



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: April 17, 2018

TO: Mayor and City Council

FROM: Chris Freeland
City Manager

SUBJECT: UPDATE ON EXCLUSIVE NEGOTIATION AGREEMENT WITH SINGPOLI GROUP LLC FOR DEVELOPMENT OF FORMER BKK LANDFILL (APN NOS: 8735-002-906, 8735-002-909, 8735-002-910, 8735-002-018)

RECOMMENDATION:

It is recommended that the City Council receive and file this informational report.

BACKGROUND:

This item was carried over from the April 3, 2018 City Council Meeting.

The Successor Agency (Agency) to the former West Covina Redevelopment Agency received a Finding of Completion (FOC) from the Department of Finance (DOF) on December 16, 2015. Shortly thereafter on December 18, 2015, the Agency also obtained DOF approval of the Long Range Property Management Plan (LRPMP), which includes the disposition of properties previously owned by the former Redevelopment Agency.

On October 17, 2016, the Agency received an unsolicited Letter of Intent (LOI) from Singpoli Group LLC (Singpoli) for the development of three of the Agency properties located at the BKK Landfill site. For the past year and a half, City staff has been working closely with Singpoli on the possible development of the BKK site. In addition, two community meetings were conducted to seek community input on the proposed development; one held on Monday, December 4, 2017, at the Cameron Community Center and the other on Wednesday, December 6, 2017, at Shadow Oak Park.

Singpoli's proposal includes a hotel, virtual reality park, horse training facility with event space and pavilion, horse barns and stalls, aerial adventure park (zipline), a solar and greenhouse program, and a K-9 unit and Fire Department training facilities (Attachment No. 1).

DISCUSSION:

At the December 19, 2017 City Council Meeting, the City Council approved an Exclusive Negotiation Agreement (ENA) for the purchase of the properties. The ENA is for one hundred eighty (180) days, which expires on June 17, 2018. The ENA would provide Singpoli and the City time to negotiate the terms of the sale and a disposition/development agreement. In addition, Singpoli and City staff were to meet with four regulatory agencies that are part of the review/approval process for the proposed development: Department of Toxic Substances Control, Los Angeles County Regional Water Quality Control Board, CalRecycle, and United States Fish and Wildlife Service.

This report is to provide the community with an update on the meetings that were conducted with the four environmental agencies. In attendance at the meetings were City Manager Chris Freeland, Economic Development & Housing Manager Paulina Morales, City Attorney Kimberly Hall Barlow, and Singpoli.

- Los Angeles Regional Water Quality Control Board (Water Board) – January 24, 2018
 - The Water Board was very appreciative that City has reached out prior to any project being developed.
 - Main discussion was on ways to prevent infiltration of water into either the Class III or Class I landfills.
 - The Water Board would like to review hydrology design of proposed site to minimize amount of water being exposed to landfill.
 - The Water Board is more supportive of current design, rather than a golf course, due to amount of water being put onto landfill daily if used as a golf course.
 - The Water Board prefers no lakes or other waterbodies on or adjacent to landfill. If Singpoli wishes to do so, extensive engineering and a liner system must be put in place.
 - The project will need to address National Pollutant Discharge Elimination System (NPDES).
 - The Water Board expressed concern about condition of existing retention basin.

- Department of Toxic and Substance Control (DTSC) & CalRecycle – February 13, 2018
 - Agencies provided clarification of responsibility over site.
 - DTSC oversees post-closure operations of Class I landfill (Hazardous Waste).
 - CalRecycle oversees post-closure operations of Class III landfill (Municipal Waste).
 - Both agencies are still concerned with state of the retention basin and continue to require repairs to retention basin and the installation of fencing between the Successor Agency and landfill properties.¹
 - As part of the Second Consent Decree in 2010, DTSC is conducting an Engineering Evaluation/Cost Analysis (EE/CA) to assess the condition of the landfill cover system, the gas mitigation, collection and disposal systems and the leachate collection and treatment system. DTSC is conducting the investigation to evaluate alternatives and make recommendations to maintain the long-term stability of the systems. DTSC anticipates completing this investigation by the end of 2018.

¹ This request has been submitted to the California Department of Finance, which authorizes funding from the former Successor Agency to make the needed repairs.

- Upon completion of the investigation, DTSC will need to negotiate additional Consent Decree(s) to fund the implementation of the recommendations and the ongoing maintenance.
- In 2015, DTSC negotiated the Third Consent Decree with Potentially Responsible Parties (PRPs) to fund groundwater contamination investigation. DTSC anticipates completion of this investigation in a minimum of two years.
 - Upon completion of the investigation, DTSC will need to negotiate additional Consent Decree(s) to fund the implementation of the recommendations and the ongoing maintenance.
 - Once investigations are completed, both Agencies will work towards redesigning the leachate and gas collection/monitoring systems.
 - DTSC anticipates completion of the new leachate, gas collection, and groundwater monitoring systems in approximately six years.

This means any project to be developed will need to work with DTSC's timeline (six years), but the development can occur in tandem with DTSC's project.

- Agencies are concerned the final cap and cover were not completed properly and will ensure any future development brings the cap and cover to the required standards.
- Both agencies will want to review a hydrology plan for proposed development to ensure water is kept off landfills.
- CalRecycle would like to include design parameters in any new structures (i.e. methane monitors, foundation barriers, buffer from the landfill, crawl spaces, etc.) for all structures, including any residential components.
- As the project moves forward, both agencies would like to provide additional feedback.
- Both agencies want easements to gain access to site and all monitoring wells on landfill and properties currently owned by the Successor Agency (Properties Singpoli is seeking to purchase).
- No pilings into landfill site.
- Singpoli's proposed development project and DTSC/CalRecycle investigation and future implementation projects can move forward simultaneously, however, DTSC and CalRecycle can't provide recommendations on the new monitoring systems until their investigations are completed.
- Singpoli needs to complete design to show location of project components specifically those located on the landfills to verify development won't interfere with the location of the future monitoring systems DTSC & CalRecycle are investigating.
- Singpoli will need to conduct tests on the landfills for the compaction/ stability due to decomposition regarding development directly on the landfills.
- Both agencies are supportive of narrowing down the Landfill permit boundary, once investigations are completed and they have implemented their recommendations (installed new monitoring systems).
- Solar Greenhouses will need to be part of future design, as agencies need more time to work on Class I landfill. Working group of Potential Responsible Parties will also need to be consulted.
- City will need to review deed restrictions on site before project can move forward. This will include discussions and approvals from United States Environmental Protection Agency.
- No concern was expressed about Nogales entrance being made available for public safety facilities (Police K-9 training or Fire training facilities) or emergency exit for project.

- United States Fish and Wildlife Services (USFW) – February 15, 2018
 - USFW recommends a biologist map out existing plants on Successor Agency property and adjacent open space, as locations for future Coastal Scrub & Sage (CSS) habitat. This includes non-native and invasive plant species.
 - Repairs needed on existing habitat above Big League Dreams.
 - Singpoli's proposed project, or any future project, will need to provide the remaining CSS habitat required as part of the mitigation measures for the Final Closure Plan.
 - USFW will want to provide input on future CSS location and design.
 - USFW prefers continuous habitat so they gnatcatcher can migrate undisturbed.
 - USFW wants to see native plants included in the Singpoli design.
 - USFW prefers the golf course design, as the open space of the golf course allowed for large habitat area, but USFW understands need for a project and is supportive of changing from original design.
 - Project needs to examine any new challenges that may come from a specific type of development. For example, equestrian uses may attract cowbirds that are not friendly to gnatcatcher habitat. Thus, a program to deter cowbirds may be required.
 - USFW will require a dedicated funding source for ongoing maintenance in perpetuity (Mello Roos) to ensure success of habitat area.²
 - USFW has concern with location of the proposed Fire Department training facility as it overlaps future habitat areas (Black Walnuts). The facility may need to be relocated.
 - Ziplining through CSS habitat will not be allowed. USFW wants a better grading plan of proposed development to see how close horse stables will be to the CSS habitat.
 - USFW recommends a buffer between the project and the CSS habitat to reduce impacts on habitat and prevent people from venturing into and damaging habitat. This will include the location and design of the trails from Big League Dreams to Galster Park to the County trail system.
 - May have difficulty connecting to County Trail System, due to nature preserve in Walnut, east of the BKK Landfill.

Based on the meetings with the regulatory agencies, they expressed an overall understanding of the proposed development project on the site and conveyed a willingness to work with the developer and the City to move forward in finalizing a design that will meet their requirements.

Over the next couple of months, City staff will continue to work with Singpoli to identify a proposed timeline of the project and a revised design based on the meetings with the regulatory agencies. Once completed, this information will be presented for the City Council's consideration.

OPTIONS:

The City Council has the following options:

1. Approve staff's recommendation; or
2. Provide alternative direction.

² A CSS Fund (Mello Roos) is already in place and collects funding from property owners (City, BKK, and Heights Shopping Center) for the preservation of the CSS habitat.

FISCAL IMPACT:

There is no fiscal impact related to the update of the meetings with the four regulatory agencies.

Prepared by:



Chris Freeland
City Manager

Reviewed by:

Approved via Email
Kimberly Hall Barlow
City Attorney

ATTACHMENT:

Attachment No. 1 — Singpoli's Proposed Site Plan

■ PROGRAM OVERVIEW

- Hotel
- Horse Training Track with Internal Event Space and Pavilion
- Future Virtual Reality (VR) Park
- Employee Village
- Horse Barns and Support Facilities
- K-9 Training Facilities
- Fire Department Training Facility
- Zipline and Aerial Adventure Park
- Solar and Greenhouse Program