



STAFF REPORT – CITY COUNCIL MEETING

May 9, 2025

TO: Honorable Mayor and City Council Members

FROM: Netra Khatri, City Engineer

PREPARER: Mara Grow, Administrative Specialist

DATE: April 29, 2025

TITLE: **Approve Plans and Award Contract for Former Little Lake Industries Mill Cleanup Project to Innovative Construction Solutions in the Amount of \$406,514; and Approve Necessary and Associated Related Actions.**

RECOMMENDATION:

It is recommended that the Council:

- 1) Adopt a California Environmental Quality Act Categorical Exemption for the Former Little Lake Industries Mill Cleanup Project pursuant to CEQA Guidelines Section 15330;
- 2) Approve the project plans and award a construction contract for the Former Little Lake Industries Mill Cleanup Project to Innovative Construction Solutions in the amount of \$406,514;
- 3) Authorize the City Engineer to approve change orders and increase the Contract amount by up to \$81,302.80 (for a total not to exceed \$487,816.80) to allow for any unforeseen contingencies and additional work as necessary; and
- 4) Authorize the City Manager to execute all applicable documents.

INTRODUCTION:

The City of Arcata received a U.S. Environmental Protection Agency (EPA) grant to prepare a site cleanup plan (SCP) for remediation activities at the former Little Lake Industries mill site (LLI). Previous investigation activities conducted at the site to assess contamination associated with historical use have identified dioxins at concentrations above permissible thresholds in the former kiln area. Local consulting firm SHN prepared the SCP for the site in 2022. The SCP summarized current conditions and outlined methods planned for implementation during site cleanup activities. This award of contract is for the contractor to implement portions of the SCP.

BACKGROUND:

From 1950 to 1988, the project site was primarily used for timber-related operations that included log storage, milling, and drying. The Johnson Structures on the site consisted of a remanufacturing complex, kilns, maintenance shed, boiler building, drying shed, conical burner, and office building. No report of wood treatment occurred at the LLI site; however, chemicals associated with treated wood have been identified. Prior to 1950, the area was used for agricultural purposes. The City of Arcata acquired the property in 2001, and by 2010, all structures located on the property had been removed. The site currently consists of foundations and footings, bare ground, vegetated areas, and various stockpiles of soil and gravel.

The goal of the project is to prevent contaminant exposure to potential receptors above the identified screening levels and restore beneficial use of the site under the current zoning. The SCP outlined three options:

1. Detailed Risk Assessment
2. Excavation and Disposal of Contaminated Soils
3. Soil Cap and/or Access Control

DISCUSSION:

The City issued a formally noticed Invitation for Bids on February 26, 2025, and held a mandatory pre-bid meeting on March 6, 2025. Sealed bids were received until 11:00 a.m. on March 27, 2025. Five sealed bids were received from Contractors as follows:

No.	Name of the Contractor	Total
1	Innovative Construction Solutions	\$406,514.00
2	Kernen Construction	\$417,180.00
3	Wahlund Construction, Inc.	\$539,230.00
4	G R Sundberg, Inc.	\$566,190.00
5	Mercer Fraser Company	\$537,500.00

Please see Attachment A, an itemized bid tabulation sheet, for full a summary of bids received.

Following the opening of bids, the bid range was evaluated for consistency.

If the Contract is presently awarded, work will commence on or after May 27, 2025, and should be completed within 60 working days after the start of work. Prior to issuing the Notice to Proceed to the Contractor, public notifications will be made by the City and the Contractor to potentially impacted residents to inform them of construction activities, the potential for traffic impacts and possible parking restrictions (that will be minimized to the extent possible).

ENVIRONMENTAL REVIEW (CEQA):

The project, including the award for construction oversight, the remediation, and the end hauling for disposal are exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Sec. 15330, Minor Actions to Prevent, Minimize, Stabilize, Mitigate, or Eliminate the Release or Threat of Release of Hazardous Waste or Hazardous Substances. This exemption is for removal actions costing \$1MM or less that do not use an onsite incinerator.

BUDGET/FISCAL IMPACT:

Staff had initially planned to use an EPA grant to complete the work. However, the bids received were higher than anticipated. As a result, to complete the Little Lake cleanup project, staff are requesting that City Council approve an allocation of \$212,816.80 from redevelopment funds. This additional funding is necessary to bridge the gap between the amount secured through the EPA grant and the actual costs required to complete the environmental cleanup. Without these funds, the City will be unable to proceed with the final cleanup activities needed to prepare the site for future community use. The current project budgeted is as follows:

Account Number	Amount	Account Name
265-30-13-58211	\$275,000.00	EPA
245-30-35-58500	\$212,816.80	Redevelopment Fund

If contingency or extra work funds are needed, they will be funded out of the same account.

RECOMMENDED COUNCIL ACTION:

Consent Calendar vote:

- 1) Adopt a California Environmental Quality Act Categorical Exemption for the Former Little Lake Industries Mill Cleanup Project pursuant to CEQA Guidelines Section 15330;
- 2) Approve the project plans and award a construction contract for the Former Little Lake Industries Mill Cleanup Project to Innovative Construction Solutions in the amount of \$406,514;
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- 4) Authorize the City Manager to execute all applicable documents.

ATTACHMENTS:

- A. 2025 Former Little Lake Industries Mill Cleanup Project_ BID SUMMARY (PDF)