



**CITY OF LODI
COUNCIL COMMUNICATION**

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AGENDA TITLE: Authorize City Attorney to Issue "Comfort Letter" to AH Wines, Inc., of Lodi, for 25, 27 and 31 East Vine Street

MEETING DATE: May 7, 2014

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Authorize City Attorney to issue "Comfort Letter" to AH Wines, Inc., of Lodi, for 25, 27 and 31 East Vine Street.

BACKGROUND INFORMATION: AH Wines, Inc., is in the process of purchasing land located at 25, 27, and 31 East Vine Street and plans to construct a wine manufacturing, storage and bottling facility. The property is located in the vicinity of the Southern PCE Plume and the lender has expressed concerns regarding liability exposure of the property.

The "Comfort Letter" has been requested by the property owner and is provided as Attachment A. Similar letters have been issued in the past to other property owners upon their request.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

FWS/pmf
Attachment

APPROVED: _____

Stephen Schwabauer, Interim City Manager

CITY HALL
221 WEST PINE STREET
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 333-6701
(209) 333-6807 FAX

CITY OF LODI
CITY ATTORNEY'S OFFICE

JANICE D. MAGDICH
Interim City Attorney



May 8, 2014

Mr. Richard W. Gerlach
Vice President of Finance
AH Wines, Inc.
9 West Locust Street
Lodi, CA 95240

SUBJECT: 25, 27 and 31 East Vine Street, Lodi, CA

Dear Mr. Gerlach:

AH Wines, Inc., is in the process of purchasing land located at 25, 27 and 31 East Vine Street in Lodi situated within the Lodi Southern Plume Area (SPA). The SPA is a groundwater plume containing Tetrachloroethene (PCE). The City of Lodi has entered into settlements with all of the parties who are known to have contributed contamination to the SPA and has undertaken the obligation to clean up the contaminated soil and groundwater in the SPA.

This letter will confirm that the City Council authorized me at its meeting on May 7, 2014, to affirm that the City of Lodi will not pursue environmental claims against AH Wines, Inc., or its successors or assigns under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), or under any other environmental liability theory (such as nuisance) for the contamination in the SPA. This statement of intent does not apply to liabilities that could arise if AH Wines, Inc., or its successors or assigns actually contribute at some future date to the contamination.

If you have any questions or concerns regarding this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Janice D. Magdich", is written over a circular stamp or seal. The signature is fluid and cursive.

Janice D. Magdich
Interim City Attorney

cc: City Council
City Clerk