

**CAPITAL PROGRAMS AND CLIMATE FINANCING AUTHORITY (CPCFA)
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM**

Meeting Date: April 21, 2026

**Request to Extend Infill Grant Agreement under the California Recycle
Underutilized Sites (CALReUSE) Remediation Program**

Prepared by: *Ryan Dannewitz*

Applicant:	Carson Reclamation Authority
Project Name:	Los Angeles Premium Outlets
Project Location:	City of Carson (Los Angeles County)
Type of Funding:	Grant
Amount Awarded:	\$5,000,000
Amount Disbursed:	\$5,000,000
Resolution No.:	26-03-001
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 Amended 02/21/23

Summary: The Carson Reclamation Authority (“Grantee”) requests approval of an amendment to extend the term of the Infill Grant Agreement (“Grant Agreement”), dated

November 19, 2008, from June 30, 2026, to June 30, 2031, under the CALReUSE Remediation Program (“Program”).

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 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.

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- **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.

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- **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.
- **February 2023** – The Grantee submitted the Novation application and feasibility review prepared by The Natelson Dale Group (third-party opinion). The CPCFA Board approved an extension of the grant expiration to June 30, 2026.

Current Status and Request

The Grantee is requesting an extension to June 30, 2031, due to ongoing work at the project site Lenardo Drive, the one-mile public street being reconstructed to facilitate the development of the site. The grantee has completed the design and entitlement of the street, including the civil engineering, geotechnical, structural, and utility design. Utilities include electrical, gas, broadband, telecommunications, domestic water, recycled water, and sewer and storm drain. Construction began on June 26, 2025, with grubbing and clearing of the street section. Completion of Lenardo is expected in late May 2027.

With logistics being a major land use in the Cell 3, 4, and 5 site plan, changes were made to Lenardo and Stamps including modifying driveways; prohibiting truck traffic from entering from or exiting to Avalon Boulevard; reducing median width at certain

intersections to accommodate truck movements; widening Stamps Drive to add an additional left turn onto Del Amo; and installing additional storm drain inlets due to the changed hydrology.

Another key part of the Lenardo design is it crosses the Torrance Lateral (owned by LA County Flood Control) and passes through Caltrans right of way on the Avalon on/off ramps on the 405 Freeway. Caltrans approval is required for use of the street for vehicular access, water, and electrical service, which has turned out to be a lengthy process.

All Street Improvement Plans, Traffic Signal Plans, Street Lighting, Street Signage and Striping Plans, and Landscape & Irrigation Plans are approved or are in the final stages of approval process. The Buffer Zone design and Cell 1 and Cell 2 is also approved.

Major work and outstanding issues also include:

- **Wet Utilities:**

- a) Recycled Water (West Basin Municipal Water District). A portion of this system was installed in 2011. Work to complete the system started on January 20, 2026.
- b) Domestic Water (California Water Service). A portion of this system was installed in 2011. Work to complete the system started on January 30, 2026.
- c) Public Sanitary Sewer. Much of this system was installed in 2011. In the Lenardo Depression, all existing sewer line required concrete bridging over the top to protect it from the additional 25' of soil from the backfill. This work is complete.
- d) Public Storm Drain. Most of this system was installed in 2011 except for additional storm drain inlets required because of the changed hydrology of the site. Approximately 1,000 linear feet of pipe in the Lenardo Depression was replaced with a higher D-loaded pipe to protect it from the additional 25' of soil from the backfill. This work is complete.

- **Dry Utilities:**

- a) One of the reasons for the five-year extension request, even though work is underway on much of the site, is the status of dry utilities, particularly electric power. In September 2025, SCE notified the Grantee it will not bring power, construct, or operate any facilities on the former landfill site because of environmental concerns. This requires the Grantee to establish a new municipal utility or create another service model to deliver retail power to the development on the site. The Grantee has designed the electrical backbone service where SCE's power would be run overhead on three customer-owned poles and brought down to pad-mounted equipment cabinets containing metering and switch gear. This equipment would be owned by the Grantee and distribute power on site through a conduit backbone to vaults for transformation and secondary distribution to buildings on the property.

The Grantee was also engaged in a protracted legal battle with CAM-Carson, LLC (CAM), the organization originally hired to develop Cells 3, 4, and 5. After more than five years of litigation, the Grantee and CAM closed on a settlement agreement ending the litigation on October 27, 2025. The settlement ended the litigation that began in May 2020 and terminated the contractual relationship between the parties. The Settlement Agreement required the Grantee to pay CAM \$35,100,000. Those funds were provided by Carson Goose Owner, LLC ("CGO"), the developers of Cells 3, 4, and 5. CGO received the right to negotiate with the Grantee to assume CAM's position on Cell 2 and potentially receive the benefit of the sales tax sharing agreement negotiated with CAM (if they have a sales-tax generating user) and, potentially, the benefit of the Economic Development Benefit Agreement negotiated with CAM in January 2024, a few months before CAM withdrew from the project for good.

Since it is the Grantee's desire to move as quickly as possible to negotiate an agreement with CGO on Cell 2 as quickly as possible, CGO has opened negotiations with two major warehouse-type retailers to either divide Cell 2, or one of them to take

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most of Cell 2 with the other using a portion of Cell 4. One proposal was received in mid-January with the other tenant still undergoing due diligence.

The Grantee is also working with CGO to accelerate the commencement of work in Cell 4 and Cell 5. New deal points are being negotiated and the preparation of the various documents and exhibits to documents are underway. CGO has requested the Grantee/City to undertake certain early work on the cells, including grubbing the site, relocating “trash mountain” from the edge of Lenardo to a low spot on Cell 3, grading to liner grade, and installing test piles. This work is anticipated to start in Q2 2026. CGO and the Grantee are also cooperating on a major \$180 million financing application through an EB-5 lender for all the remedial and horizontal work on Cells 4 and 5, facilitating future vertical development.

The Grantee will undertake the construction of the remedial systems and Site development improvements to achieve Department of Toxic Substances Control (DTSC) certification. The remedial system designs are approved, as are the building and engineering plans. The loan is expected to close in June 2026 with work to begin soon after.

The review and delay of submitting the final closeout documentation will require additional time to review, so the grantee is requesting an extension through June 30, 2031.

Staff Analysis

Extending the term of the Infill Grant Agreement to June 30, 2031, allows the Grantee to reach all of the project milestones, complete the Brownfield Remediation Final Report and Infill Development Report, and give CPCFA staff time to close out the grant, which the Board may determine is in the public interest.

Board Action

Staff recommends approval of Resolution No. 26-03-001 extending the term of the Infill Grant Agreement from June 30, 2026, to June 30, 2031, for the Los Angeles Premium Outlets project.

**A RESOLUTION OF THE CAPITAL PROGRAMS AND CLIMATE FINANCING
AUTHORITY APPROVING THE REQUEST TO AMEND THE GRANT DOCUMENTS
UNDER THE CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION
PROGRAM**

April 21, 2026

WHEREAS, the Capital Programs and Climate 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

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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 extended the term of the Infill Grant to June 30, 2026, to allow the Grantee time to further complete the remediation and project milestones; and

WHEREAS, the Grantee requested an extension to the term of the Infill Grant Agreement from June 30, 2026, to June 30, 2031, and

WHEREAS, the Authority finds that extending the term of the Infill Grant Agreement until June 30, 2031, is in the public interest and advances the purposes of CALReUSE Remediation Program; and

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

NOW, THEREFORE, BE IT RESOLVED by the Capital Programs and Climate Financing Authority, as follows:

Section 1. The Infill Grant Agreement dated November 19, 2008, is hereby extended until June 30, 2031.

Section 2. Except as specifically amended by this Resolution, all provisions and conditions of the Infill Grant Agreement dated November 19, 2008, as amended thereafter, shall remain unchanged and in full force and effect.