



Staff Report

Topic: Former Valeo Climate Control and Adjacent Properties Municipal Setting Designation (MSD) Request

Date: January 18, 2013

Staff Recommendation:

The Environmental Services Department recommends **approval** of the request for the consideration and approval of a municipal setting designation ordinance for the property located at 1102 W. North Carrier Parkway; 1111, 1123-1139 W. North Carrier Parkway; 2005 and 2009 N. Great Southwest Parkway; and 1097, 1121, 1125, and 1129 Avenue R, Grand Prairie, Texas.

Introduction:

In September 2003, the Texas Legislature amended the State of Texas Health and Safety Code to authorize Municipal Setting Designations (MSD). The MSD Legislation provided a mechanism for allowing a less expensive and faster alternative to existing state environmental regulations governing the investigation and cleanup of contaminated groundwater if access to the groundwater has been restricted from use as potable water by an ordinance. The intent of the legislation is to encourage redevelopment of vacant or abandoned Brownfield properties while protecting the public health.

The legislation requires that a person seeking to obtain an MSD must submit an application to the executive director of the Texas Commission on Environmental Quality (TCEQ). The legislation also requires that the person seeking the MSD must meet certain pre-certification requirements.

One pre-certification requirement is that the MSD application must be supported by the city council of the municipality in which the property for which the MSD is sought is located through an ordinance that prohibits the use of designated groundwater from beneath the property as potable water.

Analysis:

The following issues were examined and considered in the review of the municipal setting designation application:

- 1. Applicant's Compliance History*

A review of the city's historical environmental files for 1102 W. N. Carrier Parkway details that this property has been utilized as a facility for manufacturing of HVAC

systems since 1988. Zexel operated the facility from 1988 until 1999 and later by Valeo Climate Control until 2002. A release from vapor degreasing operations were identified in 2002 during a due diligence investigation.

This facility currently has three tenants: ATK is in Suite 100 and they manufacture cylinder heads; Suite 200 is occupied by WDS, an electronics warehouse and distribution use; and Suite 300 is occupied by Curt Manufacturing that does warehousing. There are no significant environmental violations as determined during inspection on November 1, 2012.

During its operation, Valeo Climate Control consistently met or exceeded environmental regulations. In July of 2003, Valeo Climate Control entered the state Voluntary Clean Up Program (#1613).

2. *Applicant's Current Compliance Status*

The City of Grand Prairie staff inspects this facility annually. No formal violations have been entered this past year. In addition, all properties involved in this MSD were inspected during October and November.

3. *Contamination Consideration*

The shallow groundwater, between 20 and 45 feet below ground surface, directly in the vicinity of 1102 W.N. Carrier Parkway site is contaminated by various chemicals of concern.

The groundwater is contaminated by chlorinated solvents, primarily Trichloroethene (TCE) and related degradation compound 1,1 Dichloroethene. According to the federal Agency for Toxic Substances and Disease Registry, TCE, if consumed in high concentrations, may cause nervous system effects, liver and lung damage, abnormal heartbeat, coma, and death. Additionally, TCE has been determined to be "probably carcinogenic to humans".

The concentrations of TCE and other volatile organic compounds in the groundwater plume collected at the subject property have been shown to be above the residential protective concentration limits (PCL) set by the Texas Commission on Environmental Quality. The highest concentration of TCE recorded is 5.11 mg/L. The residential PCL is 0.005 mg/L.

Soil analysis indicates that TCE is detected above Residential Action levels (RAL), however, with a MSD, the RALs increase significantly and will not require further action by Valeo Climate Control.

In 2011, the applicant evaluated potential impacts to indoor air quality at 1102 W. North Carrier Parkway through an EPA approved model and found that none of the indoor air VOCs exceeded the applicable occupational exposure comparison criteria.

City staff is not knowledgeable of any information that indicates that nearby residents have been exposed to levels of these chemicals that would cause negative health impacts.

4. *Contamination Source*

The investigation indicates that the chemical releases did occur at this location and are from releases from the historical manufacturing processes at 1102 W.N. Carrier Parkway. See Attachment 1 showing the plume map.

5. *Development/Redevelopment Potential*

The six properties listed are currently occupied by commercial and industrial businesses. There are five property owners which include the City of Grand Prairie (right of way), LIT Industrial Texas Limited Partnership, ProLogis Trust, ProLogis Ltd Partnership IV, and the Ramsey Family Ltd Partnership. According to the applicant, the four (excluding the City of Grand Prairie) property owners have paid upwards of \$1.7 million dollars in local property taxes in Grand Prairie in 2011. Many of these owners own multiple properties in the city. In addition, over 400 people are employed at these six properties. See Attachment 2 showing the MSD Boundary Map.

6. *Geology/Migration Potential*

The groundwater flows predominantly to the east/northeast. The plume appears to be stable and decreasing in concentrations due to natural attenuation near the source. The shallow groundwater in the area is underlain by the imperious Eagle Ford shale formation. Thus, contamination of deeper high quality drinking water aquifers is very unlikely. This plume has been monitored for over 10 years or since 2002.

7. *Litigation Status*

There is not any known litigation associated with the site. The statute creating municipal setting designations specifically details that an MSD does not shield the applicant from private civil legal action.

8. *Plume/MSD Coverage Area*

The proposed MSD boundary consists of approximately 35.16 acres, most of which is underlain by the plume. The proposed MSD boundary does cover almost the full extent of the plume. The only properties for which a small portion of the plume extends under and is not included in the MSD, is the Walter Hogg property (2 acres) at 1122 W. North Carrier Parkway and the Union Pacific Railroad. The Walter Hogg property was originally included by was removed by the applicant at the request of the City due to non-compliance with an existing City order to remove an underground storage tank. Union Pacific Railroad decided not to participate.

9. *Potential Impact on Public Property*

The plume does extend under City streets, however, it is unlikely that the plume will impact City public water wells, schools, or vulnerable populations.

10. *Potential Impact on Municipal Wells*

City wells #13 and #21 are the closest wells and are over 3 miles to the south and east, respectively, of the plume. City wells are deep wells and would be normally expected to be protected from surface contamination by the Eagle Ford Shale Formation.

11. *Potential Impact on Private Wells*

There are four wells within ½ mile of the plume. One well is used for irrigation and is finished in the Woodbine Aquifer. The other three wells are used for domestic and are drilled to depths exceeding 240 feet, also in the Woodbine Aquifer, and are not expected to be impacted by the plume. The closest well is 750 feet to the southeast, cross-gradient from the well.

12. *Potential for Remediation*

The potential for remediation for the plume is low. Current treatment technology provides limited, if any, opportunity for additional reductions in concentrations. Currently the applicant is monitoring the wells quarterly. Natural attenuation is the current plan.

13. *Proximity of Residential Housing*

The plume is not under any residential housing. The closest residential structure is approximately 990 feet to the southeast on Sunnyvale.

14. *Public Meeting*

On January 14, 2013, a Public Meeting was held at the Development Center to receive input on the application. Five attendees, not including City staff and the applicant, were in attendance. Four of the five were residents within ½ mile and the other represented a property management company. No comments cards were received.

15. *Other Support*

All property owners of property included in this MSD support the MSD.

Conclusion:

Following a review of the application and the information obtained through a public meeting held on January 14, 2013, Environmental Services Department staff is recommending **approval** of the applicant's request for the passage of an ordinance prohibiting the usage of shallow groundwater at 1102 W.N. Carrier Parkway; 1111, 1123-1139 W. North Carrier Parkway; 2005 and 2009 N. Great Southwest Parkway; and 1097, 1121, 125, and 1129 Avenue R.