



**REPORT TO THE
REDEVELOPMENT AGENCY
AND CITY COUNCIL
City of Sacramento**

**915 I Street, Sacramento, CA 95814-2671
www. CityofSacramento.org**

**Consent
May 30, 2006**

Honorable Chair and Members of the Board and
Honorable Mayor and Members of the City Council

Subject: Environmental Oversight Agreement for the Docks Area

Location/Council District: The Docks Area is located along the Sacramento Riverfront, north of the Marina/Miller Park, west of Interstate 5, south of Capitol Mall and east of the Sacramento River (District 4).

Recommendation:

Redevelopment Agency of the City of Sacramento (Agency) adopt a Resolution authorizing the Economic Development Director to 1) Transfer \$125,000 from the Merged Downtown Development Assistance project budget to the CIP designated for the Docks Area (CIP KD41); 2) Increase the amount of the existing Individual Project Agreement (IPA) for the Docks Area by \$125,000; and 3) Authorize an Environmental Oversight Agreement with the California Department of Toxic Substances Control.

City Council adopt a Resolution authorizing the City Manager to 1) Increase the revenue and expense budget for CIP KD41 by \$125,000; and 2) Increase the existing Individual Project Agreement (IPA) amount with the Agency by \$125,000.

Contact: Laura Sainz, Senior Project Manager, 808-2677
Leslie Fritzsche, Downtown Development Manager, 808-5450

Presenters: Not Applicable

Department: Economic Development

Division: Downtown Development

Organization No: 4451

Summary:

In order to properly address contamination issues relevant to the redevelopment of the Docks Area, the Agency is entering into an Environmental Oversight Agreement (EOA) with the State of California Department of Toxic Substances Control (DTSC). The EOA will allow the Agency to review proposed remediation solutions in an effort to redevelop the Docks Area.

Committee/Commission Action: None.

Background Information:

In July 2003, the cities of Sacramento and West Sacramento accepted the newly updated Sacramento Riverfront Master Plan. A component of that Plan was the redevelopment of the Docks Area, part of the Merged Downtown Redevelopment Project Area. In 2005, the community participated in an extensive planning process to further define the Docks Area land-use options. Following the community planning process, an Exclusive Right to Negotiation (ERN) was approved with a development team as the master developer for the Docks Area. The EOA is being put in place to allow the Agency and developer to work in conjunction with DTSC to ensure proposed land uses are reviewed from a health and environmental perspective.

Historically, the Docks Area has been an area of industry and commerce, including docks in the river, rail lines and public facilities. Pacific Gas & Electric Company (PG&E) operated a coal gasification plant in the area, which was used to provide energy to heat and light Old Sacramento. The by-product of the coal gasification plant spread onto a number of parcels in the Docks Area. In the late 1980's the Agency, SMUD, Caltrans and the State of California sued PG&E for the cleanup of the Docks Area parcels. PG&E has since remediated the relevant parcels under the direction of DTSC. In an effort to determine the extent of any remaining or unknown contamination, a Phase I and II Environmental Site Assessment (ESA) for the entire area was completed.

In order to properly assess whether the proposed remediation outlined in the ESA adequately addresses health concerns, given the proposed land uses contemplated for the Docks Area, the Agency has prepared an EOA with DTSC. The EOA was prepared using the template established for redevelopment agencies and DTSC by the California Redevelopment Association's (CRA) Brownfields Committee. The Scope of Work in the EOA allows for DTSC to review all existing data (including the Phase I and II ESA), consult with the City regarding the proposed land uses and remediation, attend public meetings if needed and determine whether the PG&E and other sites in the Docks Area can be developed as proposed by the Agency and developer by implementing engineering controls and other protective measures.

Financial Considerations:

The EOA is estimated to cost \$125,000. CIP KD41 has been designated for the Docks Area. A transfer of \$125,000 from the Agency's development assistance account to the City's CIP KD41 is needed to cover the amount of the proposed EOA.

Environmental Considerations:

Approval of the proposed agreement is a planning activity and exempt under CEQA Section 15262. The CEQA/NEPA analysis for the Docks Area is currently under way.

Policy Considerations:

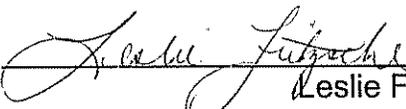
2005 Downtown Sacramento Redevelopment Strategy

The EOA is consistent with the 2005 Downtown Redevelopment Strategy including:

1. The elimination of environmental deficiencies in the Merged Project Area, including, mixed and shifting uses, small and irregular lots, obsolete, aged and deteriorated building types, inadequate or deteriorated public improvements, and incompatible and uneconomic land uses;
2. The strengthening of retail and other commercial functions in the downtown area, the strengthening of the economic base of the Merged Project Area and the community by the installation of needed site improvements either inside or outside the Merged Project Area to stimulate new commercial/light industrial expansion, employment and economic growth; and
3. The establishment and implementation of performance criteria to assure high site-design standards and environmental quality and other design elements, which provide unity and integrity to the entire Merged Project.

M/WBE Considerations:

Minority and Women’s Business Enterprise requirements will be applied to all activities to the extent required by federal funding.

Approved by: 
 Leslie Fritzsche
 Downtown Development Manager
 on behalf of the Redevelopment Agency
 of the City of Sacramento

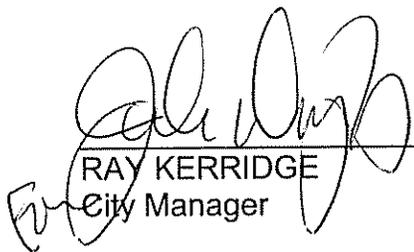

 RAY KERRIDGE
 City Manager

Table of Contents

Pg 1-3 Report

Pg 4-5 Redevelopment Agency of the City of Sacramento Resolution

Pg 6 Exhibit A – Map of the Docks Area

Pg 7-45 Exhibit B – Environmental Oversight Agreement

Pg 46 City of Sacramento Resolution

RESOLUTION NO.

Adopted by the Redevelopment Agency
of the City of Sacramento

**DOCKS AREA ENVIRONMENTAL OVERSIGHT AGREEMENT:
TRANSFERING FUNDS FROM THE MERGED DOWNTOWN
DEVELOPMENT ASSISTANCE PROJECT BUDGET
TO THE CIP DESIGNATED FOR DOCKS AREA (CIP KD41),
AMENDING THE EXISTING INDIVIDUAL PROJECT AGREEMENT AND
AUTHORIZING AN ENVIRONMENTAL OVERSIGHT AGREEMENT
WITH THE CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL**

BACKGROUND

- A. The Redevelopment Agency of the City of Sacramento (Agency) may enter into agreements with State agencies under the Polanco Act, State of California Health and Safety Code sections 33459-33459.8, and/or pursuant to California Health and Safety Code section 25201.9.
- B. The Agency may take any actions that the Agency determines are necessary and that are consistent with state and federal laws to remedy or remove a release of hazardous substances under, or from a property located in, a Redevelopment Project Area if certain conditions are met.
- C. The Docks Area, located on the Sacramento Riverfront and shown in Exhibit A, is a Brownfields site and is located within the Merged Downtown Redevelopment Project Area.
- D. The Agency is interested in redeveloping the Docks Area. In order to facilitate the redevelopment of this site, the Agency would like to enter into an Environmental Oversight Agreement (EOA) with the Department of Toxic Substances Control (DTSC).

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS
FOLLOWS:**

- Section 1. After due consideration of the evidence presented, the environmental findings, and the findings of the staff report that accompanies this Resolution, are approved.
- Section 2. Pursuant to Section 33445 of the Health and Safety Code of the State of California, the Agency makes the following findings:

- a) The Environmental Oversight Agreement with DTSC is a pre-development activity for the Docks Area and is a benefit to the Merged Downtown Redevelopment Project Area;
- b) There are no other reasonable means of financing the EOA available to the community except for redevelopment area tax increment proceeds;
- c) The use of redevelopment area tax increment proceeds for the EOA will result in the elimination of blighting influences of inadequate, under-capacity and dilapidated infrastructure inside the Project Area and the EOA is consistent with the implementation plan adopted pursuant to Health and Safety Code of the State of California, Section 33490.

Section 3: The Executive Director is authorized to transfer funds from the Merged Downtown Development Assistance project budget to the budget of the CIP designated for the Docks Area, CIP KD41, in the amount of \$125,000.

Section 4: The Executive Director is authorized to amend the existing Individual Project Agreement (IPA) with the City of Sacramento in the amount of \$125,000 for the project described above.

Section 5: The Executive Director is authorized to enter into an Environmental Oversight Agreement that provides for reimbursement of the Department of Toxic Substances Control's costs as identified in the Environmental Oversight Agreement through the effective date of termination of the Agreement.

Table of Contents:

- Exhibit A – Map Of The Docks Area
- Exhibit B – Environmental Oversight Agreement

EXHIBIT A

MAP OF THE DOCKS AREA

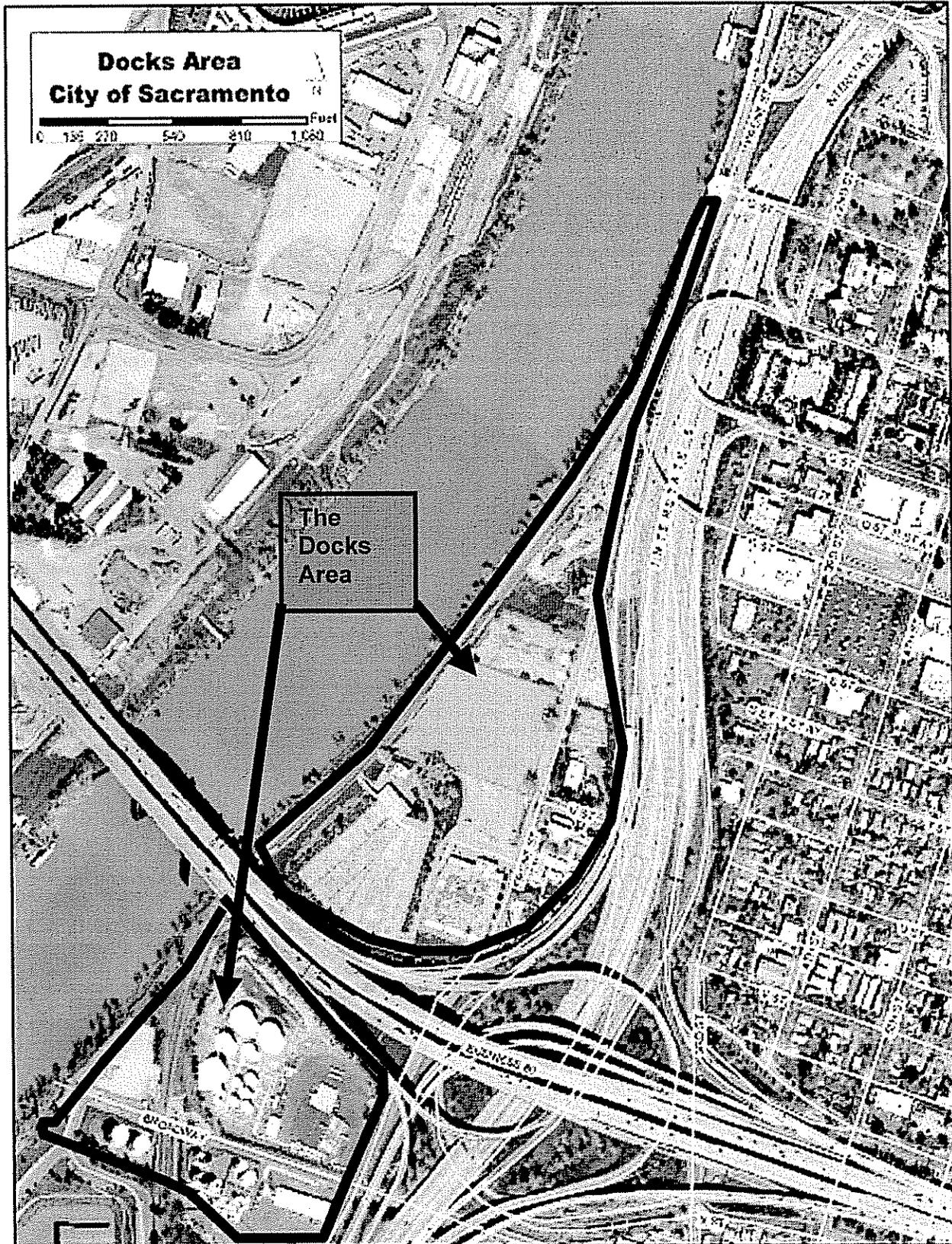


EXHIBIT B

Environmental Oversight Agreement



Dan Skopec
Acting Secretary
Cal/EPA



Department of Toxic Substances Control

Maureen F. Gorsen, Director
8800 Cal Center Drive
Sacramento, California 95826-3200



Arnold Schwarzenegger
Governor

May 12, 2006

Ms. Laura Sainz
Senior Project Manager
Redevelopment Agency of the City of Sacramento
Economic Development Department
1030 Fifteenth Street, Second Floor
Sacramento, California 95814-4009

ENVIRONMENTAL OVERSIGHT AGREEMENT BETWEEN THE DEPARTMENT OF TOXIC SUBSTANCES CONTROL AND THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

Dear Ms. Sainz:

The Department of Toxic Substances Control (DTSC) has enclosed a copy of the revised Draft Environmental Oversight Agreement (EOA) between the City of Sacramento Redevelopment Agency (Redevelopment Agency) and DTSC for the Docks Area Redevelopment Project. The revised Draft EOA has been revised to incorporate comments and revisions discussed during our meeting on April 28, 2006. As discussed during the April 28, 2006 meeting, provided below are the milestones that will be accomplished under the EOA.

- Review of Existing Data (Tasks 1 and 2 in Exhibit C of the EOA)
 1. For properties not currently subject to an Agreement entered into or an Order issued by DTSC oversight, this includes the Phase I & II Environmental Site Assessment for the Docks Area.
 2. For properties currently under DTSC oversight, this includes existing data as well as a summary of the data prepared by the Redevelopment Agency's environmental consultant, if available.
- Review of Successful Case Studies (Task 4 in Exhibit C of the EOA)
 1. DTSC and the Redevelopment Agency will review successful case studies, including DTSC approved deed restrictions for Brownfield sites where multi-family residential housing or mixed-use housing has been allowed over contaminated soils and/or groundwater. The Redevelopment Agency will provide case study materials.

Ms. Laura Sainz
May 12, 2006
Page 2

- Review of a Health Risk Assessment (HRA) (Task 4 and 5 in Exhibit C of the EOA) - prepared for the Docks Redevelopment Project. In addition to evaluating the risk and hazard for areas where hazardous substances are present in soil and/or groundwater, the HRA will include a discussion of the following:
 1. Proposed land uses.
 2. Proposed construction methods for development (e.g., driven piles, spread footer foundations, etc.).
 3. Provide an analysis of the suitability of the proposed land uses and proposed construction methods to ensure protection of human health and the environment. This analysis will include a determination about the suitability of the property for the proposed land use plan and identification of any institutional controls or engineering/design measures that need to be incorporated into the project and/or changes to existing institutional controls. This document may evaluate more than one option for land use and/or construction methods.

Any additional DTSC oversight of activities beyond those outlined above and detailed for these milestones in the Scope of Work provided in the EOA will require an amendment to the Cost Estimate provided in Exhibit D-2.

If you find the enclosed EOA document acceptable, please sign and return the agreement along with a copy of the executed Resolution adopted by the Redevelopment Agency (Exhibit F). Upon receipt of the signed EOA document, DTSC will then sign and send you a copy of the fully executed document.

If you have any questions, please call me at (916) 255-3586.

Sincerely,



Steven R. Becker, P.G., Chief
Site Evaluation and Remediation Unit

Enclosure

cc: See next page.

Ms. Laura Sainz
May 12, 2006
Page 3

cc: Ms. Margaret A. Pietrasz
Attorney at Law
Law Department
Pacific Gas and Electric Company
P.O. Box 7442
San Francisco, California 94120-7442

Mr. Richard Hume, Chief
National Priority List Unit
Northern California-Central Cleanup Operations Branch
Site Mitigation and Brownfields Reuse Program
Department of Toxic Substances Control
8800 Cal Center Drive
Sacramento, California 95826-3200

Ms. Maria Gillette
Project Manager
Site Evaluation and Remediation Unit
Northern California-Central Cleanup Operations Branch
Site Mitigation and Brownfields Reuse Program
Department of Toxic Substances Control
8800 Cal Center Drive
Sacramento, California 95826-3200

Mr. Sam Martinez
Hazardous Substance Engineer
National Priority List Unit
Northern California-Central Cleanup Operations Branch
Site Mitigation and Brownfields Reuse Program
Department of Toxic Substances Control
8800 Cal Center Drive
Sacramento, California 95826-3200



Dan Skopec
Acting Secretary
Cal/EPA



Department of Toxic Substances Control

Maureen F. Gorsen, Director
8800 Cal Center Drive
Sacramento, California 95826-3200



Arnold Schwarzenegger
Governor

ENVIRONMENTAL OVERSIGHT AGREEMENT

BETWEEN

THE DEPARTMENT OF TOXIC SUBSTANCES CONTROL

AND

THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

Sacramento Agreement Number ____

DTSC Agreement Number _____

DTSC Site Code 101744-11

EXHIBIT A MAP OF THE MERGED DOWNTOWN REDEVELOPMENT PROJECT AREA

EXHIBIT B PROPERTY DESCRIPTION

EXHIBIT B-1 MAP

EXHIBIT B-2 PROPERTY DESCRIPTION

EXHIBIT B-3 LIST OF ASSESSOR PARCEL NUMBERS, ADDRESSES, OWNERSHIP, AND OWNER'S ADDRESSES

EXHIBIT C SCOPE OF WORK

EXHIBIT D SCHEDULE OF PERFORMANCE AND COST ESTIMATE

EXHIBIT D-1 SCHEDULE OF PERFORMANCE

EXHIBIT D-2 COST ESTIMATE

EXHIBIT E STANDARD PROVISIONS

EXHIBIT F AUTHORIZING RESOLUTION

**ENVIRONMENTAL OVERSIGHT AGREEMENT
FOR THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
CONTRACT NO. _____**

1. INTRODUCTION

This Environmental Oversight Agreement (Oversight Agreement) is made between the Redevelopment Agency of the City of Sacramento (Redevelopment Agency) and the California Environmental Protection Agency, Department of Toxic Substances Control (DTSC). The Parties intend, by this Oversight Agreement, to establish a mutually beneficial working relationship and to cooperatively address Brownfields properties in the Merged Downtown Redevelopment Project Area which is in the City of Sacramento. The Redevelopment Agency and DTSC both share the mission to revitalize and reuse Brownfields properties to address known or perceived environmental contamination in order to provide significant benefits to the economy and health of surrounding communities. DTSC is committed to working in partnership with communities to restore contaminated properties to productive use, while ensuring that cleanups are protective of public health and the environment. The Redevelopment Agency intends to eliminate blight by constructing infrastructure, public facilities and public uses, promoting improvements in commercial, industrial and residential areas, removing or alleviating the negative effects of hazardous substances, and improving, increasing and preserving the community's housing stock.

The Oversight Agreement outlines a Scope of Work and a broad approach for DTSC to provide technical consultation, site investigation and remediation activity support. The intent of the Oversight Agreement is to establish a collaborative process that:

1. Provides a flexible process based upon the Redevelopment Agency's needs for a project;
2. Ensures the investigation and cleanup are conducted in an environmentally sound manner;
3. Requires a cleanup that results in a property that is safe for redevelopment; and
4. Can provide liability relief for redevelopment agencies that complete the site characterization and cleanup process.

For the Property or group of properties covered by this Oversight Agreement, the Redevelopment Agency has proposed a Scope of Work that it believes addresses its particular needs depending on whether the Redevelopment Agency is seeking (1) only technical consultation from DTSC, or (2) DTSC assistance and response and remediation oversight in cases where the Redevelopment Agency intends to proceed under the Polanco Act, Health and Safety Code section 33459 et seq., or other applicable laws as determined appropriate by DTSC, or (3) both technical consultation and assistance and response and remediation oversight. The Redevelopment Agency may request, and pay for, DTSC services without any commitment to move forward with a project, a Property or a group of properties, and may request early consultation with DTSC, where desirable.

1.1. Purpose of Agreement. The purpose of this Oversight Agreement is to specify the process that will be used to evaluate Brownfields properties within the Redevelopment Agency's and DTSC's jurisdiction under this Oversight Agreement; to identify the properties that will be addressed under this Oversight Agreement; to facilitate the remediation of Brownfields properties and to provide a framework for the reimbursement of DTSC's oversight costs, and to assist the Redevelopment Agency and others in meeting the environmental requirements to obtain the immunities and protections under the Polanco Redevelopment Act set forth in Health & Safety Code §§ 33459-33459.8 (Polanco Act) and such other California and federal statutes as may be appropriate.

1.2. Parties. DTSC and the Redevelopment Agency are collectively the "Parties" to this Oversight Agreement.

1.3. Jurisdiction.

1.3.1. Redevelopment Agency Jurisdiction. The Redevelopment Agency has general delegated authority from the State Legislature to eliminate blight pursuant to the Health and Safety Code (H&SC). In addition, H&SC section 33459.1, subdivision (a)(1) of the Polanco Act authorizes the Redevelopment Agency to take any actions that the Redevelopment Agency determines are necessary and that are consistent with state and federal laws to remedy or remove a release of hazardous substances, as defined in H&SC section 33459, subdivision (c), on, under, or from a property located in a "Redevelopment Project Area," as defined in H&SC section 33320.1 (Project Area), whether the Redevelopment Agency owns the property or not, if any one of the conditions in H&SC section 33459.1, subdivision (b) is met. Pursuant to H&SC section 33459.1, subdivision (c), even if the conditions in H&SC section 33459.1, subdivision (b) are not met, the Redevelopment Agency may take actions to investigate or conduct feasibility studies or, if the Redevelopment Agency determines that the environmental condition of a property requires immediate action, the Redevelopment Agency may take actions to remedy or remove a release of hazardous substances. The Redevelopment Agency shall submit satisfactory evidence demonstrating its authority to enter into this agreement to contract with DTSC. Such evidence should include a resolution, motion or order confirming its authority.

1.3.2. DTSC Jurisdiction. H&SC section 25201.9 authorizes DTSC to enter into agreements to perform consultative services for the purposes of providing assistance in complying with chapter 6.8 of division 20 of the H&SC. H&SC sections 33459-33459.8 and section 58009 authorize DTSC to take proper and necessary actions for the protection and preservation of the public health as required for the efficient exercise of DTSC's activities under the Polanco Act.

1.4. Properties. The Property or group of properties that will be the subject of this Oversight Agreement are within the Merged Downtown Redevelopment Project Area. A map of the Merged Downtown Redevelopment Project Area located within the Redevelopment Agency's jurisdiction is attached as Exhibit A. The specific properties to be included in this Oversight Agreement (Property or group of properties) at the time

this Oversight Agreement is executed are described in Exhibit B, which is attached to this Oversight Agreement. A map of the properties is included in Exhibit B-1. A description and history of the properties is included in Exhibit B-2. A list of assessor parcel numbers, addresses, owners, and owner's address for the properties is included in Exhibit B-3. The Redevelopment Agency may propose new Redevelopment Project Areas and/or new properties for incorporation into this Oversight Agreement. If approved by DTSC, new Redevelopment Project Areas will be incorporated into this Oversight Agreement and identified in Exhibit A and new Properties or groups of properties will be incorporated into this Oversight Agreement and identified in Exhibit B.

2. AGREEMENT

THE PARTIES HEREBY AGREE THAT,

2.0. Activities to be Conducted. DTSC and the Redevelopment Agency will undertake activities as specified in this Oversight Agreement. DTSC will provide technical consultation related to site investigation, assessment, remediation and mitigation, or other services related to assessing hazardous substances releases as may be necessary or helpful for redevelopment. For each particular Property or group of properties, the parties acknowledge and agree that all work performed pursuant to this Oversight Agreement is intended to be consistent with H&SC sections 33459-33459.8 or H&SC sections 25300-25395.45, as appropriate.

2.0.1. Technical Consultation. As requested by the Redevelopment Agency, DTSC will provide technical consultation to the Redevelopment Agency in accordance with the Scope of Work contained in Exhibit C and the Schedule of Performance and Cost Estimate provided in Exhibit D, attached to this Oversight Agreement. Technical consultation may include, but is not limited to, participating in meetings, conferences, workshops, and/or conference calls, researching responses to the Redevelopment Agency's questions, reviewing existing data and preliminary reports submitted by the Redevelopment Agency or in DTSC's files, reviewing proposed redevelopment plans with regard to assessment of health risk and modification or termination of restrictive covenants, conducting site visits and performing general activities under this Oversight Agreement. DTSC's completion of the activities described in the Scope of Work shall constitute DTSC's complete performance for technical consultation under this Oversight Agreement.

2.0.2. Site-Specific Property Oversight. For each Property or group of properties subject to this Oversight Agreement, DTSC may provide review and oversight of the activities conducted by the Redevelopment Agency, as deemed appropriate by DTSC, in accordance with the Scope of Work contained in Exhibit C. The Scope of Work provided in Exhibit C applies to properties being addressed in this Oversight Agreement under the Polanco Act or other state and federal laws as determined appropriate by DTSC. If additional Scopes of Work are proposed for specific projects and approved by DTSC, the Redevelopment Agency will conduct activities in the manner specified in this Oversight Agreement in accordance with a mutually agreed upon schedule, as specified

in Exhibit D. If DTSC approves, the Redevelopment Agency may direct or arrange for a third party to conduct those activities in the same manner and in accordance with the same schedule. DTSC will review and provide the Redevelopment Agency with written comments on all Redevelopment Agency deliverables as described in the approved Scope of Work. For each Property or group of properties, as determined appropriate by DTSC, DTSC will provide oversight, as appropriate, of field activities, including but not limited to observation of sampling activities and oversight of the implementation of Remedy Selection Documents, Remedial Action Plans or Cleanup Plans. DTSC's completion of the activities described in the Scope of Work in Exhibit C will constitute DTSC's complete performance under this Oversight Agreement for that Property or group of properties.

2.1. Inclusion of Properties. For each Property or group of properties the Redevelopment Agency proposes for site-specific activities under this Oversight Agreement, the Redevelopment Agency will submit to DTSC (1) the information required under Exhibit C for that proposed Property or group of properties; and (2) any other appropriate information. For remediation activities to be performed pursuant to the Polanco Act, the Redevelopment Agency must demonstrate that the condition in Section 33459.1(b) of the California H&SC has been met. DTSC will discuss with the Redevelopment Agency any issues regarding incorporating a proposed Property or group of properties into this Oversight Agreement. DTSC will provide written concurrence when DTSC determines that incorporating a proposed Property or group of properties into this Oversight Agreement is appropriate and meets the statutory requirements. Upon approval in writing by both the Oversight Agreement Manager for DTSC and the Redevelopment Agency, a revised Exhibit B, C or D for any new Property or group of properties will be incorporated into this Oversight Agreement.

2.2. Amendment of Exhibits. Upon approval in writing by the Oversight Agreement Manager for DTSC and by the Redevelopment Agency, Exhibit A, B, C, D, E, F may be amended and the Exhibit, as amended, will be incorporated into this Oversight Agreement.

2.3. Additional Activities. Additional activities to the agreed upon Scope of Work may be conducted and DTSC oversight for any additional activities conducted by the Redevelopment Agency may be provided by amendment to an Exhibit in accordance with Sections 2.2 and 2.8. If DTSC expects additional oversight costs to be incurred related to any of these additional activities, DTSC will provide an estimate of the additional oversight cost to the Redevelopment Agency as an amendment to Exhibit D, as applicable, as provided in section 2.7.

2.4. Oversight Agreement Managers and Project Managers. James L. Tjosvold is designated by DTSC as DTSC's Manager for this Oversight Agreement. Laura Sainz is designated by the Redevelopment Agency as the Redevelopment Agency's Manager for this Oversight Agreement. Each Party to this Oversight Agreement will provide at least ten (10) days advance written notice to the other of any change in its designated Oversight Agreement Manager. DTSC and the Redevelopment Agency may each designate a Project Manager for any Property or group of Properties incorporated into

this Oversight Agreement. DTSC and the Redevelopment Agency each reserve the right to appoint multiple Project Managers under this Oversight Agreement for different projects that may be ongoing at the same time.

2.5 Notices and Submittals.

2.5.1. All notices, documents and communications that are to be given under this Oversight Agreement, unless otherwise specified, will be sent to the respective Parties at the following addresses:

To DTSC:
James L. Tjosvold, P.E., Chief
Northern California-Central Cleanup Operations Branch
ATTN: Steven Becker, P.G.
Department of Toxic Substances Control
8800 Cal Center Drive
Sacramento, California 95826-3200
FAX: (916) 255-3696

To the Redevelopment Agency:
Ray Kerridge
City Manager
City of Sacramento
ATTN: Laura Sainz
1030 Fifteenth Street, 2nd floor
Sacramento, California 95814-4009
FAX: (916) 808-8161

2.5.2. The Parties will each give such notices to known property owners and other persons as the Parties are required to give by applicable law. (See Exhibit B for known property owners for each Property or group of properties.)

2.6. DTSC Document Review and Approval. If DTSC determines that any report, plan, schedule or other document submitted for approval pursuant to this Oversight Agreement does not meet the conditions in this Oversight Agreement or fails to protect public health or safety or the environment, DTSC will consult with the Redevelopment Agency and either (1) return comments to the Redevelopment Agency with recommended changes; or (2) modify the document, with Redevelopment Agency concurrence, as deemed necessary and approve the document as modified.

2.7. Payment. An estimate of DTSC's oversight costs for the Scope of Work provided in Exhibit C-1 is contained in Exhibit D-1. All Parties understand that a Cost Estimate will be prepared by DTSC for each Property or group of properties and incorporated into this Oversight Agreement per Section 2.1. Such Cost Estimates shall include all labor, materials and expenses estimated to be incurred by DTSC in performing the services contemplated by this Oversight Agreement and specified in the Scope of Work for such Property or group of properties. The Parties understand that the

Cost Estimates set forth in Exhibit D are an estimate, and cannot be relied upon as the final cost figure. The Redevelopment Agency agrees to pay (1) all costs incurred by DTSC in association with preparation of this Oversight Agreement and for review of documents submitted by the Redevelopment Agency prior to the effective date of the Oversight Agreement; and (2) all costs incurred by DTSC in implementing and providing oversight or conducting other activities pursuant to this Oversight Agreement. DTSC will notify the Redevelopment Agency in writing when it approaches charges of sixty-five percent (65%) of the total Cost Estimate prepared for a Property or group of properties. Costs incurred include interest on unpaid amounts that are billed and outstanding for more than 60 days from the date of DTSC's quarterly invoice. The parties agree to evaluate the budget to determine if either a revised estimate or scope of work is needed at the time of the written notice or whether the Redevelopment Agency wishes to terminate this Oversight Agreement either in its entirety or as to a specific Property or group of properties as provided in Section 24 of the Standard Provisions. If DTSC or the Redevelopment Agency anticipates a change in the Scope of Work or the need for revision of the Cost Estimate, DTSC will provide a revised estimate in advance of exceeding the total cost estimate.

2.7.1. In anticipation of the services to be rendered under this Oversight Agreement as described in Exhibit C, the Redevelopment Agency will make an advance payment of \$20,000.00 to DTSC no later than thirty (30) days after the effective date of this Oversight Agreement. If the Redevelopment Agency's advance payment does not cover all costs payable to DTSC under this subsection, DTSC will invoice the Redevelopment Agency quarterly.

2.7.2. All payments made by the Redevelopment Agency for activities performed for a Property or group of properties pursuant to this Oversight Agreement will be by check made payable to the "Department of Toxic Substances Control," and bearing on its face the project code for the Property or group of properties (See Exhibit B) and the DTSC Contract Number of this Oversight Agreement. All payments made by the Redevelopment Agency for DTSC activities performed pursuant to this Oversight Agreement, but not applicable to a Property or group of properties will be by check made payable to the "Department of Toxic Substances Control" and bearing on its face the project code for this Oversight Agreement (**Site Code 101744-11**) and the Contract Number of this Oversight Agreement. Payments should be sent to:

Department of Toxic Substances Control
Accounting/Cashier
1001 I Street, 21st Floor
P.O. Box 806
Sacramento, California 95812-0806

2.8. Exhibits. Standard provisions of this Oversight Agreement are contained in Exhibit E (Oversight Agreement Standard Provisions), which is attached to this Oversight Agreement. All exhibits attached to this Oversight Agreement, including Exhibit E, are incorporated into this Oversight Agreement by reference.

2.9. Effective Date. The effective date of this Oversight Agreement is the date when this Oversight Agreement is fully executed.

2.10. Representative Authority. Each undersigned representative of the Parties to this Oversight Agreement certifies that she or he is fully authorized to enter into the terms and conditions of this Oversight Agreement and to execute and legally bind the Parties to this Oversight Agreement.

2.11. Counterparts. This Oversight Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, but such counterparts shall together constitute one and the same document.

_____ Date: _____
James L. Tjosvold, P.E., Chief
Northern California-Central Cleanup Operations Branch
Department of Toxic Substances Control

_____ Date: _____
Ray Kerridge
City Manager
City of Sacramento

EXHIBITS

- A EXHIBIT A MAP OF THE MERGED DOWNTOWN REDEVELOPMENT PROJECT AREA

- B PROPERTY DESCRIPTION
 - B-1 MAP
 - B-2 PROPERTY DESCRIPTION
 - B-3 LIST OF ASSESSOR PARCEL NUMBERS, ADDRESSES, OWNERSHIP, AND OWNER'S ADDRESSES

- C SCOPE OF WORK

- D SCHEDULE OF PERFORMANCE AND COST ESTIMATE
 - D-1 SCHEDULE OF PERFORMANCE
 - D-2 COST ESTIMATE

- E STANDARD PROVISIONS

- F AUTHORIZING RESOLUTION

EXHIBIT A
MAP OF THE
MERGED DOWNTOWN REDEVELOPMENT PROJECT AREA

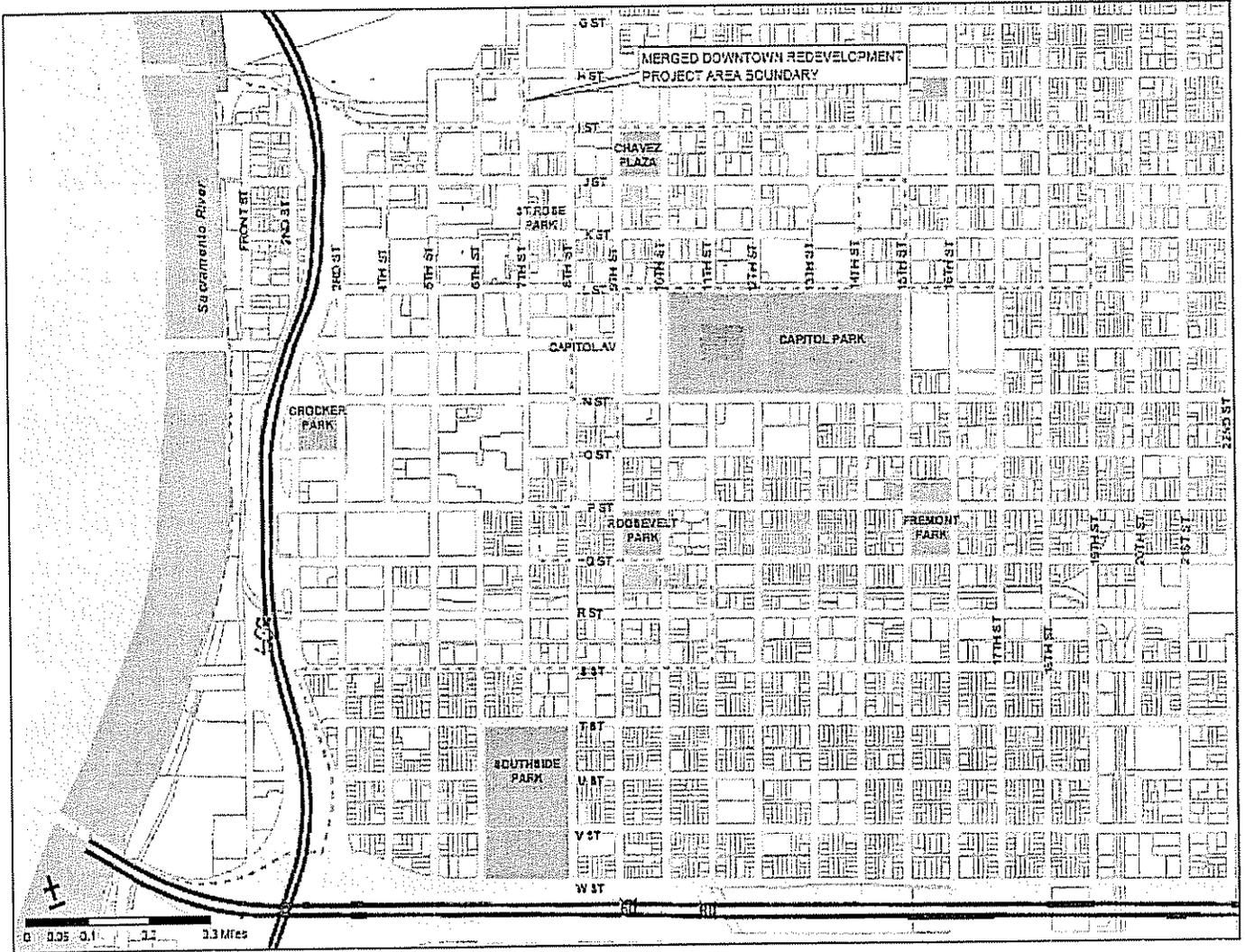


EXHIBIT B
PROPERTY DESCRIPTION

EXHIBIT B-1

MAP OF THE PROPERTIES

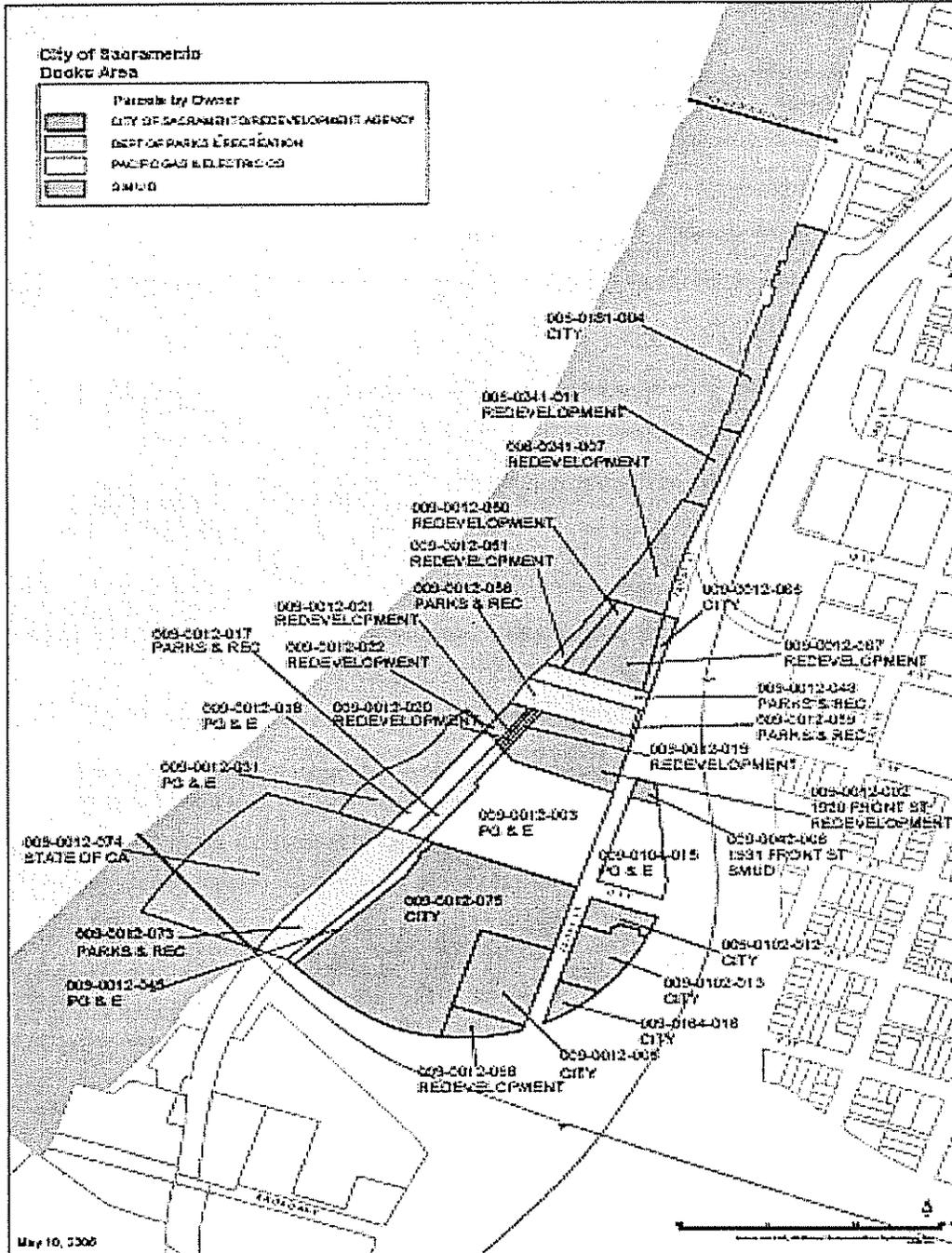


EXHIBIT B-2

PROPERTY DESCRIPTION

Project Name: The Docks Area Redevelopment Project ("Docks Area")

Location: The Docks Area is located within the City of Sacramento, south of Capital Mall, east of the Sacramento River, west of the I-5 Freeway and north of Broadway.

Redevelopment Area: Merged Downtown Redevelopment Project Area

Property Information: Exhibit B-1 provides a map of the individual parcels. Exhibit B-3 provides a list of the Assessor Parcel Number (APN), ownership, site address and owner address.

DTSC Project Code: 101744-11

Redevelopment Agency: The Redevelopment Agency of the City of Sacramento

Project Developer: To Be Determined (TBD)

Site Description: The properties included in this Oversight Agreement consist of numerous parcels totaling approximately 20 developable acres on the Sacramento River in the City of Sacramento. The Merged Downtown Redevelopment Project Area is a "Project Area" as defined under the Health and Safety Code section 33320.1. The properties are all located within the Merged Downtown Redevelopment Project Area, and are zoned for light industrial use (M-2). Portions of the area are currently utilized by the City of Sacramento (City), Pacific Gas and Electric Company (PG&E), and the Sacramento Municipal Utility District (SMUD). The City maintains a sump pump, animal shelter, horse and carriage storage facility and the Pioneer Reservoir. PG&E maintains a groundwater remediation system on their property, in addition to a load center, a high pressure natural gas pipeline and some office space. Within the same general area, the California Department of General Services operates the Ranney Collector for the purpose of operating a heat exchange system for the cooling of nearby state buildings. Surrounding land uses include Interstate 5 to the west, tank farms to the south and a hotel to the north.

In 1990, portions of the Docks Area were investigated under the oversight of Department of Toxic Substances Control (DTSC) and the Central Valley Regional Water Quality Control Board (CVRWQCB). Elevated concentrations of petroleum hydrocarbons, poly-nuclear aromatic hydrocarbons (PAHs) and metals were detected in the soil and groundwater beneath the properties. The parcels that were included in these investigations include PG&E, Cal Trans, SMUD and Redevelopment Agency properties (APNs 009-0012-003, 017126, 017100 and 017101, 009-0042-006 and 009-

0012-002). The need for investigation of remaining properties will be determined based on information provided in a Phase I and Phase II Environmental Site Assessment that is being prepared by the Redevelopment Agency. The Phase I and II Environmental Site Assessment will address all the properties with the exception of the previously referenced PG&E, Cal Trans, SMUD and Redevelopment Agency parcels. Historical documentation indicates that previous industrial use of the property may have resulted in the release of fuels, oils and possibly metals to the area soils and groundwater. Groundwater is shallow, approximately 10 to 15 feet below ground surface, with seasonal variability. The following parcels, mentioned above, are subject to agreements or orders issued by DTSC that address soil or groundwater contamination at those parcels:

- PG&E (APN 009-0012-003) Enforceable Agreement, Docket No: HSA 87/88-047 dated March 22, 1988.
- Caltrans (APN 017126, 017100 and 017101) Remedial Action Order, Docket No: HSA 93/94-002 dated August 16, 1993.
- SMUD (APN 009-0042-006) Remedial Action Order, Docket No: HSA 94/95-008 dated February 02, 1995.
- SHRA (APN 009-0012-002) Remedial Action Order, Docket No: HSA 93/94-001 dated August 16, 1993. The Remedial Action Order for this property requires a deed restriction.

In addition, remedies that require ongoing operation and maintenance or that restrict certain land uses have been selected for the following parcel and are currently being implemented:

- PG&E Parcel (APN 009-0012-003) Covenant and Agreement to Restrict Use of Property, Docket No: 2108-04-0787 dated February 2, 1993.

Site History: From 1873 through 1959, PG&E operated a manufactured gas plant at 2000 Front Street, producing gas from coal and oil for residential and commercial lighting and heating. The PG&E plant has since been decommissioned.

The 1990 PG&E site investigation confirmed the presence of elevated concentrations of petroleum hydrocarbons, PAHs, and metals in the soils and groundwater beneath these properties. DTSC determined the constituents of concern (COCs) included benzene, toluene, ethylbenzene, and xylenes (BTEX), PAHs and metals.

In 1991, the excavation and removal of approximately 50,000 tons of contaminated soil from the PG&E property was conducted under DTSC's oversight and in 1995, a groundwater extraction and treatment system was installed at the northwest corner of the property. The PG&E property is capped with an engineered clay cap, and is currently vacant with the exception of groundwater monitoring wells and the

groundwater remediation system. As previously referenced, this property is subject to an Enforceable Agreement as well as a signed and recorded land use covenant that restricts access and limits use of the property to operation and maintenance activities.

COCs similar to those confirmed on the PG&E property were also observed in soil and groundwater beneath the adjacent properties. Additional soil investigations and removal actions were performed under DTSC's oversight at adjacent properties owned by the California Department of Transportation (Caltrans) and SMUD in 1998 and at the Sacramento Housing and Redevelopment Agency (SHRA) property in 2001 and 2002. A soil vapor extraction system (SVES), was installed on the SMUD property in 1998, and has operated to remove residual volatile organic compounds (VOCs) in the unsaturated zone. Collectively, all the above mentioned properties (PG&E, Caltrans, SMUD and SHRA) are referred to as a single Site under the regulatory authority of DTSC.

In May 2004, PG&E assumed responsibility for remedial activities related to the Manufactured Gas Plant at the Site (i.e., the four identified properties) including the continued operation, maintenance, and monitoring of any required remedial systems and reporting requirements. In accordance with California Code of Regulations, title 22, section 67391.1, it is acknowledged that the final Site remedy may include a land use covenant imposing appropriate limitations on land use if hazardous substances will remain at the Site at levels that have been determined by DTSC to not be suitable for unrestricted use of the land.

EXHIBIT B-3

LIST OF INDIVIDUAL PARCELS, OWNERSHIP, ADDRESSES AND ASSESSOR PARCEL NUMBERS FOR THE PROPERTIES IN THE DOCKS AREA

	PARCEL APN	SITE ADDRESS	OWNER	Owner Address
1.	006 0181 004 0000	Front St	City Of Sacramento	1030 15th St., 2nd Floor, Sacramento, CA 95814
2.	006 0241 011 0000	Front St	City Of Sacramento Redevelopment Agency City Of Sacramento	1030 15th St., 2nd Floor, Sacramento, CA 95814
3.	006 0241 007 0000	Front St	Redevelopment Agency City Of Sacramento	1030 15th St., 2nd Floor, Sacramento, CA 95814
4.	009 0012 002 0000	1920 Front St	Pacific Gas;Electric Co	1030 15th St., 2nd Floor, Sacramento, CA 95814
5.	009 0012 003 0000	*no Site Address*		
6.	009 0012 005 0000	2200 Front St	City Of Sacramento	1030 15th St., 2nd Floor, Sacramento, CA 95814
7.	009 0104 015 0000	Front St	Pacific Gas;Electric Co	
8.	009 0012 017 0000	*no Site Address*	State Of California	704 O Street, Sacramento, CA 95814
9.	009 0012 018 0000	*no Site Address*	Pacific Gas;Electric Co	
10.	009 0012 019 0000	*no Site Address*	Redevelopment Agency City Of Sacramento	704 O Street, Sacramento, CA 95814
11.	009 0012 020 0000	*no Site Address*	Redevelopment Agency City Of Sacramento	704 O Street, Sacramento, CA 95814
12.	009 0012 021 0000	*no Site Address*	Redevelopment Agency City Of Sacramento	
13.	009 0012 022 0000	Front St	Redevelopment Agency City Of Sacramento	1030 15th St., 2nd Floor, Sacramento, CA 95814
14.	009 0012 045 0000	*no Site Address*	Pacific Gas;Electric Co	
15.	009 0012 048 0000	Front St	Dept Of Parks;Recreation Redevelopment Agency City Of Sacramento	704 O Street, Sacramento, CA 95814
16.	009 0012 050 0000	Front St	Redevelopment Agency City Of Sacramento	1030 15th St., 2nd Floor, Sacramento, CA 95814
17.	009 0012 051 0000	*no Site Address*	Redevelopment Agency City Of Sacramento	1030 15th St., 2nd Floor, Sacramento, CA 95814
18.	009 0012 058 0000	*no Site Address*	Dept Of Parks;Recreation	704 O Street, Sacramento, CA 95814

19.	009 0012 059 0000	*no Site Address*	Dept Of Parks;Recreation	704 O Street, Sacramento, CA 95814
20.	009 0012 066 0000	State Fwy 5	City Of Sacramento	704 O Street, Sacramento, CA 95814
21.	009 0012 067 0000	Front St	Redevelopment Agency City Of Sacramento	1030 15th St., 2nd Floor, Sacramento, CA 95814
22.	009 0012 068 0000	2224 Front St	Redevelopment Agency City Of Sacramento	
23.	009 0012 073 0000	*no Site Address*	State Of California	704 O Street, Sacramento, CA 95814
24.	009 0012 075 0000	Front St	City Of Sacramento	1030 15th St., 2nd Floor, Sacramento, CA 95814
25.	009 0102 012 0000	Front St	City Of Sacramento	1030 15th St., 2nd Floor, Sacramento, CA 95814
26.	009 0102 013 0000	Front St	City Of Sacramento	1030 15th St., 2nd Floor, Sacramento, CA 95814
27.	009 0164 016 0000	Front St	City Of Sacramento	
28.	009 0042 006 0000	1931 Front St	S M U D	
29.	17126	1921 Front St.	California Department of Transportation	1120 N Street, Sacramento, CA 95814
30.	17100	1921 Front St.	California Department of Transportation	1120 N Street, Sacramento, CA 95814
31.	17101	1921 Front St.	California Department of Transportation	1120 N Street, Sacramento, CA 95814

EXHIBIT C

SCOPE OF WORK

The scope of work presented in this Scope includes tasks that DTSC may be requested to perform by the Agency.

TASK 1. Review of Existing Data for Properties not Currently Subject to DTSC Oversight

For the parcels not currently subject to an Agreement entered into or an Order issued by DTSC, the Agency will submit to DTSC a listing of all known reports in its possession, including sample analysis results, environmental assessment reports and any other information in its possession pertinent to the hazardous substance and hazardous waste management and/or release, characterization and cleanup of the Properties. Currently Phase I and II preliminary site characterization activities are being conducted on the parcels and a report that describes the findings will be provided to DTSC for review. The preliminary site characterization has been conducted generally following the ASTM E 1527-00 standard titled "Standard Practice for Environmental Site Assessments: Phase I and ASTM E 1903-00: Guide for Environmental Site Assessments: Phase II."

The Redevelopment Agency will also provide copies of any non-privileged reports or information requested by DTSC and will identify privileged or other confidential documents that the Redevelopment Agency is not providing. The Redevelopment Agency will also inform DTSC of any other known reports and documents, not in its possession, pertinent to the hazardous substance and hazardous waste management and/or release, characterization and cleanup of the Properties, including the name of the document (if known) and the identity and address of the person/entity (if known) with possession of the document. Subject to the availability of DTSC resources, DTSC will review the information in accordance with a mutually agreed upon timeframe included in Exhibit D-1 in order to identify areas and media of concern and determine whether additional work, if any, would be required to complete the investigation and/or cleanup of the Properties.

DTSC will respond to the Redevelopment Agency in writing, setting forth DTSC's initial conclusions regarding these matters. Following DTSC's initial review, a scoping meeting will be held to discuss:

1. Whether further site characterization is necessary, and, if so, how the characterization will be conducted for the Properties; and
2. Which of the Tasks (described in detail below) are appropriate and how they will be implemented.

The goal of the scoping meeting is to agree on the focus of the site investigation and remedial or response actions and to agree on the applicability and scope of the remaining Tasks. The Parties contemplate a flexible process, and that the level of detail, requirements and applicability of each Task will be jointly evaluated by the Project Managers.

TASK 2. Review of Existing Data for Properties that are Currently Subject to DTSC Oversight.

These four properties include:

1. A PG&E owned site which is subject to a 1988 enforceable agreement;
2. A Redevelopment Agency owned parcel subject to a 1993 remedial action order;
3. A SMUD owned parcel subject to a 1995 remedial action order; and
4. A Caltrans parcel subject to a 1993 remedial action order.

DTSC and the California Regional Water Quality Control Board – Central Valley Region (RWQCB) have overseen the investigation and remediation of contaminated soil and groundwater associated with the Pacific Gas and Electric (PG&E) site, the Agency owned parcel and the SMUD and Caltrans parcels located within the Docks Area since 1990. DTSC maintains an Administrative Record for the PG&E site which includes historical documentation and data. This task will include reviewing, as necessary the existing data for those sites, in order to gain a thorough understanding of the existing conditions of those sites and how those conditions might impact the larger Docks Area redevelopment project. If available, the Agency will provide data and maps summarizing the analysis completed to date on these Properties.

Following the completion of Tasks 1 & 2, DTSC will provide guidance to the Redevelopment Agency to assist them in preparing a work plan or other appropriate document that addresses conducting any additional tasks outlined below that are determined to be necessary.

TASK 3. Site Characterization

Following DTSC's review of the Phase I and Phase II Environmental Site Assessment Report and after the scoping meeting described in Task I has been conducted, additional characterization may be requested by the DSTC. Additional site characterization activities will be agreed upon by both parties and appropriate planning documents (including work plans) required by DTSC will be prepared for DTSC review and approval. The actual scope of work to be performed under this task will be established at the time it is determined that additional characterization of any of the remaining parcels is required. The results of any additional site characterization activities will be summarized in a Site Characterization Report. DTSC will review the Site Characterization Report and will advise the Agency in writing, within the period specified in Exhibit D-1, of either DTSC's approval of such report, or DTSC's requirements for approval. The Site Characterization Report may, in appropriate circumstances, be combined with the Remedy Selection Document (RSD), Remedial

Action Plan (RAP) or Cleanup Plan or included with other documents prepared by or on behalf of the Redevelopment Agency. As part of this task, DTSC will coordinate with the RWQCB as necessary on water quality issues.

TASK 4. Technical Consultation and Assistance.

DTSC may provide technical consultation and assistance to the Agency on the four parcels currently subject to DTSC oversight within the context of the larger Docks Area redevelopment project in accordance with a mutually agreed upon schedule and subject to availability of DTSC resources. This schedule will be determined upon Agency and DTSC review of the consultation and assistance work to be conducted. If desired, the schedule may be included in Exhibit D-1, which may also include other properties in the Docks Area upon mutual agreement of DTSC and the Agency. Technical consultation may include, but is not limited to, participating in meetings, conferences, workshops, and/or conference calls, researching responses to Redevelopment Agency's questions, reviewing existing data and preliminary reports submitted by Redevelopment Agency, providing guidance regarding proposed land uses and construction methods, conducting site visits, and performing general activities to scope a proposed project, including oversight of preliminary site characterization activities, and the review of conceptual or proposed removal, remediation, or other site cleanup activities. It should be noted however, that technical consultation does not include oversight of removal, remediation, or other site cleanup activities.

TASK 5. Risk Evaluation and Cleanup Level Determination

If the Redevelopment Agency decides to proceed with a remedy or removal action for all of the properties, a scoping meeting will be held to discuss how the risk evaluation and cleanup level determination will be conducted for all the properties. If appropriate, the Redevelopment Agency may conduct a risk evaluation consistent with U. S. EPA Risk Assessment Guidance for Superfund (EPA/540/1-89/002) and DTSC's Supplemental Guidance for Human Health Multimedia Risk Assessments of Hazardous Waste Sites and Permitted Facilities. This evaluation will identify the chemicals of concern and potential routes of exposure; characterize the potential risk; evaluate potential risks to environmental receptors; consider existing and contemplated uses of the Properties; and identify site cleanup goals. If DTSC agrees, this information may be submitted in the RSD, RAP or Cleanup Plan. The Parties recognize that, depending on the site characterization and the proposed remedy or removal action, a site specific risk evaluation may not always be necessary. However, the following information shall be included in the RSD, RAP or Cleanup Plan even if a risk evaluation is not conducted: identification of chemicals of concern, remedial action objectives and cleanup goals and discussion of the derivation of the cleanup goals.

TASK 6. Feasibility Study

The objective of this task is to evaluate feasible remediation and response alternatives. If the Redevelopment Agency decides to proceed with the remedy or removal action, reasonable potential alternatives for the remediation of all of the properties and

response to the presence of hazardous substances should be evaluated, including the "no action" alternative. Such an evaluation will either be incorporated in the RSD, RAP or Cleanup Plan, or, if the analysis is complex, addressed in a separate study or report.

The evaluation will (a) identify the goals for the cleanup based upon current and projected future land uses; (b) evaluate feasible alternatives to meet these goals; and (c) recommend a preferred alternative. The feasibility study may either be included in or else combined with the RSD, RAP or Cleanup Plan or other document, as approved by DTSC.

TASK 7. Remedy Selection Document (RSD)

The purpose of the Remedy Selection Document is to summarize results of the site characterization, risk evaluation and feasibility study and to describe the remedial action or removal plan. The remedy selection document may be entitled RSD, RAP, or Cleanup Plan and may include other tasks described herein. The document shall address the following:

- (a) a description of the site, site history, site environmental setting, and contamination;
- (b) a summary of the risk evaluation conducted, if necessary;
- (c) current and contemplated land uses of the Properties;
- (d) zoning and general plan designation of the Properties;
- (e) the goals to be achieved by the cleanup;
- (f) a summary description of the feasibility study conducted;
- (g) a description of the recommended alternative (including any required and/or suggested land use covenants, an operation and maintenance (O&M) agreement and plan, financial assurance and other O&M requirements, as appropriate);
- (h) implementation and enforcement plan if O&M requirements are identified or if a land use covenant is necessary;

TASK 8. California Environmental Quality Act (CEQA)

DTSC and the Redevelopment Agency will discuss what CEQA documents are necessary and who shall prepare the necessary CEQA documents, as well as the appropriate Lead Agency and Responsible Agency under the CEQA process. DTSC and the Redevelopment Agency will work together to ensure that the proposed environmental document contains the information necessary for the Redevelopment Agency and DTSC to evaluate impacts from the proposed redevelopment project. It is the goal of both DTSC and the Redevelopment Agency that the CEQA document be used by both entities in meeting their respective obligations under CEQA. If, however, for reasons specific to the project, the processes cannot be efficiently combined, then DTSC will prepare its own CEQA document for the RSD, RAP or Cleanup Plan. If required, the Redevelopment Agency shall submit the information necessary for DTSC to prepare this document.

TASK 9. Remedial Design and Implementation Plan

If the Redevelopment Agency decides to proceed with the remedial or removal actions specified in the RSD, RAP or Cleanup Plan with respect to all of the properties the Redevelopment Agency will either (1) prepare and submit a Remedial Design and Implementation Plan (RDIP) in accordance with the agreed upon schedule contained in the approved RSD, RAP or Cleanup Plan; or (2) depending on the complexity of the environmental condition of the Properties, incorporate the factors typically addressed in a RDIP into the RSD, RAP or Cleanup Plan. The RDIP (or RSD, RAP or Cleanup Plan, as applicable) will address the following:

- (a) technical and operational plans and engineering designs for implementation of the approved alternative(s);
- (b) a proposed schedule for implementing the construction phase;
- (c) a general description of the construction equipment to be employed;
- (d) a community environmental monitoring plan (if necessary);
- (e) a site specific hazardous waste transportation plan (if necessary);
- (f) the identity of any contractors, transporters and other persons conducting the cleanup activities for the Properties, when known;
- (g) post-remedial sampling and monitoring procedures for air, soil, surface water and groundwater, as necessary;
- (h) QA/QC plan; and
- (i) O&M procedures and schedules, as necessary.

All field work will be conducted in accordance with California Code of Regulations, Title 8, including but not limited to section 5192, and applicable DTSC guidance.

TASK 10. Implementation of Final RSD, RAP or Cleanup Plan

Subject to the provisions of Section 5 of the Standard Provisions concerning endangerment during implementation, nothing herein will require the Redevelopment Agency to proceed with implementation of a RSD, RAP or Cleanup Plan with respect to the all of the properties if it determines not to do so. The Redevelopment Agency will provide DTSC with written notice of the Redevelopment Agency's decision to either implement or not implement the Final RSD, RAP or Cleanup Plan. Upon DTSC approval of the RDIP (or RSD, RAP or Cleanup Plan, if the RSD, RAP or Cleanup Plan incorporates the RDIP) and schedule, and if the Redevelopment Agency decides to proceed with the remedy or removal action, the Redevelopment Agency will implement or will direct the implementation of the approved final RSD, RAP, Cleanup Plan, or RDIP, as applicable, in accordance with the approved schedule. At the completion of field work, the Redevelopment Agency (or such other party conducting the remediation or other response or removal actions with respect to the Properties) will submit a final Implementation Report discussing the work completed and noting any deviations from the approved plan. Within 60 days of the date DTSC finds that a remedial or removal action has been properly completed in accordance with the Final RSD, RAP or Cleanup Plan, DTSC will notify the Redevelopment Agency, in writing, that the immunity provided by H&SC section 33459.3, subdivision (c) is in effect.

This immunity may extend to other such parties entitled to immunity pursuant to H&SC section 33459.3(e). In the event that O&M is required, the Parties agree that the immunity provided by H&SC section 33459.3(e) shall be expressly conditioned upon the satisfactory performance of all responsibilities pursuant to Task 13 of the Agreement. In the event that DTSC finds that the remedy is not functioning properly and successfully, and performing as designed, or that the remedy will not attain the final performance standards or cleanup goals specified in the final RSD, RAP, Cleanup Plan (including the implementation and enforcement of institutional controls if applicable), DTSC will, as soon as administratively feasible, notify the Redevelopment Agency.

TASK 11. Changes During Implementation of the Final RSD, RAP or Cleanup Plan

If during implementation of the final RSD, RAP, Cleanup Plan or RDIP if applicable, DTSC determines that additions, modifications or revisions to such document may be necessary to protect human health and safety or the environment or to implement the final RSD, RAP, Cleanup Plan, or RDIP if applicable, DTSC will, as soon as administratively feasible, notify the Redevelopment Agency. The Parties will determine the appropriate revisions to such document; provided, however, and subject to the provisions of Sections 5 and 23 of the Standard Provisions concerning endangerment during implementation, nothing herein will require the Redevelopment Agency to continue to proceed with the implementation of the modified RSD, RAP, Cleanup Plan or RDIP with respect to all the Docks Area properties if it determines not to do so.

TASK 12. Public Participation

The Redevelopment Agency and DTSC will conduct appropriate public participation activities given the nature of the community surrounding the Properties and the level of community interest. The Redevelopment Agency will work cooperatively with DTSC to ensure that the affected and interested public and community are involved in the decision-making process applicable to the clean-up of the Properties, taking into account the Redevelopment Agency's existing public participation capabilities and procedures. DTSC and the Redevelopment Agency will strive to integrate the public participation activities associated with the RSD, RAP or Cleanup Plan with the public participation activities associated with the development of the Properties to the maximum extent possible.

A scoping meeting may be held to determine the appropriate activities that will be conducted to address public participation. If necessary, the Redevelopment Agency will then prepare a public participation plan for the Properties that describes the proximity of homes and/or schools, day care facilities, churches, and similar uses; the current and proposed land uses within and adjacent to the Properties; media interest; and involvement of community groups and elected officials. The plan shall also include a mailing list, identify appropriate information repositories, and specify the public participation activities that the Redevelopment Agency will undertake to provide opportunities for public involvement in site-related decisions. The Redevelopment Agency and DTSC will evaluate whether a fact sheet and public notices are necessary, as well as their content, distribution and circulation, and whether a public meeting is

appropriate depending on the circumstances and the nature of the remedial or removal action, as well as any other public participation procedures.

TASK 13. Land Use Covenant

If DTSC determines it is required pursuant to California Code of Regulations, title 22, section 67391.1, the Parties agree that the final RSD, RAP or Cleanup Plan will contain a requirement for a land use covenant imposing appropriate limitations on land use when hazardous substances, hazardous materials, hazardous constituents or hazardous wastes will remain at the Properties at levels that are determined by DTSC as not suitable for unrestricted use of the land. If DTSC determines a land use covenant is necessary on property owned by the Redevelopment Agency, the Redevelopment Agency agrees to sign and record a land use covenant approved by DTSC. If the Redevelopment Agency is not the property owner, the Agency will arrange for the property owner to sign and record the land use covenant approved by DTSC. All land use covenants shall be recorded by the property owner or owners in the County where the Properties are located prior to DTSC's determination that a remedial or removal action has been properly completed in accordance with the final RSD, RAP or Cleanup Plan for the Properties.

TASK 14. Operation and Maintenance (O&M)

The Redevelopment Agency will comply with, or arrange for compliance with, all O&M requirements or other institutional control measures, in accordance with the final RSD, RAP or Cleanup Plan. The Redevelopment Agency shall designate in the final RSD, RAP or Cleanup Plan the Parties that will enter into an O&M Agreement, or otherwise be responsible for compliance with all O&M requirements, prior to certification of the Properties. The parties responsible for O&M shall provide financial assurance pursuant to HSC 25355.2. The Redevelopment Agency shall ensure that compliance with any applicable O&M Agreement, and any land use covenant or other institutional control measures, is included as a requirement for any new owner/lessee in a purchase and sale agreement for the Properties. Any party that is responsible for O&M shall notify DTSC of any transfer of O&M responsibilities at least 30 days prior to such transfer. DTSC may, at its discretion, require the transferee to enter into a new O&M Agreement.

TASK 15. Discontinuation of Cleanup Technology

Any cleanup technology employed in implementation of the final RSD, RAP or Cleanup Plan will be left in place and operated by the Redevelopment Agency, owner of the property (or its successors), or such other party designated in the final RSD, RAP or Cleanup Plan until and except to the extent that DTSC authorizes the Redevelopment

Agency, property owner or such other party designated in the final RSD, RAP or Cleanup Plan, in writing, of the ability to discontinue, move or modify some or all of the cleanup technology because the final remedial action has met the criteria specified in the final RSD, RAP or Cleanup Plan for its discontinuance, or because the modifications would better achieve the goals of the final RSD, RAP or Cleanup Plan.

EXHIBIT D
SCHEDULE OF PERFORMANCE AND COST ESTIMATE

EXHIBIT D-1

SCHEDULE OF PERFORMANCE

Redevelopment Agency submits existing information to DTSC	Within 10 days after effective date of Agreement
DTSC reviews information submitted and responds to Agency	Within 30 days after Redevelopment Agency submits information
Redevelopment Agency and DTSC hold scoping meeting	Within 45 days after Redevelopment Agency submits information
Technical consultation	As mutually agreed Upon

EXHIBIT D-2

COST ESTIMATE

TITLE	Project Manager	Legal	Toxicology	Geology	HQ CEQA	Industrial Hygiene	Public Participation	Supervisor	Supervisor	Clerical
CLASSIFICATION	HSS	Staff Counsel	Staff Toxicologist	EG	AEP	AIH	PPS	Sup. HSS I	SHSE/ Sup. HSE II	OT
TASKS										
Environmental Oversight Agreement	20	5						8	1	4
Review Existing Data/Scoping Meeting/Correspondence	30		3	4				8	2	2
Technical Consultation and Assistance	20	0	40					8	1	1
CEQA										
RAP/RAW										
Remedial Design										
Implementation Oversight										
Completion/Implementation Report										
Deed Restriction										
O&M Agreement										
Certification										
O&M Manual										
Total Hours/Class	70	5	43	4	0	0	0	24	4	7
Total Hours	115									
Hourly Rate/Class	\$117	\$186	\$158	\$130	\$115	\$122	\$109	\$135	\$156	\$67
Total Cost/Class	\$8,190	\$930	\$6,794	\$520	\$0	\$0	\$0	\$3,240	\$624	\$469
Total Estimated Costs	\$20,298									
Past Costs										
Grand Total Costs	\$20,298									

EXHIBIT E

STANDARD PROVISIONS

1. The Standard Provisions in this Exhibit E are incorporated by reference into and are a part of the Oversight Agreement. The Standard Provisions have been placed in this Exhibit E for reasons of administrative efficiency.
2. Payment Provisions. Subject to Section 2.7 of the Oversight Agreement, if any bill is not paid by the Redevelopment Agency within sixty (60) days after it is sent by DTSC, the Redevelopment Agency may be deemed to be in material default of the Oversight Agreement.

If the advance payment submitted under Section 2.7.1 of the Oversight Agreement exceeds DTSC's actual costs for Oversight Agreement preparation, consultation, review, approval, oversight and other activities conducted under the Oversight Agreement, DTSC will provide an accounting for expenses and refund the difference within one hundred-twenty (120) days after termination of the Oversight Agreement in accordance with Section 24 of this Exhibit. In no other case will the Redevelopment Agency be entitled to a refund from DTSC or to assert a claim against DTSC for any amount paid or expended under the Oversight Agreement.

3. Billing Dispute Resolution. If the Redevelopment Agency disputes a DTSC billing, or any part of a DTSC billing, the Redevelopment Agency will file a request for dispute resolution in writing within 45 days of the date of receiving the bill in dispute. The written request will describe all issues in dispute and will set forth the reasons for the dispute, both factual and legal. The Redevelopment Agency will send the written request to:

Special Assistant for Cost Recovery and Reimbursement Policy
Department of Toxic Substances Control
P.O. Box 806
Sacramento, California 95812-0806

The Redevelopment Agency will also send a copy of the written request for dispute resolution to the person designated in subsection 2.5.1 of the Oversight Agreement to receive submittals. A decision on the billing dispute will be rendered by the person designated above or other DTSC designee. The existence of a dispute shall not excuse, stay or suspend any other compliance obligation or deadline required pursuant to the Oversight Agreement.

Communications. All DTSC approvals and decisions made regarding submittals and notifications will be communicated to the Redevelopment Agency in writing by DTSC's Oversight Agreement Manager or his/her designee. No informal advice, guidance, or suggestions or comments by DTSC regarding reports, plans, specifications, schedules or any other writings by the Redevelopment Agency shall be construed to relieve the Redevelopment Agency of the obligation to obtain such written approvals.

4. Endangerment During Implementation. In the event DTSC determines that any activity or operations caused by or on behalf of the Redevelopment Agency or its agents (whether or not pursued in compliance with the Oversight Agreement) may pose an imminent or substantial endangerment to the health and safety of people on any Property or group of Properties or in the surrounding area or to the environment: i) the Redevelopment Agency will take the necessary actions to abate the endangerment it created for such period of time as may be needed to abate the endangerment; or ii) if DTSC determines that conditions require DTSC to exercise its authority to abate the endangerment, the Redevelopment Agency may stop further implementation of the Oversight Agreement as it applies to a Property or group of Properties. However, if the Redevelopment Agency stops implementation, the Redevelopment Agency must meet the conditions under Section 12 of this Exhibit (Notification of Environmental Condition) and, if necessary, must revise the applicable Scope of Work and meet the stop-work conditions as provided in Section 23 of this Exhibit (Amendments). If DTSC determines that an endangerment is the result of Redevelopment Agency actions that have caused a release of hazardous substances or substantially worsened the endangerment, the Redevelopment Agency will take those reasonable steps DTSC determines are necessary to mitigate the condition that the Redevelopment Agency caused or substantially worsened and to secure the Property or group of Properties in order to avoid endangerment to the community. These steps may include installing a protective cover, constructing fencing and signage or other appropriate means to protect public health and the environment. The Redevelopment Agency will not be compelled to fully assess or mitigate a release of hazardous substances if DTSC determines that the Redevelopment Agency did not cause or substantially worsen the release.
5. Condition Precedent. It is expressly understood and agreed that DTSC's receipt of the advance payment described in subsection 2.7.1 of the Oversight Agreement is a condition precedent to any obligation of DTSC to provide consultation, oversight, review and/or comment on documents or to provide any work or perform any activity pursuant to the Oversight Agreement.
6. Record Retention. DTSC will retain all cost records associated with the work performed under the Oversight Agreement for such time periods as may be required by applicable state law. The Redevelopment Agency may request to inspect all documents that support DTSC's cost determination in accordance with the Public Records Act, Government Code section 6250 et seq.
7. Project Coordinator. The work performed for each Property or group of Properties pursuant to the Oversight Agreement will be under the direction and supervision of a qualified Project Coordinator, with expertise in hazardous substance and

hazardous waste site cleanup. For each Property or group of Properties, the Redevelopment Agency will submit: a) the name and address of the Project Coordinator; and b) in order to demonstrate expertise in hazardous substance and hazardous waste site cleanup, the resume of the Project Coordinator. The

Redevelopment Agency will promptly notify DTSC of any change in the identity of the Project Coordinator. All engineering and geological work shall be conducted in conformance with applicable state law, including but not limited to, Business and Professions Code sections 6735 and 7835.

8. Access. If DTSC determines access is necessary in order to perform any of the tasks contained in Exhibit C, the Redevelopment Agency will exercise its best efforts to provide access for DTSC and its representatives to the Property or group of Properties subject to the Oversight Agreement for which access is needed. In the event that such access is not provided, it is understood that the implementation of tasks identified in this agreement for the Property or group of Properties for which access cannot be obtained may not proceed. The Redevelopment Agency will also exercise its best efforts to provide access for DTSC and its representative's access and/or obtain access to any area beyond the boundaries of the Property or group of Properties subject to the Oversight Agreement to which access is necessary to implement the Oversight Agreement. To the extent such access is obtained by the Redevelopment Agency, such access will be provided to DTSC's employees, contractors, and consultants at all reasonable times. Nothing in this section is intended or shall be construed to limit in any way the right of entry or inspection that DTSC or any other agency may otherwise have by operation of any law. To the extent such access can be legally obtained by DTSC or the Redevelopment Agency, DTSC and its authorized representatives shall have the authority to enter and move freely about all of the property at each Property or group of Properties at all reasonable times for purposes including, but not limited to: inspecting records and operating logs, sampling activities, administering any other aspects of the Oversight Agreement relating to the Property or group of Properties, reviewing the progress of the Redevelopment Agency in carrying out the terms of the Oversight Agreement, conducting such tests as DTSC may determine are necessary, and verifying the data submitted to DTSC by the Redevelopment Agency.
9. Sampling, Data and Document Availability. The Redevelopment Agency will submit to DTSC a listing of all known reports in its possession, including sample analysis results, environmental assessment reports, and any other information in its possession pertinent to the hazardous substance and hazardous waste management and/or release, characterization and cleanup of a Property or group of Properties. The Redevelopment Agency will provide copies of any non-privileged reports or information requested by DTSC and will identify privileged or other confidential documents that the Redevelopment Agency is not providing. The Redevelopment Agency will also inform DTSC of any other reports and documents, the existence of which is known to the Redevelopment Agency but which are not in its possession, pertinent to the hazardous substance and hazardous waste management and/or release, characterization and cleanup of a Property or group of Properties, including the name of the document (if known) and the identity and address of the person/entity with possession of the document (if known).

10. Notification of Field Activities. The Redevelopment Agency will inform DTSC at least seven (7) days in advance of all field activities which the Redevelopment Agency undertakes, including activities the Redevelopment Agency directs a third party to undertake, pursuant to the Oversight Agreement at each Property or group of Properties and will allow DTSC and its authorized representatives to take duplicates of any samples collected by the Redevelopment Agency pursuant to the Oversight Agreement.
11. Notification of Environmental Condition. The Redevelopment Agency shall notify DTSC's Agreement Manager immediately upon learning of any condition posing an immediate threat to public health or safety or the environment. Within seven (7) days of the Redevelopment Agency's discovery of such a condition, the Redevelopment Agency shall submit a brief report to DTSC, setting forth the events that occurred and the measures taken, if any, in response to those events.
12. Preservation of Documentation. The Redevelopment Agency will maintain a central repository of the data, reports, other documents that it prepares pursuant to the Oversight Agreement and other documents relevant to the activities conducted under the Oversight Agreement. All such data, reports and other documents regarding a specific Property or group of Properties will be preserved by the Redevelopment Agency for a minimum of six (6) years after the conclusion of all activities carried out under the Oversight Agreement with respect to that Property or group of Properties. If DTSC requests that some or all of these documents be preserved for a longer period of time, the Redevelopment Agency will either: (i) comply with that request, (ii) deliver the documents to DTSC, or (iii) permit DTSC to copy the documents prior to destruction. Following the expiration of the six-year minimum retention period for documents regarding a Property or group of Properties, the Redevelopment Agency will notify DTSC in writing at least ninety (90) days before destroying any documents prepared pursuant to the Oversight Agreement with respect to that Property or group of Properties. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the six year period with respect to a Property or group of Properties, the related records will be retained until the completion and resolution of all issues arising from that action or until the end of the six-year period, which is later.
13. Time Periods. Unless otherwise specified, time periods begin from the date the Oversight Agreement is fully executed, and "days" means calendar days. "Business days" means all calendar days that are not weekends or official State holidays.
14. Redevelopment Agency Liabilities. The Oversight Agreement shall not be construed in any manner as an admission by the Redevelopment Agency of any fact or liability of any kind, nor shall the Oversight Agreement be considered or interpreted as an admission or an assumption by the Redevelopment Agency of any liability or acknowledgment of liability or responsibility for the investigation or assessment of, response or remediation to any environmental condition on any

Property or group of Properties or the costs of such activities, for which the Redevelopment Agency is not otherwise liable or responsible. Nothing in the Oversight Agreement shall constitute or be considered a satisfaction or release from liability for any condition or claim arising as a result of Redevelopment Agency's past, current, or future operations. Nothing in the Oversight Agreement is intended or shall be construed to limit the rights of any of the Parties with respect to claims arising out of or relating to the release, discharge, deposit or disposal of hazardous substances or hazardous wastes at the Property or group of Properties or at any other location, if such hazardous substances or hazardous wastes are removed from a Property or group of Properties.

15. State Government Liabilities. The State of California (State) shall not be liable for any injuries or damages to persons or property resulting from acts or omissions by the Redevelopment Agency or its directors, officers, employees, agents, representatives, successors, assigns, contractors or consultants in carrying out any action or activity pursuant to the Oversight Agreement. Neither DTSC nor the State may be deemed to be a party to any contract entered into by the Redevelopment Agency or its directors, officers, employees, agents, successors, assigns, contractors or consultants in carrying out any action or activity pursuant to the Oversight Agreement.
16. Third Party Actions. In the event that the Redevelopment Agency is a party to any suit or claim for damages or contribution concerning hazardous materials issues to which DTSC is not a party, relating to a Property or group of Properties subject to this Agreement, the Redevelopment Agency will notify DTSC in writing within ten (10) days after service of the complaint in the third-party action. However, failure to give such notice within 10 days will not be a material breach of this agreement, and this requirement confers no rights on any third parties not party to this Agreement.
17. Reservation of Rights. DTSC and the Redevelopment Agency each reserve the following rights.
 - a. DTSC reserves its right to pursue cost recovery under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended, California H&SC sections 25201.9, 25343, 25360, 33459.3, subdivision (m) and any other law. The Redevelopment Agency reserves its rights to pursue cost recovery under the California H&SC section 33459-33459.8 (Polanco Act) and any other applicable section of the law.
 - b. Nothing in the Oversight Agreement is intended or shall be construed to limit, preclude or affect the authority of DTSC to pursue any legal, equitable or administrative remedies pursuant to state or federal law or to take any action authorized by law or equity to protect public health and safety or the environment and recovering the costs thereof, including DTSC's authority to take action, or require other persons to take action, under chapter 6.5 or chapter 6.8 of division 20 of the H&SC or under the Polanco Act and to recover DTSC's costs for those actions.

- c. Nothing in the Oversight Agreement shall constitute or be construed as a waiver, defense to, or limitation on of the Redevelopment Agency's rights (including any covenant not to sue or release), with respect to any claim, cause of action, or demand in law or equity that the Redevelopment Agency may have against any person, as defined in section 101(21) of CERCLA, or H&SC section 25319, who is not a signatory to the Oversight Agreement
19. Compliance with Applicable Laws. Nothing in the Oversight Agreement relieves the Redevelopment Agency from complying with all applicable laws and regulations, and the Redevelopment Agency will conform all actions required by the Oversight Agreement to all applicable federal, state and local laws and regulations.
20. California Law. The Oversight Agreement shall be governed, performed and interpreted under the laws of the State of California.
21. Parties Bound. The Oversight Agreement applies to and is binding, jointly and severally, upon each signatory and upon any successor in interest to either Party that has responsibility for and jurisdiction over the subject matter of the Oversight Agreement. No change in the ownership or corporate or business status of a Property or group of Properties or any owner of a Property or group of Properties shall alter any signatory's responsibilities under the Oversight Agreement.
22. Severability. If any portion of the Oversight Agreement is ultimately determined not to be enforceable, that portion will be severed from the Oversight Agreement and the severability shall not affect the enforceability of the remaining terms of the Oversight Agreement.
23. Amendments. Except as otherwise specified in this section and in section 2.2 of the Oversight Agreement, the Oversight Agreement may be amended as specified in this section to withdraw any Property or group of Properties from the Oversight Agreement. The Redevelopment Agency may withdraw a Property or group of Properties from this Oversight Agreement by giving written notice to DTSC that the Redevelopment Agency will stop work on that Property or group of Properties within the next thirty (30) days. DTSC may withdraw a Property or group of Properties by giving written notice to the Redevelopment Agency that DTSC will stop work on that Property or group of Properties within the next thirty (30) days. The effective date of withdrawal is the end of the 30 day notice period. Prior to stopping work on the Property or group of Properties, the Redevelopment Agency must ensure that the Property or group of Properties will pose no greater public health or environmental risk than it posed prior to the Redevelopment Agency's activities on the Property or group of Properties. In the event that the Redevelopment Agency withdraws a Property or group of Properties from this Oversight Agreement, the Redevelopment Agency will be responsible for DTSC's costs through the effective date of withdrawal. The Scope of Work may be amended by mutual written agreement of the parties. Such amendments or modifications are effective on the third business day following the day the last Party

signing the amendment or modification sends its notification of signing to the other Party. The Parties may agree to a different effective date. An amendment to incorporate a Property or group of Properties into the Oversight Agreement and to incorporate by reference site-specific Exhibits for that Property or group of Properties shall be made as specified in subsections 2.1, 2.2, and 2.3 of the Oversight Agreement.

24. Termination for Convenience. Except as otherwise provided in this Section, each Party to the Oversight Agreement reserves the right to unilaterally terminate the Oversight Agreement in its entirety for any reason. A Party may unilaterally terminate the Oversight Agreement as to a specific Property or group of Properties without terminating the entire Oversight Agreement. Termination requires that the Party give a thirty (30) day advance written notice of the election to terminate the entire Oversight Agreement or a Property or group of Properties to the other Party. Prior to termination the Redevelopment Agency must ensure that each Property or group of Properties to be terminated will pose no greater public health or environmental risk as a result of the Redevelopment Agency activities than it posed prior to the Redevelopment Agency's activities at the Property or group of Properties. In the event that the entire Oversight Agreement or a Property or group of Properties is terminated under this section and subject to Section 2.7 of the Oversight Agreement, the Redevelopment Agency will be responsible for DTSC's stop work on that Property or group of Properties within the next thirty (30) days. The effective date of withdrawal is the end of the 30 day notice period. Prior to stopping work on a Property or group of Properties, the Redevelopment Agency must ensure that the Property or group of Properties will pose no greater public health or environmental risk than it posed prior to the Redevelopment Agency's activities on the Property or group of Properties. In the event that the costs through the effective date of termination.

EXHIBIT F

AUTHORIZING RESOLUTION

RESOLUTION NO. 2006-

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

Date, 2006

**MERGED DOWNTOWN SACRAMENTO
REDEVELOPMENT PROJECT AREA**

**EXECUTE A CONTRACT WITH THE CALIFORNIA DEPARTMENT OF TOXIC
SUBSTANCES CONTROL (DTSC) FOR AN
ENVIRONMENTAL OVERSIGHT AGREEMENT**

BACKGROUND

- A. The Redevelopment Agency of the City of Sacramento (the "Agency") may enter into agreements with State agencies under the Polanco Act, State of California Health and safety Code sections 33459-33459.8, and/or pursuant to California Health and Safety Code section 25201.9.
- B. The Agency may take any actions that the Agency determines are necessary and that are consistent with state and federal laws to remedy or remove a release of hazardous substances under, or from a property located in a Redevelopment Project Area if certain conditions are met.
- C. The Docks Area, located on the Sacramento Riverfront and shown in Exhibit A, is a Brownfields site and is located within the Merged Downtown Redevelopment Project Area.
- D. The Agency is interested in redeveloping the Docks Area. In order to facilitate the redevelopment of this site, the Agency would like to enter into an Environmental Oversight Agreement with the DTSC.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS
FOLLOWS:**

The Executive Director or her designee is authorized to enter into an Environmental Oversight Agreement that provides for reimbursement of the Department of Toxic Substances Control's costs as identified in the Environmental Oversight Agreement through the effective date of termination of the Agreement.

RESOLUTION NO.

Adopted by the Sacramento City Council

**DOCKS AREA ENVIRONMENTAL OVERSIGHT AGREEMENT:
INCREASE THE REVENUE AND EXPENSE BUDGET FOR THE
CAPITAL IMPROVEMENT PROJECT DESIGNATED FOR THE DOCKS AREA
(CIP KD41) BY \$125,000 AND INCREASE THE EXISTING
INDIVIDUAL PROJECT AGREEMENT AMOUNT WITH THE
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO BY \$125,000**

BACKGROUND

- A. The Redevelopment Agency of the City of Sacramento (the "Agency") may enter into agreements with State agencies under the Polanco Act, State of California Health and safety Code sections 33459-33459.8, and/or pursuant to California Health and Safety Code section 25201.9.
- B. The Agency may take any actions that the Agency determines are necessary and that are consistent with state and federal laws to remedy or remove a release of hazardous substances under, or from a property located in, a Redevelopment Project Area if certain conditions are met.
- C. The Docks Area, located on the Sacramento Riverfront and shown in Exhibit A, is a Brownfields site and is located within the Merged Downtown Redevelopment Project Area.
- E. The Agency is interested in redeveloping the Docks Area. In order to facilitate the redevelopment of this site, the Agency would like to enter into an Environmental Oversight Agreement (EOA) with the Department of Toxic Substances Control (DTSC).
- F. The City of Sacramento has an existing capital improvement project (CIP KD41) established for the Docks Area.
- G. The City of Sacramento has an existing Individual Project Agreement with the Redevelopment Agency of the City of Sacramento for CIP KD41.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. After due consideration of the evidence presented, the findings, including the environmental findings regarding this action, as stated in the staff report that accompanies this resolution, are approved.

Section 2. Pursuant to Section 33445 of the Health and Safety Code of the State of California, the City makes the following findings:

- d) The Environmental Oversight Agreement with DTSC is a pre-development activity for the Docks Area and is of benefit to the Merged Downtown Redevelopment Project Area;
- e) There are no other reasonable means of financing the Projects available to the community except for redevelopment area tax increment proceeds;
- f) The use of redevelopment area tax increment proceeds for the Projects will result in the elimination of blighting influences of inadequate, under-capacity and dilapidated infrastructure inside the Project Area and the Projects are consistent with the implementation plan adopted pursuant to Health and Safety Code of the State of California, Section 33490.

Section 3. The City Manager is authorized to increase the revenue and expense budget for the CIP KD41 by \$125,000.

Section 4. The City Manager is authorized to amend the existing individual project agreement (IPA) with the Agency in the amount of \$125,000.