

Date: October 26, 2006

**California Cultural and Historical Endowment (CCHE)
Round Two Project Grant Summary**

Grant Applicant:
**Empire Mine Park
Association**

**Project Division: 1
Grant Number: B-45**

**Location
(City/County):**
Grass Valley/Nevada

Amount Requested:
\$1,286,220

Amount Reserved:
\$1,286,220

Completion of Capital assets project will result in:

Construction and installation of underground and above ground exhibits and other educational and support facilities that will become components of the Empire Mine tour, including an excavation for an adit (tunnel entrance to the mine) and construction of the rail bed.

CCHE funds will be used for the construction and installation of the tour operations and safety building, septic system, paved access road, surface tram, and installation of permanent interpretive exhibits for the Empire Mine tour.

Property Arrangement:

Empire Mine is owned by the State of California, Department of Parks and Recreation (DPR). On 10/12/06, the applicant signed a contract with DPR allowing the applicant long-term access for the use of the property for purposes of fulfilling the CCHE land tenure policy.

CEQA Documentation:

Lead Agency: California Department of Parks and Recreation

On August 19, 1996, the California State Park and Recreation Commission approved the General Development Plan Amendment for the Empire Mine State Historic Park Underground Interpretive Experience and Support Facilities and the Environmental Impact Report for the Project, concluding that the Project would not have any significant environmental impacts with the mitigation measures identified in the EIR.

This Project involves the construction and installation of underground and above ground exhibits and other educational and support facilities for use on tours of the Empire Mine.

Documentation: The California Department of Parks and Recreation, the Lead Agency for this Project, filed a Notice of Determination filed with the State Clearinghouse on February 7, 1999.

Budget/Tasks/Deliverables:

\$14,125 – Construction supervision
\$10,000 – Construction and Maintenance Management and Inspection
\$94,000 – Paving
\$25,000 – Septic System
\$50,000 – Tour Operations Building foundation (trenching and form work)
\$9,660 - Tour Operations building foundation (concrete pour and finish)
\$34,500 – Tour Operations Building (Rough Carpentry)
\$13,800 – Tour Operations Building (Rough Utilities)
\$27,600 – Tour Operations Building (Finish carpentry and finishes)
\$13,800 - Tour Operations Building (Final grading)
\$20,700 - Tour Operations Building (Finish utilities)
\$4,140 - Tour Operations Building (Construction close-out)
\$50,000 – Maintenance Building (Rough grading)
\$9,254 - Maintenance Building foundation (trenching and form work)
\$13,220 – Maintenance Building foundation (concrete pour and finish)
\$33,050 – Maintenance Building (Rough carpentry)
\$13,220 – Maintenance Building (Rough utilities)
\$19,830 - Maintenance Building (Final grading)
\$26,440 – Maintenance Building (Finish carpentry and finishes)
\$13,220 - Maintenance Building (Final grading)
\$19,830 – Maintenance Building (Finish utilities)
\$3,996 - Maintenance Building (Construction close-out)
\$48,000 – Exhibit Interpretive and Operational planning
\$158,400 – Exhibit design
\$369,600 – Exhibit fabrication and installation
\$47,250 – Surface People Mover
\$28,500 – Pick-up Truck for construction, maintenance and operations
\$37,000 – Administration and accounting – indirect costs
\$84,145 – Contingency costs – 7% of CCHE funding

\$1,286,220.

Matching Funds:

\$812,165 – California State Parks (cash) (Proposition 12 funds)

\$297,000 - California State Parks (cash) Major Capital Outlay funds)

\$266,247 – Over-the-Hill Gang (in-kind labor contributions)

\$91,085 – State Parks In-Kind

\$1,466,497.

**CALIFORNIA CULTURAL AND HISTORICAL ENDOWMENT
BOARD**

**RESOLUTION NO. 06-B 1-45
Empire Mine Park Association
(Empire Mine Underground Tour Project)**

**RESOLUTION APPROVING A CALIFORNIA CULTURAL AND
HISTORICAL ENDOWMENT (CCHE) GRANT AND AUTHORIZING
THE EXECUTIVE OFFICER, OR DESIGNEE, TO PROCESS THE
APPROVED GRANT FOR EMPIRE MINE PARK ASSOCIATION.**

WHEREAS, the CCHE is dedicated to preserving historical and cultural resources; and

WHEREAS, CCHE has received an appropriation from Proposition 40 California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002

WHEREAS, CCHE may distribute funds from Proposition 40 to projects that support and illustrated an aspect of California's cultural and historical resources; and

WHEREAS, the project listed above meets the objectives of the CCHE program in the development of the Empire Mine Underground Tour project; and

WHEREAS, based on the documentation submitted to CCHE, including the contract with the owner of the property, the Department of Parks and Recreation (DPR), dated October 16, 2006 for fulfillment of the long-term tenure requirements for the Sierra No. 3 Steam Locomotive Project, the CCHE Board finds that:

- (1) Empire Mine Park Association has a contract with DPR that allows the implementation and construction of the Project;
- (2) Empire Mine Park Association has a contract with DPR whose terms provide adequate stability and longevity for the Project;
- (3) there are no conflicting uses or legal rights that would interfere with the Empire Mine Park Association's legal right to implement and manage the construction Project;

- (4) Empire Mine Park Association has the legal right and ability to implement and manage the construction Project at the site; and
- (5) the contract with DPR is enforceable by the Grantee, and the Grantee has agreed to bring an action, if necessary, to enforce the contract in order to carry out the restoration Project.

WHEREAS, CCHE has independently considered the environmental effects of the Project as described in the Environmental Impact Report prepared by the Lead Agency, the California Department of Parks and Recreation; and

WHEREAS, CCHE is requiring, as a condition of approval, that the applicant comply with the mitigation measures applicable to those portions of the Project that CCHE is funding;

WHEREAS, approval of this grant application shall be conditioned upon the grantee's complying with all applicable laws and regulations;

NOW, THEREFORE BE IT RESOLVED that the CCHE Board adopts the Findings of Fact attached hereto as Exhibit A and adopts, as a condition of approval, the mitigation measures therein applicable to those elements of the Project that CCHE is funding;

BE IT FURTHER RESOLVED that the CCHE Board hereby finds that the proposed grant of funds for the Empire Mine Park Association qualifies for an exemption under Section 21108 of the CEQA Guidelines; approves funding for the Project in the amount of \$1,286,220; authorizes the Executive Officer, or designee, to process the approved grant and take all necessary actions to enter into a Grant Agreement with the applicant, subject to availability of appropriated funds; and

BE IT FURTHER RESOLVED that CCHE adopts the information contained in the CCHE Round Two Project Grant Summary.

Certification

The undersigned Chair of the CCHE Board of Directors does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the CCHE Board of Directors held October 26, 2006.

Dated: _____

Signature: _____

Susan Hildreth
Chair, CCHE Board of Directors

EXHIBIT A
TO RESOLUTION 06-B, 1-45

CALIFORNIA CULTURAL AND HISTORICAL ENDOWMENT

FINDINGS OF FACT

REGARDING

THE EMPIRE MINE PARK ASSOCIATION TOUR PROJECT

The California Cultural and Historical Endowment (CCHE), as a Responsible Agency which will fund part of the Empire Mine Project, has independently considered the Environmental Impact Report (EIR) prepared for the project by the Lead Agency, the California Department of Parks and Recreation. The Final EIR for the Empire Mine State Historic Park General Development Plan Amendment For Underground Interpretive Experience and Support Facilities was prepared in 1996 and adopted by the California State Park and Recreation Commission on August 19, 1996. The Commission reviewed the potential environmental impacts, and concluded that all potentially significant impacts could be mitigated to a less than significant impact. As a Responsible Agency, CCHE makes its own Findings of Fact pursuant to Sections 15091 and 15093 of the State CEQA Guidelines, as provided by Section 15095(h) of the CEQA Guidelines.

The Project - Empire Mine Park Association Tour Project

The Project is the construction of the tour operations and support facilities to allow visitors to journey underground, into the workings of the Empire Mine. Phase I included excavation for an adit (tunnel entrance to the mine) and construction of the railbed. When completed, park visitors will experience the underground experience of the Cornish miners during the 106 years this mine was in operation, encountering interpretive exhibits demonstrating the historical mining methods and technology.

Portions of the Project to be Funded by CCHE

CCHE will fund construction costs for the construction of the tour operations and safety building, septic system, paved access road, surface tram, and design and installation of the permanent exhibits at the site

Findings on Potentially Significant Impacts Identified in the EIR

The EIR identified potentially significant impacts from the release of hazardous materials into the air due to construction activities and visitor traffic, and impacts to historic views as a result of the new visitor facilities. The EIR concluded that these impacts could be mitigated to a less than significant level by adoption of mitigation measures described in the EIR, and incorporated herein by reference. Those impacts and mitigation measures are listed on page 38 of the EIR and attached as Exhibit B.

The Lead Agency, the Department of Parks and Recreation, has made those measures a condition of project approval of the Empire Mine State Historic Park General Development Plan Amendment For Underground Interpretive Experience and Support Facilities.

Finding: For each of the significant impacts identified in the EIR, changes, alterations or mitigation measures were required for the project, which will avoid or substantially lessen the significant environmental impacts identified.

Mitigation Made a Condition of the CCHE's Approval

CCHE, as a Responsible Agency, adopts the mitigation measures identified above as a condition of approval for those portions of the project which CCHE will fund.

Modifications to the mitigation measures that apply to the Empire Mine Park Association Tour Project may be made by DPR in the following circumstances:

- a. The mitigation measure included in the EIR is no longer required because the significant environmental impact identified in the EIR has been found not to exist, or to occur at a level which makes the impact less than significant as a result of changes in the project, changes in conditions of the environment, or other factors.

OR

- b. The modified or substitute mitigation measure provides a level of environmental protection equal to or greater than that afforded by the mitigation measure included in the EIR and these Findings, and the modified or substitute mitigation measures do not have significant adverse effects on the environment in addition to or greater than those which were considered in the EIR.

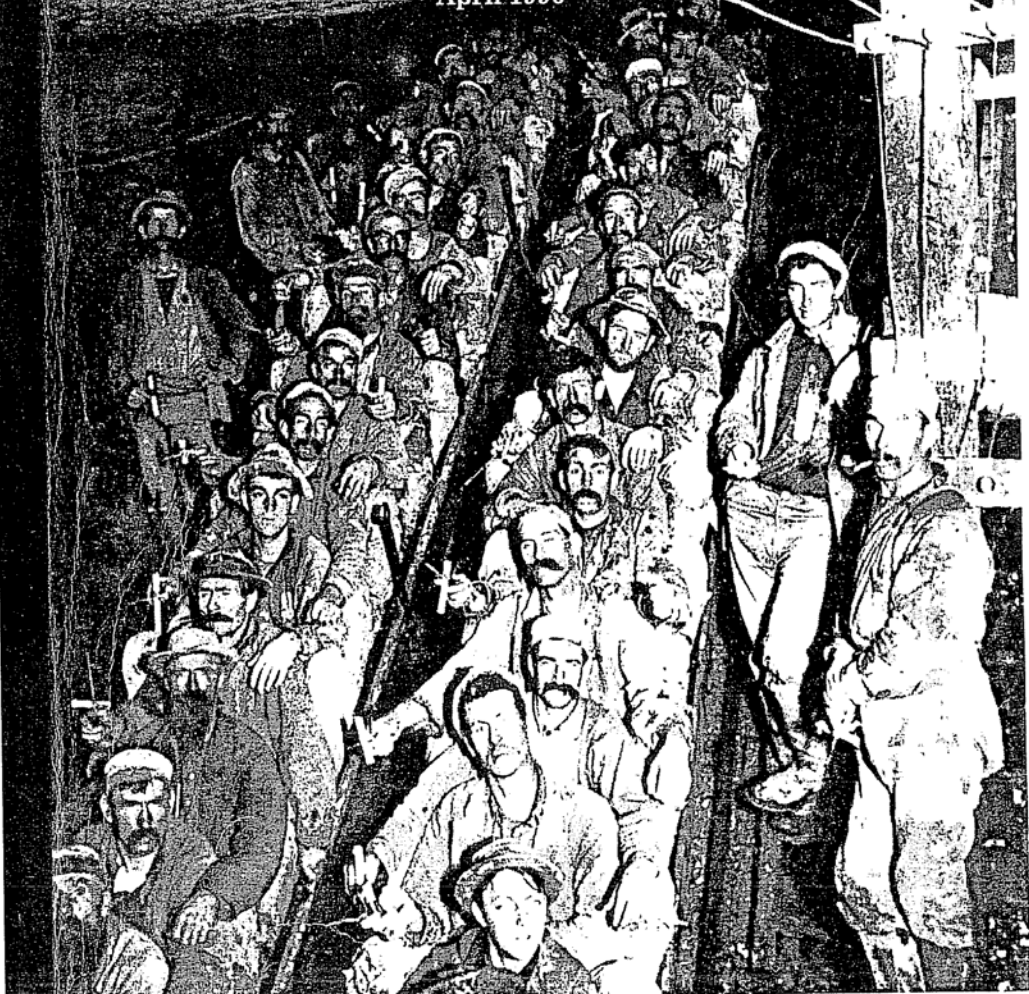
The Applicant shall inform the Executive Officer of CCHE of any change in mitigation measures and the facts supporting one of the circumstances above.

EXHIBIT B
TO RESOLUTION NO. 06-B, 1-45

EMPIRE MINE STATE HISTORIC PARK
General Development Plan Amendment
For
Underground Interpretive Experience
and Support Facilities

PRELIMINARY


CALIFORNIA STATE PARKS
April 1996



ENVIRONMENTAL IMPACT REPORT

SUMMARY

The General Development Plan Amendment, with all its sections, constitutes an environmental impact report (EIR), as required by Public Resources Code Sections 5002.2 and 21000 et seq. This EIR is for the approval of the General Development Plan Amendment.

This General Development Plan Amendment (GDPA) is proposed to address a specific facility; however, other changes to the GDP are necessary to accommodate this specific proposal. The Department is proposing to excavate an adit and provide interpretive tours of the adit. Associated with the tours and adit are parking facilities, access road, day use facilities, visitor mini-center, tram station and route, and maintenance building. The mini-center, maintenance building and adit entrance are located near the foundations of the cyanide plant. The potential significant environmental impacts are (1) exposure to toxics and (2) esthetics impacts of the new construction and parking in conflict with the historic views. The mitigation proposed is (1) capping of the tailings areas with the adit waste, and (2) locating new facilities out of view from the mine yard and using historically compatible materials and design.

PROJECT DESCRIPTION

The proposed project is described in the Interpretation and Park Development sections.

DESCRIPTION OF THE ENVIRONMENTAL SETTING

The 1977 general development plan and resource management plan provides a description of the environment. The Resources section of this amendment contains more specific information regarding the impact site and environmental setting. The Resource Sensitivity and Constraints section describes the issues of soil toxicity.

SIGNIFICANT ENVIRONMENTAL EFFECTS OF THE PROPOSED PROJECT

1. Construction activities and visitor traffic may release lead, arsenic, and mercury into the air. The waste materials from the cyanide plant were stockpiled southeast of the former cyanide plant. The Department of Parks and Recreation has posted signs directing the public away from the impact area (the cyanide plant, the waste stockpile, and drainage to the sand dam) due to the concern that traffic (vehicle, equestrian, and pedestrian) could liberate lead, arsenic and mercury into the air. This is in conformance with requirements of the Department of Health Services (now the Department of Toxic Substances Control of the California EPA).

A Preliminary Endangerment Assessment (PEA) was conducted to assess whether the concentrations of heavy metals could pose risk to health and the environment. The PEA found that arsenic did exceed the acceptable ratio; however, this ratio assumes a lifetime exposure. The screening ratio for arsenic, cadmium, lead, and mercury exceed the acceptable level for children. However, again, this assumes lifetime exposures and an uncapped condition of the area; visitors would be on-site only for short periods of time.

2. New facilities may adversely contrast with the historic views. The proposed project is within the zone of primary cultural interest as identified in the 1977 general development plan. The tram will travel into the historic core area as often as every half hour to coincide with the adit tour schedule. New materials, unweathered and undamaged, could conflict with the older, used appearances of the historic structures.

MITIGATION MEASURES

1. The waste rock from the new adit, approximately 1450 cubic yards, will be placed over the sand dam drainage and adit entrance facilities area to prevent lead, arsenic, and mercury release from the soils due to traffic, construction and visitors. If necessary, the waste rock may be crushed to provide a better barrier. The access road which crosses the tailings site will be gravelled or paved to reduce release of toxics to the atmosphere.

2. Facilities will be designed to complement the historic mining structures' appearance. Corrugated galvanized iron siding and roofing can be used to be compatible with historical mine structures. Materials, construction, and design details should reflect the style, materials, and texture of the primary interpretive period.

3. Facilities will be located out of view of the historic mine yard.

ENVIRONMENTAL EFFECTS THAT CANNOT BE AVOIDED IF THE PROJECT IS IMPLEMENTED

There are no unavoidable impacts other than the impact to the historic fabric of the main shaft for the provision of an emergency exit for the adit. This impact is not considered significant.

ALTERNATIVES TO THE PROPOSED PROJECT

The objectives of this project are to provide for the public the opportunity to experience the feeling of entering a hardrock mine, experience the underground environment of mining, and provide additional interpretive opportunities. Four alternatives described below meet those objectives with varying degrees of success; the No Project alternative does not.

1. Improve access to existing Empire Main Shaft

Description

Interpretive exhibits would be created along the main shaft. An elevator or new adit, would be constructed to provide an emergency exit required by law. The sand dam area could be capped with the waste from the emergency exit. New headframe, hoist house and air circulation equipment would be installed. No tram would be necessary.

Impacts

This alternative would have a greater adverse impact to the historic fabric of the main shaft for the construction of interior interpretive exhibits, modifications for public safety, and railway development. Visitation increase impacts would be similar to the proposed project. The addition of modern hoisting and air circulation equipment at the entrance to the main shaft could conflict with the historic appearance. If the headframe is accurately reconstructed, this would provide the visitor with the most historically correct entrance to the mineshaft.

2. Develop access to the Rowe Shaft

Description

Interpretive exhibits would be created along the shaft. Modifications to the Empire main shaft, or new adit, would be constructed to provide an emergency exit required by law. The sand dam area could be capped with the waste from the emergency exit. The historic headframe would be removed and a new headframe, hoist house and air circulation equipment would be installed. Use of the Rowe headframe would require removal of the cap placed in the shaft and reconstruction of the Rowe headframe which is not repairable. The fill in the shaft would have to be removed and cave-ins reexcavated and supported. The Rowe Shaft intersection with the Empire main shaft is approximately 200 feet below the water table and would require regular pumping.

Impacts

The removal of the historic Rowe headframe would be an irreversible and significant impact. Visitation increase impacts and modifications to the Empire main shaft for an emergency exit would be similar to the proposed project. The use of the Rowe headframe and shaft would also create a safety hazard with the public crossing of East Empire Street, or a tram would be employed to provide safe transportation of the public to the Rowe shaft.

3. Elevator access to the Empire Main Shaft

Description

An elevator shaft would be excavated. A hoist house and head frame would be constructed. A crosscut could be excavated to provide the interpretive areas. Depending on the location of the elevator shaft, the main shaft could be developed as an emergency exit. The interpretive experience would be reduced because of the non-historic nature of the elevator.

Impacts

In order to use the main shaft as an emergency exit, the elevator shaft and attendant structures would need to be developed in the mine operation complex. This would create a large, non-historic intrusion in the historic scene. The visual impact could be partially mitigated by the placement of the facilities in a reconstructed historic structure (i.e. a warehouse). Visitor use impacts would be similar to the proposed project. There would be no need for a tram or access road.

Additional parking would be required. Expansion of the main parking area to accommodate the total parking demand would likely require the removal of a significant number of mature trees.

4. Alternative locations of facilities

Three alternative sites for parking were considered (1) south of the main mining complex or in the waste rock tailings, (2) expansion of the existing parking area north of the mining complex, or (3) development of formal parking at the Penn Gate entrance which is now used for day use and equestrian trailer parking. These alternative parking sites were rejected for their visual impact and impact on traffic patterns. The third alternative was rejected because it would require additional tram travel, and initial visitor contact and orientation would be far removed from the start of the adit tour. The proposed project includes some expansion of the existing main parking area; however, to provide all the necessary parking, additional parking is proposed at the adit mini-visitor center.

Alternative tram routes were considered in conjunction with the parking alternatives. A route heading south around the east end of the hoist house for the main shaft and then turning west toward the proposed adit mini-visitor center would interfere with auto traffic traveling to and from the mini-visitor center.

No Project alternative

Description

No improvements would be constructed to provide additional visitor experience or access to the mining shaft. The Department will cap the cyanide tailings area.

Impacts

There would be no impacts to vegetation, wildlife, water quality, historical appearances, traffic. The opportunity for public experience of the underground mining environment and interpretation would not be available. Capping of tailings soils would continue to inhibit release of airborne toxics.

The environmentally superior alternative is the no project alternative; however this alternative does not meet the objective of providing the mining interpretive experience which is consistent with the interpretive goals identified in the 1977 general development plan.

RELATIONSHIP BETWEEN SHORT-TERM USES OF THE ENVIRONMENT AND THE MAINTENANCE AND ENHANCEMENT OF LONG-TERM PRODUCTIVITY

The purpose of Empire Mine as a state historic park is "to preserve, interpret and manage resources significant to its historical and natural environments in order that this and future generations can appreciate and enjoy their heritage as it is exemplified at the Empire Mine Complex" (Declaration of Purpose). The proposed interpretive adit advances this purpose.

There are short-term impacts to the esthetics and viewshed, air quality, and soil erosion, resulting from construction of facilities. The long-term effects would be a reduction of the toxics hazards through the capping of the tailings and sand dam area.

Significant Irreversible Environmental Changes if the Project is Implemented

Facilities and trails can be removed and sites restored to an essentially pre-project condition if necessary. The cap and mine waste would remain to contain toxics. The adit entrance could be covered or gated. Throughout the mine's operation, facilities were constantly being improved or upgraded to improve safety or production.

Growth Inducing Impact of the Proposed Project

The proposed project may have a minor cumulative impact on growth inducement in the area. Any improvement or increase in capacity can encourage increased use which translates into additional tourism and its attendant demand for services.

Effects Found Not to be Significant

1. Traffic impacts were not found to be significant. The traffic generated by the project will be limited to the hours of operation of the adit tours (1000 to 1625 hours) which predominantly falls outside of the peak rush hour periods. The traffic will be distributed throughout the day rather than a single peak period. During the peak season 300 people per day are projected to use the adit tour. Assuming these users are an addition to existing use and there are 3.5 people per vehicle, the average daily traffic (ADT) will increase by 86, but would be spread over a 7-hour period.

2. The impact to vegetation is not considered significant. There are no sensitive species present. The site has been heavily disturbed by mining activities. There will be some removal of vegetation for the construction of facilities (parking, roads, trails, day use facilities, and tour support buildings).

3. The impact to wildlife is not considered significant. As stated above the site has been heavily disturbed by mining. Two sensitive bird species may be present in the project area; however, the impact is not considered significant given the limited area of impact.

4. No significant geological impacts are projected. Initial investigations have found no geological hazards present that should create a safety hazard. The adit and mechanical equipment will be inspected daily in accordance with mine safety requirements.

5. Water consumption would increase by approximately 212,500 gallons per year (42,500 additional visitors annually using 5 gallons). Peak day use increase would be 1500 gallons per day. Sewage requirements would increase by approximately 1250 gallons per day maximum. A leach field will provide the necessary sewage treatment requirements.

6. Assuming 0.4 pounds or .07 cubic feet of solid waste per visitor, the solid waste requirement for the unit would increase by 17,000 pounds per year, about 2975 cubic feet per year or an average of 8 cubic feet per day.

7. A second emergency vehicle access to the adit entrance area is provided by the tram route.

8. There will be no direct impacts to Little Wolf Creek. Capping of the sand dam drainage area with waste rock from the adit excavation would reduce transport of contaminated sediments to the creek. Harding Lawson Associates prepared a Preliminary Endangerment Assessment for the Department. Levels of arsenic, lead, cyanide, and sulfide in Little Wolf Creek were below or slightly above the laboratory detection limits, but did not exceed their respective maximum concentration level in water samples.