



**REPORT TO REDEVELOPMENT AGENCY**  
**City of Sacramento**  
915 I Street, Sacramento, CA 95814-2671  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

Consent  
June 22, 2010

**Chair and Members of the Redevelopment Agency**

**Title: Rio Linda Superblock and Marysville Boulevard Brownfield Projects**

**Location/Council District:** Del Paso Heights Redevelopment Area (District 2)

**Recommendation:** Adopt a **Redevelopment Agency resolution:** 1) amending Resolution 2009-056 to add parcels for remediation at the Rio Linda Superblock; 2) authorizing contract amendments to exceed the Agency's existing contract authority by up to \$80,000 with Nichols Consulting Engineers for assistance with remediation oversight at the Rio Linda Boulevard Superblock and by up to \$30,000 with Geocon, Inc. for environmental consulting services at 3601 Rio Linda Boulevard; 3) authorizing expenditures using funds available from the State Water Resources Control Board for costs associated with obtaining environmental site closure at 3601 Rio Linda Boulevard and 3739 Marysville Boulevard (Indus Gas); 4) authorizing application for and acceptance of grant funds, circulating a Request for Proposal, and awarding a contract for assessment and remediation at 3601 Rio Linda Boulevard.

**Contact:** Chris Pahule, Assistant Director, Housing and Community Development, 440-1350

**Presenters:** N/A

**Department:** Sacramento Housing and Redevelopment Agency

**Description/Analysis**

**Issue:** The Redevelopment Agency (Agency) is actively working to remediate Brownfield sites in the City of Sacramento, including the Rio Linda Superblock and the former Indus Gas sites. This report requests authority to address active remediation projects on these sites to ensure the sites move quickly to redevelopment.

Rio Linda Superblock

The Agency owns ten vacant parcels in the Rio Linda Superblock (Superblock) and is in the process of acquiring the last available property owned by the Sacramento Municipal Utility District (SMUD), pursuant to Resolution 2009-056.

Combined, these acquisitions will provide nearly three acres and allow the Agency to develop up to 44 single family homes.

Based on the results of past environmental investigations, portions of the Superblock require remediation due to high concentrations of heavy metals, including, but not limited to, arsenic and lead in the top six inches of soil as a result of illegal dumping. A Corrective Action Plan (CAP) has been submitted to the Sacramento County Environmental Management Department (SCEMD) for approval. Once approved, remediation specifications will need to be prepared for inclusion in bid documents in order for the Agency to solicit a contractor to remediate the site. Remediation efforts will include excavation and removal of approximately 1,600 cubic square yards of soil.

Nichols Consulting Engineers (NCE) competed in a solicitation process and was selected for the Agency's *Environmental Site Assessment and Remediation Services Qualified List* established in 2007. Since 2008, NCE has provided environmental consulting services including site investigation, oversight agency coordination, technical assistance, and CAP preparation for this project.

The Agency has reached its contract authority limit, \$100,000 with NCE. This report requests authority to amend the existing contract with NCE (up to \$80,000) to allow NCE to continue providing assistance with bid preparation, remediation oversight services, and in obtaining environmental site closure from the SCEMD. These funds are already allocated in our existing budget and no new funds are requested for this project.

#### 3601 Rio Linda Boulevard

The property is part of the Rio Linda Superblock; however, it has petroleum contamination as a result of its former use as a gasoline service station. The property is an officially listed site with SCEMD. The Agency acquired the property through eminent domain in 1990.

In 2007, the Agency was awarded a grant from the State Water Resources Control Board Contamination Orphan Site Cleanup Account (OSCA) to address contamination at the site. The Agency anticipated environmental closure in 2009. However, there remains residual contamination beneath the adjacent street and sidewalk which prevented the Agency from receiving site closure prior to the grant expiring in March 2010. The Agency intends to apply for a new grant to address the remaining contamination. To date, the Agency has been awarded \$557,000 through the OSCA program, approximately \$220,000 of which was spent assessing and excavating contaminated soil.

The Agency hired Geocon, Inc. to provide assessment and remediation services. The Agency has reached its existing contract authority limit of \$100,000 and needs authority to amend its existing contract with Geocon, Inc. by up to \$30,000 to provide assistance with grant preparation and to conduct further environmental

testing, as requested by SCEMD. It is anticipated that site closure will be granted by 2011, enabling future development.

#### 3739 Marysville Boulevard (Indus Gas)

Indus Gas was a property of constant concern to the City of Sacramento during the late 1990's. The City cited the business (former gas station/mini-mart) for multiple code violations and nuisance abatement issues over the years resulting in the closure of the business in September of 2002.

In 2001, prior to the business' closure in 2001, the Agency adopted a resolution to acquire the property and established a budget of \$310,000 for the purchase of the property, demolition of the existing building, and legal costs. It was known at that time that the site was contaminated as a result of its former use as a gas station. The resolution was contingent on the owner's assigning the Agency his claim to the State Water Resources Control Board Underground Storage Tank Cleanup Fund (USTCF). The USTCF reimburses the Agency as it reimbursed the seller for all environmental clean up costs up to \$1.5 million. To date, the Agency has budgeted and spent approximately \$900,000 leaving approximately \$600,000 available through this agreement. All expenditures are pre-approved through the USTCF program prior to commencing work. Since the Agency is reimbursed for cleanup costs it is not necessary to budget redevelopment funds to the project.

The Agency anticipated environmental site closure in 2009. However, the SCEMD is requiring further assessment and remediation before granting site closure. A Remedial Action Plan (RAP), which includes passive soil venting, has been approved by the SCEMD. The RAP has been submitted for cost pre-approval. It is anticipated that site closure will be granted by 2011, enabling future development.

**Policy Considerations:** The recommended actions are consistent with the Redevelopment Plan goal to eliminate blight and barriers to redevelopment as identified in the Del Paso Heights Five Year Implementation Plan.

#### **Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The proposed action is exempt from CEQA per Guidelines Section 15330, which exempts minor cleanup actions taken to prevent, minimize, stabilize, mitigate, or eliminate the release or threat of release of a hazardous waste or substance costing \$1 million or less.

**Sustainability Considerations:** The recommended activities advance the goals of the City of Sacramento's Sustainability Master Plan by:

Energy Independence: Reducing the use of fossil fuels by allowing for redevelopment of various infill sites.

Climate Protection/Air Quality: Reducing vehicle trip generation by improving infill properties for future use.

Public Health and Nutrition: Improving soil and groundwater conditions and by cleaning brownfields for future use.

Water Resources and Flood Protection: By remediating groundwater contamination to protect water resources.

**Committee/Commission Action:** The Del Paso Heights Redevelopment Advisory Committee (RAC) has been kept apprised of these active projects. As no new funding is being recommended, the RAC was not requested to make a recommendation.

At its meeting of June 2, 2010, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Burruss, Chan, Fowler, Gore, Morgan, Morton, Rosa, Stivers

NOES: None

NOT PRESENT TO VOTE: Otto

ABSENT: Dean, Shah

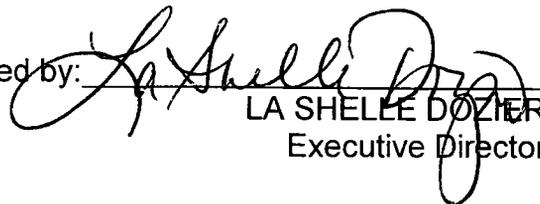
**Rationale for Recommendation:** Approval of staff recommendations will allow the Agency to continue assessment and remediation activities in a timely and cost-effective manner. Remediation will further eliminate blight and allow for subsequent reuse of these properties. The Rio Linda Boulevard Superblock and Indus Gas projects remain two of the Agency's primary redevelopment efforts in the Del Paso Heights Redevelopment Area. The Rio Linda Superblock is designated for the development of up to 44 single family homes. The Indus Gas project is part of the Marysville Town Center, which is designated as a mixed use center that will promote neighborhood-serving businesses and provide housing opportunities in the Marysville Boulevard/Grand Avenue area.

**Financial Considerations:** Rio Linda Boulevard Superblock and 3601 Rio Linda Boulevard: This report recommends authority to amend existing contracts with Geocon and NCE and does not include any new funding. Funding for these contracts will be covered by the funds already approved by Resolution 2009-056 on October 27, 2009. The Agency will apply for reimbursement from the State Water Resources Control Board Orphan Site Cleanup Fund (OSCF) program for environmental work conducted at 3601 Rio Linda Boulevard.

3739 Marysville Boulevard (Indus Gas): This project is approved by the State Water Resources Control Board Underground Storage Tank Cleanup Fund Account. All costs incurred for remediation will be reimbursed.

**M/WBE Considerations:** The activities recommended in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully Submitted by:

  
LA SHELLE DOZIER  
Executive Director

Recommendation Approved:

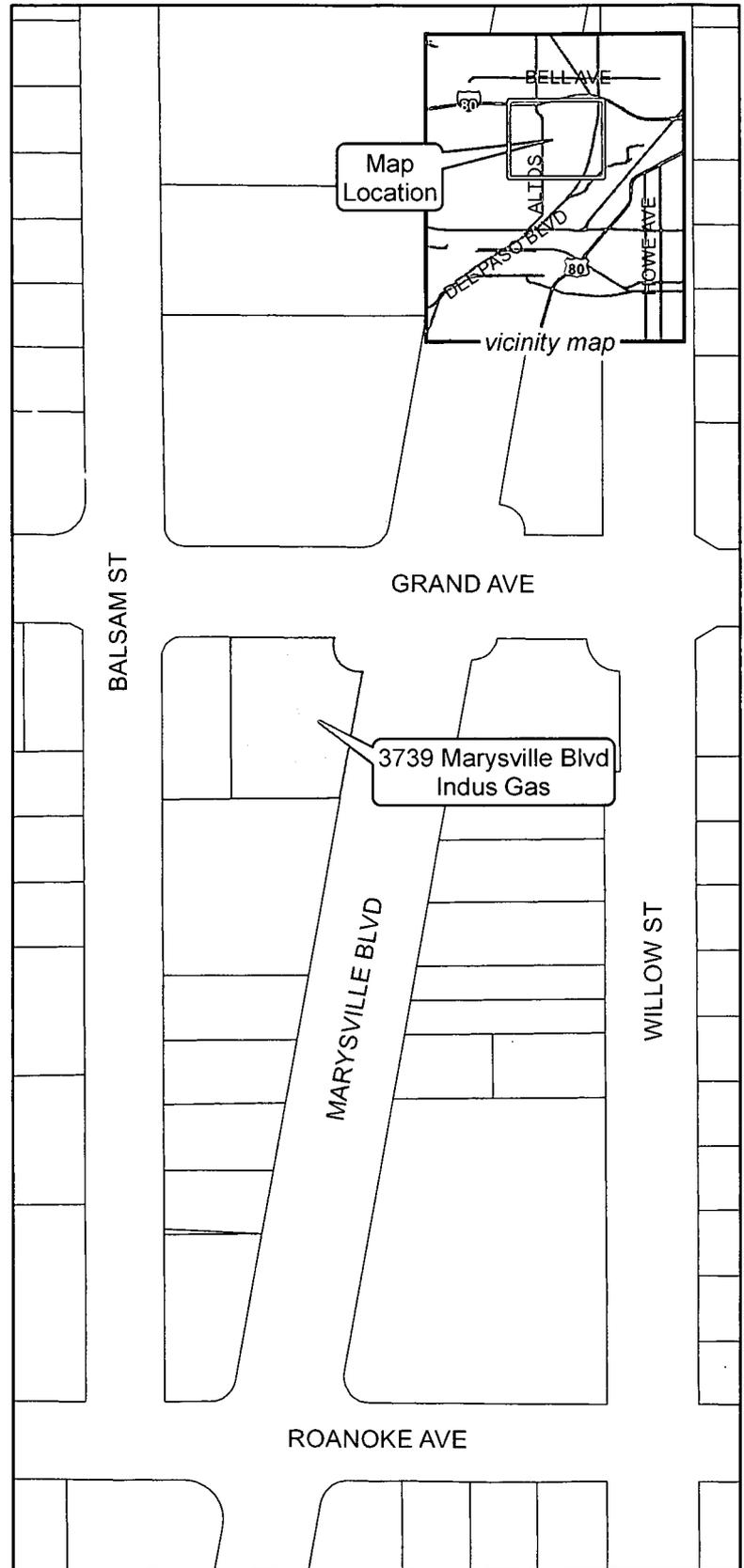
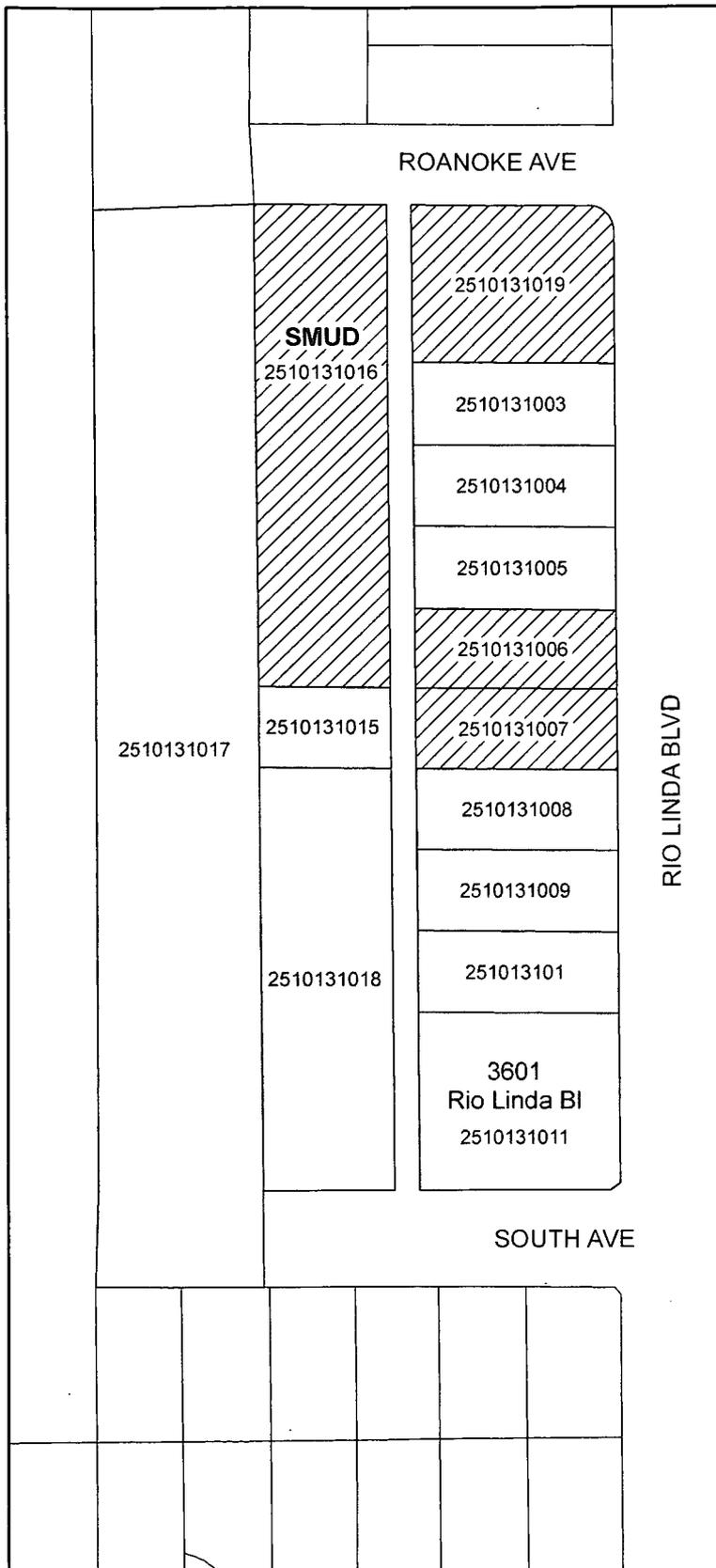
  
for GUS VINA  
Interim City Manager

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# Rio Linda Superblock and Marysville Boulevard Brownfield Projects



-  Agency Owned Parcel
-  Privately Owned Parcel

 3729 Marysville Bl



SHRA GIS  
May 18, 2010

**RESOLUTION NO. 2010 -****Adopted by the Redevelopment Agency of the City of Sacramento**

on date of

**ADMINISTRATIVE CHANGES RELATED TO BROWNFIELD PROJECTS****BACKGROUND**

- A. Rio Linda Boulevard Superblock: Resolution 2009-056 (Exhibit A) of the Redevelopment Agency of the City of Sacramento ("Agency) allocated \$750,000 of Del Paso Heights Tax Increment funds to authorize circulation of a Request for Proposals (RFP) and award a contract to remediate two parcels (APN 251-0131-016, 017) located at Rio Linda Boulevard between Roanoke and South Avenue, further identified as the Rio Linda Super Block Site.
- B. Remediation may be needed at these adjacent parcels: 251-0131-003, 251-0131-004, 251-0131-005, 251-0131-008, 251-0131-009, 251-0131-010, 251-0131-015, 251-0131-018, and 251-0131-019.
- C. Nichols Consulting Engineers went through a solicitation process and was selected to the Agency's *Environmental Site Assessment and Remediation Services* Qualified List established in 2007. Additional assistance is needed in the preparation of an RFP and with remediation oversight services at the Rio Linda Boulevard Superblock. Therefore, a contract amendment is required.
- D. The contract amendment and environmental work will be funded with the allocation approved by Resolution 2009-056.
- E. 3601 Rio Linda Boulevard (251-0131-011): The Agency was awarded an assessment and a cleanup grant from the State Water Resources Control Board Contamination Orphan Site Cleanup Account (OSCA) in 2007 to address contamination at the site from a former gasoline service station. The OSCA grant expired on March 31, 2010.
- F. Residual contamination beneath the adjacent street and sidewalk prevents the Sacramento County Environmental Management Department from approving site closure.
- G. Geocon, Inc., went through a solicitation process and was selected to the Agency's *Environmental Site Assessment and Remediation Services* Qualified List established in 2007. Additional assistance is needed to re-apply for reimbursement from the State Water Resources Control Board Orphan Site

Cleanup Fund (OSCF), provide SCEMD coordination and conduct further environmental activities. Therefore, a contract amendment is required.

- H. The contract amendment and environmental work will be funded with funding allocated by Resolution 2009-056.
- I. 3739 Marysville Boulevard (Indus Gas): In 2001, the Agency adopted a resolution authorizing acquisition of 3739 Marysville Boulevard ("Property") and established a budget for the purchase of the property, demolition of the existing building and related legal costs.
- J. The Agency anticipated environmental site closure of this site in 2009. However, the SCEMD did not grant site closure and is requiring further remediation.
- K. All costs incurred for remediation, up to \$1.5 million, are reimbursed to the Del Paso Heights Development Assistance fund by the State Water Resources Control Board Underground Storage Tank Cleanup Fund (USTCF).

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY RESOLVES AS FOLLOWS:**

- Section 1. The assessment and remediation of the parcels listed above are essential to the Agency's effort to eliminate blight in the Del Paso Heights Redevelopment Project Area and remove barriers to development of the parcels.
- Section 2. The proposed projects are exempt from CEQA per Guidelines Section 15330, which exempts minor cleanup actions taken to prevent, minimize, stabilize, mitigate, or eliminate the release or threat of release of a hazardous waste or substance costing \$1 million or less.
- Section 3. The Executive Director, or her designee, is authorized to amend Resolution 2009-056 to include remediation activities on the following parcels: 251-0131-003, 251-0131-004, 251-0131-005, 251-0131-008, 251-0131-009, 251-0131-010, 251-0131-011, 251-0131-015, 251-0131-018, and 251-0131-019.
- Section 4. The Executive Director, or her designee, is authorized to amend the contract for assistance with remediation oversight services at the Rio Linda Boulevard Superblock with Nichols Consulting Engineers by up to an additional \$80,000.
- Section 5. The Executive Director, or her designee, is authorized to amend the contract with Geocon, Inc., for environmental consulting services at 3601 Rio Linda Boulevard by up to \$30,000.

Section 6. The Executive Director, or her designee, is authorized to circulate a Request for Proposal; award a contract for assessment and remediation services and accept and expend OSCF program funds for costs associated with obtaining environmental site closure at 3601 Rio Linda Boulevard (APN: 251-0131-011).

Section 7. The Executive Director, or her designee, is authorized to accept and expend USTCF funds for costs associated with obtaining environmental site closure at 3739 Marysville Boulevard.

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Exhibit A - Resolution 2009-056

**RESOLUTION NO. 2009-056**

Adopted by the Redevelopment Agency  
of the City of Sacramento

October 27, 2009

**REMEDICATION OF RIO LINDA BOULEVARD SUPER BLOCK PARCELS**

**BACKGROUND**

- A. On June 20, 2006, the Redevelopment Agency of the City of Sacramento ("Agency") allocated \$900,000 of Del Paso Heights Tax Exempt 1999 and 2003 bond funds to acquire parcels located at Rio Linda Boulevard between Roanoke and South Avenues (APN 251-0131-005, 015, 016, 017, 018, and 019) in the Del Paso Heights Redevelopment Project Area and actions related to voluntary acquisition and related budget amendments.
- B. Since 2006, the Agency has been negotiating to acquire all parcels listed above and, to date, has been successful in acquiring nine of the eleven available parcels at the Rio Linda Boulevard Super Block site.
- C. Currently, the Agency is in the process of acquiring the last remaining two parcels (APN 016 and 017).
- D. The Agency is acquiring these vacant parcels on Rio Linda Boulevard in an effort to eliminate blight, assemble the parcels into one large site and redevelop it with affordable housing.
- E. As part of the Agency's due diligence, Phase I and Phase II Environmental Site Assessment has been conducted at APN 251-0131-016 and 251-0131-017 and it has been determined that substantial remediation will be required at APN 251-0131-017 and limited remediation will also be necessary at APN 251-0131-016.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY RESOLVES AS FOLLOWS:**

- Section 1. The remediation of parcels in the Rio Linda Boulevard Super Block in the Del Paso Heights Redevelopment Area is essential in the Agency's effort to eliminate blight.
- Section 2. The Executive Director, or her designee, is authorized to amend the budget to allocate \$750,000 of Del Paso Heights Tax Increment funds and to circulate a Request For Proposal and award a contract for remediation of the Tkach and SMUD Properties (APN 251-0131-017 and 251-0131-016).

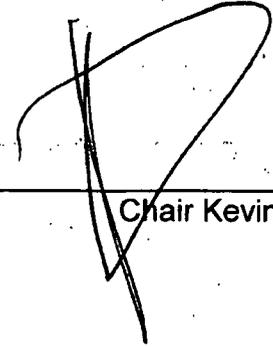
Adopted by the Redevelopment Agency of the City of Sacramento on October 27, 2009 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: None.



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Chair Kevin Johnson

Attest:

  
Shirley Condolino, Secretary