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SITKA COMMUNITY LAND TRUST | COMMUNITY-SUPPORTED, SUSTAINABLE, AFFORDABLE HOME OWNERSHIP

TO: Mayor Matthew Hunter and the CBS Assembly

FROM: Sitka Community Land Trust

DATE: September 9, 2017

RE: Funding Support for Contaminated Soil Remediation at 1306 Halibut Point Road

The Sitka Community Land Trust (SCLT) requests funding support of **\$62,000** toward the cost of contaminated soil remediation at 1306 Halibut Point Road, known commonly as the Old City Shops.

Contaminated Soil Costs

Current extra contractor work	\$9,000
Future extra contractor work	\$7,000
12" clean fill over site	\$15,000
Nortech environmental engineering	\$36,100
DEC costs assigned us	\$250
120 cu yds soil disposal	\$36,000
	<hr/>
	\$103,350

SCLT has arranged for the sale of a parcel of land to the Pet's Choice Clinic for a parking lot on the East end of 1306 HPR. This would generate \$41,000. We are asking the Assembly to grant us the remaining \$62,000.

Background

The Old City Shops property was contaminated by a variety of industrial uses by the City and other government entities over many decades. The public devoted the site to affordable housing by referendum in 2006. In December of 2006 and in April of 2007 the City undertook cleanup work to prepare the site for affordable housing development. A report by Carson Dorn describes this cleanup and in its conclusion states:

"The cleanup work conducted at the former municipal shops area is adequate to protect public health and environment. Therefore, no further environmental cleanup is proposed."

The Alaska Department of Environmental Conservation, in January of 2008, reviewed the site and the Carson Dorn report and wrote this determination:

"The investigation and cleanup of the Former Municipal Shops Property has met the substantive requirements specified in 18 Alaska Administrative Code (AAC) 75, Article 3 No further remedial action is required and the property is cleared for redevelopment" (p.6)

City staff reported that the test wells left for a few years after the cleanup did not show oil sheen. Other City staff, involved in the actual material removal and cleanup, said the site was clean and that drainage was a bigger issue than contaminated soil. Still other staff noted that, in doing utility work through the Mill Street easement, modest amounts of contaminants were exhumed.

In order to receive 1306 HPR, the SCLT was required to sign a clause assuming responsibility for "all risk" for any further contaminants discovered. In good faith that the site was remediated per the DEC findings in 2008, the SCLT proceeded with accepting the donation and the associated risk. However, the ADEC does not recognize such waivers of environmental responsibility.

In digging trenches for the water and sewer lines in June of 2017 we uncovered contaminated soil. We notified the City and the ADEC. We hired an environmental engineering firm, Nortech, to help us through the environmental and regulatory issues. The material dug up has been declared safe to go back in the ground around the sewer lines and new, clean fill around the water lines. There is approximately 120 yards of material which must be shipped off-site for treatment.

The four environmental engineers involved – two with the ADEC and two from Nortech – all agree that the site is an appropriate site for housing and does not represent a human health hazard. There will remain some petroleum materials on this site buried four to six feet below the surface.

Conclusion

The Sitka Community Land Trust needs the help of the City to provide affordable housing on this site. Thank you for your careful consideration of our request.

Sara Peterson

From: Randy Hughey
Sent: Monday, September 25, 2017 4:29 PM
To: Assembly
Cc:

Subject: updated and reduced request

Item F

Hello Assembly members,

Through the good help and advice of Dan Tadic, City Engineer, we have been able reduce the amount that we are requesting. Please see the budget below.

Contamination Costs Detailed

		Revised
Current extra Chris Balovich Construction (CBC)work	CBC costs June/July/August with contaminate work beyond contract	\$9,000.00
Future CBC extra work	CBC quote of \$2,200 for moving 120 cu yds to the barge plus I estimated \$5,000 more for handling material on site beyond the contract.	\$7,000.00
Additional costs to avoid further digging along HPR	helical pilings rather than concrete foundations on front 3 lots, \$2,000 per house	\$6,000.00
Nortech enviro engineering	Negotiated lower price	\$30,221.00
DEC costs assigned us	ADEC bills for their time.	\$250.00
120 cu yds soil disposal	Bicknell Services quote	\$36,000.00
		<hr/> \$88,471.00
Income to the SCLT from parking lot sale		\$41,204.00
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Request for support:		<hr/> \$47,267.00 <hr/>