



# City Council Report

**Date:** September 22, 2014  
**To:** City Council  
**Through:** Karolyn Kent, Deputy City Manager  
**From:** Scott Bouchie, Deputy Director – Environmental and Sustainability  
Jeffrey McVay, Project Manager – Development and Sustainability  
**Subject:** Resolution authorizing the City Manager to enter into a grant agreement with the Environmental Protection Agency for the receipt and administration of grant funds for environmental assessment of property associated with the Gilbert Road Light Rail Extension  
*District 4*

## Strategic Initiatives



## Purpose and Recommendation

The purpose of this report is to provide information on the Environmental Protection Agency (EPA) Brownfield Assessment Grant (to be forthcoming). The Development and Sustainability Department applied for a \$400,000 grant to fund environmental assessments of properties associated with the Gilbert Road Light Rail Extension. Staff recommends that the City Council adopt the attached Resolution, which authorizes the City Manager to execute a Grant Agreement and any related amendments or supplements thereto, between the EPA and the City of Mesa.

## Background

Brownfields are real property, upon which the expansion, redevelopment, or reuse may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. The U.S. EPA Brownfields Assessment Grant is focused on the assessment of properties with real or perceived contamination in support of reinvestment, reducing blight, and environmental protection. The Brownfield Assessment Grant program allows communities to apply for up to \$200,000 to assess site contaminated by hazardous substances and up to \$200,000 to assess sites contaminated by petroleum products.

For 2014, the U.S. EPA awarded the City of Mesa two Brownfield Assessment Grants totaling \$400,000, which included a \$200,000 grant for assessing properties contaminated by hazardous substances and a \$200,000 grant for assessing properties contaminated by petroleum products. These grants will fund the assessment of properties that will be acquired as part of the Gilbert Road Light Rail Extension (GRE). Similar grants, totaling \$400,000, were awarded to Mesa in 2011,

and were used to conduct 73 Phase I environmental site assessments (ESAs) and 9 Phase II ESAs on properties acquired for the Central Mesa Light Rail Extension.

## **Discussion**

The area of the GRE has a long history of automotive and industrial operations that have resulted in real or perceived contamination with hazardous substances and petroleum products. Based on the environmental assessment completed for the GRE, more than 30 properties have been preliminarily identified for acquisition and as sites of concern based on past use. Further, as the GRE design is refined and finalized, additional property acquisition needs will be likely be identified. In all cases of property acquisition, the City will be required to conduct a Phase I ESA, and where warranted, conduct a Phase II ESA. By accepting the two Brownfield Assessment Grants, the City is able to save money for the GRE project by conducting required ESAs separate outside of the GRE budget.

## **Alternatives**

1. ***ACCEPTANCE OF THE EPA'S \$400,000 GRANT AWARD.*** Fund environmental assessment of properties associated with the Gilbert Road Light Rail Extension and approval of the resolution authorizing the City Manager to enter into a grant agreement for the receipt and administration of grant funds, as attached. (Preferred alternative)
2. ***DECLINE GRANT AWARD.*** Negate \$400,000 grant for the environmental assessment and return the funds to EPA for redistribution to other organizations of their choosing.

## **Fiscal Impact**

The City of Mesa Development and Sustainability Department will receive \$400,000, of which \$394,000 must be used for environmental assessments and \$6,000 for employee training/travel. This will save the Gilbert Road Light Rail Extension project budget up to \$394,000.

## **Coordinated With**

The grant application was coordinated with the Engineering and Transit Services Departments.