



CITY OF COMMERCE AGENDA REPORT

TO: Honorable Successor Agency **Item No.** _____

FROM: Interim Executive Director

SUBJECT: Additional Environmental Assessment for 5710 Smithway

MEETING DATE: August 2, 2017

RECOMMENDATION:

Adopt the proposed resolution which approves:

1. A Voluntary Cleanup Agreement with the California Department of Toxic Substance Control (DTSC), and
2. Release of a Request for Proposals (RFP) for groundwater monitoring and completion of outstanding work in the DTSC-approved Block Environmental Work Plan for additional site characterization dated September 6, 2006.

ANALYSIS:

5710 Smithway was undeveloped prior to 1943. The Defense Plant Corporation, which manufactured metal tubes for aircraft, occupied the site from 1943 to 1946 and from 1943 to 2001. The Pacific Tube Company occupied the site and manufactured metal tubing and piping products. In 2001, the Pacific Tube Company terminated operations and vacated the property. In 2002, the structures on the property were demolished and removed. In 2004, the site was redeveloped for expansion of the Citadel Outlet Shopping Center, which included construction of new retail stores and a parking lot.

The Commerce Community Development Commission (Commission) and the DTSC entered into a Voluntary Cleanup Agreement (VCA) on May 23, 2003. The purpose of the Agreement was to conduct a Preliminary Endangerment Assessment (PEA) of the site, including collection of soil and groundwater samples within the site, under the DTSC's oversight. The DTSC was to review and evaluate the data results and, if appropriate, issue a No Further Action letter. The Commission also entered into a Disposition and Development Agreement (DDA) with Craig Realty Group Citadel, LLC dated June 30, 2003; the Commission owned the subject property at the time. **Under §208.5, 5(c) of the DDA, an Environmental Work Plan was agreed upon and the Commission was responsible for completion of environmental work for additional testing, investigation, and remediation of any disclosed additional contamination of soil or groundwater on or under the subject property set forth in the Work Plan at its sole**

cost. The intent was to clean-up any discovered contamination deemed necessary by the DTSC, transfer ownership of the property for further development of the Citadel Shopping Center and receive a No Further Action letter from the DTSC. However, the DTSC has yet to issue a No Further Action letter and required additional site characterization. The Commission's Groundwater Monitoring Program consultant at the time, Block Environmental, submitted a Work Plan dated September 6, 2006 to the DTSC for approval. The DTSC-approved the Work Plan with modifications, which were incorporated in Addendum to Work Plan for Additional Site Characterization dated January 31, 2007, also prepared by Block Environmental.

The Commission established a Groundwater Monitoring Program per the VCA, the DDA and based on several environmental assessments performed by URS, Geocon, Premier Environmental, and Block Environmental. Twelve (12) groundwater monitoring wells (UGW -1 through UGW-12) were installed at the site between 2001 and 2008 to further evaluate and confirm the results of previous investigations. In March 2004, wells UGW-1 and UGW-2 were abandoned due to construction to expand the Citadel Outlet Shopping Center (Figure 2). The existing monitoring system includes conducting soil vapor sampling on the southeastern half of the property to evaluate possible presence of VOC contamination. Twelve (12) soil vapor borings (BE-42 through BE-54) were advanced and soil vapor samples were collected at a depth of approximately 25 feet in accordance with the DTSC-approved 2006 Block Environmental Work Plan. Additionally, in accordance with the same Work Plan, soil vapor sampling was performed near Monitoring Well UGW-5 to evaluate if potential VOCs are present in the vadose zone. Three borings (BE-39 through BE-41) were advanced and soil vapor samples were collected at 5 and 15 feet.

On December 10, 2010, the Commission entered into an Agreement with Block Environmental, effective February 15, 2011, for additional Phase II Site Assessment. The purpose was to determine if soil contamination was present in areas formerly occupied by a main power station that was part of the Pacific Tube Company's operations at this site. Ongoing quarterly groundwater monitoring and sampling activities at the subject site indicate a relatively stable contaminant plume beneath the site. Up-gradient sources may be contributing to the conditions beneath the site.

The additional site assessment and completion of the Work Plan and Addendum dated January 31, 2007, was placed on hold due to the State dissolving the Redevelopment Agency and until such time that the Successor Agency could obtain funding from the California Department of Finance (DOF) as an enforceable obligation. As of December 2013, the DOF had not approved the funding request and the DTSC had not followed up with the Successor Agency to enforce the environmental assessment. On January 13, 2015, the DTSC informed Successor Agency staff that it would follow up with a letter requesting the completion of the Work Plan and Addendum for additional site characterization and continued groundwater monitoring. However, due to DTSC staff changes, the City did not receive a letter until February 24, 2017 (enclosed).

DTSC Requested Scope of Services

1. Execution of updated VCA.
2. Submit a report of completed Work Plan and Addendum tasks to the DTSC.
3. Submit a new Work Plan to complete remaining tasks from the original Work Plan and Addendum.

Staff recommends approving the VCA and releasing an RFP for completion of the Work Plan and Addendum and continuing the groundwater monitoring program per DTSC. The VSA will also have to be presented to the Oversight Board following Successor Agency approval. Staff will return to the Successor Agency and Oversight Board to execute a professional services agreement for said scope of work following DOF review and a formal RFP process. Commerce Finance Department staff will work with the DOF to facilitate an amendment to the ROPS following the Oversight Board's approval.

ALTERNATIVES:

1. Approve staff recommendation.
2. Decline staff recommendation and provide further direction to staff.

FISCAL IMPACT:

The fiscal impact will be reported following receipt of proposals for the aforementioned scope of work.

RELATIONSHIP TO STRATEGIC GOALS:

This item is related to the specific 2012 Strategic Goal to develop a tangible environmental mitigation plan.

Respectfully submitted by: Matt C. Rodriguez, Interim Executive Director

Approved by: Maryam Babaki, Director of Public Works and Development Services

Prepared by: Gina Nila, Deputy Director of Public Works Operations

Reviewed by: Vilko Domic, Director of Finance

Approved as to form by: Eduardo Olivo, Agency Counsel

ATTACHMENTS:

1. Resolution
2. Workplan dated September 6, 2006 (Block Environmental)
3. Addendum dated January 31, 2007 (Block Environmental)
4. DTSC letter dated February 24, 2017 and VCA