

# Press Release



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## Governor Signs 528-acre Transfer for McClellan

McCLELLAN, CA—On January 7, 2013, Governor Edmund G Brown Jr. approved the transfer of 528 acres of land at the former McClellan Air Force Base near Sacramento, California to McClellan Business Park. The transfer includes a variety of industrial facilities, office buildings, and vacant land and will include privatized remediation of environmental damage

The transfer will use an innovative and complex multi-agency agreement referred to as an “early transfer with privatized cleanup” and relies on two key provisions:

- 1) a negotiated cost agreement stipulating how much the Air Force will pay to Sacramento County, and its developer, McClellan Business Park, to conduct the remaining environmental cleanup;
- 2) a Federal Facility Agreement Amendment stating that the U.S. Environmental Protection Agency, rather than the Air Force, will assume the lead role of determining remaining cleanup decisions for the property in collaboration with State agencies: the Department of Toxic Substances Control and the Central Valley Regional Water Quality Control Board.

“This is another major milestone for the cleanup and redevelopment of McClellan,” said Jared Blumenfeld, EPA’s Regional Administrator for the Pacific Southwest. “Collaboration among regulatory agencies, the Air Force, Sacramento County and McClellan Park has once again proven a successful model putting former military sites into productive reuse for the benefit of the local community.”

“I’m very pleased with this land transfer package and the plans for remedial clean-up. We’re eager to move forward with the transfer of the final 1,100 acres and the continuation of collaborative efforts to revitalize this critical regional economic asset,” said Phil Serna, Supervisor for Sacramento County District 1.

“As demonstrated by the pilot project, privatized cleanup allows the cleanup to be planned and implemented along with redevelopment which can result in a faster, more efficient redevelopment schedule,” said Alan Hersh, Senior Vice President of McClellan Park LLC.

“DTSC is proud to be part of the effort to cleanup and revitalize this historic former military base,” said Stewart Black DTSC Deputy Director for Brownfields and Environmental Restoration Program. “Our agency has many years of experience supervising cleanups and we are confident

that we can help put this land back into safe and productive use, which will ultimately benefit the residents and businesses of Sacramento County.”

The 528 acres, located primarily in the industrial sections of McClellan Park, have contamination from past industrial practices while the base served as a supply and repair depot from 1936 until it closed in 2001. In 1987, the 3,000-acre installation was added to the U.S. EPA’s National Priorities List, due to contaminants in the soil and groundwater.

Under the transfer agreement, McClellan Business Park, with oversight from U.S. EPA and State agencies, will be responsible for addressing contamination in the first 15 feet of soil below the surface. The Air Force will continue cleaning the groundwater and deeper soil.

History:

1. Prior to transfer, the Air Force conducted extensive environmental investigations of the properties, reviewed their past uses, and assessed the contaminants present. These studies formed the basis of the negotiated \$24.8 million, fixed-price, insured cleanup cost the Air Force will pay to Sacramento County.
2. This will be the third early transfer with privatized cleanup at McClellan. In 2007, the Air Force transferred 62 acres to McClellan Business Park through Sacramento County.
3. This was the first approved privatization of an NPL site in the nation and set the path for future privations(s) of the remaining acreage at the former base. Completion of Remedial Activities occurred in September 2011. Immediately after which, approximately 2/3 of the site was sold to a national food distribution company. They will construct a phased 450,000 s.f. facility creating 500 to 750 new jobs. Close of escrow was tied to the completion of the cleanup.
4. The second transfer of 545 acres was completed June 2010. This project privatized the cleanup of 81 sites – two of which are radiologically impacted – that are in multiple phases of the CERCLA process.

Negotiations for the fourth and final early transfer with privatized cleanup are underway.

The former McClellan Air Force Base is one of the largest economic development and infill reuse projects in Northern California. Currently some 15,000 people live and work on the base. Sacramento County estimates that when fully developed the Park will have some 35,000 jobs and generate over \$6.6 million per year in local property tax and \$1.1 million per year in local sales tax revenue.

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