

**DATE:** April 28, 2009

**TO:** Redevelopment Agency Board Members

**FROM:** Redevelopment Director

**SUBJECT:** Authorization to Enter Contract for Environmental Services for the Cinema Place Site

### **RECOMMENDATION**

That the Agency Board adopts the attached resolution authorizing the Executive Director to enter into a contract in the amount of \$295,000 with AMEC Geomatrix, Inc. to provide environmental services for the Cinema Place site.

### **BACKGROUND**

Staff continues to work with the California Regional Water Quality Control Board (Water Board) to obtain environmental clearance for the Cinema Place site. In October 2007, staff reported to the Agency Board that groundwater testing had revealed a high level of groundwater contamination in the alley area next to the parking structure. The contamination was associated with chlorinated solvents from historic on-site dry cleaning operations, and further assessment of these conditions was required. The Water Board, however, allowed construction to proceed on the site with the implementation of a Risk Management Plan (RMP) that established procedures for dealing with the environmental conditions at the site during construction, and also with the understanding that the Agency would submit a remediation plan for the groundwater contamination.

The area of remaining concern is along the Theatre Alley running from B to C Streets between the Cinema Place complex and the adjacent existing buildings, as depicted in the attached site map. Historic records indicated that among the former businesses in this area was a dry cleaner operation that existed from approximately 1965 to 1982, closer to the northern end of the alley. Environmental testing conducted prior to construction of the Cinema Place complex, revealed evidence of chlorinated solvents in the soil, soil vapor, and groundwater near the former dry cleaner. The concentration of contamination in the vicinity of the theatre/retail structure was at a low enough level that environmental issues were mitigated through design and construction of the development. Now that construction is completed, the Water Board is requiring that two groundwater wells be installed in the northern section of the alley to monitor groundwater conditions.

As previously reported to the Agency Board in October 2007, a high level of contamination from dry cleaning solvents was found in the groundwater along the southern portion of the alley near the parking structure. The Water Board required further characterization of the extent of this contamination as it was at a significantly higher concentration than that at the northern end of the alley. While undertaking trenching in the alley for new utility lines, a clay sewer pipe was unearthed, which extended from the vicinity of the former dry cleaner south to the end of the alley near C Street. The pipe was observed to have significant damage at the mid-southern end where the highest level of contamination in the groundwater exists.

The environmental assessment of the groundwater at the southern end of the alley has been completed, and the Water Board is requiring that it be remediated. It should be noted that the Water Board's policy has evolved considerably over the years that the Agency has been working on this site, however, the primary reason for the required remediation at this time stems from the discovery of very high concentrations of chlorinated solvents in this limited area. The Agency's consultant, AMEC Geomatrix, Inc. (Geomatrix), has evaluated various remediation alternatives, and with the concurrence of the Water Board, they have determined that an "in situ" method would be the most cost efficient and would afford the least amount of disruption to the operations of the complex. Specifically, a row of permeable filled borings (PFB's) would be made from ten to thirty feet below the ground surface. The borings would be filled with zero-valent iron that stimulates a breakdown of the chlorinated solvents in the groundwater. The Water Board has approved a pilot test program within a 25-foot lineal area along the alley to test the effectiveness of this method. If it proves successful, a full-scale remediation could be implemented along an additional 150 feet of the alley. It is anticipated that the pilot program and initial monitoring of the groundwater in the wells would take approximately 18-24 months during which the alley would remain open for public use.

To little avail, staff has researched grant sources to determine if this environmental work would qualify for funding. Staff talked with representatives from the U.S. Environmental Protection Agency, the Center for Creative Land Recycling, and has contacted various private sector environmental consultant and contractors. At this time, most of the grant funding available is oriented toward Brownfield sites that have not been redeveloped, with emphasis on the initial assessment of environmental conditions at these sites. A very limited amount of grant funding is available for site cleanup; however, funding is on a competitive basis and is based on economic hardship, or geared toward housing development. In conjunction with the U.S Recovery Act, economic stimulus funding has been made available initially for Brownfield related job training; however, it has been indicated that other programs are forthcoming, and staff will continue to explore these options.

## **FISCAL IMPACT**

The estimated cost to the Agency for these activities is \$295,000 as detailed in the following chart. The funding for these environmental activities was included in the Agency's FY 2009 budget for the tax increment fund 451, therefore no additional appropriation needs to be made at this time. Staff will continue to explore potential grant funding sources to offset the cost for these expenditures. Depending on the results of the pilot test program, it is anticipated that the remediation activities in FY 2010 and beyond may cost approximately \$400,000 and require additional funding. To date, commencing in 2002, the Agency has spent approximately \$430,400

for environmental testing and reporting for this site; coupled with this request of \$295,000 and an estimated future funding of \$400,000, the total cost for environmental services could approximate \$1,125,400.

<b>CINEMA PLACE SITE – ENVIRONMENTAL SERVICES ACTIVITIES</b>		
<b>FISCAL YEAR</b>	<b>FUNDING</b>	<b>PURPOSE</b>
2002	\$ 38,500	Historic use Survey/Initial Site Assessment
2006	45,000	Site Assessment/Prepare Risk Management Plan (RMP)
2007	142,000	Site Assessment/Implementation of RMP for Construction
2008	204,900	Finalize Site Assessment
Total To Date	\$ 430,400	
Current Request 2009	\$ 295,000	Installation Groundwater Monitoring Wells: \$ 43,000 Installation of PFB Pilot Test System: 143,000 Testing, Reporting and Project Management: 82,000 Contingency Allowance: 27,000
2010 & beyond (est.)	\$ 400,000	Full remediation
Potential Total Cost	\$ 1,125,400	

**PUBLIC CONTACT**

Discussion about environmental issues at the Cinema Place site has occurred at the following Agency Board meetings: September 10, 2002, April 4, 2006, September 19, 2006, and October 9, 2007.

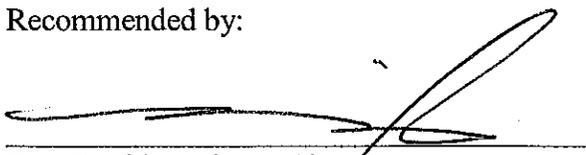
**NEXT STEPS**

If approved, the Agency Board would execute a contract with Geomatrix and the remediation would be initiated. It is anticipated that staff would return to the City Council/Agency Board in approximately 18-24 months to authorize remediation activities for the remainder of site.

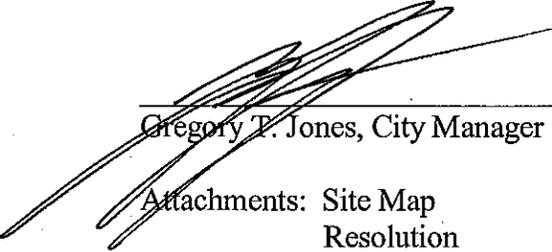
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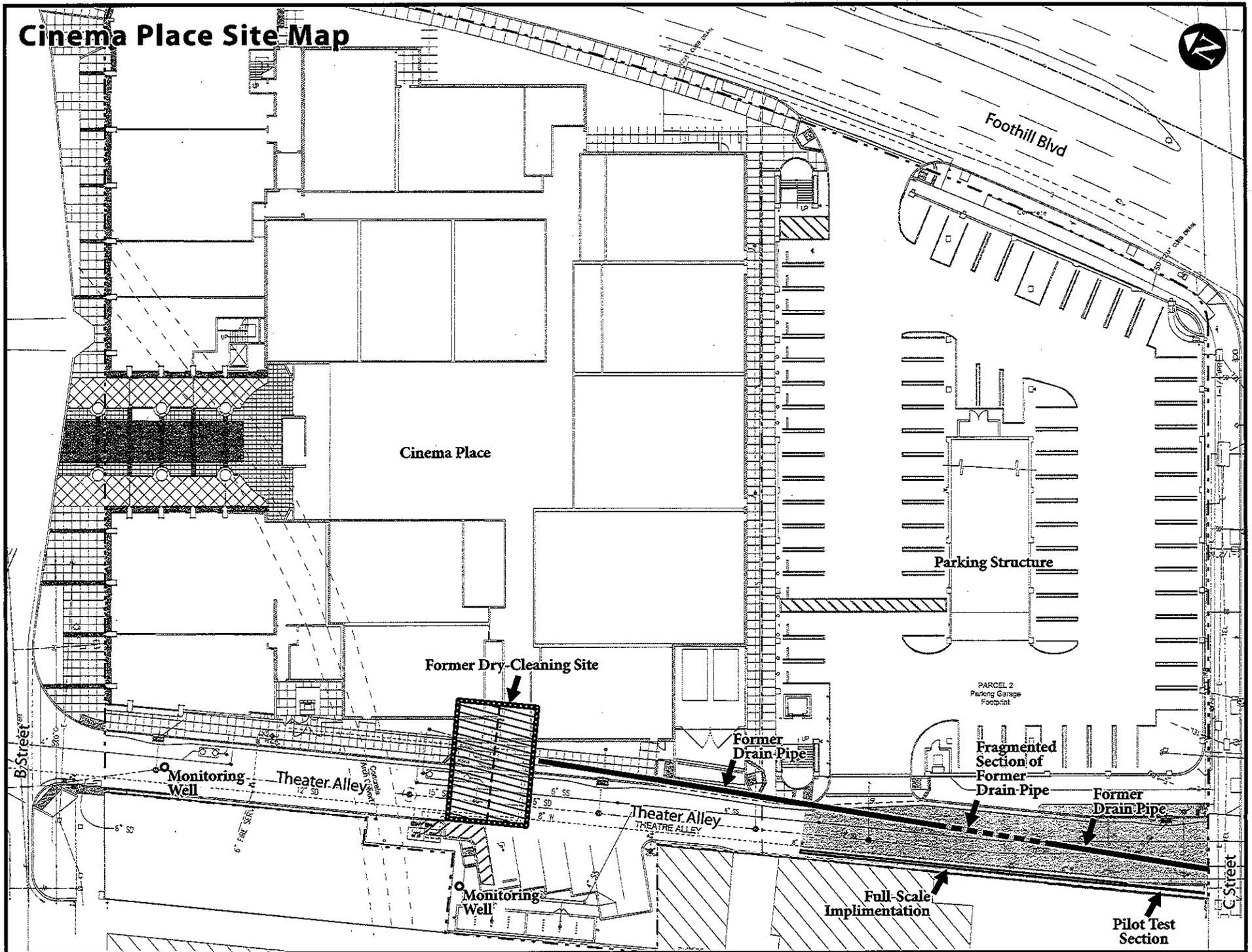


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Gregory T. Jones, City Manager

Attachments: Site Map  
Resolution

# Cinema Place Site Map



Cinema Place

Parking Structure

Former Dry-Cleaning Site

Former Drain Pipe

Fragmented Section of Former Drain Pipe

Former Drain Pipe

Full-Scale Implimentation

Pilot Test Section

Monitoring Well

Monitoring Well

Theater Alley

Theater Alley

B Street

C Street

Foothill Blvd

PARCEL 2  
Parking Garage  
Footprint

