

STAFF REPORT
City of Lancaster, California

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10/23/07
RSL

Date: October 23, 2007

To: Mayor Hearn and City Council Members

From: Elizabeth Brubaker, Housing and Neighborhood Revitalization Director

Subject: **Re-appropriate funds for reimbursement from the Underground Storage Tank Cleanup Fund established by Barry Keene Underground Storage Tank Cleanup Trust Fund Act of 1989 for property located at 610 West Avenue I**

Recommendation:

Re-appropriate funds for reimbursement from the Underground Storage Tank Cleanup Fund established by Barry Keene Underground Storage Tank Cleanup Trust Fund Act of 1989 for costs related to cleanup activities for property located at 610 West Avenue I. The maximum amount allowed for reimbursement is \$1,500,000 less the applicable level of financial responsibility.

Appropriate funds, not to exceed the maximum reimbursement amount of \$1,214,128.55 to revenue account number 349-3301-101 and expenditure account number 349-4542-771.

Fiscal Impact:

The City will receive the reimbursement of funds not to exceed \$1,500,000 from the Underground Storage Tank Cleanup Fund established by Barry Keene Underground Storage Tank Cleanup Trust Fund Act of 1989 for costs related to cleanup activities for property located at 610 West Avenue I. A total of \$285,871.45 was expended in Fiscal Year 2006/07 leaving a balance of \$1,214,128.55 for Fiscal Year 2007/08 expenditures.

Background:

On December 13, 2005, the Lancaster Redevelopment Agency Board Members directed staff to acquire property located at 610 West Avenue I in order to construct affordable housing and undertake actions necessary to implement and complete the approved North Downtown Transit Village (NDTV). The NDTV, although shaped irregularly in some blocks, is generally bounded by Avenue I, Kettering Avenue, Sierra Highway, and Fern Avenue.

Upon acquisition of the property located at 610 West Avenue I, the Agency assumed a claim for reimbursement of costs related to cleanup activities that have been in progress at this site since 1997 due to the removal of underground storage tanks used when Everest Economy Gas Station was located at the site. The Agency is eligible for reimbursement from the Underground Storage Tank Cleanup Fund established by the Barry Keene Underground Storage Tank Cleanup Trust Fund Act of 1989 for a maximum amount of \$1,500,000 less the applicable level of financial responsibility.

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On April 24, 2007, the City Council approved the acceptance of reimbursement from the Underground Storage Tank Cleanup Fund. This project was carried forward to Fiscal Year 2007-2008 and needs to be re-appropriated for this fiscal year.

Therefore, Staff recommends the approval of the appropriation of funds for reimbursement from the Underground Storage Tank Clean up Fund, which shall be appropriated to revenue account number 349-3301-101 and expenditure account number 349-4542-771.