



## REDEVELOPMENT AGENCY AGENDA REPORT



**DEPARTMENT** Administration

**MEETING DATE** October 5 2010

**PREPARED BY** Darlene Sanchez, Senior Project Manager

**AGENDA LOCATION** MRA CC-2

---

**TITLE** Authorization to Amend the Professional Services Agreement with Tetra Tech EM, Inc for 1622 South Magnolia Avenue, in an Amount Not to Exceed \$13,960 00

**OBJECTIVE** The Agency is requesting authorization to amend a Professional Services Agreement ("the Agreement") with Tetra Tech EM, Inc ("Tetra Tech") This amendment will allow Tetra Tech to respond to the Department of Toxic Substances Control ("DTSC") comments on our draft report, and submit our final Removal Action Completion Report for 1622 South Magnolia Avenue (the "Site")

**BACKGROUND** On May 3, 2005, the Agency Board authorized the purchase of 1622 South Magnolia Avenue as part of the proposed Station Square development The site, a former 80,477 square-foot metal fabricating plant, was also once operated as a manufactured gas plant Although The Southern California Gas Company has formally acknowledged responsibility for a portion of the environmental remediation of the Site, the Agency is responsible for the remaining contamination not associated with The Gas Company's activities

As part of our Professional Services Agreement, Tetra Tech has completed, the Phase I and Phase II environmental site assessments, the initial work plan, a health risk assessment report, all field sampling, the preliminary endangerment assessment and the draft Removal Action Report Following additional comments made by DTSC on the draft Removal Action Report, additional data analysis is required to be submitted as part of our Final Removal Action Completion Report The supplemental consulting services necessary to conduct the additional analysis is not included under our current agreement

**ANALYSIS** Following the submittal of the draft Removal Action Report to DTSC on June 8, 2010, DTSC indicated that further action is required Among the list of comments made by DTSC included, the requirement for additional examination of soil gas exposure, the need to further identify post-removal soil and soil gas health risk evaluations, and a requirement for further editing of the draft Removal Action Report Once those tasks have been completed, DTSC asked that the document be reproduced In order to get final approval from DTSC, which is the regulatory environmental agency for the site, it is imperative that these comments be satisfied Once the comments are satisfied, the Final Removal Action Completion Report can be submitted to DTSC Tetra Tech has performed all of the on-site environmental tests, and is the sole source provider for the remediation of the site

**ENVIRONMENTAL IMPACT** The successful remediation of this site is imperative to the development of the first phase of the Station Square project By receiving final environmental

# MRA CC-2

clearance on the Site, it allows for the adherence of several points identified in the City's Environmental Accords. Specifically, the remediation and its end use addresses aspects relating to urban design, environmental health, and transportation. This site will ultimately be part of a high-density, transit-oriented development that will allow for walkable, bikeable and disabled-accessible neighborhoods that coordinates land use and transportation.

**FISCAL IMPACT** In consideration of the Agency assuming the responsibility to complete any required soil remediation that is not the responsibility of The Gas Company, the seller of the Site provided a credit off of the purchase price in the total amount of \$150,000.00. This amount is being utilized to fund the amendment to the Agreement. No general fund revenue is being requested.

**OPTIONS** There are two options for consideration:

1. Authorize staff to amend the Agreement with Tetra Tech. This will allow staff to submit the Final Draft Removal Action Report. The DTSC will ultimately grant site clearance and any restrictions based on the submittal of this final report. Once the Site has been granted final clearance, the development of the first phase of Station Square may occur.
2. Reject staff's request to amend the Agreement with Tetra Tech. Without this amendment to the Agreement for additional analysis, the DTSC's comments will not be satisfied and the Site will not have authorization by DTSC to proceed with any development.

**RECOMMENDATION** Staff recommends that the Agency Board authorize the amendment to the Agreement with Tetra Tech in an amount not to exceed \$13,960.00, allowing our consultant to make the necessary responses to DTSC and submit the final Removal Action Report.

**BOARD ACTION REQUIRED** If the Agency Board concurs, the appropriate action would be to approve an amendment to the Agreement with Tetra Tech Em, Inc.