



Commonwealth of the Northern Mariana Islands
Office of the Governor
DEPARTMENT OF PUBLIC LANDS

September 28, 2007

SA07-1132

Environmental Management Support, Inc.

Attn: Mr. Don West
8601 Georgia Avenue, Suite 500
Silver Spring, MD 20910

Dear Mr. West:

**Subject: Fiscal Year 2008 Brownfields Petroleum Assessment Grant
Application (\$200,000.00) CNMI Wide, Commonwealth of the Northern
Mariana Islands.**

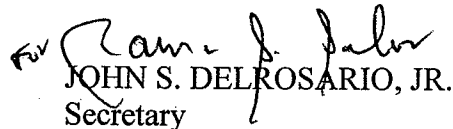
The CNMI has an on-going Brownfields Petroleum Substance Assessment Grant. The current Phase I Assessment activities covers potential Brownfields sites located on the islands of Saipan and Tinian. This is due to limited funding under the current Petroleum Assessment Grant.

The Department of Public Lands (DPL), in collaboration with the Division of Environmental Quality (DEQ), are working together to identify more potential Brownfields sites on Saipan, Tinian and Rota. Phase I Assessments will continue as long as funds are available.

The Brownfields Clean-up Grant Application will assure completion of clean-up of Brownfields sites identified through Phase I Assessments. More than ninety-five percent (95%) of Brownfields sites under-going Phase I Assessments are in big demand for redevelopment by interested investors.

Your consideration and approval of this proposal would certainly stimulate more economic developments in the formerly barren public lands currently idle and unproductive. You may contact Mr. Franz Reksid for more information or questions about Brownfields project in the CNMI.

Sincerely,


JOHN S. DELROSARIO, JR.
Secretary

cc: US EPA Region 9
Attn: Carolyn Douglas, Brownfields Coordinator
75 Hawthorne Street SFD 1-1
San Francisco, CA 94105

Applicant Information	
1. Applicant Identification	Department of Public Lands Authority Joeten Dandan Commercial Building, Second Floor P.O. Box 500380, Saipan, MP 96950
2. Funding Requested	a. Grant type: Brownfields Assessment Grant b. Amount: \$200,000 c. Contamination: Petroleum d. Community-wide Assessment
3. Location	Commonwealth of the Northern Mariana Islands (CNMI)
CNMI Governor	Honorable Benigno R. Fitial Juan S. Atalig Memorial Building Isa Drive, Capitol Hill Caller Box 10007, Saipan, MP 96950 Phone: (670) 664-2200 Fax: (670) 664-2211
Saipan Mayor	Honorable Juan B. Tudela P.O. Box 501457, Saipan, MP 96950 Phone: (670) 234-6208 Fax: (670) 234-1190
4. Contacts	
Project Contact	Mr. Franz Reksid, Project Manager Department of Public Lands Authority P.O. Box 500380, Saipan, MP 96950 Phone: (670) 234-3751 Fax: (670) 234-3755 E-mail: franz@dpl.gov.mp
Secretary	Mr. John S. Delrosario, Jr., Secretary Department of Public Lands Authority P.O. Box 500380, Saipan, MP 96950 Phone: (670) 234-3751 Fax: (670) 234-3755
5. Date Submitted	October 11, 2007 - submitted via USPS "Priority Mail"
6. Project Period	Three Years for Assessment Grant
7. Population	a. 69,221 (2000 Census) b. Target Population 69,221: Community wide in the CNMI
8. Other	None
9. Cooperative Partners	Department of Environmental Quality (DEQ) Frank Rabauliman, DEQ Director P.O. Box 501304 C.K. , Saipan, MP 96950 Phone: (670) 664-8500 Fax: (670) 664-8540

Threshold Criteria

A. Applicants Eligibility:

The Department of Public Lands (“DPL”) meets EPA definition of “Government Entity Created by State Legislature.” DPL is a department of the executive branch of the government of the Commonwealth of the Northern Mariana Islands (“CNMI”), pursuant to Article XI of the Commonwealth Constitution and under CNMI Public Law 15-2. CERCLA 101 (20) specially names the CNMI in the list of territories considered States for the purposes of this Act.

B. Letter from Government Environmental Authority:

Exhibit A is a letter from our Division of Environmental Quality (“DEQ”) acknowledging the DPL intent to file the Brownsfields Assessment Grant with the U.S. EPA.

C. Site Eligibility and Property Ownership Eligibility:

DPL is submitting this proposal as a community wide assessment proposal so the site specific criteria do not apply.

RANKING CRITERIA

A. Assessment Grant Proposal Budget: DPL will use this grant for Program Implementation, Community Outreach, Phase I and II Environmental Assessment, and Redevelopment Planning. As illustrated in the table below, the majority of the grant will be used for the Phase I and II Assessment.

Budget Category	Project Tasks					Total
	Task 1 Program Implementation	Task 2 Community Outreach	Task 3 Petroleum Brownfield Inventory	Task 4 Phase I/II Assessment	Task 5 Cleanup and Redevelopment Planning	
Personnel						
Travel	\$ 33,000	\$ 2,000	\$ 1,000	\$ 2,000	\$ 2,000	\$40,000
Supplies		\$ 2,500			\$ 500	\$3,000
Equipment						
Contractual		\$ 9,500		\$122,500	\$25,000	\$157,000
Other						
TOTAL	\$ 33,000	\$14,000	\$1,000	\$124,500	\$27,500	\$200,000

Task 1: Program Implementation – DPL will provide staff to manage this project and conduct programmatic (and administrative) activities on an in-kind basis (estimated at \$60,000 annually). Expenses in this budget category include travel expenses for training and conferences (e.g., National Brownsfields Conference, Western Regions’ Brownfields Conference, Brownfields Nuts and Bolts Training, ASTM Phase I and II Training and other EPA sponsored conferences)

related to the project. Keep in mind, travel expenses are higher than other regions due to the geographical location and distance from US Mainland (The average cost for a one person, one week trip to the U.S. Mainland is \$5,000 just for travel expenses) .

Task 2: Community Outreach – A portion of the funds will be used to educate and inform the community and to gain involvement and input in the project. DPL will be using this funding for research, technical assistance and training necessary to inform the community of the progress of the assessments and their impact on the redevelopment plans of these sites. DPL plans on using its internet website to provide updates on the project and posting of all reports pertaining to the project.

Because our community is very ethnically diverse, we will use this funding to reach these community members in their respective languages. The US Census for the CNMI identified 89.2% of the population speaks another language other than English with 46.9% speaking a language more frequently than English (2000 US Census). The CNMI has three (3) official languages; English, Chamorro, and Carolinian. DPL will make sure our community outreach includes informative brochures and materials translated into these languages. Also, DPL plans to document the project along its various stages, both written and video, in the different languages of our community. These documents will be available to the community and to the region. It is our hope that this project will serve as a model for other sites within the CNMI and the surrounding islands in the region.

Task 3: Brownfields Inventory – DPL will use a small portion of the funds to inventory potential petroleum Brownfields sites in the CNMI where DPL owns or leases the property. The CNMI Division of Environmental Quality (DEQ) is the State lead in conducting a survey and inventory of potential Brownfields sites through the State Response Program under Section 128(a). DPL is coordinating closely with DEQ such that the inventory efforts are complementary and not duplicative. These travel funds will be used to accompany DEQ and their contractors to collect basic data on the property and conduct a site visit gathering locational data and making visual observations about the site and the surrounding land use on sites that are public lands. DPL's knowledge of specific properties and their land use history will be a valuable addition to the Brownfields inventory process for the CNMI. This data will be used to prioritize the sites for assessment, cleanup and redevelopment. DPL uses the DEQ inventory to select properties for Phase I and Phase II assessments. Note that several sites will be on other Islands requiring airfare and other related travel costs.

Task 4: Phase I/II Assessments – This Phase I Environmental Site Assessments (ESA) will be performed according to the ASTM Practice E 1527-05 for Phase I ESAs and will include historical research and interviews beyond the requirements of the standard. The Phase I ESA process will also be conducted to meet the new "All Appropriate Inquiry" standard. The Phase II Assessments task will include preparation of a site-specific sampling and analyses plan including quality assurance project plans, health and safety plans, and actual Phase II intrusive investigation activity, management of investigation waste and reporting. The initial plan is to conduct between 12 and 15 Phase I assessments and two Phase II assessments. The average cost of a ASTM 1527-05 Phase I ESA is \$5,000 in the CNMI. Phase II assessment costs generally begin at \$20,000. Note that Phase II assessment cost are high due to the cost of sampling and

availability of sampling equipment as well as the high cost of shipping sampling to a mainland laboratory to meet QA/QC requirements for temperature and holding times.

The Brownfields inventory prepared by the CNMI's DEQ recently began an expansion to two other islands and added an additional 50 sites during the initial survey, containing at least 15 DPL controlled sites where petroleum contamination is suspected. The sites for Phase II assessment will be selected based on the Phase I results. The travel costs in this budget category will cover the expenses of the DPL's travel expenses to oversee the contractor's field work. Note that travel to other Islands requiring airfare and other related travel costs.

Task 5: Cleanup and Redevelopment Planning -

This task includes consulting with the DEQ to determine appropriate cleanup actions, if necessary, developing cleanup plans and cost estimates, including cleanup alternatives, and developing reuse plans for the site such that the cleanup standards are appropriate for the intended future use. Additional sampling and analysis may be conducted as a part of the cleanup and redevelopment planning process. Where feasible, the cleanup and redevelopment planning will link with the DPL 5 Year Capital Improvement Program (CIP) Master Plan. As a part of the sustainable reuse of brownfields sites, DPL will use design charrettes at selected sites to consider a range of reuse options that also consider sustainability. The travel costs in this budget category will cover the expenses of the DPL project officer's travel expenses to oversee the contractor's field work. Note that several sites will be on other Islands requiring airfare and other related travel cost.

B. Community Need:

1. The CNMI is a self-governing Commonwealth of the United States. The CNMI includes Saipan, Tinian, Rota, and several other islands to the north. The CNMI's main and largest island is Saipan, located about 100 miles northeast of Guam, about 1,200 miles southeast of Tokyo, and 3,300 miles west of Honolulu. The smallest of the U.S. insular areas, the CNMI consists of 14 islands with a total land area of 183.5 square miles. The target community for this grant will be the population of the CNMI, which will benefit tremendously with this project.

Since becoming a Commonwealth of the United States in 1976, CNMI experienced a population boom in the 1980's and early 1990's due to its own control of labor and immigration. The tourism industry grew and the garment industry was started. With the new garment industry, the demand for guest labor increased drastically as the local workforce was insufficient to meet the new industry's demands. The 1980 population was 16,780 persons. In 1990, the CNMI Census reported the population grew to 43,345 persons. The 1995 mid-decade census results showed a total population of 59,913 persons. With this, non-United States citizens made up 54 percent of the population, with local residents who are United States citizens comprising the remaining 46 percent. The 2000 Census reported the population at 69,221, with non-United States citizens make up of 56.5 percent of the population and local residents comprising the remaining 43.5 percent. Because of this population growth rate, there is a tremendous need and demand for new housing program.

A large percentage of low income residents exist on the island of Saipan. According to the 2000 Census, the per capita income is \$9,151 and approximately 7 percent of the households receive public assistance or other supplemental assistance. The median household income was substantially below the median household income relative to Guam and the United States. The median household income was merely \$22,898, whereas in Guam it was \$39,317, in Hawaii it was \$51,546 and in the United States \$41,994. In comparison, the median household income in the CNMI ranges between 42 percent less than the Guam's rate and over 90 percent of the average U.S. rate. The housing is approximately 68 percent rental and over 31% of the housing was constructed in the 1980's.

Additionally, the poverty statistics of the CNMI relative to Guam and the rest of the insular areas are relatively high (2000 Census). For example, 46 percent of individuals residing in the CNMI were living below the poverty line. In comparison, 20 percent of Guam residents, 10.7 percent in Hawaii, and 9.2 percent of U.S residents are living below the poverty line. Shown below is some statistics from the 2000 census data for CNMI, Guam, Hawaii and the United States. The data emphasizes the economic distress of the CNMI in comparison to the rest of the United States.

2000 Census Data	CNMI	GUAM	HAWAII	United States
Population	69,221	154,805	1,211,537	281,421,906
Median Household Income	\$22,898	\$39,317	\$51,546	\$41,994
Per capita income	\$9,151	\$12,722	\$21,525	\$21,587
Individuals below poverty line	46.0%	20.0%	10.7%	9.2 %
Unemployment rate*	15.9%	34.4%	3.9%	3.7%

Sources: Information above and figures used were obtained from the 2000 U.S. Census.

* Unemployment rate lower than Guam due to the influx of guest workers (non-residents).

2. The mission of the DPL, as trustees for submerged and surface public lands, is to develop and adopt a strategic land use plan that promotes cultural and economic growth for the benefit of our present and future generations. The plan provides for the efficient and effective services in the management, use, disposition and development of the CNMI lands for the economic and social betterment of the islands. The grant will provide DPL with the resources and experience to manage public land including those returning to DPL's control from expiring leaseholds and/or default lease conditions, and land that cannot be developed because of perceived contamination remaining from World War II. DPL has implemented lease conditions to hold responsible parties accountable for potential environmental contamination resulting from site activities during the lease period. Holding responsible parties accountable for potential contamination will provide many benefits to the target community, including some of the following:
 - a. Environmental conditions at properties will be addressed earlier protecting groundwater, a highly valuable and limited resource on the Islands.
 - b. Environmental conditions at properties will be addressed earlier will facilitate cleanup and redevelopment of the property, resulting in economic benefits including new jobs and increased tax base.

- c. As the program develops and matures, new investors will be more willing to reuse former industrial and commercial sites, reusing infrastructure, saving resources and both creating and preserving greenspace.

Such accountability will reduce the number of brownfields sites in the future.

An example site that may be assessed under this grant include former petroleum tank farms used by the U.S. military during World War II to refuel ships and planes. These sites have been ranked low priority by the Department of Defense. However, because of the presence of these tanks and the product or residue remaining in them, these sites cannot be developed. Some of these tanks are located in areas that are designated for homesteading.

3. DPL is working closely with DEQ to generate an inventory of such Brownsfields sites. Initially, fifteen DPL controlled sites are included in the list of potential sites, including 10 sites with potential petroleum contamination. In this partnership with DEQ, DPL will gain experience necessary to evaluate sites for environmental contamination and Brownfields redevelopment. Because of fiscal constraints, DPL has not been able to complete these assessments at these sites necessary to redevelop these lands. The Brownfields funding will allow us to address these areas and regain access to public lands currently idled due to the potential contamination.

In addition to the sites on this initial Brownfields inventory, other public land sites under long term leases are returning to DPL and are potentially contaminated with both hazardous and petroleum contaminants. Prior to re-issuing leases to new investors, DPL will need to assess these sites and other vacant public lands for any contaminants. Part of these grant funds will be used to develop an inventory of these sites and other public lands that may be a petroleum Brownfields site.

C. Site Selection Process:

1. DPL will use the criteria below to prioritize sites for assessment. The data to prioritize these sites will be collected as a part of the Brownfields Inventory task.
 - a) Potential for redevelopment. Sites that have a high redevelopment potential, such as sites with active interest from investors, will be prioritized as high;
 - b) Potential for greenspace development. Sites with a high potential to become greenspace, such as a vacant property near a school or surrounded by housing (potentially a pocket park), will be prioritized as high;
 - c) Potential for human health exposure. Sites that are within 500 feet to residences, parks, schools or daycare centers will be prioritized as high.
 - d) Potential for environmental exposure. Sites within 500 feet of the coastline, wetlands or other water body will be prioritized as high. Sites on Saipan in Class I Groundwater Management zones. Sites in Primary Groundwater Recharge Zones on other Islands.

DPL will determine site eligibility in consult with the DEQ and with final approval coming from EPA Region 9. DPL will request the DEQ for a written determination of eligibility

including a determination if the site is of "relatively low risk", if there is no responsible party, and that the site will not be assessed, investigated or cleaned up by a person that is potentially liable for cleaning up the site as defined in Appendix 3 and 4 of the FY 2006 Brownfields Proposal Guidelines.

2. Previous efforts to inventory public lands were conducted in 1989 which resulted in the 1990 DPL's Land Use Plan. This plan is currently being updated and due to complete next year. Because of our awareness of possible Brownsfields sites, we will be including those in the updated Land Use Plan. Also, DPL is working closely with DEQ and DPW to inventory other potential Brownsfields sites. To date, DPL and DEQ identified fifteen potential Brownsfields sites with 10 of them having suspected petroleum contamination. With this, DPL plans to develop new regulations, lease conditions, guidelines and policies to promote all appropriate inquiry prior to property transactions and to promote Brownfields redevelopment.
3. Access is a standard condition of the lease and there are no access issues.

D. Sustainable Reuse of Brownsfields.

1. DPL received a previous community wide Brownsfields Petroleum assessment grant in FY 2006. This grant has been extremely beneficial in educating the employees of DPL and the business community about brownfields resulting in policies and procedures that will prevent many sites from becoming brownfields in the future. For example, DPL now includes conditions in leases that require the tenant to conduct a Phase I and, if necessary, a Phase II investigation prior to termination of a lease. In addition, lease termination agreements now contain language that holds the leasee responsible for cleaning up any contamination at the site. This new policy is a dramatic change in practice from just two years ago when DPL would take back properties regardless of their condition.

DPL is partnering with other government agencies to host workshops to educate developers and construction workers on energy conservation and resource reduction. Workshop co-sponsors, including DPW have resources to encourage use of energy efficient materials, equipment and resource reduction. The Department of Land and Natural Resources ("DLNR") provides FREE native plants for re-planting that will aid in reducing energy consumption and retain storm water runoff. Pollution prevention and reduction in resource consumption will be part of DPL's public outreach, cleanup planning, and redevelopment coordination aspects of this grant.

As a part of this grant and through the clean-up and redevelopment process, DPL will pilot design charrettes for selected sites to promote the sustainable reuse of the site. The charrette will include stakeholders from the site's community, the prospective developer, architects, environmental groups and government agencies. The selection for the pilot sites will use criterion similar to the site selection process described in Section C of this proposal.

The charrette will consist of collaborative sessions in which a group of stakeholders will draft a solution to the redevelopment of the selected sites. While the structure of the charrette will

vary, depending on the site and the individuals in the group, the charrettes will take place in multiple sessions in which the group divides into sub-groups. Each sub-group then presents its work to the full group as material for future discussion and consideration. DPL expects these charrettes to generate creative design solutions while integrating sustainability and the aptitudes and interests of a diverse group of people.

2. On the islands, land is very limited. Public lands, previously used for commercial and industrial purposes and that are clear from environmental liability, can be attractive to investors for redevelopment. These existing sites have existing buildings, infrastructure and equipment that would be cost prohibitive on greenspace sites. New businesses on these sites would create jobs and increase the tax base.

Reuse of public lands will have a direct impact on the economy of the islands. Initially, the sites that are the subject of this grant proposal are public lands that cannot be sold. However, these lands can be leased to private businesses and industry. Leasing of these properties will generate revenue for the government that can in turn be used to invest in other properties. In addition, leasing of these properties will create jobs and investment at the site. For example, DPL recently leased two properties that were assessed (Phase I only) under the first petroleum assessment grant. In both cases, the leasee agreed to follow through on the Phase I recommendations and clean-up the sites. In addition, both leasees are establishing businesses on the properties. In one case, the leasee is building a hardware store and recycling center on the property resulting in an initial investment of approximately \$200,000 and ten new jobs. In the second case, the leasee's initial investment in their construction business is approximately \$500,000 and twenty five new jobs. For our small community, these results are big success for our brownfields program.

The additional funds provided by this proposal will enable DPL to continue to assess and reuse properties providing greater economic benefit to the community through the reuse of brownfields sites.

3. The redevelopment planning part of this proposal will seek public input to make these redeveloped properties vibrant assets in the community. Community input will assist in the developing reuse plans, identifying properties with potential opportunities for new community centers, parks, and other community resources. The redevelopment plan will be consistent with the DPL Land Use Plan and the 5 year CIP Master plan. Specifically, DPL will pilot design charrettes at selected sites that will include members of the community in the redevelopment planning of the site.

The results of this assessment and community outreach activities conducted with this grant will enable DPL to prevent future Brownfields from developing by learning from this brownfields grant opportunity. DPL will continue to learn how to deal with its other public property under lease that will be returned to DPL from expiring leaseholds and/or default of lease conditions such that all appropriate inquiry would be conducted prior to expiration of the lease agreement and the property ready for reuse. DPL will use the experience gained from the charrette pilot to improve the sustainable reuse of brownfields sites.

E. Creation and/or Preservation Greenspace/Open Space or Nonprofit Purpose

Land on the islands is very limited. Reuse of former industrial and commercial sites will aid in preserving the existing green space on the islands. Some smaller sites, such as ones located in neighborhoods, are suitable for a neighborhood or pocket park. The redevelopment planning part of this grant will seek public input on the number and size of other parks to be included in the reuse plans.

The long term land use plan for the CNMI designated certain areas of land for development and preserves other areas as refuge areas and bird sanctuary. Completion of this project will further the goals of that plan.

DPL is committed to helping and preserving our greenspace areas surrounding this site. Once the parks and greenspace has been developed, DPL will designate (equivalent to deeding) these properties to DLNR which, according to CNMI Public Law 14-24 (1 CMC, §§ 2701 and 2702), is responsible for all CNMI's public parks. DLNR – Division of Parks and Recreation will be responsible for the long-term management and care of this greenspace and park areas. On an annual basis, DNLR receives funding from the annual appropriation of the general fund for the management, care, and preservation of parks and greenspace in the CNMI.

F. Pre-Award Community Involvement

1. DPL will initiate several efforts to inform the citizens and other interested parties about the scope of this Brownsfields funding proposal. These public involvement efforts will engage the community, as stakeholders, in reviewing and commenting on this funding proposal. DPL will apply several community notification and involvement measures to maximize the various stakeholders' ability to participate in this grant development effort based on their individual schedules and level of interest.

The pre-award community notification approaches will include:

- DPL will issue press releases to local newspapers, television and radio stations asking citizens to participate in the grant development process. The message also included information about where and how they could be involved in the project and provided opportunity for public review and comment on this proposal
- DPL posted this proposal on the Agency's Website (www.DPL.gov.mp) soliciting comments and suggestions.
- DPL provided copies of this proposal and associated proposal guidelines to the Division of Environmental Quality (DEQ), the Department of Public Works ("DPW"), the Department of Public Safety ("DPS"), Commonwealth Development Authority ("CDA"), Northern Marianas Housing Corporation ("NMHC"), Saipan Chamber of Commerce, and other partner organizations.

- Comments from the public will be accepted both orally and in writing. All comments will be posted on the website with appropriate responses.
- 2. The CNMI has two major newspapers, the Saipan Tribune and the Marianas Variety. The majority of the community reads one of these newspapers to keep informed of things happening in the CNMI. DPL press releases to these newspapers result in printed articles in the paper that often run for multiple days. These newspapers are available for sale at any retail store in the CNMI. These newspapers also maintain their own websites (www.saipantribune.com and www.mvariety.com) where they also make information available to the general public, including archived stories.

There are several local radio stations that also make public announcements. Press releases to the radio stations can be another vehicle to reach the public as the radio stations can be heard while traveling in the car and also in several stores and restaurants.

The CNMI has only one local television station that broadcast the only local news. Many people watch the live news at 6 PM. DPL press releases often result in interviews that are broadcast during the news show.

These above media provide the maximum coverage of the community. Due to the diverse population, all outreach material, both oral and written, will be available in the three official languages of the CNMI (Chamorro, Carolinian, and English).

- 3. DPL will provide the target community thirty (30) days to review and provide comments on the proposal. DPL will use the newspaper, radio and television to encourage the community to get involved in the project, and to review and comment on the proposal.
- 4. DPL will accept comments both orally and in writing. All comments will be documented with appropriate responses. Copies of comments and responses will be made available and maintained through the DPL website and available in hardcopy at the DPL offices. Individuals requesting copies of comments will be provided both a copy of the comment and the response to the comments.

Due to the diverse population, comments and responses, will be available in the three official languages of the CNMI (Chamorro, Carolinian, and English).

G. Ongoing Community Involvement

- 1. Community involvement has been and will continue to be the foundation of DPL's approach to create sound public policy and build support for the project. As indicated earlier in our budget proposal, a portion of the funds will be used to educate and inform the community and to gain involvement and input in the project, at all stages of the project. DPL will be updating the Department Secretary on a regular basis, and in turn the CNMI's Governor and Cabinet on project progress. This activity will ensure that all of government is aware of the

progress of the project. Also, DPL will continue to issue press releases informing the community and inviting their input on the assessment results, cleanup and/or reuse plans. Along with its press releases, updates on the project will be posted on its internet website with the opportunity for public comments. Hard copies will also be made available at the DPL offices. Again, due to our diverse community and large population speaking other languages other than English, DPL will ensure that this information is relayed to them in their native languages, as appropriate and necessary. For example, summaries of the Phase I and Phase II reports will be translated into Chamorro and Carolinian. If interest is expressed at the site, additional information, including the remainder of the report, will also be translated.

During FY 2007, DPL made presentations with DEQ to the Chamber of Commerce, Rotary Club and the Mariana Islands Nature Alliance on Brownfields activities conducted by the two agencies. DPL will continue to outreach to community organizations and look for opportunity to involve them in the process including getting input on cleanup and reuse plans.

2. To ensure appropriate and sustainable cleanup of Brownfields, DPL will actively seek the technical support of DEQ and continue to build partnerships with agencies and organizations to ensure utmost participation and input on the project. An example would be DPL's working relationship with the Commonwealth Development Authority ("CDA") with our partnership in providing the community with information on investment opportunities in the CNMI and the available public lands for redevelopment. DPL is also partnering with the NMHC, DPW, and the Governor's Housing Task Force, and DLNR on the sustainable cleanup and redevelopment of these Brownfields properties.

In FY 2006, DPL co-sponsored with DEQ ASTM Phase I and Phase II training held in the CNMI. DEQ and DPL specifically invited other government agencies and stakeholders. Ten different government agencies attended as well as members from the private sector.

Again, with our community outreach program activities, DPL will be educating the community of the environmental hazards and how to handle these nuisances. These efforts will assist to sustain continuity of the cleanup and redevelopment of the site.

DPL is also planning to pilot design charrettes as a part of the sustainable redevelopment of brownfields sites. The community will be a key stakeholder and participant in this process.

3. As mentioned earlier and according to the 2000 U.S. Census, 89.2% of the population speaks another language other than English with 46.9% speaking a language more frequently than English. Therefore, DPL will ensure that this information is relayed to them in their native languages through television programs in their language and in printed brochures and materials. DPL staff can also speak in the native languages, Chamorro and Carolinian, and provide information orally.

DPL believes that by using a wide array of communication mechanisms, community involvement and understanding will lead to positive inputs and result. The community has

been and will continue to be informed of DPL's intentions, progress, and need for community involvement through public press releases, posted notices at public facilities, published notices in the local newspapers, and on DPL's website. DPL will also conduct open public hearings to present the progress of the project, request to present our progress to the Chamber of Commerce and Rotary Club, and include our progress in our DPL quarterly newsletter that is distributed throughout the community.

4. The following is a list of individuals and their community-based organizations that involved in this project.

Organization	Contact Person	Phone Number	Organization's Activities
Chamber of Commerce	Juan T. Guerrero, President Christine Park, Exec. Director	(670) 233-7150	Business & Economic Planning and Development Group
Rotary Club	Patrick Calvo, President	(670) 234-6120 (670) 287-0516	Business Interest Group - Community Humanitarian Outreach and Services
Mariana Islands Nature Alliance	Frances Castro, Chairperson	(670) 664-8570	Non-profit environmental resource conservation and awareness outreach
Beautify CNMI	Angelo Villagomez	(670) 236-0894 (670) 236-0895	Community based coalition for the Environment. Focus on restoration projects, cleanups and recycling, antilitter, policy development (legislation) and community outreach

H. Reduction of Threats to Human Health and the Environment

1. Potential contaminants of concern from the types of petroleum sites located on the islands include metals, volatile organic compounds, semi-volatile organic compounds, chlorinated solvents and poly chlorinated biphenyls. The source of these contaminants would be from leaking above ground storage tanks, leaking drums, leaking underground storage tanks and leaking vehicles and equipment. Unfortunately, it is a common practice on the islands to mix used chemicals in with waste oil. These contaminants have the potential to be a threat to human health as several of these contaminants are classified as carcinogens. Environmental threats to wildlife, including endangered species, and wildlife habitat are highly likely from releases of the petroleum mixtures.

Brownfields assessment funds will be used for Phase I and Phase II environmental site assessments on DPL priority sites throughout the CNMI. The environmental site assessments will identify which sites pose the greatest threat to human health and the environment. These

funds will also be used for cleanup and redevelopment planning activities which will look at alternatives to reducing these threats.

DPL has identified some sites on public lands where petroleum tanks used to fuel aircraft and ships during World War II have been abandoned and contain some residual materials. Some of these properties are adjacent to public lands and are potential future homestead sites. DPL intends to use these funds to assess these properties and determine the need for cleanup both to redevelop the site and to protect the health of the neighboring residents through the potential of direct exposure and through secondary contact, such as ingestion through eating local crabs, fish or other wildlife that may have been impacted by the contamination.

2. DPL has a very close working relationship with the Division of Environmental Quality, the environmental authority of the CNMI. The DEQ assisted in the development of the proposal and will assist in the review of work plans and reports as a part of implementing this project. At the successful conclusion of this project, DEQ will issue a no further action letter for sites, as appropriate. The DEQ is working closely with Region 9 staff on the development of the State Response program such that the site will be appropriately made ready for reuse.

For example, DPL provides DEQ with copies of all Phase I and Phase II reports conducted on public lands. In providing these copies, DPL requests DEQ review and comment on the reports. DPL has used DEQ's input in several ways. First, DPL has used DEQ's input to improve the quality and accuracy of the reports provided by its contractors. Second, DPL has used DEQ's input in negotiation leases with prospective tenants to make certain that contamination is cleaned up at the site as a part of the new tenant's lease.

I. Leveraging of Additional Resources

1. DPL has committed and will continue to commit the time and hours (salary and benefits) spent on the project from personnel of the Division of Planning as in-kind contribution for the project. Also, DPL will contribute its equipment and resources whenever needed to see the project complete. This Brownfields Assessment funds will assist DPL realize the completion of the project by fully assessing the potential environmental risks to the community. The estimate annual value of DPL in-kind contribution is \$60,000.
2. DPL seeks to leverage its current resources and will continue to seek future funding from the CNMI Government, Federal Government and the private sector that can assist with the project.

This project is viewed as a community project which will need to continue its relationship with the central government and other autonomous government agencies. With support from these partnerships, DPL will seek over \$3 million in Capital Improvement Project funding from the CNMI government for the infrastructure needs of the project. NMHC will seek Community Development Block Grants ("CDBG") for community and recreational facilities at the site. Also, DPL will request the assistance from the MPLT to fill any remaining funding gaps for the project, such as infrastructure, home loans, and greenspace development. Lastly, in addition to seeking a Brownfields Assessment Grant, DPL will

explore the applicability of an EPA Cleanup Grant to address any defined environmental concerns.

As an example of DPL's success in leveraging resources, DPL has successfully negotiated lease terms that include responsibility for new tenants to conduct Phase II assessments and cleanup on sites in lieu of DPL. Such leveraging will allow DPL to use grant resources such as this proposal on other sites further promoting reuse of public lands. On average, this leveraging has save DPL approximately \$40,000 per site.

DPL is also including conditions in new leases to require tenant that are not renewing leasing to conduct Phase I Environmental Site Assessments prior to termination of the lease. If necessary, the vacating tenant will also need to clean-up the site if necessary. The average cost of a Phase I in the CNMI is \$5,000. By having the leasee conduct this activity will save an average of \$5,000 of DPL funds that can be use on other sites.

The Assessment Grant and the above mentioned funding sources and activities will be necessary for the success of the project to conduct assessment, cleanup and redevelopment of these Brownfields sites. Without these resources, the project site will be continued to plague the community and perpetuate the environmental hazards and risks that affect the community. The awarding of an EPA Brownfields Assessment Grant will allow DPL to move forward with its project plans, provide business and industry with investment opportunity and provide many residents with the dream of a homestead lot to build their family home.

J. Programmatic Capability.

1. Mr. Franz Reksid will serve as the project manager for the project and the grant. Mr. Reksid is a Special Assistant to the Secretary for DPL and will manage all phases of the grant. He has a wealth of experience dealing with Federal Grants and DPL is confident that these experiences will enable DPL to manage and oversee all phases of the work under this grant. Mr. Reksid has been trained and worked with Federal Grants for over 30 years, including managing grants from EPA dating back to the 1970's. He has also administered Federal Grants from the US Department of Health and the US Department of Health & Human Services. Mr. Reksid also served as Chairman of the Trust Territory Environmental Protection Board, responsible for all environmental issues in the Pacific Trust Territories (Republic of Palau, CNMI, Federated States of Micronesia and the Republic of the Marshalls).

DPL prepared a Request for Proposal/Qualifications, under the DPL Competitive Procurement Policies (adopted on July 29, 2002 and amended on January 2, 2003), to acquire a suitable environmental consultant and expertise to conduct the technical phases of the project. DPL has a contract in place with the highest qualified contractor to conduct the Phase I and II Environmental Site Assessment for this site. Contingent on funding, this contract includes requirements for the contractor to conduct site cleanup including to remove all UXO at the site.

DPL is assured from DEQ to be available for technical support, including cleanup oversight throughout the project. Also, DPS will provide security, storage and disposal of UXOs gathered as a result of the site cleanup project.

2. DPL conducts an annual audit and has maintained a good record of compliance with managing its finances. It has not had any adverse findings from its audits detrimental to its finances. Also, there are no adverse audit findings from an OMB Circular A-133 Audit. DPL is not presently, nor has been subject to comply with special "high risk" terms and conditions associated with agency regulations implementing OMB Circular A-102. Currently, DPL is the recipient of two EPA Brownfield Assessment grants for a total of \$550,000 (FY 2006). All feedback from the EPA project officer on the management of these grants has been positive.
3. Currently, DPL is the recipient of two EPA Brownfield Assessment grants for a total of \$550,000 (FY 2006). One grant is for conducting community wide petroleum assessments (\$200,000). The second grant is a site specific hazardous substance grant for this site (\$350,000). All feedback from the EPA project officer on the management of these grants has been positive. DPL is current with all reporting requirements included in the terms and conditions of the grant. This includes quarterly reporting, brownfields reporting measures and annual financial status reporting.

Under the petroleum grant awarded October 2006, twelve environmental site assessments are in progress and more than half of the funding is obligated to conducting the work plan activities. The remaining funds in this petroleum assessment grant will be used to conduct Phase II environmental site assessments or additional Phase I environment site assessments.

Under the hazardous substance grant awarded October 2006, the phase I environmental site assessment for this site is complete and the Phase II environmental site assessment is underway and should be completed in six to nine months. In addition, a health monitoring study on incidences of injury associated with UXOs is underway. The data collection phase is nearly complete and the information will be further analyzed for use in making public service announcements. All \$350,000 of this grant has been committed to work plan activities.

Both brownfields grants are on schedule to achieving the significant results projected by the workplans.

4. DPL is committed to tracking and measuring the progress towards achieving the expected project outputs and outcomes. DPL has an adequate number of compliance officers who will work in collaboration with staff at DEQ and DPS to establish monitoring and tracking of UXO collected at site including maintaining records of materials recovered and disposed of. Monitoring and tracking of UXO is a high priority necessary prior to reuse of the site for a village homestead for the first owners.

DPL also has a strong financial division that is capable of tracking individual homestead lots to monitor the owners' progress in building their home once the property is assigned. This monitoring will enable DPL to track with a relative degree of high accuracy the leveraged dollars at the site as a whole.



Commonwealth of the Northern Mariana Islands
OFFICE OF THE GOVERNOR
Division of Environmental Quality



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October 5, 2007

Environmental Management Support, Inc.
Attn: Mr. Don West
8601 Georgia Avenue, Suite 500
Silver Spring, MD 20910

RE: DPL FY2008 Brownfields Assessment Grant – Community Wide Assessment for
Petroleum, Saipan CNMI USA
DPL FY2008 Brownfields Hazardous Substances Cleanup Grant – Marpi Point
Homestead Site, Saipan CNMI USA

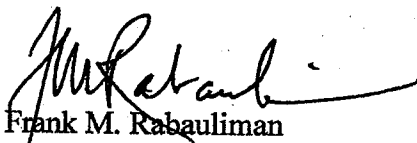
Dear Mr. West:

The Commonwealth of the Northern Mariana Islands Division of Environmental Quality (DEQ) acknowledges and supports the proposal by the Department of Public Lands (DPL) in its plan to apply for Federal Funds for a Community Wide Assessment Grant for Petroleum and a Hazardous Substances Cleanup Grant for the Marpi Point Homestead.

At the present time, the CNMI is experiencing challenging economic times with decreasing economic investments and declining sources of government. The DEQ sees tremendous benefit by providing the opportunity to access the Federal Funds to successfully assess, cleanup and redevelop brownfields in the CNMI that would otherwise remain idle and undeveloped.

Accordingly, DEQ endorses and recommends approval of the Department of Public Lands Community Wide Assessment Grant for Petroleum and Brownfields Hazardous Cleanup Grant for the Marpi Point Homestead site.

Sincerely,


Frank M. Rabauliman
Director