

Azusa aims to make \$3 million annually from mining operation

Daniel Tedford, Los Angeles Newspaper Group, 3-27-10

AZUSA -- The city stands to make millions annually from a mining operation proposed for the mountains north of the city.

Vulcan Materials Co. will pay Azusa up to \$3 million in annual mining taxes, based on the city's current tax rate.

The company will also make a one-time payment of \$75,000 for a scholarship program and five cents per ton to support city programs, according to the draft agreement.

And Vulcan would pay a minimum yearly tax of \$500,000.

"One way or the other mining is going to occur up there, so an extraction tax is going to happen whether it goes east or whether it goes west," Azusa Councilman Keith Hanks said. "Any revenue that comes into the city is going to be a help right now."

Vulcan has a permit to mine 190 acres near Fish Canyon. The company wants to exchange 80 acres of land on its eastern property line for the ability to mine 80 untouched acres near its western property line.

The 270-acre Vulcan property is in Azusa but rests near Duarte. For Vulcan to move forward, Azusa officials would have to approve Vulcan's plan to mine the undisturbed western 80 acres. The matter is scheduled to go before the City Council April 19.

If the contract is approved, Vulcan will advance the city \$1.5 million in taxes. The city has a \$33 million budget.

Opponents of the change said they don't begrudge Azusa making money, but they counter that the impacts of mining spread far beyond Azusa's borders.

"I am sure any city would love to have that," Duarte Councilman John Fasana said. "But again, you are dealing with a real cost to the region, to the attractiveness of the region ... recreation and future well being. It is a permanent eyesore."

Fasana hopes Azusa officials will add harsher penalties and tighter guarantees in the development agreement to ensure Vulcan follows through on its promises that new reclamation will be more aesthetically pleasing.

"At the very least, I would want far more economic protections on the reclamation," Fasana said. "We want them accountable for the 20-year look, and not the 5-year look."

Hanks maintained that he will judge the project on its effects on the community.

"We are responsible to look at the request for a (use permit) and the environmental impact report, whether it is sufficient and adequately describes the impacts, and if there are impacts, are they justified," Hanks said. "I suppose the money is going to come into the discussion ... but as I am looking at this I am trying to go through the value of the document."

The monetary benefits Azusa would receive if this proposal is passed are bonuses, but the environmental gains are of the greatest benefit, City Manager Fran Delach said.

"The revenue is great, but the real benefit is the \$56 to \$57 million in environmental mitigations," Delach said.

Specifically, Vulcan has promised not to use the 40-foot Mayan bench cuts if the company is allowed to mine the western site, instead vowing to use small "microbenching" cuts that are easily concealed when plants grow in.

The income and development agreement aren't the only points being disputed.

Save Our Canyon member and Azusa resident Richard Deem said tax documents show Vulcan did not accurately report mining production from 2002 to 2007.

"I am not totally sure if they have paid their fair share, but it seems likely from the (environmental report) that they haven't," Deem said. "I don't think there is really any way for the city to monitor how much is really coming out of the mine."

Officials from Azusa and Vulcan said the company spent those years clearing off dirt and debris that was not usable aggregate.

At that time, there were no taxes on the dirt and debris, although Vulcan in 2008 agreed to pay five cents per ton.

"Since acquiring Azusa Rock in 1999, we have always paid the taxes required of us," Vulcan spokesman Todd Priest said.

Deem said environmental documents at least 1.1 million tons of production during that period.

The report reads: "The 1990 EIS/EIR for the conveyor evaluated the mechanical transport of 7 million tons of aggregate material per year ... Actual on-site production for a one-year period from the 4th quarter 2006 through the 3rd quarter of 2007 was 1.1 million tons."

The language in the environmental report suggests the company dug out usable aggregate, Deem said.

City officials agree there was mining activity on the mountain, but they also contend it did not yield usable aggregate.

"They weren't required to pay any tax other than the sale of retail aggregate and all they were doing at the time was taking out overburden and filling the pit in Irwindale," Azusa's Chief Financial Officer Alan Kreimeier.