

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AND THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CHULA VISTA APPROVING A CRA ADVANCE FUNDING AGREEMENT BETWEEN THE CITY AND ROHR, INC, OPERATING AS GOODRICH AEROSTRUCTURES AND APPROPRIATING \$250,000 TO THE OTHER EXPENSES CATEGORY OF THE NON-DEPARTMENTAL BUDGET

WHEREAS, Rohr is the owner of certain real property located on the Chula Vista Bayfront (Bayfront) upon which Rohr operates an aircraft manufacturing plant; and

WHEREAS, The Successor Agency to the Redevelopment Agency of the City of Chula Vista (Agency) and City are committed to the redevelopment of the Bayfront pursuant to the Chula Vista Bayfront Master Plan (CVBMP); and

WHEREAS, a key component of the CVBMP is a proposed exchange of land owned by the San Diego Unified Port District (Port) commonly known as Parcels HP-5, H-13, H-14 and H-15 (the "Exchange Property"), for property owned by Pacifica, a private developer, which intends to redevelop the Exchange Property; and

WHEREAS, Portions of the Exchange Property formerly owned by Rohr must be remediated before the exchange transaction can proceed; and

WHEREAS, The Agency, City, Rohr and the Port are parties to that certain Relocation Agreement, dated July 13, 1999, as amended by the Amendment to Relocation Agreement, dated November 1, 1999, and the Second Amendment to Relocation Agreement, dated February 2, 2010, and the Third Amendment to Relocation Agreement, dated October 7, 2013 (collectively the "Relocation Agreement"), which, among other things, allocates costs and responsibilities between Rohr and the Port for environmental contamination and remediation of certain properties on the Bayfront, including portions of the Exchange Property; and

WHEREAS, On April 20, 2010, Rohr and the Agency entered into a Cooperative Remediation Agreement under which, among other things, (1) Rohr agreed to prepare, submit to the Regional Water Quality Control Board (RWQCB), and implement a Remedial Action Plan for remediation of certain Bayfront properties, including portions of the Exchange Property; and (2) the Agency agreed to provide financial support, in the form of annual payments, to Rohr for the development and implementation of the Remedial Action Plan and other related purposes; and

WHEREAS, the Cooperative Remediation Agreement calls for the next annual payment, in the amount of \$250,000, to be paid to Rohr on July 31, 2015 (the "2015 CRA Payment"); and

WHEREAS, a dispute has arisen between the Port and Rohr concerning their relative financial responsibility for the costs of investigation and remediation activities on Parcel HP-5 (collectively, "Outstanding Remediation Costs"); and

WHEREAS, in the spirit of cooperation and in the interests of allowing the investigation and remediation of HP-5 to move forward expeditiously, the Port and Rohr have agreed to a 50/50 interim allocation of such costs, up to a total of \$1,000,000; and

WHEREAS, the City has agreed to advance to Rohr the amount of the 2015 CRA Payment to be applied toward Rohr's 50% share of the Outstanding Remediation Costs; and

WHEREAS, the City will be repaid by Rohr within thirty days of the payment by the Agency to Rohr of the 2015 CRA payment; and

WHEREAS, contemporaneously with execution of this CRA Advance Funding Agreement, Rohr and the Port are entering into an Interim Cost Allocation Agreement concerning the 50/50 interim allocation of the Outstanding Remediation Costs between Rohr and the Port.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista and the Board of the Successor Agency to the Redevelopment Agency of the City of Chula Vista, that they hereby approve the CRA Advance Funding Agreement, between the City, Agency and Rohr, Inc., operating as Goodrich Aerostructures, in the form presented, with such minor modifications as may be required or approved by the City Attorney, a copy of which shall be kept on file in the Office of the City Clerk and authorizes and directs the Mayor to execute same.

BE IT FURTHER RESOLVED by the City Council of the City of Chula Vista, that it hereby appropriates \$250,000 to the Non-Departmental Other Expenses budget to be offset by unanticipated revenues.

Presented by

Approved as to form by

Kelly Broughton
Development Services Director

Glen R. Googins
City Attorney