

Entrepreneur's \$1 Million Investment Destroyed by Redevelopment Dust; \$9.5M Lawsuit Frames Gaps in Protecting Businesses

SACRAMENTO, CA, UNITED STATES, August 19, 2026 /EINPresswire.com/ -- Most small business owners spend years worrying about competition, inflation, payroll, taxes, insurance, regulations, and finding enough customers to survive. Few ever imagine that the greatest threat to their business could come from the construction project next door.

"This isn't just my story," Mitchell said. "Every business owner should be asking whether they know what is happening on the property next door."



The dirt at the new Mirasol Village in Sacramento tested positive for chlordane.

That concern now sits at the center of an environmental lawsuit pending in Sacramento County Superior Court, where local entrepreneur Betty Mitchell alleges after investing nearly \$1 million the development and operation of her business was contaminated with dust from the neighboring Mirasol Village.

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Redevelopment can strengthen communities. But redevelopment should never come at the expense of the businesses and families already there. Growth and accountability should go hand in hand.”

Betty Mitchell

Mitchell is seeking more than \$9.5 million in damages. She alleges the contaminated project dust generated during construction migrated beyond the project boundaries and into her business, resulting in the loss of inventory, business value, revenue, profits, leasehold rights and future business opportunities.

According to the complaint, Mitchell operated her business

successfully before contamination unexpectedly appeared. She spent time and money replacing equipment, reviewing operations and consulting professionals with no solutions to the ongoing

issues.

"I spent years trying to solve a problem I didn't create and didn't understand," Mitchell said. "By the time I figured out what happened, the damage was already done."

Mitchell is pursuing the litigation not only to recover the losses she attributes to contamination, but also to encourage stronger protections for businesses operating near major redevelopment projects. She believes neighboring businesses deserve greater transparency, earlier notification of environmental risks, expanded environmental monitoring and stronger safeguards whenever contaminated soil is disturbed during construction.

Environmental Context

Mitchell's lawsuit raises concerns on the construction activities associated with the Mirasol Village redevelopment project, a large public-private initiative involving the Sacramento Housing and Redevelopment Agency (SHRA) and the private project contractors. Mitchell alleges that environmental contamination associated with redevelopment activities migrated beyond project boundaries and entered her business, causing catastrophic economic losses.

The lawsuit references publicly available environmental records, including a March 4, 2020 letter issued by the California Department of Toxic Substances Control (DTSC) identifying organochlorine pesticides, including chlordane, as chemicals of concern and recommending additional environmental investigation at the redevelopment site.

Mitchell maintained she never used, stored, or introduced chlordane at her facility and alleges that the contamination originated outside her facility.

National Relevance

Across the United States, redevelopment projects routinely occur on or adjacent to properties with known contamination histories. Federal and state environmental agencies acknowledge that disturbing contaminated soil can create airborne exposure pathways through fugitive dust, particulates, vapors, and resuspended contaminated soil. Mitchell's case highlights how these risks can extend beyond project boundaries and impact neighboring businesses.

According to Mitchell, her experience underscores the need for stronger protections for businesses located near major redevelopment projects, including earlier notification of environmental risks, expanded monitoring, and mandatory safeguards whenever contaminated soil is disturbed.

Litigation Status

Mitchell's lawsuit, *Betty Lou Mitchell v. McCormack Baron Salazar, Inc., A. Teichert & Son, Inc., Midstate Construction Corporation, and Does 1-50*, is pending in Sacramento County Superior Court, Case No. 25CV010077:

https://www.toxicbuilders.org/_files/ugd/7b8c0b_58d3ab20c76c4d8ab3817c05ee23ffec.pdf

As discovery has progressed, the litigation has become increasingly complex.

Midstate Construction Corporation has associated Clyde & Co US LLP into its defense.

McCormack Baron Salazar, Inc. is represented by Lewis Brisbois Bisgaard & Smith LLP.

A. Teichert & Son, Inc. is represented by Thompson Hine LLP.

Mitchell said the participation of nationally recognized defense firms underscores the significance of the litigation and the importance of the issues presented.

“The resources being devoted to defending this case demonstrate that these issues matter,” Mitchell said. “My hope is that this case leads to stronger protections so other businesses never have to experience what mine did.”

The [Sacramento Business Journal](#) has previously reported on the litigation and interviewed Mitchell regarding the environmental and economic issues raised by the redevelopment project.

Mitchell hopes the case will encourage a broader national discussion about environmental transparency, redevelopment accountability, and protections for neighboring businesses.

“Redevelopment can strengthen communities,” Mitchell said. “But redevelopment should never come at the expense of the businesses and families already there. Growth and accountability should go hand in hand.”

The defendants deny liability, and the allegations remain pending before the Sacramento County Superior Court. No court has made findings on the merits of Mitchell’s claims.

About Betty Mitchell

Betty Mitchell is a Sacramento entrepreneur and small-business advocate who has spoken publicly about environmental accountability, redevelopment oversight, contaminated-soil management, and stronger protections for businesses operating near major construction and redevelopment projects.

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Visit the Case Website

For court filings, environmental records, project documents, photographs, press releases, media updates, and additional information regarding the Mitchell litigation, visit:

<https://www.ToxicBuilders.org>

Media Resources Available Upon Request

Operative Complaint and Court Filings

Sacramento County Superior Court Case Information

March 4, 2020 DTSC Letter

Publicly Available Environmental Records

Laboratory Testing Reports
Redevelopment Project Documents
Photographs and Supporting Exhibits
Interview Requests with Betty Mitchell

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