CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY (CPCFA)
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM
Meeting Date: February 21, 2023

Request to Amend Grant Documents Under the California Recycle Underutilized Sites (CALReUSE) Remediation Program

Prepared by: *Alison French-Tubo*

Applicant:	Carson Reclamation Authority
Project Name:	Los Angeles Premium Outlets
Project Location:	City of Carson (Los Angeles County)
Type of Funding:	Grant
Amount Disbursed:	$5,000,000 (fully disbursed on 11/30/09)
Resolution No.	22-03-04
Prior Actions:	Approved 11/19/08 Amended 10/20/15 Amended 04/19/16 Amended 08/16/16 Amended 01/15/19 Amended 06/16/20 Amended 10/20/20 Amended 01/20/21 Amended 07/20/21 Amended 08/16/22 Amended 09/20/22

Summary

As directed by the CPCFA Board at the September 2022 meeting, Carson Reclamation Authority (the Grantee) submitted a Novation Application and a third-party review regarding the commercial feasibility of the current development plan for Cell 2 (see Att. 1a, 1b, 2) to CPCFA staff on February 6, 2023. The two documents address four topics in total: use of grant funds, promotion of housing, completion of remediation, and cure of default.

An abbreviated timeline of events for this CALReUSE Infill Grant Agreement (“Grant”) is provided in the following section. Details of the history of the Grant and activities related to it were included in the September 2022 report, which can be referenced at https://www.treasurer.ca.gov/cpcfa/meeting/2022/20220920/staff/4b.pdf, and will not be repeated in this report.

Timeline of Events

- **November 2008 –** The CPCFA Board approved a $5 million CALReUSE grant for Carson Marketplace for the remediation of a 157-acre former landfill and the development of 400 housing units (61 affordable).

- **November 2009 –** The entire $5 million CALReUSE Grant is disbursed to Carson Marketplace.
- **June 2015 –** CPCFA staff learned that the 157-acre site was sold without CPCFA Board consent to an entity proposing an NFL stadium on the site. Additionally, the property was transferred to the Grantee for pollution liability reasons.
- **October 2015 –** The CPCFA Board approved the transfer of the CALReUSE Grant to the Grantee and a Grant extension from October 2015 until April 2016. The Grantee also agreed to submit an Amended Application detailing the new brownfield Remediation project and the associated infill Housing project by February 2016.
- **January 2016 –** The NFL ownership group declined the request by the Oakland Raiders and San Diego Chargers to develop a shared stadium at the 157-acre Brownfield Site.
- **February 2016 –** The Grantee delivered an amended application to CPCFA staff. Staff's assessment was that the application lacked a development timeline and that the proposed affordable housing did not meet the CALReUSE Remediation Program's requirements to produce or promote housing.
- **April 2016 –** The CPCFA Board provided the Grantee with a six-month extension to the CALReUSE Grant to provide the Grantee time to amend the application and address CPCFA staff's concerns.
- **August 2016 –** The CPCFA Board approved the Grantee's request provided in the amended application to: extend the project from October 2016 to December 31, 2020; redefine the Brownfield Site from the 157-acre site to the 42-acre portion known as Cell 2; and develop 86 housing units (84 affordable). The CPCFA Board also approved four specific benchmarks for the Grantee to meet.
- **January 2019 –** The Grantee met the first two benchmarks. The CPCFA Board approved the Grantee's request for a modification of the benchmarks and a one-year extension of the CALReUSE Grant until December 31, 2021.
- **December 2019 –** The Grantee completed both housing projects.
- **January and March 2020 –** The Grantee was unable to complete the Remediation and consequently missed the January 31, 2020, and March 30, 2020, benchmarks. At this time the Grantee stated that they were about 80% complete with the Remediation.
- **June 2020 –** The CPCFA Board held the Grantee in default for the missed January 2020 and March 2020 benchmarks. The CPCFA Board provided the Grantee with an opportunity to cure the default by providing the CPCFA Board with a feasible plan to fund the Remediation by the October 2020 CPCFA Board meeting and presenting the CPCFA Board with alternative benchmarks to consider at the November 2020 CPCFA Board meeting.
- **September 2020 –** The Grantee provided a plan to fund the Remediation, identifying two potential funding sources: proceeds from the sale of Cells 3, 4, and 5 and proceeds from the sale of $90 million in bonds as a result of an enforceable obligation, which requires DOF approval.
- **October 2020 –**The CPCFA Board provided the Grantee with an extension of the cure period until the January 19, 2021, CPCFA Board meeting.

- **January 2021 –** The CPCFA Board approved an additional extension to the cure period to the July 20, 2021, CPCFA Board meeting.
- **July 2021 –** The CPCA Board approved an extension of the Infill Grant Agreement to April 30, 2022, and a further extension of the cure period until the April 2022 Board meeting.
- **April 2022 –** The CPCFA Board directed a report on the proposed cure of the default be presented at the September 2022 Board meeting.
- **August 2022 –** The CPCFA Board approved the extension of the cure period and the Grant expiration to October 1, 2022.
- **September 2022** – The Grantee presented a proposed cure of default that did not rely upon being able to issue bonds as a result of an enforceable obligation, however it was determined that a Novation Application and third-party opinion of the commercial feasibility of the current development plan for Cell 2 would best promote understanding of the current plan and the future of the Grant. The CPCFA Board approved an extension of the cure period and the Grant expiration to March 1, 2023.

Current Situation

The Grantee requested and received development proposals for Cell 2 that would address costs to complete remediation. The Grantee selected a proposal from the prior developer, CAM-Carson, to return to an outlet mall retail project on Cell 2. An advantage of the proposal was that it would utilize the foundation piles and gas control and collection structures already installed and would not require new zoning or environment approval processes.

At the September 2022 Board meeting, the CPCFA Board directed that the Grantee prepare a Novation Application to provide the updated details and information regarding the remediation and housing to be completed under the Grant and that the Grantee provide a third-party opinion regarding the commercial feasibility of the proposed development for Cell 2. In regards to Cell 2, while the development of Cell 2 is not a requirement of the Grant, it is integral to the remediation which is a Grant requirement. The Novation Application and third-party opinion are to be considered by the Board in determining if the previously declared default is cured.

The Grantee submitted the Novation application and feasibility review prepared by The Natelson Dale Group (TNDG). TNDG has experience reviewing projects on behalf of municipalities and on behalf of developers, and their representative will be present at the Board meeting to respond to Board questions concerning their review.

Description and Analysis of Submitted Documents

In preparing to review the documents, CPCFA staff determined four topics would be of use to the Board in considering the current situation: use of grant funds, promotion of housing, completion of remediation, and cure of default. As noted below, the topics were addressed.

A. Use of grant funds (see Novation Application item 4)
   a. The Novation Application includes information that the purchase of linear low-density polyethylene (LLDPE) liner aka geotextile membrane for Cell 2 using the Infill Grant Agreement award of $5 million has already occurred.
   b. This information was also reported in the disbursement requests and quarterly reports from the Grantee to CPCFA. Additionally, the Grantee notes that its annual audit process documents the storage of the geotextile membrane not yet installed.

B. Promotion of housing (see Novation Application item 6)
   a. The Novation Application includes information reporting that the promotion of affordable housing required by the Infill Grant Agreement has already been fulfilled.
   b. Treasurer Fiona Ma and CPCFA representatives attended the grand opening for one of the housing developments. Information on the completion of both housing developments was also documented in the quarterly reports from the Grantee to CPCFA and will be submitted to CPCFA as part of Exhibit D for the grant close-out.

C. Completion of remediation (see Novation application items 4 and 5)
   a. The Novation Application includes information reporting that the installation of the geotextile membrane and gas control and collection system on Cell 2 has begun. Due to the unique requirements of remediating a landfill, the installation of the top layer of geotextile membrane and the final work on the gas system will occur in conjunction with construction activities for the development of Cell 2.
   b. The Novation application includes information about the intended development of Cell 2, just as the original application included information about the original intended development. As noted in item a., the completion of remediation is tied to the development of Cell 2.
   c. The remediation to-date was documented by the environmental engineering and contracting firm(s) and reported to the oversight agency, DTSC, and to CPCFA via quarterly reports. The completion of remediation will be documented by the environmental engineer and reviewed by the oversight agency, then submitted to CPCFA as part of Exhibit C for the grant close-out.
   d. Documentation of the development of Cell 2 will not be part of the grant close-out process.

D. Cure of default (see Novation Application item 5 and third-party review)
   a. Although not a requirement of the Grant, the development of Cell 2 remains integral to the completion of remediation of Cell 2. The Novation application includes information about the planned development of Cell 2 and the third-party review addresses the feasibility.

b. Although the development group, CAM-Carson, has extended its due diligence period and thus did not provide their updated project cost estimate, TNDG was able to update factors such as construction costs, operating expenses and operational revenues (i.e. rents) based on current market and financial conditions, and also performed a retail market analysis. TNDG concluded that the project's potential value/profitability would be negative without the planned subsidy towards the costs of remediation but would range to highly profitable with it.
c. CPCFA staff notes that the need for a subsidy for the costs of remediation is at the heart of the concept of the CALReUSE Remediation program, with the intention of the CALReUSE grants being to allow a brownfield site to transform from an unusable void for a community to a resource. However, as a pilot program, CALReUSE Remediation awards were made to projects where the total remediation costs significantly exceeded the grant amounts and experience has shown that such projects have encountered more challenges in completing remediation than projects for which the remediation costs were covered by the amount of the grants.

Conclusion

After review of the documents CPCFA staff finds that the provided documentation meets the CALReUSE Remediation Grant guidelines and program intent.

Board Action

CPCFA staff recommends that the Board find that the default is cured and approve a resolution extending the Grant expiration to June 30, 2026. Staff has prepared a resolution that the Board can utilize if they wish and is available to answer Board questions.

RESOLUTION NO. 23-03-001
A RESOLUTION OF
THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY AMENDING GRANT DOCUMENTS UNDER THE CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM

February 21, 2023

WHEREAS, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California, on November 19, 2008, approved a California Recycle Underutilized Sites Remediation Program (“CALReUSE”) grant for the Boulevards at South Bay project (the “Project”) in the amount of $5,000,000 and pre-approved additional grant funding in an amount not to exceed $10,000,000 subject to certain conditions, as reflected in that Resolution (the “Resolution”); and

WHEREAS, the grant was transferred to the Carson Reclamation Authority, a California joint powers agency whose members include the Carson Housing Authority and Community Facilities Districts 2012-1 and 2012-2, at the Authority’s October 20, 2015, Board meeting; and

WHEREAS, on October 20, 2015, the Authority extended the term of the Infill Grant Agreement to April 30, 2016, to provide the Carson Reclamation Authority an opportunity to submit an amended application with adequate information regarding the Brownfield Remediation Project and Infill Development Project to this Authority by February 16, 2016; and

WHEREAS, the amended application submitted by the Carson Reclamation Authority on February 16, 2016, did not meet the regulatory requirements of CALReUSE; and

WHEREAS, based on information and good faith representations submitted by the Carson Reclamation Authority on April 18, 2016, the Authority found that due to a recent change in leadership and direction related to the development project, it was in the public interest to grant a short term extension of 120 days solely to provide the Carson Reclamation Authority with a final opportunity to substantiate to the Authority the reasonable likelihood that it would complete all required elements of the Infill Grant Agreement dated July 29, 2009, including, but not limited to:

1. A timeframe and schedule for the completion of the Remediation Work for the entire Project site, including final approval by the Department of Toxic Substances Control;

2. A timeframe and schedule for the development of the Brownfield Infill Project for the entire Project site, including all required certificates of occupancy; and

3. An Infill Development Project including a residential component that meets or exceeds the housing commitment in the original Infill Grant Agreement and that is promoted by the Carson Reclamation Authority's acquisition of the Infill Grant Award.

WHEREAS, the Carson Reclamation Authority provided an amended application to the Authority on July 15, 2016, which proposed specific Project amendments to meet the regulatory requirements of CALReUSE; and

WHEREAS, on August 15, 2016, the Authority extended the term of the Infill Grant Agreement to December 31, 2020; reduced the scope of the Brownfield Development Project from the larger 157-acre Site to the easternmost 42 acres, now defined as Cell 2; accepted the two Infill Housing Projects; and included specific benchmarks the Grantee was required to meet to avoid an event of default under the extended Infill Grant Agreement; and

WHEREAS, on January 15, 2019, the Authority extended the term of the Infill Grant Agreement to December 31, 2021, changed the name of the project to Los Angeles Premium Outlets, and set specific benchmarks the Grantee was required to meet to avoid an event of default under the extended Infill Grant Agreement; and

WHEREAS, on June 16, 2020, the Authority declared an event of default for two missed milestones and provided the Grantee with an opportunity to cure the default by providing the Authority with a feasible plan to fund the remaining remediation and providing alternative project milestones acceptable to the Authority by November 6, 2020; and

WHEREAS, on October 20, 2020, the Authority extended the cure period to 90 days after the October Authority meeting for the Grantee to further develop a feasible plan to fund the remediation and provide alternative project milestones; and

WHEREAS, on January 19, 2021, the Authority accepted the feasible plan to fund and extended the cure period to 182 days after the January Authority meeting for the Grantee to further update a feasible plan to fund the remediation and provide alternative project milestones; and

WHEREAS, on July 20, 2021, the Authority extended the cure period to 273 days after the July Authority meeting and extended the term of the Infill Grant to April 30, 2022, to allow the Grantee time to further update a feasible plan to fund the remediation and provide alternative project milestones; and

WHEREAS, on August 16, 2022, the Authority extended the cure period to October 1, 2022, and extended the term of the Infill Grant to October 1, 2022, to allow the Grantee time to further update a feasible plan to fund the remediation and provide alternative project milestones; and

WHEREAS, on September 20, 2022, the Authority extended the cure period to March 1, 2023, and extended the term of the Infill Grant Agreement to March 1, 2023, to allow the Grantee time to prepare a Novation Application and obtain a third-party opinion; and

WHEREAS, on February 21, 2023, the Authority finds that the default is cured; and

WHEREAS, the Authority finds that extending the term of the Infill Grant Agreement until June 30, 2026 is in the public interest and advances the purposes of CALReUSE; and

WHEREAS, approval for amending the Infill Grant Agreement dated July 29, 2009, is sought;

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. The Authority hereby determines the default cured.

Section 2. The Authority hereby extends the term of the Infill Grant Agreement until June 30, 2026.

Section 3. The Authority authorizes the Executive Director and Deputy Executive Director to take the steps necessary with respect to the Applicant to approve any changes in the Project if determined to be in the public interest and advances the purposes of CALReUSE and report to the Authority any action taken.

Section 4. Except as specifically amended by this Resolution, all provisions and conditions of the Infill Grant Agreement dated July 29, 2009, as amended thereafter, shall remain unchanged and in full force and effect.

Carson Reclamation Authority

February 2, 2023

Ms. Alison French-Tubo
Mr. Robert Salls
CAL ReUSE Program
California Pollution Control Financing Authority
P.O. Box 942809
Sacramento, California 94209-0001

Re: Carson Reclamation Authority – January 2021 CPCFA Meeting

Dear Alison and Robert:

Included with this letter is a Novation Application on behalf of the Carson Reclamation Authority (CRA) for the CALReUSE Program, to able to provide the CPCFA Board a fresh, clean look at the Project after all these years to develop a new Grant Agreement and milestones. So much has occurred since the previous application in 2016, including the completion of the two Infill Development Projects, that many of the exhibits had to be replaced with up-to-date materials. There is a lot of information about the housing projects even though they were completed, and much more detailed information about the Brownfield project than in 2016.

Our negotiations with CAM-Carson, LLC are ongoing.

Also, as you requested, I have included the Economic Feasibility Study developed by one of our economic consultants, Roger Dale of The Natelson Dale Group. While I don't have the up-to-date project numbers from CAM, we believe that Roger's cost numbers are within a few percentage points of theirs, and the revenue numbers are based on what's happening in the industry and the information is widely available. The pro forma shows the scenarios where the project would be feasible and where it would not be feasible.

I look forward to discussing the packet on Tuesday. We are grateful that CPCFA has continued to be patient and cooperative while the CRA works through the issues on the Site. I am available by email at jraymond@carson.ca.us or telephone at (310) 952-1773 or my cell phone at 760-902-1903. Thank you again for your support.

Respectfully,

John S. Raymond
Executive Director

Attachments: 1. Novation Application
2. Six (6) Flash Drives with Letter, Application, Economic Study, and Exhibits

CALIFORNIA RECYCLE UNDERUTILIZED SITES (CALReUSE) REMEDIATION PROGRAM

Application Form

January 2023

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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
Assistant City Manager - 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@carsonca.gov

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**.

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 dating back to 2006. Largely because of the effects of the 2009-2010 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 CRA 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 CRA. In consideration of the concessions and various releases made in the Settlement, the CRA 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 Lula Davis-Holmes (Mayor, City of Carson)
   - Member Cedric Hicks, Sr. (Council Member, City of Carson)
   - Member Diane Thomas (Planning Commission)
   - Member Lillian Hopson (Environmental Commission)
   - Member Ray Aldridge (Economic Development Commission)

   - Executive Director John S. Raymond

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.
3. 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.

For the purpose of 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 50-unit project located at 600-610 West Carson Street and 21723-21725 South Figueroa Boulevard, and the other 45-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 for the CRA to resubmit the April application acknowledged that the CRA 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 both cases, these projects were *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 (Housing Authority) and the developers. **These projects were completed and received Certificates of Occupancy at the end of 2019 and the permanent TCAC covenants were recorded.** Both Development Agreements (or Affordable Housing Agreements) required 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. These are attached in **Exhibits 12 and 13**.

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**.

- 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**.

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**.**

- 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 45-unit Arts Colony required a change of zone to allow for residential units on the property, but the zone change was approved, and the project was constructed.

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.

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. **The Regulatory Agreements for the two projects are included here** 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**. **The Disposition and Development Agreements for the two project are included here.**

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 2016 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 the LLDPE liner has been purchased and stockpiled on the site, and approximately 40 acres of liner were installed already on Cells 4 and 5 of 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 the other funds. **Exhibit 22** contains a Project Budget Reconciliation which summarizes the actual remediation revenues and 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 through the termination of the EAAs the Trust Account was the most reliable calculation of the funds spent on remediation, as it was 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.

The total amount spent on the direct remediation costs at the 2007 cost basis from the Trust Account by 2016 was $42,437,904.56. The EAA with the environmental contractor, Tetra Tech, Inc. ("Tetra Tech") allowed them to increase costs from the 2007 costs in the amount of 5.9% annually; these increases were shown as "interest" cost listed separately. With interest, the total amount spent out of the trust account was 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 allocated to Cell 2 by 2016 was greater than the $5,000,000 of the Grant.

In terms of expenditures from the Trust Account, tasks with site-wide benefits allocable to Cell 2 included: 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 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): 48 months

5. Brownfield Infill Project Information

A. Project Name: Los Angeles Premium Outlets (LAPO)
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 46.33 +/- Gross Acres or 42 +/– Net acres in Cell 2*

* The entire Carson Marketplace site is 157 gross acres.

Subdivision of the Site

Vertical Subdivision

Carson Marketplace previously 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 the land within one (1) foot above the landfill cap in all areas outside of the building slabs, (ii) all 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 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 cell map of the site and the vesting tentative tract map of the site is included in **Exhibit 24.**

The CRA negotiated with CAM for the conveyance of the Surface Lot only of Cell 2, which is approximately 46.33 gross acres (the "Cell 2 Site") for the development of the outlet 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 CRA will further subdivide parcels within the Surface Lot, which parcels then will be developed or leased or sold. Ownership of the Subsurface Lot originally was to be transferred to a mutual benefit corporation, as described below, but such obligations will now remain with the CRA. A map showing the various parcels of the 157-Acre Surface Lot, when subdivided, is included in **Attachment C.**

Long-Term Responsibility for Environmental Conditions

One of the CM'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, CM 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 Pollution Liability Policy expired. **The CRA has undertaken that responsibility**.

The CRA will maintain ownership of the Remediation Lot and assign its rights, as applicable. Its environmental obligations (other than supervision and maintaining insurance) were to 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 CRA and DTSC, as applicable, or (2) December 31, 2027, when the EAAs expire. The Tetra Tech agreement and the EAAs were terminated in January 2017. Following the termination of the EAAs, the CRA retained a replacement contractor, initially SCS Engineers which was rebid to TRC Solutions, LLC in 2018. In May 2021, WSP, Inc. replaced TRC as the remedial on-site O&M contractor.

The mechanism for funding the CRA's future environmental obligations is 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 CRA.

Environmental Deed Restrictions

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. A Draft Land Use Covenant negotiated with DTSC is included as **Attachment A**.

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

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. Lenardo Road separates Cell 1 and Cell 2 from the rest of the site and Stamps Road remains the formal cell boundary between Cell 4 and adjacent Cells 3 and 5.

<u>Development Negotiations</u>

In 2018, the CRA entered a Conveyancing Agreement with CAM-CARSON, LLC, a Delaware limited liability company ("Developer" or "CAM"), an entity of the Macerich Company ("Macerich") of Santa Monica, for the development of a state-of-the-art approximately 565,000 square foot regional fashion outlet mall (the "Project") on Cell 2, and a long-term development agreement which would result in the conveyance of the Surface Lot only of Cell 2, which is approximately 42 +/- net acres (the "Cell 2 Site"). Due to the extraordinary costs of developing on a former landfill, the parties included 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.

During the negotiations, CAM provided a pro forma showing the estimated budget for the development and construction of the Project. CAM sought substantial financial assistance from CRA/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 CAM acknowledges that the pro forma must justify the requested assistance as required for their 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.

The Conveyancing Agreement and related Development Agreement are CEQA actions and were approved after the Project had undergone CEQA review and the City certified a Supplemental EIR to the 2006 EIR on the site.

The Project was originally projected to create $350 million in real estate valuation and promote the economic well-being of the entire area. It was also supposed to encourage the diversification and development of the City's economic base and is expected to produce more than 1,700 construction jobs and 1,800 permanent jobs and generate millions each year in sales tax, property tax and hotel tax that will go to the City's general fund. The current cost estimate, based on increased remedial system costs and general cost escalations in construction, is over $400 million.

For the remainder of this application, the 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) were relocated to two other sites and completed in late 2019 though in late 2022 the CRA entered an Exclusive Negotiating Agreement with Carson Essential Housing, LLC for the development of up to 1,200 units of housing on Cell 1, though the feasibility of such a large housing project (with an affordable component) on this site still needs to be demonstrated. The Development Project is described in the following paragraphs.

Pursuant to the Agreement, construction by the CRA commenced in October 2018 with rough grading, installation of the remedial systems, and site development improvements; CAM reimbursed the CRA for its share of the work as provided for in the Project Agreements.

Weather conditions in early 2019 and a number of unanticipated site conditions, one known as "pile refusal," and a massive excess of waste (instead of cover soil) to be consolidated in other areas of the site as part of the grading activity, meant that by the end of June 2019, a significant number of piles were installed but liner installation, pile caps and pile cap boot installation, and the placement of BPS gravel were behind schedule and mostly had not occurred yet. By November 2019 all 2,213 piles had been installed and 5 of 64 concrete pours for the installation of the building slab had been completed.

One way to look at the percent complete on the horizontal and civil work is the percent of the contract with Snyder Langston, the civil general contractor. As of June 30, 2021, the contract was as follows:

CAM-Carson Contract Work	$55,316,507
CRA Contract Work	$3,334,898
Total Construction Contracts	$59,675,272

Amount Paid to Date	$35,004,326
Total of Work Remaining	$24,670,946 (41% remaining)

The original working estimate of remedial system costs during the negotiation of the agreement, based on earlier cost assumptions, was $31.7 million. Shortly after work started, TRC revised its estimate upward to $43.7 million because of the following changes in scope:

1. Utilities, which were originally designed to come up to a “utility shelf”, were moved under the building.
2. The liner, which was assumed to be flat under the original estimate, was not longer flat under the modified design.
3. Pile cap excavation was shifted from the civil general contractor to the environmental contractor.
4. Utility trenches now had to be excavated under the liner area.
5. The Health & Safety Plan (work area monitoring, perimeter monitoring) moved to remedial contractor.

Once grading and pile driving commenced, additional changes in site conditions were apparent and remedial costs increased further, to an estimated $62.1 million. These include:

1. Gross errors in the “top of trash” map the CRA inherited meant the volume of waste “consolidated” on site to create a flat building pad rose from the expected 19,000 cubic yards to over 202,000 cubic yards, at an increased cost of at least $13 million.
2. Additional BPS gravel screening was $1.3 million.
3. A schedule delay of 51 days at the very beginning of the project due to pile refusal (and the need to amend the Pile Driving Workplan) cost an additional $2.8 million for the acceleration of precise grading and trenching to stay on schedule, and $4.4 million of extended overtime to recover lost schedule days (50-hour weeks).
4. There was another few million dollars of associated additional costs.

The delays ended up pushing the remedial costs over $70 million, largely due to extended general conditions of TRC, plus more soil and gravel import, and the addition of “geofoam” blocks to be installed in all the deep trenches to reduce the weight of the BPS system on the membrane liner. The geofoam alone was $2.3 million.

In late 2019, a dispute arose between the CRA and CAM as to the CRA’s ability to fund the completion of the remedial systems and site development improvements. In April 2020, CAM filed a lawsuit (CAM-Carson, LLC v. Carson Reclamation Authority, et. al, Case No. 20STCV16461) alleging, in part, that the CRA had breached the Project Agreements. Shortly thereafter, the CRA filed counterclaims alleging, in part, that CAM owed the CRA for a portion of its work completed by the CRA on the site. The problems from the CRA’s perspective were related to escalating costs on the “remedial systems” side as described above, which was the CRA’s responsibility and not reimbursed by CAM.

Following mediation in 2021, in early 2022 the CRA, CAM, and the City of Carson agreed to investigate restarting the development of the LAPO Project. A Second Amendment to the Conveyancing Agreement (“Amendment”) was approved by the CRA Board and the City Council on August 2, 2022. The Amendment is subject to a 90-day due-diligence period, as may be extended (an extension request has been made), for CAM to investigate the cost of restarting the work on the site and secure necessary permits. During this period, CAM can terminate the Amendment and litigation would continue. If the restart is considered feasible, construction on the project could begin as soon as late summer 2023.

Developer’s Qualifications

In terms of the financial capacity of the Developer, CAM is comprised of two retail real estate firms, the Macerich Company and Simon Property Group (“SPG”). Macerich was the original entity and Simon was added in mid-2018. They are each 50% partners. Under the original project, Macerich’s development team was the lead in the design and construction of the project. Under the amended agreements SPG is the development lead and will be performing the development work described in the amendments.

With a $35.54 Billion market capitalization, SPG is the largest owner of retail properties in the world, and its next largest competitor is about 1/3 the size. Simon operates upper-scale malls, Premium Outlets, The Mills, international properties, and have even recently acquired operating retail businesses such as Brooks Brothers and Forever 21. They made $5.117 Billion in revenue last year. Macerich currently owns and manages 55 million square feet of regional shopping centers and is also one of the largest owners and operators of shopping centers in the United States.

Project Schedule

The Project Schedule combined the Developer’s development project schedule with remediation milestones since the vertical construction of the Project could not 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/CRA’s contractual milestones produced a schedule that allowed the Grantor to monitor progress by regulatory or contractual actions, and not have to track construction-based actions to track performance.

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 suitable for vertical development and occupancy. 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, were two separate projects developed by different development companies, one 50-unit (plus manager's unit) project located at 600-610 West Carson Street and 21723-21725 South Figueroa Boulevard, and the other a 45-unit (plus manager's unit) project located at 21205 South Main Street in Carson. No residential development is proposed as part of the Cell 2 Development Project though the CRA is now working with a developer on housing for Cell 1.

Nevertheless, the Development Project has already furthered 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 differed but the approval by the City of both Infill Projects was spurred by the requirements of the Grant. The City and the CRA committed to meeting or exceeding the number of affordable housing units provided for under the original Grant in a location within the City, which was accomplished in 2019.

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

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 CRA 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.

The CRA and the site developers have negotiated a draft Land Use Covenant to be recorded against the entire 157-Acre site prior to the approval and recordation of a Final Map**. While still subject to change, a draft Land Use Covenant which has been negotiated with DTSC is attached as Attachment A.** The Covenant contains a list of constituents of concern.

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

The primary obstacle to reuse of the Cell 2 property remains the complexity and high cost of implementing the required environmental remediation and the cost of building foundation that will support buildings constructed over landfill waste. Many developers have direct experience with developing on previously contaminated land, but that experience is more often with 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 still be an environmentally impacted site. The constraints are construction cost-related, but also practical limitations 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 the CRA, CPCFA, CAM, and the potential insurance carriers. At the time of the 2016 Application, the existing regulatory framework described 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 required redrafting and renegotiating the regulatory and contractual framework of the overall project, in place since 2008, 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.

The approval of the change to the regulatory framework, called the Management Approach to Phased Occupancy ("MAPO"), was received from DTSC in early 2018 and is described below.

Market Risk

The CRA was created and acquired the 157-Acre site to accommodate the development of an NFL stadium with the then-San Diego Chargers and the then-Oakland Raiders. 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 CRA determined that the negotiation with Macerich was the most expeditious way to move development forward. Part of the negotiation with Macerich in early 2016 was whether the company was interested in the entire 157-acre site.

It was determined in 2016 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 CRA undertook the process of obtaining approval of a Phased Development Plan (later, the MAPO) from DTSC and selecting a Master Developer for the balance of the original Project Site. As a result, no housing was proposed as part of the Brownfield Development on the Project Site; the CRA worked to replace the affordable units lost from the Brownfield Site with a greater number than was originally required and completed those projects in December 2019, described in Section 6.A.1. below. The substitute Infill locations were significantly more competitive for scoring in the Tax Credit Allocation Committee process due to their superior locational advantages such as distance from transit, grocery shopping, medical facilities, or other amenities, which were already in place in the substitute locations.

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 at least 15 to 20 feet into native soil. (Unfortunately, one of CAM's design changes was to reduce the overall number of piles from 2,900 to 2,200 by increasing the embedment depth, which was a contributor to the pile refusal issue.) These factors create foundations costs that are 2 to 3 times traditional costs. This incremental cost difference is significant to the overall project and was the basis for the original financial assistance package made by the CRA to CAM.

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 were to be performed for a fixed price, which was pre-funded by Carson Marketplace. The terms and conditions of Tetra Tech's obligations were 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 provided a broad indemnity to the property owner and its assignees (including the CRA) for claims and losses arising from Tetra Tech's performance of the services.

Under the contract, Tetra Tech was 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[1]. Between funds contributed directly by Carson Marketplace and issuance of remediation-related bonds and cash payments by the City of Carson's former Redevelopment Agency, the fixed price was pre-funded into an escrow account at Wells Fargo Bank ("Wells Fargo") and an Environmental Protection Program Policy (the "EPP Policy") that Carson Marketplace 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 was 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 had no recourse against the CRA or other parties for payment of the services it was obligated to provide under the EAAs. The CRA assumed the EPP 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.

When it acquired the parcel as described in Section 6, the CRA agreed it would maintain ownership of the Remediation Lot and assign its rights and obligations under the EAAs, as applicable. The CRA's environmental obligations (other than supervision and maintaining insurance) were to 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 CRA and DTSC, as

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

applicable, or (2) December 31, 2027, when the EAAs expire. However, the EAAs were terminated in January, 2017 and replaced by an Enterprise Fund Administration Agreement with DTSC, and the CRA has the responsibility for maintaining the remediation systems. Tetra Tech was off the project by early 2017.

Carson Reclamation Authority Acquisition of the Property

The documents related to the CRA's acquisition of the Property are included in **Exhibit 6**.

Regulatory Issues

Phased Development and Approval of HRA and RACR

One of the issues the CRA had to address in proposing Cell 2 as the Project was its departure from the existing contractual and regulatory framework that existed when it acquired the 157 acre site, largely due to the somewhat outdated risk transfer arrangements in the Tetra Tech contracts which assumed all 5 cells of the entire original site would developed all at once and that there would not be "phasing" of occupancy 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.

The original regulatory framework used the 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 157 acres and preceded the issuance of a Certificate of Occupancy ("C of O") from the Building Official. The HRA was also defined as the trigger for the O&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 Compliance Framework Agreement, CAM could still have requested and received an HRE after the remedial systems, the piles, pile caps, and liner are installed and the landfill cap was installed on Cell 2 only, which would have allowed 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.

The approval of a Remedial Action Completion Report ("RACR") signs off on the completion of certain remedial systems under the existing RAP. By 2016 DTSC had already 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, then, the Developer was able to seek approval of a RACR upon completion of the various remedial systems on Cell 2.

To receive approval of a 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 contractual and regulatory framework as existed in 2016, an HRA would still have needed to be prepared for occupancy of any cell at the site, and an HRA then could only be approved for the entire 157-acre site. Therefore, the CRA submitted a draft Phased Development Plan ("PDP") to DTSC in 2016 so that the specific environmental details related to phasing and DTSC approval of specific portions of the project could be appropriately defined.

DTSC first asked for the plan to be referred to as the Phased Occupancy Plan ("POP"), since "phased development" of individual cells had always been allowed under a similar set of protocols since 2006, though the occupancy of individual cells was subject to the Site-wide HRA. Later, it was referred to as the Management Approach to Phased Occupancy ("MAPO"), retaining the focus on occupancy (vs. merely development) of individual cells, and referencing a management approach that could be applied sitewide.

One of the elements developed as part of the PDP/POP/MAPO process was the Roadmap to Occupancy ("RtO"). A copy of the MAPO with the RtO is included in **Exhibit 3a**, along with the original Remedial Action Plan. The RtO is a flow diagram of the process and management approach that will allow phased implementation of the remedy, phased Site development, and phased occupancy of the developed Cells.

The objective of the RtO is to establish a mechanism that integrates the various approval and decision-making milestones allowing for the development of a particular Cell and incorporates all the elements necessary to implement phased occupancy. The key components of the process are:

i. establish a step-by-process for evaluating management plans and mitigations to ensure a phased approach is protective of on- and off-site populations;
ii. establish a step-by-step process for evaluating health risk issues as the remedial system construction is completed in phases;

iii. minimize potential time gaps associated with completing, reviewing and approving documents that would be required for DTSC to issue a no-objection letter for Certificate(s) of Occupancy for each Cell; and
iv. standardize the documentation requirements for each Cell.

All versions of the phasing document (the PDP, POP and now MAPO) recognized that the remedial components for the entire site have already been approved (landfill gas collection and control, groundwater extraction, building protection system, etc.) but that the layout of the remedial systems for each cell may be altered slightly and will be implemented based on the ultimate approved development plan for each cell of the Site. Following implementation of remedial systems for a given cell, a RACR and a cell-specific HRA would still be prepared for that cell and submitted to DTSC for its review and approval prior to occupancy and a focused HRE is also contemplated, with the goal of allowing non-HAZWOPER workers to conduct vertical construction activities on that cell.

The RtO flow diagram will be utilized during each construction phase and shows the documents that will be produced prior to implementing construction of each phase, during the various steps of completion of the phase, and then at the completion of each phase prior to occupancy. The flow diagram also illustrates the generalized permitting and review process that will be followed as the phase is completed. This document does not attempt to show all permitting and approvals, such as general construction and permitting and design review and approval. The RtO is now approved by DTSC and is included in the full MAPO. A final, official sign-off on the MAPO was received on May 31, 2018.

Notwithstanding the proposal to make the Cell 2 Los Angeles Premium Outlets project the Development Project for this application, the CRA has entered an agreement with Carson Goose Owner, LLC (originally proposed and sometimes referred to as Faring Capital) for Cells 3, 4, and 5 of the original 157-Acre site, with the project approved on May 22, 2022. The Project Approval staff reports (there are two) for the Carson Goose Owner project are included as **Attachment B**.

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. 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. These Regulatory Agreements are included in **Exhibit 12**.

The Infill Grant Regulatory Agreement is part of the Disposition and Development Agreements with the two affordable housing developers, Thomas Safran & Associates and Meta Housing, with the Regulatory Agreements recorded against the properties at the time the Infill developers acquired the property from the private sellers. These regulatory agreements were 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, as well as the TCAC Regulatory Agreements requiring the same.

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 CRA 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.

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

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). An updated letter from the Carson Chamber of Commerce is also included.

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. (There are no City of Carson letters for the Meta Housing and TSA projects attached in **Exhibit 28** because the projects have been completed).

<u>City/RDA Financial Support</u>

The former Carson Redevelopment Agency committed to assisting the remediation of the Site through an Owner Participation Agreement ("OPA") with Carson Marketplace. Under the 2006 OPA for "The Boulevards" project, $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. Under the OPA, the former RDA (now Successor Agency) agreed 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.

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.

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

☒ Applicant is Owner.

- OR-

Fill in the table below. If more space if 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**
☐Owner ☐Operator				
☐Owner ☐Operator				
☐ 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

When Carson Marketplace purchased the property in 2006, 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: Travis Coburn, P.E.
Address: 5796 Corporate Ave
City: Cypress State: CA Zip Code: 90630
Telephone: 657-777-9836
Email: travis.coburn@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

Mike Sullivan	RE|Solutions, LLC	1525 Raleigh St, Suite 240 Denver, CO 80204	310-341-3622 Mike@resolutionsdev.com	On-Site Construction Manager
Herman Codoner	WSP/Golder Remediation Systems Manager	7 Corporate Park Suite 260 Irvine, CA 92606	949-355-4479 Herman.codoner@wsp.com	Remediation Systems Management
Travis Coburn, P.E.	*Department of Toxic Substances Control*	5796 Corporate Avenue Cypress, CA 90630	657-777-9836 travis.coburn@dtsc.ca.gov	Regulatory Project Management
Andrew Sidor, PE, CPESC, QSD/P, QISP	*Michael Baker International, Inc.*	5 Hutton Center Drive, Santa Ana, CA 92702	ASIDOR@mbakerintl.com	Civil Engineering/ SWPPP

O. Identify any potential funding sources or financial means to finance the Brownfield Infill Project costs not covered by Infill Grant or Infill Loan: See Project Budget Reconciliation in **Exhibit 22**.

Do I need to show Sources and Uses for the Cell 2 projects here?

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 with the installation of liner and landfill gas wells in Cells 4 and 5, and with grading for liner on Cell 2 in October, 2018. Copies of active permits are included in **Exhibit 29**.

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**:

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 for the current 6th RHNA Planning Cycle:

FYI
Ran across this reviewing the Housing Element

Income Level [1]	*Needed Units*	*Percent of Needed Units*
Extremely Low -Income (<30% AMI) [2]	*885*	-
Very Low -Income (0 -50% AMI)	1,770	31.5%
Low -Income (51 -80% AMI)	913	16.3%
Moderate -Income (81 -120% AMI)	875	15.6%
Above Moderate -Income (120% AMI)	2,060	36.7%
Total	**5,618**	**100%**

1. Income levels were determined by county median household income. Based on 2013-2017 ACS data, SCAG used a median income of $61,015 in Los Angeles County to determine allocations.
2. Development needs of extremely low-income units are assumed to be 50 percent of very low-income housing needs.

Replacement Affordable Housing Projects

Both Development Agreements for the Infill Development Projects require the CALReUSE 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, along with renderings, ALTA surveys (for Arts Colony), Lot Merger, and a Fact Sheet, 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 developed a new affordable multi-family housing development with preference for artists/creative professionals on an 1.8 acre site located at 21205 Main Street, Carson, California. The project includes 46 units (including the manager’s unit) and on-site amenities that include a digital media lab, gallery, sculpture garden, performance space, flexible workspace, outdoor performance courtyard, mural wall, small private outdoor workspaces, and tot lot (see rendering in **Exhibit 24**). The units are leased to qualifying households, with a leasing preference towards working artists. Meta makes art-related programs such as art shows, classes, and workshops available to residents.

The site is bordered by an industrial condominium complex to the north and a single-family residential neighborhood to the west and south. The site is ideal 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 has 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 are 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 was 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:

- 9 Extremely-low Income Units
- 15 Very-low Income Units
- 21 Low Income Units
- 1 Unrestricted Manager's Unit

The Housing Authority provided project assistance in the amount of $7,000,000 towards Project development costs (Cash Assistance), which covered the cost of all the land acquisition plus an amount sufficient to make the project competitive in the TCAC process. Meta received tax credit financing through the California Tax Credit Allocation Committee (TCAC). Housing Authority support of affordable housing projects is consistent with the City of Carson's Housing Element.

Veteran's Village of Carson

One 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") located at 600-610 W. Carson Street and 21723-21725 South Figueroa Boulevard whereby the Housing Authority would assist TSA in the development of the project. TSA acquired the Agency Property as well as a separate privately-owned Adjacent Property. Together the parcels totaled 1.17 acres and present an impressive gateway when entering the city from the west.

This 51-unit project (including the manager's unit) grants a leasing preference towards veterans of the US armed forces. The property is zoned mixed-use and was therefore permitted "by right" under the Carson Street Master Plan. It includes 50 affordable 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. The project also includes 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:

- 5 Extremely-low Income Units
- 28 Very-low Income Units
- 17 Low Income Units
- 1 Unrestricted Manager's Unit

The Housing Authority provided project assistance in the amount of $8,500,000 towards Project development costs (Cash Assistance), which covered the cost of all the land acquisition plus an amount sufficient to make the project competitive in the TCAC process. TSA received tax credit financing through the California Tax Credit Allocation Committee (TCAC).

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

Both projects are close to employment, shopping, schools, medical facilities, and transit.

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 provide affordable multifamily housing and represent the newest constructed affordable apartments in the area. The Carson Street site is in a mixed-use neighborhood. Retail, transit, and medical facilities are located close to the site. The project has positively impacted the neighborhood, which is well suited for this type. The Main Street site is at the edge of a residential neighborhood but close to most of the same amenities as the Carson Street location.

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 not included as the projects have been operating for three years. The project development pro forma is provided in **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) has been 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 Projects were funded by Carson Housing Authority funds (loans, grants, and land contribution), LIHTC equity, other funding sources, and a small amount of permanent debt. (See Closing Statement on Arts Colony in **Exhibit 24**.)

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

The two Infill Projects are completed as shown in **Exhibit No. 24. The timeline for the completion of the Brownfield Development Project is still under negotiation with the Developer, CAM-Carson, LLC. The CRA recently extended their diligence period to June 15, 2023.**

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

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.

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.

As a result, heavy demand for rentals pushed up rents in the region. The two 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 the past decade, 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.

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.

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 replaced a vacant lot owned by the Successor Agency and a blighted liquor store and parking lot. The Meta Housing project replaced an obsolete and unsightly automotive use and

[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 |

created 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.

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, as the owner (through the Reclamation Authority) of the 157-Acre site and the sponsor (through the Housing Authority) of the now-completed Infill Development Projects. **Exhibit 28** is now not applicable. 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 originally approved and the Environmental Impact Report on the Carson Marketplace Specific Plan was certified by the City of Carson on February 8, 2006. The revised Cell 2 Project was approved under a Specific Plan Amendment and Supplemental EIR approved on April 3, 2018 and amended on June 6, 2023, which approval is attached in **Exhibit 26** and which replaces the original 2006 EIR and Specific Plan included in the 2016 application.

The entitlements necessary for the two Infill Development Projects are also described in **Exhibit 26**, with the Planning Commission Staff Report and/or minutes approving the two projects in early 2017.

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	Original $69.5 million placed into Trust Account; later $50.5 million went to CRA for remediation costs	N/A	N/A	☐ Under Review ☒ Committed ☒ Received
2. Department of Toxic Substance Control	$7,400,000	PRP collected funds.	N/A	N/A	☐ Under Review ☐ Committed ☒ Received
3. Original Developer Equity	$33,372,209	Equity	N/A	N/A	☐ Under Review ☐ Committed ☒ Received
4. Cal REUse Grant	$5,000,000	Grant	7 years	N/A	☐ Under Review ☐ Committed ☒ Received
Total:	**$ 158,372,209**	(Should be equal to Development Budget in **Section 6.B. These numbers have been updated in Exhibit 22.)**			

The Infill Project pro formas (Project Closing Sheets) 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.

See **Exhibit 34** for signed Legal Certification including Attachment A containing information regarding litigation involving the Carson Reclamation Authority.

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

MEMORANDUM			
TO:	John S. Raymond Executive Director Carson Reclamation Authority (CRA)	**DATE:**	February 2, 2023
FROM:	Roger Dale, Managing Principal Joe McClure, Senior Associate The Natelson Dale Group, Inc. (TNDG)	**FILE:**	#4155
SUBJECT:	**Factory Outlets of Los Angeles (FOLA) project – DRAFT Feasibility Assessment**		

The Fashion Outlets of Los Angeles is planned for a brownfield site in Carson, where certain subsidies are intended to help compensate for various land-remediation activities that will be required there. Following delays that occurred since the project was originally conceived, the Carson Reclamation Authority has requested TNDG to independently review the project from a financial feasibility perspective, and from the standpoint of the present time. TNDG's analysis is based on earlier pro formas prepared for the project (by other parties), with key factors such as construction costs, operating expenses and operational revenues (i.e., rents) updated based on current market/financial data independently researched by TNDG. In addition to the pro forma financial analysis, TNDG has also provided a retail market analysis to assess the project's feasibility from a market demand perspective.

TNDG approached the project review recognizing the following general considerations:

- Construction costs have escalated sharply from the time the original pro formas were drafted by the developers.
- Operations and development of retail space throughout the country have faced challenges due to the pandemic, and the industry also continues to be affected by ongoing transitions from in-store shopping to online purchases. Both effects have impacted different segments of the retail industry in different ways. Currently, inflationary pressures have tended to both increase costs in general and constrict consumer spending; however, these effects are assumed to be temporary in nature.

Technical aspects of the review incorporated the following details:

- TNDG's update of costs and revenues was based primarily on a spreadsheet titled, "Fashion Outlets of Los Angeles - Cell 2/Outlet Only: Draft Pro Forma," received from the CRA, along with related project financial data that CRA staff provided. In this spreadsheet, operating costs and revenues were assumed to be based on 2019 dollars, and development costs on 2018 dollars. Construction costs were updated using factors in Rider Levett Bucknall (RLB) North America Quarterly Cost Construction Reports.

- Assumptions in prior pro formas about targeted rates of return, expressed as Net Operating Income (NOI, or annual revenues from operations less operational costs) as a percent of total development costs, were noted.
- Compounded annual rates of change (CAGR) in rental rates from 2019 through the end of 2022 were estimated to average 2.4%, based on a variety of data, including reports from major brokerage houses and a real estate market report prepared for this project based on CoStar data. The rate of change for other cost and revenue factors was based on figures from the Bureau of Labor Statistics, for the Pacific region,[1] and estimated to be the equivalent of 4.9% (CAGR).
- The current cap rate[2] assumed for the project is 5.2%, based on data from CoStar and a cap rate report from CBRE.[3]

TNDG applied multiple concepts to the financial analysis, all of which included a summarization of cash-flow feasibility factors under conditions of both previous agreed-upon subsidies to the project and no subsidies (Table 1):

- With construction and operational cost and revenue figures updated to dollars representing the end of 2022, which included an updated revenue factor (for a change in the City's sales tax rate) and additional cost items provided by the CRA, the project would reflect a level of return based on NOI as a percent of total development costs. This figure could then be compared to targeted rates of return reflected in prior pro formas prepared by the developers (ranging from 6.8% to 8.0%).
- The NOI generated in the analysis described above can then be divided by the assumed cap rate, which should yield a figure equivalent to the market value of the project. This value can then be compared to the total project cost and expressed as a percent return on costs.
- Among the prior financial spreadsheets prepared by the developers and provided to TNDG by the CRA is a hypothetical cash flow model primarily intended to simulate how the City's sales tax subsidy to the project could play out over time as sales on a square-foot basis for the center retailers changed (essentially, increasing to two selected higher levels over an assumed base amount used in other project pro formas). TNDG applied a parallel concept (columns labeled *Rents/Sales 20% Higher,* and *40% Higher*) to illustrate how increasing sales/rents would affect the bottom line of the types of analyses described above.

These analyses, summarized on Table 1, yielded varying ranges of values measuring potential project value/profitability – from a negative value (where no subsidy is provided, under baseline conditions) to values indicating a highly profitable project (with higher levels of sales/rents).

[1] Based on figures within a table showing 12-month percentage change, by month, Consumer Price Index, by Region and Division, All Items. https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-region.htm
[2] Capitalization rate, representing the annual rate of return a hypothetical investor would accept having purchased the operating (cash-flow-generating) project at a price derived by dividing the NOI by the cap rate.
[3] CBRE Research. *United States Cap Rate Survey, H1 2022*. August 2022.

Table 1. Financial Feasibility Summary for Factory Outlets of Los Angeles (FOLA) Project
(all numbers are in year-end 2022 dollars)

	Baseline Scenario		Rents/Sales 20% Higher		Rents/Sales 40% Higher	
	Without Assistance	With Assistance (2)	Without Assistance	With Assistance	Without Assistance	With Assistance
Total rent income per square foot per month:	$3.34	$3.34	$4.01	$4.01	$4.68	$4.68
Assumed sales per square foot (1):	$593	$593	$712	$712	$831	$831
Developer Investment						
(A) Total development cost	$488,752,558	$488,752,558	$488,752,558	$488,752,558	$488,752,558	$488,752,558
(B) Less: CRA financial contribution	N/A	(32,500,000)	N/A	(32,500,000)	N/A	(32,500,000)
(C) ***Net development cost (A - B)***	***$488,752,558***	***$456,252,558***	***$488,752,558***	***$456,252,558***	***$488,752,558***	***$456,252,558***
Developer Cash Flow						
(D) Rent income (3)	$22,423,533	$22,423,533	$26,908,240	$26,908,240	$31,392,947	$31,392,947
(E) Other operating income (4)	16,988,238	16,988,238	16,988,238	16,988,238	16,988,238	16,988,238
(F) Plus: City sales tax sharing	0	2,900,987	0	3,481,185	0	4,061,382
(G) *Total gross operating income (D + E + F)*	*$39,411,772*	*$42,312,759*	*$43,896,479*	*$47,377,663*	*$48,381,185*	*$52,442,567*
(H) Less: Operating expenses	(17,809,356)	(17,809,356)	(17,809,356)	(17,809,356)	(17,809,356)	(17,809,356)
(I) ***Net operating income (NOI) (G - H)***	***$21,602,416***	***$24,503,403***	***$26,087,123***	***$29,568,307***	***$30,571,829***	***$34,633,211***
Feasibility Measures						
(J) Capitalized value of project (5)	$415,431,074	$471,219,287	$501,675,433	$568,621,289	$587,919,792	$666,023,291
(K) Return on investment - NOI divided by net development cost (I / C)	4.4%	5.4%	5.3%	6.5%	6.3%	7.6%
(L) Capitalized value in excess of net development cost (J - C)	-$73,321,484	$14,966,730	$12,922,875	$112,368,732	$99,167,235	$209,770,734
(M) "Excess capital value" as % of net development cost (L / C)	-15.0%	3.3%	2.6%	24.6%	20.3%	46.0%

Source: TNDG; see text.

Notes to Table 1:
(1) Based on 2019 assumption of $546 per square foot, inflated for 3.5 years at 2.4% per year (for Baseline Scenario).
(2) The "With Assistance" columns include CRA financial contribution toward remediation costs and ongoing sharing of sales tax revenue (50%).
(3) Includes base plus any applicable percentage rents.
(4) Includes tenant expense reimbursements (e.g., common area maintenance charges).
(5) Assumes capitalization rate of 5.2% (capitalized value = net operating income divided by 5.2%).

The analyses showing hypothetical rent increases raise the question of whether these higher sales levels could be achieved. Outlet centers of this type do have a number of advantages that allow prospective investors to take a more optimistic approach to assessing this type of project than to other types of retail development:

- According to CoStar data for five Southern California cities with outlet centers, varying in size from 290,000 to 950,000 square feet, located in Camarillo, Carlsbad, Commerce, Orange, and San Clemente, all are 100% leased, with annual rents ranging from $23.60 to $70.00 per square foot. (In general, larger centers are more likely to have large retailers, which in turn would tend to have lower rents on a per-square-foot basis.) In the pro formas TNDG reviewed, as cited above, annual net rents ranged from $15.00 to $41.00.
- Major real estate brokerage firms have reported that most Class A retail projects, especially power centers and with the exception of regional malls, remained relatively healthy during the pandemic.[4] Store openings in 2022 outpaced closures by nearly 2,500—the largest net expansion in a decade.[5]

Key to these analyses is the use of the cap rate to estimate profitability. It must be noted that cap rates vary over time based on a number of factors, including underlying rates of inflation in the economy, investors' appetites for various types of real estate products, which is in part a function of how those products are performing within the real estate industry sectors, and potential rates of return from other types of investments. Given that, current rates of inflation would tend to push cap rates higher (and consequently values lower) if investors believed rates of inflation would remain high.

Market study

TNDG produced a variation of the retail market study prepared as part of the Carson Economic Development Strategic Plan (EDSP), intended to reflect generalized market conditions applicable to an outlet center in Carson. The study indicated that with only a small percentage of participation from residents in a secondary market area consisting of a 10-mile radius around Carson (with a population of over 2 million people), just over 700,000 SF of new retail space in the City would be in demand by 2025; with this number reaching over 900,000 square feet by 2040. These projections suggests that there

[4] Cushman & Wakefield. Marketbeat, US National, Shopping Center, Q2 2020.
[5] Cushman & Wakefield. Marketbeat, US National, Shopping Center, Q4 2022.

would be more than ample demand to support the FOLA project (with a total proposed leasable area of 558,850 square feet).

Table 2 below summarizes TNDG's retail demand analysis. The full analysis is provided in attached tables A-1 through A-14.

Table 2. Summary of Market Demand Analysis
Net Supportable Retail Space in Sales Categories Relevant to FOLA Project
City of Carson, 2025-2040
Expressed in Square Feet

Retail Category	2025	2030	2035	2040
Clothing and Clothing Accessories	228,331	240,072	251,920	263,877
General Merchandise	114,276	126,670	139,175	151,796
Home Furnishings and Appliances	45,037	57,814	70,812	84,037
Specialty/Other	243,367	264,241	285,303	306,560
Subtotal	631,011	688,797	747,210	806,269
Food Services and Drinking	72,336	87,012	101,822	116,768
TOTAL	***703,347***	***775,809***	***849,032***	***923,037***

Source: TNDG

Table A-1
Population Projections
Carson Retail Trade Area

Area	2021	2025	2030	2035	2040
Primary Market Area (PMA)	95,841	99,030	103,017	107,003	110,990
Secondary Market Area (SMA)	2,117,484	2,164,472	2,224,675	2,286,553	2,350,152
Total Market Area	2,213,325	2,263,502	2,327,692	2,393,557	2,461,142

Source: ESRI: Southern California Association of Governments (SCAG), 6th Cycle RHNA.

Table A-2
Per Capita Income Projections
Carson Retail Trade Area
In 2022 constant dollars

	2021
PMA	$59,191
SMA	$62,342
Annual Increase Factor	0.00%

Area	2021	2025	2030	2035	2040
PMA	$59,191	$59,191	$59,191	$59,191	$59,191
SMA	$62,342	$62,342	$62,342	$62,342	$62,342

Source: ESRI; U.S. Census Bureau; TNDG.

Table A-3
Total Income and Potential Retail Sales Projections
Carson Retail Trade Area
In thousands of constant dollars

	PMA	SMA
Percent of Income Spent on Retail Goods	21.9%	22.6%

Area	2021	2025	2030	2035	2040
Total Income:					
PMA	$5,672,925	$5,861,698	$6,097,665	$6,333,632	$6,569,599
SMA	$132,008,188	$134,937,493	$138,690,702	$142,548,305	$146,513,205
Total	$137,681,112	$140,799,191	$144,788,367	$148,881,937	$153,082,803
Potential Retail Sales:					
PMA	$1,244,758	$1,286,179	$1,337,955	$1,389,731	$1,441,507
SMA	$29,853,850	$30,516,317	$31,365,111	$32,237,514	$33,134,182
Total	$31,098,608	$31,802,496	$32,703,066	$33,627,244	$34,575,689

Source: TNDG, Consumer Expenditure Survey, U.S. Census Bureau.

Table A-4
Distribution of Retail Sales by Retail Category
Carson Retail Trade Area

Retail Category	%Distribution 2021	%Distribution 2025	%Distribution 2030	%Distribution 2035	%Distribution 2040
Shopper Goods:					
Clothing and Clothing Accessories	9.0%	9.0%	9.0%	9.0%	9.0%
General Merchandise	9.5%	9.5%	9.5%	9.5%	9.5%
Home Furnishings and Appliances	5.5%	5.5%	5.5%	5.5%	5.5%
Specialty/Other	16.0%	16.0%	16.0%	16.0%	16.0%
Subtotal	40.0%	40.0%	40.0%	40.0%	40.0%
Convenience Goods:					
Food and Beverage	16.0%	16.0%	16.0%	16.0%	16.0%
Food Service and Drinking	13.5%	13.5%	13.5%	13.5%	13.5%
Subtotal	29.5%	29.5%	29.5%	29.5%	29.5%
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	7.0%	7.0%	7.0%	7.0%	7.0%
Motor Vehicle/Other Vehicle Dealers	15.5%	15.5%	15.5%	15.5%	15.5%
Gasoline Stations	8.0%	8.0%	8.0%	8.0%	8.0%
Subtotal	30.5%	30.5%	30.5%	30.5%	30.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: TNDG, based on historical taxable sales trends for Los Angeles County.

Table A-5
Projected Demand for Retail Sales by Major Retail Category
Carson Retail Trade Area - PMA
In thousands of constant dollars

Retail Category	2021	2025	2030	2035	2040
Shopper Goods:					
Clothing and Clothing Accessories	$112,028	$115,756	$120,416	$125,076	$129,736
General Merchandise	118,252	122,187	127,106	132,024	136,943
Home Furnishings and Appliances	68,462	70,740	73,588	76,435	79,283
Specialty/Other	199,161	205,789	214,073	222,357	230,641
Subtotal	$497,903	$514,471	$535,182	$555,892	$576,603
Convenience Goods:					
Food and Beverage	$199,161	$205,789	$214,073	$222,357	$230,641
Food Service and Drinking	168,042	173,634	180,624	187,614	194,603
Subtotal	$367,204	$379,423	$394,697	$409,971	$425,244
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	$87,133	$90,032	$93,657	$97,281	$100,905
Motor Vehicle/Other Vehicle Dealers	192,937	199,358	207,383	215,408	223,434
Gasoline Stations	99,581	102,894	107,036	111,178	115,321
Subtotal	$379,651	$392,284	$408,076	$423,868	$439,660
Total	$1,244,758	$1,286,179	$1,337,955	$1,389,731	$1,441,507

Source: TNDG

Table A-6
Projected Demand for Retail Sales by Major Retail Category
Carson Retail Trade Area - SMA
In thousands of constant dollars

Retail Category	2021	2025	2030	2035	2040
Shopper Goods:					
Clothing and Clothing Accessories	$2,686,847	$2,746,469	$2,822,860	$2,901,376	$2,982,076
General Merchandise	2,836,116	2,899,050	2,979,686	3,062,564	3,147,747
Home Furnishings and Appliances	1,641,962	1,678,397	1,725,081	1,773,063	1,822,380
Specialty/Other	4,776,616	4,882,611	5,018,418	5,158,002	5,301,469
Subtotal	$11,941,540	$12,206,527	$12,546,044	$12,895,006	$13,253,673
Convenience Goods:					
Food and Beverage	$4,776,616	$4,882,611	$5,018,418	$5,158,002	$5,301,469
Food Service and Drinking	4,030,270	4,119,703	4,234,290	4,352,064	4,473,115
Subtotal	$8,806,886	$9,002,314	$9,252,708	$9,510,067	$9,774,584
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	$2,089,770	$2,136,142	$2,195,558	$2,256,626	$2,319,393
Motor Vehicle/Other Vehicle Dealers	4,627,347	4,730,029	4,861,592	4,996,815	5,135,798
Gasoline Stations	2,388,308	2,441,305	2,509,209	2,579,001	2,650,735
Subtotal	$9,105,424	$9,307,477	$9,566,359	$9,832,442	$10,105,925
Total	$29,853,850	$30,516,317	$31,365,111	$32,237,514	$33,134,182

Source: TNDG

Table A-7
Potential Capture of Market Area Demand for Retail Sales Expressed in Percentages
Carson Retail Trade Area - PMA

Retail Category	2021	2025	2030	2035	2040
Shopper Goods:					
Clothing and Clothing Accessories	80.0%	85.0%	85.0%	85.0%	85.0%
General Merchandise	80.0%	85.0%	85.0%	85.0%	85.0%
Home Furnishings and Appliances	80.0%	85.0%	85.0%	85.0%	85.0%
Specialty/Other	80.0%	85.0%	85.0%	85.0%	85.0%
Convenience Goods:					
Food and Beverage	90.0%	90.0%	90.0%	90.0%	90.0%
Food Service and Drinking	80.0%	85.0%	85.0%	85.0%	85.0%
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	80.0%	80.0%	80.0%	80.0%	80.0%
Motor Vehicle/Other Vehicle Dealers	50.0%	50.0%	50.0%	50.0%	50.0%
Gasoline Stations	80.0%	80.0%	80.0%	80.0%	80.0%

Source: TNDG

Table A-8
Potential Capture of Market Area Demand for Retail Sales Expressed in Percentages
Carson Retail Trade Area - SMA

Retail Category	2021	2025	2030	2035	2040
Shopper Goods:					
Clothing and Clothing Accessories	0.0%	2.5%	2.5%	2.5%	2.5%
General Merchandise	0.9%	2.5%	2.5%	2.5%	2.5%
Home Furnishings and Appliances	7.6%	8.5%	8.5%	8.5%	8.5%
Specialty/Other	0.3%	2.5%	2.5%	2.5%	2.5%
Convenience Goods:					
Food and Beverage	0.0%	0.0%	0.0%	0.0%	0.0%
Food Service and Drinking	1.8%	2.5%	2.5%	2.5%	2.5%
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	2.1%	2.0%	2.0%	2.0%	2.0%
Motor Vehicle/Other Vehicle Dealers	12.2%	12.2%	12.2%	12.2%	12.2%
Gasoline Stations	5.8%	5.8%	5.8%	5.8%	5.8%

Source: TNDG

Table A-9
Potential Capture of Market Area Demand for Retail Sales
Carson Retail Trade Area - PMA
In thousands of constant dollars

Retail Category	2021	2025	2030	2035	2040
Shopper Goods:					
Clothing and Clothing Accessories	$89,623	$98,393	$102,354	$106,314	$110,275
General Merchandise	94,602	103,859	108,040	112,221	116,402
Home Furnishings and Appliances	54,769	60,129	62,549	64,970	67,390
Specialty/Other	159,409	174,920	181,962	189,003	196,045
Subtotal	$398,402	$437,301	$454,905	$472,508	$490,112
Convenience Goods:					
Food and Beverage	$179,245	$185,210	$192,665	$200,121	$207,577
Food Service and Drinking	134,434	147,589	153,530	159,472	165,413
Subtotal	$313,679	$332,799	$346,196	$359,593	$372,990
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	$69,706	$72,026	$74,925	$77,825	$80,724
Motor Vehicle/Other Vehicle Dealers	96,469	99,679	103,691	107,704	111,717
Gasoline Stations	79,664	82,315	85,629	88,943	92,256
Subtotal	$245,840	$254,020	$264,246	$274,472	$284,698
Total	$957,921	$1,024,120	$1,065,346	$1,106,573	$1,147,800

Source: TNDG

Table A-10
Potential Capture of Market Area Demand for Retail Sales
Carson Retail Trade Area - SMA
In thousands of constant dollars

Retail Category	2021	2025	2030	2035	2040
Shopper Goods:					
Clothing and Clothing Accessories	$0	$68,662	$70,572	$72,534	$74,552
General Merchandise	24,617	72,476	74,492	76,564	78,694
Home Furnishings and Appliances	125,446	142,664	146,632	150,710	154,902
Specialty/Other	15,906	122,065	125,460	128,950	132,537
Subtotal	$165,969	$405,867	$417,156	$428,759	$440,685
Convenience Goods:					
Food and Beverage	$0	$0	$0	$0	$0
Food Service and Drinking	72,746	102,993	105,857	108,802	111,828
Subtotal	$72,746	$102,993	$105,857	$108,802	$111,828
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	$44,617	$42,723	$43,911	$45,133	$46,388
Motor Vehicle/Other Vehicle Dealers	563,148	575,645	591,656	608,112	625,027
Gasoline Stations	138,402	141,474	145,409	149,453	153,610
Subtotal	$746,167	$759,841	$780,976	$802,698	$825,025
Total	$984,883	$1,268,701	$1,303,989	$1,340,259	$1,377,537

Source: TNDG

Table A-11
Potential Capture of Market Area Demand for Retail Sales
Carson Retail Trade Area - PMA and SMA Combined
In thousands of constant dollars

Retail Category	2021	2025	2030	2035	2040
Shopper Goods:					
Clothing and Clothing Accessories	$89,623	$167,054	$172,925	$178,849	$184,827
General Merchandise	119,219	176,335	182,532	188,785	195,095
Home Furnishings and Appliances	180,215	202,793	209,181	215,680	222,293
Specialty/Other	175,315	296,986	307,422	317,953	328,582
Subtotal	$564,372	$843,168	$872,061	$901,267	$930,797
Convenience Goods:					
Food and Beverage	$179,245	$185,210	$192,665	$200,121	$207,577
Food Service and Drinking	207,180	250,582	259,388	268,273	277,241
Subtotal	$386,425	$435,791	$452,053	$468,394	$484,818
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	$114,323	$114,749	$118,837	$122,957	$127,112
Motor Vehicle/Other Vehicle Dealers	659,617	675,323	695,347	715,816	736,743
Gasoline Stations	218,067	223,789	231,038	238,396	245,866
Subtotal	$992,007	$1,013,861	$1,045,222	$1,077,170	$1,109,722
Total	$1,942,804	$2,292,820	$2,369,335	$2,446,832	$2,525,337

Source: TNDG

Table A-12
Comparison of Potential Retail Demand with Estimated Sales
Carson Retail Trade Area - PMA
In thousands of constant dollars

Retail Category	2021 Demand	2021 Estimated Sales	Expected Less Actual	Percent Actual/Expected
Shopper Goods:				
Clothing and Clothing Accessories	$89,623	$52,889	$36,734	59.0%
General Merchandise	119,219	119,197	22	100.0%
Home Furnishings and Appliances	180,215	180,274	(59)	100.0%
Specialty/Other	175,315	175,302	13	100.0%
Subtotal	$564,372	$527,662	$36,709	93.5%
Convenience Goods:				
Food and Beverage	$179,245	$144,407	$34,838	80.6%
Food Service and Drinking	207,180	207,194	(14)	100.0%
Subtotal	$386,425	$351,601	$34,825	91.0%
Heavy Commercial Goods:				
Bldg. Matrl. and Garden Equip. and Supplies	$114,323	$114,379	($56)	100.0%
Motor Vehicle/Other Vehicle Dealers	659,617	$659,530	87	100.0%
Gasoline Stations	218,067	218,069	(2)	100.0%
Subtotal	$992,007	$991,978	$29	100.0%
Total	$1,942,804	$1,871,241	$71,563	96.3%

Source: CDTFA; TNDG.

Table A-13
Net Supportable Retail Sales
City of Carson
In thousands of constant dollars

Retail Category	2021	2025	2030	2035	2040
Shopper Goods:					
Clothing and Clothing Accessories	$36,734	$114,166	$120,036	$125,960	$131,938
General Merchandise	22	57,138	63,335	69,588	75,898
Home Furnishings and Appliances	0	22,518	28,907	35,406	42,018
Specialty/Other	13	121,684	132,120	142,652	153,280
Subtotal	$36,769	$315,506	$344,398	$373,605	$403,135
Convenience Goods:					
Food and Beverage	$34,838	$40,803	$48,259	$55,714	$63,170
Food Service and Drinking	0	43,401	52,207	61,093	70,061
Subtotal	$34,838	$84,204	$100,466	$116,807	$133,231
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	$0	$426	$4,514	$8,634	$12,789
Motor Vehicle/Other Vehicle Dealers	87	15,794	35,818	56,287	77,214
Gasoline Stations	0	5,720	12,968	20,327	27,797
Subtotal	$87	$21,939	$53,300	$85,248	$117,800
Total	$71,694	$421,649	$498,164	$575,660	$654,166

Source: TNDG

Table A-14
Net Supportable Retail Space in Sales Categories Relevant to FOLA Project
City of Carson
Expressed in Square Feet

Retail Category	Sales Per Square Foot	2025	2030	2035	2040
Clothing and Clothing Accessories	$500	228,331	240,072	251,920	263,877
General Merchandise	$500	114,276	126,670	139,175	151,796
Home Furnishings and Appliances	$500	45,037	57,814	70,812	84,037
Specialty/Other	$500	243,367	264,241	285,303	306,560
Subtotal		631,011	688,797	747,210	806,269
Food Services and Drinking	$600	72,336	87,012	101,822	116,768
GRAND TOTAL		***703,347***	***775,809***	***849,032***	***923,037***

Source: TNDG