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GRASS VALLEY CITY COUNCIL
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Jan Arbuckle, Mayor
Dan Miller, Vice Mayor
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Lisa Swarthout

November 22, 2011

R09-12-A-016

Don West
Environmental Management Support Inc.
8601 Georgia Avenue, Suite 500
Silver Spring, MD 20910

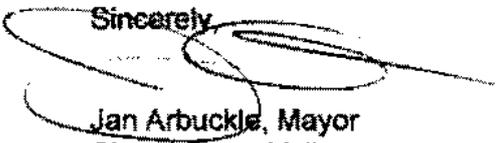
**SUBJECT: Village of South Auburn, City of Grass Valley, California,
Proposal to EPA for Brownfields Site Specific Assessment Grant Funds**

Dear Mr. West:

The City of Grass Valley is requesting funding for a Site Specific Assessment funds to continue detailed sampling and assessment work for a key redevelopment site known as the Village of South Auburn. The approximate 11-acre site is located along South Auburn Street in Grass Valley and is currently undeveloped with no structures. Planned development for the Village of South Auburn project includes mixed use of commercial, office space, residential, and light industrial. In May 2003, the City of Grass Valley Planning Commission approved the Village of South Auburn Development Plan. The project envisioned a mixed-use project consisting of 34 single family units, 23 apartment units, over 15,000 square feet of commercial space, and 9,500 square feet of office space. In addition, the project called for 2.6 acres of open space and 1.65 acres of protected wetlands. This site however, has met with complications related to prior mining operations which date to the Gold Rush era and to the presence of mining deposits, such as arsenic for which the State of California has not established standards. In addition, although some sampling work under a voluntary agreement has been completed on the site, the State Department of Toxic Substances Control has requested further sampling and analysis to determine the solubility of the metals in soil and potential impacts to groundwater, delineate and characterize the area and to determine if there are continued releases from off-site sources (Empire Mine tailing deposits) that may continue to impact the drainage area.

This is a priority site in the South Auburn Street Redevelopment area to provide much needed job growth and new housing. It is one of few larger sites under single ownership which has the potential to support marketable and sustainable new development. We look forward to the opportunity to partner with EPA in attaining our mutual goals of site clean-up and sustainable re-use.

Sincerely,


Jan Arbuckle, Mayor
City of Grass Valley

Telephone (530) 274-4310 – Fax (530) 274-4399
www.cityofgrassvalley.com

City of Grass Valley, California Cover Sheet, Village of South Auburn, Site Specific Assessment Grant

- a. Applicant Identification CITY OF GRASS VALLEY, CALIFORNIA
Mailing Address: 125 E. Main Street, Grass Valley, CA 95945
Phone: (530) 274-4330
Fax: (530) 274-4399
Website: www.cityofgrassvalley.com
- b. Applicant DUNS Number 062400192
- c. Funding Requested
i. Grant Type: Assessment
ii. Amount: \$200,000
iii. Contamination: Hazardous Substances
iv. Assessment Area: Site Specific
- d. Location City of Grass Valley, Nevada County, California
- e. Site Location Village of South Auburn located on South Auburn Street at Whiting Avenue, Grass Valley California, 95945. County Assessor's Parcel Numbers: 29-242-10, 290-280-14, 29-350-15, 29-280-06, 29-280-07, 29-270-06, 29-280-07, and 29-270-04. The site is one contiguous property under common ownership.
- f. Project Contacts

Project Director: Tom Last, Planning Director
Mailing Address: 125 E. Main Street, Grass Valley, CA 95945
Phone: (530) 274-4771
Fax: (530) 274-4399
Email: tomil@cityofgrassvalley.com

Mayor: Jan Arbuckle, Mayor of Grass Valley
Mailing Address: 125 E. Main Street, Grass Valley, CA 95945
Phone: (530) 274-4314
Fax: (530) 274-4399
Email:
- g. Date Submitted: November 28, 2011
- h. Project Period: 3 Years (2012 to 2014)
- j. Population: 12,860 (U.S. Census 2010)
- k. Appendix 3, Special Considerations. Mining scarred brownfields sites and concentration on Phase II Assessments. (See Appendix 3 Checklist included in Attachments Section).

RANKING CRITERIA

1. COMMUNITY NEED

The City of Grass Valley is seeking funding for a site specific assessment of an 11 acre site planned for mixed uses. The site has hazardous substances from past mining operations. The site is also a prime infill site identified for job creating business and housing development in the City's General Plan. Grass Valley is a small town located in the foothills of the Sierra Nevada Mountains in Nevada County in the northeastern section of California. The town developed during the gold rush era beginning in 1850's and was one of the most prosperous mining towns in California. Due to environmental regulation, hard rock mining operations ceased by 1950's and caused a substantial loss of jobs and economic decline. Given the lack of employment opportunities in the community, the City's General Plan and recently completed Economic Development Strategy prioritize the re-use of Brownfields sites as a high priority for employment generating uses and affordable housing.

The subject site is a catalyst site located in the Grass Valley South Auburn redevelopment area and has received Planning Commission approval of a development plan. In 2003, the City of Grass Valley Planning Commission approved the Village of South Auburn Development Plan which envisioned a mixed-use project consisting of 34 single family units, 23 apartment units, over 15,000 square feet of commercial space, and 9,500 square feet of office space. In addition, the project called for 2.6 acres of open space and 1.65 acres of protected wetlands. The planned re-uses for the subject site will help fulfill the community's needs for new employment and affordable housing; however, without further assessment of the site, these efforts are stymied. The subject site participated in the City of Grass Valley's 2009 EPA Community Wide Assessment Program which funded a Cleanup Planning Strategy for the site to identify data gaps which must be filled for the site to proceed further towards clean-up and re-use. Prior to the grant activity, Phase I and Phase II level equivalent assessments have been completed for the site, however, based on review of the nature of mining and former dump contaminants, the State of California Department of Toxic Substances Control (DTSC) has determined that additional analysis and testing for site characterization and remedial action planning needs to be conducted on the site. These steps must be accomplished in order to achieve the planned uses on the site and for the site to proceed to clean-up and reuse.

a. **Health, Welfare, and Environment**

Major contaminants on the site are mining tailings waste from historic placer mining on the site and from the site's close proximity to the Empire Mine. Historically, the town of Grass Valley is the site of some of the highest producing gold and quartz bearing mines on the west coast including the Pennsylvania, North Star, Empire and Grass Valley mines. Not long after World War II, many of the mines closed down leaving behind miles of subterranean tunnels and shafts, the effects of hydraulic mining, and exposed lands which leached metals into local waterways, and leading to high levels of unemployment for the local workers. A second source of contaminants affecting the town is related to lumber mill operations. Although both mining and lumber milling are no longer a significant contributor to the area's economic base, the effects of these earlier operations still plague the town and present health and environmental challenges. For example, the tailings from former mine sites has been used for construction of buildings, highways, and roads. Toxic materials such as mercury, cadmium, chromium, cobalt, copper, cyanide, chloride, hydroxide, lead, nickel, silver, sulfide, zinc, arsenic, radioactive minerals, and asbestos contained in the tailings were

thus distributed far and wide in the area for more than a century. There are approximately 2,660 mining sites in or near Grass Valley. The State Department of Toxic Substance Control (DTSC) has identified 27 clean-up sites in Grass Valley including the Idaho Maryland Mine, the Empire Mine (adjacent to the site), the North Star Mine, the General Grant Mine, Spring Hill Mine and Stockton Hill Mine. Some of these mines used hydraulic processes which involve significant amounts of liquid mercury to enhance gold recovery. The U.S. Geologic Survey estimates that 10,000,000 pounds of mercury were released into the environment of which probably 80 to 90 percent was in the Sierra Nevada Mountains where the town is located.¹ Methylmercury (CH₃Hg⁺) is a potent neurotoxin that impairs the nervous system. Of particular concern is the accumulation of mercury in fish in local waterways including the nearby Yuba River and Deer Creeks. Health advisories are routinely issued by the State and County for sensitive populations to avoid eating mercury contaminated fish from the waterways in and around Grass Valley. Dust and soil from mine tailings often contain arsenic. Arsenic is also a chemical of concern often associated with mining and lumber activities. Short or acute effects of arsenic exposure can occur within hours or days of exposure. Long-term or chronic effects occur over many years. Long-term exposure to arsenic has been linked to cancer of the bladder, lungs, skin, kidneys, nasal passages, liver and prostate. Overall, the small town of Grass Valley (only 4.11 square miles in size), has a disproportionate number and density of Brownfields sites which adversely affect the health and economy of this low income community.

As noted above, the site is directly down gradient of the Empire Mine, which produced over 5.6 million ounces of gold before it was closed in 1956. Among pollutants found in the Empire Mine discharge are cadmium, chromium, copper, lead, mercury, nickel, thallium, zinc, aluminum, antimony, arsenic, barium, cobalt, iron, and manganese, some of which are present in concentrations hundreds, thousands, and even tens of thousands times higher than safe limits. The Empire Mine contaminants have migrated from the mine to the South Auburn Brownfields site. Previous soil sampling of the subject site evidenced high levels of arsenic and other metals. Preliminary sampling indicated soils contain heavy metals including arsenic as high as 4,970 milligrams per kilogram (mg/kg), mercury as high as 35.5 mg/kg, copper as high as 931 mg/kg, and lead as high as 665 mg/kg. These values exceed soil cleanup default values established by the State of California and pose a risk to future land users and aquatic species. As such, one of the objectives of additional testing for the site is to determine the nature and lateral and vertical extent of migration of contaminants from the mine to provide reliable cleanup objectives that facilitate redevelopment planning.

The town of Grass Valley is a rural center with a population of approximately 12,000 people. It is a City with a very high percentage of senior citizens, of which almost half are disabled, and lower income households who work in visitor serving, retail or service sectors. The 2010 median household income of \$35,399 is about half the 2010 median earnings of the State of California which was \$60,392. The majority of the population is white; however, the community is becoming increasingly multi-cultural as the City seeks to create new jobs and businesses that will attract younger people and families to the community. In the 2010 Census, 83% percent of the total

¹ USGS, 2005, Mercury Contamination from Historical Gold Mining in California by Charles N. Alpers, Michael P. Henczlach, Jason T. May, and Roger L. Hothem.

population identified themselves as non-Hispanic whites. Over the twenty -year period from 1990 to 2010, the number of people identifying themselves as Latino/Hispanic living in Grass Valley more than doubled increasing from 4% in 1990 to 10.6% in 2010. In Census Tract 6 where the subject site is located there are a higher proportion of minorities and individuals in poverty than the City overall. Sixteen percent (16.2%) of all individuals are below poverty level in this Census Tract a rate higher than the City, State and nation. And, 14.5% of the population in Census Tract 6 is minority; a rate higher than the City and County.

Demographic Indicators for the City Grass Valley and CT 6 (Village of South Auburn site) (2010 U.S. Census unless otherwise noted)				
Indicator	CT 6 So. Auburn St. Area*	Grass Valley	California	Nation
Population	5,959	12,860	37,253,956	308,745,538
Unemployment (BLS Sept 2011)	N/A*	N/A*	11.9%	9.1%
Poverty Rate:	16.2%	13.6%	13.2%	14.3%
Percent Minority:	14.5%	10.6%	42.4%	26.7%
Per Capita Income:	\$23,342	\$23,803	\$29,020	\$26,530
Median Household Income	\$36,179	\$35,399	\$60,392	\$50,221
Renter occupied housing	62.8%	58.1%	42.1%	33.1%
Renters paying 35% or more of income for rent	49%	48.5%	45.0%	41.0%
College Graduate (ACS 2005-2009)	15.2%	17.4%	26.6%	24.4%
Persons over the Age of 62	21.5%	23.5%	11.4%	13.0%
Persons Under 5	5.7%	5.9%	6.8%	6.5%
Persons Under Age 18	18.9%	20.4%	25.0%	24.0%
Persons with Disability (over 5 years old)	N/A*	22.6%	19.2%	19.3%
Persons with Disability (over 65 years old)	N/A*	42.7%	42.2%	41.9%
Female in poverty with <5 year old child	N/A*	62.2%	44.0%	46.4%
Housing pre-1939	N/A*	27.0%	9.4%	15.0%

Data is from US Census 2010 unless otherwise noted.
 * BLS does not provide unemployment rates for small cities like Grass Valley or by Census Tract
 *Information for Census Tract 6 is from the 2005-2009 American Community Survey. No data from 2010 Census accessible at this time for the Census Tract level.

The most vulnerable populations in the community are the seniors and persons with disabilities (both groups comprise a significant portion of the population at rates substantially higher than the State and nation) and children. The percentage of seniors is twice as high as the State overall and seniors in Grass Valley have higher rates of disabilities. Cadmium, mercury, arsenic and lead discharges from mining operations can affect seniors and children adversely. Fetuses and young children are more sensitive to mercury exposure than adults. Methylmercury can cause many types of problems in children, including damage to the brain and nervous system, mental impairment, seizures, abnormal muscle tone, and problems in coordination. Mining operations have also left

the community with elevated lead levels, which when combined with leaded petroleum products and lead-based paints common in the older housing of the town, present increased lead exposure rates. In 2000, approximately 45 percent of the housing stock in Grass Valley was at least 30 years old and 27 percent was over 50 years old. Homes that are 30 years old and older are generally at the greatest risk of being substandard and may have lead or asbestos materials. Renters occupy 58 percent of the housing stock (2010 Census) with 48.5 percent spending over 35 percent of their income on rent (American Community Survey 2005-2009 estimates). Lower income renters are less likely to have the resources to address lead and asbestos products in their households.

A comprehensive study of State of California health indicators prepared by the UCLA Center for Public Health Policy Research found that the Sierra Nevada mining Counties, including Nevada County, had significantly higher rates of heart disease, hypertension and asthma (all in the 1st or 2nd worst quintile for all counties in California) and these same Counties had the least access to health care of all Counties in the State. The Study found that 9% of adults in Nevada County have heart disease compared to 6.9% in California overall. Similarly, asthma rates for persons over age 65 are significantly higher than the State average of 13%. Seniors with asthma in Nevada County were 23.9% in the study.² Cancer rates are also extremely high. State of California Department of Public Health, Center for Health Statistics reported that Nevada County had a crude cancer rate of 238.7 per 100,000 population compared to 148.4 for the State of California and 188.7 for the United States.³ Age adjusted rates for Nevada County were at 173.1 compared to the statewide rate of 165.1 and the 158.6 for the nation.

Another important health risk related to the presence of Brownfields in Grass Valley is lack of employment opportunities in the community which results in job seekers commuting to outside urban areas for employment. The City has conducted studies which indicate that there is market demand and suitable sites within the City for job creating uses, however, these sites are complicated by the presence of Brownfields conditions. Until these sites can be assessed and remediated for development, 57% of the Grass Valley labor force commutes between 80 and 120 miles (roundtrip) to the greater Sacramento area for work. Vehicle emissions from the greater Sacramento area are generally carried by prevailing wind to Grass Valley where they are trapped by the mountains and inversion layers. This lack of jobs, therefore, has health implications as well by promoting unhealthy commute patterns. The Scorecard Pollution Information Site lists Nevada County in the top 10% for worst particulate matter (PM10 and PM2.5) and CO pollution in the United States. It is not surprising then that the cancer, asthma and heart disease rates in Nevada County are some of the highest in the State of California. Site assessment, clean-up and re-use of the subject site will therefore, assist in creating new employment opportunities in Grass Valley and reducing vehicle miles traveled and the attendant vehicle emissions.

b. Financial Need

i) Economic Impact of Brownfields. Historically, the median income for Grass Valley has been significantly lower than for other communities in Nevada County. The 2010 median household incomes in the City of Grass Valley amounted to only \$35,399 which is roughly 58% of the State median income of \$60,392. In addition, the 2000 Census reported that Grass Valley had

² Chronic Health Conditions of Californians, Findings from the 2003 California Health Interview Survey, prepared by the UCLA Center for Public Health Research, December 2005.

³ California Department of Public Health, Center for Health Statistics, Cancer Deaths 2005. <http://cdph.ca.gov/pubsforms/Pubs/OHIRcancer2005.pdf>

the highest rate of unemployment of all jurisdictions in Nevada County. The U.S. Bureau of Labor Statistics does not provide unemployment rates for small cities like Grass Valley, however, the State of California Employment Development Department reports that, over the last 12 months, the estimated unemployment rate for Grass Valley has fluctuated between 10.5% and 11.5%. Grass Valley also has a high rate of structural unemployment and persons on public assistance or disability, and self-employed persons who are not accounted for in the unemployment statistics.

The poverty rate among individuals in the City of Grass Valley is 13.6% and for the site area (Census Tract 6) the poverty rate is 16.2%. Close to 63% of the population of the City of Grass Valley meets the U.S. Department of Housing's definition of low or very low income and 20% of the City's households meets the definition of extremely low income (Sierra Planning Organization, Regional Housing Needs Plan). The population group most likely to have poverty level incomes in Grass Valley are with children under five years of age (29 percent), particularly female-headed families with children under five years of age of which 62.2 percent live in poverty.

Lower incomes in Grass Valley are the result of several factors, the most significant of which include: 1) the high proportion of government-assisted rental apartments (most of the subsidized rental housing in Nevada County is located in Grass Valley), and 2) the high proportion of service and retail jobs that pay low- to moderate-wages. A significant portion (58%) of the City's housing is renter-occupied. Nearly 50 percent of these renters spend more than 35 percent of their income on rent. The housing stock is older with 27 percent being constructed pre-1939 which is three times the state and almost twice the national percentages. Homes built pre-1980 were constructed at a time when asbestos and lead were used in building products.

Grass Valley's employment base is now largely in retail and service trades – both are low paying job categories and there are not enough jobs in the community to support the population. An additional employment sector is construction which is very depressed at this time. In 2009, only 4 permits were issued for new housing down from 116 permits issued in 2003. As a result, most residents (57 percent) commute to jobs outside Grass Valley. The City therefore, has formed a redevelopment agency to revitalize the historic downtown, and capture new job creating businesses along key commercial corridors. Grass Valley lies in an area surrounded by hills, rivers and forests and it is the City's policy to utilize land within or adjacent to the city limits for economic development before considering expansion into outlying areas. To effectively re-use these sites, market the sites, and leverage the City's limited funds, more information must be developed regarding the potential for hazardous or petroleum materials and the potential costs for clean-up. The subject site is a catalyst site with an approved Development Plan consistent with the City's General Plan and Economic Development Strategy and therefore a high priority.

ii) **Fiscal Conditions.** Like most communities in California, Grass Valley is confronting an extreme fiscal crisis due to the recession, housing slump and the State of California budget. Grass Valley has three major local funding sources: 1) local property tax; 2) redevelopment tax increment financing and 3) sales tax revenues. All three revenue streams rely on a growing and healthy economy. Property tax and tax increment are a function of property values. With the recent housing crisis, property values have declined leading to reductions in anticipated both property tax and redevelopment revenues. The median single family home sales price plummeted from approximately \$400,000 in 2007 to \$175,000 in 2011 severely undermining the City's property tax base. Similarly sales tax for Grass Valley has declined as tourism is slowing due to gas prices, the national economic crisis and high unemployment in the greater California area

including Grass Valley. The total budget revenue from all sources in the audited 2007/2008 City budget was \$11.596 million compared to projected 2011/2012 revenues of \$9.680 million. This represents a loss of \$2 million in annual revenues or nearly a 20% reduction in revenues. This is further compounded by the State of California, which due to a Statewide budget crisis, has determined that local tax increment revenues from all redevelopment agencies in the State must be returned to the State of California to balance the State budget. Tax increments represent a substantial source of revenue for the City of Grass Valley. The City of Grass Valley currently faces a budget deficit of \$239,064. In large part this is due to the need to remit to the State of California tax increment proceeds in the estimated amount of approximately \$700,000. As a result, the City has instituted a hiring freeze, reduction in spending, a reduced work week at City Hall and other measures to reduce expenditures. As a smaller city, the City does not have the same revenue streams that larger cities have for redevelopment. For example, the City must compete state-wide for limited Community Development Block Grant and HOME funding and because of the City's population size, Grass Valley is not an entitlement community. The City is, nonetheless, very aggressive in pursuing grants and partnerships to achieve redevelopment objectives. One of the strategies the City is pursuing is to reduce the amount of retail leakage from Grass Valley to retail stores in Placer and Sacramento County. A recent economic study of the Glenbrook Basin area of Grass Valley found that an estimated \$102 million in retail expenditures of Grass Valley "leaks" to other counties which could be captured if some of the larger sites in the redevelopment areas were cleared for re-use. In turn, through the capture of retail sales, the City of Grass Valley would also capture sales tax revenues to help stabilize the City's budget and make reinvestments in the City.

The proposed Village at South Auburn project will include over 15,000 square feet of commercial space, and 9,500 square feet of office space that will generate new sales and property tax. The site also includes 34 single family units, and 23 apartment units which will also increase property tax and indirectly contribute to sales tax revenues. Clearing this Brownfields property for redevelopment is expected to increase property values in the area by upwards of 3% or more. This will, in turn, increase property tax revenues to the City which will allow them to deliver needed community services in Grass Valley.

2. PROJECT DESCRIPTION AND FEASIBILITY OF SUCCESS

a. **Project Description.** The site is undeveloped vacant located on 11 acres, comprised of eight parcels, located on South Auburn Street. Single family residential and commercial development borders the site to the north and south with the historic Empire Mine located to the east. From the late 1800's to the 1940's site activities may have intermittently included placer mining. The site has evidence of former mining operations, and is adjacent and down gradient to the Empire Mine from which contaminants have likely migrated to this site. In 2003 the City of Grass Valley approved the Village of South Auburn Development Plan that consisted of mixed-use development and open space. Because of the concerns over environmental conditions from historic mining, the property owner entered into a Voluntary Cleanup Agreement (Docket Number HSA-1A) with the State Department of Toxic Substances Control (DTSC), the lead regulatory agency with authority over hazardous substances releases. A Preliminary Endangerment Assessment was prepared by Walker and Associates, Inc. (*Preliminary Endangerment Assessment Equivalent (PEAE)*) for the Village of South Auburn, June 19, 2006). Findings of the PEAE includes: 1) sandy tailings-like material were found in a spotty location within the drainage feature on the eastern portion of the site; 2) a small dump area containing household waste was observed; 3) measurements using x-ray fluorescent (XRF) revealed elevated levels of arsenic, lead and other

metals; and 4) examination of surface soils in areas of tailings where high arsenics values were detected at surface. The PEAE was submitted to DTSC, and DTSC determined the site had significant data gaps and requested additional sampling to fully characterize the site (DTSC 2006). The next step in assessment process is to conduct a Sampling Analysis Plan (SAP) and implement the approved plan. Following completion of the SAP and final SAP report, a Remedial Action Workplan (or clean-up plan) needs to be prepared to outline the procedures for clean-up in a manner which meets both EPA and DTSC requirements to protect public health and the environment. These are essential requirements for preparing the site for remediation to allow the planned re-uses of the site.

b. Budget for EPA Funding, Tracking and Measuring Progress, and Leveraging Other Resources

i) **Budget.** The City of Grass Valley is seeking \$175,000 in site specific Phase II ESA grant funding for the Village of South Auburn Site.⁴ The budget includes estimated costs to prepare Sampling Analysis Plan (SAP) and Health and Safety Plan (HSP) documents and begin preparation of a Removal Action Workplan (RAW). Both of these documents are required by DTSC under the State Voluntary Clean-up Program. DTSC is the regulatory agency in the State of California responsible for determining the levels of assessment and remediation, which need to be undertaken for a site to be cleared for development. There are multiple tasks which need to be completed to characterize the contaminants and develop alternatives for remediation of the site. Outlined below are the budget, approach and major tasks to be undertaken with the assessment grant funds.

Budget Categories	Task 1: Phase II ESA and Sampling	Task 2: Clean-up Planning	Task 3: Community Outreach	Task 4: Regulatory Oversight	Task 6: Project Management	Total
Personnel			13,500		11,500	25,000
Fringe Benefits						0
Equipment						0
Supplies						0
Contractual	70,000	60,000	5,000			135,000
Other(State Fee for Oversight)				15,000		15,000
Sub Total	70,000	60,000	18,500	15,000	11,500	175,000

Task 1: Phase II Sampling Analysis Plan (SAP) and Implementation. Based on the prior site reports, and discussions with U.S. EPA and DTSC, both a SAP and Health and Safety Plan (HSP) need to be prepared to address the data gaps identified in the PEAE and to characterize the extent

⁴ In 2009/2010, \$25,000 of a U.S. EPA Community-wide Assessment Grant funds received by the City of Grass Valley were expended on Phase II level work on this site.

of contamination. The SAP will identify the specific number and location of soil and water samples that will be collected and analyzed. As part of the SAP, stream and sediment samples will be collected to determine the conduct an ecological risks analysis. This is necessary since the development plans proposes to incorporate the sensitive water course as open space and protected wetlands for which the site has received an approved Section 404 permit. The City will contract with a qualified environmental assessor to conduct the Phase II ESA, and will work closely with both EPA and DTSC regarding the scope of work and sampling procedures. The City and consultant will also prepare a draft report of results and findings for both EPA and DTSC review. Responses to comments and additional sampling, if required, will be undertaken to produce a final data gap analysis report which meets the State DTSC requirements. A budget of \$70,000 is allocated for this task because of the size of the site and extent of possible contamination. Anticipated costs include \$7,500 for a site-specific SAP, and HSP; \$47,500 for sample collection, analysis, and data validation, \$14,000 to prepare a draft and final report that includes an ecological risk evaluation. **Outputs and Outcomes:** Outputs from this task include draft and final SAP and HSP documents and the expected outcome that the City will receive approval from the State and EPA to proceed with the preparation of a Site Clean-up Plan based on the results of the sampling.

Task 2: Clean Up Strategies and Planning. This task includes the development of a Remedial Action Workplan (RAW). In accordance with the Voluntary Clean-up Agreement executed for the property, the RAW must include: (a) a description of the onsite contamination, including all background information, sample analysis results, human and ecological health risk assessment information, and any other information pertinent to the hazardous substance management and/or release, characterization and cleanup of the Site.; (b) the goals to be achieved by the removal action; (c) an analysis of the alternative options considered and rejected and the basis for that rejection. The RAW will include a discussion for each alternative which covers its effectiveness, implementability and cost; (d) administrative record list; and (e) a statement that the RAW serves as an equivalent document to the Engineering Evaluation/Cost Analysis document required by the National Contingency Plan. This plan will be prepared by a Qualified Environmental Assessor. The draft RAW will be submitted to both EPA and DTSC for comments. If the budget allows, a final RAW shall be completed and submitted for DTSC approval. Also if funds allow, the City will ask the consultant to begin preparing the required Remedial Design and Implementation Plan (RDIP). The RDIP must include: (a) technical and operational plans, engineering designs, maps and draft land use covenants needed for implementation of the approved remedial or removal action alternative(s); (b) a schedule for implementing the construction phase; (c) a description of the construction equipment to be employed; (d) a site specific hazardous waste transportation plan (if necessary); (e) the identity of any contractors, transporters and other persons conducting the removal and remedial activities for the Site; (f) post-remedial sampling and monitoring procedures for air, soil, surface water and groundwater; (g) operation and maintenance procedures and schedules; and (h) a health and safety plan. The budget includes \$65,000 for this task. **Outputs and Outcomes:** Outputs from this task include a draft and final Remedial Action Workplan (RAW) and the expected outcome that the City will receive approval from the State and EPA to proceed with clean-up of the site in accordance with the RAW.

Task 3: Community Outreach. This task includes a number of activities to keep the public informed, and to comply with EPA and DTSC community outreach and notification requirements. (See also Community Outreach section). The City will take the lead in community outreach and coordination with the property owner and neighboring properties. This will include outreach to notify the owner and neighbors when sampling activities will be undertaken on the site and the reasons for such activities. The City will ensure that questions about the site investigation process are answered and that all interested parties are kept informed of the project and progress. In

accordance with the State Voluntary Clean-up Agreement executed for the site, the City will also ensure that the RAW is available for public comment and review by a public notice in the local newspaper. The City will give the public no less than 30 days to review and comment on the plan. During this 30 day period, the City will also hold a community meeting on the proposed activities and to receive public comments on the RAW. All comments received will be recorded and responded to. The budget includes \$18,500 for community outreach including the preparation of a site-specific Community Outreach Plan by the consultant selected for the site assessment, meetings and staff time and material costs associated with keeping the community, stakeholder groups and neighbors informed of progress on the site. **Outputs and Outcomes:** Outputs from this task include a draft and final Community Relations Plan and the outcome is an informed public and neighbors who are educated about the activities occurring at the site.

Task 4: Regulatory Compliance and Oversight. As noted above, the site is currently under a Voluntary Clean-up Agreement with the State DTSC. DTSC has agreed to serve as the lead regulatory agency responsible for reviewing and approving all assessment and clean-up activities on the site and for ensuring that the site assessment and remediation process will lead to a site which meets the clean-up levels established for the intended uses of the site. The fee for this oversight charged by the State of California is estimated to be \$15,000. **Outputs and Outcomes:** Outputs include meeting notes and correspondence from DTSC regarding the acceptability of the sampling and clean-up plans in leading to the site to be authorized to be cleaned for re-use. The expected outcome is that the site will be cleaned and cleared for productive re-use in accordance with the approved development.

Task 5: Project Management. This task provides for a small portion of the direct costs for City staff to manage the grant over the estimated two to three year term of the project. Costs include staff time to develop, advertise and select qualified contractors to perform project management activities associated with the tasks above and to ensure the contracts and contractors comply with the requirements identified under the terms of the cooperative agreement between the City and the EPA. City staff will comply with the EPA reporting requirements including preparing property profile forms, quarterly and annual financial status and MBE/WBE utilization reporting. City staff will schedule and hold regular conferences and/or meetings as needed with the regulatory/oversight agency staff to review progress under the EPA approved work plan. No funds will be used for ineligible administrative costs. A sum of \$11,500 from the grant is allocated to project management which is significantly below the 10% allowed for such activities under the grant. Because \$11,500 over the 3 year period accounts for only a small portion of the actual administrative costs associated with this grant, the City will be making a substantial in-kind contribution of staff time at approximately \$35,000 annually. **Outputs and Outcomes:** Outcomes include 12 quarterly reports, updated Property Profile Forms; and three annual financial statement and WBE/MBE reports. The EPA's ACRES reporting system will be used to electronically submit site information.

ii) Tracking and Measuring Progress, Outcomes and Outputs. The City of Grass Valley has successfully received and administered a prior EPA Community Wide Brownfields grant and is thus familiar with the expected reporting requirements including ACRES. The City of Grass Valley typically requires weekly progress reports from all qualified environmental assessors working on the grant which are then used to track progress and create the system for tracking outputs and outcomes. These reports in turn will be consolidated into the Quarterly Reports to our EPA Project Officer. Generally, outputs and outcomes will be tracked by property parcels as this lends itself to inclusion in the ACRES reporting system. Other significant outputs and outcomes such as community outreach will similarly be tracked through maintenance of sign-in sheets, meeting notes, and copies of outreach materials. Typical outcomes include tracking the specific amount of land

where environmental and public health risks have been determined, tracking the number of community groups/members educated about the potential health risks, acres converted to open or public space, jobs created, numbers of properties alleviated from blight, and private financing leveraged. The City will prepare quarterly reports, annual reports including financial status reports and MBE/WBE utilization reports using the EPA's electronic ACREs system. The City Finance Department will be responsible for the preparation of the financial reports and will work with the Community Development staff on efficient drawdown and auditing of funds.

iii) **Leveraging.** The Village of South Auburn site has already received substantial private investment from the development team who has invested approximately over \$4 million in private funds for site planning, site assessment, and permits including a U.S. Army Corps of Engineers Section 404 permit to preserve an existing wetland on the site. The development team has also spent funds for regulatory oversight by the State Department of Toxic Substances Control of a Preliminary Endangerment Report. Therefore, there has been substantial private investment and leverage on this site. From a public perspective the City has contributed substantial staff time to this project since it is an important catalyst site. The City has also contributed significant improvement funds including \$506,555.00 for South Auburn Street Improvements to serve as an incentive to support infill and development in that area. In order to realize the vision of the Village of South Auburn plan, the site will need to be cleaned up to meet standards including standards for residential uses and protect sensitive water bodies. Clean-up of the site maybe costly and therefore, in addition to contributions from the development team the City has identified the following potential sources to make site clean-up affordable.

- Department of Toxic Substances Control (DTSC), Clean-up Loans and Environmental Assistance to Neighborhood (CLEAN) program, the California State Brownfields Cleanup Revolving Loan Fund (BCRLF) program and the Contamination Orphan Site Cleanup program.
- State Water Agency, Proposition 50 and Proposition 84 for Waterways and Parkways.
- U.S. EPA Brownfields Clean-up Revolving Loan Funds.

The City of Grass Valley has experience leveraging public and private funds through local tax bonds and tax credits for projects which meet the eligibility for such funds. An example of the City's capacity to leverage local bond funds is the Springhill Apartments project which will provide 121 units of affordable housing. This \$13 million dollar project includes \$600,000 of local tax increment redevelopment funds which leveraged substantial additional public and private investment from U.S. Department of Agriculture (USDA) and U.S. Bank. The City is aggressive in seeking other sources of funds. For example, over the past two years, the City has successfully competed for \$27,619,736.00 in grant funds. An additional \$575,000 in grants were received to support pedestrian and bicycle improvements to improve the livability and connectivity of the community. The City has also committed over \$30,000 in-kind staff services to the 2009 Brownfields Community-Wide Assessment Grant program.

c. **Programmatic Capability and Past Performance**

i) **Programmatic Capability.** The City of Grass Valley is a full service municipality which responsible for planning, building, public works, parks and recreation, fire and police services for the City. This project will be overseen by the Community Development Department which is the Department responsible for planning, redevelopment and economic development, and has experience in managing federally funded grant funds such as CDBG and HOME funds and is currently administering the 2009 Brownfields EPA Assessment Grant. There is very little turnover

in the City of Grass Valley and most employees are long term employees. This grant will be administered through the Community Development Department and overseen by Mr. Tom Last, Planning Director who has 26 years of experience in community development and 8 years with the City of Grass Valley. The Brownfields Assessment program will be under the day-to-day management of Ms. Jeri Amendola, Economic and Housing Specialist who has been instrumental in the success of the 2009 Brownfields grant. Ms. Amendola has over twelve years of professional redevelopment experience including experience both with the City of Grass Valley and with the Sacramento Housing and Redevelopment Agency. Ms. Amendola will be assisted in the financial tracking and compliance related to this grant by Ms. Tish Buti, of the City's Finance Department. This project management team includes the key personnel who are most familiar with the redevelopment areas and grants management and, who administered the successful 2009 Brownfields grant. The City of Grass Valley is familiar with solicitation, selection and contracting for outside expertise using the Federal OMB A-102 Procurement Standards. They have used this system to successfully secure consultants or contractors for a number of federal grant programs including CDBD, HOME, US EPA Brownfields and transportation projects.

ii) **Adverse Audit Findings.** None. The City of Grass Valley conducts an annual audit and financial report prepared by a certified public accountant in accordance with the City's Charter in accordance with Single Audit accounting procedures. The City has not received any adverse findings nor has the City ever been required to comply with special "high risk" terms and conditions under agency regulations implementing OMB Circular A-102.

iii) **Past Performance.** The City of Grass Valley received a Community-wide Assessment Grant from the U.S. EPA in October 2009 and work began in April 2010 immediately following execution of a a contract with a qualified environmental firm. This grant has been extremely successful, and the demand for participation in the program outstrips available grant resources. As such, the City is applying for additional assistance from the 2012 Brownfields allocation. In 18 months since the grant has been underway, the following significant accomplishments have been achieved: 1). The City completed the site inventory of contaminated sites and screened, evaluated and assigned scores to approximately 60 candidate sites based on site ranking/selection criteria; 2) the City completed the Quality Assurance Project Plan and GIS mapping of the targeted Brownfields areas; 3) For properties planned for reuse/redevelopment, 14 Phase I ESAs and 11 Phase II ESAs have been completed (Note: 3 additional Phase II ESAs will start this quarter) and cleanup strategies have been completed for 8 Brownfields parcels. As a result of this impressive progress, over 65% of the funds have been drawn down over the 18 months since program inception. In addition, the City has had two well attended community meetings on the project and a number of meetings with property owners, U.S. EPA and the State Department of Toxic Substances Control. The 2009 grant was funded with American Reinvestment and Recovery Act (ARRA) funds and all required reporting and compliance procedures are being adhered to. Progress reports are up to date and site information is recorded on Property Profile Forms and updated on ACRES.

3. COMMUNITY ENGAGEMENT AND PARTNERSHIPS

a. **Plan for Involving Affected Community.** Although Grass Valley is a small town, there is a very active citizenry and many communication networks. Public workshops are a popular format for involving the community in active participation. The City has already held a public workshop on November 20, 2011, regarding this grant application which received a favorable response. In addition to community workshops, the City will use many of the community outreach procedures used for the successful 2009 Community-Wide Brownfields Assessment Grant. The City will hold

a workshop to explain the reasons that an assessment grant is needed for the site and to explain how this will help assist with the planned re-use of the site. This workshop will give the general public an opportunity to ask questions about the grant, how each phase of the assessment process is conducted, and how public safety will be ensured. Workshops are advertised through a variety of methods including:

- Direct Mailing. The City has already assembled an extensive mailing list of interested persons and organizations as part of our 2009 EPA Brownfields grant.
- Group Membership Mailings (via stakeholder groups such as the Downtown Association and the Chamber of Commerce);
- Print Media which includes the Sacramento Bee and the Grass Valley Daily Union which is distributed to 16,000 homes.
- Internet connections including the City of Grass Valley Website, the Chamber of Commerce website, the Downtown Grass Valley Website, Yubanet regional news and Nevada Gold Online Magazine.
- Local cable TV and public radio.

In addition to public workshops, the City will also ensure that interested persons and the public receive updates on the status of the project. The City will ensure continuing involvement and public awareness through the following types of measures:

- Quarterly updates at televised City Council meetings.
- Website updates (see website list above)
- Press Releases to media outlets (listed above) to update the public on progress and any upcoming meetings.
- Fact Sheets and Progress Reports which may be distributed at meetings or published in local newsletters and on websites.
- Report backs to our Stakeholder groups such as the Chamber of Commerce, Downtown Association, and others.

In addition to the above outreach activities, the City will also lead the effort in complying with the State of California community outreach requirements which include among other things, the preparation of a Community Relations Plan and publication of the RAW for public review and comment. Finally, the City will be responsible for ensuring that the property owner and neighbors are notified of sampling activities on the site and the purpose of such activities.

Our public outreach processes are very interactive and we expect that the City staff will be invited to make additional presentations to neighbors and other interested parties through-out the Brownfields project period. The City of Grass Valley does not generally need translation services since 96% of the community speaks English only and the majority of those who speak Spanish speak English very well (2000 U.S Census). However, as the City is becoming more multi-cultural, we will continue to assess the need and provide translation services as needed.

b. Efforts of Plans to Develop Local and State Partnerships. In implementing the 2009 Brownfields grant, the City has formed key partnerships with EPA, Region 9; the California Department of Toxic Substances Control (DTSC); the California Department of Conservation, Office of Mine Reclamation; the Central Valley Regional Water Quality Control Board for groundwater or surface water contamination; and, the Nevada County Department of

Environmental Health. These agencies provide essential technical expertise and regulatory oversight for toxic materials and these agencies will be contacted at each phase of the assessment process. The involvement of these agencies is particularly important for the Phase II Assessment and Clean-up Strategy documents. Also, as noted above, the City and the project sponsor have already participated in the California "Unified Agency Review Process" and signed a Voluntary Clean-up Agreement with the DTSC who will serve as the lead agency to oversight the assessment and clean-up process at the State level.

c. Description/Role of Key Community-Based Organization. The main community-based partners who will be involved in the project and their role are described below:

Organization	Description and Role	Contact
Grass Valley Chamber of Commerce	1) assist in convening workshops; 2) provide property owners with information regarding the assessment program and the benefits of voluntary participation; 3) outreach to business and property owners and keep them up to date on the progress of the Brownfields project, 4) promote redevelopment and re-use planning efforts for Grass Valley.	Mary Ann Mueller, Executive Director, (530)-273-4667
Grass Valley Downtown Association	1) outreach to businesses and property owners regarding the Brownfields Program and 2) will continue to be an active stakeholder in the planned re-use of downtown development sites	Howard Levine, Executive Director, (530) 272-8315
Nevada County Economic Resource Council (NCERC)	1) assist with marketing the Brownfields assessment program, and 2) increasing community awareness of Brownfields regulations and available programs	Ron Moser, President (530)-274-8455
Nevada County Habitat for Humanity	This organization will assist the Brownfields project in providing outreach to their members, and identifying possible sites for affordable housing.	Debbie Arakel, Executive Director, (530) 274-1951
Nevada County Contractors Association	Assistance in public and worker safety and providing education materials about Brownfields and clean-up planning requirements to their members	Barbara Bashall, Executive Director, (530) 274-1919

4. PROJECT BENEFITS

a. Welfare and/or Public Health. This project will contribute to the public health and welfare of Grass Valley by:

- Facilitate Assessment and Clean-up of a Contaminated Site that will correct for Environmental Injustice. The site is located in an area of the City which has high rates of persons in poverty and minorities persons. Overall, the City of Grass Valley is a lower income community; however, Census Tract 6 where the site is located has higher poverty rates than the City of Grass Valley, the State and nation.

- Increase public awareness and education regarding contaminants in the area including those from mining activities. The South Auburn area where the site is located is in the “shadow” of the Empire Mine which is currently a DTSC project. This mine and older mining constituents on the site are of concern to many neighbors and this project will help educate the public about the contaminants, how they can be assessed, contained or removed and how public safety is protected. This will be accomplished by informing the public about regulatory standards and safeguards to protect human health, including those related to identifying and reporting potential suspect soils or conditions, and safety procedures to prevent exposure or migration of fugitive dust, soil or contaminated water. Public education fact sheets will be developed regarding public safety and worker safety.
- Providing incentives for property owners to address contamination. According to the “Mining’s Toxic Legacy” report prepared by the Sierra Fund, a major problem with protecting the public’s health in the Sierra Nevada is that there are no incentives for the property owner to clean-up their property. The report states that “by default, the current property owner is responsible, even if that individual did not create the pollution or profit from the mining operation that left it.... there are no incentives for private landowners to conduct voluntary cleanup.” Through this grant, property owners of the sites who have invested hundreds of thousands of dollars in planning, architecture and design will have an incentive to proceed with the voluntary clean-up of the site and follow through with the approved re-uses of the site which will be of great benefit to the overall community. Grant funds will address data gaps identified by the regulatory agency (DTSC). Funds will also create cleanup objectives developed to protect human health and the environment. Fees will cover DTSC’s oversight costs to provide technical guidance to ensure cleanup will be protective of planned land use and provide liability protections.
- Provide Safe Affordable Housing and Employment for Lower Income Households to Improve their Welfare and Quality of Life. Facilitating the clean-up of site for re-use as housing and employment generating uses will assist the community in meeting housing demand including a range of housing and affordability, and will create new jobs and employment opportunities for the community. It is estimated that the re-use of the site in accordance with the approved development plan will result in at least 75 short term construction jobs and over 100 permanent jobs as well as indirect employment from these workers who will purchase additional goods and services in the Grass Valley area.

b. Economic Benefits and/or Greenspace

- Productive Re-use of Under-utilized Properties as Employment Generating Uses. Grass Valley has one of the highest unemployment rates in Nevada County and recent economic reports, based on regional population projections, indicate that the City of Grass Valley should create 393,200 square feet of new business and commercial uses to support 3,817 new jobs within the City Limits during the next 17 years. This grant will assist us in promoting re-use to support of the subject site on which is planned to provide over 15,000 square feet of commercial space, and 9,500 square feet of office space in addition to 34 single family units, 23 apartment units. This is a significant contribution to filling the need for new business space. Additionally, the City fully expects adjacent and nearby property values to increase 2-3% once this Brownfields site is cleaned up and redeveloped. In turn, this will generate corresponding increases in property tax revenue to further support and provide needed community services.

- Creation of New Businesses and Jobs. From a fiscal perspective, new development will increase the City's property tax and sales tax base allowing the City to make further re-investments for the public good and increase livability by being able to support improved City services. For example, EPA reports that correcting Brownfields increases the property values for adjoining properties by 2-3%. The planned development will make a significant contribution to the City of Grass Valley's property and sales tax base which will allow the City to make further investments to promote the livability of the community.
- Healthier Jobs/Housing Balance. Through new employment, this grant will reduce vehicle miles traveled and the attendant air quality and energy consumption impacts. Fifty seven percent (57%) of the work force commutes outside of Grass Valley for employment, thus, aggravating congestion on Highway 49 and substantially degrading air quality in the valley. By providing new employment in the town, we will reduce commute patterns and keep tax revenues where they are needed most.
- Affordable Housing and Livability. Development of new affordable housing to provide safe and decent housing for lower income families, seniors, persons with disability, and low wage earners in the City. The proposed project is planned for mixed uses including apartments which will provide affordable housing for lower income households and workers in Grass Valley. Because the project development plan also includes commercial space and dedicated open space, the City will promote livability by providing affordable housing within walking distance to neighborhood services and open space.
- Greenspace and Habitat Benefits. The project will facilitate the provision of 2.6 acres of open space and 1.65 acres of protected wetlands which will contribute to the greenspace available to the community and preservation of this very endangered habitat type. In addition, the project will preserve sensitive wetland habitat species by conducting studies to mitigate any migration of arsenic and other metals to habitat areas including run-off to Wolf Creek.

c. Environmental Benefits from Infrastructure Reuse/Sustainable Reuse

This grant will help support the City in their efforts to develop sustainably by promoting re-use of this high priority catalyst infill site along South Auburn Street. The surrounding area is currently developed and has urban services. The site is one of the remaining larger parcels suitable for infill and development. The City has recently committed \$506,555.00 for South Auburn Street Improvements to serve as an incentive to support infill and development in that area and the development team has committed over \$4 million in planning for the site. The proposed development will utilize existing infrastructure that will allow the City to continue to grow economically and provide jobs and affordable housing without extending the urban footprint and urban services into sensitive natural areas. By limiting the expansion of the urban footprint, the City retains more of the tax revenues for providing social services and improving the quality of life for the community. By promoting a compact urban footprint we will reduce commute patterns and support smarter growth patterns. A compact downtown will also support walking and bicycling as an alternative to vehicles all of which contribute to community livability. In addition, the City has recently substantially revised their Development Code to support sustainable and smart growth concepts. These sustainability policies will be applied to this project as the site progresses through the clean-up and development process.

ATTACHMENTS TO CITY OF GRASS VALLEY, CALIFORNIA SITE SPECIFIC ASSESSMENT GRANT

1. Threshold Criteria and Site Eligibility Criteria
2. Letter from the California State Department of Toxic Substances Control (DTSC)
3. Letters of Support and Partnership
 - a. Grass Valley Chamber of Commerce
 - b. Grass Valley Downtown Association
 - c. Nevada County Economic Resource Council (NCERC)
 - d. Nevada County Habitat for Humanity
 - e. Nevada County Contractors Association
4. Other Letters of Support Received as a Result of Public Outreach
5. Other Factors Checklist

ATTACHMENT 1: THRESHOLD CRITERIA FOR SITE SPECIFIC ASSESSMENT GRANTS

1. **Applicant Eligibility.** The Applicant for this grant is the City of Grass Valley, a municipality of the State of California. The City of Grass Valley is an incorporated City of the State of California formed by charter in 1893 under the Constitution of the State of California. In accordance with the 2011 EPA Grant Guidelines, the City is an eligible applicant and is a "General Purpose Unit of Local Government" or a "local government" as defined under 40 CFR Part 31.
2. **Letter from the State or Tribal Environmental Authority.** The State Agency which has authority for hazardous materials is the State of California Department of Substances Control (DTSC). A letter acknowledging this application from DTSC is attached.
3. **Site Eligibility and Property Ownership Eligibility.**

a. **Basic Site Information.**

- (a) Name of Site: Village of South Auburn
- (b) Site Address: 750 South Auburn Avenue, Grass Valley, Nevada County,
California 95945
- (c) Site Ownership: South Auburn Street Partners (Contact Person - Jon Blinder 1-530-263-5563)

b. **Status and History of Contamination at the Site.**

(a) **Type of Contamination.** The site has been impacted with hazardous substances from the effects of historic mining waste.

(b) **Operational History and Current Use of Site.** The site is currently undeveloped with no structures. Historic mining activities from an adjacent property alleged to have contaminated onsite soils and water bodies. Additionally records show that from the late 1800s to 1940s, this Site may have been used intermittently for placer mining including the Larkin and Oliver mines. Unauthorized dumping is suspected on one of the eight parcels and is suspected of being contaminated with hazardous substances commonly associated with refuse.

(c) **Environmental concerns, if known, at the Site:** Preliminary sampling indicated soils contain heavy metals including arsenic as high as 4,970 milligrams per kilogram (mg/kg), mercury as high as 35.5 mg/kg, copper as high as 931 mg/kg, and lead

as high as 665 mg/kg. These values exceed soil cleanup default values established by the State of California and pose a risk to future land users and aquatic species. Development for the Village of South Auburn project includes mixed-use of commercial, residential, and will incorporate 2.6 acres of open space and 1.65 acres of protected wetlands.

(d) How the Site became contaminated, and to the extent possible, describe the nature and extent of the contamination: Sand tailing piles associated with hard rock mining waste were found within the drainage feature onsite. Tailing are the result of mining from onsite operations or most likely have migrated from the Empire Mine located upgradient of the site. A small unregulated dump was noted during preliminary environmental studies. In 2009, the City of Grass Valley was awarded their first EPA Brownfields Community-wide Assessment grant (2B-00T17401-0) to complete Phase I and Phase II environment Site assessments. Funds provided the City the opportunity to understand potential risks from onsite contamination. The Study entitled Cleanup Planning Strategy-Village of South Auburn concluded additional studies were needed including samples at deeper depths and an ecological study.

c. **Site Eligibility**

In August 2010, the City submitted an eligibility determination checklist to EPA to determine site eligibility under the Brownfields Community Wide Assessment program. EPA reviewed the application and on October 31, 2010 determined the site met the U.S EPA Brownfields grant site eligibility criteria. Specifically the Site is not:

- (a) Listed on the National Priorities List;
- (b) subject to unilateral administrative orders, court orders, administrative orders on consent, or judicial consent decrees issued to or entered into by parties under CERCLA; and
- (c) subject to the jurisdiction, custody, or control of the U.S. government.

d. **Sites Requiring a Property-Specific Determination**

Not Applicable. The Site is does not meet the criteria to require a property-specific determination in order to be eligible for funding.

e. **CERCLA § 107 Liability**

The City of Grass Valley is not the property owner and therefore is not potentially liable for contamination at the site under CERCLA §107.

f. **Enforcement or Other Actions**

The Site is not subject to an ongoing or anticipated environmental enforcement or other actions. The California Department of Substances Control (DTSC) entered into a Voluntary Cleanup Agreement as amended on January 18, 2007, with the site property owner which includes the scope of work including preparing a Remedial Action Workplan (RAW); however work under the VCA has not been completed and the project is on hold pending financial assistance to address the estimated costs of assessment for this site.

g. **Information on Liability and Defenses/Protections Where Applicant Does NOT Own the Site.**

The applicant, City of Grass Valley does not own the site to be assessed. Therefore the City affirms that:

- i) The City did not arrange for the disposal of hazardous substances at the site or transport hazardous substances to the site, or did not cause or contribute to any releases of hazardous substances at the site.
- ii) The City has an interest in seeing the mixed use development but does not have a direct relationship with the owner. The land owner has agreed to cooperate with the City and supports the proposed grant activities (see letter of support in attachment section).
- iii) The land owner will provide site access to the City and its contractors to perform site assessment activities.

h. **Information on Liability and Defenses/Protections Where Applicant Owns the Site or Will Own the Site During the Performance of the Grant.**

This section is not applicable since the City of Grass Valley (applicant) does not own the site and does not intend to purchase the site at any point during the performance of the grant. The site property owner has entered into a Voluntary Clean-up Agreement with the State of California Department of Toxic Substances Control (DTSC) who is serving as

the oversight agency for the assessment and clean-up of this site. In accordance with that agreement, the property owner is required to comply with all land-use restrictions and institutional controls; assist and cooperate with those performing the assessment and provide access to the property; comply with all information requests and administrative subpoenas that have or may be issued in connection with the property; and provide all legally required notices. Sub-questions in this section are not applicable to this project since the grant applicant (City of Grass Valley) is not the site owner.



Matthew Rodriguez
Secretary for
Environmental Protection



Department of Toxic Substances Control

Deborah O. Raphael, Director
8800 Cal Center Drive
Sacramento, California 95826-3200



Edmund G. Brown Jr.
Governor

November 17, 2011

Ms. Debbie Schechter
Brownfields & Site Assessment Section Chief
U.S. Environmental Protection Agency, Region 9
Superfund Division (SFD-6-1)
75 Hawthorne Street
San Francisco, California 94105-3901

STATE OF CALIFORNIA LETTER OF ACKNOWLEDEMENT FOR BROWNFIELDS SUBTITLE A GRANT APPLICATIONS – CITY OF GRASS VALLEY

Dear Ms. Schechter:

The Department of Toxic Substances Control (DTSC) has received the City of Grass Valley's request for a letter from the state environmental authority acknowledging that it intends to conduct assessment activities and that it is planning to submit applications to the United States Environmental Protection Agency for Brownfields Subtitle A Community-wide Assessment Grant funds of \$200,000 for hazardous substances and \$200,000 for petroleum, and for Site-Specific Assessment Grant funds of \$200,000 for the Village at South Auburn Brownfields site. DTSC fully supports Grass Valley's request for the grant funds to conduct community outreach, environmental assessment activities, and develop cleanup plans.

Utilizing the Community-wide Assessment Grants, Grass Valley will conduct Phase I and Phase II Environmental Site Assessments in six areas prioritized for infill and redevelopment projects in the Grass Valley General Plan. The Downtown, Idaho-Maryland Road corridor, East Main Street, Colfax Avenue, South Auburn Road, and Glenbrook Basin Area all have updated strategic plans seeking to leverage a combination of local resources, USEPA Brownfields, US Department of Housing and Urban Development, and Department of Transportation funds to facilitate redevelopment and reuse.

The City of Grass Valley is also seeking Site-Specific Assessment Grant funds to complete its assessment and cleanup planning for a site on South Auburn Street known as the Village at South Auburn. This 11 acre site is planned for a mixed-use

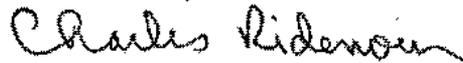
Ms. Debbie Schechter
November 17, 2011
Page 2 of 2

development with approximately 60 housing units, commercial space, open space and protected wetlands. Additional assessment work delineating the data gaps at the site, including possible impacts to groundwater and evaluation of the health risks the site poses is required in order to develop a cleanup plan.

These grants will allow the City of Grass Valley to continue to work with state agencies in a productive manner that protects the environment, improves the lives of the citizens of the area and all of California. We appreciate the opportunity to support local agency programs because they play a critical role in California's efforts to protect the environment and public health.

Please contact Mr. Tim Miles at (916) 255-3710 or by email at tmiles@dtsc.ca.gov, if you have any questions.

Sincerely,



Charles Ridenour
Branch Chief
Cleanup Program- Sacramento Office

cc: Mr. Joe Heckel
Director
Community Development Department
City of Grass Valley
125 East Main Street
Grass Valley, California 95945

Ms. Megan Cambridge
Brownfields & Redevelopment Team Leader
Brown and Caldwell
10540 White Rock Road, Suite 180
Rancho Cordova, California 95670

Mr. Tim Miles
Hazardous Substances Scientist
Cleanup Program- Sacramento Office
Department of Toxic Substances Control
8800 Cal Center Drive
Sacramento, California 95826

November 16, 2011

Jeri Amendola
Economic Development Specialist
City of Grass Valley
125 E Main Street
Grass Valley, CA. 95945

SUBJECT: City of Grass Valley Brownfields Community-Wide Assessment Grant Applications for both Hazardous Substances and Petroleum Products and Site Specific Assessment Grant for the Village of South Auburn

Dear Jeri:

I was very pleased to hear that the City of Grass Valley is pursuing additional U.S. EPA Brownfields grant funding, and specifically, funding for the Village of South Auburn which I represent. As you may know, this site is a prime mixed use infill site of close to 11 acres located on South Auburn Road. The development team has, over the years, participated in various studies of the historic uses and potential for contamination, however, the costs of further sampling and analysis are simply not feasible for the development team at this time. We are therefore, extremely supportive of the opportunity to voluntarily participate in this program and measure the extent and types of contamination in order to further our planned redevelopment of the site. I believe we have an outstanding mixed use project providing new homes and commercial space in the South Auburn Redevelopment Area. We have met and incorporated many challenges including preserving the existing wetland on the site and obtaining a 404 permit for such. Clearly, substantial effort and private and public funds have been invested in this site and yet we confront more challenges related to past mining activities and possible off-site migration of contaminants from the Empire Mine upstream. Please put me down as a willing stakeholder to support and facilitate this process. Please do not hesitate to call me at 263-5563, if I can answer any questions or assist this effort.

Sincerely,



Jon Blinder



Grass Valley/Nevada County
CHAMBER OF COMMERCE

November 16, 2011

Jeri Amendola
Economic Development Specialist
City of Grass Valley
125 E Main Street
Grass Valley, CA. 95945

SUBJECT: City of Grass Valley Brownfields Community-Wide Assessment Grant Applications for both Hazardous Substances and Petroleum Products and Site Specific Assessment Grant for the Village of South Auburn

Dear Jeri,

On behalf of the Chamber of Commerce, I am pleased to submit this letter of acknowledgement and support for City of Grass Valley's application for funding under the EPA Brownfields Assessment program. The City of Grass Valley is applying for funding under the Brownfields program to conduct community-wide assessments of hazardous substances and petroleum product sites planned for redevelopment in our redevelopment project areas and a site specific assessment grant for the proposed Village of South Auburn site.

As Grass Valley's most established community-based organizations which has served the community for almost 100 years, the Chamber will be involved in the project through outreach efforts to business, property owners, and community groups. The Chamber will assist in providing business/property owners with information regarding the assessment program and the benefits of voluntary participation. The Chamber will provide periodic updates in its newsletter, "Business to Business" to keep them up to date on the progress of the Brownfields project. The Chamber provides these services on an in-kind basis for the betterment of the greater Grass Valley community.

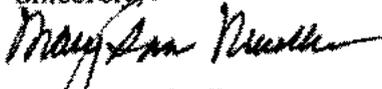
The City of Grass Valley has a high concentration of abandoned mines, including several mines in within the City Limits of Grass Valley. Because downtown Grass Valley developed in the late 1800's along with the mining operations, this area continues to have hazardous waste conditions related to mining contaminants and buried subterranean mining structures. Contaminants from mining operations are found in the soils and urban creeks which run through the redevelopment area.

248 Mill Street Grass Valley California 95945 530.273.4667 Fax 530.272.5440
www.grassvalleychamber.com

Without assessment and clean-up of these properties, the Chamber and community cannot realize our long term economic vision for a healthy community with adequate jobs and services.

Thank you for considering this application. If you need further clarification of the Chamber's support for this project, I welcome you to call or email me directly.

Sincerely,



Mary Ann Mueller
Executive Director

Grass Valley Downtown Association

(530) 272-8315 Fax (530) 273-8696
E-mail gvdal@sbceglobal.net

Post Office Box 1986 Grass Valley, CA. 95945
www.historicgrassvalley.com



November 16, 2011

Jeri Amendola
Economic Development Specialist
City of Grass Valley
125 E Main Street
Grass Valley, CA. 95945

SUBJECT: City of Grass Valley Brownfields Community-Wide Assessment Grant Applications for both Hazardous Substances and Petroleum Products and Site Specific Assessment Grant for the Village of South Auburn

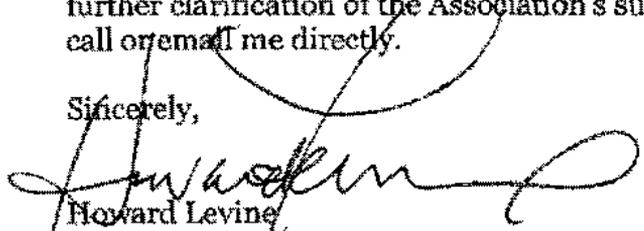
Dear Jeri,

The Grass Valley Downtown Association is pleased to submit this letter of support and partnership for the City of Grass Valley's application for funding under the EPA Brownfields Assessment program to conduct community-wide assessments of hazardous substances and petroleum product sites planned for redevelopment in our redevelopment project areas.

The City of Grass Valley located in the "Gold Country" of the Sierra Nevada has a high concentration of abandoned mines, including several mines within the City Limits of Grass Valley. Because downtown Grass Valley was developed in the late 1800's along with the mining operations, this area continues to have hazardous waste conditions related to mining contaminants.

The Grass Valley Downtown Association initially formed 1986 is designated as a "Main Street" program which promotes downtown revitalization as set forth by the National Main Street program. We understand that for our downtown to be viable, our community must be healthful and clean, and properties assessed for any contamination to ensure the real estate and development potential of our vacant and under-utilized lands. To this end, we proposed to offer in-kind support of the Brownfields programs by continuing to be active in outreach to our businesses and property owners regarding the Brownfields Program and will continue to be an active stakeholder in the planned re-use of downtown development sites. Thank you for considering this application. If you need further clarification of the Association's support for this project, I welcome you to call or email me directly.

Sincerely,


Howard Levine
Executive Director



November 16, 2011

Jeri Amendola
Economic Development Specialist
City of Grass Valley
125 E Main Street
Grass Valley, CA. 95945

SUBJECT: City of Grass Valley Brownfields Community-Wide Assessment Grant Applications for both Hazardous Substances and Petroleum Products and Site Specific Assessment Grant for the Village of South Auburn

Dear Ms. Amendola:

As a partner with the City of Grass Valley in the economic development of greater Grass Valley area, the Nevada County Economic Resource Council (NCERC) is pleased to offer this letter of support for the proposed U.S. Environmental Protection Agency Brownfields Assessment Grant Applications. NCERC is well aware that past mining, timber and older gas stations complicate development of our foothill towns. As such we are pleased to see the City continuing to pursue grants to facilitate the site assessment process and encourage property owners to participate in this voluntary program. On an in-kind basis, NCERC will assist with marketing the Brownfields assessment program through our website and business resources listing which will increase community awareness of brownfields regulations and available programs. The NCERC will also continue to assist whenever possible in participating in market and re-use feasibility plans for sites such as the Village of South Auburn and properties in the Glenbrook Basin and other redevelopment areas. As you may also know, NCERC also maintains a land use and property inventory. As sites are assessed through this program, we would be interested in being aware of sites that have been received Phase I and Phase II reports. Few property sales transact and very few new developments can proceed without this critical step in the due diligence process. Properties who participate in this voluntary program are therefore, one step closer to re-use and market feasibility. We sincerely hope the City of Grass Valley is successful in receiving these much needed funds.

Sincerely,

Ron Moser
President

US EPA ARCHIVE DOCUMENT

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149 Crown Point Court, Suite A • Grass Valley • Tel. # (530) 374-1818 • Fax # (530) 274-3373
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November 15, 2011

Jeri Amendola
Economic Development Specialist
City of Grass Valley
125 E Main Street
Grass Valley, CA. 95945

SUBJECT: City of Grass Valley Brownfields Community-Wide Assessment Grant Applications for both Hazardous Substances and Petroleum Products and Site Specific Assessment Grant for the Village of South Auburn

Dear Jeri,

Nevada County Contractors Association (NCCA) is pleased to submit this letter of support for City of Grass Valley's application for funding under the EPA Brownfields Assessment program to conduct community-wide assessments of hazardous substances and petroleum product sites planned for redevelopment in our redevelopment project area. This organization will assist the Brownfields project in providing outreach to their members, reviewing re-use plans and helping to identify sites and areas where new development would benefit from this program.

The Nevada County Contractors Association is a non-profit association of general contractors, sub-contractors, building material suppliers, and other related construction industry businesses. The purpose of the NCCA is to promote, foster and maintain high standards and ethical practices within the construction industry. This group will be a partner in developing recommendations for public and worker safety and providing education materials about brownfields and clean-up planning requirements to their members. This association also provides information to contractors on recycled building materials and is linked with the State of California Integrated Waste Management Agency's California Materials Exchange (CalMAX) program. CalMAX conserves energy, resources, and landfill space by helping businesses and organizations find alternatives to the disposal of valuable materials or wastes through waste exchange.

Thank you for considering this application. If you need further clarification of the NCCA's support for this project, I welcome you to call or email me directly.

Sincerely,

Barbara Bashall
Executive Director



November 16, 2011

Jeri Amendola
Economic Development Specialist
City of Grass Valley
125 E Main Street
Grass Valley, CA. 95945

SUBJECT: City of Grass Valley Brownfields Community-Wide Assessment Grant Applications for both Hazardous Substances and Petroleum Products and Site Specific Assessment Grant for the Village of South Auburn

Dear Jeri,

Nevada County Habitat for Humanity is pleased to submit this letter of support for City of Grass Valley's application for funding under the EPA Brownfields Assessment program to conduct community-wide assessments of hazardous substances and petroleum product sites planned for redevelopment in our redevelopment project area. This organization will assist the Brownfields project in providing outreach to their members, reviewing re-use plans and identifying possibilities for affordable housing. Habitat for Humanity is an active partner with the City of Grass Valley in providing choices for affordable housing. We recognize that the opportunity to have federal support for the assessment of sites helps to reduce the cost burden of developing in-fill sites and lends to the feasibility of developing affordable housing. As such, we are pleased to offer our in-kind support in helping to identify sites for assessment, outreaching to our members about the Brownfields program, and continuing to work with the City of Grass Valley in the implementation of affordable housing. Habitat brings to this project, a strong knowledge of the local area, the constraints to new housing which includes brownfields, and a knowledge of site locations which we believe with Brownfields funding could be made more feasible for affordable housing.

By way of background, the Nevada County Habitat for Humanity was organized in mid 1995 by various community, government and church members to address the growing and recognized need for affordable housing in Nevada County. Nevada County Habitat for Humanity is a non-profit public benefit 501c3, grass roots organization whose mission is to assist in providing affordable

homeownership for low-income hardworking local families. Habitat has been an active self-help housing developer in Grass Valley and also runs the Nevada County Restore located in Grass Valley. The restore provides recycled building materials and fixtures to promote affordable rehabilitation and construction of homes and also supports the organizations environmental initiative.

Thank you for considering this application. If you need further clarification of the Habitat's support for this project, I welcome you to call or email me directly.

Sincerely,



Debbie Arakel
Executive Director

Nevada County Habitat for Humanity
P.O. Box 2997
Grass Valley, CA 95945
(530) 274-1951
debbie@nchabitat.org



Yuba River Charter School

505 Main Street • Nevada City, California 95959 • (530) 265-6060 • Fax (530) 265-6070

November 15, 2011

City of Grass Valley
c/o Jeri Amendola
Economic Development Specialist

RE: EPA Brownfield Assessment Grant Support

To Whom It May Concern,

This letter is to state the intention of the Yuba River Charter School wanting to participate in the EPA Brownfield Assessment Grant that the City of Grass Valley is proposing to file by November 28, 2011. The school is currently building a new facility off Rough & Ready Hwy and Adams Avenue and DTSC has determined that one of the properties (2.99 acres) we want to acquire for ingress/egress has contamination. The site was a historic burn dump used many years ago by city residents. The purchase of the property would greatly aid in providing safe access to and from the property which is of great concern to the school community. While our property is located outside the current city limits, we understand that the property is within the sphere of influence of the City of Grass Valley which is part of the area targeted for Brownfields Assessment Grant activities.

Additionally, we plan to apply for an EPA Brownfield Cleanup Grant during the November 2012 application period. We would be interested in partnering with the City of Grass Valley on this aspect of the project, as well, if it is in the interest of both parties.

We understand that for us to apply for the cleanup grant we need to have completed the Phase I and Phase II assessment process and have a plan and cost estimate for the clean-up. So, we have an urgent need to be part of this proposal and ask that the City of Grass Valley move forward with filing their assessment grant by the November 2011 deadline. We will work with the City in any way needed to expedite our inclusion in this grant process.

Sincerely,


Caleb Buckley
School Director

Appendix 3 Special Considerations Checklist

Please identify (with an **X**) if any of the below items apply to your community or your project as described in your proposal. EPA will verify these disclosures prior to selection of the grant.

	Community population is 10,000 or less
	Federally recognized Indian tribe
	United States territory
	Applicant assisting a Tribe or territory
X	Targeted brownfield sites are impacted by mine-scarred land
	Targeted brownfield sites are contaminated with controlled substances
	Community is impacted by recent natural disaster(s).
X	Project is primarily focusing on Phase II assessments.
	Community demonstrates firm leveraging commitments for facilitating brownfield project completion by identifying amounts and contributors of funding in the proposal and have included documentation
X	Community experiencing plant closures (or other significant economic disruptions), including communities experiencing auto plant closures due to bankruptcy. <i>Closure of mining sites and lumber mills due to environmental contamination.</i>
	Applicant is a recipient of a HUD/DOT/EPA Partnership for Sustainable Communities grant