AGENDA ITEM NO. 11

CITY OF HAWTHORNE
CITY COUNCIL
AGENDA BILL
For the meeting of July 25, 2016
Originating Department: City Manager

City Manager: Arnold Shadbehr

SUBJECT:
Agreement between City of Hawthorne and WSP USA to prepare CEQA-related documents for proposed Space X Test Tunnel Project.

RECOMMENDED MOTION:
That the City Council approve the agreement and authorize the City Manager to enter into and execute it on the City’s behalf.

NOTICING PROCEDURES:
None

FISCAL IMPACT:
The necessary funding to pay for above-mentioned services will be deposited to the City by Space X in advance.

REPORT SUMMARY:
Space X is in the preliminary stages of constructing a test tunnel for research on proposed vehicle transport technologies. This tunnel will be constructed under 120th Street, between Crenshaw Blvd. and Hawthorne Blvd. As part of the initial City approval and review of this project, certain necessary CEQA documents will need to be prepared. This agreement will secure the appropriate qualified consultant to ensure this is done promptly and in accordance with all applicable regulations.

ATTACHMENT:
Consulting Agreement
July 20, 2017

Russell Miyahira, City Attorney
City of Hawthorne
4455 West 126th Street
Hawthorne, CA 90250

Subject: Proposal to Prepare a Mitigated Negative Declaration for SpaceX Test Tunnel

Dear Russ:

We are pleased to provide you with this proposal to prepare a Mitigated Negative Declaration for SpaceX Test Tunnel.

We understand that SpaceX proposes to construct a 2-mile subterranean tunnel extending from the SpaceX property to the intersection of 120th Street and Hawthorne Boulevard. The tunnel will be used to test zero-emissions driven skates transporting personal vehicles, and possibly pedestrians as well.

Approach

To expedite the CEQA process and avoid unnecessary repetition of studies already conducted, we will use information prepared by the applicant to the extent possible. We will independently review calculations associated with air pollutant emissions from construction of the tunnel and other information provided, and will evaluate potential environmental impacts in all issue areas in the Initial Study - which is part of the Mitigated Negative Declaration. We will also prepare the Mitigated Negative Declaration document itself.

Scope of Work

Our scope of work is as follows:

- **Task 1: Draft Mitigated Negative Declaration and Initial Study**

We will prepare a draft Mitigated Negative Declaration, which includes a comprehensive Initial Study for City staff review. The Initial Study will be carefully crafted to provide all required and necessary evidence for conclusion of no significant impact after mitigation. We will revise the draft document based on the comments received and submit a revised Mitigated Negative Declaration to City staff for review prior to publication.
- **Task 2: Publication Mitigated Negative Declaration**

  2.1 *Publication Mitigated Negative Declaration*: We will incorporate final staff comments and provide the final pre-press Mitigated Negative Declaration document for the final review by City staff. Upon City review, we will print and distribute copies of the Mitigated Negative Declaration to the State Clearinghouse and other reviewing agencies (utility agencies). We will provide the City with Mitigated Negative Declaration document in a PDF format.

  2.2 *Notice of Completion and Notice of Intent*: We will prepare a Notice of Completion (NOC) and Notice of Intent (to adopt) (NOI) of the Mitigated Negative Declaration, for placing the NOI in a newspaper ad to be published by the City and for filing with County Clerk by the City. We will file the NOC with the State Clearinghouse.

- **Task 3: Responses to Comments, Final Mitigated Negative Declaration, Adoption Documents**

  3.1 *Responses to Comments*: We will prepare draft responses to comments received on the Mitigated Negative Declaration for staff review. We will incorporate staff comments into the final responses, which will be included as a Response to Comments section of the Mitigated Negative Declaration.

  3.2 *Final Mitigated Negative Declaration*: Following the City staff review, we will prepare a Final Mitigated Negative Declaration document that will be used by the City in their actions on the project.

  3.3 *Mitigation Monitoring Program*: We will prepare a separate Mitigation Monitoring Program as required that will list each of the mitigation measures identified in the Mitigated Negative Declaration, indicate when the measure will be implemented, and who will implement and monitor the measures. We will also provide the City with a mechanism to amend mitigation measures, if so needed.

  3.4 *Notice of Determination*: Following the City’s action on the project, we will prepare a Notice of Determination (NOD) for filing with the State Clearinghouse and County Clerk as required by CEQA.

- **Task 4: Hearings and Meetings**

  Our budget includes an allowance for attendance by Irena Finkelstein, our Mitigated Negative Declaration manager at one public meeting for Mitigated Negative Declaration and one City Council meeting, as well as meetings with City staff over the course of the Mitigated Negative Declaration process. We will attend additional meetings on a time-and-materials basis if so desired by the City.

- **Task 5: Document Distribution and CEQA Processing**

  6.1 *Print and Distribute Mitigated Negative Declaration/NOC/NOA*: We will print six hard copies and up to 10 CDs of the final Initial Study and NOA and distribute the documents to public agencies. We will prepare a distribution list for staff review and finalize the list per staff direction. We will provide master Initial Study to the City, including in the format appropriate for posting on the City’s website. We will file the NOC with the State Clearinghouse and the City file the NOA with the County Clerk.
5.2 *Print and Distribute Final Mitigated Negative Declaration:* We will print ten copies and prepare CDs of the Mitigated Negative Declaration. We will distribute responses to comments to public agencies in accordance with CEQA requirements. We will provide the City with a reproducible master and electronic copy of the final Mitigated Negative Declaration.

**Schedule**

The following is our best estimate of the expedited timeline for the Mitigated Negative Declaration.

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 26, 2017</td>
<td>Contract initiation, kickoff meeting</td>
</tr>
<tr>
<td>August 15</td>
<td>Draft Mitigated Negative Declaration to City</td>
</tr>
<tr>
<td>August 21</td>
<td>City comments to WSP</td>
</tr>
<tr>
<td>August 24</td>
<td>30-day public review starts</td>
</tr>
<tr>
<td>September 22</td>
<td>Public period review ends</td>
</tr>
<tr>
<td>September 31</td>
<td>Draft final Mitigated Negative Declaration with Responses to Comments to City</td>
</tr>
<tr>
<td>October 7</td>
<td>City comments to WSP</td>
</tr>
<tr>
<td>October 15</td>
<td>Final Mitigated Negative Declaration to City</td>
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<tr>
<td></td>
<td>Mitigation Monitoring Program to City</td>
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Including the 1-month mandatory public review time, the entire CEQA clearance process could be completed in less than 3 months.

**Fee Proposal**

Our fee proposal reflects the level of effort associated with the expedited MND schedule, as follows:

- Task 1: Draft Mitigated Negative Declaration $37,900
- Task 2: Publication MND and NOI and NOC $4,300
- Task 3: Responses to Comments, Final MND, and Mitigation Monitoring Program $3,900
- Task 4: Hearings and Meetings $3,400
- Task 5: Document Distribution and CEQA Processing $540

Total: $ 50,040
If you have any questions, please do not hesitate to call me. I am looking forward to working with you and the City on this important project.

Irena Finkelstein, AICP
Senior Environmental Manager