

# Council Business Meeting

August 16, 2022

<b>Agenda Item</b>	Croman Mill Site Remediation - Update	
<b>From</b>	Bill Molnar	Director of Community Development
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## **SUMMARY**

The Council received an update at its August 2, 2022, Business Meeting on current activities associated with the Croman Mill property. These activities include continued oversight of excavation, status of voluntary environmental clean-up action through the Oregon Department of Environmental Quality (ODEQ) and potential property sale and future land use development application. Council requested an August 16, 2022 follow-up agenda item to receive any additional information on the property and to provide direction to staff related to oversight of Croman Mill operations and environmental remediation.

## **POLICIES, PLANS & GOALS SUPPORTED**

N/A – This is an informational item and to receive City Council direction.

## **PREVIOUS COUNCIL ACTION**

The City Council has not previously reviewed this item, including at the August 2, 2022, Business Meeting.

## **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 Capital1 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 2<sup>nd</sup>. 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)