



MEMORANDUM

TO: Mayor and Members of the City Council

FROM: Rich Olson, City Manager

DATE: June 22, 2016

REF: Consideration – Approval of Expenditure for Phase II Environmental Assessment of the Shipyard Property

BACKGROUND:

The City Council authorized staff to execute a non-binding letter of intent to purchase 722 Riverside Avenue, which is the location of the Griffin shipyard property. The total purchase price is \$1,200,000 and is contingent upon grant funding being received.

The City Council also authorized staff to submit the following grant applications:

Coastal Area Management Act (CAMA)	\$ 200,000
Parks and Recreation Trust Fund (PARTF)	300,000
Clean Water Management Trust Fund (CWMTF)	800,000
ElectriCities Smart Communities Brownfields Grant	3,500
Total	\$1,303,500

On June 2, 2016, Justin Mercer of the CWMTF visited the site of the shipyard as part of his application review process. City staff informed Mr. Mercer that we had performed a Phase I Environmental Assessment (EA) of the property and before purchasing it, would have a Phase II EA performed. Mr. Mercer subsequently contacted City staff and raised a concern about the CWMTF allocating funding contingent on the shipyard site receiving an acceptable Phase II assessment. This does not mean that the Phase II comes back clean. It means that any contamination can be cost-effectively abated.

The CWMTF has strongly recommended that the City perform a Phase II on the site prior to their Board of Directors making a funding determination in September. The CWMTF does not want to obligate their funds to a project that, because of a possible bad Phase II assessment, will not materialize. The project will not be considered for funding without the Phase II.

City staff contacted the firm that performed the Phase I and requested a proposal from them to perform the Phase II. Attached you will find their proposal.

ANALYSIS:

I would like to remind members of the Council that for this project to become a reality, the City will need funding from all three granting agencies: CAMA, PARTF and CWMTF. Without the CWMTF grant funding this project is dead, in all likelihood. City staff is proposing that the cost of the Phase II, which is \$31,678, be paid for out of Parks and Recreation Department Impact Fees. Presently, there is \$73,689.88 in this account. These funds can only be used for the development of new parks. The cost of the Phase II could be reimbursed to the Impact Fees account if the project moves forward.

FINANCIAL:

The Finance Committee discussed this matter during their meeting of June 22, 2016. Upon motion by Mayor Peel, seconded by Councilman Donnelly, the committee unanimously recommended approval by the City Council.

STAFF RECOMMENDATION:

By motion, authorize the City Manager to execute the Phase II Environmental Site Assessment and Hazardous Materials Assessment Agreement with ATC of Virginia Beach after July 1, 2016.

RCO/vdw



ENVIRONMENTAL • GEOTECHNICAL
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211 Expressway Court
Virginia Beach, VA 23462
Tel: 757-467-2100
Fax: 757-467-9178

www.atcgroupservices.com

June 17, 2016

Via email: rolson@cityofec.com

Richard C. Olson
City of Elizabeth City - City Manager
306 East Colonial Avenue - 2nd Floor
P.O. Box 347
Elizabeth City, North Carolina 27907

RE: Proposal
Phase II Environmental Site Assessment and Hazardous Material Assessment
Elizabeth City Shipyard
722 Riverside Avenue
Elizabeth City, North Carolina 27909

Dear Mr. Olson:

ATC Group Services (ATC) is pleased to provide The City of Elizabeth City (City) with this proposal to provide a Phase II environmental site assessment (ESA) and limited building hazardous material assessment at the location referenced (Property). We understand that the City is in the process of acquiring the subject Property and has tentatively obtained three grants; one is provisional and pending the completion of this proposed Phase II work. Further, it is our understanding that the City intends to demolish all existing buildings and redevelop the Property as a small waterfront park area.

Cardno's Virginia Beach, Virginia office, which is now part of ATC, completed a Phase I ESA report dated July 2015 at the Property; several *recognized environmental conditions* were identified in this report. This proposal provides for both a soil and groundwater assessment and a limited building assessment for hazardous materials to further assess the conditions identified in the Phase I ESA. The proposed scope of work is detailed below.

BACKGROUND

The Property consists of an irregularly-shaped plot of land (approximately 3.2 acres) bound by Riverside Avenue, the Pasquotank River, residential properties, and commercial properties. According to information obtained from the City Real Estate Assessor's Office, the Property is comprised of a single parcel identified as Parcel Identification Number (PIN) 892305087045, and currently owned by Lloyd E. Griffin Jr. and Mary H. Griffin. The Property is currently utilized as a shipyard/marina facility.

The Property is improved with a 5,376 square foot two-story main office/storage building, a former boat ramp gear shed, a former emergency generator shed, a 9,000 square foot one-story maintenance warehouse/machine shop, boat yard area, and various wood, concrete, and scrap metal debris pile areas, marina areas, a dock maintenance supply/equipment storage area, Conex Storage container storage area, boat ramps, and a parking lot area.



According to interviews, aerial photographs, and historical Sanborn Maps, the Property was utilized as a packing facility in the late 1890 to early 1900s and has been utilized as shipyard/marina/ship building and repair facility since the early 1900s. The current shipyard development was constructed in 1940.

The Phase I revealed evidence of five (5) on-site *recognized environmental conditions (RECs)*, and one (1) off-site *historical recognized environmental condition (HREC)*, in connection with the Property:

- 1) The Property address was identified in the Underground Storage Tank (UST) state and tribal agency databases searched by EDR. The facility had one (1) 1,000-gallon gasoline UST, one (1) 2,000-gallon gasoline UST, and one (1) 2,000-gallon diesel UST listed as removed under facility ID number 00-0-0000020979. According to the EDR database report, the above mentioned USTs were single-walled steel USTs installed on May 12, 1970 and were removed by Lowry Oil Company Inc. on April 17, 1988. No other historical information was provided. The owner explained that the former USTs were located on the eastern Property boundary. Based on the absence of assessment information during the closure of the former USTs, the above listings and associated USTs were considered to be a *recognized environmental condition* to the Property.
- 2) The western adjacent Property address was identified in the LUST state and tribal agency databases searched by EDR. Incident Number (IC) # 9634 was reported on December 18, 1992 and was listed as closed. According to the database report, the North Carolina Department of Environment and Natural Resources (NCDENR) issued a Notice of Regulatory Requirements for Contaminants (NORR) on January 13, 1993, which allowed for Risk Based Corrective Action (RBCA) for cleanup activities to be completed to alternate standards. NCDENR issued a "No Further Action" (NFA) letter for IC# 9634 on December 17, 1998. No other historical information was provided. Based on regulatory status (i.e., closed) and assumed groundwater gradient (i.e., towards the northeast), the above listing was not considered to be an off-site *recognized environmental condition* to the Property, but was considered to be an off-site *historical recognized environmental condition* to the Property.
- 3) The historical aerial photographs confirmed long term use of the Property for ship building, repair and maintenance. This type of historical Property use likely included the use, storage and disposal of hazardous materials and represented a *recognized environmental condition* to the Property.
- 4) The Sanborn Maps identified various machine shops, welding shops, wood working buildings, storage buildings, dry docks, storage warehouses, boat warehouses, offices, ship building buildings, and packing buildings on the Property between 1885 and 1961, which confirmed long term use of the Property for ship building, repair and maintenance. This type of historical Property use likely included the use, storage and disposal of hazardous materials which represented a *recognized environmental condition* to the Property.
- 5) Creosote covered poles were observed mixed in and stored directly on ground surfaces in the various wood debris piles located throughout the Property during the site reconnaissance visit. Creosote is a wood preservative that contains polycyclic aromatic hydrocarbons and heavy metals. Based on observations, the above mentioned creosote covered poles and associated wood debris piles were considered to be a *recognized environmental condition* to the Property.

- 6) Unidentified substance containers were observed on the Property during the site reconnaissance visit. Five (5) unidentified substance container drums along the eastern corner of the Maintenance Warehouse/Machine Shop Building and six (6) unidentified substance container drums inside the Maintenance Warehouse/Machine Shop Building. No staining, evidence of illegal dumping, or signs of a release was observed in the vicinity of the drums. Based on site observations, the unidentified substance container drums were considered to be a *recognized environmental condition* to the Property.

Based on the above recognized environmental conditions, ATC has concluded there are several areas of concern that require further assessment. The following scope of work describes our proposed assessment in these areas.

SCOPE OF WORK

TASK 1: Soil and Groundwater Assessment

ATC proposes to complete a soil and groundwater assessment at the Property. This assessment will be accomplished by completing subsurface borings and collecting soil and groundwater samples for laboratory analysis. Our proposed boring/sampling locations are identified on the figure included in **Attachment I**.

Project Planning & Health and Safety Plan

- ATC will complete a meeting at the Property prior to field work with City personnel to discuss the work scope and to plan project activities. Preliminary boring locations will be identified and marked.
- ATC will prepare a site specific Health & Safety Plan in compliance with ATC's Health & Safety Program Manual.
- ATC will notify local utilities prior to drilling and will contract a private utility locating service prior to drilling.

Soil and Groundwater Sampling

- ATC proposes to complete seventeen (17) soil borings on the Property to a maximum of 15 feet below ground surface (bgs) using a Direct Push Technology (DPT) drill rig. Groundwater at the Property is anticipated to be between 5 to 10 feet below ground surface.
- Soil samples will be collected continuously from each boring and will be field-screened with a photoionization detector (PID). Four soil samples will be collected at the surface. Also, soil samples will be collected from each of the borings. The sample with the highest PID inflection (or exhibits visible staining) from each boring will be submitted for laboratory analysis. If no PID inflection or staining is observed the sample above the groundwater bearing zone will be sampled for analysis.
- A total of eleven (11) groundwater samples will be collected from temporary wells installed using dedicated equipment and a low volume pump.
- Following completion of the borings, soils not shipped for analysis will be returned to the boring and compacted and the boreholes will be backfilled with hydrated bentonite. Each boring will be sealed at the surface to match the surrounding surface conditions.



The following table summarizes the locations of borings relative to the areas of concern and the specific samples and laboratory analysis that will be completed.

AREA OF CONCERN	NUMBER OF BORINGS	NUMBER OF SOIL SAMPLES LAB ANALYSIS*	NUMBER OF GROUNDWATER SAMPLES LAB ANALYSIS*
Former UST area and concrete debris area – east side of Property	Two (SB-1 and SB-2)	2 Soil Samples VOCs SVOCs MADEP-EPH and VPH	2 Groundwater Samples VOCs SVOCs MADEP-EPH and VPH
Creosote Wood other debris pile area – north of parking area	Four (SB-3, SB-4, SB-5 and SB-6)	4 Soil Samples VOCs SVOCs PAHs (1 sample) RCRA metals (2 samples)	1 Groundwater Samples VOCs SVOCs RCRA metals (1 sample)
Main Building, Gear Shed area and generator shed area	Three (SB-7, SB-8, and SB-9)	3 Soil Samples VOCs SVOCs PCBs (2 samples) PAHs (1 sample) RCRA metals (2 samples)	2 Groundwater Sample VOCs SVOCs
Boat Storage Area	Five (SB-10, SB-11, SB-12, SB-13 and SB-14)	5 Soil Samples VOCs SVOCs RCRA metals (4 samples) PAHs (1 sample)	3 Groundwater Samples VOCs SVOCs RCRA metals (2 samples)
Maintenance Warehouse Machine Shop	One (SB-15)	1 Soil Sample VOCs SVOCs	1 Groundwater Sample VOCs SVOCs
Conex storage and west wood pile	One (SB-16)	1 Soil Sample VOCs SVOCs PAHs (1 sample) RCRA metals (2 samples)	1 Groundwater Sample VOCs SVOCs RCRA metals (1 sample)
West Property boundary	One (SB-17)	1 Soil Sample VOCs SVOCs MADEP-EPH and VPH	1 Groundwater Sample VOCs SVOCs MADEP-EPH and VPH

* Lab Analysis Acronyms:

- | | |
|-------------------|--|
| VOCs | = volatile organic compounds |
| SVOCs | = semi-volatile organic compounds |
| PAHs | = polynuclear aromatic hydrocarbons |
| MADEP-EPH and VPH | = extractable petroleum hydrocarbons/volatile petroleum hydrocarbons |
| PCBs | = polychlorinated biphenyls |
| RCRA metals | = arsenic, barium, cadmium, chromium, lead, mercury, selenium and silver |



Reporting

ATC will prepare a written report of our investigation findings, additional observations and a summary and interpretation of laboratory analysis data. All data will be compared to applicable North Carolina Department of Environmental Quality published standards. As needed, ATC will prepare recommendations for additional work.

TASK 2: Limited Hazardous Material Sampling

ATC proposes to complete limited sampling and analysis of materials for asbestos and PCBs inside the Property buildings to assist with preparation for building demolition. This is not a comprehensive assessment and additional sampling may be needed to complete demolition and to plan for proper disposition of Property building materials.

Limited Asbestos Assessment

ATC will complete a limited asbestos survey and sampling of the interior of the Property buildings. A summary of our proposed work related to this task is as follows:

- A North Carolina Department of Health-licensed Asbestos Inspector will conduct a physical assessment of the interior of the designated areas of the building to document the location, friability and quantity of accessible suspect ACM.
- ATC will collect representative bulk samples of suspect asbestos containing building materials identified at project site in accordance with NESHAP sampling requirements for demolition (does not include pipe chases, voids, or behind walls). Sampling will be completed in accordance with the Asbestos Hazard Emergency Response Act (AHERA) regulation and ATC guidelines. The survey shall be conducted in a manner which is safe for the inspection team, any building occupants and visitors;
- All bulk samples submitted for analysis shall be accompanied by chain-of-custody documentation and analyzed by a laboratory who participates in the National Voluntary Laboratory Accreditation Program (NVLAP), and is accredited by the National Institute of Science and Technology (NIST) and the American Industrial Hygiene Association (AIHA);
- The laboratory will initially analyze all suspect asbestos containing building materials sample layers for the presence of asbestiform minerals utilizing Polarized Light Microscopy with Dispersion Staining (PLM-DS) analysis in accordance with the EPA "Method for the Determination of Asbestos in Bulk Building Materials" (EPA 600/R-93/116) collected at the project site. A maximum total of 100 samples will be analyzed.

Limited PCB Wipes

ATC observed areas with gear and other oils inside the buildings; therefore, we propose to collect a total of six wipe samples inside buildings to determine whether PCBs are present. This is a preliminary screening and does not meet a full/statistical assessment.

Limited Hazardous Material Assessment Report

Upon receipt of the laboratory results, ATC will compose a letter report summarizing the location and quantity of confirmed asbestos-containing materials and results of the limited wipe sampling for PCBs.



SCHEDULE

ATC will begin the above-referenced scope of work upon receipt of your written authorization to proceed; we are prepared to commence field work on July 5, 2016 if we are contracted by June 24, 2016. The laboratory results will be available approximately 14 calendar days after sample arrival to the lab. ATC will discuss lab results with you upon receipt. A draft report will be provided on August 5, 2016.

COMPENSATION

ATC will perform these services for a time and material (*Not-To-Exceed*) basis as detailed in the table below. A detailed estimate is included in **Attachment II**. The fees include all labor, rental fees, travel costs, and miscellaneous costs. While we anticipate it is unlikely, if additional work becomes necessary beyond the fee quoted, we will seek your prior authorization before commencing with the work.

TASK	PRICE
Task 1: Soil and Assessment	\$ 29,121
Task 2: Limited Hazardous Material Sampling	\$ 2,557
TOTAL	\$ 31,678

AUTHORIZATION

All work will be performed in accordance with a mutually-agreed contract to be established between the City and ATC Group Services LLC.

PROPOSED SCOPE OF WORK ASSUMPTIONS AND EXCLUSIONS

- No reporting to the North Carolina DEQ or any other regulating agency is included; we understand this work is for due diligence purposes and we will provide reports that meet these general requirements.
- This scope is intended to assess for the presence/absence of contaminants. ATC has proposed a sampling plan that will provide a Property-wide review of possible contamination; however, we cannot guarantee that additional assessment or further delineation will not be needed to define the extent of any contamination found. Additionally, we cannot warrant that we will discover/identify all contaminants on the Property.
- We will compare the groundwater analytical results to 15A NCAC 2L Groundwater Standards, and soil analytical results to cleanup/screening levels used by the North Carolina regulatory program that would most-likely have jurisdiction for any contamination that may be present.
- No other site restoration resulting from our assessment work is included.
- ATC has provided for utility mark-out in our scope of work, and will manually dig the first 5 feet for each boring. We cannot be responsible for subsurface utilities and other subterranean features impacted from our work.
- ATC makes no representation or warranty that the past or current operations at the Property are, or have been, in compliance with all applicable federal, state and local



Phase II ESA Proposal
722 Riverside Ave.
Elizabeth City, NC
June 17, 2016

laws, regulations and codes. Regardless of the findings stated in this report, ATC is not responsible for consequences or conditions arising from facts not fully disclosed to ATC during the assessment.

Thank you for considering our proposal. We look forward to working with you on this and future projects. If you have any questions on this proposal, please do not hesitate to contact Andy Coleman.

Sincerely,
ATC Group Services LLC

Andy Coleman
National Client/Branch Manager
For ATC
Office: 757 467 2100
Email: andy.coleman@atcassociates.com

Donald Hurdle, P.G.
Project Manager
For ATC
Office: 757 467 2100
Email: donald.hurdle@atcassociates.com

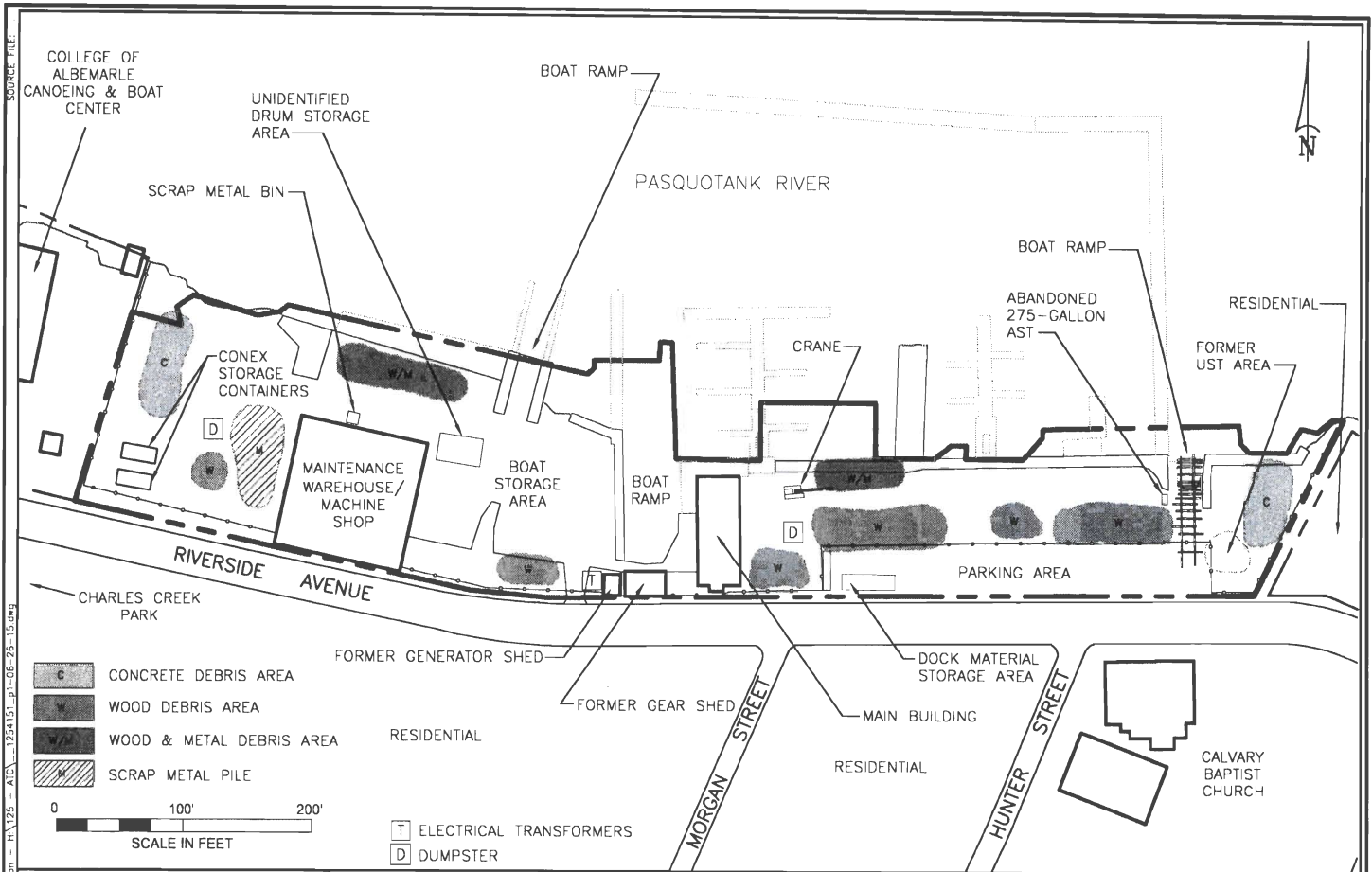
Larry George, P.G., R.S.M.
Principal/Senior Project Manager
For ATC
Email: larry.george@atcassociates.com

C: File
Attachments: Proposed Boring/Sampling Location Figure
Estimate

ATTACHMENT I

PROPOSED BORING AND SAMPLING LOCATIONS FIGURE

05/29/2015 12:49pm - s:\stinson - H:\125 - AIC - 1254151 - p1 - 06-26-15.dwg
 SOURCE FILE:



C CONCRETE DEBRIS AREA
W WOOD DEBRIS AREA
W/M WOOD & METAL DEBRIS AREA
M SCRAP METAL PILE


T ELECTRICAL TRANSFORMERS
D DUMPSTER

0 100' 200'
 SCALE IN FEET

NOTES

FIGURE 2
SITE PLAN
 ELIZABETH CITY SHIPYARD
 722 RIVERSIDE AVENUE
 ELIZABETH CITY, NORTH CAROLINA

CAD FILE	TYPE CODE	PREP. BY	REV. BY
1254151.DWG		JM	AC


Gardno
 Shaping the Future

Virginia Beach, Virginia 23462 (757)467-2100 FAX (757)467-9178

SCALE	DATE	PROJECT NO.
1" = 100'	06-29-2015	PB00201000

ATTACHMENT II
PROJECT ESTIMATE DETAIL



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Phase II Environmental Assessment
6/17/2016

722 Riverside Avenue
Elizabeth City, North Carolina

MATERIAL	UNIT TYPE	UNIT COST	UNITS	SUB TOTAL	TOTAL
TASK 1: Soil and Groundwater Sampling and Analysis					
<u>Planning and Reconnaissance</u>					
Geologist (Writing Health and Safety Plan)	Hour	\$70.00	2	140.00	
Senior Geoloist (Site Meetings/Boring Layout)	Hour	\$85.00	6	510.00	
Senior Geologist Travel	Hour	\$85.00	2	170.00	
					\$ 820
<u>Boring Installation - 17 locations</u>					
Geoprobe	Day	\$1,750.00	3	5,250.00	
Subsurface Line Location – hourly minimums may apply	Hour	\$222.00	8	1,776.00	
Log Soil Borings-Geologist	Hour	\$70.00	24	1,680.00	
Photoionization Detector	Day	\$75.00	2	150.00	
Geologist Travel	Hour	\$70.00	6	420.00	
Senior Geologist	Hour	\$85.00	24	2,040.00	
Senior Geologist Travel	Hour	\$85.00	6	510.00	
Peristaltic Pump	Day	\$50.00	2	100.00	
Teflon Lined tubing	Foot	\$1.21	200	242.00	
Pickup Truck Mileage	Mile	\$0.485	220	106.70	
					\$ 12,275
<u>Soil and Groundwater Analysis</u>					
MADEP-EPH (soil)	Sample	\$125.00	3	375.00	
MADEP-VPH (soil)	Sample	\$90.00	3	270.00	
Method 6010B - RCRA Metals in Soil	Sample	\$84.000	10	840.00	
Method 8260B - Volatile Organic Compounds in Soil	Sample	\$90.000	17	1,530.00	
PAHs	Sample	\$90.000	4	360.00	
Method 8270D -Semi-Volatile Organic Compounds in Soil	Sample	\$207.000	17	3,519.00	
Method 8082 -PCB Compounds in Soil	Sample	\$52.000	2	104.00	
MADEP-EPH (groundwater)	Sample	\$125.00	3	375.00	
MADEP-VPH (groundwater)	Sample	\$90.00	3	270.00	
Method 6010B - RCRA Metals in Groundwater	Sample	\$84.000	4	336.00	
Method 8260B - Volatile Organic Compounds in Groundwater	Sample	\$90.000	11	990.00	
Method 8270D -Semi-Volatile Organic Compounds in GW	Sample	\$207.000	11	2,277.00	
					\$ 11,246
<u>Report Writing and Data Analysis</u>					
CAD Drawing		\$300.00	1	300.00	
Geologist	Hour	\$70.00	24	1,680.00	
Senior Geologist	Hour	\$85.00	24	2,040.00	
Project QA/QC Project Management	Hour	\$95.00	8	760.00	
					\$ 4,780
TASK 2: Hazardous Materials Assessment					
Industrial Hygienist	Hour	\$60.00	10	600.00	
Industrial Hygienist Travel	Hour	\$60.00	2	120.00	
Method 8082 -PCB Compounds surface samples (wipes)	Sample	\$52.00	6	312.00	
Asbestos	Sample	\$6.50	100	650.00	
Shipping		\$15.00	1	15.00	
<u>Report Writing and Data Analysis</u>					
Staff Scientist Report Writing	Hour	\$60.00	8	480.00	
Project QA/QC Project Management	Hour	\$95.00	4	380.00	
					\$ 2,557
Total Estimated Cost					\$ 31,678