



APPROVED
BY THE CITY COUNCIL

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DEC 2 1997

DEPARTMENT OF
ADMINISTRATIVE SERVICES
BUDGET AND POLICY REVIEW

CITY OF SACRAMENTO
CALIFORNIA

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CITY CLERK
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November 17, 1997

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Toxic Remediation at Meadowview and 24th Street

LOCATION AND COUNCIL DISTRICT: District 8

RECOMMENDATION:

This report recommends the City Council 1) Amend the 1997-1998 Capital Improvement Project budget by approving the transfer of \$158,000 from the General Fund Administrative contingency and 2) Approve an augmentation in the amount of \$158,000 to Capital Improvement Project CB24 - Meadowview Toxics to support current toxic remediation costs.

CONTACT PERSON: Debra Nyland, Sr. Management Analyst
Ava Langston-Kenney, Toxics Program Coordinator

FOR COUNCIL MEETING OF: December 2, 1997

SUMMARY:

The Meadowview and 24th Street community center site requires toxic remediation due to the prior existence of a dry cleaner and gas station at the site. State toxic remediation funds have not materialized. As a result there is a current funding shortfall of expenses incurred to date for which a budget augmentation in the amount of \$158,000 is needed.

COMMITTEE/COMMISSION ACTION: None

BACKGROUND:

The City has completed the closing of the 1996-97 fiscal year. Accordingly concurrent with this report, the Comprehensive Annual Financial Report (CAFR) will be presented and will include an

overview of the various funds. One element of the CAFR looks at the various capital improvement projects including the Meadowview Community Center.

Project History

The southeast corner of 24th and Meadowview was selected to be the location of the Meadowview Community Center by a citizens advisory committee in 1990. The site was selected prior to any studies being conducted to determine whether the property was contaminated. The site was owned by the Wong family (Bel Air Markets).

Negotiations with the owners were complex and lengthy. The situation was further exacerbated by the existence of a gas station and the discovery that the site previously contained a dry cleaners and indeed contained groundwater contaminants.

Construction of a community center was a top City priority deemed necessary for the betterment of the Meadowview community. There was significant public interest in the completion of this project.

In 1991, the City Council authorized the City Manager to negotiate the necessary site acquisition agreement. On December 15, 1992, the City Council approved the transaction which secured the site for the Meadowview Community Center. That report also stated that the City would assume the cost for the toxic abatement, the extent and cost of which were unknown.

Phase II of Meadowview was recently completed and the facility has become a focus of pride and activity for the community.

Current Status of Toxics

Staff is currently in the process of completing the Phase IV assessment which will allow the updating of the original estimate. The original \$2 million remediation estimate was provided by the remediation consultants working in conjunction with staff. However the remediation needs have increased and upon completion of the Phase IV assessment, staff will return to Council with the revised estimate. Concurrently staff will present to City Council a plan to fund this multi-year toxic remediation and monitoring.

Remediation of the plumes (location of contamination in the ground water) from the dry cleaners and the gas station is on-going. It was initially thought that remediation could be accomplished through the pumping of one plume. It has since become evident that the costs of this toxic remediation could be double the original estimate due to the existence of two different plumes and due to the magnitude of the underground contamination on this City land.

A potential source of funding for Meadowview toxic remediation was identified from a pool of funds administered by the State Water Resources Control Board. Initially it appeared these funds would be easily realized. However due to the complexity of the real estate transactions involved in acquiring the community center site, the City Attorney's Office and the Toxic Coordinator are continuing to actively pursue these funds. This has been a multi year effort and it is anticipated the

transactions may be concluded in the near future.

Consequently there is a current toxic remediation funding shortage which needs to be remedied pending the report back with the full remediation estimate and proposed financing plan.

FINANCIAL CONSIDERATIONS:

The toxic remediation cost for the Meadowview site was originally estimated at \$2 million. Staff is in the process of updating this estimate and will report back with the revised cost and related funding plan. Preliminary estimates are that the project remediation will cost between \$3-\$5 million over a twenty-five year period.

In the interim \$158,000 in unfunded remediation costs have been incurred. It was anticipated that these costs would be funded by the State remediation monies. While the Attorney's Office is making progress, these funds have not yet materialized. The Meadowview capitol project budget needs to be augmented to address this overage. As presented as part of a companion year end report, funds are available due to a positive fund balance in the General Fund. This report recommends the transfer of \$158,000 from General Fund administrative contingency to the project budget.

ENVIRONMENTAL CONCERNS:

Cleanup of the site is required from both a legal and environmental perspective. All clean up and ongoing monitoring requirements are being met under the oversight of the City's Toxic Program Coordinator and this particular item has no environmental impact.

POLICY CONSIDERATIONS:

Toxic remediation is legally and environmentally responsible. No new policies will result from this report.

MBE/WBE: Not applicable to this report.

Respectfully submitted,



Debra Nyland/
Senior Management Analyst

Recommendation Approved:



William H. Edgar
City Manager

APPROVED
BY THE CITY COUNCIL

DEC 2 1997

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 97-659

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION AMENDING THE 1997/98 CAPITAL IMPROVEMENT PROJECT BUDGET
FOR THE MEADOWVIEW COMMUNITY CENTER PROJECT (CB25)**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

- 1) To amend the 1997-98 Capital Improvement budget by \$158,000;
- 2) To approve an augmentation in the amount of \$158,000 to Capital Improvement Project CB24 - Meadowview Community Center from the General Fund Contingency as follows:

(101-710-7012-4999)	(\$158,000)
101-500-CB24-4802	\$158,000

MAYOR

ATTEST:

CITY CLERK

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RESOLUTION NO.: _____

DATE ADOPTED: _____ 4