

**Council Meeting: May 25, 2010****SUBJECT: Update Regarding Morse Avenue Park Site Development
(Information Only)**

The Morse Avenue Neighborhood Park Development Project has been in the City's long term capital improvement plans since the City purchased the future park site property occupied by the Fair Oaks Industrial Park site in 1990. At that time, a Phase I Environmental Assessment was completed by United Soils Engineering, Inc. The report showed no indication of hazardous materials and did not recommend further testing.

Since 1990, new housing has been built in the surrounding area, increasing demand for a new neighborhood park. Last year, City Council approved the capital budget to begin the park development process - design in FY 2009/10, demolition in FY 2010/11, and construction in FY 2011/12. The total budget currently planned for the park is \$4,108,666, with all funding to come from the Park Dedication Fund (no General Fund monies are involved).

In February 2010, the City contracted with Erler & Kalinowski, Inc. (EKI), a consulting engineering firm, to conduct a Phase II Environmental Assessment which included a pre-demolition hazardous materials survey for buildings and a cultural resources survey for the site. These are typical first steps to meet California Environmental Quality Act (CEQA) requirements prior to the start of construction for the new park.

Staff had anticipated that some amounts of hazardous materials such as asbestos and lead based paint would be found in the five buildings on the Morse Avenue Park site since they were constructed prior to 1978 when those types of materials were widely used. The reports back from EKI confirmed those findings, most of which will need to be abated prior to the demolition of the buildings.

However, EKI's sampling survey also found *"the presence of lead and arsenic in shallow soil on the Site at concentrations above potentially relevant environmental regulatory screening criteria for unrestricted land use, and above typical background concentrations for South Bay Area soils. The presence of elevated lead and arsenic in soil on the Site appears to be due to the previous orchard use of the Site, e.g., possible application of lead-arsenate as a pesticide."*

Since no hazardous substances were reported in the Phase I Environmental Assessment conducted in 1990, these Phase II soil findings were not expected.

The purpose of this Information Only report is to notify the City Council and general public of the findings of the Phase II Environmental Analysis as early in the park planning process as possible. There will now be a noticeable delay in the project while staff prepares a more detailed report to explore available options. At the very least, staff will need to:

- Report the findings to the Department of Toxic Substances or Regional Water Quality Control Board and provide a Remedial Action Plan.
- Amend the CEQA document with detail and expenses related to the presence of lead and arsenic substances in the soil.
- Conduct further analysis to determine the extent of contamination and remediation options. (This can be done various ways, but the recommended approach is to perform testing after the buildings on the site have been removed, which raises additional considerations in terms of cost and timing.)
- Determine likely increases in project costs to remediate soil contaminants, as well as funding options (rough initial estimates suggest that costs could increase by as much as several million dollars).
- Postpone public meetings to gather park design input.

Once staff has had a chance to further explore these issues, it will report back to the Council with a recommended strategy. Options will include moving forward with the project as planned and postponing the project indefinitely or to a time certain.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk, Senior Center, Community Center, Department of Community Services Administration, and on the City's Web site.

Copies of this report were also provided to the chairpersons or presidents of the nearby Neighborhood Associations, to local residents who have contacted the City in regards to the status of the Morse Avenue Park project, and to the "Friends of Parks and Recreation" mailing list (a list of organizations and individuals who have expressed an interest in Parks and Recreation issues).

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