

MEMO

ASTI Environmental

Date: April 12, 2018

To: Sara Roediger, City of Rochester Hills
Pam Valentik, City of Rochester Hills
City of Rochester Hills City Council

From: Tom Wackerman

Subject: Review of Draft 381 Work Plan for Redevelopment of the Northeast Corner of Hamlin and Adams Roads, Rochester Hills, Michigan (ASTI files No. 9675-21)

As requested, this memo is a review of the following draft document. Additional documents were reviewed as indicated in the Brownfield Plan review memo dated April 12, 2018.

1. Draft *Act 381 Work Plan, To Conduct MDEQ Environmental Activities, Legacy Rochester Hills Redevelopment Project, Northeast Corner of Hamlin and Adams Roads, Rochester Hills, Michigan 48309* dated April 4, 2018 (the 381 Work Plan).

Background

This 381 Work Plan would replace the existing 381 Work Plan (Existing 381 Work Plan) dated February 12, 2008, amended June 17, 2008, and approved by the MDEQ on July 11, 2008. That Existing 381 Work Plan was prepared in conjunction with a Consent Judgment (dated April 19, 2006 as Case no. 04-060730-CZ), which included additional requirements associated with environmental mitigation activities. A draft Amended Consent Judgment dated January 30, 2018 (the ACJ) has been prepared for this applicant.

All of the environmental mitigation language from the original Consent Judgment has been removed in the ACJ. All activities are now to be completed according to the City approved Brownfield Plan and the MDEQ approved 381 Work Plan. As such, any requirements for mitigation, remediation or long-term operation and maintenance must be included in the 381 Work Plan to be required under the ACJ.

However, the City can only approve the final Brownfield Plan (current draft dated April 9) and does not approve the 381 Work Plan and it is possible that an activity included in the Brownfield Plan may not be approved by the MDEQ in the 381 Work Plan. In addition, MDEQ approval of the 381 Work Plan is not intended to be an approval of the adequacy of the remedy or the due care obligations, but rather the applicability of the cost for reimbursement. Adequacy for the remedy will be based on the MDEQ issuing a No Further Action (NFA) letter for Parcel A and providing approval for a Documentation of Due Care Compliance report for Parcel B. As such, the additional plans and programs required by the 381 Work Plan are important components for the success of this project.



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Project Description

The 381 Work Plan includes two parcels (the Property) located on the northeast corner of Hamlin Road and Adams Road (Parcel ID Numbers 15-29-101-022 and 15-29-101-023). The Property parcels have been referred to as the “West Parcel” (15-29-101-022) at approximately 18.9 acres, and the “East Parcel” (15-29-101-023) at approximately 9.3 acres. A portion of the “East Parcel”, described as the “fenced area”, has historically been presumed to be the location of highest environmental impacts. The “East Parcel” has also been known as the former Christianson-Adams Landfill. The Property will be a residential apartment complex with up to 368 units and a separate natural open area (the Project).

The residential component of the Project will redevelop all of the West Parcel and approximately half of the East Parcel. This portion of the Project is referred to as Parcel A. Parcel A may be split in the future into Phases 1 and 2. The remaining eastern half of the East Parcel is referred to as Parcel B. Parcel B will be created prior to commencement of the Project, and will be maintained as natural open area with the potential surface parking to augment recreational activities on the adjacent City owned property and will be owned by a separate entity. The boundaries of Parcels A and B have not yet been finalized, but the Plan illustrates Parcel B to include the majority of the “fenced area” and some property along Hamlin Road.

Eligible Activities

All activities described in the Plan and listed for reimbursement are eligible activities in a non-core community. The 381 Work Plan indicates it may use grant funding under the Oakland County 2017 EPA Site Assessment Grant that was not included in the Brownfield Plan. To the extent that eligible costs are reimbursed by the Assessment Grant, they would not be eligible for reimbursement under the Brownfield Plan or the 381 Work Plan.

Review of 381 Work Plan

The scope of the Project and the associated eligible activities, including the environmental remediation and controls, as described in the 381 Work Plan are the same as included in the April 9 Brownfield Plan with the following exception:

- The 381 Work Plan adds the costs of waterproofing seals and gaskets for the stormwater piping at \$40,000. This was not included as an eligible expense in the Brownfield Plan, and therefore would only be eligible for school tax capture. As a result, the requested reimbursement for Department Specific Activities is \$40,000 more than included in the Brownfield Plan, while the contingency is \$40,000 less, resulting in the same request for reimbursement for eligible activities of \$9,619,587.

The request for interest (at \$4,581,988), annual appreciation (at 2.1%), and the estimated future taxable value (at \$15,000,000) are the same as in the draft Brownfield Plan dated February 20, 2018. The updated April 9 Brownfield Plan limits interest expenses to \$3,800,000 based on an anticipated future taxable value of \$19,750,000 with 2.0% annual appreciation.

The 381 Work Plan does not address a contingency for encountering drums in the landfill area. Drums were encountered during the MDEQ removal activities, and are expected to be in the former landfill area. As such, a spill contingency plan/response plan is recommended to be included as one of the required plans in the 381 Work Plan.

Additional plans and reports are required by the 381 Work Plan and ACJ prior to and during site development. As indicated in the ACJ, the City has the option to have an environmental consultant



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present during site activities. The following are referenced in, but not included in, the 381 Work Plan or ACJ, and will require review when they have been completed.

1. Reimbursement Agreement
2. Report on the results of proposed additional soil and groundwater sampling, including background calculations for metals
3. Soil Erosion and Sedimentation Control Plan
4. Site-Specific Health and Safety Plans, to include:
 - a. Tuck cleaning procedures
5. Design and Installation Specifications for Parcel B
6. Design and Installation Specifications for Venting Systems, if required
7. Fugitive Dust Emission Control and Contingency Plan
8. Environmental Construction Management Plan
9. Construction Summary Report
10. Operation and Maintenance Plan for engineered controls in Parcel B
11. Operations and Maintenance plan for venting system along Hamlin Road, if required.
12. NFA Request for Parcel A
13. Documentation of Due Care Compliance for Parcel B

The 381 Work Plan indicates that the Design and Installation Specifications for Parcel B and the Design and Installation Specifications for Venting Systems reports will be provided as part of the Documentation for Due Care Compliance (DDCC). However, the DDCC documents engineered controls after implementation, so these reports should be submitted to the City and MDEQ independently of the DDCC and prior to site activities for these tasks.

Recommendations:

Because this 381 Work Plan is the basis for implementation of the ACJ, the following additional information is recommended in the 381 Work Plan prior to submittal to the MDEQ.

1. The actual interest capture, annual appreciation, and future taxable value will be modified to be consistent with the final Brownfield Plan approved by City Council.
2. The appended Brownfield Plan will be replaced by the City Council approved Brownfield Plan.
3. The 381 Work Plan should state that the Design and Installation Specifications for Parcel B and the Design and Installation Specifications for Venting Systems reports will be submitted to the City and MDEQ prior to beginning site work for these tasks (Sections 3.1.1.7 and 3.1.1.8).
4. The 381 Work Plan should state that cost reimbursement for waterproofing seals and gaskets for the stormwater piping is limited to school tax capture (Section 3.1.1.9).
5. The starting year for capture in Section 5.2 should be consistent with the final Brownfield Plan approved by the City Council, which is currently listed at 2020.
6. A spill contingency plan/response plan should be listed in the 381 Work Plan as a specific plan for review by the City and approval by the MDEQ.

Next Steps:

The following are the recommended next steps.

1. Once the 381 Work Plan is administratively complete and consistent with the Brownfield Plan and ACJ, City staff will submit the 381 Work Plan to the MDEQ for review and approval.

Please contact me if you have any questions, or need additional information.



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