

DATE ISSUED: November 24, 2004

REPORT NO. CCDC-04-44

ATTENTION: Chair and Members of the Redevelopment Agency
Docket of November 30, 2004

SUBJECT: Agreement with San Diego Landfill Systems (Allied Waste) for Landfill Fees at the "Smart Corner" -- Core Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project

REFERENCE: None.

STAFF CONTACT: John L. Anderson, Resident Engineer
David N. Allsbrook, Manager-Contracting and Public Works

SUMMARY

Issue - Should the Redevelopment Agency of the City of San Diego approve the Agreement with San Diego Landfill Systems (Allied Waste) for landfill fees at the Smart Corner, in the amount of \$657,000? The maximum compensation will not exceed \$657,000.

Staff Recommendation - That the Redevelopment Agency of the City of San Diego approve the Agreement with Allied Waste for landfill fees at Smart Corner, in the amount of \$657,000. The maximum compensation will not exceed \$657,000.

Centre City Redevelopment Corporation Recommendation - On November 22, 2004, this item will be considered by the Corporation Board of Directors. An oral update on the recommendation of the Corporation will be provided to the Redevelopment Agency at its meeting of November 30, 2004.

Other Recommendations - None.

Fiscal Impact - Funds are available in the Fiscal Year 2004-2005 Centre City Redevelopment Project Budget for the Smart Corner Development. A total of \$525,000 is budgeted for remediation in Fiscal Year 2005. Of this amount, \$325,000 is remaining. With this authorization of \$657,000, the balance of \$332,000 will be charged against the \$1.7 million Smart Corner Trolley Station budget which is still part of the Smart Corner budget. This \$332,000 reduction will be re-budgeted in Fiscal Year 2006.

BACKGROUND

In October 2000, the Corporation issued a Request for Qualifications/Proposals (ARFQ/P @) for the development of the ASmart Corner @ located at the block bounded by 11th and 12th avenues, Broadway and AC@ Street (the ASite@). The Redevelopment Agency ("Agency") has entered into a Disposition and Development Agreement ("DDA") with CJUF-Smart Corner LLC, ("Developer") to construct the Smart Corner project on the site. The Agency is responsible for the cost of remediation of the site.

Gradient Engineers, Inc. is the environmental service consulting firm under contract to the Corporation for the Smart Corner site. Gradient prepared Phase I and II Environmental Site Assessment Reports in the Spring and Summer of 1998, and entered into an environmental testing and monitoring agreement in October 2002 with the Corporation. Gradient has identified two types of contaminated soils that are required to be tested and disposed of at the appropriate landfills:

- # Petroleum Hydrocarbon impacted soil, and
- # Lead impacted soil.

On October 27, 2004, Gradient prepared the following chart containing the cost(s) for landfill disposal, impacted soil and quantities:

Type of Soil	Cubic Yards	Tons	Unit Cost/Ton	Landfill Disposal Cost(s)
petroleum impacted soil	9,000	13,000	\$27.00	\$364,500
*lead impacted soil (1)	5,200	7,800	\$27.00	\$210,600
*lead impacted soil (2)	2,000	3,000	\$27.25	\$ 81,750
Subtotals	16,200	24,300		\$656,850

*lead impacted soil (1) transported to Allied Waste Otay Mesa Landfill

*lead impacted soil (2) transported to Allied Waste Copper Mountain Facility in Arizona

The Corporation will pursue cost reimbursement of the petroleum impacted soil under the Polanco Redevelopment Act.

In many projects, the disposal facility would be selected by the environmental consultant, and the

disposal fees would be paid through the consultant's contract, usually at a mark-up of 10-20%. However, in order to avoid these mark-up fees (which in this project would amount to a minimum of approximately \$65,000), the Corporation is contracting directly with the landfill recommended by the environmental consultant.

CONTRACTING FIRM

The contracting firm is comprised of the following principals and primary contacts:

Firm Name: San Diego Landfill Systems (Allied Waste)		
PRINCIPALS AND PRIMARY STAFF ASSIGNED TO THE CONTRACT	TITLE	PRIMARY CONTACTS
Charles Cotros	Company CEO	X

EQUAL OPPORTUNITY

This is a sole source agreement due to the limited availability of landfills in Southern California and other adjacent states that are authorized to accept material that will be generated during the Smart Corner excavation. The Corporation believes this landfill provides the best disposal price while also meeting other important requirements such as insurance coverage, regulation by the appropriate environmental authorities, and corporate assets.

San Diego Landfill Systems submitted a Work Force Report on November 3, 2004, which indicates a total of 67 employees in their San Diego office, of which 13 are female and 45 are members of an under-represented ethnic group:

- (3) African American Males
- (33) Hispanic Males
- (5) Hispanic Females
- (1) Asian Male
- (3) Asian Female

The City of San Diego EOCP staff will request an Equal Employment Opportunity Plan describing equal employment policies and practices to remedy the identified under-representations.

SUMMARY/CONCLUSION

The Corporation is required to pay for the remediation of the site per the Disposition and Development Agreement ("DDA"). The landfill disposal fees are a required part of the remediation scope of work.

There is no conflict of interest known to me regarding any Agency or Corporation officer or employee regarding this agreement.

Respectfully Submitted:

Concurred by:

JOHN L. ANDERSON
RESIDENT ENGINEER

PETER J. HALL
PRESIDENT

DAVID ALLSBROOK
MANAGER - CONTRACTING & PUBLIC WORKS