



## **CITY OF SALINAS COUNCIL STAFF REPORT**

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**DATE:** JUNE 8, 2021

**DEPARTMENT:** OFFICE OF THE CITY MANAGER

**FROM:** ANDREW MYRICK, SR ECONOMIC DEVELOPMENT MGR

**TITLE:** AIRPORT CORE AREA VOLUNTARY CLEANUP AGREEMENT

**RECOMMENDED MOTION:**

A motion to approve the attached Resolution authorizing the City Manager to execute a Voluntary Cleanup Agreement with the California Department of Toxic Substance Control for the City-owned property located at 1341 Mercer Way (Airport Core Area).

**RECOMMENDATION:**

Staff recommends that the Council approve the attached Resolution.

**BACKGROUND:**

The City owns property at the Salinas Municipal Airport located at 1341 Mercer Way which is known as the “Airport Core Area.” This property is approximately 13.25 acres located in the area surrounded by Airport Boulevard, Skyway Boulevard, Mortenson Avenue, and Mercer Way (see attached map). Aside from some unmaintained paved roads and small structures, the site has been vacant for many years. Historically, the site was last intensively used during World War II (1941-1945) as barracks for military operations at the Salinas Airport. Prior to that, the land had been for agricultural purposes. There has been little use of the property since the City took possession of the site from the military in the 1940’s. A key barrier preventing development at the site is the amount of site work that will be required to render the site “development-ready,” particularly regarding the need to relocate existing utility power lines and water system lines under the property.

The City is in negotiations to lease the Airport Core Area to RN Borelli Inc. and Green Valley Corp. (collectively the “Developer”) to develop the site with a new Corporation Yard (to replace the City’s ageing Public Works Corporation Yard located at 410/426 Work Street) and a private industrial project with up to 130,000 square feet of floor area. The Developer has proposed to pay the City for the value of the land in its uncontaminated state – it is therefore the City’s responsibility to identify any potential contamination and either deliver the land in that state or compensate the Developer for costs incurred if the remediation occurs later (such as during construction).

The City has previously performed multiple studies in recent years (in 2009, 2013, and 2019) to evaluate potential contamination on the site – however these evaluations were limited to examinations of those portions of the property deemed most at-risk for contamination (specifically, the locations of the barracks dry cleaners and automotive repair facilities) and evaluations relating to underground storage tanks. Based on these investigations, no significant contamination was discovered, and a finding of “No Further Action” was issued for those specific areas by the California Department of Toxic Substances Control (DTSC) and the Central Coast Regional Water Quality Control Board. However, no analysis or findings were made for the remainder of the site. As previous studies only examined the most at-risk areas for contamination, and the proposed site development would occur outside of areas previously studied for contamination, it is necessary to conduct a review of the remainder of the property.

As prior evaluations of the site were reviewed by staff at the DTSC, the appropriate process in this case is for the City to enter into a Voluntary Cleanup Agreement (VCA) with DTSC. Under the Agreement, DTSC will review these prior studies and the known historic uses of the site and will determine if any additional sampling is necessary in order to evaluate the remainder of the site. The City will be responsible for reimbursing DTSC for its costs. Pursuant to the contract, DTSC estimates this amount to be \$50,238, half of which (\$25,138) would be due immediately. The contract can be paid in its entirety through previously allocated funds in CIP 9050, which is dedicated to developing the Airport’s Core Area, and there would be no General Fund impact or new allocation required.

#### CEQA CONSIDERATION:

**Not a Project.** The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

#### STRATEGIC PLAN INITIATIVE:

This item is a step leading towards the eventual development of the Airport Core Area, which relates to the Council goals of Investment Strategies (as it would lead to the development of City-owned land that has been underutilized for over 70 years), New Revenue (as the development of the project would lead to new revenues for the City), and Operational Efficiencies (due to the development of a new Corporation Yard for the City).

#### DEPARTMENTAL COORDINATION:

This item has been prepared with significant feedback from the Airport Division within the Public Works Department.

#### FISCAL AND SUSTAINABILITY IMPACT:

The project will result in one-time costs estimated to be approximately \$50,238. These funds will be covered by funds previously allocated to CIP 9050 to cover pre-development costs at the Airport Core Area. The General Fund will not be impacted.

#### ATTACHMENTS:

Airport Property Aerial View

Proposed RESOLUTION, including the following Exhibits:

Exhibit "A" – Voluntary Cleanup Agreement, including the following Exhibits:

Exhibit A – Site Location Map

Exhibit B – Site Diagram

Exhibit C – Scope of Work

Exhibit D – Cost Estimate

Exhibit E – Calendar of Tasks and Schedule