

Office of the City Attorney  
June 17, 2016



Contact: Gerry Braun

**FOR IMMEDIATE RELEASE: June 17, 2016**

Contact: [Gerry Braun](mailto:gbraun@san diego.gov), Director of Communications: [gbraun@san diego.gov](mailto:gbraun@san diego.gov) (619) 533-4782

## **Joint Statement of City and Kinder Morgan Inc. on Settlement of All Claims Related to Historical Contamination at Qualcomm Stadium Property**

The City of San Diego and Kinder Morgan, Inc. announced today that they have entered into a settlement resolving all claims related to the historical contamination at the City's Qualcomm Stadium property. The settlement provides for a \$20 million payment to the City, and also includes an agreement by Kinder Morgan to cover additional, incremental costs, if any, incurred by the City in the redevelopment of the Qualcomm Stadium property or development of the groundwater beneath the property, that are caused by historical releases from the Mission Valley Terminal. This settlement ends nine years of litigation between the parties.

Kinder Morgan is the largest energy infrastructure company in North America, and owns the Mission Valley Terminal, which is a liquid storage facility located just north of the Qualcomm Stadium property in Mission Valley. The Mission Valley Terminal has been in operation since the 1960s, and is the primary fuel distribution hub in San Diego County. The dispute arises from releases of petroleum products dating as far back as the late-1980s and early-1990s, before Kinder Morgan purchased the Mission Valley Terminal. Although Kinder Morgan did not own the Mission Valley Terminal at the time of the earliest releases, the Company accepted the legal responsibility to perform the remediation. According to Kinder Morgan, it has spent over \$75 million remediating the Qualcomm Stadium property to meet the stringent cleanup standards established by the Regional Water Quality Control Board. On May 4, 2016, the Regional Board declared: "The [cleanup standards] provide reasonable protection of beneficial uses and will not result in water quality less than prescribed in water quality control plans and policies adopted by the State Water Board and the San Diego Water Board," and that Kinder Morgan has met those standards.

City Attorney Jan Goldsmith said, "This is a big day for the City of San Diego and Kinder Morgan. The Mayor and City Council's approval of the settlement finally resolves this dispute after three decades. We thank the Regional Water Board for its work on this matter culminating in its May 4, 2016 determination. We particularly appreciate the substantial time and money which Kinder Morgan has put into the cleanup over the years and the company's continuing commitment to cover additional redevelopment costs should there be any due to historical releases. The City recognizes

Kinder Morgan as an important past and future corporate partner in the City of San Diego and is pleased to put this behind us.” Mayor Faulconer added, “I’m glad to put this behind us so we can move forward with future opportunities for Mission Valley. I thank City Attorney Jan Goldsmith, his office and City staff for their hard work on this.”

Kinder Morgan delivers essentially all of the gasoline products used in the City and surrounding areas, provides numerous jobs at the Mission Valley Terminal, and is building five tankers here in San Diego. On Thursday, May 19, 2016, Kinder Morgan celebrated the delivery of the *Magnolia State*, which is an ECO Class tanker – one of the most fuel-efficient and environmentally friendly tankers in the world and symbolizes the emerging future of green shipping – built at General Dynamics NASSCO in San Diego. The *Magnolia State* is the second of five tankers Kinder Morgan will build in San Diego, which adds an estimated 500 jobs and over \$200 million to the local economy. Kinder Morgan General Counsel, David R. DeVeau added, “We are pleased to resolve this matter and look forward to continuing to serve the citizens of San Diego, and the State of California.”

The City of San Diego is represented by City Attorney Jan Goldsmith, Assistant City Attorney Daniel F. Bamberg, and Chief Deputy City Attorney Jon E. Taylor, and outside counsel Rene P. Tatro, Steven R. Tekosky, and Paul Foust from Tatro Tekosky Sadwick LLP. Kinder Morgan is represented by General Counsel, David R. DeVeau, Deputy General Counsel, Alan J. Cooke, and Assistant General Counsel, Nancy E. Van Burgel, and outside counsel Steven M. Strauss, M. Ray Hartman III, and Summer J. Wynn of Cooley LLP.

###