

INTRODUCED: September 12, 2016

AN ORDINANCE No. 2016-228

To authorize the Chief Administrative Officer to accept funds in the amount of \$50,000.00 from the Virginia Economic Development Partnership Authority and to appropriate the increase to the Fiscal Year 2016-2017 Gas Utility Budget by increasing estimated revenues and the amount appropriated to the Department of Public Utilities for the purpose of completing a Phase II Environmental Site Assessment to satisfy due diligence requirements and to identify and evaluate the presence of "Recognized Environmental Conditions" at the former Fulton Gas Works site on Williamsburg Road.

Patron – Mayor Jones

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: SEPT 26 2016 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, is authorized to accept funds in the amount of \$50,000.00 from the Virginia Economic Development Partnership Authority for the purpose of completing a Phase II Environmental Site Assessment to satisfy due diligence requirements and to identify and evaluate the presence of Recognized Environmental Conditions at the former Fulton Gas Works site on Williamsburg Road.

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: SEPT 26 2016 REJECTED: _____ STRICKEN: _____

§ 2. That the funds received are hereby appropriated to the Gas Utility Budget for the fiscal year commencing July 1, 2016, and ending June 30, 2017, by increasing estimated revenues by \$50,000.00, increasing the amount appropriated for expenditures by \$50,000.00, and allotting to the Department of Public Utilities the sum of \$50,000.00 for the purpose of completing a Phase II Environmental Site Assessment to satisfy due diligence requirements and to identify and evaluate the presence of “Recognized Environmental Conditions” at the former Fulton Gas Works site on Williamsburg Road.

§ 3. This ordinance shall be in force and effect upon adoption.

O & R REQUEST 4-6394



JUL 13 2016
Chief Administration Office
City of Richmond

CITY OF RICHMOND
INTRACITY CORRESPONDENCE

RECEIVED
JUL 12 2016
O&R REQUEST
Budget & Strategic Planning

DATE: July 8, 2016

EDITION: RECEIVED

THRU: Dwight C. Jones, Mayor *DCJ*

AUG 01 2016

THRU: Selena Cuffee-Glenn, Chief Administrative Officer *SCG*

OFFICE OF CITY ATTORNEY

THRU: John Buturla, Interim Deputy Chief Administrative Officer for Operations *EBB*

THRU: Lenora Reid, Deputy Chief Administrative Officer for Finance & Administration *LR*

THRU: John Wack, Director Finance Department *JW*

THRU: Jay Brown, Director Department of Budget & Strategic Planning *JAB*

FROM: Robert Steidel, Director of Public Utilities *RS*

RE: Authorize the CAO to execute a Performance Agreement with the VEDP to allow the City to accept \$50,000 in funds to complete an assessment of the Fulton Gas Works property.

ORD. OR RES. No. _____

PURPOSE: To secure Council approval for the CAO to execute a performance agreement with the Virginia Economic Development Partnership Authority (VEDP), and to authorize the City's acceptance of \$50,000 in grant funds for the purpose of completing a Phase II Environmental Site Assessment of the former Fulton Gas Works site which, in turn, will facilitate the site's renovation and improvement.

REASON: The City is undertaking assessment and remediation activities on the Fulton Gas Works site in accordance with the Virginia Department of Environmental Quality (DEQ) Voluntary Remediation Program (VRP) to address the Recognized Environmental Conditions (RECs) and Historical RECs (HRECs) related to the gasification plant that was located on the property from the 1850s to the 1950s. RECs are defined by ASTM Standards as "the presence or likely presence of any hazardous substance or petroleum products in, on, or at a property due to release to the environment; under conditions indicative of release to the environment or under conditions that pose a material threat of future release." A HREC is defined as "an environmental condition which in the past would have been addressed to the satisfaction of the applicable regulatory authority with hazardous substances or petroleum products allowed to remain in place subject to the

implementation of required controls. The Department of Public Utilities (DPU) has qualified for grant funding from the VEDP to complete a Phase II Environmental Site Assessment, which requires Council approval before the funds can be accepted.

RECOMMENDATION: DPU, the City agency with primary responsibilities for the Fulton Gas Works property, recommends approval of the Ordinance which will authorize the CAO to execute the performance agreement with VEDP and the City's acceptance of up to \$50,000 in matching state grant money. The grant money will help DPU finish a Phase II Environmental Site Assessment of the property which, in turn, will facilitate future site improvements.

BACKGROUND: The Fulton Gas Works site, located in the City at 3301 Williamsburg Avenue, consists of one parcel totaling approximately 7.9 acres. The property is located in the coastal plain, below the rapids in downtown Richmond.

Fulton Gas Works was a manufactured gas plant that, from the 1850s through the 1950s, burned coal and oil to derive volatiles (coal gas) for use as a residential and industrial fuel source. The vacant buildings currently located on the site date to the mid-1920s. Site structures also include a gasometer frame (the large, round steel structure on the property).

Fulton Gas Works also maintained underground tar cisterns and large vertical, cylindrical crude oil aboveground storage tanks (ASTs) from as early as 1905 until the plant's closing in the 1950s. The ASTs have since been removed, but site observations indicate that the cisterns still might be present.

Evidence also shows some groundwater and building contamination present at the site. Some constituents have exceeded regulatory reporting requirements and have been reported to the DEQ, although most constituents were below VRP Tier II Screening Levels.

FISCAL IMPACT / COST: \$50,000 in matching funds from the Commonwealth

FISCAL IMPLICATIONS: Net gain of \$50,000 in funding to DPU.

BUDGET AMENDMENT NECESSARY: No

REVENUE TO CITY: \$50,000

DESIRED EFFECTIVE DATE: Upon Adoption

REQUESTED INTRODUCTION DATE: July 25, 2016

CITY COUNCIL PUBLIC HEARING DATE: September 12, 2016

REQUESTED AGENDA: Consent Agenda

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Development Standing Committee

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: Economic and Community Development; Planning and Development Review

AFFECTED AGENCIES: Public Utilities

RELATIONSHIP TO EXISTING ORD. OR RES.: None

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS: VEDP Grant Performance Agreement; Draft Ordinance

STAFF:

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