

## 10-10-2018 Town Council Meeting Responses (#2)

### ITEM #12: Update on Coal Ash Remediation at Police Station Property

**Council Question:** What analysis has been done with a longer-term lease?

**Staff/Consultant Response:** *No analysis of a long-term lease has been conducted. A long-term lease option is available if the Town enters in to the Brownfields agreement (instead of a developer) and leases the property to a developer. This approach would add another layer of Town oversight and coordination with the developer because the Town may be responsible for the remediation alternative that the developer implements as part of construction.*

**Council Question:** What do we know about new technologies or where the remediation field will be in the future?

**Staff/Consultant Response:** *Remediation technologies continue to change and evolve and it is difficult to predict any future technologies that would be useful relative to the site.*

**Council Question:** Would it make sense to do something now, then be putting money away for some further remediation at a future time?

**Staff/Consultant Response:** *Remediation requirements will be determined by the regulatory path and remedial alternative chosen by Council, and will be subject to approval by NCDEQ. A phased approach may be proposed to the NCDEQ should such an approach address human health risk and be consistent with the proposed use of the property. The Town would likely pay more under this approach by spending money on both short-term remediation and long-term remediation. This may also be a longer-term project because it could take a time for the Town to generate the financial capacity needed to implement the remediation alternative required by NCDEQ.*

**Council Question:** Will the price for remediation go down as the technology gets better?

**Staff/Consultant Response:** *At this time, we are not aware of a technology that is available that would reduce remediation costs. Furthermore, the cost of remediation at this time is more tied to the type of development proposed and the construction costs than to technology costs. Remediation requires heavy equipment, trucking of materials, and labor. The current market is experiencing record high construction costs and it would be speculative to determine future costs.*

**Council Question:** Are there ways to maintain town ownership of the land and fully remediate the property without spending up to \$15.9MM right now, which we obviously don't have?

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**Staff/Consultant Response:** *We have used the term “fully remediate” in context with the site to mean maximum removal of the CCPs and disposal at a regulated facility. This entails complete building demolition, removal of all soil and CCPs, disposal of that material at another site, and replacement with clean fill. There is no other alternative at this time to fully remove the material that is less than the preliminary estimate of \$15.9 MM.*

*Remediation of the CCPs and environmental contamination may also be addressed by the combined approach that includes limited source removal, capping, and construction of the retention wall. This approach can meet the objectives of a remediation goal by providing protection of human health and the environment. However, this approach is based on leaving most of the CCPs in place.*

**Council Question:** *It appears that the remediation method chosen (i.e., partial removal and capping or full removal) is independent of the program selected (i.e., brownfields vs. voluntary). Is that correct?*

**Staff/Consultant Response:** *While no remediation approach has been selected, it is correct that either of the remediation options presented could be proposed to NCDEQ under either regulatory program.*

**Council Question:** *The memo notes that applying for the brownfields program requires a specification of a future use. What level of specification is required? Can it be merely residential, mixed use, etc., or does it need to specify density and actual mix of uses?*

**Staff/Consultant Response:** *A statement on the general land use is appropriate for the application (e.g., mixed use). Additional details regarding density, height, etc. would be solidified as part of a Brownfields agreement, and the details of the Brownfields agreement would be finalized in conjunction with the approval by the Town, in its regulatory role under the LUMO, of a redevelopment application*

**Council Question:** *In the previously held public meetings about reuse of the site, the potential reuse options appeared to be based on assumptions about the cost of remediation and the level of development that would be required for a developer to recoup those costs and make a fair return on investment. If, however, the town were to be the developer and/or willing to assume some or all of the remediation costs, it would appear that there is a broader range of options. At future public meetings, can a broader range of options be presented?*

**Staff/Consultant Response:** *It is accurate that the reuse scenarios for the site are based on a series of assumptions about the cost of remediation and the level of development that would be required for a developer to recoup those costs and make a fair return on investment. If the Town wanted to be the developer and/or was willing to assume some or all of the remediation costs, the project team could foresee additional redevelopment scenarios for the site. If the Council*

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*wants staff to explore these scenarios in more detail, the project team can investigate this further and return with more information for the Council to consider.*

October 10, 2018 Council Meeting

**ITEM #11: Blue Hill Biannual Report #8**

**Council Question:** The last time staff gave council an update on Blue Hill, council asked for a scorecard that showed:

- What was the planned square footage for residential, hotel, and office/retail when Form-Based Code for Ephesus-Fordham was approved? And how much tax revenue was expected from that?
- What are those numbers at present?
- What did staff expect those numbers to be at this point?
- Where does staff expect to be at final buildout, based on where we are today? And when do you expect buildout to be complete?

**Staff Response:** *Please see the attached Development Tracking Summary. This information will also be included in tonight's presentation.*

**ITEM #12** (part 2)

**Council Question:** Is there a DEQ-imposed deadline to the decision-making process - I seem to recall in the spring Dwight telling us that if we didn't move forward soon, DEQ would step in?

**Staff/Consultant Response:** The NCDEQ is aware that the Town is in the process of determining a remediation approach and use for the property. The NCDEQ has not established a deadline at this time. There is a deadline for the first right of refusal with developer Belmont Sayre, which is set to expire November 8<sup>th</sup>, 2018.

**Council Question:** I understood the cost of clean-up (not removal) was included in the cost estimates for the Municipal Services Center. Could you confirm that and remind me of how much the set-aside amount is?

**Staff/Consultant Response:** When the former business management director provided Council with estimated costs for the municipal services center, he included a figure for potential remediation (\$2.5 million). The reason for sharing this with the Council was so they could see what the demands would be on the debt management fund in the future. The council will need to consider any remediation costs and how to fund them when the time comes. The most recent preliminary

evaluation of remedial alternatives and costs was provided by Hart & Hickman, PC, in a report dated August 20, 2018.

**Council Question:** Do we know or can we estimate what the value of the property would be after each clean-up scenario?

**Staff/Consultant Response:** We do not know the estimated property values associated with completion of either remedial alternative. However, an appraisal was completed on January 18, 2018 by David Smith and Associates that indicated the property has a value of \$0 with the current state of contamination. Mr. Smith's opinion indicated that the property would have an approximate value of \$4 million if it was not contaminated.

**Council Question:** If we go the Brownfields route, what control - if any - do we have over the clean-up approach? Would Council get to review and approve or is it determined only between the developer and DEQ?

**Staff/Consultant Response:** Should the Town elect to enter into the Brownfields program, the intent would be to develop a Brownfields Agreement with NCDEQ that will provide the framework for the reuse and remediation of the property, and include a final approval by Council. The developer of the property would assume that agreement and work with NCDEQ in gaining approvals for the remediation approach that will allow for safe reuse that is consistent with the agreement. Any other interaction between the Town and the developer with respect to the development and remediation plans would need to be defined in the Economic Development Agreement.

**Council Question:** Unfortunately, the likelihood of the number and severity of storms and associated flooding of Bolin Creek will only increase moving forward. We have seen over the past weeks that coal ash ponds in Florence-impacted areas of the state have been breached. Given this, is there any way to ensure that the retaining wall and capping strategy will be an effective and safe strategy over the longer-term?

**Staff/Consultant Response:** Coal ash ponds are engineered structures for the wet disposal of coal ash. By comparison, the coal combustion products that were

placed on the Police Station property for fill are dry and—under the partial removal remediation option—would be retained behind a wall system and otherwise capped. Retaining walls are a common approach to stabilizing elevated material that is subject to erosion. Soil capping is also a common method of addressing soil contamination for reducing exposure to contaminated material.

**Council Question:** If we went with the removal option, where would the coal ash be taken? Where in that community is the storage/landfill located? How is that community protected from potential leaks, flooding or other contamination risks?

**Staff/Consultant Response:** The closest landfill that accepts this type of material (Non-Hazardous Waste Landfill) is located in Rougemont, NC. We have not confirmed that they would be able to accept this volume of material under the full removal option, but they are permitted through the state to accept coal combustion products.

**Council Question:** In a letter exchange between SELC and Hart Hickman dated April 6, 2017, in response to a question from SELC regarding groundwater contamination, HH states:

“The data collected as part of the Phase II RI does confirm that there are groundwater impacts associated with the CCPs and that groundwater flows toward Bolin Creek. However, concentrations of compounds decrease rapidly downgradient and geochemical conditions at the site are such that they generally limit the mobility of metals in groundwater. The furthest downgradient well MW-4A did not contain compound concentrations above background or the North Carolina groundwater standards as part of the Phase II RI.”

I read that to say that the rapid decrease downstream occurs in the "normal" functioning of a creek/water body. My question is whether this answer changes if the creek experiences extreme flooding, such as what we recently saw with Florence?

**Staff/Consultant Response:** The statement quoted above concerned the decrease in contaminant concentrations in groundwater, not the surface water in the stream.

The decrease in groundwater contaminant concentrations is associated with the geochemical nature of the aquifer, not the stream. Temporary flooding within the creek associated with severe weather events is not expected to impact long term groundwater flow or geochemical conditions of the aquifer. Therefore, we do not expect to have an impact to the groundwater contamination from flooding.

**Council Question:** Is there a chart or could one be readily put together that shows the state standards for regulated pollutants side-by-side with the amounts found in the tested water?

**Staff/Consultant Response:** Table 4 of the [Hart & Hickman report dated May 11, 2017](#) (attached) provides both contaminant concentrations and State standards. The State standards are provided within the row titled “2L Standard or IMAC” at the top of the table. All other tables for soil and surface water are in the same format.

**Council Question:** It was very helpful to have a document with SELC concerns and HH's responses. I have only seen this for one of SELC's letters. If it doesn't already exist, could you please have HH prepare a response to SELC's question re. hexavalent chromium (letter dated May 9, 2017)?

**Staff/Consultant Response:** The [August 25, 2017 letter from Hart & Hickman](#) provided a response to the SELC concerns dated May 9, 2017.

**Council Question:** What are the possible consequences if the Town Council does not authorize the Town Manager to apply for brownfields eligibility?

**Staff/Consultant Response:** The primary purpose of applying is to determine whether or not the Brownfields program is an option for the Town. The potential benefits of participation in the Brownfields program include:

- Reduced liability to Town and possible developer/end user
- Reduced cost of remediation to developer through brownfields incentives from state

- Provide for safe reuse of the property
- Generate future tax base for the Town

By not applying and receiving feedback from NCDEQ, the only regulatory path available to the Town is the Voluntary Clean-up program under the Inactive Hazardous Sites Branch Program (IHSB). This program does not offer the first two benefits listed above.