertheless, it will consider the sale of such lots on a cell-by-cell basis if it is warranted by the transaction.

1.4 Area Amenities

The South Bay's picturesque beaches, pleasant coastal climate, top-rated schools, and thriving business community make it an ideal place to live and work. Featuring more than 23 miles of coastline, the South Bay is home to several well-known stretches of beach, and small craft harbors. Other attractions include the Cabrillo Marine Aquarium, the South Coast Botanic Garden, the Ports O'Call shopping village and the home of the Goodyear Blimp. The South Bay boasts several renowned resorts including the world-class Terranea Resort, and 13 golf courses.

While Carson is well known as an industrial center with unparalleled access to transportation and the Pacific Rim, it is also a culturally diverse community that is attractive place to live and work. The city has more than 120 acres of park land divided into 12 parks, 2 mini-parks and sports/recreational facilities that include 3 swimming pools, a boxing center, a state-of-the art sports complex and the Carson Community Center. These facilities allow the residents of Carson to enjoy a variety of sports, recreational and cultural programs. The city's educational needs are served by Los Angeles Unified School District, and the community has access to 47 church organizations.

1.4.1 CSU Dominguez Hills

Centrally located in Carson, CSU Dominguez Hills features strong and relevant academic programs, dedicated faculty mentors, supportive staff, and attractive campus and student amenities, and is committed to connecting students to an affordable, high-quality and transformative education while providing the community with a vital resource for talent, knowledge, skills and leadership needed to thrive. CSU Dominguez Hills is listed among the top colleges and universities in the country according to a 2014 Time Magazine ranking that is based on criteria the White House plans to use to assess how well institutions serve students. CSU Dominguez Hills was also one of only four universities nationwide to receive the 2014 President's Higher Education Community Service Honor Roll's highest honor, the Presidential Award. The school

won in the general community service category. The university has been named to the honor roll since 2010 and in 2013 was a Presidential Award finalist.

U.S. News & World Report's 2015 annual "Best Colleges" ranks CSU Dominguez Hills 29th among the most ethnically diverse universities in the West offering bachelor's and master's degrees.

U.S. News & World Report also ranked CSU Dominguez Hills 9th among the most economically diverse universities in the West offering bachelor's and master's degrees. The university is scored by the percentage of undergraduates receiving federal Pell grants, which is considered a gauge for how many low-income undergraduates there are on a given campus. The economic data are drawn from each institution's student body for the 2012-2013 school year.

1.4.2 **StubHub Center**

Located in Carson, the StubHub Center is a 125-acre state-of-the-art athletic facility featuring stadiums for soccer, tennis, track & field, cycling, lacrosse, rugby, volleyball, baseball, softball, and basketball among other sports. Designated as an official U.S. Olympic Training Site, the StubHub Center is the nation's most complete training facility for Olympic, amateur, and professional athletes. The stadium is home to Major League Soccer's LA Galaxy and Chivas USA, as well as the US Soccer Federation's (USSF) national team training headquarters and the location of the United States Tennis Association's (USTA) USA High Performance National Training Center. The development is also designated as an official training site for USA Cycling and USA Track & Field. The StubHub Center features a 27,000-seat soccer stadium, 8,000-seat track & field facility, and a 2,450-seat velodrome. Since its opening in 2003, the StubHub Center has hosted some of the finest national and international competitions in the world.

1.4.3 **Porsche Experience Center**

Opening in 3Q 2016, Porsche Motors is constructing a new Porsche Experience Center on a 53-acre site just off the 405 freeway near its intersection with the 110 freeway in Carson. The facility will be the second of its kind in the country and only the fifth in the world, and will feature a test track, a driving skills course, driving simulators, an athletic center, a restaurant, and a Porsche showroom. The project will create 300 jobs in the area, and help establish Carson as a tourist destination.

1.5 **Entitlements**

The entire 157 acre site is subject to the Boulevards at South Bay Specific Plan, which actually covered an additional 11 acre parcel on the north side of Del Amo Boulevard as well. That parcel, shown as Development District 3 below, is not owned by the Authority and not subject to this RFQ. The following is a brief overview of the development standards and guidelines that allow for a potential mixed-use project comprised of approximately 2 million square feet of commercial, a 300-room hotel, and up to 1,550 multifamily units according to The Boulevards at South Bay Specific Plan, which was approved by the City Council of Carson, California,

February 8, 2006 and amended April 5, 2011. The most recent approved site plan corresponding to the Specific Plan, titled SP-44, is included as Exhibit 1.

Potential proposers are advised to review the complete Specific Plan and all related development documents.

Development Districts

Three "Development Districts" have been delineated. Each district has its own zoning, allowed uses, and development standards. The borders of these Development districts can be adjusted as needed to accommodate site plan changes.

- Development District 1 (DD1) is designated for Mixed-Use Marketplace (MU-M) and may contain both for-sale and for-rent residential properties along with neighborhood-serving commercial uses. The residential and commercial uses may be either vertically or horizontally integrated.
- Development District 2 (DD2) is designated for Commercial Marketplace (CM) and may contain a combination of entertainment, large-scale commercial tenants, restaurants, and a hotel.
- Development District 3 (DD3) is designated for Mixed-use Marketplace (MU-M) and may contain a mixture of residential and neighborhood serving commercial uses. DD3 could be dedicated entirely to residential or commercial uses allowed by MU-M so long as maximum square feet or units allowed in DD1 and DD3 are not exceeded.

Permitted Uses

Permitted Uses, uses requiring a Conditional Use Permit, and prohibited uses within The Boulevards at South Bay are detailed in Table 6.1 of the Specific Plan. Those uses not specifically listed in the table are subject to review and are subject to the Interpretation procedure of Section 9172.24 of the Carson Municipal Code (CMC). The Specific Plan allows for the conversion of residential entitlements to multifamily, which is currently anticipated. The following additional special provisions shall apply:

- A. Any single proposed retail store with more than 100,000 square feet (whether contained in one or more buildings) which devotes more than 10% of their floor area to non-taxable goods excluding services such as pharmacy or optician, shall be permitted upon approval of a Conditional Use Permit pursuant to Section 9172.23 of the Carson Municipal Code. This requirement shall not apply to discount membership stores, wholesale clubs, or other establishments selling primarily bulk merchandise and charging membership dues.
- B. A conditional use permit shall be required for any proposed residential use north of Del Amo Boulevard and within 300 feet of the freeway pavement edge.
- C. The Property is subject to an existing statutory Development Agreement vesting the Developer's rights under the Specific Plan and other land use entitlements through March 21, 2021.

Development Standards

The Boulevards Development Standards are found in Chapter 6 of The Specific Plan. The following are just a few of the standards.

- A. Public Plazas – Each commercial use within the lifestyle and entertainment section area is required to contribute 25 percent of total GLA towards public plaza space.
- B. Public Art – Public art provided shall have a value equal to one half of 1 percent (0.5%) of total building costs (by building permit valuation), excluding land, site development, off-site requirements, and remediation costs.
- C. Freeway Signage – Two Freeway Icons (70') plus ten Freeway Monuments (35').

2. Proposal Format/Contents

2.1 Informal RFQ-Negotiate process.

For the purposes of this proposal, Developers are not required to prepare detailed site plans or elevations, but rather present their firm's qualifications as well as a conceptual design and business development proposal encompassing the features of the proposal based on the current entitlements. The Authority and the Lessor could choose to negotiate with the successful developer based on the firm's qualifications, the conceptual proposal, or a combination of the two. The following list describes the required elements of the proposal:

2.1.1 Cover Letter

Include a cover letter indicating the nature of the developer team: joint venture, corporate developer, Limited Liability Corporation, franchisee, etc. The letter must include the company name, address, email, name, and telephone and fax number(s) of the person(s) authorized to represent the development team. The cover letter should also indicate whether the proposal is for the entire Project Site or one of its components.

2.1.2 Table of Contents

A Table of Contents for all the material contained in the response.

2.1.3 Development Team

Indicate past experience (including level of involvement) within the past five years for this specific type of project. The project team could include principals and employees of the development company; other LLC partners or members, if identified; the architect, if identified; and, the project general contractor, if identified:

2.1.3.1 Company Principals

- Development company's or principals' project experience, especially with major mixed use projects and with projects developed on previously contaminated land

- Specific individuals from the development company assigned to this project; i.e. specific responsibilities and duties, etc.
- Projects completed by the development company with name and telephone number of contact
- Availability of the team and the percentage of their current workload that would be assigned to the project.

Significant development experience, specifically mixed use and/or contaminated land development experience, is desirable from the project principals.

2.1.3.2 Other Development Team Members

- Other development partners' (such as limited- or equity partners or LLC members) experience, especially with mixed use projects and with projects developed on previously contaminated land
- Specific individuals from the other partners assigned to this project; i.e. specific responsibilities and duties, etc.
- Projects completed by the other partners with name and telephone number of contact
- Availability of the team member and the percentage of their current workload that would be assigned to the project.

Significant development experience, specifically major mixed use development experience and with projects developed on previously contaminated land, is desirable from the other development partners, especially if the development company principals lack specific mixed use or contaminated land development experience.

2.1.3.3 Project Architecture Firm (if known)

- If available, please include commitment letter or letter of interest from the proposed Project Architecture Firm in the RFQ response
- Project Architecture Firm's experience, including number of years in operation, number of architects worldwide, number of architects dedicated to retail and mixed use
- Representative mixed use projects designed by proposed Project Architecture Firm
- Proposed Project Architecture Firm contact name and telephone number
- Specific individuals from the Architecture Firm assigned to this project during the development process

2.1.3.6 Project General Contractor (if known)

- If available, please include commitment letter or letter of interest from the proposed Project General Contractor in the RFQ response

- Project General Contractor's experience, including number of years in operation, dollar value of projects worldwide, number of projects currently under development in the retail sector
- Representative retail projects completed by proposed Project General Contractor
- Proposed Project General Contractor contact name and telephone number
- Specific individuals from the General Contractor assigned to this project during the development process

2.1.4 Conceptual Design Concept

While the "proposal" portion of this RFQ need only be conceptual, the Authority is interested in the Developer's understanding of the Carson retail and residential markets and approach to the project, and what the proposed amenity package would be. Given that the Authority is likely to enter a separate agreement for the development of a factory outlet mall on Cell 2, this section is for the Developer to propose and discuss the likely set of land uses on Cells 1, 3, 4, and 5. Furthermore, there is an approved site plan that is the basis of the Specific Plan, Development Agreement, Fixed Price Contract with Tetra Tech, Cost Cap Policy with AIG, and the DTSC permit. If the Developer proposes other than what has been already approved, please describe:

- How different from the approved site plan is the proposed project, i.e. is it substantially big box retail, does it contain a residential element, are there cells the Developer would propose to leave for a future development cycle?
- What type of retail would be most suitable for the remaining four cells?
- If the Developer proposes residential for any portion of the site, what is the proposed product type, e.g. apartments vs. for sale condominiums?
- Does the Developer propose any land use not considered in the approved site plan? (This could include any public space such as parks or sports facilities, or certain types of entertainment facilities, or office or non-retail commercial uses. Does the Developer propose leaving approved land uses out of the plan? If so, why?)
- If proposing a hotel, what market segment is the proposed hotel? What market would the Developer anticipate the hotel serving (e.g. business, retail shoppers, users of other entertainment uses in Carson, such as the StubHub Center or Porsche)?

2.1.5 Financing and Ownership Concept

Please describe the ownership/financing structure of the project, including:

- Estimated total project cost
- Estimated construction debt
- Estimated amount of equity contributed to project
- Estimated amount of permanent debt on project

2.1.6 Environmental Consultant

- If available, please include commitment letter or letter of interest from the proposed Environmental Consulting Firm in the RFQ response
- Project Environmental Consulting Firm's experience, including number of years in operation, number of engineers/scientists worldwide, number of staff with expertise in complex brownfield and/or landfill remediation projects
- Representative complex brownfield or landfill remediation projects undertaken by the Project Environmental Consulting Firm in the State of California
- Proposed Project Risk Manager's contact name and telephone number and relevant experience in California

2.1.7 Reserved

2.1.8 Financial Assistance

Upon a successful negotiation, the Authority and Master Developer would execute a Conveyance Instrument which would provide, among other things: (i) the purchase price or lease amount payable by Master Developer to Authority for the conveyance or occupation of the Site by Master Developer; (ii) that Master Developer shall be solely responsible for financing and constructing the Project; (iii) apportionment of costs, and responsibility for, necessary public improvements and City fees incurred in processing the Project (based on the pro forma analysis, the City may assume project offsite public improvement costs); (iv) environmental costs for soils remediation, cap, landfill gas systems, groundwater treatment, and other Remedial Systems needed for Project implementation which shall be the responsibility of the Authority, and (v) apportionment of costs, and responsibility for, onsite utilities, structural piles and foundation slabs (generally the Authority is responsible for the pilings and other parts of the remediation program (subject to the CFD) and the Developer is responsible for foundation slabs).

Tax Sharing. Concurrent with negotiations on the Conveyance Instrument and based on the analysis of the project pro forma by the Authority, the parties could negotiate a Tax Sharing arrangement whereby Master Developer or individual end-user Developers could receive rebates of local sales tax payable by Developer to the City. Such Tax Sharing will be negotiated for the purpose of facilitating Developer's operation of the Project on the Site. For purposes of Tax Sharing, the rebate of local sales tax payable to Developer shall be a negotiated percentage of each dollar paid by Developer upon taxable sales and uses attributable to the operations of the Project and allocated and actually paid to, and received by, the City under the Uniform Local Sales and Use Tax Law (Part 1.5, Division 2 of the California Revenue and Taxation Code). Negotiated terms of Tax Sharing shall include, for a term, without limitation, (i) a requirement setting the City as the situs for all Project retail sales, (ii) mechanisms for maximizing the taxable retail sales attributable to the Project, such as a minimum scope of operations and/or progress schedule of shared tax percentages to reflect actual Project performance, (iii) formulas for adjustment in accordance with project performance, (iv) means for the City/Authority to review and audit records pertaining to Project retail performance and tax calculations, and (v) provisions of indemnity and/or

[Type text]

defense with respect to any third-party challenge to the Tax Sharing arrangement. The available Tax Sharing Revenue may be as much as but not more than 50%, if justified by the pro forma analysis. The Tax Sharing arrangement may be encompassed within the terms of the Conveyance Instrument, or may be memorialized as a standalone agreement.

CFD. Two Community Facility Districts have been established under statutory authority to pay for (i) operation and maintenance of the Remediation Systems, and (ii) the installation of public infrastructure. The CFD fees were based on a study by David Taussig & Associates. The study may need to be updated based on the modifications to the original project for which they were prepared by this Project.

2.1.9 Project Feasibility

As part of this proposal, proposer shall provide a conceptual pro forma showing the estimated budget for the master development and construction of the Project. If Master Developer anticipates seeking any financial assistance from City, including direct financial assistance or installation of offsite public improvements by City, the pro forma must justify the requested assistance showing the Developer's return on investment. The pro forma shall also show the estimated economic return to the City for at least a ten (10) year period after completion of the Project, including payment for land, any participation percentage, all taxes and fees (including proposed Tax Sharing scenarios), and other economic returns to the City as well as jobs and general community benefits.

3. RFQ Evaluation Process

Processing of the RFQ responses will be handled in the following manner:

3.1 Initial Evaluation

All responses will be evaluated to develop a list of interested developers. The Authority may choose a single proposer for further negotiation based on its proposal, or to choose 2 to 3 proposers and have them refine their proposals with more detailed site planning or business terms.

3.2 Interviews

The Authority reserves the right to hold interviews or select a preferred developer without interviews. The recommendation for selection will be made based on qualifications, the soundness of the development proposal, the team's demonstrated experience in the retail or mixed use market, and response to the RFQ.

3.3 Agreements to Develop the Property

Upon conclusion of negotiations, the Authority anticipates that it will negotiate a series of agreements with the Developer that will document the contractual terms of the deal. The final agreement outlining the assistance package would be a Disposition and

[Type text]

Development Agreement concerning any City assistance and a ground lease concerning the use of the Project Site.

II. PURPOSE

The Authority's objectives in the project are to develop a quality retail or mixed use destination that would capitalize on the unique proximity to three major freeways and access to the Southern California market, increasing sales tax to the City; increase hotel room nights in the city, thereby increasing Transient Occupancy Tax (TOT) revenues; and, create a community amenity and sense of place for Carson and surrounding communities.

III. SCHEDULE

All proposals are due at the offices of the Carson Reclamation Authority by 4:00 p.m. on Tuesday, August 30. Postmarks will not be accepted. Please include one original and three (3) copies. The RFQ process is as follows:

Request for proposals advertised and mailed	Friday, June 24, 2016
Deadline for receipt of questions	Thursday, July 7, 2016
Deadline for receipt of proposals	Thursday, July 28, 2016
Proposer short list	Thursday, August 11, 2016
Interviews	to be scheduled for August 2016
Selection of Master Developer by City Council	First or Second City Council Meeting in September

IV. SCOPE OF SERVICES

Services to be provided by the Master Developer include, but are not limited to the following:

Upon the successful selection of a Master Developer, the Authority will work with the Master Developer to effect revisions as necessary to the existing Specific Plan, Development Agreement, Owner Participation Agreement, CMA (referred to below) and/or other related documentation (the "Development Agreements"). The Development Agreements will task the Master Developer to complete the horizontal development of the 157 Acre Site, including but not limited to assuming responsibility for ongoing carry costs, completion of outstanding remedial work and infrastructure installation as necessary to deliver parcels for vertical construction to individual users. The Master Developer shall: (i) work through the City to update the Specific Plan and other existing Development Agreements; (ii) execute to completion the remediation and horizontal site development (which are integrally related) – including the design, scope and implementation of the remaining remediation work, (ii) complete all off- and on-site improvements needed to provide site delivery to each user of parcels within the 157 Acre Site; and (iii) market, source and execute sales and/or ground lease transactions with buyers and tenants for the different surface parcels pursuant to the updated development plan.

Completion of Site Remediation

The Master Developer would be responsible for completing the Site remediation:

- Master Developer and Authority to negotiate a Construction Management Agreement (CMA) whereby Master Developer will manage on behalf of the Authority the completion of the outstanding Remedial Work (as described below), including the engagement, administration and supervision of environmental and other contractors and project consultants as necessary to obtain HRA certificates from DTSC for closure of each of the 5 landfill cells, finalizing requisite DTSC financial assurances for future operations and maintenance (O&M) of the subsurface portions of the Project Site.
- Pursuant to the CMA, Master Developer will negotiate and recommend to the Authority modifications to the existing Tetra Tech contract as well as renewals of the current environmental insurance contracts (including the renewal or replacement of the AIG and PARLL policies) as necessary to complete the Remedial Work, secure and maintain necessary DTSC approvals and manage the interim operations and maintenance of the existing remedial systems by the environmental contractor. Master Developer will be responsible for working closely with the Authority to define and structure a comprehensive risk management program that will support the completion of the Remedial Work, the required O&M work and the ultimate development of the mixed-use project, including satisfying the long-term financial assurance requirements imposed by DTSC in connection therewith.
- Authority (subject to any requisite DTSC approvals) to make available funds but not City of Carson General Fund revenues, except pursuant to a tax sharing agreement described in Section 2.1.8 above, from the environmental trust account, the bond proceeds account and any available insurance and/or insurance commutation account proceeds (Available Funding) as necessary to complete the design and construction of the outstanding remedial work for the 157 Acre Site, including but not limited to, outstanding remedial work, piles and pile cap installation for individual vertical uses and any required operations and maintenance (OM) costs incurred during the development period (all of the above herein referred to as the Remedial Work). The foregoing shall include all hard and soft costs incurred with respect to such Remedial Work.
- Subject to Available Funding, the Master Developer would receive a reasonable fee for services provided by Master Developer pursuant to the CMA, in amount to be determined.

Completion of Master Development

Master Developer will, with the input and participation of the Authority, prepare and process updates to the existing Carson Marketplace Specific Plan as needed to:

- Activate the entire 157 Acre Site for economic development as soon as currently practicable (provided that no major modifications thereto shall be processed except with the mutual concurrence of Master Developer and Authority).

- Update all Development Agreements to reflect modified Specific Plan, milestones, work previously completed, etc.
- Provide for an Authority approved enhancement or other amenity to be located within the 157 Acre Site designed for the benefit of the Authority and its residents.

Master Developer and Authority to negotiate a Development Agreement to task Master Developer with the design and development of the entire 157 Acre Site for sale/lease to various component users, including but not limited to the freeway frontage parcels for development of factory outlets and other prospective uses.

Services to be provided by the Carson Reclamation Authority include, but are not limited to the following:

- A. Reasonable Assistance. Authority/City shall provide Developer with appropriate and reasonable information and assistance.
- B. Preparation of Instruments. After initial discussions, Authority/City shall prepare an initial draft of a Conveyance Instrument and/or Tax Sharing agreement, if applicable.
- C. Processing Permits. Authority/City shall use reasonable good faith efforts to expeditiously process, or lend reasonable cooperation with other agencies in processing, Developer's Permits.

V. DELIVERABLES PROPOSAL CONTENTS AND FORMAT

While the Authority and Lessor shall endeavor to keep any confidential information private, it reserves the right to release the name of all proposers, as well as a summary of their proposals, to the media, the public, or any party that requests it.

Proposal Format - All written proposals must follow the number order shown below. Please prepare your responses in no less than 12-point Arial type font with not less than a one-inch margin. The total response package should not to exceed thirty (30) typewritten pages for each component, excluding maps, brochures, and other exhibits which may be included with the package. The extra materials, provided they are not part of the submission package, do not count against the requested page limit total.

Written Proposal - Respondents to this RFP must provide written information on how the scope of work requested at the Center will be accomplished and the proposal will be evaluated utilizing the following point system:

1) Project Concept and Goals (10 points)

Please provide the overall project concept for the Project site, including the allocation of the site for the various land uses, by cell. Include the quality level of the product and the market segment you propose with the project, and a brief summary of the ways your entity would further the Scope of Work.

2) Business Plan Outline (30 Points)

The plan should relate the costs to the quality of the retail and/or mixed use development, the market feasibility of the proposed project, and the ability to absorb the Project Site as quickly as possible.

4) Brownfield Experience and Readiness (35 points)

Direct relevant brownfield remediation experience by the Developer, plus the direct complex remediation or risk management experience or expertise by the proposed Environmental Consultant. Maximum score in this category would rely on willingness by the Developer to assume any portion of the environmental risks outlined in the RFQ as the Authority's current responsibilities.

5) Financial Capacity (20 points)

Please provide evidence that the Proposer has the financial capability to fund the horizontal site work, including the installation of the remedial systems, prior to the issuance of an HRE by DTSC, with equity or other means, where the investor/lender does not have an environmental exclusion for the remedial work.

6) Project History, Key Personnel (5 points)

Please provide a full project history for the past ten years. If also a retail center operator, please provide a full list of centers the company owns, including location, type of center, GLA and key anchor tenants. B.) The respondent should submit resumes of key personnel who would manage the project. In addition, the respondent must submit a proposed organizational chart, job descriptions, qualifying experience required for each position.

7) Inviting Innovation (15 points)

Please provide any ideas you may consider as enhancements, changes and/or upgrades to the current adopted Site Plan (either physical improvements or operational concepts), which may improve the existing approved project.

8) Contact Information Sheet and Checklist

The respondent must complete the contact sheet and checklist and include them in the proposal response. The contact information sheet serves as the proposal cover page. (See Contact Information Sheet on page 11 and Checklist on page 12) the City Council, City Attorney or their designees may require such other information as deemed necessary to ascertain the qualifications of the respondent. The decision of the City as to the acceptable qualifications of the respondent shall be final.

VI. PROPOSAL REQUIREMENTS

The following criteria shall be observed:

- The submittal should not exceed 30 pages, single sided (8½" by 11") including an organization chart, staff resumes and appendices, and cover letter.

- ❑ Four (4) original proposals are required. Facsimile (fax) proposals will not be accepted.
- ❑ Proposal shall include the name of the Company submitting the proposal, mailing address, telephone number, and the name of the individual to contact for further information.
- ❑ The Company shall specify key personnel, with resumes, to be assigned to manage the Center.
- ❑ All proposals must be received in the City of Carson, Department of Community & Economic Development by **4:00 P.M., Thursday, July 28, 2016**. Proof of receipt before the deadline is a City of Carson date stamp. Proposals must be submitted to:

Carson Reclamation Authority
 City of Carson, Department of Community Development
 701 E. Carson Street Way
 Carson, CA 90745
 Attn: John Raymond, Executive Director
 jraymond@carson.ca.us

- ❑ In order to streamline the flow of information to interested developers, the Authority has designated the Primary Contact. Specific questions in regards to this Request for Proposals should be directed to:

John Raymond, Director of Community Development
 City of Carson
 (310) 952-1773
 jraymond@carson.ca.us

Questions must be submitted in written form, either by e-mail or fax, by **6:00 P.M., Thursday, July 7, 2016 (3 weeks before the proposals are due)**, to receive a formal response. Questions submitted after this deadline will not be responded to.

Proposal Submissions should contain the following:

- Technical proposal – describe in detail your approach and understanding of all necessary tasks and steps to carry out the scope of work;
- Signature authorization (see Attachment A);
- Related Experience; include relevant experience date, name of agency, and reference name/contact information; and,

Important Note: The successful Proposer will be required to enter into a contractual agreement with the City of Carson Reclamation Authority in accordance with the standard Exclusive Negotiating Agreement

VIII. RESPONSIBILITY OF PROPOSER

All project proposers shall be responsible. If it is found that a proposer is found irresponsible (e.g. has not paid taxes, is not a legal entity, submitted a proposal without an authorized signature, falsified any information in the proposal package, etc.), the proposal shall be rejected.

IX. SELECTION OF PROPOSAL(S)

- Each proposal will be reviewed by an evaluation committee to determine if it meets the proposal requirements. Failure to meet the requirements for the Request for Proposals may be cause for rejection of the proposal.
- The evaluation committee may ask for formal oral presentations by the selected companies.
- Final selection of the Master Developer will be determined following review of all proposals and/or formal oral presentations. The evaluation committee will make a recommendation of the selected proposer(s) for a contract to be awarded by the City Council.
- Developers will be selected for final negotiation of a contract based upon the following factors:
 - Ability to Perform Services
 - Credentials and Related Work Experience
 - Ability to Address the Environmental Issues
 - Method Proposed to Complete the Development of the Project Site
- Award of Contract:** It is the City's intent to award a single contract to the company that can best meet the requirements of the Request for Qualifications document. It is anticipated that award of the contract will occur at the next regularly scheduled City Council meeting after the evaluation committee has made their final selection of the company or companies to be recommend for award. The decision of the City Council will be final.
- Additional General Information and General Terms and Conditions can be found in Attachment "C".

CONTACT INFORMATION SHEET

NAME OF ENTITY: _____

CONTACT PERSON: _____

STREET ADDRESS: _____

MAILING ADDRESS (IF DIFFERENT): _____

CITY: _____ STATE: _____ ZIP: _____

OFFICE TELEPHONE: _____

CELL PHONE NUMBER: _____

FAX NUMBER: _____

EMAIL ADDRESS: _____

WEBSITE ADDRESS: _____

TYPE OF ORGANIZATION (PLEASE CIRCLE)

- PUBLIC COMPANY
- PRIVATE OR CLOSELY HELD COMPANY
- LIMITED LIABILITY CORPORATION
- PARTNERSHIP
- REAL ESTATE INVESTMENT TRUST (REIT)
- OTHER

PROPOSAL CONTENTS CHECKLIST:

- A. CONTACT SHEET
- B. PROPOSAL CONTENTS CHECKLIST
 - 1. PROJECT DESCRIPTION AND GOALS
 - 2. BUSINESS PLAN
 - 3. READINESS
 - 4. FINANCIAL CAPACITY
 - 5. PROJECT HISTORY. KEY resumes
 - 6. INVITING INNOVATION
 - 7. RESPONDENT SIGNATURE AUTHORIZATION PAGE (See Attachment "A")

ATTACHMENT "A"

**RFP for DEVELOPMENT OF FORMER CAL-COMPACT LANDFILL
SIGNATURE AUTHORIZATION**

PROPOSER:

- A. I hereby certify that I have the authority to offer this proposal to the City of Carson and the Carson Reclamation Authority for the above listed individual or company. I certify that I have the authority to bind myself/this company in a contract should I be successful in my proposal.

SIGNATURE

- B. The following information relates to the legal contractor listed above, whether an individual or a company. Place check marks as appropriate:

- 1. If successful, the contract language should refer to me/my company as:

An individual;
 A partnership, Partners' names: _____

 A company;
 A corporation

- 2. My tax identification number is: _____

**CARSON RECLAMATION AUTHORITY
REQUEST FOR QUALIFICATIONS AND CONCEPTUAL PROPOSALS
DEVELOPMENT OF FORMER CAL-COMPACT LANDFILL**

EVALUATION CHECKLIST

PROPOSER: _____

Criteria	Maximum Points	Points Awarded	Key Comments/Requirements
<i>Project Concept and Goals</i>	5 points		What is the type and quality of the project proposed?
<i>Business Plan Outline</i>	30 Points		Does the plan have demonstrated market feasibility? Can the developer absorb the Project Site quickly implementing the Plan?
<i>Brownfield Experience and Readiness</i>	30 points		Does the Proposer have relevant, direct experience? Have they engaged an experienced, qualified advisor?
<i>Financial Capacity</i>	20 points		Does the Proposer have the ability to fund the environmental work?
<i>Performance History, Key Personnel and Reviews/Letters of Support</i>	5 points		Does the plan include a list of projects developed or operated over the past ten years? Has the respondent submitted resumes of key personnel who would manage the project?
<i>Inviting Innovation</i>	10 points		Did the proposal include and defend any ideas for enhancements or changes to the Specific Plan?
<i>Contact Information Sheet and Checklist</i>	N/A		Did the respondent complete the contact sheet and checklist and include them in the proposal response?
<i>Total Points</i>	100 points		

Name of Evaluator: _____ Date: _____

Exhibit 1
 "Site Plan 44"

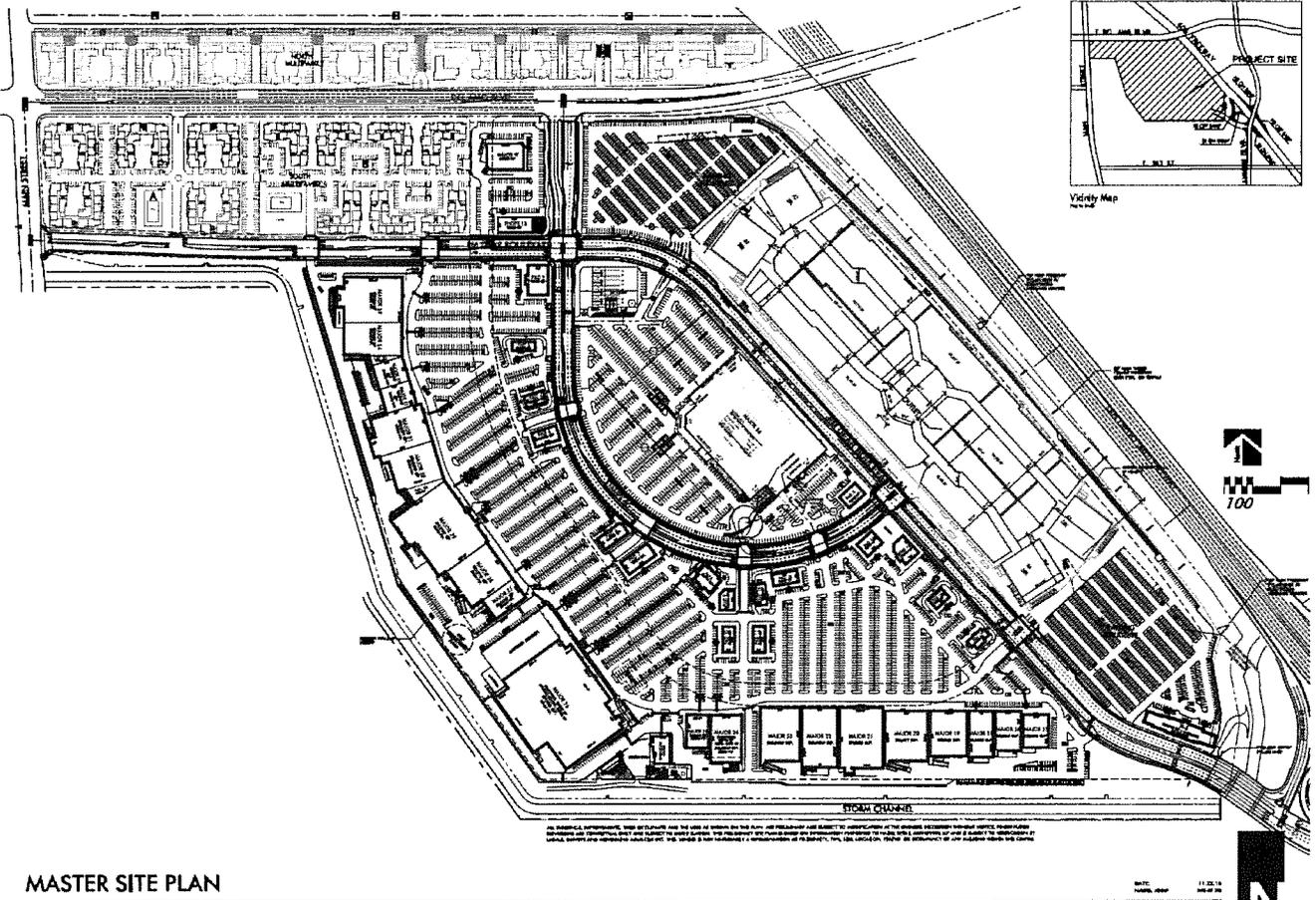


Exhibit 2
Map of Installed Landfill Gas System

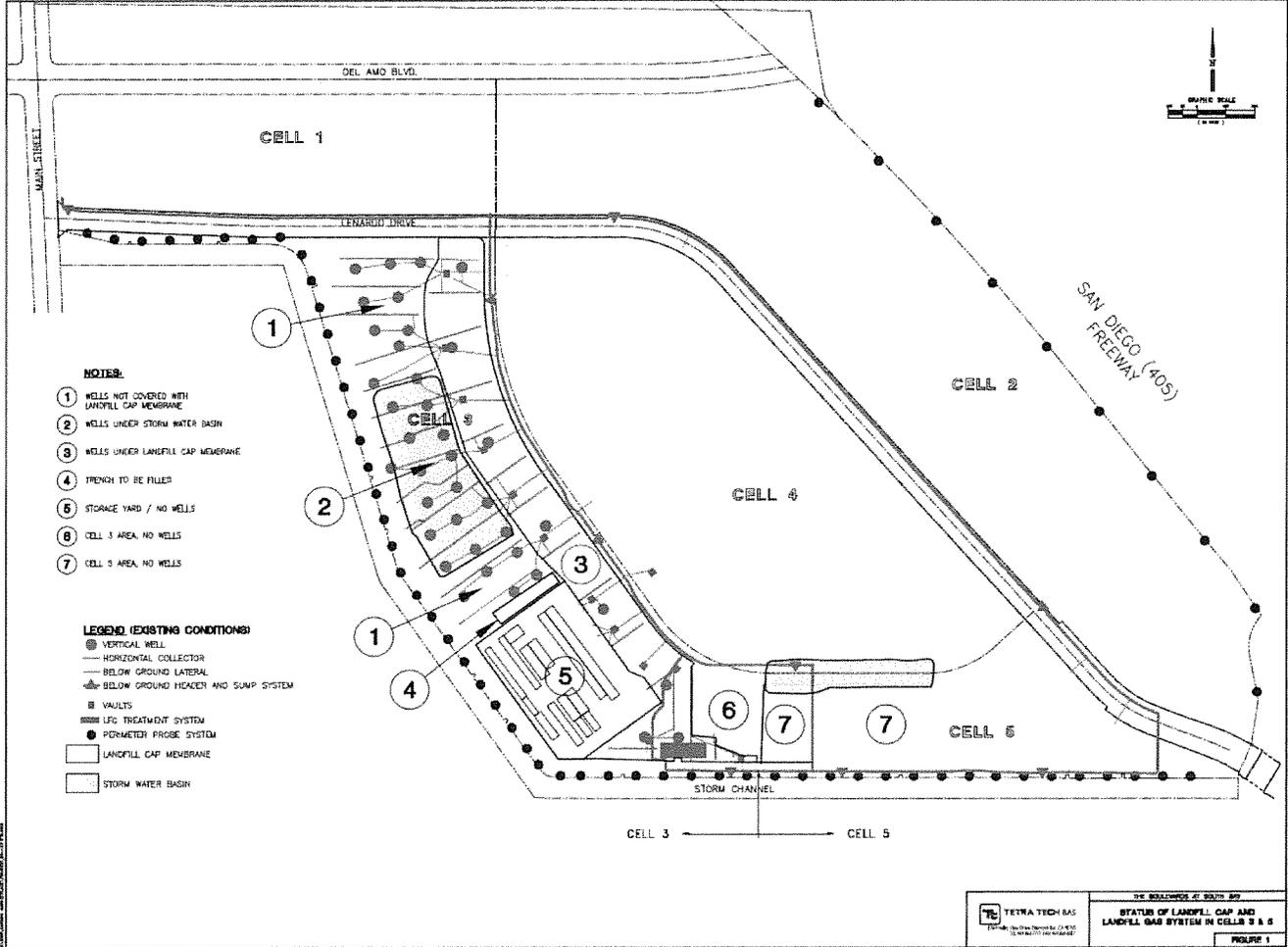


Exhibit 3
Configuration of Landfill Cells

