



**CITY OF RIVERBANK
LOCAL REDEVELOPMENT AUTHORITY
MEETING**
City Hall Council Chambers
6707 Third Street • Riverbank • CA 95367



**AGENDA
MONDAY, JULY 8, 2013 – 6:00 P.M.**

CALL TO ORDER: Chair Richard O'Brien

ROLL CALL: Chair Richard O'Brien
Vice Chair Jeanine Tucker
Authority Member Darlene Barber-Martinez
Authority Member Cal Campbell
Authority Member Dotty Nygard

CONFLICT OF INTEREST

Authority Members and Staff who would have a direct Conflict of Interest on any scheduled agenda item to be considered are to declare their conflict.

1. PRESENTATIONS There are no Presentations.

2. PUBLIC COMMENTS (No Action Can Be Taken)

At this time, members of the public may comment on any item not appearing on the agenda, and within the subject matter jurisdiction of the LRA. Individual comments will be limited to a **maximum of 5 minutes** per person and each person may speak once during this time. Time cannot be yielded to another person. Under State Law, matters presented under Public Comment cannot be discussed or acted upon at this time by the Board. For record purposes, state your name and city of residence when addressing the LRA.

3. CONSENT CALENDAR

All items listed on the Consent Calendar are to be acted upon by a single action of the Local Redevelopment Authority unless otherwise requested by an individual Authority Member for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.

Item 3.A: **Waive Readings.** All Readings of ordinances and resolutions, except by title, are waived.

Item 3.B: Approval of the April 22, 2013, Local Redevelopment Authority Minutes.

Item 3.B-1: Approval of the June 10, 2013, Local Redevelopment Authority Minutes.

Recommendation: It is recommended that the LRA Board approve the Consent Calendar by roll call vote.

4. UNFINISHED BUSINESS There are no items to consider.

5. PUBLIC HEARINGS There are no items to consider.

6. NEW BUSINESS

Item 6.1: **Local Redevelopment Authority Community Advisory Committee Recommendations to the Local Redevelopment Authority Board** - It is recommended that the City of Riverbank Local Redevelopment Authority ("LRA") Board of Directors ("Board") receive a report consisting of several recommendations from representatives of the LRA Community Advisory Committee ("Committee") and provide direction to staff on those recommendations. The report and recommendations are presented by the following three members of the Committee:

- Michael Ijams
- Robert Guardiola
- Carla Strong

Item 6.2: **Resolution to Approve an Environmental Services Cooperative Agreement that Replaces the Previously Approved Supplemental Lease Agreement to Army Lease No. DACA05-1-10-525 to Remediate and Remove Surplus Army Personal Property** - It is recommended that the Local Redevelopment Authority ("LRA") Board of Directors ("BOD") approve execution of an Environmental Service(s) Cooperative Agreement ("ESCA") as an alternative contracting vehicle and replacement to the previously approved Lease Amendment to Remediate and Remove surplus Army Personal Property.

7. COMMENTS

Item 7.1: Staff Comments: (Information Only – No Action)

Item 7.2: Authority Comments: (Information Only – No Action)

ADJOURNMENT

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury, under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board 72 hours prior to the meeting.

Dated this 3rd day of July, 2013
Annabelle Aguilar, CMC, City Clerk

Notice Regarding Americans with Disabilities Act:

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (209) 863-7122. Notification 48-hours before the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting [28 CFR 35.102-35.104 ADA Title II].

Notice Regarding Non-English Speakers:

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the City of Riverbank Redevelopment Agency shall be in English and anyone wishing to address the Council is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

General Information: The Local Redevelopment Authority meets on a "as needed" basis.

Agency Agendas: The Local Redevelopment Authority agenda is available for public review at the City's website at www.riverbank.org and City Clerk's Office, 6707 Third Street, Riverbank, California generally 72 hours prior to the scheduled meeting. Copies and/or subscriptions can be purchased for a nominal fee through the City Clerk's Office.

Public Hearings: In general, a public hearing is an open consideration within a regular meeting of the City Council, for which special notice has been given and may be required. During a specified portion of the hearing, any resident or concerned individual is invited to present protests or offer support for the subject under consideration.

Questions: Contact the City Clerk at (209) 863-7198 or aaguilar@riverbank.org

Any documents produced by the City and distributed to a majority of the LRA regarding any item on this agenda will be made available at the City Clerk's counter at City Hall located at 6707 Third Street, Riverbank, CA.

**RIVERBANK LOCAL REDEVELOPMENT AUTHORITY
AGENDA ITEM NO. 3.A**

SECTION 3: CONSENT CALENDAR

Meeting Date:	July 8, 2013
Subject:	Waiver of Readings
From:	Jill Anderson, City Manager
Submitted by:	Annabelle Aguilar, CMC, LRA Secretary

RECOMMENDATION

It is recommended that the Local Redevelopment Authority approve the waiver of readings of Ordinances and Resolutions, except by title.

SUMMARY

The approval of the waiver of readings will allow Ordinances and Resolutions to be introduced by title only and acted upon without the need to read the entire text of the item into the public record. The documents related to proposed Ordinances and Resolutions are available for review by the public on the City's website and in the City Clerk's office at City Hall (North).

FINANCIAL IMPACT

There is no financial impact.

ATTACHMENTS

There are no attachments.

**RIVERBANK LOCAL REDEVELOPMENT AUTHORITY
AGENDA ITEM NO. 3.B**

SECTION 3: CONSENT CALENDAR

Meeting Date:	July 8, 2013
Subject:	Approval of the April 22, 2013, Local Redevelopment Authority Meeting Minutes
From:	Jill Anderson, City Manager
Submitted by:	Annabelle Aguilar, CMC, LRA Secretary

RECOMMENDATION

It is recommended that the Local Redevelopment Authority Board approve the LRA meeting minutes.

SUMMARY

The Draft Minutes of the April 22, 2013, Local Redevelopment Authority meeting have been prepared for the Authority's review and approval.

FINANCIAL IMPACT

There is no financial impact.

ATTACHMENT

1. April 22, 2013, LRA Minutes



**CITY OF RIVERBANK
LOCAL REDEVELOPMENT AUTHORITY
MINUTES
MONDAY, APRIL 22, 2013**



The following minutes reflect action minutes, which may contain added clarification for the record. A copy of the verbatim recording may be obtained, for a fee, by contacting the Administration Department at (209) 863-7122.

CALL TO ORDER:

The Local Redevelopment Authority (LRA) of the City of Riverbank met this date in a session at 8:57 p.m. at the Riverbank Council Chambers, 6707 Third Street, Riverbank, California with Chair Richard D. O'Brien presiding.

ROLL CALL:

Present:
Chair Richard D. O'Brien
Vice Chair Jeanine Tucker
Authority Member Darlene Barber-Martinez
Authority Member Dotty Nygard
Authority Member (vacant)

CONFLICT OF INTEREST
Authority Members and Staff who would have a direct Conflict of Interest on any scheduled agenda item to be considered are to declare their conflict.

No one spoke.

1. PRESENTATIONS *There were no presentations.*

2. PUBLIC BUSINESS FROM THE FLOOR (No action can be taken)
At this time, members of the public may comment on any item not appearing on the agenda, and within the subject matter jurisdiction of the LRA. Individual comments will be limited to a **maximum of 5 minutes** per person and each person may speak once during this time. Time cannot be yielded to another person. Under State Law, matters presented under this item cannot be discussed or acted upon at this time by the LRA.

No one spoke.

3. CONSENT CALENDAR

All items listed on the Consent Calendar are to be acted upon by a single action of the Local Redevelopment Authority unless otherwise requested by an individual Authority Member for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.

Item 3.A: **Waive Readings.** All Readings of ordinances and resolutions, except by title, are waived.

Item 3.B: **Approval of the February 11, 2013, Local Redevelopment Authority Minutes.**

Recommendation: It is recommended that the LRA Board approve the Consent Calendar by roll call vote.

ACTION: *By motion (Barber-Martinez / Tucker / passed 4-0) to approve Consent Calendar Items 3.A through 3.C as presented; motion carried by roll call vote.*

4. UNFINISHED BUSINESS *There was no items to consider.*

5. PUBLIC HEARINGS *There was no items to consider.*

NEW BUSINESS

Item 6.1: **Request Approval to Submit a Grant Application to the Office of Economic Adjustment Grant in Support of Local Redevelopment Authority Administration and Implementation of the Riverbank Army Ammunition Plant Reuse Plan Activities** – It is recommended that the Local Redevelopment Authority (“LRA”) Board of Directors (“Board”) adopt a Resolution authorizing the submission of grant request to the Office of Economic Adjustment for funds in support of the Local Redevelopment Authority administration and to assist in activities associated with implementation of the Riverbank Army Ammunition Plant Reuse Plan.

Debbie Olson, LRA Executive Director, presented the item; the LRA Board and Staff discussed the item.

ACTION: *By motion (Tucker / Nygard / passed 4-0); to adopt Resolution No. 2013-004 approving the submittal of a Grant Application to the Office of Economic Adjustment Grant in Support of Local Redevelopment Authority Administration and Implementation of the Riverbank Army Ammunition Plant Reuse Plan Activities as presented; motion carried by roll call vote.*

7. COMMENTS

Item 7.1: Staff Comments: (Information Only – No Action)

No Comments were made by Staff.

Item 7.2: Authority Comments: (Information Only – No Action)

Authority Member Nygard commended Ms. Olson for speaking on behalf of the City of Riverbank and representing the City well and for the progress that has been made; all Board Members agreed.

CHAIR O'BRIEN RECESSED TO CLOSED SESSION AT 9:08 P.M.

8. CLOSED SESSION

Item 8.1: **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: 1 potential case

Chair O'Brien reconvened the meeting at 9:24 p.m. and reported the Direction was given to Staff.

ADJOURNMENT

There being no further business, Chair O'Brien adjourned the meeting at 9:24 p.m.

ATTEST:

APPROVED:

Annabelle Aguilar, CMC, Secretary

Richard D. O'Brien, Chair

**RIVERBANK LOCAL REDEVELOPMENT AUTHORITY
AGENDA ITEM NO. 3.B-1**

SECTION 3: CONSENT CALENDAR

Meeting Date:	July 8, 2013
Subject:	Approval of the June 10, 2013, Local Redevelopment Authority Minutes
From:	Jill Anderson, City Manager
Submitted by:	Annabelle Aguilar, CMC, LRA Secretary

RECOMMENDATION

It is recommended that the Local Redevelopment Authority Board approve the LRA meeting minutes.

SUMMARY

The Draft Minutes of the June 10, 2013, Local Redevelopment Authority meeting have been prepared for the Authority's review and approval.

FINANCIAL IMPACT

There is no financial impact.

ATTACHMENT

1. June 10, 2013, LRA Minutes



**CITY OF RIVERBANK
LOCAL REDEVELOPMENT AUTHORITY
MINUTES
MONDAY, JUNE 10, 2013**



The following minutes reflect action minutes, which may contain added clarification for the record. A copy of the verbatim recording may be obtained, for a fee, by contacting the Administration Department at (209) 863-7122.

CALL TO ORDER:

The Local Redevelopment Authority (LRA) of the City of Riverbank met this date in a session at 7:51 p.m. at the Riverbank Council Chambers, 6707 Third Street, Riverbank, California with Chair Richard D. O'Brien presiding.

ROLL CALL:

Present: Chair Richard D. O'Brien
Vice Chair Jeanine Tucker
Authority Member Darlene Barber-Martinez
Authority Member Cal Campbell
Authority Member Dotty Nygard

CONFLICT OF INTEREST

Authority Members and Staff who would have a direct Conflict of Interest on any scheduled agenda item to be considered are to declare their conflict.

No one spoke.

1. PRESENTATIONS *There were no presentations.*

2. PUBLIC BUSINESS FROM THE FLOOR (No action can be taken)

At this time, members of the public may comment on any item not appearing on the agenda, and within the subject matter jurisdiction of the LRA. Individual comments will be limited to a **maximum of 5 minutes** per person and each person may speak once during this time. Time cannot be yielded to another person. Under State Law, matters presented under this item cannot be discussed or acted upon at this time by the LRA.

Mr. Ric McGinnis presented Debbie Olson, LRA Executive Director, with a City of Riverbank Historical Document relating to the old Army Ammunition Plant.

3. CONSENT CALENDAR

All items listed on the Consent Calendar are to be acted upon by a single action of the Local Redevelopment Authority unless otherwise requested by an individual Authority Member for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.

Item 3.A: **Waive Readings.** All Readings of ordinances and resolutions, except by title, are waived.

Item 3.B: Notice to Move Approval of the Minutes for the April 22, 2013, Regular Local Redevelopment Authority Meeting to the next Regular Local Redevelopment Authority Meeting.

Item 3.C: **Resolution No. 2013-005** Approving Supplemental Agreement No. 5 Amending Army Lease DACA05-1-10-525 to Extend Protection and Maintenance Payments.

Recommendation: It is recommended that the LRA Board approve the Consent Calendar by roll call vote.

Mr. Charles Neal requested clarification on the decrease of Fire Protection and Maintenance funds from \$900,000 to \$170,000. Ms. Olson and Ms. Pam Carder, LRA Projects Specialist, responded.

ACTION: *By motion (O'Brien / Tucker / passed 5-0) to approve Consent Calendar Items 3.A, 3.B, and 3.C-Resolution No. 2013-005 as presented; motion carried by roll call vote.*

4. UNFINISHED BUSINESS *There was no items to consider.*

5. PUBLIC HEARINGS *There was no items to consider.*

6. NEW BUSINESS

Item 6.1: **Report on Status of LRA Budget for Third Quarter of FY 2012/13 –** The LRA Board is asked to receive and approve the attached report on the status of the Budget for the Third Quarter Riverbank Local Redevelopment Authority FY 2012/13.

Pam Carder, LRA Project Specialist, presented the staff report.

ACTION: *By motion (Nygard / O'Brien / passed 5-0) to approve the Third Quarter Budget Report for FY 2012/13 as presented; motion carried by roll call vote.*

Item 6.2: Resolution Approving the Budget for Fiscal Year 2013-2014 for the Local Redevelopment Authority – It is recommended that the Local Redevelopment Authority Board adopt the Resolution approving the Budget for Fiscal Year 2013-2014 for the Local Redevelopment Authority.

Pam Carder, LRA Project Specialist, presented the staff report; the Authority Board and Staff discussed the item.

Public Comment: *Mr. Charles Neal inquired about the repayment of the \$750,000 provided by the City for use as business incentives for tenants at the Riverbank Industrial Complex.*

ACTION: *By motion (Barber-Martinez / Nygard / passed 5-0) to adopt Resolution No. 2013-006 approving the LRA Budget for Fiscal Year 2013/2014 as presented; motion carried by roll call vote.*

7. COMMENTS

Item 7.1: Staff Comments: (Information Only – No Action)

No comments were made by Staff.

Item 7.2: Authority Comments: (Information Only – No Action)

Authority Member Barber-Martinez stated she was concerned with the recent power outage and commended the LRA Staff for proactively having utility maintenance preventative measures.

Chair O'Brien commented on the need to be very proactive in obtaining all the revenue possible and looking at every cost, knowing that funding will be lost in the future.

ADJOURNMENT

There being no further business, Chair O'Brien adjourned the meeting at 8:47 p.m.

ATTEST:

APPROVED:

Annabelle Aguilar, CMC, Secretary

Richard D. O'Brien, Chair

**RIVERBANK LOCAL REDEVELOPMENT AUTHORITY
AGENDA ITEM NO. 6.1**

SECTION 6: NEW BUSINESS

Meeting Date:	July 8, 2013
Subject:	Local Redevelopment Authority Community Advisory Committee Recommendations to the Local Redevelopment Authority Board
From:	Jill Anderson, City Manager
Submitted by:	Debbie Olson, Executive Director

RECOMMENDATION:

It is recommended that the City of Riverbank Local Redevelopment Authority (“LRA”) Board of Directors (“Board”) receive a report consisting of several recommendations from representatives of the LRA Community Advisory Committee (“Committee”) and provide direction to staff on those recommendations. The report and recommendations are presented by the following three members of the Committee:

- **Michael Ijams**
- **Robert Guardiola**
- **Carla Strong**

SUMMARY:

BACKGROUND

On June 11, 2012, the Board took action to form a Community Advisory Committee to assist the Board and advance the mission, goals and vision for reuse of the former Riverbank Army Ammunition Plant and growth and health of the Riverbank Industrial Complex.

The Board also directed the LRA to begin advertising the formation of the Committee and solicit applications from the community for interested individuals willing to serve on the Committee.

Ten (10) applications were received by the filing deadline. Additional applications were received after the filing deadline of August 31, 2012, and kept on file. A subcommittee of the LRA Board consisting of the Chair and Vice-Chair met on Friday, September 2, 2012, to review and discuss the individual applicants.

The following individuals are recommended for a position on the Committee:

Dennis Zinner
Roger Baker
Robert Guardiola
Michael Ijams

George Larson
Cary Pope
Larry King

Stu Gilman
Carla Strong
Darlene Barber-Martinez

The Committee began meeting the second Tuesday of the month at the LRA Offices in November 2012. The November 6, 2012, election created a vacancy on the Committee when Darlene Barber-Martinez was elected to a vacant City Council seat. Ms. Barber-Martinez submitted her resignation but was designated by the City Council as a liaison to the Committee. Mr. **Joe Heaney**, who had an application on file, was selected to fill the vacancy left by Councilmember Barber-Martinez.

Over the course of the past eight (8) months, the Committee covered a variety of topics including base closure process and requirements, conveyance, environmental assessments and contamination on the Riverbank Army Ammunition Plant, remediation options, tenants, marketing, LRA oversight, budget issues, use of grants, use of Master Developer, and the development of a small business accelerator (among other topics).

ITEMS FOR CONSIDERATION:

After some discussion and debate, the Committee has developed seven (7) general recommendations for review, consideration and action by the Board. The recommendations are briefly presented below in no particular order. An attachment to the staff report provides a bit more insight into each recommendation. The CAC recommends that:

- 1.) The LRA Board direct staff to prepare for review and approval a set of organizational bylaws to better clarify purpose, governing structure, organizational rules, business activities and operations of the LRA.
- 2.) A regional perspective be included in strategic planning for cohesion with other Central Valley projects and to strengthen and reinforce alliances across the region.
- 3.) LRA staff be directed to re-release the request for qualifications (“RFQ”) for a Master Developer.
- 4.) Formalize a small business incubator/accelerator at the Riverbank Industrial Complex.
- 5.) Create an exempt classification for LRA staff, wholly funded with LRA revenues apart from the General Fund or other City enterprise funds.
- 6.) Expand revenue generation opportunities to include short-term tenants with few employees (e.g., warehousing, self-storage, server farms, etc.).

7.) Use LRA resources to develop a simple but distinct logo for the Riverbank Industrial Complex.

FISCAL IMPACT

No general fund impact associated with the presentation.

LRA staff time and resources may be necessary if the Board requests implementation of some or all recommendations.

ATTACHMENT

Recommendations: A concise list of the recommendations for consideration prepared and presented to the LRA Board by members of the Community Advisory Committee.

LOCAL REDEVELOPMENT AUTHORITY

Community Advisory Committee Recommendations

Presented by Michael Ijams:

- 1.) The CAC recommends that the LRA Board of Directors direct staff to investigate and undertake the preparation of a set of bylaws for consideration and approval. These bylaws would:
 - a. Define and describe the purpose of the organization and the roles and responsibility of key positions in the organizations
 - b. Clarify the governing structure, organizational rules and intergovernmental relationships
 - c. Support mission, vision and values of the community and governing board
 - d. Maintain consistency in the running of the organization and help to avoid conflict
 - e. Promote transparency in business activities and operations of the organization
 - f. Provide educational background to LRA and City staff, the public and to incoming City Council/LRA Board Members
 - g. Facilitate greater input from interested parties and community stakeholders and leaders

The bylaws would also add to the legitimacy of the agency and provide an increased level of credibility to granting organizations.

- 2.) The CAC recommends that the LRA work closely and cooperatively with representatives of a variety of regional projects and other local agencies in order to maximize the potential for regional impact to the economic development activities at the Riverbank Industrial Complex. Organizations with regional impact such as the North County Corridor Project, StanCOG, the local Chambers of Commerce, the Stanislaus Economic Development and Workforce Alliance should be specifically targeted for collaborative engagement.

The LRA Board of Directors and staff should enhance strategic communications and interaction with these organizations in an effort to achieve a high level of coordination that would be mutually beneficial and provide a multiplier effect for the cumulative impact of all planning and business development activities in the region.

- 3.) The CAC recommends investigating all reasonable alternatives for successful development of the Riverbank Industrial Complex. Specifically, CAC recommends initiating a new Request for Qualifications (RFQ) for a Master Developer Services Agreement.

The LRA Board can determine from the responses to an RFQ if there are qualified management organizations willing to enter into an agreement and provide experienced management and expedite capital improvements to enhance and promote economic development growth at a faster pace.

LOCAL REDEVELOPMENT AUTHORITY

Community Advisory Committee Recommendations

Presented by Carla Strong:

- 1.) The CAC recommends that the LRA develop a policy that provides a balanced approach to supporting businesses in various stages of development. The Committee recommends the LRA continue to market and outreach space to traditional manufacturing and service companies but consider setting aside space and advancing specific incentives for small growing businesses and startups. In essence, formalizing a business incubator/accelerator.

A space allocation with specific criteria for inclusion in a Riverbank Industrial Complex incubator/accelerator could be developed for a percentage of businesses involved in this program. Incentives may be developed and geared specifically for supporting this select group of tenants. Those might include (among other kinds of support):

- a. Small business training, such as writing a business plan, developing a marketing plan, applying for funding
 - b. Reduced utility costs
 - c. Access to technical, financial and personnel support
 - d. Use of existing office equipment to defray startup costs (i.e., office furniture, high speed copier, plotter, Wi-Fi, software, etc.)
 - e. Partnerships with business mentors
- 2.) CAC recommends the City create an exempt classification for LRA staff funded wholly with LRA revenues. This would allow the LRA to:
 - a. Retain fiscal control of all grant funds, with BoD oversight
 - b. Acknowledge the quasi-independent nature of the LRA from City departments and General Fund expenditures
 - c. Ensures that the LRA is able to exercise all rights and responsibilities required by contractual agreements and federal mandate
 - d. Hire additional staff and continue conveyance and reuse work unimpeded by fiscal constraints of the City's budget

While reductions in City staff, salaries and work hours may be necessary to avoid a financial crisis in the City's General Fund, the LRA is fully supported by funds derived from outside sources. Funds reduced from the LRA-funded budget do not accrue as savings for the City, and in truth, serve to impede the agency's ability to fully execute the LRA Board's policy direction and fulfill Agency responsibilities. Additionally, a better alignment with job descriptions and LRA responsibilities for key personnel is recommended to aid it job posting and succession planning.

Significant grant funds have gone unexpended, positions unfilled and progress on the project stalled due to combining LRA staff with City personnel. Failure to expend grant funds allocated for LRA purposes must be de-obligated and returned. Granting agencies do not view this positively, in part because the grant funds do not return to the granting agency. Over the past five years, the LRA estimates they were required to de-obligate just under \$500,000, with over \$300,000 attributable to hiring freezes, furloughs and salary reductions. This leads to lower grant awards in the following rounds and lack of confidence in the project by grant staff, inability to complete contractual obligations and a loss of project momentum.

LOCAL REDEVELOPMENT AUTHORITY

Community Advisory Committee Recommendations

Presented by Robert Guardiola:

- 1.) The CAC recommends that the LRA develop plans for promoting the use of existing buildings and exterior space at the Riverbank Industrial Complex for short-to-medium term tenants that may not advance long-term job creation.

Businesses that need warehouse space, parking or temporary storage may not generate the employment numbers or training advantages that a manufacturing business might offer. However, enhanced revenue generation from these businesses could be used to invest in upgrades or renovate other spaces on the site that would be highly attractive to job-intensive manufacturing businesses.

- 2.) The CAC recommends that the LRA Board of Directors allocate funding in the LRA budget to contract with a qualified media or public relations firm to develop a simple, but distinct logo and branding strategy for the Riverbank Industrial Complex. The objective is to differentiate the facility from the former Riverbank Army Ammunition Plant and issues surrounding military uses and abuses.

Once developed, all future stationary, print matter, signage and messaging could be used to reinforce the branding development and expansion efforts.

**RIVERBANK LOCAL REDEVELOPMENT AUTHORITY
AGENDA ITEM NO. 6.2**

SECTION 6: NEW BUSINESS

Meeting Date:	July 8, 2013
Subject/ Title:	Resolution to Approve an Environmental Services Cooperative Agreement that Replaces the Previously Approved Supplemental Lease Agreement to Army Lease No. DACA05-1-10-525 to Remediate and Remove Surplus Army Personal Property
From:	Jill Anderson, City Manager
Submitted by:	Debbie Olson, Executive Director

RECOMMENDATION:

It is recommended that the Local Redevelopment Authority (“LRA”) Board of Directors (“BOD”) approve execution of an Environmental Service(s) Cooperative Agreement (“ESCA”) as an alternative contracting vehicle and replacement to the previously approved Lease Amendment to Remediate and Remove surplus Army Personal Property.

SUMMARY

BACKGROUND

On February 11, 2013, the LRA Board approved a supplemental agreement to amend the Department of Army Lease No. DACA 05-3-1-525 which would increase the Protection and Maintenance money being paid to the LRA by up to \$11.2 million dollars. The agreement would also allow remediation, removal and disposal of surplus army personal property left on the site. After months of moving in this direction, the Army has determined that a lease amendment is not the appropriate method for authorizing the work. Instead an ESCA is the preferred contracting vehicle for this work. Since the LRA Board’s approval was for a lease amendment instead of an ESCA, this is being brought back for authorization.

There is no detriment to doing an ESCA rather than a lease amendment other than the additional time that it will take to draft, review and execute a new agreement. The ESCA will have the same scope of work and will have the same result as the lease amendment. An exhibit is provided with this staff report that describes an ESCA in fuller detail.

TERMS OF THE ESCA

The terms of the ESCA are essentially the same as the Amendment would have been although some of the numbers have been updated. Under the terms of the ESCA, the Army agrees to pay the LRA between \$9,365,000 and \$10,998,000 for services outlined in the scope of work. Cost assumptions are based on the gross weight of the equipment. At the time of disposal, weights will be verified and additional fees paid if weights are over and above estimates.

Additionally, there may be environmental insurance required, which is one key difference between an ESCA and a Lease Amendment. If it is required, pursuant to legal review, then this additional cost will be borne by the Army and added to what is paid to the LRA.

The work is expected to take six months to complete.

FINANCIAL IMPACT

No general funds will be necessary for the operations and maintenance of the property.

The LRA will receive an estimated \$10,998,000 in payments in exchange for remediation and removal of surplus Army personal property at the Riverbank Army Ammunition Plant.

ATTACHMENT

ESCA Fact Sheet	Describes an ESCA and the responsibilities of parties involved.
Resolution	Approves an Environmental Services Cooperative Agreement with the Army to require the Army to pay the LRA for remediation and removal of surplus Army personal property

FACT SHEET

ENVIRONMENTAL SERVICE COOPERATIVE AGREEMENTS AT FORMER FEDERAL FACILITIES

Use of an ESCA (often in conjunction with an Early Transfer Authority) allows a designated authority to assume greater control of the remediation decisions at former federal facilities.

- Section 334 of the National Defense Authorization Act for Fiscal Year 1997 amended CERCLA¹ to allow contaminated federal property to be transferred to private parties before all remedial action has been completed. Consequently, the “Section 334 Early Transfer,” allows for the transfer of contaminated federal property prior to the completion of the CERCLA 120(h) cleanup requirements.
- To facilitate an even more rapid transfer of the Base Closure and Realignment (BRAC) portions of federal facilities to the ultimate reusers, the Local Reuse Authority (LRA) proposes entering into an Environmental Services Cooperative Agreement (ESCA). The ESCA will vest increased control and responsibilities for completing the environmental remediation with local governmental entities, utilizing the funding provided by the United States.
- The ESCA allows for the transfer of responsibility for the remediation and other longterm management tasks associated with the environmental conditions at former federal facilities to the LRA in exchange for an obligation to pay or reimburse the LRA according to a negotiated schedule for assumption of these duties.
- The completed ESCA will be a detailed agreement between the responsible federal entity and the LRA that sets forth:
 - o The duties of each party
 - o The requirements that each party must meet
 - o The environmental site conditions and levels of known contamination
 - o Levels of remediation that must be achieved
 - o The remedy methodology (approved by EPA and relevant state regulatory agencies) that must be implemented by the LRA
 - o Provisions regarding discovery of unknown contaminants
 - o Funding and reporting mechanisms

General Requirements of the Federal Entity Arising From the ESCA

- The federal entity uses the ESCA mechanism to “contract” with the LRA to perform its environmental remediation according to the Technical Specifications & Recommendations Statement (TSRS). The TSRS details the exact technical performance requirements that must be performed to achieve “clean-up” and binds the parties in great detail to their respective roles and responsibilities.

- A key portion of the ESCA is the fact that the LRA's duty to act is strictly contingent upon the federal entity providing funding for the remediation.
- Specifically, the federal entity duties under the ESCA include:
 - Provide funds agreed upon in the ESCA pursuant to federal regulation
 - Remain as Lead Agent Authority and retain ultimate responsibility
 - Conduct oversight of restoration efforts
 - Retain responsibility for and remediate if necessary, any "Government Retained Conditions" – i.e. continued responsibility
 - Ultimately, grant CERCLA 120(h) Covenant to the Reusers

General Requirements of the LRA Arising from the ESCA

The LRA must also perform specific duties negotiated through the ESCA to meet technical contamination remediation levels and achieve regulatory closure in exchange for a specific reimbursement pursuant to the ESCA.

- A key component from the local government's stance, is the fact that the duty to act to complete the remediation is absolutely contingent upon the federal entity providing funding pursuant to the ESCA and the negotiated Cooperative Agreement Award.
- The LRA may then contract with the selected reusers to conduct the detailed remediation activities for the local government. This allows the entity in the best position to achieve a complete and rapid remediation, the ultimate reuser, to leverage synergies for simultaneously conducting the remediation and redevelopment.
- In turn, the reuser performance of the remediation tasks is subject to the oversight of the LRA and the federal entity to ensure that the remediation is performed correctly. This ensures that any residual liability is contained. 3
- Pursuant to the ESCA, the LRA must:
 - Achieve remediation completion as detailed in the Technical Specifications & Requirements Statement (TSRS)
 - Reach performance-based objectives under federal entity oversight pursuant to TSRS
 - Remediate in accordance with applicable federal and state law
 - Remediate within the up-front negotiated budget (for known and identified site conditions)

- o Ensure compliance with Recipient – Regulator Agreement (if necessary for early transfer)
 - o Acquire environmental insurance as condition of the ESCA to cover cost increases arising during the remediation
- The federal entity usually requires environmental insurance to cover cost increases or discovery of unknowns at the sites. Specifically, the federal entity requires that this insurance be purchased and utilized for discovered unknown contamination, despite the fact that the ultimate liability remains with the federal entity. This is considered a “trade-off” by the federal entity in exchange for allowing rapid reuse, and a necessary requirement to ensure that it contains its liability after relinquishing control of the process. The federal entity will include the cost of insuring the unknowns into the negotiated ESCA payout amount.

The practical effect of this environmental insurance requirement, as a condition precedent to entering into an ESCA, is that if unknown environmental conditions are discovered at the site, using the environmental insurance to remedy the situation will allow the reuse to proceed without the three to five year wait that would result while the federal entity begins the cumbersome environmental investigation, federal funding allocation and remediation processes.

¹ CERCLA stands for the Comprehensive Environmental Response, Compensation and Liability Act

RIVERBANK LOCAL REDEVELOPMENT AUTHORITY

RESOLUTION

A RESOLUTION OF THE LOCAL REDEVELOPMENT AUTHORITY BOARD OF THE CITY OF RIVERBANK AUTHORIZE THE CITY MANAGER TO ENTER INTO AN ENVIRONMENTAL SERVICES COOPERATIVE AGREEMENT WITH THE ARMY FOR REMEDIATION AND REMOVAL OF ARMY PERSONAL PROPERTY

WHEREAS, on May 16, 2005, the Secretary of Defense published in the Federal Register and transmitted to the Congressional Defense Committees and the Defense Base Closure and Realignment Commission a list of military installations that the Secretary of Defense recommends for closure or realignment; and,

WHEREAS, the Riverbank Army Ammunition Plant was placed on the list of military installations recommended for closure; and,

WHEREAS, the City Council is a duly elected body of the City of Riverbank, and as such, the designated authority with zoning authority over the closing base; and,

WHEREAS, and the Riverbank City Council, as the recognized and designated Local Redevelopment Authority for Riverbank Army Ammunition Base, has submitted a Reuse Plan for the redevelopment of the Riverbank Army Ammunition Plant as required under BRAC law and regulation; and,

WHEREAS, the Local Redevelopment Authority now wishes to oversee the fulfillment of the vision, goals and objectives as stated by the community and presented in the Reuse Plan; and,

WHEREAS, to do so, the Local Redevelopment Authority deemed it necessary to enter into a lease with the Army to allow the LRA to operate the Riverbank Army Ammunition Plant beginning April 1, 2010; and,

WHEREAS, according to the lease, the Local Redevelopment Authority agrees to perform certain duties associated with maintenance, operations and security on behalf of the Army; and,

WHEREAS, certain personal property located on the leased premises is contaminated with non-liquid polychlorinated biphenyls; and,

WHEREAS, the Army has requested, and the Local Redevelopment Authority is proposing to perform the remediation and/or disposal of such personal property at Army expense; and,

WHEREAS, determined the most appropriate way to handle this remediation and removal is with an Environmental Services Cooperative Agreement (ESCA).

NOW, THEREFORE, BE IT RESOLVED that the Local Redevelopment Authority Board of the City of Riverbank hereby authorizes the City Manager to execute an Environmental Services Cooperative Agreement with the Army for the remediation of specific surplus Army personal property.

PASSED AND ADOPTED by the Local Redevelopment Authority Board of the City of Riverbank at a meeting held on the 8th day of July, 2013; motioned by Authority Member _____, seconded by Authority Member _____, and upon roll call was carried by the following vote of ____:

AYES:

NAYS:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Annabelle Aguilar, CMC
Secretary

Richard O'Brien
Chair