

AGENDA

**REGULAR MEETING OF THE
OVERSIGHT BOARD TO THE FORMER
CARSON REDEVELOPMENT AGENCY**

**Executive Conference Room
Carson City Hall
701 E. Carson Street
Carson, CA 90745**

JANUARY 26, 2015

5:00 P.M.

AGENDA POSTED: JANUARY 22, 2015

"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:

ROLL CALL: CHAIR DEAR; VICE-CHAIR CURRY; BOARD MEMBERS GRAY, HIDALGO, KAJI, SZTORCH AND WALSH

APPROVAL OF MINUTES:

OCTOBER 27, 2014 (REGULAR)

NOTICE TO THE PUBLIC

Public testimony may be given on any agenda item as it is called and will be LIMITED TO THREE MINUTES PER SPEAKER. Please fill out a Speaker Form in order to be identified correctly in the minutes. The forms are provided on the podium in the Council Chambers. All Speaker Forms must be given to the Secretary at the beginning of the meeting.

NEW BUSINESS DISCUSSION (Item 1)

ITEM NO. (1) CONSIDER RESOLUTION NO. OBSA15-21 APPROVING THE SECOND AMENDMENT TO THE PURCHASE AND SALE AGREEMENT BY AND BETWEEN THE CARSON SUCCESSOR AGENCY AND PANATTONI DEVELOPMENT COMPANY, INC. FOR SALE OF AGENCY-OWNED PROPERTY LOCATED AT 2254 E. 223RD STREET

Recommendation for the Oversight Board:

WAIVE further reading and ADOPT Resolution No. OBSA15-21, "A RESOLUTION OF THE OVERSIGHT BOARD TO THE FORMER CARSON REDEVELOPMENT AGENCY OF THE CITY OF CARSON, CALIFORNIA, APPROVING THE SECOND AMENDMENT TO THE PURCHASE AND SALE AGREEMENT BY AND BETWEEN THE CARSON SUCCESSOR AGENCY AND PANATTONI DEVELOPMENT

COMPANY, INC. FOR SALE OF AGENCY-OWNED PROPERTY LOCATED AT 2254 E. 223RD STREET.”

ACTION:

ORAL COMMUNICATIONS – MEMBERS OF THE PUBLIC

This is the appropriate time for members of the general public to address the **Oversight Board on items not on the posted Agenda but are items of interest that are within the subject matter jurisdiction of the Oversight Board.** Any person wishing to speak at this time is requested to complete a Speaker Form, available on the podium or by the Public Agenda Binder in the Council Chamber. **ORAL COMMENTS WILL BE LIMITED TO THREE (3) MINUTES PER SPEAKER. *Under the provisions of the Brown Act, no action can be taken on these items, and there can be no dialogue or discussion of the items with the Oversight Board other than to place it on the Agenda for a future meeting if appropriate.***

ORAL COMMUNICATIONS II (OVERSIGHT BOARD)

ORAL COMMUNICATIONS I (STAFF)

ADJOURNMENT

MINUTES

**OVERSIGHT BOARD TO THE FORMER
CARSON REDEVELOPMENT AGENCY**

REGULAR MEETING

OCTOBER 27, 2014

5:00 P.M.

AGENDA POSTED: OCTOBER 23, 2014

"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: The meeting was called to order at 5:11 p.m., by Chair Dear, in the Executive conference room, 2nd floor, located at Carson City Hall, 701 East Carson Street, Carson, CA 90745.

ROLL CALL: Principal Administrative Analyst Mann noted the following:

Board Members Present: Chair Jim Dear; Board Members Jon Kaji, Boris Sztorch and John Walsh

Board Members Absent: Vice Chair Keith Curry; Board Members Gloria Gray and Ernesto Hidalgo

Also Present: County Representative Cesar Hernandez;
Principal Administrative Analyst Mann;
Redevelopment Manager Westbrook;
Acting Project Manager Soto

APPROVAL OF MINUTES:

SEPTEMBER 22, 2014 (REGULAR)

The minutes for September 22, 2014 were approved on motion of Chair Dear and seconded by Board Member Sztorch. The motion carried unanimously.

NOTICE TO THE PUBLIC

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NEW BUSINESS DISCUSSION (Item 1)

ITEM NO. (1) CONSIDER RESOLUTION NO. OBSA14-20 APPROVING DISPOSITION OF SUCCESSOR AGENCY-OWNED PROPERTY LOCATED AT 2403 E. 223RD STREET FROM THE SUCCESSOR AGENCY TO THE CITY OF CARSON

Recommendation for the Oversight Board:

WAIVE further reading and ADOPT Resolution No. OBSA14-20, "A RESOLUTION OF THE OVERSIGHT BOARD TO THE FORMER CARSON REDEVELOPMENT AGENCY OF THE CITY OF CARSON, CALIFORNIA, APPROVING DISPOSITION OF SUCCESSOR AGENCY-OWNED PROPERTY LOCATED AT 2403 E. 223RD STREET FROM THE SUCCESSOR AGENCY TO THE CITY OF CARSON."

ACTION:

With further reading WAIVED Resolution no. OBSA14-19 was PASSED, APPROVED and ADOPTED, as read by title only, on motion of Board Member Sztorch, seconded by Board Member Kaji and unanimously carried by the following vote:

Ayes:	Chair Dear; Board Members Kaji, Sztorch and Walsh
Noes:	None
Abstain:	None
Absent:	Vice Chair Curry; Board Members Gray and Hidalgo

ADJOURNMENT

The meeting was adjourned at 5:28 p.m.

APPROVED at the Board's Regular Meeting on January 26, 2015.

Chair Jim Dear

**REPORT TO THE OVERSIGHT BOARD TO THE
FORMER CARSON REDEVELOPMENT AGENCY**

FROM:



ABELARDO AVALOS
COMMUNITY DEVELOPMENT DIRECTOR

Item No. 1

MEETING OF: JANUARY 26, 2015 – NEW BUSINESS DISCUSSION

SUBJECT: CONSIDER RESOLUTION NO. OBSA15-21 APPROVING THE SECOND AMENDMENT TO THE PURCHASE AND SALE AGREEMENT BY AND BETWEEN THE CARSON SUCCESSOR AGENCY AND PANATTONI DEVELOPMENT COMPANY, INC. FOR SALE OF AGENCY-OWNED PROPERTY LOCATED AT 2254 E. 223RD STREET

1. RECOMMENDATION

Recommendation for the Oversight Board:

WAIVE further reading and ADOPT Resolution No. OBSA15-21, "A RESOLUTION OF THE OVERSIGHT BOARD TO THE FORMER CARSON REDEVELOPMENT AGENCY OF THE CITY OF CARSON, CALIFORNIA, APPROVING THE SECOND AMENDMENT TO THE PURCHASE AND SALE AGREEMENT BY AND BETWEEN THE CARSON SUCCESSOR AGENCY AND PANATTONI DEVELOPMENT COMPANY, INC. FOR SALE OF AGENCY-OWNED PROPERTY LOCATED AT 2254 E. 223RD STREET."

2. ALTERNATIVES

TAKE another action the Oversight Board deems appropriate.

3. BACKGROUND

The Oversight Board (Board) is being asked to approve Resolution No. OBSA15-21 (Exhibit No. 1) approving the second amendment to the Purchase and Sale Agreement (Agreement) for sale of Successor Agency-owned property located at 2254 E. 223rd Street (Property) (Exhibit No. 2) to Panattoni Development Company, Inc. (Developer). This second amendment (Amendment) (Exhibit No. 3) would extend the closing date from January 26, 2015 to June 30, 2015, or upon receipt of entitlements, whichever is sooner.

The original Agreement was approved at the Board's regular meeting on January 27, 2014. Due to the environmental condition of the Property, the Developer was required to enter into a contract with the Department of Toxic Substances Control (DTSC) for project development oversight. The Developer, therefore, required additional time for its due diligence process and requested an extension of the closing date under the first amendment to the Agreement. An oversight agreement between the Developer and DTSC was finalized and the Developer was able to conduct its geotechnical soils investigations.

During said investigations the Developer discovered the potential for significant liquefaction. Water monitoring wells, located at proposed building locations, also became an issue due to the prohibitive cost of relocating said wells. For these reasons the Developer is re-designing the project and will require more time to complete its entitlement process.

The Developer has requested an extension of the closing date from January 26, 2015 to June 30, 2015. During that time the Developer will re-design the Project and will determine if a reduction in the purchase price will be requested in order to make the project feasible. Should the Developer request a reduction in the purchase price, staff will conduct an analysis of the proposed reduction and will present the item to the Oversight Board for consideration.

At its regular meeting on January 20, 2015, the Successor Agency approved the Second Amendment. The Developer has been working diligently with the planning department and has already invested approximately \$300,000.00 in the project. Because the Developer has demonstrated a strong commitment to the project, staff recommends approval of the Second Amendment.

IV. FISCAL IMPACT

The sales proceeds, which is currently set at \$5,000,000.00, will be disbursed in accordance with the Department of Finance approved Long Range Property Management Plan.

IV. EXHIBITS

1. Resolution No. OBSA15-21. (pgs. 3-4)
2. Location Map. (pg.5)
3. Second Amendment. (pgs. 6-8)

Action taken by Oversight Board	
Date _____	Action _____

RESOLUTION NO. OBSA15-21

A RESOLUTION OF THE OVERSIGHT BOARD TO THE FORMER CARSON REDEVELOPMENT AGENCY OF THE CITY OF CARSON, CALIFORNIA, APPROVING THE SECOND AMENDMENT TO THE PURCHASE AND SALE AGREEMENT BY AND BETWEEN THE CARSON SUCCESSOR AGENCY AND PANATTONI DEVELOPMENT COMPANY, INC. FOR SALE OF AGENCY-OWNED PROPERTY LOCATED AT 2254 E. 223RD STREET

WHEREAS, as a result of the passage of Assembly Bill 26 from the 2011-12 First Extraordinary Session of the California Legislature (ABx1 26), the Carson Redevelopment Agency (RDA) was dissolved on February 1, 2012; and

WHEREAS, pursuant to Assembly Bill 1484 of the 2011-12 Legislative Session (AB 1484) which amended ABx1 26 (ABx1 26 and AB 1484, collectively, the "Dissolution Act"), the Successor Agency for the former RDA (Successor Agency) is a separate public agency now charged with winding down the RDA's affairs, including making payments due for enforceable obligations (as defined in the Dissolution Act), and perform obligations required pursuant to enforceable obligations; and

WHEREAS, pursuant to Health and Safety Code section 34179.5 within six months after receiving a Finding of Completion from the Department of Finance (Finance), the Successor Agency is required to submit for approval to the Oversight Board and Finance a Long-Range Property Management Plan that addresses the disposition and use of the real properties of the former redevelopment agency; and

WHEREAS, Finance approved the Successor Agency's Long Range Property Management Plan (Plan) on October 23, 2013; and

WHEREAS, the Successor Agency and Panattoni Development Company, Inc. (Developer) entered into a purchase and sale agreement on January 21, 2014 (Agreement) for the purchase and sale of the Successor Agency-owned property located 2254 E. 223rd Street, Carson, CA (Property); and

WHEREAS, the sale price of \$5,000,000.00 is based on an independent highest and best use fair market appraised value of \$5,300,000 – less a discount of an estimated \$300,000 to account for environmental remediation costs; and

WHEREAS, the sale of the Property is in accordance with the approved Plan; and

WHEREAS, the Agreement was amended on July 21, 2014 to extend the closing date (First Amendment); and

[MORE]

EXHIBIT NO 01



WHEREAS, during geotechnical soils investigations the Developer discovered the potential for significant liquefaction and water monitoring wells, located at proposed building locations; and

WHEREAS, the Developer is re-designing the project and will require more time to complete its entitlement process and has requested a second amendment to the Agreement extending the closing date from January 26, 2015 to June 30, 2015 (Second Amendment); and

WHEREAS, the Oversight Board has been duly established and operating pursuant to Health and Safety Code section 34179; and

WHEREAS, the Oversight Board has taken into consideration its fiduciary responsibility to the holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD AS FOLLOWS:

Section 1. That the above recitals are true, correct, and incorporated herein.

Section 2. The Oversight Board approves the sale of the Property to the Developer, in accordance with the Finance approved Plan and HSC section 34181 (f).

Section 3. The Oversight Board hereby directs that the proceeds of sale of the Property to be distributed pursuant to the Plan.

Section 4. The Oversight Board approves the Second Amendment extending the Closing Date from January 26, 2015 to June 30, 2015.

Section 5. The Secretary shall certify to the adoption of this resolution.

PASSED, APPROVED and ADOPTED this 26th day of January, 2015.

Chairman Jim Dear

ATTEST:

Secretary Susan S. Nursement



VICINITY MAP



2254 E. 223RD St.

EXHIBIT NO 02



**SECOND AMENDMENT TO AGREEMENT FOR PURCHASE AND SALE
OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS**

THIS SECOND AMENDMENT TO AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS (this "Second Amendment") is made as of _____, 2015, by and between Panattoni Development Company, Inc., a California Corporation ("Buyer"), and Carson Successor Agency, a public body, corporate and politic, or its assignee ("Seller"), with respect to the following:

RECITALS

A. Seller and Buyer have previously entered into that certain Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions dated as of January 21, 2014 (the "Agreement") wherein Seller has agreed to sell to Buyer and Buyer has agreed to purchase from Seller certain real property located at 2254 E. 223rd Street in the City of Carson, County of Los Angeles, State of California 90745 (the "Property"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Agreement.

B. Seller and Buyer amended the Agreement on July 21, 2014 to extend the closing date to January 26, 2015 ("First Amendment").

C. Soils investigations have led to the discovery of unfavorable geotechnical conditions and monitoring wells located at the proposed building locations. For this reason the Developer is re-designing the project and will require more time to complete its entitlement process. The Developer has requested an extension of the closing date from January 26, 2015 to June 30, 2015.

D. Buyer and Seller desire to amend the Agreement in certain respects, all as hereinafter provided.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual covenants and agreements contained in this Second Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree to amend the Agreement as follows:

1. Closing Date. The first sentence of Section 5.1 is hereby deleted in its entirety and replaced as provided below. The remainder of Section 5.1 shall remain unchanged.

The closing date may occur sooner than, but shall occur no later than June 30, 2015 ("Closing Date").

2. Time Extensions. Section 5.4 is hereby deleted in its entirety and replaced with the following:

The Executive Director of the Seller, or his designee, shall have the authority on behalf of the Seller to approve written requests for extensions of time not to exceed a



cumulative total of thirty (30) days with respect to the close of Escrow. Any request for an extension of time for whatever reason, other than as specified in Section 25 herein, beyond the thirty (30) days delineated within this Section 5.4 shall be approved by an action of the Successor Agency Board.

3. Miscellaneous.

(a) Effect of Second Amendment. Except to the extent the Agreement is modified by this Second Amendment, the remaining terms and conditions of the Agreement shall remain unmodified and in full force and effect. In the event of conflict between the terms and conditions of the Agreement and the terms and conditions of this Second Amendment, the terms and conditions of this Second Amendment shall prevail and control.

(b) Entire Agreement. The Agreement, together with this Second Amendment, embodies the entire understanding between Seller and Buyer with respect to its subject matter and can be changed only by an instrument in writing signed by Seller and Buyer.

(c) Counterparts. This Second Amendment may be executed in one or more counterparts, each of which shall be deemed an original but all of which, taken together, shall constitute one in the same Second Amendment.

[signatures on following page]



IN WITNESS WHEREOF, this Second Amendment has been executed as of the day and year first set forth above.

SELLER:

CARSON SUCCESSOR AGENCY,
a public body corporate and politic

By: _____
Chairman Jim Dear

ATTEST:

By: _____
Agency Secretary Donesia L. Gause, CMC

APPROVED AS TO FORM:
Aleshire & Wynder, LLP

By: _____
Agency Counsel

BUYER:

Panattoni Development Company, Inc.
a California Corporation

By: _____
Mark D. Payne
Partner

