

Detterman, Mark, Env. Health

From: Markus Niebanck <mniebanck@gmail.com>
Sent: Tuesday, August 01, 2017 8:52 AM
To: Detterman, Mark, Env. Health
Cc: Chris Freise; Patrick Fisher
Subject: McGrath Property Data Gaps and Due Diligence Evaluation
Attachments: 2017 08 01 Scope of McGrath Due Diligence Testing.pdf

Good morning Mark.

Thanks again for getting together with us the week before last. As we discussed, I've reviewed the file and prepared the attached summary of what we discussed in the way of substantial data gaps at McGrath.

Affirmation of these gaps and the collection of information in the areas of remaining concern will enable the bracketing of environmental investment required to get the case to closure, in turn facilitating transactional consideration.

We appreciate your assistance with this matter. If after you review and discuss with Dilan you'd like me to come by to discuss this can be easily arranged. I understand you have many things on your plate, but if you can take a quick look at this we may be able to take the McGrath case off your list of headaches forever.

As with all real estate transactions, we have a small due diligence window and would like to get to the testing as quickly as possible.

Talk soon.

Markus

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August 1, 2017

Mr. Mark Detterman
Alameda County Department of Environmental Health
1131 Harbor Bay Parkway
Alameda, CA 94502

Re: Conceptual Scope of Due Diligence Assessment
McGrath Steel Property – 6655 Hollis Street, Emeryville

Dear Mark:

Thanks again for meeting with Chris and me on the 19th. As we discussed, this letter sends a description of what I believe are the critical must-knows in order for us to be able to predict the value and schedule of final activities and path to closure at the McGrath property.

I understand the difficulty of predicting such an outcome with certainty and we're not looking to you to do this for us. Confirming what ACEH believes are the fundamental remaining data gaps so as to avoid regulatory surprises post-acquisition, however, is critical. With this confirmation (and subsequent further physical evaluation) we expect to be able to make a reasonable projection of the deal-relevant considerations.

In reviewing the file in detail and recalling our conversation and my experiences with this property over the years my sense that the case suffers most from a lack of endpoint-clarity is reinforced. A reasonable amount of data has been collected (with a few notable exceptions), but the data has generally been presented in a somewhat disorganized fashion. The fits and starts that characterize project activity further complicate matters.

A number of the points we discussed can be addressed I believe by way of a more well-organized sorting and articulation of the data. A presumptive remedy can even be articulated with the existing data set though this presumption is qualified by the fact that physical testing may turn up information that makes remedy-reevaluation necessary.

Presently, if no previously unknown substantial areas of contamination are discovered, it would appear as if closure with a Land Use Covenant, Site Management Plan, and a pre-occupation engineering control to mitigate vapor intrusion as a conservative precautionary measure (likely the resurfacing and sealing of the slab and penetrations) would be an appropriate path to pursue.

Closure consideration must be supported by the closing of a number of data gaps you've listed in your correspondence, including:

1. The completion of the water well and sensitive receptor survey (requested in your letter of September 30, 2016).

2. The evaluation of the occurrence of separate-phase hydrocarbons. My review of the technical record suggests that while it is unlikely that a substantial residual mass is present, the presentation of SPH evaluation to date has been neither thorough nor conclusive. A boring and the observation/sampling of groundwater from a temporary well proximally downgradient of the former UST cavity is needed.
3. The evaluation of the upgradient extent of UST/dispenser contamination in groundwater is needed (east of SB-26).
4. The evaluation of groundwater quality proximally downgradient of the former dispenser is needed to establish the need for source removal in this area. Should contaminant concentrations be lower than what has been measured beneath the dispenser already it is unlikely that remedial action in this area will be required.
5. The evaluation of groundwater quality in the southwestern quadrant of the McGrath building is needed. Soil vapor samples collected near the surface of the groundwater-saturated zone have shown elevated levels of petroleum hydrocarbons in this area. While two episodes of sub-slab samples at 0.5 feet below ground surface have shown vapor quality to be within acceptable commercial-use limits, the understanding of groundwater quality in this area is still necessary for case management/closure consideration under current guidelines.

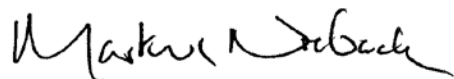
When we met you indicated that due to origin and concentration the dissolved solvents in groundwater issue has been adequately addressed and no further attention will be required of this matter.

If after sampling Lift Partners elects to proceed with the transaction we will incorporate the results of physical testing for due diligence into a formal report on conditions with recommendations for actions required to deliberately move the project towards closure. I've attached a diagram that shows the areas we discussed and as itemized above as in need of further study. Have I left anything out?

Long-lived cases like this burden workloads and neighborhoods. I believe the best way to get this property back to demonstrably safe and productive use is to transact it. The transacting, however, requires a bit of clarity with respect to agency expectations, and to the extent you can help us get hands around this we (and the neighborhood) are in your debt.

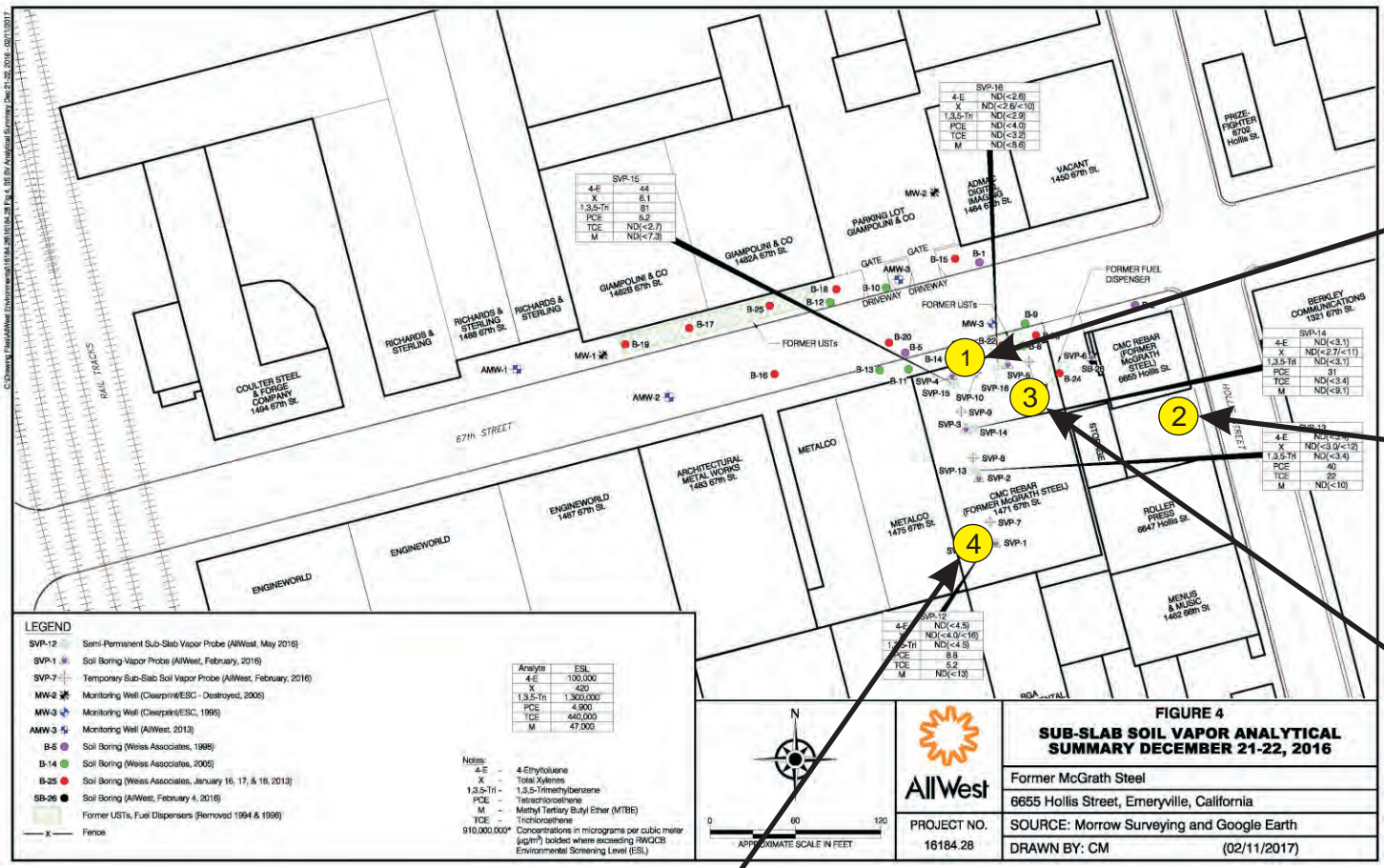
Let me know if you'd like me to stop by to discuss in greater detail with you and Dilan. Thanks again for all your help.

Most sincerely,



Markus B. Niebanck, PG
Principal

Attachment - Figure



Area of Interest 1 - Outside and down-gradient of former UST cavity for the focused evaluation of SPH presence.

Advance one boring with mobile rig (not direct-push), place one temporary well, develop, observe, sample.

Area of Interest 2 - Area upgradient from UST and dispenser.

One boring, one groundwater sample.

Area of Interest 3 - Unexplored area in vicinity of former dispenser.

One boring, one groundwater sample.

Area of Interest 4 - Area of distal elevated vapor concentrations at 6 feet below grade. No groundwater samples previously collected in this area. Sub-slab vapor samples within acceptable guidance concentrations.

One boring, one soil and groundwater sample.

Figure 1 - Due Diligence Sampling Locations

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 6655 Hollis Street, Emeryville, CA

August 1, 2017