



City of Culver City

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Staff Report

File #: 16-275, **Version:** 1

Item #: C-8.

CC - Approval of a Memorandum of Understanding with Costco Wholesale Corporation Regarding the Cost Sharing for Construction, Operation, and Maintenance of the Washington Boulevard Regional Stormwater Project.

Meeting Date: October 10, 2016

Contact Person/Dept: Kaden Young/PW Dept
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Fiscal Impact: Yes ☒ No ☐

General Fund: Yes ☒ No ☐

Public Hearing: ☐ **Action Item:** ☒ **Attachments:** ☐

Commission Action Required: Yes ☐ No ☒

Public Notification: (E-Mail) Meetings and Agendas - City Council (10/04/16)

Department Approval: Charles D. Herbertson, Director of Public Works/City Engineer (10/03/16)

RECOMMENDATION

Staff recommends the City Council approve a Memorandum of Understanding (MOU) with Costco Wholesale Corporation regarding the cost sharing for construction, operation, and maintenance of the Washington Boulevard regional stormwater project.

BACKGROUND

On December 28, 2012, the Los Angeles Regional Water Quality Control Board (LARWQCB) adopted R4-2012-0175, a National Pollution Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System Permit (MS4 Permit). This new MS4 Permit establishes waste discharge requirements for stormwater and non-stormwater discharges within the watersheds of Los Angeles County.

The Marina del Rey (MdR) watershed is a small sub-watershed located in the larger Santa Monica Bay watershed. The tributary area served by the MS4 that drains to MdR harbor is approximately 1,409 acres and consists of portions of the cities of Culver City, Los Angeles and unincorporated County of Los Angeles (County).

The MdR watershed is subject to three Total Maximum Daily Loads (TMDLs). TMDLs are numerical pollutant limits that are placed on a watershed by permit requirements. The three TMDLs for the MdR watershed are the Santa Monica Bay Nearshore Debris TMDL, the Marina del Rey Harbor Mother's Beach and Back Basin Bacteria TMDL, and the Toxic Pollutants in Marina del Rey Harbor TMDL. The final compliance schedules differ for each of the TMDLs, 2018 (Toxics - back basins) and 2021 (Toxics - front basins, Bacteria). The City has complied with the Santa Monica Bay Nearshore Debris TMDL.

To comply with the MS4 Permit, the City elected the Enhanced Watershed Management Program (EWMP) compliance pathway. The EWMP reviews the watershed as a whole and proposes Best Management Practices (BMPs) for responsible jurisdictions to complete. Furthermore, construction of a larger regional project that could capture, infiltrate and/or reuse storm flows from an 85th percentile storm event or roughly 1.1 inch of rain is also required.

Costco

In January 2015, City staff began discussions with Costco regarding its stormwater requirements for an expansion project. Costco had planned to redevelop over 50% of its property and therefore, in accordance with the MS4 Permit and the Culver City Municipal Code, must implement a Standard Urban Stormwater Mitigation Plan (SUSMP). The SUSMP must implement a Low Impact Development (LID) strategy, including a treatment BMP that can capture and infiltrate the 85th percentile storm from its entire property, not just the redevelopment area. Since the Costco site along Washington Boulevard is prominently situated in Culver City's portion of the MdR watershed, staff identified this joint project as an opportunity to capture storm water flows from both Costco and neighboring businesses and residences. Thus, Culver City's entire portion of the MdR watershed could potentially be served by this project.

DISCUSSION

A geotechnical report of the soil in the proposed construction area revealed a very low infiltration rate with clay type soils and a shallow ground water level. These are unfavorable conditions for an infiltration project and therefore staff devised a detention and diversion concept to meet Costco's SUSMP requirement. This concept includes capturing and storing the runoff from an 85th percentile storm and then diverting the runoff, after some filtration, to the sewer system for ultimate treatment at Los Angeles' Hyperion Sewage Treatment Facility. In-lieu of Costco constructing its own detention and diversion system, the City and Costco have agreed to jointly fund the design and construction of a stormwater and urban runoff diversion system (Washington Boulevard Regional Stormwater Project), which will allow both the City and Costco to comply with their respective obligations under the MS4 Permit.

In accordance with the proposed agreement, the City agrees to design and construct the Washington Boulevard Regional Stormwater Project on its public right-of-way in front of the Costco parcel along Washington Boulevard between Walnut Avenue and Tivoli Avenue. Costco agrees to reimburse the City for its fair share of the costs for this project.

In addition, as a condition of approval of Costco's expansion project, off-site street improvements along property frontage on Washington Boulevard were required. Some of the off-site street

improvements required are reconstruction of all curb ramps to comply with the American with Disabilities Act and reconstruction of the driveway entrance to Costco on Washington Boulevard to provide a smoother transition. These improvements are within the limits of work for the Washington Boulevard Regional Stormwater Project. Therefore, the City agreed to construct and manage the off-site street improvements to minimize construction related inconveniences and avoid duplicating the work. The proposed agreement requires Costco to be responsible for providing the City with design plans and construction costs for the off-site street improvements.

In order to implement the cost sharing for the construction, operation, and maintenance of the Washington Boulevard Regional Stormwater Project, staff recommends the City Council approve the proposed MOU.

FISCAL ANALYSIS

The total project cost is \$4,300,000. Costco will reimburse the City for its fair share of these costs as follows:

- Design of Project: \$40,000
- Construction of Project: \$1,345,000
- Construction Management for Project and Off-Site Improvement: \$30,000
- Off-Site Improvements: \$340,000

City and Costco will also agree to share all maintenance, inspection and operational costs associated with the Washington Boulevard Regional Stormwater Project and pre-treatment devices in perpetuity based on actual maintenance costs, with Costco paying 40% and the City paying 60% in accordance with their respective drainage areas. The City estimates that this cost will be \$25,000 during the first fiscal year of the project's operation. The cost will be adjusted in subsequent years by the percentage increase in the Consumer Price Index as calculated by the Bureau of Labor Statistics.

On February 18, 2016 the City was awarded a Los Angeles County Parks and Open Space Grant for this project in the amount of \$767,136.

The City's share, after Costco's contributions and grant funding is \$1,777,864 of the \$4,300,000 total.

Funding for the proposed MOU is provided in the City Council Adopted Budget for Fiscal Year 2016/2017 - Capital Improvement Project budget PR-001, account number 43480000.730100.

ATTACHMENTS

1. Memorandum of Understanding, Costco Wholesale Corporation

MOTION

That the City Council:

1. Approve a Memorandum of Understanding with Costco Wholesale Corporation regarding the cost sharing for construction, operation, and maintenance of the Washington Boulevard Regional Stormwater Project.
2. Authorize the City Attorney to review/prepare the necessary documents; and,
3. Authorize the City Manager to execute such documents on behalf of the City.