

**WEEKLY INFORMATION PACKET
MEMORANDUM**

TO: Mayor and Members of Council

FROM: Frank W. Bruno, City Manager
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DATE: September 13, 2007

SUBJECT: Information Item – Update on Valmont Butte property and Fire Training Center relocation

EXECUTIVE SUMMARY

Several significant steps have recently been taken towards the disposition of the saleable Valmont Butte property and the relocation of the Fire Training Center (FTC) to the Wells site. For the new FTC, City Council approved the conveyance of a property interest in the form of a 30-year restrictive covenant and authorized the city manager to enter into an Intergovernmental Agreement (IGA) with Boulder County. A land planning consultant and an architect have been contracted and documents necessary for submittal to the city planning process are being developed. The concept plan submittal is anticipated in October 2007 and the Site Plan submittal is anticipated in December 2007. The review and approval process is expected to take five to six months to complete. Construction is anticipated to begin in April 2008 with completion anticipated in February 2009.

Regarding Valmont Butte the Trust for Public Land (TPL) and the city have entered into an option agreement providing TPL an option to purchase 71 acres of the Valmont Butte property after reaching agreement on certain items, including the sales price and environmental liability. Staff will return to Council for direction after the appraisal has been completed and certain items are negotiated. Presently, TPL is working with Historic Boulder, the Native American Rights Fund (NARF), the Valmont Butte Heritage Alliance (VBHA) and the Valmont community about preserving the Valmont Mill and other cultural resources, and about practical matters like shared access roads and parking. The initial fundraising effort is scheduled to begin this month.

BACKGROUND

The city purchased the 101-acre Valmont Butte property in 2000 for \$2,575,000. The purchase money came from three city funds: Open Space and Mountain Parks (OSMP), Public Works/Utilities and the General Fund. At its Aug. 16, 2005 meeting, Council directed that the

Valmont Butte property not be used as a site for a new fire training center or a biosolids composting facility. On Feb. 21, 2006, Council approved building a new fire training center on the Wells site, located at 63rd Street and the Diagonal Highway, on land that was purchased in the 1950s by the Utilities Fund. Council also directed that the Valmont Butte property be offered for sale to Trust for Public Land or another buyer. Council also directed staff to sell the Fire and Utilities portions of the Valmont Butte property and try to recover their purchase money. Additionally, it was determined that the Utilities Fund should be reimbursed for the value of the Wells site, which will house the FTC.

COUNCIL FILTERS

- **Economic:** Adequate training facilities and trained firefighters enable a public safety response needed to support the community and the local economy. A one-year, city-specific temporary sales tax for fire training will expire at the end of 2007, reducing the sales tax rate in Boulder by 0.15 percent.
- **Social:** Work at the Valmont site reflects cultural and historical preservation considerations. Adequate training facilities and trained firefighters enable a public safety response that impacts the quality of life in the Boulder community and supports all residents and businesses.
- **Environmental:** Details associated with prairie dog management and remediation work at the Valmont Butte site are included in Attachment A. Relative to the FTC and LEED (Leadership in Energy and Environmental Design) standards, the city adopted (2001) a policy that all new construction and significant renovations of city facilities be certified to the LEED-NC (New Construction) Silver Standard. This policy was reinforced with the subsequent acceptance of the 2005 Facilities and Asset Management (FAM) Master Plan. The initial considerations for the FTC project, relative to LEED/Silver, include the following:
 1. One of the criteria for the selection of the design team (for architectural and engineering services) was their experience with LEED certification.
 2. \$2.24 million is the budget for the administration building. Within that budget, a three percent premium (over typical construction costs) has been factored in to obtain LEED silver certification. This cost estimate is based upon national averages and experiences with the North Boulder Recreation Center. In addition, the budget for consultant fees reflects the costs of obtaining LEED silver certification.
 3. In this early phase of the project, the specific components that will enable the city to achieve LEED silver certification have not yet been determined. It is expected that LEED silver certification can be achieved for the 16,000 sq. ft. administration building. It is unlikely that, due to the functions of the other structures (burn building, tower and prop structures), they will be able to achieve LEED certification.
 4. Given the location and nature of the site, the available credits in the “sustainable sites category” most likely will not be achieved for items such as minimum site disturbance, public transportation availability and building reuse. Instead, credits will more likely be achieved by focusing on the design and construction elements such as low water use for irrigation and domestic needs, energy efficient mechanical systems, use of recycled content materials and indoor environmental quality. The potential for renewable energy applications will also be evaluated with a focus on the innovation-in-design category to consider the use of geothermal and /or photovoltaic systems.
 5. A five to 10 year payback target had been identified for the investment in the LEED silver rating. That projected payback will be more precisely determined as this project continues.

FIRE TRAINING CENTER (FTC) PROGRESS UPDATE

During the public process to determine a new site for the FTC, concern was raised about potential smoke impacts on Wells property neighbors, including Celestial Seasonings. The city contracted with the National Center for Atmospheric Research (NCAR) to analyze these potential impacts and NCAR staff concluded that smoke concentrations at a range of 100 meters downwind of the training facility (but still onsite) are near the lower limit of visual and olfactory detection. Meetings have been held with Celestial Seasonings staff to review the smoke report data and other issues, and company representatives witnessed a live burn at the Lee Hill site. No further communication from Celestial Seasonings has been received.

Fire Department and Facilities and Asset Management (FAM) staff, along with the planning consultant, are working with Parks and Recreation staff to determine a possible access solution to the FTC through the reservoir. Roth+Shepard and TCA Architects have been selected to lead the design of the FTC. Roth+Shepard has vast public sector experience, including Boulder's Public Safety Building. TCA has an extensive background in facility design for fire departments and fire training centers. The architect design team includes the services of YRG sustainability consultants, who will do LEED certification work. Consultants have been directed to focus their design on obtaining a LEED silver rating in accordance with city policy. Consultants from Walsh Environmental will survey the Wells site to prepare a wildlife and wetlands plan.

At its Sept. 4, 2007 meeting, the City Council authorized the city manager to enter into an IGA with Boulder County and approved the conveyance of a property interest in the form of a 30-year restrictive covenant pertaining to the proposed Fire Training Center. This IGA will allow the release of county sales and use tax proceeds to the city for the construction of this project.

FTC FISCAL IMPACT:

The potential sale of property and the impacts on cost recovery may require additional discussions with Council as described later in this memorandum. Funding for the FTC comes from two sources: the temporary city sales tax approved by voters in November 2006 is expected to generate about \$3.6 million, and the county sales tax collection, including interest, comes to about \$4.0 million. Current expenditures include \$15,000 for a smoke dispersion analysis and potential neighborhood impacts at the Wells site, \$55,000 paid to date on a \$90,000 contract with the planning consultant and \$0 paid in architecture design fees on a \$514,000 contract. Design fees are on average eight to 10 percent of total project costs.

FTC NEXT STEPS:

The FTC project has been submitted to the city planning process. The Fire Department will continue to work with Parks and Recreation and the planning consultant on access issues through Boulder Reservoir. Access from the site onto the Diagonal Highway is more desirable and discussions with CDOT continue. City staff also continue to work with Celestial Seasonings staff and are also meeting with other businesses in Gunbarrel located in the vicinity of where the FTC will be constructed.

VALMONT BUTTE

City Council held a study session about Valmont Butte on Jan. 30, 2007 and Council provided the following general guidance regarding the sale of the property. Council wants to proceed with a purchase option from TPL for approximately 71 acres. Council wants to know what the purchase price of the property will be, including and excluding the mill site from the sale. Generally, Council indicated support for landmarking the mill site, but wants to know what cost-impact this will have

on the sale price. Council was generally not supportive of having the mill become operational again. If other potential buyers are interested in the property, Council indicated that these buyers should be referred to TPL.

VALMONT BUTTE SALEABLE ACREAGE:

The Valmont Butte property was 101 acres when purchased. The acreage available for sale is approximately 71 acres. Two portions of the original Valmont Butte property located at the intersection of Valmont and Butte Mill roads near the entrance to Western Disposal have been sold. In November 2004, Council authorized the sale of about two acres to Boulder County to accommodate safety improvements that have since been completed at that intersection. The remaining acreage there had only nominal market value. Council approved the disposition of the remaining 0.491 acres to Western Disposal at its May 29, 2007 meeting.

Two parts of the main body of the property are also excluded from this estimate of saleable acreage. Not considered available for sale is the 27-acre OSMP portion of the Valmont Butte. Additionally, an approximately half-acre area around an existing microwave antennae facility is excluded from the sale.

The Utilities/Wastewater Fund paid \$1.3 million for 36 acres, the General Fund paid \$1.0 million for 38 acres, and OSMP paid \$300,000 from the Open Space Fund for 27 acres. The General Fund and the Public Works/Utilities portion of the property total 74 acres and cost \$2.3 million. Excluding the land areas identified above, the best estimate of the Valmont Butte's saleable area is 71 acres, including Valmont Mill.

VALMONT BUTTE SITE REMEDIATION:

The city is pursuing remediation for the Valmont Butte site per the covenant agreement between the city and the Colorado Department of Public Health and Environment (CDPHE). The site remediation plan approved by CDPHE involves three phases of work that are being managed by FAM. Phase I work, which included the removal of hazardous or potentially hazardous materials stored on the site, has been completed at an approximate cost of \$169,000. Phases II and III involve removing prairie dogs currently living in that area and capping the tailings ponds. Staff is following the city's Urban Wildlife Management Plan (UWMP) and city ordinance protocol in relocating all of the prairie dogs on the site (outside of the cap) and this effort is underway. More specific information about each phase of the work is contained in **Attachment A**.

The total estimated cost for remediation of the site is \$913,000. Approximately \$169,000 of this amount has been spent removing hazardous waste (Phase I), \$34,000 has been spent to date on wildlife assessments and relocation (Phase II) and \$27,000 has been spent on cap restoration design (Phase III). The remaining Phase II and Phase III work will cost approximately \$683,000. The original budget amount for the project was established in February 2006 at \$850,000.

TPL has indicated a desire for a more permanent cap. If the city were to provide a higher level of remediation work, costs are estimated to increase by over \$1,000,000.

COST ANALYSIS:

As mentioned above, the entire Valmont Butte property was purchased for \$2,575,000. The purchase price for the 71 acres (that are now being considered as available for sale) was \$2.3 million. The costs to remediate the site to date are \$230,000. The remaining Phase II cost to construct a barrier and relocate wildlife will be \$114,000 and the remaining Phase III costs related

to capping the tailings ponds (per the original agreement with CDPHE) will be \$569,000. The table below outlines this information in tabular form:

ITEM	COST
Original Purchase	\$2,300,000
Remediation to-date	\$ 230,000
Future Remediation	\$ 683,000
Total Costs:	\$3,213,000*
Potential Purchase Price	Dependent on appraisal

* Not included in these costs are the potential stabilization expenses for the historic mill of \$135,300 including: \$106,000 for the historic mill; \$29,300 for ancillary facilities and an estimated \$1,000,000 for the purchase of the Wells property. As noted, TPL has indicated a desire for a more permanent cap. If the city were to provide a higher level of remediation work, those costs are estimated to increase by over \$1,000,000.

The Trust for Public Land (TPL) and the city have entered into an option agreement providing TPL an option to purchase 71 acres of the Valmont Butte property after reaching agreement on certain items including the sales price and environmental liability. Staff will return to Council for direction after the appraisal has been completed and certain items are negotiated. Presently, TPL is working with Historic Boulder, the Native American Rights Fund (NARF), the Valmont Butte Heritage Alliance (VBHA) and the Valmont community about preserving the Valmont Mill and other cultural resources, and about practical matters like shared access roads and parking. The initial fundraising effort is scheduled to begin this month.

NEXT STEPS

- Nov./ Dec. Council Agenda Item- Report answers to the January, 2007 Study Session appraisal related questions. Report the status of the sale to TPL. Receive Council direction on the sale of the property.
- Dec./ Jan. Document the party’s agreement on a sales price or negotiate further with TPL or reassess the benefit of selling the property.

For more information, please contact Frank Young (303) 441-3356 or via email at: youngf@bouldercolorado.gov

ATTACHMENT A

Valmont Butte Site Remediation

Phase I: Removed hazardous materials located outside the tailings ponds in the form of storage drums, PCB transformers, contaminated and radioactive soils and other miscellaneous items. Staff contracted with Terracon to develop a scope of work for the removal of the materials and to monitor the waste removal done by Stoller, an environmental waste management contractor. A specific health and safety plan was required for this phase of the project. It is planned that radioactive and contaminated soils located outside the tailing pond areas will be moved to the primary tailing pond area and will be spread and covered as part of the Phase III cap restoration work. The actual costs for Phase I work are \$169,000. Specifications for this work are available for public viewing at the reference desk of the Boulder Public Library under "Public Review," 1000 Canyon Boulevard. The name of the publication is: *City of Boulder Hazardous and Industrial Waste Removal and Disposal, Valmont Butte/Allied Piles Site, Boulder, Colorado, Specifications.*

Phase II: Inventory, sample and remove approximately 150 prairie dogs from the primary and secondary tailings pond areas as required by the covenant agreement with CDPHE (Note: This estimate is based on a March 2007 inventory conducted by Walsh Environmental Services. A previous inventory was conducted in March 2006 by Roe Environmental Services indicating that approximately 300+ prairie dogs would need to be relocated. Walsh attributes the reduction in population to environmental conditions this past winter). In addition, a barrier to prevent prairie dogs and other burrowing animals from entering the area will be constructed. The city will issue a Request for Proposal (RFP) for construction of the barrier and the relocation of the prairie dogs. If prairie dogs cannot be relocated, then lethal control may be necessary to remove all the prairie dogs from the cap areas. Estimated cost for this phase is \$148,000. The estimated cost of this phase of the work was originally higher than the current estimate due to several factors, specifically, the number of prairie dog relocations necessary has been reduced by approximately 50 percent, anticipation that the majority of the prairie dogs can be relocated on the Valmont site, and the type of mitigation fence has been changed to heavy-grade vinyl rather than steel due to the recent increases in steel prices. The vinyl fence has a five-year warranty and costs approximately \$12 per linear foot to install vs. \$28 per linear foot for the steel fence. The total length of mitigation fence needed is approximately 4,700 linear feet. After prairie dog removal, the empty burrows will be filled.

Phase III: After the prairie dogs are removed and the barrier is constructed, prairie dog mounds will be leveled and the contractor will move contaminated and radioactive soils located outside the tailings ponds area to the ponds and restore the cap. In addition, two drums of low-level radioactive mixed waste will also be moved to the primary tailings pond and spread prior to capping the primary tailing pond. The tailing ponds were originally covered by a cap consisting of a layer of inert, clean fill material. This cap has eroded and has been disturbed by prairie dogs and must be restored. Estimated cost for this phase is \$596,000. The cost of this phase has increased significantly due to city-owned soil at the airport being removed to support airport development opportunities prior to cap restoration work. The 27,000 cubic yards of clean fill material to cap the tailings ponds will need to be imported by the contractor. The city has contracted with Terracon to prepare the Limited Impact Special Use Review application for submission to Boulder County. In addition,

Terracon has prepared the specifications for this phase of the work. The city has postponed submittal of the Impact Special Use Review application until after the terms of the sale agreement with TPL are finalized.

Prairie Dog Management Options

The prairie dogs must be removed from the tailings ponds areas and a barrier to prevent their return must be in place before the majority of remediation on the site can occur. The city will follow the city's Urban Wildlife Management Plan (UWMP) and city ordinance protocol (the "six steps") in determining the removal method of the prairie dogs i.e., relocation is the preferred alternative. The prairie dog removal process is expected to commence in October 2007.

Since March 2007, staff have contacted interested parties and placed a notice in the newspaper requesting public help in finding an approved relocation site. To date, no suitable relocation site except Valmont Butte has been identified. In an effort to minimize lethal controls, staff contracted with Walsh Environmental Services to determine the number of prairie dogs to be relocated from the tailings pond caps and if any opportunity exists to relocate them in other areas of the Valmont Butte site. Walsh estimates indicate that approximately 150 prairie dogs will need to be relocated as of October 2007. This number is approximate since the number of young prairie dogs that survive depends largely on environmental conditions (breeding season is between March and June). Staff will attempt to relocate as many prairie dogs as possible outside the tailings pond cap areas on the Valmont Butte site. However, limited use of lethal controls may be necessary if all prairie dogs cannot be relocated on site or off site.

Valmont Remediation Timeline for 2007

- Sept.:** Re-issue the RFP for construction of the prairie dog fence and relocation of the prairie dogs. Contractor selection for prairie dog removal. Contractor submits relocation plan to Colorado Division of Wildlife for prairie dog relocation.
- Oct – Nov.:** Construct prairie dog mitigation barrier and remove prairie dogs from the tailings pond cap areas. Fill in empty burrows.
- Dec.:** Submit Limited Impact Special Use Review application per the sale agreement.