

**ACT 381
WORK PLAN
TO CONDUCT
ELIGIBLE
MDEQ ADDITIONAL RESPONSE ACTIVITIES**

**101 N. PARK STREET
TRAVERSE CITY, MICHIGAN**

July 23, 2009

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1.0 INTRODUCTION

This document summarizes Michigan Department of Environmental Quality (MDEQ) Eligible Activities for two (2) parcels located on the west side of Park Street, between Grandview Parkway and Front Streets, in Traverse City, Grand Traverse County, Michigan. Figure 1 depicts the location of the parcels relative to downtown Traverse City. Figure 2 is a survey of the proposed development.

This Work Plan contains the following information pursuant to Act 381, Section a 5(2):

- The Brownfield Plan
- Current ownership information for each eligible property
- Available information of proposed future ownership
- Existing and proposed future zoning for each eligible property
- Available information on the historical and current use of each property
- Summary of site conditions and what is known about environmental contamination

The Brownfield Plan was approved by the Grand Traverse County Redevelopment Authority (BRA) and the Grand Traverse County Board of Commissioners on November 12, 2008 and 2008 and November 26, 2008, respectively 2008 respectively. A copy of this plan is included as Appendix A. The property is within the boundaries of a qualified local unit of government (City of Traverse City).

1.1 Eligible Property Information

a. Location

The eligible property is located at 101 N. Park Street in Traverse City, Michigan. The Eligible Property is constituted by real property formerly identified as 251 and 247 East Front Street (combined now as 101 N. Park Street), the former Firestone property and the former Annie's properties, respectively.

These parcels are bounded on the east by Park Street, to the north by an alley and the Boardman River, on the west by a commercial building at 243 East Front Street ("Horizon Books") and to the south by Front Street. The Brownfield Plan includes the following description:

Lots 18, 17 and the East 16.85 feet of Lot 16 and the southerly 111 feet of the east 21 feet of Lot 15 and the West 8.15 feet of Lot 16 of Hannah, Lay & Co.'s Third Subdivision of part of Block 24.

b. Current Ownership

The eligible property is currently owned by:

Big Olives 2, LLC
P.O. Box 210
Lake Leelanau, MI 49653

c. Proposed Future Ownership

Upon completion of redevelopment activities, ownership will be transferred to other entities through sale as condominium property. Subsequent owners will have individual ownership in condominium property and joint ownership of common elements as defined in the condominium master deed to be developed

d. Delinquent Taxes, Interest and Penalties

There are no known delinquent taxes, interest or penalties.

e. Existing and Proposed Future Zoning

The eligible property is currently zoned Commercial C-4b. The future zoning is expected to remain the same. The current DRAFT City Master Plan identifies this area as The TC-5 neighborhood. The TC-5 neighborhood is, per the DRAFT Master Plan, “..... the most formally and intensely developed of the two types of commercial neighborhoods. The focus is on high intensity, regional, commercial activity. The level of intensity generated within the confines of each district in this class of neighborhood tends to be the highest of commercial uses.”

1.2 Historical Uses of Each Eligible Property

The following provides a summary of historical site uses for the Eligible Property. The 101 N. Park Street address is comprised of lots which were formerly addressed 247 and 251 East Front Street. The former Bridgestone-Firestone facility occupied the 251 E. Front Street address. The 247 E. Front Street address most recently was occupied by a two-story commercial building and was occupied by a local confectioner. Dates below are approximate.

251 E. Front Street

1920 to 1929 Vulcanizing Operations
1929 to 1934 Gasoline Station (operated by George Gilbert)
1936 to 1967 Firestone Auto Supply and Service Store following demolition of gas station
1967 to 1975 Butternut Bakery Warehouse/Depot in vacated Firestone Service Store
1975 to 1980 Montgomery Ward Auto Repair facility in vacated Firestone Service Store
1981 to 1994 Traverse City Tire and Auto Repair (Firestone Dealer) in Firestone Building
1994 to 1999 Vacated Firestone Building

2000-Current Vacated Firestone Building Razed in December 1999 and January 2000

247 E. Front Street

1910 to 1997 Unspecified retail/commercial occupancy

1997 to 2000 “Annie’s” confectionery

2001- Current Razed in January 2001

1.3 Current Use of Each Eligible Property

The eligible property is currently vacant, save the debris accumulated from the stalled construction efforts and the foundations installed in 2001.

1.4 Summary of Proposed Redevelopment and Future Use for Each Eligible Property

The redevelopment of this site is proposed to complete the prior development concept which was compliant with zoning and was permitted for construction. Construction of the same approved building plans will commence upon the existing, renovated foundations from the stalled 2001 development effort. The development will be a 5-story, mixed use commercial/retail/residential building with private parking constructed in the alley-level basement. Commercial and retail uses will be established on floors one and two with residential space on remaining floors.

2.0 CURRENT PROPERTY CONDITIONS

2.1 Property Eligibility

The environmental conditions on the eligible property meet the definition of a “facility” as defined under Part 201 of the Natural Resources and Environmental Protection Act (NREPA). A Baseline Environmental Assessment (BEA) completed and disclosed as part of the property acquisition process included media sampling confirming the presence of hazardous substance at the eligible property at levels exceeding clean-up criteria under Part 201 of NREPA.

2.2 Summary of Environmental Conditions

A Due Care Investigation was conducted in April of 2009. Both soil and groundwater samples were collected from the on-site area, as well as the roadways to the north, east and south of the property. This investigation determined lead levels in five (5) boring exceeded drinking water criterion for lead, including GP-06-09 through GP-10-09, and GP-12-09.

Impacts in soil were identified on-site as well as within the Boardman River alley immediately north of the subject site. Benzene exceeding the MDEQ generic residential criterion protective of drinking water (DWP) was found on in the northeast corner of the subject site, as well an exceedance of Groundwater Surface Water Interface Protection (GSIP) cleanup criteria for Mercury and Silver both on-site and within the alley.

A map depicting boring locations, related to the Due Care Investigation, as well as a summary of analytical results areA map depicting boring locations, related to the Due Care Investigation, as well as a summary of analytical results is included as Attachment A.

2.3 Summary of Functionally Obsolete and/or Blighted Conditions

Not applicable

3.0 SCOPE OF WORK

Eligible activities proposed are based on the environmental conditions noted above and are described generally below. The description of activities is intended to provide the required information for MDEQ's determination under Act 381 (see Section 15(4)):

- Whether the individual activities included in the work plan are sufficient
- Whether each individual activities included in the work plan is required
- Whether the cost for each individual activity is reasonable

3.1 MDEQ Eligible Activities – Additional Response Activities

a. Impacted Soil Excavation and Disposal

Perimeter wall infrastructure installed in 2001 has areas which require improvements as they have begun to buckle over the years. These areas will require reconstruction. Further, it is anticipated that the reconstruction of these areas will result in soils from the alley and roads (Front Street and Park) Right of Ways to cave in and require removal. Similar to soil disposal activities conducted in 2001 when Mr. Vanderhoof was present at the site, this soil will require disposal at a licensed landfill due to impacts present on the site and adjacent properties. Site logistics including size and schedule prevent stockpiling of these soils onsite while awaiting analytical results. Total estimated soil to be removed from behind the existing perimeter wall is 425 cubic yards.

In addition, as part of the 101 N. Park Street Development improvement activities will be undertaken within the City of Traverse City's Boardman River Alley. These improvement activities will include utility connections for the proposed structure as well as re-grading of the alley, changes to the configuration of the retaining structure, etc. Plans are still being developed for the alley. As stated above, the Due Care Investigation identified soils within the alley immediately north of the subject parcel which are impacted with Mercury and Silver, and therefore, their removal may require disposal at licensed landfill. As stated above plans are still being undertaken for the reconfiguration of the alley, therefore an estimate of 500 cubic yards has been developed.

b. Construction Dewatering – Treatment and Discharge Permitting

The proposed basement floor elevation is approximately two (2) feet above the water table. Construction activities proposed for the project include, the installation of structural components such as the elevator shaft which will be havehaving a finished floor elevation at the basement level. The foundation will be installed approximately two (2) feet below the groundwater table, therefore requiring dewatering. This installation is in the area where the Due Care Investigation identified levels of lead in groundwater at 59 µg/l, exceeding the Groundwater Surface Water Protection Criteria (GSI) of 13 µg/l.

Three (3) options are available for dewatering of impacted groundwater:

- 1) Submit an application for a National Pollution Discharge Elimination System (NPDES) permit to discharge dewatering effluent to the Traverse City Storm Sewer System and/or the Boardman River (may require treatment)
- 2) On-site discharge of groundwater effluent during dewatering with a City of Traverse City Sanitary Sewer System discharge permit for a backup discharge
- 3) Obtain a permit to discharge groundwater effluent into the Traverse City Sanitary Sewer System for treatment at the Traverse City Regional Wastewater Treatment Plant (WWTP)

Cost Evaluation of the three (3) options:

The City of Traverse City is requiring the dewatering pumps be shut-in over night due to the noise, therefore dewatering activities will be extended. Utilizing a proposed pumping rate of 400 gallons per minute (gpm), operating 11 hours per day (6 am to 5 pm), for a duration of 14 days results in production of approximately 3.696 million gallons of water, associated with the dewatering for the elevator shaft.

Option 1:

Permitting (180 day processing time)	\$ 1,000
Application Fee	400
Treatment	28,750
<u>Analytical Testing (\$250/day * 14 days)</u>	<u>3,500</u>
Total Cost	\$ 33,650

Option 2:

MDEQ concurrence of Part 22 permit exemption	\$ 250
Injection Points	3,500
<u>Analytical Testing (\$250/day *14 days)</u>	<u>3,500</u>
Total Cost	\$ 7,250*

* This assumes that the aquifer can handle addition of 400 gpm without: becoming injurious, causing runoff, ponding, flooding to adjacent properties, or causing a nuisance condition.

Option 3:

City of Traverse City Permit WWTP	\$ 100
Discharge Fee (\$0.01/ gallons**)	36,860
<u>Analytical Testing (\$250/day * 14 days)</u>	<u>3,500</u>
Total Cost	\$40,460

** First 1000 gallons covered by the permit fee

Based on these options and the timing of activities (construction started June 2009), it is proposed to utilize, if permitted, options two (2) and three (3). Groundwater will primarily be discharged to the site in an up-gradient area, in addition to a secondary discharge into the Traverse City Sanitary Sewer System for treatment at the Traverse City Regional Wastewater Treatment Plant (WWTP). However, due to the permitting requirements worst-case numbers are included in this work plan at \$40,460.

Further, dewatering activities may be necessary within the Boardman River Alley during utility connections and/or alley reconstruction efforts. For the dewatering within the alley, or Road ROW, a permit to discharge groundwater effluent into the Traverse City Sanitary Sewer System for treatment at the WWTP will be pursued. As it is unknown the location of potential additional dewatering activities, an assumption is made that the flow and hours of operation will be similar to the elevator shaft however, the duration will be shortened to a week. Therefore, estimated cost is:

Discharge Fee (\$0.01/ gallon)	\$ 18,480
<u>Analytical Testing (\$250/day * 7 days)</u>	<u>1,750</u>
Total Cost	\$ 20,230

c. Contingency

A 15% contingency factor is included to accommodate unexpected conditions during the course of the redevelopment project.

4.0 SCHEDULE AND COSTS

4.1 Schedule of Activities

Eligible activities are expected to commence in June 2009 with completion of the building exterior by Springspring 2009 and occupancy expected in early 2010.

4.2 Estimated Costs

	Cost/unit	Units	Total
		<small>Cubic Yards</small>	
Impacted Soil Excavation and Disposal	\$40.00	925	\$37,000

		Day	
Construction Dewatering-Treatment and Discharge Permitting			\$60,690
Elevator Shaft Installation	\$2,890	14	\$40,460
Utility of Alley Installation	\$2,890	7	\$20,230
Administrative / Operational Costs of the GTC-BRA			\$3,625
Anticipated MDEQ Review Costs			\$10,150
Contingencies (15% of Total)			\$16,720
TOTAL			\$128,185