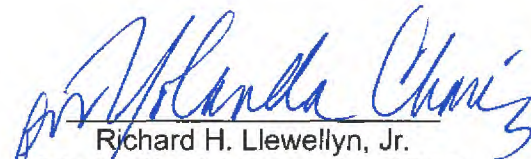


TRANSMITTAL

To: Council	DATE 08-04-17	COUNCIL FILE NO. 13-1641
From: Municipal Facilities Committee		COUNCIL DISTRICT 1

At its meeting of July 27, 2017, the Municipal Facilities Committee approved recommendations in the attached Bureau of Engineering (BOE) reports and instructed staff to transmit to Council for consideration.

Fiscal Impact Statement: There is no anticipated impact to the General Fund from approval of the recommendations in this report as the site assessment work will be funded by the \$2M SB 1 Grant.


Richard H. Lewellyn, Jr.
Interim City Administrative Officer
Chair, Municipal Facilities Committee

RHL:BLM:15180015

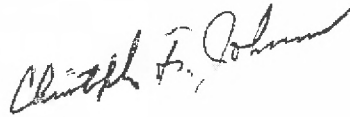
Attachment

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: July 27, 2017

To: Municipal Facilities Committee

From: Christopher F. Johnson, P.E., G.E.
Proposition O Clean Water Division, Program Manager
Bureau of Engineering



Subject: **TAYLOR YARD G2 PARCEL REQUEST FOR BUREAU OF ENGINEERING AUTHORIZATIONS**

RECOMMENDATIONS

1. Authorize the City Engineer, with assistance from the City Attorney's Office, to negotiate a California Land Reuse and Revitalization Act Voluntary Clean-Up Agreement (CLRRA Agreement) with the Department of Toxic Substances Control (DTSC), and forward this recommendation to City Council.
2. Authorize the Bureau of Engineering (BOE) to conduct environmental site investigations and report back with the results and recommendations on the level of cleanup for the Taylor Yard G2 Parcel, and forward this recommendation to City Council.
3. Authorize the BOE as the Project Manager and lead for implementation at the Taylor Yard G2 Parcel.

BACKGROUND

The City of Los Angeles (City) purchased the Taylor Yard G2 Parcel (G2) on March 1, 2017 (C.F. 13-1641). The nearly 250-acre Taylor Yard complex, of which G2 is derived, was historically owned by Union Pacific Railroad Company (UP) and its predecessors for rail maintenance and fueling. G2 is a Los Angeles River-adjacent, approximately 42-acre property located in the Cypress Park community of Council District 1.

The Taylor Yard River Park Project is Project No. 165 of the City Council-adopted Los Angeles River Revitalization Master Plan (C.F. 07-1342). This Project is also described in the U.S. Army Corps of Engineers (USACE) Los Angeles River Ecosystem Restoration Feasibility Study (also known as the ARBOR or "Area with Restoration Benefits and Opportunities for Revitalization" Study), for which the City is serving as local sponsor. G2 is situated in Reach 6 of the ARBOR Study and is adjacent to a soft-bottomed portion of the Los Angeles River.

DEPARTMENT OF TOXIC SUBSTANCES CONTROL OVERSIGHT

Due to known soil and groundwater contamination from prior uses as a rail yard, G2 is under the regulatory oversight of DTSC. The BOE has installed fencing around the perimeter of G2 to secure it from public access until it is assessed, remediated, and deemed safe for public access by DTSC.

Upon the purchase of G2, the City inherited an Enforceable Agreement dated April 9, 1990 between DTSC and UP (formerly Southern Pacific Transportation Company) which mandates several investigatory and clean-up actions, such as groundwater monitoring and soil cleaning, for a specified list of contaminants at G2. Also inherited by the City is a Remedial Action Plan (RAP) dated February 14, 2014, prepared by UP in accordance with the Enforceable Agreement and approved by DTSC. The RAP sets forth the parties' agreed-upon plan to remediate an updated list of contaminants at G2 to industrial use standards.

Additionally, the Purchase and Sale Agreement dated October 28, 2016 for the City's purchase of G2 from UP requires the City to seek a voluntary clean-up agreement with DTSC to implement the RAP. The above-referenced CLRRRA Agreement is one type of voluntary clean-up agreement offered to landowners who have not released the subject contaminants but agree to remediate them under DTSC monitoring, and in return, received immunities from future DTSC enforcement actions upon completion of such remediation. Accordingly, the City has applied to DTSC for a CLRRRA Agreement to remediate G2 to industrial use standards pursuant to the existing RAP (called a Response Plan under the CLRRRA Agreement), or an amended Response Plan depending on the results of further environmental site investigations.

The BOE is therefore requesting authority to negotiate with the DTSC on the terms of the proposed CLRRRA Agreement, with assistance from the City Attorney's Office, and to perform the necessary environmental site investigations to evaluate the possible range of remediation levels and their associated costs. It is anticipated that G2 may be used as open space, which may require different remediation strategies than industrial uses. The BOE will report back with the results of these site investigations to seek direction on the level of clean-up the City will pursue at G2.

BUREAU OF ENGINEERING COORDINATION AND MANAGEMENT

The BOE played a key role in acquiring G2, is the lead in coordinating remediation of G2 with DTSC, is the designated executing authority for a Proposition 1 grant from the California State Coastal Conservancy (C.F. 14-1158-S3), and is the lead in project coordination and reporting. The BOE requests authorization as the Project Manager and lead for implementation at G2.

PROJECT UPDATES

The following are updates on ongoing activities related to the Taylor Yard G2 Parcel. Moving forward, the BOE will provide updates regularly to the Municipal Facilities Committee.

Site Security

As required by the Purchase and Sale Agreement, the BOE and General Services Department (GSD) has secured the perimeter of G2 with fencing and "No Trespassing" signage to prevent public access until it is assessed, remediated, and deemed safe for public access by the DTSC.

California State Coastal Conservancy (SCC) Grant

The City was awarded \$2,000,000 in Proposition 1 grant funds by the SCC to perform environmental site assessments and develop an Implementation Plan with recommended concepts for both interim uses of the site and long-term development that could be consistent with the ARBOR Study. The grant agreement was executed on June 15, 2017.

Task Order Solicitation (TOS)

The BOE released a TOS to a list of 24 pre-qualified on-call consultants on June 26, 2017. Proposals are due August 14, 2017. The scope of the TOS includes site assessments and the development of an Implementation Plan, both funded by the previously described SCC grant. The TOS also includes, upon receiving City Council and Mayoral approval, design services for development of G2 for near-term interim uses. The BOE intends to report back and seek direction to proceed as the project progresses. More information on the TOS can be found online at: <http://eng.lacity.org/divisions/la-river-projects>

Mountains Recreation and Conservation Authority (MRCA) Easement Negotiation

The City is currently in negotiations to grant the MRCA a multi-purpose easement on a portion of G2 consisting of earmarked funds provided by the State's Wildlife Conservation Board. Previously, the easement was to be granted to the MRCA's joint powers entity, the Santa Monica Mountains Conservancy (SMMC), but was changed to the MRCA at the SMMC's request. The Office of the Chief Legislative Analyst (CLA) and the BOE provided a verbal update on the negotiation to the Arts, Parks, and River Council Committee on June 19, 2017. The CLA will submit a report to Council outlining the terms of the easement agreement.

Metrolink Coordination

The City team is now starting twin real estate transactions with Metrolink aimed at moving Metrolink: (i) out of its current Tail Track Lease area used periodically for railcar parking, and (ii) into its Tail Track Easement area which Metrolink proposes to widen and build-out with trestle, track, and other improvements for regular railcar parking (including High Speed Rail). The twin real estate transactions are:

1. A short term License Agreement ("License") to allow City and Metrolink to co-use the current Tail Track Lease area while Metrolink is building-out its Tail

Track Easement area. The co-uses of this area will be the City's environmental remediation and build-out of initial public improvements, and Metrolink's periodic railcar parking on the area. The subject area lies along the Western boundary of G2 near the LA River.

2. A Purchase and Sale Agreement ("PSA") under which Metrolink will purchase additional width area for its existing Easement from the City (at fair market value) following a City determination that Metrolink's widened operation will not conflict with existing adjoining oil and fiberoptic pipelines. The subject area lies along the Eastern boundary of G2 near UP-owned rail tracks.

The City team will report back on terms and conditions of the License and PSA and request authority to execute these and ancillary agreements.

FISCAL IMPACT STATEMENT

There is no anticipated impact to the General Fund from approval of the recommendations in this report as the site assessment work will be funded by the \$2 million in SB 1 grant funds approved for this purpose. There may be a General Fund impacts in the future for the further development of the site.

CFJ/KD/ln

CC: Arturo Chavez, Council District 1
Christine Peters, Council District 13
Michael Affeldt, Mayor's Office
Matias Farfan, Office of the Chief Legislative Analyst
Cheryl Banares Soriano, Office of the Chief Legislative Analyst
Jacqueline Wagner, Office of the City Administrative Officer
Curt Holguin, City Attorney's Office
Gary Lee Moore, Bureau of Engineering
Deborah Weintraub, Bureau of Engineering
Katherine Doherty, Bureau of Engineering
Lyndsay Naish, Bureau of Engineering
David Roberts, General Services Department
John Michael Mendoza, General Services Department