



CITY OF SALINAS
AIRPORT COMMISSION STAFF REPORT

DATE: February 27, 2025

DEPARTMENT: PUBLIC WORKS, AIRPORT DIVISION

FROM: MATT NELSON, C.M., ATP

TITLE: SALINAS BUSINESS PARK, LLC, GROUND LEASE
REQUIREMENT- DTSC VOLUNTARY CLEANUP AGREEMENT
(VCA) FOR 1341 MERCER WAY IDENTIFIED AS APN: 003-862-
001 AT THE SALINAS MUNICIPAL AIRPORT

RECOMMENDED MOTION:

It is recommended that the Airport Commission

- (1) Recommend the City Council approve a resolution authorizing the execution of the DTSC approved Site Supplemental (SSI) Work Plan as part of City obligation for the approved future development for Salinas Business Park, LLC (“Tenant”), located at 1341 Mercer Way identified as APN 003-862-001-000, at the Salinas Municipal Airport; and
- (2) Recommend that the City Council authorize the Airport Manager and Finance Director to execute on behalf of the City of Salinas all required documentation with respect to transfer funds in the amount of \$87,000 from Capital Funds to CIP No. 9050 for Kimley-Horn, Task Order No. 05.

EXECUTIVE SUMMARY:

The City entered into a Voluntary Cleanup Agreement (VCA) with the Department of Toxic Substance Control (DTSC) in March of 2021 with the aim of completing additional subsurface investigations to identify any need for additional action with the intent to ultimately receiving a “No Further Action” (NFA) letter from DTSC. As part of the approved Ground Lease for the proposed project at 1341 Mercer Way, upon receipt of a NFA from DTSC, the Tenant would begin development of their approved light industrial and warehouse uses, with a maximum building square footage of approximately 229,000 square feet.

BACKGROUND:

The City of Salinas owns multiple properties throughout the City. Specifically, the Airport Property is approximately 13.25 acres located in the area surrounded by Airport Boulevard, Skyway Boulevard, Mortenson Avenue, and Mercer Way (“Site”; “Core Area”). Aside from some

unmaintained paved roads and small structures, the site has been vacant for many years, with the last serious development proposal being reviewed by the City in 2008.

Historically, the Core Area / Site was used for agricultural purposes prior to at least 1937. In 1938, the City of Salinas purchased approximately 433-acres of farmland for construction of a new municipal airport. Construction of the airport runways began prior to the start of World War II. In September 1940, the City of Salinas leased the airport property to the United States for use as an Army Air Corps Training site.

Between 1940 and 1945, the Department of Defense (DoD) acquired 1,040 acres, including the original 433-acres, which were used as the Salinas Army Airfield. The US Army took over the airfield in January 1941 and began to construct runways, hangars, barracks, administrative buildings, ancillary buildings, boiler house, utility services and roads at the airport. Some of the aforementioned buildings and structures were constructed within the Core Area.

Between 1941 and 1949, the airfield was operated by the US Army and supported various training, logistical and combat missions. The mission of the airfield was to house an observation squadron to support Fort Ord. Salinas Army Airfield was declared excess by the War Assets Administration in October 1945. In February 1949, the US Government conveyed the majority of the Salinas Army Airfield, including the Core Area, to the City of Salinas by Quitclaim deed.

During the time when the Core Area/Site was part of the Salinas Army Airfield, surrounding adjacent upgradient areas were occupied by two motor repair shops (Buildings T-17 and T-80) and a "tailoring and cleaning" operation, assumed to be a dry cleaner (Building T-31). Additionally, a petroleum pipeline reportedly traversed the Core Area/Site and various petroleum underground storage tanks and fuel dispensers. Specifically, within the Core Area/Site, the following USTs and drums were documented:

- Tank C: 55-gallon steel drum containing gasoline
- Tank E: 1,550-gallon steel UST with unknown contents
- Tank D2: 12,000-gallon gasoline UST
- Tank 49: 500-gallon wooden drum containing oil

This SSI Work Plan outlines the procedures for conducting additional soil and soil vapor sampling of the at the Salinas Municipal Airport Core Area Site and is attached.

Project Description

The purpose of the investigation contemplated under the Work Plan is to evaluate the presence of contaminants of potential concern (COPC) associated with the historical uses of the Subject Property.

The primary objectives of the investigation activities presented in this Work Plan are to:

- Conduct additional soil and soil vapor sampling within the 13.25-acre Site, in order to evaluate the potential of residual historical sources of potential contamination in the area;
- Confirm the extent of COPCs based on multiple studies previously completed for the Site;
- Further characterize, vertically and horizontally, the nature and extent of the identified contamination, if any; and
- Support the development of a remedial strategy for the Site that is protective of human health and the environment and in alignment with future planned development.

DEPARTMENTAL COORDINATION:

The Public Works Department Airport Division and their consultant, Kimley-Horn, have participated in the negotiation of terms for the DTSC approved Work Plan.

FISCAL AND SUSTAINABILITY IMPACT:

The initial PEA cost summary is broken down below with supplemental cost estimates attached.

Subconsultant	Task	Fee
1. County of Monterey	Permit	\$1,600.00
2. GPRS	Geophysical Survey	\$3,200.00
3. Trinity Drilling, Inc.	Drilling	\$12,000.00
4. H& P Mobile Geochemistry	Soil Vapor Sampling and Laboratory Analysis	\$9,000.00
4. Eurofins Calscience	Soil Laboratory Analysis	\$27,400.00
5. Belshire Environmental Services, Inc.	Waste Profiling and Soil Disposal	\$1,000.00
Kimley-Horn	Field Effort	\$13,500.00
Kimley-Horn	Reporting PEA and DTSC Coordination	\$16,500.00
	5% Contingency	\$2,800.00

	\$87,000.00
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CEQA/NEPA CONSIDERATION:

CEQA:

The City of Salinas has determined that the proposed action is not a project and, therefore, exempt as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

The project complements the City Council’s Goals of Effective, Sustainable Government, and Economic Diversity and Prosperity.

DEPARTMENTAL COORDINATION:

The process of administering these particular projects involves Public Works, Finance, and Legal Departments. The Finance Department will administer the proper disbursement of funds, and the Legal Department will review pertinent documents/contracts to ensure compliance with applicable laws and regulations.

FISCAL AND SUSTAINABILITY IMPACT:

There will be no impact on the City’s General Fund. The amount of \$87,000 will be allocated from Capital Funds and appropriated to CIP No. 9050 for Kimley-Horn, Task Order No. 05.

The City of Salinas is obligated to move forward with the workplan based on the VCA between the City of Salinas and DTSC.

ATTACHMENTS:

- Proposed Boring Program
- Approved Workplan
- Fees for Workplan