



**REPORT TO REDEVELOPMENT
AGENCY**

City of Sacramento

915 I Street, Sacramento, CA 95814-2671

www.CityofSacramento.org

Report

Consent

July 13, 2010

Honorable Chair and Members of the Redevelopment Agency

Title: El Monte Triangle Area – Acceptance of Funds and Consultant Selection

Location/Council District: North Sacramento Redevelopment Area (Districts 2 and 3)

Recommendation: Adopt a **Redevelopment Agency resolution** authorizing: 1) acceptance of grant funds from the State Water Resources Control Board's Cleanup and Abatement Account in the amount of \$794,324; and 2) circulation and solicitation of Request for Proposals, selection of a consultant and award of a contract for assessment and remediation in the El Monte Triangle area.

Contact: Chris Pahule, Assistant Director, Housing and Community Development, 440-1350

Presenter: n/a

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: The El Monte Triangle (Site) comprises approximately 23 acres of industrial, commercial, and residential properties. The Site is located in the North Sacramento Redevelopment Area (RDA), to the south of the Arden-Garden connector and to the west of Del Paso Boulevard. Additionally, the Site is located within a quarter mile of the Globe Light Rail Station and within the Northeast Line Light Rail Stations Plan area. Within this area, several parcels remain vacant and a substantial number are underutilized due to existing environmental contamination.

Over the past 20 years, various studies have identified extensive subsurface soil and groundwater contamination from prior industrial operations in the El Monte Triangle area, including two separate groundwater plumes of chlorinated volatile organic compounds (VOCs). To date, the Agency has invested approximately \$700,000 to remediate the Site.

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On May 4, 2010, the California State Water Resources Control Board awarded \$794,324 to the Redevelopment Agency (Agency) from its Cleanup and Abatement Account (CAA) to fund the Agency's ongoing assessment and remediation of the El Monte Triangle area. By accepting this award, the Agency will be able to hire a consultant and fund its ongoing assessment and environmental remediation including the installation of a Soil Vapor Extraction (SVE) system, permits, laboratory analysis, construction oversight, two-year operation and maintenance, and reporting on adjacent parcels in the El Monte Triangle area. Acceptance of this grant constitutes one phase in a phased approach to remediating the El Monte Triangle area and the Site will require continued remediation efforts in the future.

Policy Considerations: The proposed action is consistent with the adopted 2009-2014 Five-Year Implementation Plan for the North Sacramento Redevelopment Area by preparing the area for private investment, and planning and building complete neighborhoods.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed action is exempt from CEQA per Guidelines Section 15330, which exempts minor cleanup actions taken to prevent, minimize, stabilize, mitigate, or eliminate the release or threat of release of a hazardous waste or substance costing \$1 million or less.

Sustainability Considerations: The report recommendation is consistent with the goals and policies of the Sustainability Master Plan by promoting Focus Area 5. Public Health and Nutrition and, more specifically, the goal to 'Create "Healthy Urban Environments" through Restorative Redevelopment.'

Other: There are no federal funds or any other federal action associated with this project; therefore, the National Environmental Policy Act (NEPA) does not apply.

Committee/Commission Action: Since the El Monte Triangle is an ongoing environmental assessment and remediation project of the Agency, staff notified the North Sacramento Redevelopment Advisory Committee (RAC) about the award of funds, but did not formally present the project at a regular RAC meeting.

Sacramento Housing and Redevelopment Commission Action: At its meeting on June 16, 2010 the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Burruss, Chan, Dean, Fowler, Gore, Morgan, Morton, Otto, Rosa, Shah, Stivers

NOES: None

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ABSENT: None

Rationale for Recommendation: Redevelopment and investment in this area will continue to be seriously hampered until the environmental contamination in the larger El Monte Triangle area is addressed to allow for commercial and residential development.

Agency-owned property is impacted by wide spread contamination in the El Monte Triangle area. The Agency has made a significant investment in environmental assessment and remediation of the El Monte Triangle area and is committed to full remediation of the Site in preparation for private investment and implementation of the Northeast Line Plan. The acceptance of this grant and hiring of a consultant to oversee the environmental assessment and remediation will go a long way to furthering this goal.

Financial Considerations: This report recommends acceptance of State funds and hiring a consultant for continued environmental assessment and remediation of the El Monte Triangle area. There are no other Agency funds anticipated to undertake this phase of the project. The Agency will identify funds for future remediation efforts of the Site once this phase is complete. Therefore, there are no financial considerations.

M/WBE Considerations: The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully Submitted by:


LA SHELLÉ DOZIER
Executive Director

Recommendation Approved:


GUS VINA
Interim City Manager

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Background

El Monte Triangle Awarded Funds and Hiring a Consultant

Over the past 20 years, various subsurface soil and groundwater contamination have occurred as a result of prior industrial operations in the El Monte Triangle area (a 23 acre site). The identified contaminants include two separate groundwater plumes of chlorinated volatile organic compounds (VOCs), petroleum products from underground storage tanks, heavy metals and chlorinated solvents used in manufacturing. Both plumes appear to be trending in a northeasterly direction, significantly impacting development potential of Agency-owned properties, existing vacant/underutilized parcels, and potentially affecting existing residential dwellings. The six primary contamination sites include Continental Chemical Company (CCC), McKesson Rawson, Atlas Metals, Lawson Mechanical (SHRA property), Colfax Yard and the Micheletti property.

Regulatory history at the Site dates back to 1992, when the Sacramento Environmental Management Department (SCEMD) and the Regional Water Quality Control Board (RWQCB) conducted a passive soil gas survey for the entire area. The results indicated the presence of chlorinated volatile organic compounds (VOCs) specifically PCE and TCE, across the El Monte Triangle with the highest concentrations in the alleyway adjacent to the Site and at the former CCC. An active soil gas survey was conducted in 1994 and 1996, with the same results. The results of the surveys triggered soil, groundwater, and soil gas investigations in 1999 and 2001 at the Site and surrounding properties. These investigations indicated that a chlorinated solvent dense non-aqueous phase liquid (DNAPL) source area, consisting of PCE and TCE, existed at the Site.

In 2002, the City of Sacramento conducted a Human Health Risk Assessment across the El Monte Triangle which indicated that contaminants in the soil and groundwater plume can result in unacceptable health hazards and cancer risks throughout the area. These findings were supported by a Preliminary Assessment (PA) performed by Tetra Tech in 2005, on behalf of the Agency.

In 2007, the Agency entered into a Polanco Act Oversight Agreement (OA) with the RWQCB for the El Monte area. The intent of the OA was to:

- Establish a mutually beneficial working relationship;
- Cooperatively address Brownfield properties in the area;
- Provide a flexible process based upon the Agency's desire to facilitate redevelopment of the Project Area;
- Require cleanup that results in property that is safe for redevelopment for proposed uses; and
- Provide liability relief for the Agency and property owners where allowed by law.

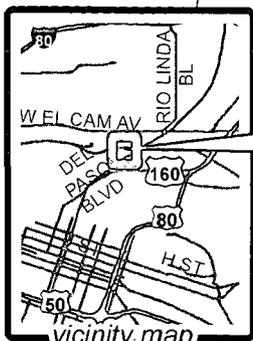
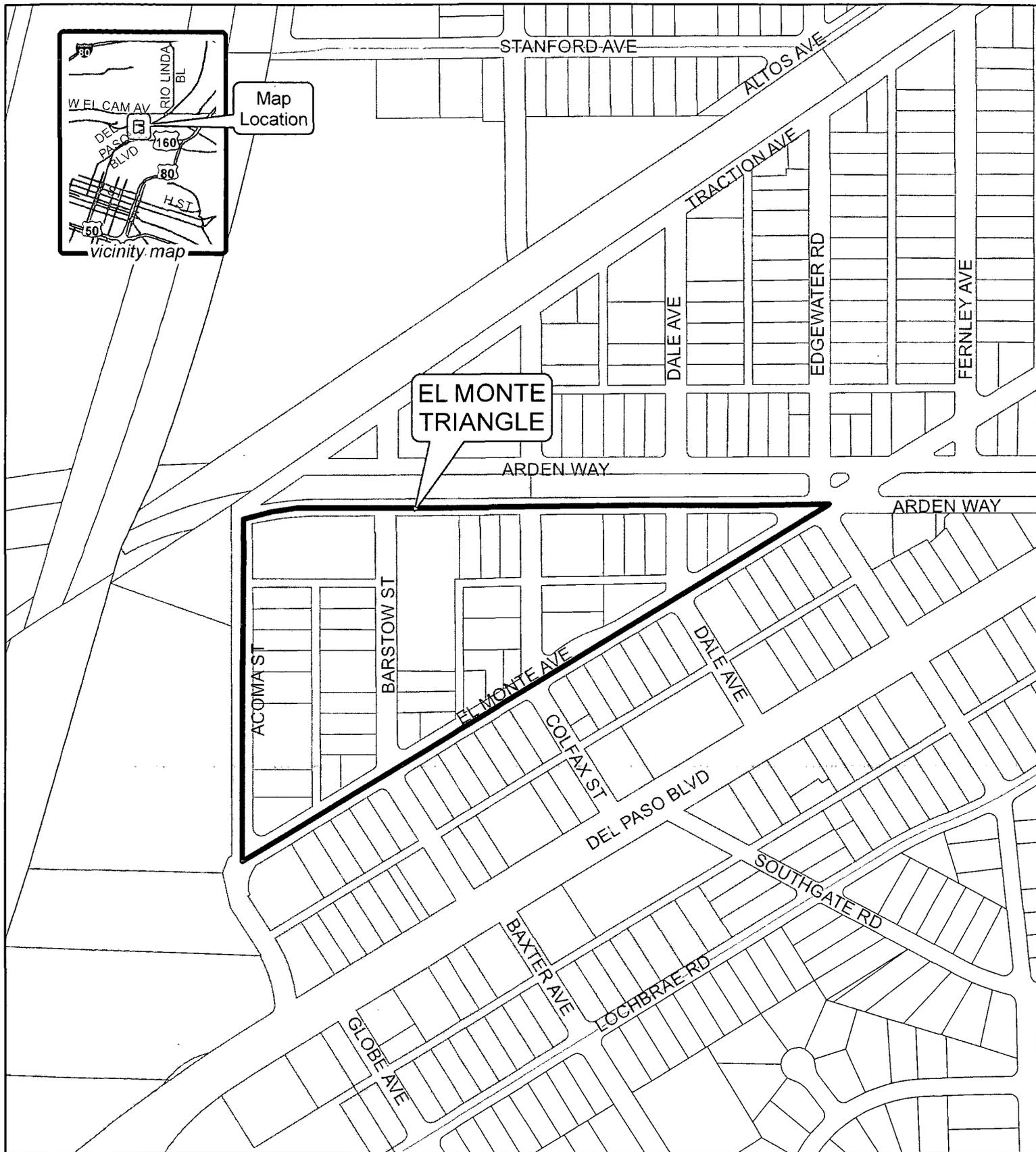
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Following the OA, a Site Characterization Report was performed by Bureau Veritas (BV), on behalf of the Agency. The investigation further defined the vertical and lateral distribution of chlorinated VOCs in groundwater, provided analytical data for the development of human health risk assessments as they relate to indoor air, and provided data to assist in the analysis of remedial alternatives consistent with future redevelopment objectives.

Given the compelling information regarding the groundwater plume, in 2008, Arcadis, Inc prepared the *IRAP and Funding Support Package for DNAPL Source Area Characterization and Interim Remediation* on behalf of the Agency. Both reports were approved by the RWQCB and were submitted to the SWRCB as an enclosure to our application to the Cleanup and Abatement Account.



El Monte Triangle Area



Map Location

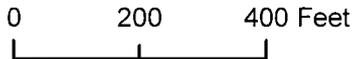
EL MONTE TRIANGLE



El Monte Triangle



North Sacramento Redevelopment Area



SHRA GIS
May 24, 2010

RESOLUTION NO. 2010 -

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

EL MONTE TRIANGLE AREA AWARDED FUNDS AND HIRING A CONSULTANT

BACKGROUND

- A. Over the past 10 years, various studies have identified extensive subsurface soil and groundwater contamination from prior industrial operations which pose a major threat to municipal water systems via the Natomas Canal and American River.
- B. Neither the Redevelopment Agency of the City of Sacramento (Agency) nor the Regional Water Quality Control Board (RWQCB) has been able to identify a viable responsible party for the environmental contamination.
- C. The RWQCB is requiring further studies of the existing contamination in El Monte Triangle before it will authorize remediation.
- D. Due to the extensive groundwater contamination, many of the properties in the El Monte Triangle are vacant and redevelopment cannot proceed until the soil and groundwater contamination is remediated.
- E. The Agency wishes to develop around Northeast Line Light Rail Stations.
- F. The Agency has adopted the North Sacramento Redevelopment Plan and an Implementation Plan for North Sacramento Redevelopment Project Area.
- G. The proposed action is exempt from CEQA per Guidelines Section 15330, which exempts minor cleanup actions taken to prevent, minimize, stabilize, mitigate, or eliminate the release or threat of release of a hazardous waste or substance costing \$1 million or less.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY RESOLVES AS FOLLOWS:

- Section 1. All of the evidence presented having been duly considered, the findings, as stated above, are approved and adopted.
- Section 2. The Executive Director, or her designee, is authorized to amend the Agency's budget to accept \$794,324 from the State Water Resources Control Board's Cleanup and Abatement Account for costs associated

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with environmental assessment and remediation of properties in the El Monte Triangle area.

Section 3. The Executive Director, or her designee, is authorized to circulate and solicit Request for Proposals, select a consultant and award contracts for environmental assessment and remediation in the El Monte Triangle area with Cleanup and Abatement Account funds and take any other related actions necessary to expend Cleanup and Abatement Account funds on the El Monte Triangle project.