

CONTRA COSTA COUNTYWIDE OVERSIGHT BOARD REPORT



DATE: September 23, 2019

TO: CONTRA COSTA COUNTYWIDE OVERSIGHT BOARD

FROM: THE SUCCESSOR AGENCY TO THE RICHMOND COMMUNITY REDEVELOPMENT AGENCY

SUBJECT: Approval of an Amendment to the FY 2019-2020 Recognized Obligation Payment Schedule (ROPS) Budget to address costs related to soil remediation and demolition work at the Terminal One site.

STATEMENT OF THE ISSUE:

Staff is seeking approval of an amendment to the FY 2019-2020 Recognized Obligation Payment Schedule (ROPS) budget to address increased costs related to soil remediation and demolition work at the Terminal One site.

RECOMMENDED ACTION:

Adopt a resolution approving an amendment to the FY 2019-2020 Successor Agency to the Richmond Community Redevelopment Agency's Recognized Obligation Payment Schedule to address increased costs for soil remediation and demolition work at the Terminal One site.

FINANCIAL IMPACT OF RECOMMENDATION:

There is currently \$1,302,709 in funds available under the 2005 Settlement Agreement available for remediation of the Terminal One site. This action increases the funding available to be used this fiscal year by \$1,052,709

DISCUSSION:

The City of Richmond (the "City") is the owner of certain real property in the City of Richmond, Contra Costa County, California, comprised of approximately 13.3 acres, commonly known as the Terminal One Property (the "Property"). The Property consists of approximately 12.6 acres of dry land and approximately .7 acres of submerged land.

The Property is located at 1500 Dornan Drive, Richmond, California (Assessor's Parcel Numbers: APN 560-042-007, APN 560-042-010, and APN 560-420-006).

On or about September 2005, the Former Redevelopment Agency and Ashland, Inc., Petromark, Inc., Atlantic Richfield Company, Conoco Philips Company, Honeywell International, Inc., Bridgestone/Firestone North American Tire LLC, Grosvenor E. Bryant, Time Oil Co., The United States of America, Texaco Downstream Properties, Inc. and various Petromark, Inc. insurers (collectively, "Petromark") entered into that certain Terminal One Settlement Agreement (the "Settlement Agreement") providing for the payment of \$3,200,000 (the "Remediation Funds") to the Former Redevelopment Agency specifically for remediation of the Property in anticipation of redevelopment of the Property which was to be administered by the Former Redevelopment Agency.

The Settlement Agreement requires both the City and the Former Redevelopment Agency "to perform or cause to be performed all environmental work required to study, investigate, evaluate, clean up, and abate the Hazardous Substances (as defined in the Settlement Agreement) on, under, or emanating from the Site (as defined in the Settlement Agreement and referring to the Property) at any time, to the satisfaction of the Regional [Water] Board and any and all other regulatory agencies that validly assert (or purport to validly assert) jurisdiction over the Hazardous Substances at the Site ... This obligation applies to the Regional [Water] Board's Order No. R2-2004-0045, and shall apply to any future order and/or directive by the Regional [Water] Board and/or any other regulatory agency ... to study, investigate, evaluate, clean up, and abate the Hazardous Substances on, under, or emanating from the Site at any time[]" (the "Remediation Work") [Section XI.B. of the Settlement Agreement].

Pursuant to AB 1x 26, enacted on June 28, 2011; AB 1484, enacted on June 27, 2012; and SB 107, enacted on September 22, 2015 (collectively, the "Dissolution Law"), all redevelopment agencies in California were dissolved as of February 1, 2012. As set forth in the Dissolution Law, all authority, rights, powers, duties and obligations previously vested with former redevelopment agencies under the Community Redevelopment Law, were vested in the successor agencies. Pursuant to the Dissolution Law, the Successor Agency is responsible for the wind-down of the affairs of the Former Redevelopment Agency, including without limitation the obligation to comply with the terms of the Settlement Agreement to ensure that the Remediation Work is performed.

The 2019-2020 ROPS has \$250,000 budgeted for Remediation Work at the Terminal One site for this fiscal year (line 113). The Remediation Work is nearing completion and building demolition will be the next component moving forward. Staff is requesting the transfer of the remaining \$1,052,709 in Settlement Agreement funds into this year's ROPS budget in order to complete remediation and demolition work. Without this budget amendment, staff will not be able to finalize the remediation and demolition work at the Terminal One site until the next fiscal year.

DOCUMENTS ATTACHED:

Attachment 1. Resolution

Attachment 2. Amended 2019-2020 ROPS