

Council Business Meeting

August 2, 2022

Agenda Item	Croman Mill Site Remediation - Update	
From	Bill Molnar	Director of Community Development
Contact	bill.molnar@ashland.or.us 541-552-2042	

SUMMARY

The Council has requested staff to provide an update on current activities associated with the Croman Mill, which include continued oversight of excavation, status of voluntary clean-up action through the Oregon Department of Environmental Quality (ODEQ) and potential property sale and future land use development application.

POLICIES, PLANS & GOALS SUPPORTED

N/A – This is an informational item only

PREVIOUS COUNCIL ACTION

The City Council has not previously reviewed this item.

BACKGROUND AND ADDITIONAL INFORMATION

The Croman Mill District (CMD) Plan was adopted in August 2010. The Plan is referenced within Ashland’s Comprehensive Plan and a new chapter has been added to the Land Use Ordinance to guide Plan implementation. Key objectives reviewed during the creation of the Croman Mill District Plan and implementing standards included preservation of employment lands, buffering the neighborhood to the west, mitigating traffic impacts to Tolman Creek Road, the preservation of natural areas (creeks, pond, and wetlands), addition of a central open space element, providing a street network incorporating truck, transit, pedestrian, and bicycle access and creating a unique identity to improve visibility of area.

Clean-Up and Site Remediation - Status

The former mill site consists of approximately 70-acres and was home to planning and sawmill operations for 62 years, from 1934 – 1996. At the time that mill operations were abandoned, the property contained an abundance of decommissioned equipment, construction materials and piles of debris and organic material from log decks. The property owners began preparing the site for development by clearing the equipment, materials and buildings after the Croman Mill District Plan was adopted by the City in 2010.

In 2012, the property owners began a reclamation process to remove layers of organic material from the northwest corner of the site in the former log deck area. Over a several year period, on-site activity changed from site reclamation to the manufacturing and processing of quality soil amendments. At that time, the agent for the property owner indicated that sales from the production of soil amendments assisted in financing the ongoing clean-up of the site, which became more widespread compared to what had been initially anticipated. Overtime, it became apparent that the manufacturing and sale of soil amendments as well as importing and depositing fill material on the site appeared to overshadow the goals of the original reclamation proposal.

Conditional Use Permit (CUP) for a Temporary Use - Manufacturing & Processing of Soil Amendments

In August 2020, the Community Development Director denied a request for a conditional use permit for a 5-year extension to complete site reclamation and cleanup of the former mill site, assisted by the continuation of the recycling activity that included on-site manufacturing and sale of high-quality soil amendments. In denying the request, the City's decision determined that the application exceeded the requirements of a temporary use. It was also noted in the denial, that the CUP, while temporary (i.e., five years) was for a land use not generally permitted within the Croman Districts Office Employment (OE) Overlay, as manufacturing and processing uses are required to take place within a building. After the CUP denial, ongoing production of soil amendments cannot be conducted on site. Sorting of on-site material is allowed for hauling off site.

Grading/Excavation Permit

With the denial of the Conditional Use Permit, processing of soil amendments for the purpose of commercial sales is prohibited at this time. Staff's denial findings did note that an excavation/grading permit could be approved through the Building Division that would allow continued sorting and removal of waste and various debris associated with past Mill operations and other activities that had taken place over the property's history. The property owner with assistance from their consultant CEC Engineering, submitted and received approval of a Grading/Excavation permit from the City Building Division. The permit authorizes excavation and the removal of materials within existing debris piles, as well as the removal of materials sorted from existing rerun material piles (piles consisting of previously excavated materials that have undergone a minimal level of sorting).

Bi-Monthly Site Visits

Since late February of this year, the City's building official, code compliance specialist and senior planner have conducted bi-monthly visits to the site to meet with the property owner's agent and site excavator. The purpose of the visits is to monitor the progression of site changes, evaluate the location of debris piles, ensure compliance with the Building Division's excavation/grading permit and to discuss future actions (see attached examples of reports).

Potential Sale and Future Redevelopment Proposal

Planning is in contact with the property owners and working with a development team, Town Makers LLC, which is looking at developing the property and have a signed, with conditions, purchase, and sale agreement. Town Makers LLC held a neighborhood open house as well as attended a Planning Commission study session to discuss their ideas for the property. Staff have been meeting with members of Town Maker's LLC team for several months. A second pre-application meeting was held in June 2022 via zoom to discuss approaches and procedures for making changes to the Croman Mill District Plan's zoning designation and guiding standards. A third pre-application meeting is anticipated for September once a more detailed environmental assessment has been completed, final clean-up requirements are understood, and possible development phasing can be scoped.

Current state of the property – remediation actions

Croman Corporation retained SCS Engineering out of Portland to prepare a Site Investigation Work Plan to submit to the Oregon Department of Environmental Quality (ODEQ). SCS is an environmental consulting and construction firm that designs and implements environmental cleanup plans. They focus on solid and hazardous waste management, landfill gas, site remediation, renewable energy, and regulatory compliance for air, water, and soil. The work plan was completed and submitted to ODEQ in mid-July. The purpose of the work plan states:

SCS Engineers has prepared this Site Investigation (SI) work plan to investigate the nature and extent of potential environmental impacts from former mill operations. The current property owners have applied for the Voluntary Cleanup Program (VCP) with the Oregon Department of Environmental Quality (DEQ) on March 31, 2022, for the purpose of determining if there are environmental impacts to the Site from former mill activities, and if necessary, remediate, so that they can obtain a no further

action (NFA) determination and redevelop the property. Future plans for the Site are redevelopment for mixed commercial and residential use. A Phase I Environmental Site Assessment (ESA) for the Site was completed November 2021 by Rogue Environmental Consulting, LLC (Rogue Environmental) for Cinnabar Growth Capital and is the foundation of this work plan.

It is anticipated that ODEQ will need 30-45 days to review the work plan. The property owner's agent is anticipated the next steps to consist of a series of "geo probes" to measure and map potential contamination levels throughout the property. The mapping effort will include the use of probes testing the depth of potential subsurface debris or other materials. This information will be used to evaluate the sequence of clean-up, which likely will be considered in the phasing of future development.

While Town Makers LLC has indicated a possible desire to develop the south end first, the phased clean-up plan, location and sizing of city utilities likely will influence the location of the initial phase of redevelopment. The large mounds of dirt being disturbed at the south end cannot be built upon and contain substantial debris which may be contaminated. Current on-site activity includes excavating pre-existing fill piles, and separating soil from concrete, wood, and metal materials in an effort to clear the southerly area. Sorting the materials on-site eliminates the need for a multi-step and multi-site process of transport and material disposal. These operations have been quite visible over the past few months and has resulted in questions and concerns from nearby residents of the area (see attached Q&A Summary outlining frequently asked questions on Croman Mill area activities). Regular on-site meetings with staff, the owner's representative and excavator have taken place and will be ongoing, scheduled every 4 to 6 weeks. A staff summary for both the March and May site visits is attached. The next site visit is scheduled for August 2nd. The project manager, Mike Montero, has informed staff majority of clean topsoil leftover from ongoing sorting of debris piles will be retained on the property in designated areas for future use.

STAFF RECOMMENDATION

Excavation and earth moving activities occurring on the property over the past 10 years has been and continues to be a major cause of frustration for surrounding property owners. In 2010, the owners of the Croman Mill site agreed to and supported the adoption of the Croman Mill District Plan and implementing Land Use Ordinance code chapter. At that time, they estimated the clean-up would take two to three years. They did not expect the challenges presented during excavation, largely brought on due to the site being used as a dumping ground (surface and subsurface) for a variety of debris and waste materials over six decades. Debris that includes wood waste, machinery parts, concrete and asphalt, tires, construction debris, abandoned vehicles, etc.

Staff will continue to actively monitor excavation and grading on the site for compliance with the existing grading permit. From staff's routine visits to the site, we have witnessed excavated materials containing a host of different materials, including garbage, wood waste, abandoned machinery, etc. The owner's agent has stated that unusable materials have been trucked to the landfill, while other byproducts from the process, such as wood waste has been transported to Biomass. Additionally, as part of the voluntary clean-up program, continued excavation and material removal will be under the oversight of ODEQ as well.

Staff recommends the city initiate the establishment of periodic neighborhood meetings by the property owner's representatives with interested community members. Staff also intends to establish on the Community Development Department's webpage, a page specifically devoted to the Croman Mill property. The page will include bi-monthly inspection reports, status and relevant documents associated with the project's voluntary clean-up actions through the Oregon Department of Environment Quality, as well as information related to the potentially forthcoming development proposal by Town Makers LLC.

REFERENCES & ATTACHMENTS

Croman Mill master plan map

Summary of frequently asked questions

Croman Mill Site Monthly Grading Permit Inspection Report – March 2022

Croman Mill Site Monthly Grading Permit Inspection Report – May 2022

Email – Mark DiRienzo (July 25, 2022)





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Frequently Asked Questions:

1. Is there a Conditional Use Permit for current site activities which include excavation, sorting, and transport of materials off the Croman Mill site?

In August 2020, the Community Development Director denied a request for a conditional use permit for a 5-year extension to site reclamation and cleanup of the former mill site, assisted by the continuation of the recycling activity that included *on-site manufacturing and sale of high-quality soil amendments*. Excavation, soil amendment manufacturing, and importing of construction debris and fill for disposal and storage had been occurring over several years on site. In denying the request, the City’s decision determined that the application exceeded the requirements of a temporary use, which is defined as:

A short-term, seasonal, reoccurring, or intermittent use. Such use must be approved by Conditional Use Permit only, except as exempted in the temporary use section.

Within the decision to deny the CUP, the staff’s findings noted that an excavation/grading permit could be approved to allow for continued removal of debris and waste from the property. Fill materials not already on the site, however, could not be imported to onto site nor could processing and sales of soil amendments occur.

2. What City permits have been issued for current excavation, sorting, and off-site transports of materials?

A Grading Permit was issued by the City’s Building Division as allowed by Oregon Structural Specialty Code (OSSC - Appendix J). The permit allows the City to require a plan prepared by an engineer for grading and excavation occurring on the Croman property as part of the excavation and sorting of materials. The existing permit authorizes excavation and grading, and the removal of materials within existing debris piles, as well as the removal of materials sorted from existing rerun material piles (piles consisting of previously excavated materials that have undergone a minimal level of sorting).

3. What actions does the City take to monitor activities on the Croman Mill site?

Since late February of this year, the City’s building official, code compliance specialist and senior planner have conducted bi-monthly visits to the site to meet with the property owner’s agent and site excavator. The purpose of the visits is to monitor the progression of site changes, evaluate the location of debris piles, ensure compliance with the Building Division’s excavation/grading permit and to discuss future actions. Additionally, the City’s Code Compliance Specialist goes by the Croman Site on a weekly basis to review any activity and ensure permit requirements are maintained. This can include but not be limited to confirming





that debris and dirt is not tracked out onto City streets, a water truck is on-site for dust control, and operations are limited to weekdays between 7:00 a.m. and 5:00 p.m.

4. Is a Conditional Use Permit required for Commercial Excavation and Removal of Earth Products?

Commercial Excavation and Removal of Earth Products described in 18.2.3.070 is subject to approval of a Conditional Use Permit and Special Use Standards when located in the Woodland Residential (WR) zoning district, which includes extremely low-density residential areas within the City Limits. The Croman Mill District is not identified as a zone subject to the requirements and standards in the Table 18.2.2.030 below and Special Use Standards contained in 18.2.3.070

Table 18.2.2.030. Uses Allowed by Zone

	R-1	R-1-3.5	R-2	R-3	RR	WR	C-1 & C-1-D	E-1	M-1	Special Use Standards

The Croman Mill District (CM) is one of several Special Districts and Overlay Zones guided by the standards contained within the CMD Special District. The CMD notes that where the provisions of this chapter conflict with comparable standards described in any other ordinance, resolution or regulation, the provisions of the CM district shall govern.



Memo

DATE: 7/29/2022
TO: Bill Molnar, *Director*
FROM: Derek Severson, *Senior Planner*
RE: Croman Mill Site Monthly Grading Permit Inspection

Building, Planning and Code Compliance conducted the scheduled quarterly inspection for the grading permit for the Croman Mill site on March 30th. In addition, Planning staff are making at least two drive-by visits to the site each week to observe site work in progress.

Staff met with the property owners' representative Mike Montero and the contractor from Johnny Cat, Inc. On-site, staff observed that recent work has focused on the "Re Run Piles" at the southeastern limits of the area covered by the permit, and that a substantial amount of material has been removed from this area since the last inspection. Johnny Cat representatives indicated that they continue to remove stockpiled re-run materials, garbage, contaminated materials, and contaminated gravel. They said they've taken 2,000 to 3,000 cubic yards of material off-site in the last three weeks and that this did not include material that could be re-used as compactable fill on-site *other than some topsoil taken for construction of the owner's personal residence.*

The concerns raised over excavation of the site appears to be due to material being moved at the south end which is not addressed on the current grading permit. This area is within the limits of work detailed in the current permit, but is not specifically called out for material removal. The project team explained that the new buyers have shifted the vision for developing the first phase of the site to the south end, near Siskiyou Boulevard. On this end of the property, a significant portion of which is in County jurisdiction, the materials are not in defined piles but are rather large mounds overgrown with grass. This is non-native material – staff observed large, decaying wood and lengths of mangled culvert mixed in as you see in the photo below, and the owners' representative noted there were some truck-sized pieces of concrete. The Building Official recognized that it would not be suitable as fill to support construction on site so it is being removed to bring them down to the native soil/natural grade; Robin Warren, geotechnical engineer from Applied Geotechnical Engineering Consultants, has been on site and will be providing a detailed report on his observations and recommendations. *(There is a large concrete slab for the previous shop building which they noted is going to need to be removed here as well at some point in the near future.)*

This is the south-end work area observed yesterday:





The photo below is the same mound of fill I took back in late January, pre-disturbance:



The owner's team noted that they are now working with DEQ on a voluntary clean-up plan. Development of a clean-up plan for DEQ review will cost them approximately \$100,000 and once the planned clean-up work is done



it will yield a "*no further action required*" letter from DEQ which is necessary for the sale of the property to proceed. Montero did directly confirm that the buyers are still on board and the sale is moving forward.

In addition, the applicants noted they are working with Ashland Fire & Rescue to create and maintain an acceptable fire break around the site's perimeter well in advance of the weed abatement deadline, and that there is metered city water available which will be used to keep a water truck full and on site during all site work.

In terms of potential amendments to the grading permit, we discussed:

- Making the required inspections monthly rather than quarterly, although it sounds like they are in regular communications with Code Compliance outside of the quarterly inspections. The Building Official suggested we formalize a monthly inspection and log results in Energov to have a clear paper trail.
- Clarifying the days where work is allowed (currently, the permit just says five days a week; applicant would like to be able to work a total of five days per week, but not limited to M-F as their work is dependent on when labor is available. They indicated they have remained well within the allowed hours and total daily trips.)
- Identifying the areas where grass-covered mounds of non-native material are being removed at the south end of the site to enable the first phase development of the site by the new buyer and clarifying that these mounds of non-native material which are unsuitable as structural fill will be removed to natural grade. (They are maintaining silt-fencing on the downhill edge to avoid any erosion which would affect the drainage to the south.)

Montero asked that we please run the specific language by him, if we feel these changes need to be made to the existing permit, but he seemed generally agreeable.



Memo

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TO: Bill Molnar, *Director*
FROM: Derek Severson, *Senior Planner*
RE: Croman Mill Site Monthly Grading Permit Inspection

Building, Planning and Code Compliance conducted the scheduled monthly inspection for the grading permit for the Croman Mill site on Thursday, May 19th. In addition, Planning staff are making at least two drive-by visits to the site each week to observe site work in progress.

Staff met with the property owners' representative Mike Montero and the contractor from Johnny Cat, Inc. Johnny Cat provided staff with April load logs which indicated that 170 cubic yards of contaminated granite and asphalt, 374 cubic yards of organic materials, and 1080 cubic yards of asphalt grindings were removed from the site during the month of April. On-site, staff observed that recent work has focused on the "Re Run Piles" at the southeastern limits of the area covered by the permit, and that a substantial amount of material has been removed from this area since the last inspection.

Erosion control measures were in place at the perimeter of the work area, and the on-site crew indicated that they were aware of and in communication with Ashland Fire & Rescue about fire season work restrictions and weed abatement requirements. They have a water source on site to address fire requirements and mitigate dust, will have a water truck on site when work is occurring, and are suspending site work during periods of heavy wind to avoid creating dust. As was discussed at the March 30th site inspection, work has shifted to this southern portion of the property in response to a tentative plan from potential buyers Townmakers, LLC who are in negotiations to purchase and develop the property once an Oregon Department of Environmental Quality (DEQ) required clean-up plan has been approved and implemented and land use approvals obtained. The tentative plan is to develop this southern end of the property first, and the piles currently in place are not suitable as fill and need to be removed to facilitate development.

The owners' representative provided staff with an update on the status of DEQ's review of the clean-up plan, explaining that the property owners are now under contract with SCS Engineers to implement the clean-up plan. SES and Townmakers will be on site beginning May 25th, and the owners are working with DEQ to obtain "no further action" letters for the site areas as they are cleaned up to coincide with Townmakers' plans for phased development of the site.

Planning staff have been in regular communications with both the owners' team and Townmakers, and staff anticipate that a second pre-application conference to consider a more detailed re-development plan will be conducted in early summer. The most recent discussions with the buyers have suggested they are looking at simplifying the current zoning for the property, and that they are likely to propose a single zone and a more form-based approach, and anticipate that the development will include 500 new residential units, 171,600 square feet of light industrial space, and 133,500 square feet of retail, office and other commercial space at final build-out.



From: [Mark D](#)
To: [Bill Molnar](#)
Cc: [Gina DuQuenne](#); [Tonya Graham](#); [Stefani Seffinger](#); [Stephen Jensen](#); [Shaun Moran](#); [Julie Akins](#); [Paula Hyatt](#); [Joe Lessard](#)
Subject: Croman Mill - Illegal For-profit Soil Operation Continues
Date: Monday, July 25, 2022 5:38:11 PM

[EXTERNAL SENDER]

Hi Bill, today is officially 2 years since your department DENIED a land-use permit for Croman to operate a commercial soil operation on Croman land, yet you have allowed this illegal and un-permitted operation to continue unfettered anyway. The waste piles they created remain, new high dollar topsoil is being created from new holes in the ground and shipped offsite, the negative neighborhood and environmental impacts continue, and the remnants left behind on this property are making future development into the envisioned Croman Mill Masterplan more difficult and costly.

The land use denial in July 2020 was a relief for me and other neighbors who lived with that illegal and un-permitted operation going on for 8 prior year, despite our consistent complaints to you and your code enforcement folks. But it turns out that public process and denial that finally happened meant nothing, because you allow the operation to continue anyway.

In fact, you not only allow a denied use to continue, but you went above and beyond by finding them a work around your own department's denial. After denying the Land Use application, you instead issued a building department "grading permit" which requires no public input. As I've pointed out to you from the beginning, this building department grading permit is not appropriate or applicable to this commercial soil operation and typically accompanies a land use approval for a new building project, which Croman does not have.

You chose to use the building department work around to avoid the same public scrutiny that you received during the land use process. Therefore you've ignored citizen input, the Land use code itself, and just did what you wanted to do anyway. What makes it worse is that while issuing this questionable work around, you gave Croman guidelines that they immediately ignored from day one and you don't even enforce your own guidelines.

Commercial Excavation and Removal of Sand, Gravel, Stone, Loam, Dirt or Other Earth Products" (18.2.3.070) is prohibited on this land and Croman was denied a land use application to do so.

So, how can you legally (and why do you professionally) allow them to continue?

Mark DiRienzo
Ashland, OR