

DATE: October 9, 2007

TO: Redevelopment Agency Board Members

FROM: Director of Community and Economic Development

SUBJECT: Authorization to Amend Contract for Environmental Services and Appropriation of Funds

RECOMMENDATION

That the Agency Board adopts the attached resolutions authorizing the Executive Director to amend an existing contract with Geomatrix Consultants to provide environmental services for the B and Foothill/Cinema Place site and appropriate funds for this purpose.

BACKGROUND

Staff continues to work with the Regional Water Quality Control Board (RWQCB) to obtain environmental clearance for redevelopment of the B and Foothill/Cinema Place site. In September 2006, staff last reported to the Agency Board that there were contaminated soil and groundwater issues associated with chlorinated solvents from historic on-site dry cleaning operations. Earlier that year, a Risk Management Plan (RMP) for the site was approved by the RWQCB, which allowed construction to commence with specific procedures outlined for soil handling. The RMP provided for a soil vapor barrier to be installed under the theatre/retail portion of the complex to prevent contaminated vapors from entering the building. A vapor barrier was not required for the parking structure due to its open-air design.

The RWQCB is requiring a more proactive approach to dealing with groundwater contamination issues in general. Of particular concern is a high level of contamination in the groundwater under the southern portion of the alley, which runs from B Street to C Street between the complex and the adjacent existing buildings. The RWQCB wants further vertical and horizontal characterization of the extent of the groundwater contamination, with borings up to 100 feet deep to obtain groundwater samples and borings up to 40 feet deep for soil samples. The cost of these activities including the work plan, sampling, and reporting to the RWQCB is estimated at approximately \$110,000. The work can be scheduled so that it does not interfere with construction of the theatre/retail complex. Depending on the results of this investigation, the RWQCB has indicated they will likely require remediation of contamination in the groundwater. The method and cost of undertaking this remains to be determined, but is likely to be an "in situ", or in place remediation of the contamination. One method of remediation would involve injecting a biological agent such as molasses into the groundwater to stimulate a breakdown of the chlorinated solvents. It is anticipated that the required remediation would begin before the complex is completed and would continue once it is open. Staff will explore seeking grant funding, as available, to offset the cost of this work.

Site grading and excavation for the theatre/retail complex has been completed and construction of the foundation is underway. During the excavation, a lengthy vertical pipe, possibly an irrigation well, was discovered on the site. The pipe is located directly beneath a footing in the foundation of the complex, and had to be properly backfilled so it doesn't undermine the structural integrity of the footing. The soil in the vicinity of the well was tested and evidence of oil and solvent contamination was identified and removed, in accordance with the Risk Management Plan. Pursuant to the terms of the Cinema Place DDA, the Agency is responsible for the cost of the investigation and for the destruction of the well, both of which cost approximately \$40,000.

FISCAL IMPACT

The estimated cost to the Agency for these additional tasks is \$180,000, which consists of approximately \$40,000 for well investigation and destruction, \$110,000 for additional groundwater investigation, and \$30,000 for contingencies. This will necessitate an increase in the existing contract with Geomatrix up to \$204,900 and to appropriate \$180,000 in additional funding for this purpose from the Redevelopment tax increment fund 451. As previously noted, staff will explore potential grant funding sources for the garage parcel groundwater contamination clean-up, once the area has been further characterized and a clean-up plan is devised; however, the potential remains for future requests for funding for this aspect of the site clean-up.

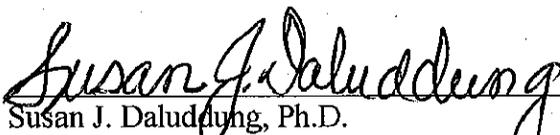
NEXT STEPS

Staff recommends that the Agency Board authorize the Executive Director to execute an amended contract and to appropriate \$180,000 in additional funding for this purpose.

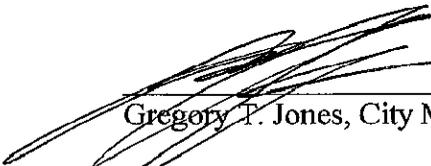
Prepared by:


Maret Bartlett
Redevelopment Director

Recommended by:


Susan J. Daluddung, Ph.D.
Director of Community and Economic Development

Approved by:


Gregory P. Jones, City Manager

Attachment: Resolutions

DRAFT 

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

RESOLUTION NO. RA- 07-16

Introduced by Agency Member _____

RESOLUTION AMENDING RESOLUTION NO. RA 07-16,
THE BUDGET RESOLUTION FOR THE REDEVELOPMENT
AGENCY OF THE CITY OF HAYWARD FOR FISCAL
YEAR 2007-2008, RELATING TO AN APPROPRIATION OF
FUNDS FOR THE B AND FOOTHILL SITE PROJECT

BE IT RESOLVED by the Redevelopment Agency of the City of Hayward that Resolution No. RA 07-16, the Budget Resolution for the Redevelopment Agency of the City of Hayward for fiscal year 2007-2008, is hereby amended by appropriating \$180,000 from the Redevelopment Agency Fund, Fund 451, for the B and Foothill site project.

HAYWARD, CALIFORNIA _____, 2007

ADOPTED BY THE FOLLOWING VOTE:

AYES: AGENCY MEMBERS:
 CHAIR:

NOES: AGENCY MEMBERS:

ABSTAIN: AGENCY MEMBERS:

ABSENT: AGENCY MEMBERS:

ATTEST: _____
Secretary of the Redevelopment Agency
of the City of Hayward

APPROVED AS TO FORM:

General Counsel