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CARSON ENERGY LLC
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March 29, 2017

Mr. Saied Naaseh
Planning Manager
City of Carson
701 E. Carson Street
Carson, CA 90745

Via electronic mail: snaaseh@carson.ca.us

RE: Ad-Hoc Committee Response to the Mayor's Request

Dear Mr. Naaseh,

At yesterday's Ad-Hoc Committee meeting regarding the recently adopted 45-day temporary moratorium, the Mayor requested industry participants submit written correspondence with concerns and proposed solutions to the issues addressed in the moratorium. This letter is an attempt to respond to the Mayor's request.

Issue #1 The Moratorium

The Moratorium is greatly flawed and is exposing the City to significant legal cost and dilution of the City staff's time and efforts. The vast majority of the City's concerns can and should be resolved by enforcement of the existing rules and regulations of the City including enforcement of:

- Current Zoning Laws
- Inspection and Sign-off on All Permitted Building and Tenant Improvement Work
- Enforcement of Business Licenses
- Enforcement of Truck Routes
- Inspection of facilities by the Fire Department.

To our knowledge, nothing prevents the City from enforcing its current regulations. Further, we believe that all of our facilities have been appropriately inspected.

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Solution:

Do not renew the 45-day moratorium and enforce current regulations. As owners of approximately 3 million square feet of industrial property in the City of Carson, we are inspected often by the Fire Department as well as City personnel on building and tenant improvement work.

Issue #2 Road Maintenance

The City claims it is unable to maintain its roads due to budget constraints and deterioration created by truck traffic. Note that trucks service not only the logistics facilities but also all of the retail, automotive dealerships, gas stations, post offices, City yards, etc. It seems completely inappropriate to only enforce the moratorium against logistics facilities.

Solution:

The City needs to get its finances in order and to review every line item of its budget including; Pension Obligations, Services, Legal Fees paid to the City Attorney, etc.

In 2016, we paid more than \$3 million in real estate taxes for property owned in the City of Carson. We and our tenants use very little City services. We use NO school services, very little public safety and Fire. To say we do not pay our fair share is totally inaccurate and unfair.

Issue #3 Tenant Improvements on Vacant Space and/or Leases or Lease Extensions Greater than 3-Years Requires City Council Approval

These requirements are duplicative and put a tremendous burden (and cost) on the City staff as well as the business community. Any material tenant improvements (whether for a new tenant or existing tenant) are already reviewed, approved, permitted and inspected by the City.

The requirement that any new lease longer than 3 years (of which most leases are longer than 3 years) will require City Council approval and will take 1-3 months to process is ridiculous. You already approve the business licenses, tenant improvements and you have enforcement rights over zoning, storage of hazardous substances, truck routes, etc.

You state that there are 50 million square feet in the City of Carson. If every lease is 30,000 s.f. and 5 years in term, you will need to approve 20-30 leases per month. Does the City Council really have the time and expertise (with all the other City issues) to competently accomplish this task?

Solution:

Eliminate these requirements from the ordinance or any extension thereof.

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We remain interested in working with the City to improve and solve the issues the City has identified but the vast majority of these issues can be resolved by enforcing the current rules and regulations already under the City's control.

Respectfully,



James D. Flynn
President