



CITY OF SANTA BARBARA

REDEVELOPMENT AGENCY AGENDA REPORT

AGENDA DATE: November 25, 2008

TO: Chair and Agency Boardmembers

FROM: Housing and Redevelopment Division, Community Development
Department
Environmental Services Division, Finance Department

SUBJECT: Removal Of Hazardous Materials On Redevelopment Agency-Owned
Property Located At 217 Helena Avenue

RECOMMENDATION:

That the Agency Board appropriate \$330,000 from the Redevelopment Agency Capital Project Contingency Account to fund hazardous material removal activities on Agency-owned property at 217 Helena Avenue.

BACKGROUND:

In 1994, the Redevelopment Agency purchased a 37,000 square foot vacant parcel located at 12 East Montecito Street. In December 1998, the property was divided into three parcels, two of which, encompassing approximately 24,000 square feet, were purchased by a partnership controlled by the Fess Parker, Jr. Family Trust for the construction of a 100-bed youth hostel. The hostel is a condition of approval for the development of a 150-room hotel at Cabrillo Boulevard and Calle Cesar Chavez. The entire property was originally bought by the Agency to facilitate the hostel and to build a public parking lot. The remaining parcel that is owned by the Agency, referred to as 217 Helena Avenue, was at one time programmed for an Agency parking lot capital project but was subsequently removed from the capital program.

The Agency and Parker Family Trust entered into a Disposition and Development Agreement (DDA) for the youth hostel at 12 East Montecito. The DDA provides that the Youth Hostel project may take access across the Agency property at 217 Helena Avenue. It also allows the Youth Hostel project to construct a trash enclosure on the Agency-owned property. The DDA originally provided for 217 Helena Avenue to be developed by the Agency as a public parking lot and provided for access to that parking for "overflow" parking by hostel guests. When the hostel proceeded to development, with the parking lot project no longer funded, the DDA was amended to eliminate the Agency's obligation to build the parking lot and make it available to hostel guests. The Agency obligation remained to provide access and trash enclosure siting.

Earlier this year, during the initial stages of grading for the Youth Hostel trash enclosure, an Underground Storage Tank was discovered on the Agency-owned parcel. To comply with State and County regulations, the Environmental Services Division of the Finance Department was asked to take the lead to investigate and remediate the site, in accordance with, and oversight from, the Santa Barbara County Fire Department, Fire Prevention Division.

Environmental Services contracted for the required clean-up work, and the Redevelopment Agency provided the funding from budgeted funds for the initial contract amount of \$25,000, recognizing the likelihood that additional funds would be needed as the full extent of the problem was revealed as work proceeded.

For reasons explained below, the ultimate cost to remove the hazardous materials substantially exceeded the original cost estimate and contract amount. Nonetheless, the toxic nature of the work required that the contract be quickly amended through a change-order to include the additional work before staff could take this item to the Board for allocation of funding. However, staff recognized that sufficient funds are available in the appropriated Redevelopment Agency Contingency Account, which are specifically designated for project cost overruns.

DISCUSSION:

In May 2008, a workplan for the removal of the tank was prepared for the City by PW Environmental, a private contractor working for the Environmental Services Division, and submitted to County Fire. The work plan described the steps and necessary protocol for the removal of the concrete tank. There were no previous records of the tank and the previous use of the tank remains unknown.

Since the previous use of the tank was unknown, the first step involved removing the top of the tank. Visual and hand auger inspections revealed that the tank was filled with soil, rubble and liquid and stained soil was observed around the vault. The soil samples showed elevated concentrations of lead and total petroleum hydrocarbons. The original workplan estimated that the concrete tank was 640 cubic feet (20 feet long, 8 feet wide and 4 feet deep). The size estimate was based on surface inspections and the size of the top of the tank. The actual size of the tank ended up being over 4 times larger at 2,800 cubic feet (33.5 feet long, 12.5 feet wide and 7 feet deep).

Based on surface observations, the original workplan expected that the tank was fully contained within the property line. Upon excavation, it was discovered that the tank actually extended beyond the property line, past the sidewalk and into the street (Attachment 1). As a result, the additional excavation required additional permits, sidewalk removal and replacement, street removal and replacement and traffic controls along Helena Avenue for seven days, as well as additional fencing for public safety. All of these activities were beyond the original scope of work.

Excavation of the site was not planned as it was hoped that the tank was intact and that contamination had not spread to the surrounding soil and groundwater. However, once the tank was removed, considerable staining was observed on all of the walls of the remaining tank pit. Soil sample results indicated petroleum hydrocarbon contamination nearly 100 times above the County Fire investigation level (IL) of 100 parts per million (ppm). The groundwater sample also exceeded the IL for petroleum hydrocarbons. Based on environmental and health concerns staff decided, in consultation with County Fire regulatory staff, to be proactive and excavate as much of the source contamination as possible. Given that all of the equipment was mobilized and on-site and that the Youth Hostel construction was underway, the excavation was done immediately and conducted under County Fire guidance. While much of the contamination was successfully removed from the surrounding soil, total source removal was not possible due to an existing building on the southern property line and water and sewer lines to the north.

Future Remediation Requirements

Based on experience with other similar hazardous material remediation sites, County Fire is likely to mandate some form of monitoring program for the site, which could include: installation of groundwater monitoring wells, quarterly groundwater monitoring, and possible delineation of the remaining contamination within one year. Depending on the findings of County Fire, the City may also be required to prepare a feasibility study and then conduct in-situ remediation. Agency and Environmental Services staff are hopeful that the proactive approach to removing the tank and the maximum possible amount of contaminated soil will avoid further remediation requirements and future, ongoing costs.

Cost Recovery Options

There are two potential methods of cost recovery for this project. The first is to submit a claim to the State UST Cleanup Fund. The State reimburses for the cleanup of leaking underground fuel tanks (LUFTs), but not for the costs of tank removal. The Environmental Services Division will submit a claim for this site.

Additionally, the City Attorney's Office is currently reviewing the property files for other potentially responsible parties. Staff review shows that this site has been listed as a LUFT site two previous times and closed and determined "clean" by State regulatory agencies both times.

Future of the Site

217 Helena Avenue has no programmed use at this time other than the provision of access and trash enclosure siting for the hostel. The Agency is in negotiations with the Children's Museum of Santa Barbara for the potential leasing of Agency property at 125

State Street to be developed as a Children's Museum (Attachment 2). If the Children's Museum proceeds, it may need additional public parking in the area. It is possible that this property could serve that purpose. This possibility can be considered in the Agency Capital Program discussions scheduled for the Finance Committee meeting on December 9, 2008, and the full Board on December 16, 2008.

BUDGET/FINANCIAL INFORMATION:

The \$330,000 would come from the Redevelopment Agency's Capital Project Contingency Account. The account currently has a balance of approximately \$1,848,900 and is adequate to cover these remediation efforts.

SUSTAINABILITY IMPACT:

State regulations require that tanks that are no longer in use be removed or properly decommissioned - as they can be a source of pollution to soil and groundwater. State regulations also require that contamination from tanks be properly remediated. The removal of the tank and contaminated soil from this Redevelopment Agency-owned property located at 217 Helena Avenue was not only a State requirement, but was prudent in protecting the surrounding environment from further harm. The ocean is three blocks from this site and groundwater levels are immediately below the removed tank. This project has removed a point source of contamination from a valuable piece of coastal property, furthering the City's sustainability goals.

- ATTACHMENTS:**
1. 217 Helena Avenue – Underground Storage Vault Removal
 2. 125 State Street & 217 Helena Avenue – Vicinity Map

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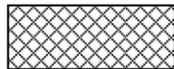
SUBMITTED BY: Paul Casey, Community Development Director

APPROVED BY: City Administrator's Office

217 Helena Avenue – Underground Storage Vault Removal



--- City Property Boundary



Excavation Area



Former Underground Storage Vault

125 State Street & 217 Helena Avenue – Vicinity Map

