

Locally owned, independent



Palo Alto Daily Post Jan. 27, 2010

NEWS

Saltworks hits a gusher

BY JAMIE MORROW

Daily Post Staff Writer

Cargill has overcome a major stumbling block in its attempt to put thousands of homes on the salt ponds east of Highway 101 in Redwood City.

According to documents released by the city yesterday, Cargill has secured approximately 7.5 million gallons a day of potable water for the project, more than four times its expected need. This allows the developer to dangle the prospect of extra water to the city, which has used more than its contractual water allocation from the San Francisco Public Utilities Commission for none of the last 10 years, according to the report by a consultant the city hired to look at water, transportation and jurisdiction issues facing the proposal.

The report by the San Francisco-based Hart Howerton Ltd. concluded that no "fundamental insurmountable issues" should keep the Saltworks development proposal from proceeding to an

environmental review process.

According to the report, the project, which seeks to build 8,000 to 12,000 homes for about 30,000 residents would require 1,815 acre-feet a year of potable water, which is about 1.6 million gallons a day. To meet this need, Cargill has arranged a 70-year lease of 8,393 acre-feet a year of water, or about 7.5 million gallons a day from Nickel Family LLC, a Kern County water purveyor founded by George Nickel Jr., who grew up in the Peninsula – and the company says that the extra water could go toward meeting water needs that may crop up in the future.

"Part of our offer is not only we will bring enough water for the project, we are open to talking to Redwood City about possible use for some of the water we own as part of this allocation," said Pete Hillan, a spokesman for DMB, the developer for the Cargill project.

The consultants who analyzed the water needs in the report noted that "the water team regard

Nickel water as an asset that would diversify the city's water supply portfolio."

But the executive director of Save The Bay, an environmental group that opposes the project, says the report is beside the point because the salt ponds should not even be considered for development.

"This is an undeveloped area that's restorable," said David Lewis. "The policy of the state of California is that areas like this that are vulnerable and undeveloped should not be built on. They should be restored."

He said going any further with the proposal would only subject the city to "a long, costly and divisive EIR (environmental impact report) process."

"The developer is not entitled, and the city is not required, to go through a long, expensive assessment of a project that should not even be considered," Lewis said.

Former Palo Alto mayor Peter Dreke, who works as a program director for the Tuolumne River Trust, said that identifying

a water source is easy compared with securing the agreements necessary to actually get it to Redwood City.

"A lot of it comes down to piping and canals and how water can circulate in California," he said. "There'd likely have to be a third party involved."

The report also looked at traffic and transportation issues, as well as that government agencies might have jurisdiction over different parts of the development process. While the report generally concluded that numerous agencies would be involved and countless permits needed, the consultants did not see that obtaining any one approval was completely infeasible.

However, several difficult issues were noted. For instance the report said that traffic on Highway 101 and its connections at Marsh Road, Woodside Road and Whipple Avenue is at capacity, and that an environmental review would have to consider the development's traffic impact on those and other areas.