

APPLICATION

Brownfields Cleanup Fund



Please submit to: jerry.sorte@biz.oregon.gov

If you have questions, please contact:
Jerry Sorte, Brownfields Program Policy Coordinator
Oregon Business Development Department
(971) 354-7401 mobile
jerry.sorte@biz.oregon.gov

Application Information	
Applicant: Nehalem Bay Health District	
Property Owner: Nehalem Bay Health District	
Project Name: Old Wheeler hospital environmental remediation	
Applicant's Organization Type (Private, City, County, Federally Recognized Tribe, Non-profit, Port, Special District, etc): Special District	
<u>Please note:</u> Private parties are eligible to receive loans, and not grants, under this program.	

Contact Name and Title: Marc C. Johnson, President	Phone: 208.866.6864
	Email: marc@nehalembayhd.org
Contact Street Address: 278 Rowe Street Wheeler, Oregon	Contact Mailing Address: PO Box 6 Wheeler, Oregon 97147
Applicant's Federal Tax ID No: 93-0759406	

What is the physical location of project? (If street address is not available, use township, range, section, tax lot, etc. or geographic coordinates.)

278 Rowe Street, Wheeler, Oregon

Type of Project: (Planning, Assessment, Cleanup)

Clean up

If a cleanup project, do you have a DEQ-approved cleanup plan? N/A

Request type (Loan or Grant): Grant

Total funding requested: \$130,000

Total applicant match:

If grant funding is not available, is a loan requested?

Who prepared the cost estimates for the project? Name, title, company, phone, and date.

Tom Archer, Senior Project Manager, Apex. Phone: 503-417-7728 Date: August 2023

Background

Please provide background information specific to this project that includes relevant property history, how the property is a brownfield site and environmental work that has been completed to date. (Example: Phase 1 environmental site assessment (ESA), Phase 2 ESA, etc)

The site has been owned since the early 1950s by the Health District (formerly the North Tillamook Hospital District) that developed, owned and operated a hospital on the site from approximately 1955 to 1989.

Apex performed a hazardous materials assessment (reported dated August 2023).

Stricker Engineering performed a structural assessment of the old hospital (January 2018) that determined that the building had undergone serious settling causing floors to buckle. Stricker determined that efforts to repair the foundation, built on “undersized footings, and the construction of the building on unconsolidated soil” made repairs unrealistic.

Project Description

Please include a description of alternatives considered and a description of the brownfields planning, assessment, or cleanup project for which OBDD funds are requested.

The District did evaluate whether the old hospital could be renovated and perhaps repurposed for other uses, but the Stricker report indicated even with remediation of asbestos and other hazardous materials the District would be left with “a structure that needs updates to the foundation, floor framing, roof, HVAC system, and interior finishes,” all at a prohibitive cost.

The District has determined that the building has reached the end of its useful life, is increasingly dangerous and very costly to maintain and heat. All current tenants were informed months ago that leases would not be renewed and the building will be vacant no later than October 31, 2025.

The District concluded that environmental remediation and demolition, preparing the way for a higher and better use was the only viable option.

The property occupied by the old hospital has considerable value to the District, the community of Wheeler and the larger region as a location for significant workforce housing development, a critical need on the rural north coast. The old hospital was constructed under a conditional use permit since the area is zoned residential.

Scope of Work, Project Budget, and Work Schedule

The project, for the purposes of this funding application, is specific to brownfield cleanup. It does not include costs associated with future redevelopment of the property. Please provide a detailed description of the scope of work for the project for which OBDD funds are requested divided into tasks. Please add additional tasks if needed.

Scope of Work Tasks	OBDD Funding Requested	Other Funds	Total
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Task 1 Description: Hazardous material remediation – remove hazardous materials, including asbestos-containing materials and PCB-containing equipment, from the building prior to demolition. Work will be performed by a third-party contractor, hired by the District. That contractor will have the required licenses and certifications for the prescribed work and will follow all applicable regulations.	\$130,000	\$	\$130,000
Estimated Start Date: 11-10-2025 Completion Date: 11-20-2025			
Task 2 Description:			
Estimated Start Date: Completion Date:			
Task 3 Description:			
Estimated Start Date: Completion Date:			
Task 4 Description:			
Estimated Start Date: Completion Date:			
Totals			
Estimated First Draw Date (11/15/2025):			

Source of Other Funds	Amount	Status Committed, Application Submitted, Application Invited, or Potential Source
Totals		

Program Requirements

The following information is needed to ensure compliance with the Oregon Revised Statutes, Oregon Administrative Rules, and EPA Grant Requirements. Please provide a response to each question below.

Property and Project Information

1. How is the property a Brownfield as defined by the EPA: *A brownfield is a property where expansion, redevelopment or reuse may be complicated by the presence or potential presence of a hazardous substance, pollutant or contaminant.*

Response: We know from the Apex assessment that the building contains asbestos and lead paint.

2. Who currently owns the property?

Response: Nehalem Bay Health District

3. Who will own the property once the project is completed?

Response: The Health District will continue to own the property and once remediation and demolition is accomplished will commence workforce housing development.

4. Is the applicant: a) a Bona Fide Prospective Purchaser (BFPP); or b) a Contiguous Property Owner (CPO); or 3) an Innocent Landowner (ILO)? Please provide the documentation to confirm.

Response: N/A

5. When was property purchased? (Please estimate if exact date is unknown.)

Response: 1950

6. Has a Phase I Environmental Site Assessment been completed for the property? What is the date of the Phase I?

Response: N/A

7. Did the applicant purchase the site through the Oregon Department of Environmental Quality's Prospective Purchaser Program? If negotiations are currently underway, describe the status.

Response: No

8. Is the applicant and/or current owner of the project site currently or ever been under an enforcement action or order from the Department of Environmental Quality for the project site? If yes, provide a detailed explanation, including dates and actions taken.

Response: No

9. Is the applicant and/or current owner of the property potentially liable for the release of contamination at the site (according to ORS Chapter 465)? If no, cite the appropriate liability exception.

Response: Yes, as owner of the site the Health District is the reasonable party.

10. Is this project a part of the DEQ Voluntary Cleanup Program, Independent Cleanup Pathway, Asbestos Abatement Program, Underground Storage Tank Program, or other DEQ program?

Response: No

11. Has a DEQ-approved cleanup plan been created for this site?

Response: No

12. Are the tasks listed in the Scope of Work above included in the DEQ-approved cleanup plan?

Response: N/A

13. Does the applicant have authority to enter into a contract with OBDD? (Has the current property owner signed the application?)

Response: Yes

14. Please indicate whether the contamination on the property results from: a) Petroleum or petroleum products; b) Hazardous substances; c) Controlled substances (drug lab); or d) Mining activities?

Response: b) Hazardous substances – asbestos and lead paint. Underground tanks were decommissioned and removed some time ago.

15. Are any threatened or endangered species or habitat located at or in the vicinity of the property?

Response: Not to my knowledge

16. Is the property currently bare land or are there buildings on the property?

Response: There is the old hospital building and a shed.

17. What was the prior use(s) of the property?

Response: Community hospital

18. Is the project site in an established or proposed historic or conservation district?

Response: No

19. Is the project site/building listed in a local cultural resource inventory?

Response: No

20. Is the property a Superfund site or included on the National Priorities List?

Response: No

21. Is the project included in a local or regional plan? If the property is municipally owned, is the project included in an approved municipal budget?

Response: No

22. Has an Analysis of Brownfields Cleanup Alternatives (ABCA) been completed and submitted for DEQ's review? Please provide date submitted to DEQ.

Response: An ABCA has not been completed for the reason cited in the Background and Program Description sections of this application. There is no viable alternative that would allow continuing use of the building.

23. Describe the proposed remedial action as detailed in the ABCA.

Response: A hazardous material survey has been conducted for both asbestos containing materials and lead in paints and coating. The purpose of the remediation is to remove and properly dispose of these materials.

24. Describe any proposed institutional or engineering controls (such as deed restrictions, vapor barriers, groundwater monitoring, etc.).

Response: Engineering controls will include those required under U.S. Environmental Protection Agency (EPA) or Oregon Department of Environmental Quality (DEQ) or Oregon Occupational Safety and Health (Oregon OHSA) for the removal and disposal of asbestos and lead paint. Negative pressure

air containments and wet methods will be utilized to control the release of asbestos and appropriate methods will be used for the removal of lead-based paint, where required.

25. If the project includes additional sampling, explain when the sampling is expected to occur and how it will contribute or lead to a No Further Action Determination by the Oregon Department of Environmental Quality.

Response: The project is not expected to require additional sampling.

26. Please describe the proposed redevelopment/reuse of the property.

Response: The District's intent once remediation and demolition are accomplished is to engage a developer to redevelop the site for workforce housing particularly geared toward the more than 80 employees of the Nehalem Valley Care Center (located nearby), a 50-bed skilled nursing and rehabilitation facility, and the Nehalem Bay Health District (also located nearby), a new community health center. Both facilities are owned by the District. The District is convinced that recruiting, staffing and over time growing services at both facilities urgently requires expansion of housing options in the community.

27. Please describe the progress made to date towards achieving the proposed redevelopment (such as: status of financing negotiations, permit applications, contracts or negotiations for the transfer in ownership of the site, and preparation of a business plan or articles of incorporation).

Response: The District has engaged Scott Edwards Architecture, a Portland firm, to conduct conceptual design work for housing. This work was coordinated with the city of Wheeler. The District continues to meet with interested and potential development partners.

28. Please explain how the redevelopment is attainable (such as: the proposed use is consistent with the local and use plan; adequate infrastructure exists or will exist at the site for the proposed use) and describe the progress made to date towards achieving the proposed redevelopment (such as: status of financing negotiations, permit applications, contracts or negotiations for the transfer in ownership of the site, and preparation of a business plan or articles of incorporation).

Response: The redevelopment is attainable. The property is currently zoned residential. The city of Wheeler has been supportive of the proposed redevelopment for housing. Water, electric and sewer service, as well as access streets are in place. The District is seeking grant funds, and expects to hear about an award this fall, to retain a housing project manager to create pro forma and business plans for the redevelopment.

29. Please describe how the action will comply with state cleanup law.

Response: Removal and disposal of asbestos and lead-based paints and coatings will adhere to all applicable local, state and federal regulations.

30. Please describe how completion of the project is in the public interest.

Response: Workforce or “middle” housing is virtually non-existent in north Tillamook County. Of the more than 80 individuals employed in health care in facilities owned by the District very few live close to their work necessitating long commutes. Developing 24 to 36 housing units that will be owned by the District and managed to help alleviate the area’s housing shortage. The redevelopment will contribute to preserving and over time grow jobs in the community.

31. If a grant is requested, please indicate:

1. The extent to which the subgrant will facilitate the creation of, preservation of, or addition to a park, greenway, undeveloped property, recreational property, or other property used for nonprofit purposes;

Response: Conceptual planning envisions green space, playground space pedestrian access to Wheeler businesses and workplaces.

2. The extent to which the subgrant will meet the needs of a community that has the inability to draw on other sources of funding for environmental remediation and subsequent redevelopment of the area in which a brownfield site is located because of the small population or low income of the community;

Response: Wheeler is a small (approximately 400 residents), rural community in north Tillamook County. According to U.S. Census figures more than 16% of residents are below the federal poverty line. The Health District that includes Wheeler has only about 4,000 residents and the lowest property tax levy for operations of any Oregon health district. The grant is critical to the District’s overall strategy to develop housing in the community.

3. The extent to which the subgrant will facilitate the use or reuse of existing infrastructure;

Response: The property, now derelict and by the end of October 2025 will be unoccupied. The District’s intent is to redevelop the site for housing. All utilities are in place; zoning is appropriate and community support for housing development is strong.

4. The benefit of promoting the long-term availability of funds from a revolving loan fund for brownfield remediation.

Response: N/A

32. Does the applicant acknowledge that, depending on the funds being used, they may be required to comply with all federal requirements of the governing Cooperative Agreement including crosscutter requirements; and including but not limited to:

1. Davis-Bacon Prevailing Wage requirements
2. Endangered Species Act
3. National Historic Preservation Act
4. Community Involvement Plan
5. Analysis of Brownfields Cleanup Alternatives (ABCA); including all required public processes;

6. Quality Assurance Requirements including the creation of a Quality Assurance Project Plan (QAPP)
 7. Acknowledgement of EPA investments in the project during all phases of community outreach;
- Please provide documentation if the above work has been completed at the time the application is submitted.

Response: Yes

33. Does the property contain any of the following:

1. Facilities listed, or proposed for listing, on the National Priorities List (NPL);
2. Facilities subject to unilateral administrative orders, court orders, and administrative orders on consent or judicial consent decree issued to or entered by parties under CERCLA;
3. Facilities that are subject to the jurisdiction, custody, or control of the United States government except for land held in trust by the United States government for an Indian tribe; or
4. A site excluded from the definition of a brownfield site for which EPA has not made a property-specific funding determination.

Response: No

Additional Budget Information

34. Did a certified professional (registered geologist, engineer, etc.) prepare the cost estimates? Please provide name, title, company, phone, and date.

Response: The cost estimate was prepared by a certified professional with the following certifications:

- Certified Lead Risk Assessor, Oregon Health Division
- Certified Lead Inspector, Oregon Health Division
- AHERA Project Designer
- AHERA Asbestos Management Planner
- AHERA Building Inspector
- NIOSH 582 Equivalency Course
- AHERA Asbestos Contractor/Supervisor

35. Are other sources of funding available to carry out the activity?

Response: No

36. Does the project's budget include expenses that have already been incurred/paid? If yes, how much has already been spent for which you are seeking funding from Business Oregon?

Response: The District has a separate Business Oregon grant that facilitated the hazardous materials survey.

37. Identify the private funding sources explored for the project and explain why they are not considered viable/appropriate for the project

Response: The Health District does not believe there are other sources of funding available for the project. As noted, the District's operating levy – estimated at \$48,520 in the current fiscal year - does not provide funding sufficient to complete environmental remediation. A commercial loan is not an option given the District's limited financial resources.

38. Please identify what other sources of funding are being utilized for this project.

Response: The District will have some minor administrative costs related to the project.

Citizen Participation/Involvement

39. If applicant is a municipal government, is notice for a public hearing made in accordance with local practice? Please describe the process.

Response: Typically, public notice is provide at least a week before any Health District meeting by public postings in three community post offices – Wheeler, Nehalem and Manzanita - notice is also published on the District's website, as well as on various social media platforms. In cases of formal public hearings, notice is often published in the area's only newspaper.

40. If applicant is a municipal government, location where citizens can review information about the applicant's community involvement plan.

Response: The District's website: www.nehalembayhd.org

41. Describe the community involvement, participation, and/or interest in the project.

Response: The Health District has regularly consulted, both formally and informally, with the city of Wheeler on its plans related to the old hospital. Through news coverage and social media over the last two years the District's intention to undertake environmental remediation and eventual demolition of the old hospital has been regularly communicated.

The District intends to hold a public meeting before remediation work commences to provide additional information and receive public comment.

Project Management

42. Describe the anticipated project manager's experience in undertaking projects and ensuring their completion within defined timeframes.

Response: Tom Archer with Apex Companies will serve as project manager for the remediation/demolition project. Tom Has over 35 years of experience working on a wide variety of environmental projects that have included asbestos and lead paint remediation, soil and groundwater cleanup and large scale building demolition. Tom works with both public agencies and private entities on all phases of property redevelopment and has successfully delivered similar projects involving site cleanup, restoration, and redevelopment.

Financial Information

If this is an application for a loan, please provide the following information. This information does not need to be submitted for grant-only applications.

1. What is the anticipated source of repayment for the loan?

Response: N/A

2. Is other debt serviced or secured by those revenues? (If yes, is it described in the applicant's audit reports? If no, please describe.)

Response: N/A

3. Has the applicant ever defaulted on a debt? If yes, provide a complete summary of the circumstances related to the default.

Response: N/A

4. Is there pending litigation that could impair the applicant's ability to repay debt?

Response: N/A

5. If funding for the project includes a private loan, will the lender subordinate its security interest in the collateral?

Response: N/A

6. Who prepared the cost estimates for the project? (Name, title, company, phone, and date.)

Response: Tom Archer/Rich Dufresne

Apex

(503) 248-1939

August 2023

7. Identify the private funding sources explored for the project and explain why they are not considered viable/appropriate for the project.

Response: N/A

8. Please identify what other sources of funding are being utilized for this project.

Response: N/A

Attachments

Please provide the following as attachments and label with the following letters.

All applications (loans and grants):

- A. A statement of zoning compliance of the project from the local government that has jurisdiction over the site.
- B. If the owner is currently under an enforcement order from the Oregon Department of Environmental Quality, attach documentation that the proposed project will facilitate a transfer in ownership of the site to an entity not under enforcement.
- C. If the applicant or owner caused or contributed to the contamination of the property, attach documentation of a past, present or planned financial contribution from the applicant or owner.
- D. If the applicant is a Prospective Purchaser, attach documentation of a valid option to buy the site.
- E. If applicant is not the current owner, attach proof of site access authorization.
- F. Map(s) showing the location of the project including tax lots/parcel.
- G. Any environmental assessment/study/ report/testing that has been completed for the property.
- H. DEQ-approved cleanup plan (remedial action plan)

Loan applications only:

- I. Applicant's current adopted budget. (Not required if applicant is a municipality)
- J. Applicant's last three audit reports. For businesses these may be the most recent three years' historical financial statements (including balance sheets and income statements); tax returns for existing business and/or individuals (these may be treated as business confidential – please indicate on documents if this is to be the case). For individual applicants please include a personal financial balance sheet. (Not required if applicant is a municipality)
- K. Copy of any ordinance that establishes debt supported by the source of repayment for this loan.
- L. Business Plan if applicable (must include business description, products or services, business production plan, market analysis or marketing plan, organizational/management plan, and financial plan. (Not required if applicant is a municipality)
- M. Projected financial statements for two (2) years (including balance sheets and income statements) representing the new property usage. (Not required if applicant is a municipality)
- N. Copy of most recent property appraisal.
- O. Articles of Incorporation; By-laws. (Not required if applicant is a municipality)

General Certification:

I certify that to the best of my knowledge all information contained in this document and any attached supplements, is valid and accurate. I further certify that, to the best of my knowledge:

- 1) The application has been approved by the governing body or is otherwise being submitted using the governing body’s lawful process, and
- 2) If signed by an official, other than the highest elected official, documentation is attached that verifies the official’s authority to sign on behalf of the applicant. Such documentation can include a resolution, ordinance, order, governing body meeting minutes, or charter.

Marc C. Johnson

Applicant Signature
(must be highest elected or authorized official)

Property Owner Signature
(If different than applicant)

Marc C. Johnson, President
Nehalem Bay Health District

Printed Name & Title

Printed Name & Title

September 29, 2025

Date

Date

Oregon Legislators	
State Senator Name: Suzanne Weber District Number: 16	State Representative Name: Cyrus Javadi District Number: 32
This information can be found using the Find Your Legislator mapping tool and at www.oregonlegislature.gov	

Instructions for Application Form:

- **Applicant:** Entity that will be the applicant for Division assistance and will manage the project.
- **Project Name:** Name of the applicant and project (e.g., Somewhere Brownfields Cleanup Project).
- **Applicant's Organization Type:** Please indicate the applicable applicant organizational type, and if a special district or port, identify the applicable ORS organizing authority, or identify other type.
- **Information for Contact Person:** Information for the person we should contact if we have questions about the project.
- **Type of Project:** If the project contains both assessment and cleanup tasks; Business Oregon will fund assessment first before it considers cleanup activities. Eligible cleanup activities need to be identified in a DEQ-approved cleanup plan.
- **Background.** Please list any relevant background information about the site and project. This should include known historical use of the property and past environmental site assessments.
- **Project Description:** Please include alternatives that have been considered by the applicant.
- **Scope of Work, Project Budget, and Work Schedule:** The purpose of this table is to clearly match project tasks with their anticipated costs and work schedule. Please list individual project tasks with requested budgeted amounts by OBDD funding sources and other sources. For those tasks for which OBDD funding is requested, enter proposed dollar amounts in the OBDD Funding Requested column.
- **Source of Other Funds:** List all sources, amounts and status of funds other than those requested from OBDD.
- **Program Requirements:** These questions address the requirements of the Oregon Revised Statutes, Oregon Administrative Rules, and terms of grants from the Environmental Protection Agency. Please answer each question.
- **Financial Information:** Please provide this information if the application is for a loan.
- **Attachments:** Please provide this information and label files with the listed attachment letters.
- **Signature:** Must be highest elected official or authorized official. (Such documentation may include a resolution, ordinance, order, governing body meeting minutes, or charter). If the applicant is not the property owner, we also need the property owner's signature.

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