



Agenda Report

April 29, 2019

TO: Honorable and Mayor and City Council Steve Mermell, City Manager

FROM: City Manager

SUBJECT: PLANNED DEVELOPMENT 36 – PASADENA GATEWAY 3200 E. FOOTHILL MIXED USE PROJECT (“Space Bank”)

RECOMMENDATION:

The following report is for information only, no City Council action is required. The purpose of this report is to provide information regarding the status of the subject project and advise the Council and community as to steps staff have initiated in regard to concerns raised regarding remediation of toxic substances located at the project site.

BACKGROUND:

On July 9, 2018 the City Council took a number of actions including the approval of a Sustainable Communities Environmental Assessment, to approve Planned Development 36, a mixed use project to be located at 3200 E. Foothill Boulevard, which includes the demolition of 29 existing structures on approximately 8.53 acres; construction of eight separate residential and mixed-use buildings, subterranean and above-ground parking structures, and landscaping. The proposed buildings would include a total of 550 apartment units and 9,800 square feet of retail and restaurant space.

The site is currently used as a mini-storage facility along with space for commercial and manufacturing businesses; however, for a number of years the site was used by the U.S. Navy for testing and scientific work involving classified materials, torpedoes, and other marine weapon systems.

The recent Sustainable Communities Environmental Assessment, as well as other environmental analysis conducted on site indicate the presence of hazardous materials in the soil and soil vapor, and potentially in groundwater beneath the property. Over 15 hazardous material investigations have been performed on the site that collectively have included 382 soil samples and 157 soil gas samples. In these analyses, the chemicals found above regulatory limits are: volatile organic compounds (PCE and TCE), total petroleum hydrocarbons, and metals (lead, cadmium, nickel and chromium).

Although the City of Pasadena has jurisdiction over the land-use approvals, the State of California Department of Toxic Substances Control (DTSC) is the lead regulatory agency supervising the actual clean-up of the site. DTSC's involvement in the site dates back to at least 2004, when it issued an Imminent and Substantial Endangerment Determination and

Remedial Action Order to the Army Corps of Engineers (ACOE) based on the results of various environmental investigations. DTSC then rescinded the order and entered a formal Dispute Resolution with the Army Corps. Unable to reach a resolution with the Corps. after 6 years, DTSC formally revoked the Dispute Resolution process in 2010, and resumed enforcement action.

In June 2014, DTSC entered into a consent agreement with the Developer, which specified that Pasadena Gateway (the project applicant) would perform response actions with DTSC oversight. Pasadena Gateway signed an amended Prospective Purchaser Agreement (PPA) with DTSC in December 2017 with specific stipulations for environmental cleanup including the development of a Remedial Investigation and Feasibility Study (RI/FS), Removal Action Workplan (RAW), performing the removal action and installation of groundwater wells along with 4 quarters of sampling for the preliminary groundwater investigation.

On March 6th DTSC released a Draft of the Removal Action Workplan (DRAW) with a deadline for public comment of April 30th. On April 8, 2019 the City Council heard public testimony regarding concerns related to the environmental analysis, adequacy of the DRAW and proposed clean-up. On April 9, 2019, the Mayor sent a letter to DTSC requesting an extension of the public comment period until July 30, 2019. DTSC has advised that while it will not extend the comment period as requested by the City, it will do so until May 14th.

As mentioned above, the City Council has previously approved the Planned Development of the site which is consistent with the guiding principles of the adopted General Plan. The project will provide for the development of much needed housing, including 69 on-site affordable units near transit. The project will generate jobs and shopping opportunities. Moreover, but for the project, the toxic substances located on site would likely remain in place, which is not in the public interest.

However, throughout the entitlement process and continuing through the development of DTSC's Draft Removal Action Workplan, a number of community members raised concerns regarding the adequacy of the environmental analysis and the plan for the proposed clean-up of the site. Although DTSC is the regulatory body that has the legal authority to determine and enforce the appropriate site clean-up, staff believes it is important to ensure the Removal Action Workplan be as accurate and comprehensive as possible to address community concerns and ensure that the health of those who will ultimately reside at this location be protected.

Accordingly, staff has engaged a highly-qualified environmental consulting firm, Alta Environmental with requisite expertise to review the Draft Removal Action Workplan and provide comments to DTSC by the May 14th deadline. As part of their workscope, the consultant will review all publically available environmental studies of the project site. Moreover, once actual remediation begins, DTSC has indicated its willingness to allow the City's consultant to participate in monitoring implementation. City staff will make the reports of the consultant publically available on the City's website.

FISCAL IMPACT:

There is no fiscal impact associated with this action. Funds to engage the consultant will be drawn from existing FY19 operating budget appropriations.

Respectfully submitted,



Steve Mermell
City Manager

Prepared by:



David M. Reyes
Director of Planning & Community Development