

SEARHC PROJECT

RELATED TO:

**JAPONSKI ISLAND LOTS
OWNED BY STATE
DEPARTMENT OF EDUCATION**

SouthEast Alaska Regional Health Consortium Property Transfer Requests



SEARHC is planning for the future
healthcare needs of Southeast Alaska

Penrod Hall

1. Penrod Hall was constructed in 1942 under military management. After years of ownership transfers, SEARHC conducted a hazardous materials assessment in September 2017. The assessment verified thousands of square feet of asbestos and indicated a "condition and quantity of damaged materials that pose a health hazards to persons that enter the building or crawlspace". In addition, a portion of the roof has collapsed into the second floor. Current estimate for abatement and demolition is in excess of \$2 million. In exchange for ownership, SEARHC will remediate the site and use the property for future healthcare needs.



Millersville

2. Millersville, Lots 15E, is a portion of land adjacent Tongass Avenue and Airport Access Road. Despite multiple cleanups, the parcel continues to be listed on the DEC Probable Sites for Hotspots on Japonski Island. SEARHC proposes to purchase the lot and remediate.



Motor Pool

3. Motor Pool, Lot 15D, is a parcel adjacent Airport Access Road with old abandoned buildings. Asbestos can be visibly seen in above ground utilidoors. Other hazardous materials include lead paint, mold and mildew, and potentially PCBs. In exchange for ownership, SEARHC will remediate the site and use the property for future healthcare needs.



TIMELINE

**JAPONSKI ISLAND LOTS
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Timeline Related to Lots Owned by Department of Education on Japonski Island

- **1902.** U.S. Navy establishes a coaling station on Japonski Island.
- **1903-1944.** U.S. Navy builds up its infrastructure and was designated a Naval Operating Base.
- **1944.** Navy closes Operating Base.
- **1946.** Congress passes Public Law 79-478 which authorizes transfer of the Sitka Naval Base to the Secretary of the Interior for the use of the Bureau of Indian Affairs.
- **1947.** Bureau of Indian Affairs opens boarding school on site until early 1980's and enters into negotiations to transfer operations to the State of Alaska.
- **1954.** Congress passes Public Law 83-568 which transfers all authority for Indian health services and facilities from Interior to the Department of Health, Education, and Welfare. This includes the authority for the Secretary to enter into contracts with any "nonprofit" or "nonprofit institution" for the transfer of hospitals, property, etc.,
- **1983.** Congress passes Public Law 98-63. The bill directs the Department of Interior to survey and transfer "all right, title, and interest" in the Japonski Island parcels (Survey 1496, etc.), buildings,

and abandoned buildings to the State of Alaska, subject to these conditions:

- The State receives title to the transferred lands for the “use of the Bureau of Indian Affairs and the Indian Health Service.”
 - **Except**, a parcel of land up to 15.25 acres in size that encloses the Indian Health Services hospital and facilities on the date the bill passed. This parcel of land is set aside for the exclusive use of the Indian Health Services.
 - The land is given to the State of Alaska on condition that the Indian Health Services continues to operate and the State agrees to take over and operate the Boarding school by September 30, 1985.
 - **NOTE:** Under federal pollution laws, the State, as an “owner”, becomes jointly liable for contamination and cleanup costs of the buildings and property.
- **1984.** Congress passes Public Law 98-396. The bill increases the parcel of land set aside in Public Law 98-63 for exclusive use by the Indian Health Services to “30 acres, excluding roads ...”.
 - **1985.** State of Alaska agrees to take over and operate the Mt. Edgecumbe High School as a boarding school.
 - **1999.** State of Alaska Department of Natural Resources quitclaims title of the Japonski Island parcels, U.S. Survey 1496 (Lot 15 – 52

acres; Tracts C and F – 2.7 acres; and Survey 97-63 – 1.89 acres) to the Department of Education.

- The quitclaim deed and the lands are transferred to the Department of Education with the “same conditions or restrictions” of federal law. (Public Law 98-63 and 98-396)

**ENDOWMENT OPTIONS
RELATED TO:**

**JAPONSKI ISLAND LOTS
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DEPARTMENT OF EDUCATION
AND MEHS**

Issue	Existing Law / Sale Proceeds from Land Deposited to State General Fund	New 501(c)3 Nonprofit With MEHS Alumni Board*	Existing Endowment Account Alaska Community Foundation*	New Statutory Endowment*
Yearly Land Sale Proceeds Appropriated to MEHS	Possible. But Without an Appropriation, Automatically Goes to General Fund	Yes	Yes	Yes
Control Over Timing of Funds Sent to MEHS	No	Yes	No	Yes
Allows Donations and Land Sale Proceeds to MEHS	No	Yes	Yes	Yes
Flexibility of Terms and Control over Selection of Board Members	No	Yes	No	No
*Assumes New Multi-Year Capital Appropriation of Funds to Endowment then to DEED for MEHS in Capital Budget				

OTHER LAND ISSUES

RELATED TO:

JAPONSKI ISLAND LOTS

OWNED BY STATE

DEPARTMENT OF EDUCATION

AND MEHS



State of Alaska
Department of Transportation and Public Facilities

Statewide Public Facilities
3132 Channel Drive, Suite 120
PO Box 112500
Juneau, Alaska 99811-2500

MEMORANDUM

To: Randy Ruaro, Senator Stedman's Chief of Staff
Thru: Heidi Teshner, DEED Director of Admin Services and Facilities; Marcy Herman, DEED Legislative Liaison; Stan Johnson, MEHS Head of Facilities; Mike Lesmann, DOT&PF Legislative Liaison; Matt Tanaka, DOT&PF/SWPF Senior Project Manager
From: J. Travis Miller, MEHSAC Project Manager

Date: 15 September 2017

Re: MEHS Aquatic Center – Information request per Randy Ruaro's email of August 27, 2017

There were two project phases that encountered contaminated materials: Phase I – Demolition of WWII Naval Powerhouse, Phase II – Construction of MEHS Aquatic Center (MEHSAC).

ECI/Hyer Architecture and NORTECH Environmental Engineers were the consultants on both phases. NORTECH's HAZMAT Assessment and Phase II Site Assessment reports are attached for your information.

The US Army Corps of Engineers prepared a FINAL DECISION DOCUMENT for the Naval Operations Base on Japonski Island. It is attached for your information. The MEHSAC site is located in Area A, section 2.6 in document. Please note: 2.6.1.3 states: "it is recommended that Area A be designated as Cleanup Complete." This report preceded all of the HAZMAT work the State and their Contractors have performed on the MEHSAC site.

Types of contamination at Powerhouse Site:

1. DEMOLITION OF WWII NAVAL POWERHOUSE:
 - a. Asbestos Containing Materials (ACM) Friable (Category 1): cementitious pipe insulation, cementitious eroded pipe insulation debris, fibrous ACM insulation on wiring, boiler insulation, boiler exhaust insulation, ACM Dust
 - b. ACM Non – Friable (Category 2): Flange gaskets & valve packings, roof mastics & penetration sealants, window glazing, silver wall panel and roof paneling
 - c. Lead Based Paint (LBP): Beige/gray/white structural steel columns, beams, trusses; green metal table; gray metal framework on equipment; light blue on metal piping/valves/tanks; white on metal valves/piping; gray on metal piping; silver/gray on concrete boiler foundations; red on concrete valve bases; red/black/orange on compressor; red on boiler units; green on metal stair rails/risers; white exterior window frames; silver/gray/orange/brown/white on walls/metal panels/equip; white exterior wood wall panel corner trim on exterior building; silver exterior wall paneling and roof; flat Green on metal cowlings/metal shelves; ceramic sinks with lead-based glazing; green/brown/white/beige on wall materials.
 - d. Polychlorinated Biphenyls (PCB) containing light fixture ballasts,
 - e. Presumed mercury containing florescent bulbs
 - f. Mercury thermostats
 - g. Mercury thermometers,
 - h. Smoke detectors with radioactive component
 - i. Emergency exit signs with radioactive component
 - j. HID mercury vapor lights
 - k. Lead-acid batteries in emergency lighting

- l. Sink with lead based glazing
 - m. Identified & unidentified chemicals and oils
 - n. Fire extinguishers.
 - o. Bunker oil discovered during demolition throughout utility trenches.
2. SITE OF MEHSAC WHERE POWERHOUSE & FUEL TANKS WERE LOCATED:
- a. Lead contaminated soils: Located on the North and West sides of demolished Powerhouse. All lead contaminated soils were treated in situ with a chelating agent
 - b. Petroleum, Oil, & Lubricant (POL) contaminated soils: Bunker oil contamination located throughout construction site. Note: greater areas of POL contamination were discovered during the site work phase of construction. All excavated POL contaminated soils were stockpiled on Millersville for removal by USACE.

Costs associated with contaminated materials at the Powerhouse Site:

- A. PROJECT COSTS ASSOCIATED WITH HAZARDOUS MATERIAL REMEDIATION:
- Please note: the Corps of Engineers has stated to DOT&PF that they do not provide reimbursement for funds expended on site clean-up. See attached email PDF labeled RE: Sitka Aquatic Center USACE.
 - \$419,273: Hazardous material site remediation and mitigation. Includes remediation noted in Item 2 above.
 - \$793,579: Demolition of Powerhouse – approx. 35-40% of the demolition costs was associated with abatement. Includes items noted in Item 1 above.
 - \$217,884: Environmental Engineering costs for assessments, work plans, and on-site observations. Includes HAZMAT assessment work for both Items 1 & 2 above.
- B. USACE COSTS FOR REMOVAL OF POL CONTAMINATED STOCKPILE:
- The Corps of Engineers has completed 100% removal of the contaminated stockpile located on the Millersville sites.
 - Volume removed: ~15,000 Tons of POL contaminated soils.
 - Cost to remove and dispose of stockpile: ~\$3,000,000