

Memorandum

To: Honorable Mayor and City Council
From: Joan Davenport, Community Development Director
Jeff Cutter, City Attorney
Date: October 6, 2020
Subject: Status Update on Cascade Mill Redevelopment Project

The Redevelopment of the Cascade Mill and related East-West Corridor/Interchange project has been an economic development priority for the City of Yakima for over a decade. This is a complex undertaking and the City has many partners which are integral to achieving the vision of a redeveloped project at this highly visible site. This memo will provide the City Council with some updates of the project and what to anticipate in the next few months.

Task 1: Right of Way (ROW) acquisition for the East-West Corridor and Bravo Company Boulevard within the City limits. The status of the ROW acquisition is as follows:

1. The City is acquiring portions of six parcels located on the former Mill Site property for the purpose of street construction. The City does not own any other land at the mill site.
2. Total ROW acquisition is about 14 acres and is limited to the former Boise Cascade Mill site. No additional ROW is necessary along "H" Street.
3. The City contracted right of way appraisals and Washington State Department of Transportation (WSDOT) certified these appraisals. The City Purchase and Sale Agreement was accepted by the ownership group and the City is in the final process of escrow to acquire the right of way.
4. Purchase of ROW is eligible for LIFT funding. The total sale price is approximately \$760,000. The source of funding is LIFT. No General Funds have been used to purchase land.
5. The City of Yakima should hold title to the Right of Way in the next 30 days.

Task 2: Begin Removal of the Municipal Solid Waste under the road corridors, as described in Agreed Order and the Interim Action Work Plan (IAWP)

1. Background Summary: The City of Yakima leased one of the former log ponds at the Boise Cascade Mill for a landfill and placed Municipal Solid Waste (MSW) in this dry pond from about 1961 to 1970. As the "source of contaminants", the City of Yakima became a Potentially Liable Party (PLP) and has been in a formal process with the Department of Ecology (DOE) for several years to determine the preferred options for cleanup and remediation. The City of Yakima signed an Agreed Order with DOE in 2018 which included an Interim Action Work Plan (IAWP). The purpose of the IAWP is to authorize the construction of roadways over the Landfill Site and a portion of the Mill Site adjacent to the north prior to the cleanup of the remainder of the Landfill Site and ensure consistency of the environmental work at the entire Mill Site.
2. The City worked closely with Ecology to ensure the roadway project does not pose a threat to human health and the environment, and the IAWP document outlines the steps the County and City contractors will take to ensure Ecology approves the method of cleanup for roadway construction, including:
 - a) The inclusion of landfill gas mitigation measures
 - b) Contingency planning for unexpected contamination encounters
 - c) Proper handling of excavated materials and fill materials
 - d) Adequately addressing any displaced investigation wells, sampling events, or information gaps on either the Mill Site or the Landfill Site.

3. Removal of the Municipal Solid Waste (MSW) from the roadway corridor is scheduled to begin in November, 2020. Construction is expected to continue until April, 2021. This time period was selected because irrigation will be turned off, which will minimize the presence of water in the soil.
4. The MSW is to be removed entirely from the new roadway corridor, in order to ensure that the road foundation is stable and will not settle or shift. Approximately 167,000 tons of Municipal Solid Waste and 24,000 tons of wood debris will be excavated and hauled in preparation of the road construction. The excavation pit will be backfilled with clean material. The IAWP includes installation of landfill gas monitoring measures and other various environmental remediation requirements. The contractors removing the MSW will not work at night and will take steps to minimize neighborhood impacts, including no work between 10:00 p.m. and 6:00 a.m.

Task 3: Environmental Review for new streets in Cooperation with Yakima County

Construction of the entire new and improved road corridor from North First Street to Butterfield Road in Terrace Heights (including Bravo Company Boulevard), historically known as the “East-West Corridor” is now subject to review under the National Environmental Policy Act (NEPA). Yakima County is the lead agency for the NEPA review. Road and utility installation must wait until the NEPA is complete, which is expected to be summer or fall, 2021.

Task 4: Street Construction

Street construction of the extension of Bravo Company Boulevard and the Cascade Mill Parkway is expected to begin in late 2021, after NEPA is complete and a bid awarded. Construction may be phased over two years, depending upon railroad crossing permit status and funding, but expected to be complete in 2022.

Reconstruction of “H” Street from North First Street to 7th Street, is outside of the LIFT area. Funding for the “H” Street project is not yet secured. An application to the Washington State Transportation Improvement Board (TIB) was submitted in 2019, but not funded in that grant cycle. Reconstruction of “H” Street and a traffic signal at North First Street is expected in 2023 or 2024.

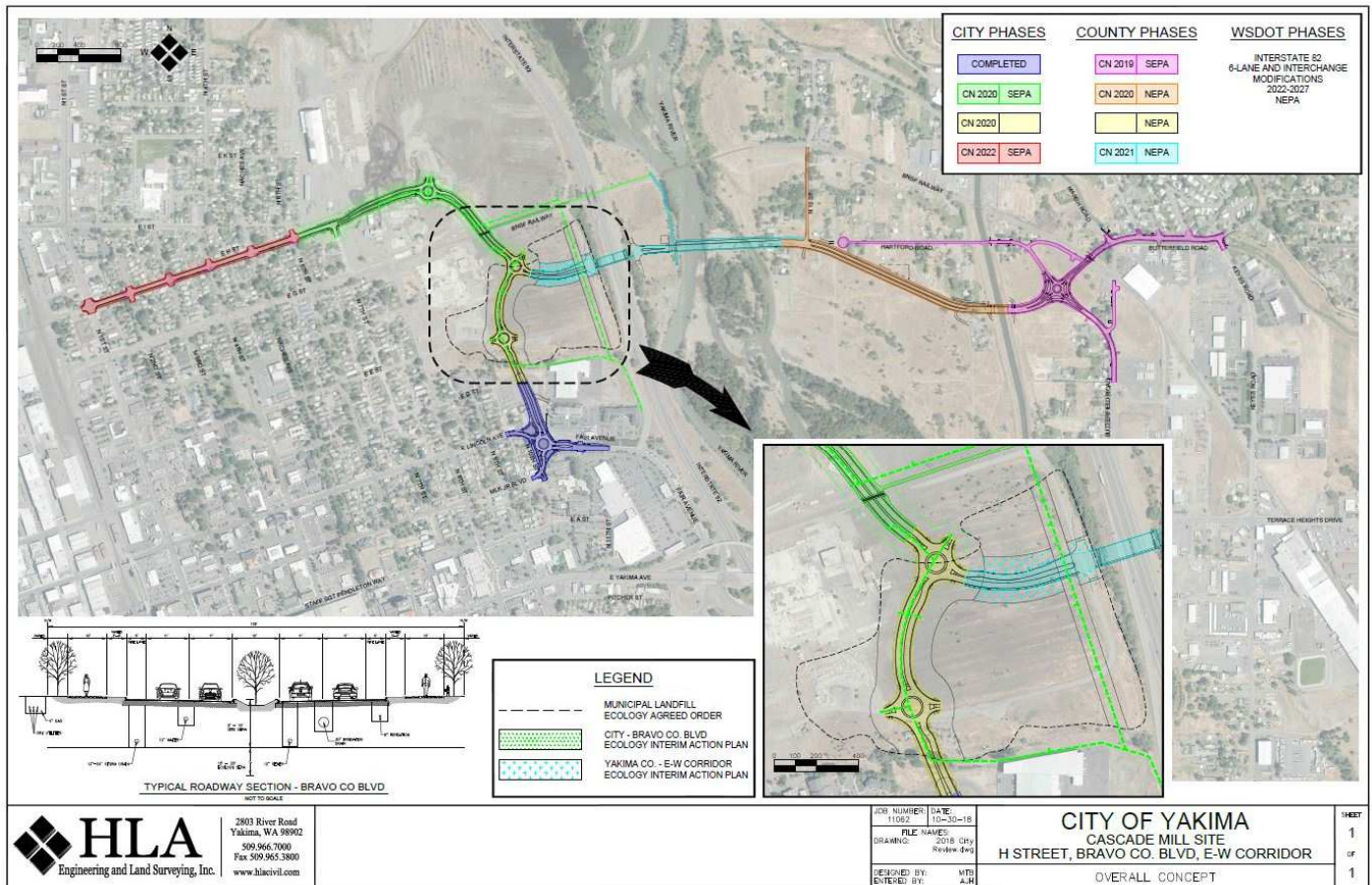
Construction of the entire road corridor is phased. Both Yakima County and the City of Yakima are working toward the installation of local streets so that when freeway improvements get started, we will have the “logical termini” to connect the State funded and maintained structures. This will resolve the concern about the “bridge to no-where” syndrome. Yakima County is responsible for the street in the unincorporated area east of the Yakima River as well as the I-82 underpass connecting the mill site to Terrace Heights. Construction of the County road project is already underway.

Interchange Improvements to I-82 (ramps, frontage roads, travel lanes and other structures) may begin in 2026. Washington State Department of Transportation (WSDOT) has not completed the final design or the related Environmental Review at this time.

Task 5: Environmental Remediation of remainder of landfill

The City of Yakima has an “Agreed Order” with Department of Ecology to guide the environmental remediation of the remainder of the landfill that is not part of the road project. The Agreed Order process is a formal, structured agreement governed by Washington State Model Toxics Control Act (MTCA) regulations and statute (RCW70D.105; RCW 64.70 and WAC 173-340). The City of Yakima was allowed to proceed with an Interim Action that provided for clean-up of a portion of the site in order to facilitate street construction, prior to clean-up of the remainder of the landfill. The City will need to proceed with a Feasibility Study and Remedial Investigation Report process under the

guidelines of MTCA. The cost and timeline of the environmental remediation for this portion of the project is not known at this time.



Funding Tools:

- The City of Yakima is one of nine communities in the state of Washington that were selected to use the “Local Infrastructure Financing Tool” (LIFT) program in 2008. The City was authorized to impose a sales and use tax on the Yakima Revenue Development Area (RDA) of up to \$1 million for 25 years. In turn, this \$25 Million State sales and use tax must be matched 1:1 with local or Federal funds (for up to a \$50 million benefit). The program requirements have been challenging and finding the match each year continues to be difficult. The City began implementation of the program in 2011 and LIFT revenues will end in 2036.
- For environmental clean-up and remediation, the City has had excellent support from the Washington State Department of Ecology through the Remedial Action Grant Program and prior to that program, the Voluntary Clean-up funds. Unfortunately, the LIFT program is precluded from using any State funds to provide the required match to leverage LIFT dollars.
- Federal grant funds have become very competitive. The city of Yakima has submitted BUILD and INFRA grants without any success for 4 years.
- The City will be seeking funds from the Yakima County “Supporting Investment for Economic Development” (SIED) program.
- At this time, the city has not had any contribution from the private landowners, which will also be explored.
- A financial plan for covering the Phase I outstanding costs will be discussed with Council during the Council budget review.