

**URBANA CITY COUNCIL**  
**(COAF) Public Meeting Minutes – Tuesday, June 28, 2011**

**Council President Marty Hess** announced the Tuesday, June 28, 2011 COAF Public Meeting before the Urbana City Council at 6:32PM, in Court Chambers / The Municipal Building.

Purpose of the Meeting: The City of Urbana is applying for a \$265,822 Clean Ohio Assistance Fund (COAF) Grant to help support the cleanup and redevelopment of 19,999 acres of property located at 605 Miami St (Urbana) for the future development of Q3 JMC, Inc. Redevelopment Project.

Attendance:

Council – Council President Marty Hess, Mr. Bill Bean, Mr. Kerry Brugger, Mr. Eugene Fields, Mr. Larry Lokai, Mr. Steve Shaw, Mr. Robert Thorpe, and Mr. Al Evans (in at 6:42PM)

City –Mayor Ruth Zerkle; Mr. Bruce Evilsizor, Director of Administration; Mr. Lee Williams, Finance Director; Mr. Doug Crabill, Assistant to the Director of Administration; Mr. Tyler Bumbalough

Other: Please see sign-in sheet

Mr. Doug Crabill opened with:

“We are applying for a Clean Ohio Assistance Fund Grant (COAF) for the former Q3 site on Miami St., and the total grant request is for \$265,822 (that we’re going to be requesting). We’re required to have this Public Meeting...we had a legal ad, and a sign on the property, so...”

He introduced Ms. Kara Allison and Mr. Steve Gross, with Hull & Associates. Inc., and noted the firm will be preparing the application and (upon receiving of the grant) will be conducting assessment activities.

Ms. Allison read a transcript (For details, see Pg 1 of *City of Urbana – Q3 JMC Inc. Property / 2011 Clean Ohio Assistance Fund Application – Project Fact Sheet*).

She continued:

“The Ohio Department of Development has approximately \$6mil of remaining grant funding available to distribute for assessment activities under the COAF Program,” stated Ms. Allison. “This grant which will include a response of this summary from tonight’s Public Meeting will be submitted to ODOD on June 29<sup>th</sup>, 2011. Any additional application issues will be addressed through ODOD by mid-July. ODOD will review the document for completeness, and will issue a finding decision in approximately 30 days. The City of Urbana will likely sign a cooperative agreement with the State in August of 2011.”

Mr. Gross provided an overview on what is planned/what’s been proposed within the application. He referenced ‘Previous Sampling Activities’ (For details, see Pg 3 of the aforementioned document).

He said:

“We worked with them (OH EPA) some as we developed a scope of work. We’ve had communications on their issues concerning the groundwater...but in the beginning of this project (when we got involved) we conducted a Phase I, where we assessed both properties to kind of get an idea of what the historic manufacturing was there, what were the potential environmental concerns, and then we built our Phase II scope from that.”

Mr. Gross continued:

“We are planning to install approximately 81 borings out here across the entire 20 acres (which includes the Johnson property—the property up here off Miami, and then the Beech St. property). With that—we’ll install additional groundwater monitoring wells and the aquifer that also...the deeper aquifer, assess the potential for groundwater contamination...we’ll be looking for your common industrial compounds that you find throughout the site...”

He mentioned definition of the hydrogeology to determine groundwater flow (the path), and potential contaminants (‘if they’re there’). With the assessment, data will be evaluated to determine potential health risks, and what the pathways of exposure are. A remedial action plan will be developed to be used ultimately for additional funding/potential future cleanup grants.

Contamination will be examined that may be in the soil gas (underneath the building slabs).

“Historically this used to be an old Standard Oil Vault facility...in our Phase I, we identified 13 areas that we need to assess across the property...in the addition of groundwater beneath the entire property,” stated Mr. Gross. “In the reports, it goes through each of the identified areas...all of that stems on the Phase I report that was conducted, and that’s in the application that was put into the Library.”

He projected 1 ½ -2 months actual work.

“Who owns that property?” asked Mr. Eugene Fields.

Ms. Allison responded, “The property owner is Mr. Price (who is in California right now)—he currently has the property (or all the properties) under our code project identified area offered for sale, but he does not reside here in Ohio—he lives in California...and if we have any contact with him, we do have an access agreement to the property through him...so we can actually conduct the sampling work.”

Mr. Brugger questioned when the work would begin.

“ODOD has 30 days to respond to our application (they’re actually...they’ve had a copy of this application at the same time that we placed it in the Public Library for review). They received an electronic copy of it, so they’ve already had an opportunity to review,” stated Ms. Allison. “They’ll typically go through...it’s usually about 2 weeks we have an answer back from them. If everything checks out and looks good...they agree with the sampling plans (and everything looks on-point to them), they’ll move to getting a cooperative agreement put together. They’ll send a grant contract to the State Controlling Board for approval. The State Controlling Board meets twice a month—first Monday and third Monday of every month. We won’t make the first Monday for July. Hopefully if everything looks good they’ll advance it to the third Monday in July. If not—it will be the first Monday in August. After that—they’ll send a cooperative agreement over for Bruce to negotiate and sign—once that’s signed, we can begin the work!”

Mr. Gross discussed the field work involved, asbestos survey of the entire property, and the more intrusive sampling.

Mr. Robert Thorpe asked, “Is any part of this billed to the sale of the property?”

Mr. Gross said, “Well, all of this (the Phase II portion of it) is funded through the Ohio Department of Development.”

“Through the Clean Ohio Program,” added Ms. Allison. “It’s all grant dollars that we would use for the assessment. The argument that can be made on the sale of the property

(and part of the reason that we essentially are looking to do the assessment work on the property) is to have a better idea/scope of what the clean up will cost, and then those dollars that will be generated from you having to clean up the property can be used to drive negotiations on acquiring property.”

“The ultimate goal with the Phase II is to come up and define what the current environmental conditions are of the property now—and from that we’ll build a strategy to remediate those environmental issues,” stated Mr. Gross.

Mr. Thorpe said, “If you find contaminants—is that billable to the property owner, or is that still the taxpayers’ responsibility?”

“That would be the property owners at the time—but that’s something that would have to be negotiated through the City, and...” replied Mr. Gross.

Ms. Allison noted the property owner could be pursued as a deemed party for repayment, or payment of funds for cleanup.

“Ohio EPA has that authority to go back, and look for respectable parties in the chain of title, and essentially hold their feet to the fire,” stated Ms. Allison. “The Clean Ohio Fund Program was created originally in 2000, and then passed by voters again in 2008...and those are monies that were set aside from alcohol and cigarette taxes...”

Ms. Allison explained the process, potential availability of funds, and goals.

Mr. Thorpe noted the property ‘has been sitting for quite a long time.’

“Three years since the facility went idle,” added Ms. Allison.

“You say—that you find the contaminants (and all of that)—do you give the property owners so many days, or so many months to clean it up?...or do you start cleaning it up immediately?...or what happens?” asked Mr. Thorpe.

“We don’t give notice to the property owner—we’ll certainly provide them with the results, and the estimate of our costs...and then that can be used by the City in negotiating with the property owner...in order to gain acquisition/control of the property moving forward...so that the goal is to figure out what the remedial cost would be, and then know that the Clean Ohio Fund is there to address it,” Ms. Allison responded. “The City of Urbana is an eligible entity to apply for those Clean Ohio Funds, and (again) we do have an access agreement with the current property owner...which is something that we would need for the Revitalization Fund as well. The cherry on the top would be able to negotiate with that property owner...to get that property for little or no cost...in exchange for agreeing to conduct the clean up, to get the grant funds to conduct the clean up on the property.”

Mr. Larry Lokai asked, “The \$6mil out there available, and we’re looking for like \$265,000—what do you think our odds are of getting that approved?”

Mr. Gross answered, “It’s very good—there is money in the fund to finance assessments like this. This is a priority for—not just EPA, but when ODOD came out and looked at the site—this is a true definition of a Brownfield site in Ohio. It’s a matter of getting this...you don’t know until you get the check in your hand, but they’re very excited to see something happen on this site.”

“...and the program actually funds up to \$300,000 for assessment, so our request isn’t all the way up to the threshold...and as of July 1<sup>st</sup>, there will be a new replenishment among each of pots in the Clean Ohio Assistance Fund...new appropriations in funding, so there’s plenty of money to fund this project...and I don’t see any impediments,” stated Ms. Allison.

“Assume we get on the agenda (late July)—and things get moving potentially late September—would we possibly be moving forward with this, somewhere in that range?” asked Mr. Lokai.

“Well—yes—as long as the cooperative agreement is signed (if once the City receives that, and signs that), we’ll be moving forward...and we anticipate that that would probably be sometime mid to late August (that the cooperative agreement would be signed) so we could easily be in the field—late August, or September,” Ms. Allison replied.

“Nobody wants to have any empty buildings,” stated Mr. Lokai. “Right now—it is a hazard if we do not get this assessed and cleaned up...we’re not going to move forward. For example, our Economic Development County Representative, Mike Morris, goes out and entertains a company...and we’ve got this cleaned up...this will give us an ace in the hole for (potentially) a business coming in.”

Ms. Allison responded, “Agreed! That’s absolutely the goal of this project in pursuing the path that we’re on right now!”

Mr. Gross said, “Our schedule (currently right now) is to go ahead and start the Phase II—get it completed in order that we can meet a January 15<sup>th</sup> deadline to provide a COAF, similar to what we did with Fox River (the former Fox River).”

“We’re shooting for a Clean Up application for mid-January 2012,” said Ms. Allison.

Mr. Bill Bean asked, “Is there any possibility for any legal action against the property owner for leaving his property the way it is?”

“That would be something that we really couldn’t speak to as far as (you know) how that would progress,” replied Mr. Gross. “What we will do (as part of the application, and as part of the project is) prepare a final report to the City, to the parties within that application, and Ohio EPA (and ODOD)...from there, if actions didn’t go forward then I’m sure there would be some repercussions...but how that would pan out, we really couldn’t speak to that.”

“In your experience—have you seen this happen with properties like this?” asked Mr. Bean.

“If there’s funding or monies available from the property owner...” Mr. Gross began.

“I wondered about any environmental insurance that he might have had at one time,” said Mr. Bean.

“That’s certainly something to consider if there is an environmental insurance policy out there that could be used as a match to a grant application (should we need those additional funds to help support clean up of the property),” said Ms. Allison. “That certainly would be something worth looking into (as leverage), but as far as a legal pursuit...essentially what you’ll receive from us through this Phase II application is all the data (all of the information) you would need to make a decision on clean up (depending on what capabilities the City would have), and if the City Attorney would be interested in pursuing the property owner from any other standpoint. That would be a City decision...but we’ll definitely provide you with the information that you would need to make a decision on clean up, and what the cost would be (as a result of our findings).”

“Anything else, Council? Al—you got in late...” said Council President Hess.

“Yeah—I did get in late, but I’m very familiar with the site...very familiar with the problems that we have out there...if we don’t clean it up, no one else will,” said Mr. Al Evans. “Whether we clean it up or not, we’re going to be stuck with it for a long

time...and it's not usable the way it is. I'm going to say that I'll support any project that's going to get that thing cleaned up. We'll let 'the suits' figure out who's going to pay for it—those lawyers, they'll figure all that out. We need to get it cleaned up.”

Mr. Brugger sought map clarification, and Mr. Crabill explained inclusive of, “We have 2 Henry Streets in the City of Urbana.”

“There's actually 25 or 26 parcels that make this up,” said Mr. Crabill. “Long term—it would be nice to see the streets and the parcels (and all that) get redone in a way that would make sense...”

Mr. Brugger questioned whether it is all zoned manufacturing.

“Yeah—I believe it's all M1 zoning,” answered Mr. Crabill.

Mr. Evilsizor asked Mr. Crabill whether old streets and alleys would be vacated.

‘Henry St. the 2<sup>nd</sup>’ was mentioned by Mr. Crabill as something to look at, as well as repositioning of the streets in the area.

Council President Hess asked, “Could you have done this 3 years ago?”

Ms. Allison replied, “You know—if I had known about this one 3 years ago, I would have gladly been here 3 years ago. It's definitely going to present some challenges, but we've had challenges before.”

“You say you're funded by the cigarette and gas taxes?” asked Council President Hess.

“Clean Ohio Fund Program is funded by alcohol and cigarette taxes (a portion of which are put into a bond program, and then those bonds are led and issued, and that's the money that's used to fund the program)...” explained Ms. Allison.

“You say you have plenty of money to do Phase II—do you think you have plenty of money to do clean up also?” asked Council President Hess.

Ms. Allison answered:

“We know that round 12 has a guaranteed \$20mil in the pot all ready and waiting...and then whatever carryover comes from previous rounds (or returns from projects that were previously invested in that didn't need all of the funding)...that will also get put into the pot...so we're guaranteed at least \$20mil...it's been averaging somewhere between \$24mil and \$26mil.”

“The COAF is a competitive process...” reminded Mr. Gross.

“But the COAF application will be competitive (the way it was with the Fox River),” said Ms. Allison.

Mr. Crabill said, “It looks like the funding is going to be there as far as this program.”

Mr. Gross added, “It a competitive project.”

“When we have our data back, and are ready to look at clean up costs and estimates...I think we'll definitely meet scoring criteria...” Ms. Allison said, also referring to potential end users that could come to the sight that will increase the competitiveness of the application.

Council President Hess said, “If something would happen, and we would not be funded for the clean up after January...does everything just kind of sit, and when is the next application to get funding?”

“We would try again—we would know in May of 2012, if we were funded the next application would be due in July of 2012,” said Ms. Allison. “So we'd turn around, and reapply.”

“Yeah—there are some options that we can look at as well, build a strategy if we need...parcel sections off, and then go for the \$750,000 clean up grant...” said Mr. Gross.

“...or USEPA Clean Up Funding...there are other options that we can look at,” stated Ms. Allison.

Mr. Evilsizor at this point introduced Mr. David Stoltenberg (Honeywell), and Mr. Mike Morris (Champaign County Economic Development).

Mr. Stoltenberg was identified as being part of the development team for this project, and ‘has been very helpful.’

Mr. Morris was cited as being in contact with the property owners, and developing a relationship with the property owners to get the access agreement.

“He (Mr. Morris) tries to keep them (the property owners) up-to-date and keep them involved, so we have a better chance of making this work,” stated Mr. Evilsizor.

“Honeywell funded the Phase I, as well as the application cost,” Mr. Gross added.

“...and they are also contributing assessment funds (matching assessment funds)...” said Ms. Allison.

Mr. Evans said, “You mentioned scoring...I’m interested in maybe comparing other projects...what are like the key scoring criteria...or is there a criteria?”

Ms. Allison replied, “There are 7 different criterias, because there’s different tracts...there’s a shovel ready tract (so if you’re just literally going to level the property, and get it ready for market to try to attract an end user—there’s scoring criteria that reflects mostly on the environmental clean up, awards you points for demolition, looks at how you’re going to redevelop the property (what the future plans would be)...”

She also elaborated on the tract that was used for the Fox River project, and scoring.

“In the award amount—for development ready, is \$2mil—for an end user, it’s a \$3mil,” said Mr. Gross.

“The caps—for what you can apply for,” added Ms. Allison.

“But similarly we would need—the City would need to provide a 25% match to whatever grant funds,” said Mr. Gross.

Ms. Allison countered with, “Well—not necessarily the City—a 25% match is required—it could come from the applicant, it could come from an end user, it could come from a private party, it could come through in-kind services...so there are ways to leverage the match to the project.”

“We also think that we have in our favor...we’ve had some good discussions with the EPA...you know we know that the EPA has been in town for many years...not just looking at the aquifer issue...so we’ve had some good discussions with the EPA...there are some good people with the EPA (supportive with this project)...so we believe that that’s going to help,” stated Mr. Evilsizor.

Mr. Bean asked, “Does being close to Dugan’s Ditch (which flows into a cold water habitat—Mad River)—does that have any effect on it?”

Mr. Gross responded:

“Well, we will look at those pathways when we do our assessment to see what information...not just the chlorinated plume that’s been characterized over the last several years across Urbana, but (you know) I’m concerned with other unknowns out here at the site...and that’s where a lot of the focus is going to be during the assessment, to see how that will impact...not just what’s on the site, but what’s leaving the site as well...to answer your question—yes, we will look at that.”

Council President Hess thanked Ms. Allison and Mr. Gross for coming.

Ms. Allison interjected, “I don’t mean to step on your toes, but since there are audience members here...we’re required to find out if there’s any input from the public...so if anybody did have any questions, we welcome those and can answer those now. I know some people slipped in after we started.”

No questions came forward.

“I just needed to check—sorry—I think we can go ahead and close the Public Hearing—it’s 7:02,” said Ms. Allison.

“Closed—thank you very much,” said Council President Hess.

The Public Meeting ended at 7:02PM.

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