

ORANGE COUNTY
BOARD OF COMMISSIONERS

ACTION AGENDA ITEM ABSTRACT

Meeting Date: September 1, 2009

Action Agenda

Item No. 6-a

SUBJECT: Update and Recommended Actions – Solid Waste Transfer Station Site Selection

DEPARTMENT: County Management
Solid Waste Management

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):

UNDER SEPARATE COVER

- 1) *Orange County Environmental Impact Ordinance (EIO) Summary*
- 2) *West 54 LLC Site/Olver EIO Application Findings – Book One and Book Two*
- 3) *Conceptual Plan/Maps – Paydarfar Site Option*

- 4) Reimbursement Resolution

INFORMATION CONTACT:

Frank W. Clifton, Interim County Manager, 245-2306
Gwen Harvey, Assistant County Manager, 245-2307
Gayle Wilson, Director, Solid Waste Management, 968-2885

PURPOSE: To provide an update the County Commission on several issues and recommended actions for moving the site selection search process for a Solid Waste Transfer Station in Orange County to a conclusion.

BACKGROUND:

Emergence and Status of Proposed Town Site:

(Portion of the Town Operations Center located on Millhouse Road, Town of Chapel Hill, approximately 8 acres)

At the May 14 BOCC Transfer Station Work Session held with invited municipal officials, the Town of Chapel Hill Mayor, Kevin Foy, introduced the concept of utilizing a portion of the Town of Chapel Hill Operation Center property as a possible alternative site to Site 056 (NC 54; Owner, West 54, LLC) for the new transfer station. Presently the approximately 8 acre site is an unused portion of the overall Town Operations Center complex. The Mayor made clear the suggestion should not be considered an offer of the site as the Town Council had not formally discussed the matter and that ultimately the Council would need to make a formal decision. Furthermore, the Mayor indicated he would prefer the BOCC evaluate the site for its technical suitability as a transfer station site and, if the BOCC considered the location suitable and expressed its interest in pursuing the site further, the Town Council would address the matter.

Olver, Inc., the consulting engineers in the site selection, presented its preliminary analysis of the Chapel Hill Operations Center Site - Millhouse Road to the BOCC at its meeting on June 16, 2009. The Town site was favorably rated according to compatibility with BOCC-adopted site selection criteria, overall permit-ability, and integration with existing Eubanks Road landfill operations and functions. The consensus opinion of the Solid Waste Advisory Board (SWAB) was also supportive based on economics and environmental factors.

Following BOCC discussion the Chair was authorized to submit a formal letter to the Mayor requesting Town Council consideration of officially offering the Millhouse road site to the County for formal consideration as an alternative location to Hwy 54. The Town Council did not consider the request at its last regular meeting before summer break. County Management has been told the request is proposed for the first Town Council meeting upon return, September 14. Because there was no official confirmation from the Town, County staff and Olver, Inc. did not invest additional effort or resources over the summer into further investigation of the Millhouse Road alternative.

Continuation and Status of Hwy 54 Site:

(0.7 miles west of Orange Grove Road on NC 54 (West 54, LLC), 142.7 acres and North Side of NC 54 (West 54, LLC), 8.0 acres)

At its meeting on April 21, 2009 the BOCC received a site evaluation report from Olver, Inc. on Hwy 54, including steps accomplished or underway at that time in the environmental review. Olver, Inc. had submitted all available data resulting from the Environmental Assessment to the Orange County Planning Department which included a wetland investigation and site reconnaissance. The BOCC, in response to initial findings, authorized an enhanced Environmental Assessment which required additional clarifying information and analysis by the Army Corps of Engineers (ACOE). Wetland and stream determination forms were completed by Olver, Inc. and submitted to the ACOE. (The precise project area was approximately 67 of the 142.87 acres – the 8-acre tract adjacent to Hwy 54, intended for site access, and the southern portion of the 142.87 acre tract.) The ACOE on August 11, 2009 issued a Notification of Jurisdictional Determination certifying that the final plat survey prepared by Summit Consulting provided an accurate depiction of jurisdictional boundaries under Section 404 of the Clean Water Act – specifically, 0.85 acre of the 8-acre tract and 4.81 acres of the 142.87-acre tract

With these findings, Planning has finalized its review through the State Clearinghouse process and issued a Finding of No Significant Impact (FONSI). This means the application for a Solid Waste Transfer Station on Site 056 has met the standards of the enhanced Environmental Assessment and conceptual planning shows the site could be developed to the maximum extent practicable without significant impact on environmental areas. A full Environmental Impact Statement (EIS) is not necessary. (See Attachment 1: Orange County Environmental Impact Ordinance (EIO) Summary, and Attachment 2: West 54 LLC Site/Olver EIO Application Findings.) Olver, Inc. has confirmed the Hwy 54 site maintains the technical qualifications for locating a transfer station and any ancillary functions which may be established by the BOCC. Any work impacting jurisdictional wetlands would be done under permits issued by the ACOE.

Continued Discussion with the City of Durham on the Use of its Transfer Station

County staff and Commissioners Foushee and Yuhasz met with the Mayor and City Manager of Durham on August 26 to discuss the potential for Orange County to use the current City of Durham transfer station. This meeting was a continuation of a previous session attended by the

Chair and previous County Manager. The most recent meeting dealt in more detail and was overall positive in nature.

There are positives and negatives to this option for Orange County and the current users of the County's landfill. Most of those elements focus on economics associated with the distance to the Durham Transfer Station. Beyond those issues and without detailing them, it does appear that the City of Durham **may** be willing to accept solid waste from Orange County both on a short term and long term basis. Orange County is to send a letter to the Mayor and Manager asking the item to be considered by the Durham City Council.

The City of Durham now accepts waste from anyone delivering it to their transfer station. The waste is ultimately disposed of in Virginia. Orange County would be about 10% of the current volume of waste going through the Durham transfer station. The City has plans to improve their current operations. Orange County's request for consideration could encourage the City to move forward its plans to improve the transfer station.

Alternative County Owned Property off Millhouse Road for Consideration

In December 2006, the County Commission approved the purchase of a 10 acre tract of land known at that time as the Paydarfar property. The purchase (\$191,172) was paid for using 2001 Park and Open Space Bond funds. The land is located adjacent to and north of the old county landfill off Millhouse Road. It is surrounded on all sides by either the county landfill property to the south, the county future park property to the north and a small parcel owned by the Town of Chapel Hill between the property and the railroad, just west of Millhouse Road.

This parcel was never considered as part of the original search process because it was smaller than the minimum 25 acre requirement. Preliminary knowledge of the tract offers no serious environmental obstacles to consideration.

There are elements that do impact consideration of this site:

- (1) Reimbursement of the Park and Open Space fund for the value of the land (the property was not a portion of the original adjacent park purchase. (\$191,172)
- (2) It does lie within the Rural Buffer area.
- (3) The Joint Planning Area (JPA) Land Use Plan (LUP) modification would need the approval and involvement of the County and the Town of Chapel Hill, if public water and sewer is decided to be necessary
- (4) The site could function with a well and septic tank system. However, public water and sewer is nearby but its extension would require an amendment to the Water and Sewer Boundary Agreement, as follow up to item 3 above.
- (5) There could be a requirement to signalize of the railroad crossing located near the parcel.
- (6) DOT approval of access to the site might require roadway improvements especially considering the railroad crossing location.
- (7) The location has no adjoining non-governmental uses.
- (8) Environmental Resources and Conservation Department (ERCD) contemplates using a well on the Paydarfar property as one of ten in its Observation Well Network per budget discussions in June. Losing this well would mean one less hydro-geologic unit coverage of locations and one less bedrock geologic unit. Further technical review is needed to determine whether in fact this well would be eliminated.
- (9) The BOCC has authorized bringing forward a lease of the nearby 6823 Millhouse Road house on the Blackwood property. Repairs are underway and ERCD is pursuing a one-

year tenant lease to commence in the fall. Leasing and/or lease renewal could be affected by the potential for construction activity within a few hundred feet on the Paydarfar site.

Review of Current Conditions and Circumstances:

- The BOCC has two (possibly three) alternative sites remaining for a solid waste transfer station, all equally charged with concern from the affected communities.
- The Hwy 54 site is ready to move forward given an affirmative decision by the BOCC.
- The BOCC must wait for an official offer from the Town of Chapel Hill on the town owned site in order to proceed further.
- The City of Durham transfer station (subject to the approval of the Durham City Council) appears to be a viable option, but does come at a higher actual financial and environmental impact due to its location and haul costs from Orange County.
- The County owned 10 acre site is a viable option within the County's control part but comes with similar objections as those posed for the Chapel Hill town owned site, except there are no adjacent homeowners.
- The remaining projected capacity at the current landfill will be exhausted, under best management practices, on Eubanks Road is approximately Summer 2012.
- The need for a transfer station within the county limits remains a reality, notwithstanding meticulous review and debate over alternatives; i.e. out-of-county location, alternative technologies, private haulers.
- The solid waste transfer site selection process, re-opened in December 2007 with the engagement of Olver, Inc., has been publicly addressed by the BOCC on the basis of extensive technical research and infused with substantial community participation over a period approaching 2 years.
- Orange County government through the Solid Waste Management Enterprise Fund has expended \$452,223 for all work, meetings, reports, specialty subcontractors, and certain fees related TS site search (January 2008 to Present).
- The BOCC has previously agreed to the creation of a Community Advisory Group to be engaged with Solid Waste management and the chosen engineering group to provide a conduit for information, communications and dialogue regarding the development and implementation of a state-of-the-art facility in the spirit of mitigating to the greatest extent practical any adverse impacts.

Summary

The County has spent several years and several hundred thousand dollars pursuing a resolution as to how to handle solid waste disposal once the county landfill closes. Time is running out. Ultimately any site selected has its negative consequences, either perceived or real.

Orange County is a leader in environmental stewardship. Efforts in this process can not be viewed as being anything but comprehensive; open to review and community involvement. Where ever this facility is placed it will impact upon that area and the routes to that location. All of those considerations have been in the forefront of staff effort to bring forth viable options along with considering the financial impacts of each site upon future waste disposal costs.

County Management and Solid Waste Management believe we have provided the BOCC enough information and formulated options the BOCC may use to develop its consensus toward a decision. In the end, the BOCC retains the authority for a final decision. Staff is prepared to present the various options and respond to questions.

FINANCIAL IMPACT: The total cost associated with the negotiation/acquisition and design/development of the solid waste transfer station is estimated at \$5-6 million. The transfer station capital project will be financed through debt issuance secured by Solid Waste Enterprise Fund and County General Fund revenue with the intent that payment would come entirely from Solid Waste Fund Revenue. Sufficient reserves are available within the Solid Waste Enterprise Fund to initiate early actions towards property acquisition.

RECOMMENDATION(S): The Interim County Manager recommends the Board consider adopting a motion to approve either Option A, Option B, Option C or Option D and the associated actions contained within the chosen Option, as detailed below.

Option A. Highway 54 site – If the BOCC is prepared to move forward on this site then:

- 1) Authorize the County Attorney and County Management to initiate negotiations to acquire the Hwy 54 site, up to a total of 150.87 acres (142.87 main acreage; 8.0 access acreage). The appraised value is \$935,000.
- 2) Authorize Solid Waste Management to issue an RFP for an engineering firm to conduct the design/development of the Solid Waste Transfer Station facility at Hwy 54 or any other selected site; including authorization to retain a secondary engineering firm whose role will be to perform a peer review of technical services/work products provided the County by the primary firm.
- 3) Authorize Solid Waste Management to solicit letters of interest/intent from private and/or public entities to provide the recipient landfill for solid waste transferred from either a Millhouse Road or Hwy 54 Solid Waste Transfer Station.
- 4) Approve a reimbursement resolution for the project and authorize Financial Services to initiate actions to secure financing for land acquisition, professional services, and other project related expenditures as may be required, including budget amendments.
- 5) Direct the County Clerk to begin solicitation of volunteer representatives from the Hwy 54 area to serve on a Community Advisory Committee to be appointed by the BOCC to help guide the design/development phase of the Solid Waste Transfer Station on the Hwy 54 site.

Option B. Town of Chapel Hill owned site - Await action by the Town of Chapel Hill to determine if the town owned site is actually available for consideration; under what conditions; and at what cost.

- 1) If this course of action is pursued, delay needs to be avoided. It is recommended that the County should seek the Town's decision on this matter in no less than 60 days.
- 2) If the Town can not make a timely decision, then the County should move forward with another option.
- 3) The other provisions as outlined in Option A apply.

Option C: City of Durham transfer station – If the BOCC sees this option as a viable solution, then:

- 1) Authorize the BOCC Chair and County Manager to proceed with validating a potential inter-local agreement between Orange County and the City of Durham formalizing future arrangements.
- 2) Direct county staff to begin working with the towns with regards to formalizing waste stream flow commitments so that any agreement with the City of Durham provides the towns and county the best rate possible over the course of the long-term agreement.

Option D: County owned property north of old landfill off of Millhouse Road – If the BOCC sees merit in this option, then:

- 1) Authorize staff to engage the engineers in a site review to include the basic environmental reviews (30-60 days).
- 2) Direct the staff to begin the process associated with reimbursing the Parks and Open Space Fund for the purchase of the Paydarfar property (\$191,172).
- 3) Direct staff to initiate the required joint land use plan modifications with the Town of Chapel Hill needed to authorize the planned use as a transfer station, if necessary.
- 4) Authorize Solid Waste Management to issue an RFP for an engineering firm to conduct the design/development of the solid waste transfer station facility for this site; including authorization to retain a secondary engineering firm whose role will be to perform a peer review of technical services/work products provided the county by the primary engineering firm.
- 5) Authorize a reimbursement resolution for the project and authorize Financial Services to initiate actions to secure financing for land acquisition, professional services, and other project related expenditures as may be required, including budget amendments.
- 6) Direct the BOCC Clerk to begin solicitation of volunteer representatives from the Millhouse Road area to serve on a Community Advisory Committee to be appointed by the BOCC to help guide the design/development phase of the project.
- 7) Note: Public water and sewer is located very near this property and could be extended to the site via a bore under the railroad. If there is value in extending those utilities to the site (for this facility and the future park facilities on the parcel to the north) then an amendment would be required to the Water/Sewer Boundary Agreement. We believe the

site can be serviced with a well and septic tank system so this item might be considered as part of developing the future park site.

- 8) Finally, it is recognized that selection of this site will still generate community concern and opposition. While not fully mitigating the selection of this site upon all parties, it is suggested that the BOCC might consider offering some portion of the land purchase differential between the Hwy 54 site (\$935,000 appraised value) and the acquisition reimbursement on the County owned site (\$191,172) totaling \$744,838 toward a water/sewer solution for the Rogers Road area. The County's offer should be viewed as the seed money to initiate long awaited and needed improvements possibly involving other town governments and OWASA.

Attachments 1, 2 and 3 are provided under separate cover.

Reimbursement Resolution -- Solid Waste Transfer Station Project

WHEREAS, the Manager and the Finance Officer have described to the Board the desirability of adopting a resolution, as provided under federal tax law, to facilitate the County's using proceeds of tax-exempt financing to restore the County's funds when the County makes capital expenditures prior to closing on the financing.

BE IT RESOLVED by the Board of Commissioners of Orange County, North Carolina, as follows:

Section 1. The project is site acquisition and development of a solid waste transfer station.

Section 2. The County intends to finance the project. The expected type of financing (which is subject to change) is installment financing under Section 160A-20 of the General Statutes or special obligation revenue bonds under Chapter 159I of the General Statutes. The currently expected maximum amount of bonds or other obligations to be issued or contracted for the project is \$6,000,000, although the total amount ultimately financed for the project may be higher or lower.

Section 3. The County intends that funds that have been advanced, or may be advanced, from the County's general fund, the solid waste enterprise fund or any other County fund for project costs will be reimbursed from the financing proceeds.

Section 4. The County intends that the adoption of this resolution will be a declaration of the County's official intent to reimburse project expenditures from financing proceeds.

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I certify that the foregoing resolution was duly adopted at a meeting of the Board of Commissioners of Orange County, North Carolina, duly called and held on September 15, 2009, and that a quorum was present and acting throughout such meeting. Such resolution remains in full effect as of today.

Dated this ____ day of September, 2009.

[SEAL]

Donna S. Baker
Clerk, Board of Commissioners
Orange County, North Carolina