



City of Prineville

387 NE THIRD STREET ♦ PRINEVILLE, OREGON 97754

DEPARTMENT OF PUBLIC WORKS ENGINEERING DEPARTMENT

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Date: November 17, 2016
To: Prineville City Council
From: Eric Klann, City Engineer/Public Works Director

Staff Report: Ironhorse Property Phase I Environmental Site Assessment Report.

Overview:

The City of Prineville recently contracted with Farallon Consulting, L.L.C. (Farallon) to prepare a Phase I Environmental Site Assessment Report (ESA) associated with the proposed purchase of approximately 460 acres of property from the Ironhorse development.

The purpose of the Phase I ESA is to identify recognized environmental conditions to the extent feasible, pursuant to the processes outlined in ASTM International Standard E1527-13, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (ASTM E1527-13), and to evaluate other environmental issues in connection with the Site. ASTM E1527-13 is intended to permit a user to satisfy one of the requirements to qualify for protection from potential liability under the Comprehensive Environmental Response, Compensation, and Liability Act as the innocent landowner, contiguous property owner, or bona fide prospective purchaser. ASTM E1527-13 constitutes "all appropriate inquiry" into the previous ownership, uses, and environmental conditions of a property consistent with good commercial or customary practice, as defined in Section 9601(35)(B) of Title 42 of the U.S. Code.

The objective of the Phase I ESA is to perform an appropriate inquiry into past and present ownership and uses of the Site, consistent with good commercial and/or customary practice. The report that Farallon has prepared documenting the Phase I ESA work and results can be used as a risk management tool to fulfill all-appropriate-inquiry requirements and the Comprehensive Environmental Response, Compensation, and Liability Act liability defense.

The executive summary for the Phase I ESA is attached for your review. The full report is also available for review upon request (302 pages in length). Amber Hudspeth, Senior Environmental Scientist from Farallon Consulting will attend the 11/22/2016 Council Meeting to summarize the findings and answer any questions.

Staff Recommendation:

Please review the attached executive summary for the Ironhorse Phase I ESA.

(16)



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PHASE I ENVIRONMENTAL SITE ASSESSMENT REPORT

**IronHorse Property
Crook County Tax Parcel Nos. 14160000-01600, 14162800-00100, and
14162800-00200
Prineville, Oregon**

**Submitted by:
Farallon Consulting, L.L.C.
4380 Southwest Macadam Avenue, Suite 500
Portland, Oregon 97239**

Farallon PN: 1741-001

**For:
City of Prineville
387 Northeast Third Street
Prineville, Oregon 97754**

November 15, 2016

Prepared by:

A handwritten signature in blue ink, appearing to read "Jennifer Whaler".

Jennifer Whaler
Associate Environmental Scientist

A handwritten signature in blue ink, appearing to read "Amber Hudspeth".

Amber Hudspeth
Senior Environmental Scientist

Reviewed by:

A handwritten signature in blue ink, appearing to read "Craig Ware".

Craig Ware
Principal Hydrogeologist, R.G., L.G.



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- Figure 1 *Site Vicinity Map*
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- Appendix A Professional Qualifications
Appendix B Site Photographs
Appendix C User Questionnaire
Appendix D Environmental Database Report



ENVIRONMENTAL PROFESSIONALS' STATEMENT

We declare that, to the best of our professional knowledge and belief, we meet the definition of Environmental Professional as established in Part 312.10 of Title 40 of the Code of Federal Regulations (40 CFR 312.10) and we have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR 312.

Name Jennifer Whaler
Title Associate Environmental Scientist

Name Amber Hudspeth
Title Senior Environmental Scientist

Name Craig Ware
Title Principal Hydrogeologist, R.G., L.G.



EXECUTIVE SUMMARY

Farallon Consulting, L.L.C. (Farallon) has prepared this Phase I Environmental Site Assessment (Phase I ESA) Report for the IronHorse property in Prineville, Oregon (herein referred to as the Site). The Phase I ESA was conducted by Mss. Jennifer Whaler and Amber Hudspeth and was reviewed and approved by Mr. Craig Ware. All are experienced Environmental Professionals in the field of Phase I ESAs and related environmental investigations.

This Phase I ESA Report was prepared for the City of Prineville in accordance with the scope of work included in *City of Prineville Personal/Professional, Technical, or Expert Services Contract, Contract 2010-16/17 Farallon Consulting L.L.C.* dated September 20, 2016, prepared by the City of Prineville. The scope of work for this Phase I ESA is consistent with ASTM International Standard E1527-13, *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process* (ASTM E1527-13). ASTM E1527-13 is intended to assist the user in satisfying one of the requirements to qualify for protection from potential liability under the Comprehensive Environmental Response, Compensation, and Liability Act as the innocent landowner, contiguous property owner, or bona fide prospective purchaser. ASTM E1527-13 constitutes “all appropriate inquiry” into the previous ownership, uses, and environmental conditions of a property consistent with good commercial or customary practice, as defined in Section 9601(35)(B) of Title 42 of the U.S. Code.

There were no deviations from ASTM E1527-13 during the completion of this Phase I ESA. Limiting conditions encountered during the completion of this Phase I ESA included the inability to access the single-family residence and remote areas on the Site. Based on information obtained from the Site representative, these limiting conditions are not expected to hinder the conclusions of this report.

The purpose of the Phase I ESA was to identify, as practicable, recognized environmental conditions on the Site or proximate to the Site that have caused and/or may cause an adverse environmental condition. This Phase I ESA Report provides the results of investigation into past and present ownership and uses of the Site, consistent with good commercial and/or customary practice.

The Site consists of Crook County Tax Parcel No. 14160000-01600 (herein referred to as the West Parcel) and Parcel Nos. 14162800-00100 and 14162800-00200 (herein referred to as the East Parcels), which total approximately 461 acres of land flanking Barnes Butte. The West Parcel is developed with one 1,160-square-foot single-family residence built in 1940, a 720-square-foot shed built in 1952, and several agricultural out-buildings that were reportedly constructed in the 1950s. The single-family residence was unoccupied and inaccessible at the time of the site reconnaissance. Other Site features include silos, a former irrigation pond, and a horse racetrack. Remaining areas of the West Parcel consist of previously used agricultural land that is currently fallow, native vegetation, an irrigation canal, wetlands areas, two mine tunnel entrances, and unpaved roads. The East Parcels consist of previously used agricultural land that is currently



occupied by native vegetation. Access to the Site can be gained from several locations, but the primary access is from Ochoco Avenue, south of the Site. According to the Crook County Assessor's Office, the Site owner is IronHorse Development LLC.

At the time of the site reconnaissance, the Site buildings were unoccupied and there were no signs of active farming or irrigation.

Historically, the Site appeared to be largely undeveloped in the 1943 aerial photograph, with several unpaved roads throughout the Site. Historical roads appeared to access the property northeast-adjacent to the West Parcel, which according to previous environmental reports was historically used as a mercury mine during the early 1940s. By 1962, a residential building and outbuilding appeared on the southern portion of the Site. By 1980, a horse racetrack was evident at the southern portion of the Site. According to aerial photographs and information gained from local interviews, alfalfa, grain, and potato crops appeared to have been planted on the southwestern portion of the Site during the 1990s and 2000s. The potential release of hazardous substances related to the historical use of the Site for agricultural and mining purposes represents a recognized environmental condition in connection with the Site.

Farallon has prior knowledge regarding the history of the Site, including information concerning the historical removal of a heating oil tank adjacent to the Site residence. Farallon understands that no contamination was encountered at the time of the tank decommissioning activities.

Farallon was provided with numerous previous environmental reports, technical memos, and other documents prepared for the Site and adjacent properties. The *Phase I and Limited Phase II Environmental Assessment, Florentine Hudspeth Living Trust Property, Prineville, Crook County, Oregon 97754* dated January 14, 2004, prepared by Osprey Environmental, LLC (2004 Phase I/II) conducted for a portion of the Site and adjacent properties indicated that several potentially significant environmental concerns were observed in connection with the subject property, which included the Site:

- At least two mercury mines were historically operated on the subject property, northeast-adjacent to the West Parcel, which included mine tunnel entrances at the northeastern portion of the Site;
- Three suspected underground storage tanks were observed to be present on the subject property in the vicinity of the northern Hudspeth residence, north-adjacent to the Site;
- A wood waste disposal site was observed at the eastern portion of the subject property near adjacent residential and industrial developments, west-adjacent to the Site;
- One 1,000-gallon diesel aboveground storage tank was observed at the subject property, potentially at the Site; and
- Several collections of used automotive, tractor, and/or heavy equipment batteries were observed within structures at the subject property, potentially at the Site.



The 2004 Phase I/II concluded that significant environmental issues were present in the area of historic mercury mining activities on both the Hudspeth Ranch property, which includes portions of the Site, and adjacent Bureau of Land Management (BLM) land. Mercury was detected at concentrations exceeding U.S. Environmental Protection Agency (EPA) Resource Conservation and Recovery Act Hazardous Waste regulations, Oregon Department of Environmental Quality SoClean standards, and Region 9 Preliminary Remediation Goals in soil samples collected in the area of abandoned mercury mines and processing areas at the Hudspeth Ranch property.

Cleanup was conducted at the mercury mine site in 2015, which included the removal of mine tailings. It was concluded that the removal action successfully removed and contained mercury waste, and reduced the human health and environmental risk of mercury exposure to acceptable levels based on site-specific goals established by EPA. Therefore, no further Comprehensive Environmental Response, Compensation, and Liability Act remedial actions were recommended by BLM. However, based on Farallon's review of reasonably ascertainable information, a No Further Action designation has not been issued for the mercury mine site to date. The known and potential release of hazardous substances at and in the vicinity of the Site related to historical mining operations at the northeastern portion of the Site and adjacent BLM land represents a recognized environmental condition in connection with the Site.

Historically, adjacent properties were largely undeveloped and used primarily as ranch land from at least 1943 through 2006, according to aerial photographs. The property northeast-adjacent to the West Parcel, which included mine tunnel entrances at the northeastern portion of the Site, was used as a mercury mine during the early 1940s. According to the Environmental Data Resources, Inc. (EDR) report, the southwest-adjacent wood waste disposal facility operated from 1979 through 1986. By 2006, the southwest-adjacent property was plotted for residential development.

The EDR report identified several facilities adjacent or proximate to the Site in the regulatory databases. One of these facilities, the Barnes Butte Mine, has known or suspected releases of hazardous substances to soil. Based on the known use of hazardous substances associated with mining operations and current regulatory status, the Barnes Butte Mine represents a recognized environmental condition in connection with the Site.

Based on review of the Site history, interviews with persons knowledgeable about the Site, reconnaissance of the Site, and review of regulatory agency lists, this Phase I ESA identified the following recognized environmental conditions in connection with the Site:

- The potential release of hazardous substances from former agricultural and mining operations at the Site; and
- The potential migration of hazardous substances to the Site from former mining operations adjacent to the Site.