

2/8-99

JOHN W. FINKLEA
• ARCHITECT •

3223 S.W. NAITO PKWY PORTLAND OR 97201 503-248-0617 FAX 503-222-9284

Patrick L. Jones,
Senior Project Manager
2805 SE 11th Avenue
Portland, Or. 97202

As you know Port City Development Inc. is working towards developing a new facility on N. Williams Ave and has devoted considerable time and money in pursuing this goal. Funding has been requested from Multnomah County and even though you have not been officially assigned as our project manager you have graciously met with us and guided Port City in the right direction towards resolving concerns that Multnomah County has regarding the site.

Once again we ask for your assistance as the environmental studies have consumed precious time. Port City would like to begin a dialog with Fran Hathaway of Purchasing and Facilities along with legal staff to discuss the various aspects of our project; how we propose to structure the construction process, how to solicit ongoing donations, and how to maintain flexibility with bidder design aspects of the construction contract.

We are concerned that these discussions and subsequent explorations by Multnomah County staff could consume even more time and would like to begin work on these areas concurrently with the environmental process.

It would be greatly appreciated if you could assist us in arranging a meeting and greatly enhance our chances to keep the project moving towards the bidding and construction phase. If you have any questions or need further information, please don't hesitate to call either myself or George Scott.

Sincerely yours,

John W. Finklea
Architect

George Scott - Office 236-9515
Mobile 481-3295

SUPPLEMENTAL STAFF REPORT

To: Board of County Commissioners
From: Facilities & Property Management, Department of
Environmental Services
Date: September 30, 1999
Subject: Port City

1. Recommendation/Action Requested:
No Action Requested
2. Background/Analysis:
Port City project is a similar project to the Edgefield Children's Center and is structured the same. Port City is a not for profit Enterprise program with contracts with the County. Port City has assembled and purchased property in Northeast Portland on Northeast Williams between Tillamook and Thompson. The project anticipates renovating 17,000 sq. ft. of existing buildings, construction of 7,875 sq. ft. of new administrative buildings and construction of 7,200 sq. ft. of residential units (six units at 1,200 sq. ft. each). The site is the former location of a battery remanufacturing business and is under the DEQ voluntary cleanup program. Facilities along with County Council is requiring a level 1 environmental assessment with a possible level 2 depending on the extent and nature of the contamination.
3. Financial Impact:
Port City has requested and the County may commit around 2 million of revenue bond to this project.
4. Legal Issues:
Related to environmental issues.
5. Controversial Issues:
This appears to be a brown site that the County may take title to
6. Link to Current County Policies:
Supports the Counties commitment to support not for profit agencies through the access to financing by County Revenue Bonds.
7. Citizen Participation:
None that I am aware of

PORT CITY



NEWS RELEASE

MULTNOMAH COUNTY OREGON

For Immediate Release

C : Edward Campbell, Chair's Office
(503) 306-5834

July 8, 1999

C U A
C

C A C N

Multnomah County, OR—The Board of County Commissioners today approved an innovative partnership arrangement with the non-profit entity, Port City, making \$2 million available for the construction of a new human service center. This facility will offer vocational skills and transitional housing for individuals with disabilities.

"This is as far out of the box as you can get and still be operating within local government," said Chair Beverly Stein. "This deal will create a critical service facility without siphoning from existing public resources. By using the County's bonding authority, Port City will get a more favorable interest rate and will therefore be able to put more money into direct services for people with disabilities."

The plan approved today calls for the County to issue revenue bonds on behalf of Port City for \$2 million. The bonds are not general obligations of the County, nor a charge upon its tax revenues since Port City is obligated to pay off the bonds. Securities built into the deal call for the County to guarantee the bonds with a portion of the Motor Vehicle Rental Tax in the unlikely case of default. The County would obtain ownership of the facility and property in such a case. This financing technique is a unique approach in assisting non-profits with capital needs.

The County's Financial and Budget Policy sets out clear criteria for using bonding authority to assist non-profits in this manner. Property being purchased must be placed in the County's name and total financing through the County is limited to 60% of the project costs. The bonds will not be issued until Port City produces its 40% share. This type of financing is limited to small, financially stable 501C3 non-profit entities with an organizational mission and services consistent with Multnomah County. Port City has met all the requirements stipulated by the County's Financial and Budget Policy.

The human service facility, to be located on North Williams Avenue near Emanuel Hospital, will house vocational programs for developmentally disabled customers in production, auto detailing, microfilming, art, and janitorial skills. Future onsite services planned include a senior day program, a school to work program and transitional housing.

Multnomah County entered a similar arrangement in 1996 with the Edgefield Children's Center in Troutdale. There, multiple children's service agencies have co-located in a modern facility resulting in improved communication and coordination of services.

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PNG ENVIRONMENTAL, INC.

7130 SW Elmhurst Street
Tigard, Oregon 97223
(503) 620-2387
Fax (503) 620-2977

FACSIMILE TRANSMISSION

DATE: 12-13-99 PROJECT NO. P58402
TO: Patrick Jones
COMPANY: Multnomah Co.
FAX NUMBER: 248-5082
FROM: Nick Vainum
NUMBER OF PAGES (including cover page): 7
MESSAGE:

Original sent via mail: Yes ☒ No ☐

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PNG ENVIRONMENTAL, INC.

December 13, 1999

P584-02

Mr. Patrick Jones
Multnomah County Facilities Management
2505 SE 11th Avenue
Portland, Oregon 97202

**Subject: Scope of Work and Cost Estimate
Phase II Site Investigation**
Former Manufacturing Facility
2110 – 2156 North Williams Avenue
Portland, Oregon

Dear Mr. Jones:

Per your request, PNG Environmental, Inc. (PNG) has prepared a scope of work and cost estimate for a Phase II Site Investigation for the subject property. This letter is organized in two sections. First, a summary of conclusions and recommendations from PNG's November 23, 1999 Phase I Environmental Site Assessment (ESA) for the subject property is presented. Second, a scope of work for a Phase II Site Investigation based on the findings of the Phase I ESA is presented.

PHASE I ESA CONCLUSIONS AND RECOMMENDATIONS

PNG's review of historical site operations indicates that several areas of environmental concern are known and suspected to be present at the site. PNG recommends that the following site-specific issues be considered:

- Conduct a subsurface exploration in the paved storage yard area located between the two manufacturing buildings including the area near the former pasting room to evaluate potential impacts associated with former battery manufacturing practices.
- Conduct a subsurface exploration in the paved yard areas located to the east and west of the southern building (Building 1A) to evaluate potential impacts associated with the battery facility and the former plating facility practices.
- Conduct a subsurface exploration in the areas of Sumps 1 and 2 depending on development plans for the site.
- Sample and test interior and exterior building surfaces for lead to evaluate worker safety requirements during renovation and demolition and possible DEQ air quality concerns.
- Sample and test building materials for chemical and/or asbestos hazards (floor, wall surfaces, and overhead ducting in Building 1B, potential asbestos floor tiles in Buildings 1B and 2) to evaluate worker safety and disposal issues.
- Conduct a geophysical survey using ground-penetrating radar and an electromagnetometer to attempt to locate potential underground conduits and structures (e.g., USTs, septic systems, trenches, and drywells).

- Consider a groundwater characterization study to (1) attempt to determine if previous site operations affected groundwater quality in an effort to establish liability; and (2) provide a baseline of groundwater quality at this time, for possible comparison to future studies conducted by site tenants, site owners, or other property owners.
- The Prospective Purchaser Agreement for the property requires DEQ review and approval of all current and future investigation and development plans for the site.

SCOPE OF WORK ITEMS BASED ON PHASE I ESA

The following scope items are based on PNG's recommendations described in the Phase I ESA. The scope items specifically address the targets identified in the Phase I.

- Prepare a Health and Safety Plan to guide field safety protocols, in accordance with rules established by the Oregon Occupational Safety and Health Administration (OSHA).
- Collect up to 75 dust wipe samples from interior and exterior building surfaces and duct work at Building 1. The samples will be used to:
 - Quantify the degree and distribution of lead dust contamination.
 - Identify specific locations that may require remediation or special consideration.
 - Identify worker health and safety issues during construction/renovation.
 - Identify and estimate costs for remedial measures.
- Sample and test building materials to evaluate worker safety and disposal issues. These materials include debris on the floor in the northeast corner of Building 1B, and suspect lead based paint, potential asbestos floor tiles, and overhead ducting in Buildings 1B and 2. Samples will be analyzed primarily for lead and asbestos with selected analyses of hydrocarbons and priority pollutant metals.
- Conduct a geophysical survey using ground penetrating radar (GPR), and an electromagnetometer (EM) to attempt to locate structures such as suspected underground utilities, fuel storage tanks, and other identifiable structures or objects. A magnetometer survey will not be adequate due to likely interference caused by reinforced concrete and metal and plumbing in the building walls.
- Drill 12 temporary Geoprobe borings and collect soil samples for laboratory analysis. Targets for borings include the north paved yard area (5 borings), both paved areas on the southern portion of the site (4 borings total), and inside the northeast portion of Building 1B, in the area of Sumps 1 and 1A (3 borings). If the geophysical survey identifies suspect subsurface features, additional borings may be recommended. Soil samples will be collected from multiple depths in the borings. Generally, shallow samples (collected within approximately two feet of ground surface) will be analyzed first, followed by deeper samples if shallow samples have contaminant detections. Samples will be collected from deeper horizons (between six and 12 feet bgs) inside Building 1B.

For cost estimating purposes, we assume that one sample will be run for laboratory analyses from each boring for (1) fuel hydrocarbons using Oregon Department of Environmental Quality (DEQ) Method NWTPH-HCID, and (2) "RCRA-Eight" priority metals using EPA Method 6010/7000 Series. Three

samples will be run for pH. Additional analysis of deeper samples, and analyses for volatile organic compounds (VOCs) and semi-volatile organic compounds (SVOCs), may be recommended based on initial testing results.

- As noted in the recommendations, the Prospective Purchaser Agreement for the property requires DEQ review and approval of all investigation and development plans for the site. Negotiations with and response to DEQ comments is anticipated to require up to 20 hours of professional time.
- PNG recommends that a study of potential impacts to groundwater be considered (1) to attempt to determine if previous site operations affected groundwater quality in an effort to establish liability; and (2) to provide a baseline of groundwater quality at this time, for comparison to possible future studies conducted by site tenants, site owners, or other stakeholders.

PNG offers a two-phased approach to groundwater assessment. First, additional soil samples from selected Geoprobe borings will be collected at depth to assess the potential for groundwater contamination. This will consist of collecting and analyzing one sample below any apparent contamination, or if no shallow impact is identified, one sample from the bottom of the borehole (all boreholes will be drilled to a minimum depth of 8 feet). PNG recommends collecting eight additional soil samples from the boreholes for this purpose. If chemicals of concern are detected in these soil samples, PNG will present the client with a detailed scope of work and cost estimate for conducting an additional groundwater characterization. If necessary, the approximate cost of completing a groundwater characterization study with three wells to 50 feet and one sampling event is in the \$15,000 to \$20,000 range.

- In the event that lead dust, lead-based paint, asbestos, or other potentially hazardous materials are identified and left on the site, PNG will prepare an Operations and Maintenance Plan to address applicable issues. The plan will include items such as:
 - Summary of pertinent environmental hazards.
 - Discussion of DEQ's ongoing involvement with site usage and possible disturbance of contaminated media (mandated in the PPA).
 - Health and Safety Plan and other OSHA requirements.
 - Remedial action alternatives and estimated costs.
 - Renovation worker precautions and certification requirements.
 - Occupant notification requirements.
 - Maintenance work protocols.
 - Emergency response procedures if materials are disturbed.
- The final task will include preparation of a written Phase II Exploration report. The report would include, at a minimum, a discussion of all field work, an evaluation of the results, site maps depicting sampling locations, tabulated analytical results, copies of all analytical reports, chain-of-custody documentation, and recommendations for additional work (if warranted). Details of technical and subsurface characterization would be presented and described so as to be useful for any follow-up environmental explorations at the site.

The estimate of costs for the above scope of work is:

Phase II Exploration

Lead Dust Wipe Labor Sampling & Testing	\$3,169
Building Material Labor Sampling & Testing	\$3,385
Geophysical Locating Survey and Coordination	\$2,297
Geoprobe Investigation	\$6,883
Groundwater Leaching Investigation	\$2,049
Operations and Maintenance Plan	\$1,500
PNG Report Preparation and DEQ Negotiation	<u>\$3,878</u>

Estimated Total, Phase II Site Investigation **\$19,992**

Note that this estimate does not include costs associated with groundwater sampling or testing. As described above, associated costs (if necessary) would be in the range between \$15,000 and \$20,000.

SCHEDULE

PNG will submit this scope of work to DEQ (without cost information) immediately upon approval. We anticipate that fieldwork can be completed within 2 to 3 weeks (depending on driller's schedules) after receiving DEQ work plan approval. A draft report and the Operations and Maintenance Plan (if needed) will be provided approximately 4 weeks after the completion of fieldwork.

COST ESTIMATE

PNG proposes to perform the above services for the total estimated cost of \$19,992. Work will be conducted on a time-and-materials basis in accordance with PNG's 1999 Schedule of Fees (Attachment A). Additional cost detail will be provided upon request. You will be notified immediately if, during the course of this project, conditions are encountered that potentially change the scope of work or total cost required to meet the project objectives.

Assumptions used to generate the cost estimate are as follows:

- Unimpeded access to the drilling locations will be available. If drilling locations have more than two-inches of concrete or four-inches of asphalt, pavement coring may be necessary at additional cost.
- Meetings, negotiations, and submittals to DEQ are assumed to require no more than 20 hours of professional labor time.
- Geoprobe drilling costs are based on two days of drilling at a rate of \$1,150/day. If additional time is required to meet project objectives, you will be notified prior to completing the additional work.
- No unreasonably difficult drilling conditions will be encountered requiring the use of alternative drilling equipment.
- All fieldwork can be performed using standard personal protective equipment and procedures ("Level D").
- Access to the subject property and negotiations with tenants will be arranged by the Client, and all fieldwork can be conducted during normal business hours.

- A public utility locate notification will be conducted, and PNG will contract a private utility locator to evaluate on-site subsurface utilities. PNG will not be responsible for damage to subsurface utilities not identified to us prior to initiating work.
- Analytical costs for soils are based on the number and type of analyses specified below. If necessary, additional laboratory testing can be conducted within the required holding times for additional unit costs. Recommendations for additional analysis, if any, will be discussed with you prior to laboratory testing.
 - Lead, 75 Dust Wipe Samples
 - Lead, 20 Building Material Samples (including paint)
 - Asbestos, 30 Building Material Samples
 - Priority Pollutant Metals (13), 4 Building Material Samples
 - Hydrocarbon Scan (HCID), 20 Geoprobe Soil Samples
 - "RCRA" Metals (8), 20 Geoprobe Samples
 - pH, 3 Geoprobe Soil Samples
- No significant soil cuttings are expected to be generated during this project. Equipment decontamination rinseate will be generated as part of the proposed investigation. The investigation-derived wastes (IDW) will be contained in (one or two) sealed and properly labeled 55-gallon steel drum(s) stored on site. PNG will coordinate disposal of IDW. However, characterization and disposal costs for the IDW, if any, are not included under this proposal.

GENERAL CONDITIONS

The scope of services will be performed in accordance with PNG's 1999 General Conditions (Attachment A), which is hereby made part of this agreement. Any changes to the scope, cost, or general conditions must be agreed upon by both parties. Please indicate your acceptance of this proposal by signing the attached Authorization Form and returning one copy for our files by mail or facsimile at (503) 620-2977.

Sincerely,

PNG ENVIRONMENTAL, INC.



Paul Ecker, R.G.
Geologist



Nick Varnum, R.G.
Vice President

Attachments: Authorization
PNG 1999 Schedule of Fees and General Conditions

AUTHORIZATION

Please indicate your acceptance of this agreement described in the Proposal P584-02 by signing below and returning one copy to our Tigard Office by mail or fax. This authorization includes the full amount of \$19,992, if needed.

The above statements are understood and accepted.

Date: _____

By: _____

Position: _____

Firm: _____

P584-02
Phase II Site Investigation
Former Manufacturing Facility
2110 – 2156 North Williams Avenue
Portland, Oregon

PNG Environmental, Inc.
7130 SW Elmhurst Street
Tigard, Oregon 97223

(503) 620-2387
(503) 620-2977

ATTACHMENT A

PNG 1999 SCHEDULE OF FEES AND GENERAL CONDITIONS

PNG Environmental, Inc.

GENERAL CONDITIONS

Agreement

This Agreement, consisting of all documents attached hereto, constitutes the entire agreement between the parties, and supersedes any and all prior written or oral agreements with respect to the subject matter hereof. No amendment hereto will be binding unless reduced to writing and signed by authorized representatives of PNG Environmental, Inc. (PNG) and CLIENT.

Assignments

CLIENT shall not assign this Agreement or any portion thereof to any other person or entity without the express written consent of PNG. Nothing contained in the Agreement shall be construed to create a right in any third party whomsoever, and nothing herein shall insure to the benefit of any third party.

There are no third party beneficiaries of this Agreement entitled to rely on any work performed or reports prepared by PNG hereunder for any purpose. CLIENT shall indemnify and hold PNG harmless against any liability for any Loss arising out of or relating to reliance by any third party on any work performed or reports issued hereunder.

Standard of Care and Professional Responsibility

PNG shall perform services consistent with skill and care ordinarily exercised by other professional consultants under similar circumstances at the time services are performed, subject to any limitations established by CLIENT as to degree of care, time or expense to be incurred or other limitations of this Agreement. No other representation, warranty or guaranty, express or implied, is included in or intended by PNG's services, proposals, agreements or reports.

CLIENT acknowledges that the services to be performed by PNG involve the use of tests, calculations, analyses and procedures which are in a constant state of development, improvement and refinement and that, as such, improvements, changes in methods, and modifications of procedures have been made in the past, are now being made, and are expected to continue to be made in the future.

Should completion of any portion of the services to be rendered by PNG be delayed beyond the estimated date of completion for any reason which is beyond the control of or without default or negligence of PNG, then and in that event CLIENT and PNG shall mutually agree on the terms and conditions upon which the services may be continued or terminated.

PNG shall have no duty to supervise, coordinate or otherwise be involved in the performance of services or work by any third party consultant, contractor or subcontractor hired by the CLIENT.

Limitation of Liability

In consideration of potential liabilities which may be disproportionate to the fees to be earned by PNG, CLIENT agrees to limit the liability of PNG, its officers, directors, shareholders, employees, agents, and representatives to CLIENT for all claims or legal proceedings of any type arising out of or relating to the performance of services under this Agreement (including but not limited to PNG's breach of Agreement, its professional negligence, errors and omissions and other acts) to the greater of \$50,000, or

the amount of PNG's fee. Failure of CLIENT to give written notice to PNG of any claim of negligent act, error or omission within one (1) year of performance shall constitute a waiver of such claim by CLIENT. Neither party shall be liable for any indirect or consequential loss or damages arising from this Agreement.

Indemnification

Subject to the limitation of liability, each party agrees to indemnify and hold harmless the other from any liability, damage, injury, cost or expense, including attorney's fees, (hereafter collectively called "Loss") arising out of a) breach of this Agreement, or b) willful misconduct or negligence in connection with the performance of this Agreement.

In addition to and without limiting the generality of the foregoing, CLIENT agrees to indemnify PNG to the fullest extent permitted by law against any Loss (whether or not under CERCLA, RCRA or any other similar federal, state or local environmental regulation, order or ordinance) a) arising out of any actual or potential environmental contamination or pollution, including without limitation, any actual or threatened release of toxic or hazardous materials, unless the result of PNG's willful misconduct or professional negligence; b) arising out of any acts taken or alleged failure to act with respect to matters covered in the section titled Reporting and Disposal; or c) in excess of the liability limit set forth in the limitation of liability.

Information Supplied by Client

CLIENT shall supply to PNG plans which designate the location of all subsurface structures at the Project Site, and shall be responsible for any damage and shall indemnify PNG for all Loss inadvertently caused by PNG to any structure not so designated, or by CLIENT's inaccurate identification of underground obstructions. CLIENT warrants the accuracy of any information so supplied and understands and agrees that PNG is entitled to and may rely on the accuracy of any and all information so supplied without independently verifying its accuracy.

Right of Entry

When applicable, CLIENT agrees to grant or arrange full legal right of entry at the Project Site, whether or not owned by CLIENT. The cost of repairing any reasonably unavoidable damages is not part of the services or fee contemplated by this Agreement and shall be borne by CLIENT.

Hazardous, or Unsafe Conditions

CLIENT has fully informed PNG of, and shall immediately inform PNG when it becomes aware of any new information regarding, the type, quantity and location of any hazardous, toxic or dangerous materials or unsafe or unhealthy conditions known or suspected at all real property where services are to be performed ("the Project Site").

In the event hazardous conditions are encountered by PNG during the course of performing its services, and condition upon the fact that CLIENT did not advise PNG of the existence thereof in writing as required hereby, then and in that event: a) CLIENT and PNG agree that the scope of services, schedule and estimated fee budget (if any) shall be adjusted as is reasonably necessary, and

b) CLIENT shall indemnify and hold PNG, its officers, directors, agents, servants and employees, harmless from any claim, demand or action brought by any party whomsoever, including employees of PNG, which claim, demand or action is based upon injury or damage caused by said hazardous conditions.

Reporting and Disposal

CLIENT agrees to be responsible for the removal and disposal of any hazardous waste encountered as a result of the site investigation, including drilling fluids and soil, if any, created in the site investigation which may become contaminated as a result of said investigation. CLIENT shall be solely responsible for notifying all appropriate federal, state, local or other governmental agencies of the release or existence of any hazardous, toxic or dangerous materials on or in the Project Site or discovered during performance of the Agreement. If requested by CLIENT, PNG at its option, can agree to notify such agencies on behalf of CLIENT, as CLIENT's agent. CLIENT shall be solely responsible for arranging for and paying the costs to lawfully transport, store, treat, recycle, dispose, or otherwise handle, hazardous or toxic substances or wastes and samples.

Confidentiality

PNG shall hold all information provided to it by CLIENT and the results of the work performed by it confidential and shall not disclose the same to any third party except where required by Governmental regulatory agencies or as otherwise required by law. From time to time PNG uses CLIENT information for reference purposes, and agrees that PNG will not use this information without consent of CLIENT.

Disputes

PNG shall have the right to bring legal action against CLIENT for any sums due or alleged to be due for services rendered. Except for this right, PNG and CLIENT agree that as an express condition of the right of either party to bring legal action against the other, they shall first submit any dispute to mediation through the Arbitration Service of Portland.

In the mediation, each of the parties shall bear its own attorney's fees, costs and other expenses, including the fees and expenses of the mediator appointed by it

In the event that mediation fails, the prevailing party in any other action to enforce or interpret provisions of this Agreement shall be entitled to recover all reasonable fees, costs and expenses, including staff time at current billing rates, court costs and other claim-related expenses. If PNG is requested to respond to any mandatory orders for the production of documents or witnesses on CLIENT's behalf regarding work performed by PNG, CLIENT agrees to pay all costs and expenses incurred by PNG not reimbursed by others in responding to such order, including attorney's fees, staff time at current billing rates and reproduction expenses.

Jobsite Safety

PNG shall be responsible for its activity and that of its employees on the Site. This shall not be construed to relieve the CLIENT, its general contractor or any subcontractor of their obligation to maintain a safe jobsite.

PNG will not direct, supervise or lay out the health and safety measures of the CLIENT, contractor, or any subcontractors. PNG's services will not include a review or evaluation of the adequacy of the contractor's safety measures on or near the Site.

Ownership of Data and Documents

All reports, boring logs, field data, field notes, laboratory test data, calculations, estimates and other documents prepared by PNG shall remain the property of PNG.

CLIENT shall have the right to the use of all data, recommendations, proposals, reports, design criteria and similar information provided to it by PNG ("Information" herein); provided, however, that the information shall not be used or relied upon by any party other than CLIENT, save and except as may be required by the design and licensing requirements of the project for which the Information is provided or action of the courts; further, such use shall be limited to the particular site and project for which the Information is provided.

PNG shall retain permanent records relating to the PNG services for a period of ten (10) years following submittal of PNG's report, during which period the records will be made available to CLIENT upon reasonable notice given by CLIENT and upon payment to PNG of an amount sufficient to reimburse PNG for its necessary and reasonable expenses in making said records available.

Invoices

Invoices will be submitted monthly or at the end of a specified task, and shall be due and payable on receipt, and is past due thirty (30) days from invoice date. A service charge at the rate of eighteen percent (18%) per annum, but not exceeding the maximum rate allowable by law, shall be payable on any amounts that are due but unpaid within thirty (30) days from receipt of invoice. Payment will be applied first to accrued service charges and then to the principal unpaid amount. PNG may, at its option, immediately cease work, refuse to perform further work, or withhold delivery of reports or any other data pending receipt of payment for services rendered.

CLIENT's right to the use of Information is expressly conditioned upon CLIENT's prompt payment to PNG of all sums due under the CLIENT/PNG agreement. In the event of CLIENT's nonpayment or partial payment of said amounts, CLIENT agrees that it shall not use any of the information for any purpose whatsoever and shall return the same to PNG upon demand. CLIENT's right to use the information shall be reinstated once sums due are paid in full.

If CLIENT objects to all or any portion of any invoice, it shall so notify PNG of the same within ten (10) days from the date of receipt of said invoice and shall pay that portion of the invoice not in dispute. The parties shall immediately make every effort to settle the dispute and the disputed portion of the invoice.

Insurance

PNG represents that it now carries, and will continue to carry during the term of the agreement to which these General Conditions are a part, General Liability and Workers Compensation, and that, if requested, PNG shall provide to CLIENT certificates as evidence of the aforementioned insurance.

Governing Law

This Agreement shall be subject to the laws of the state from which services of PNG are procured. Any provisions of this Agreement held in violation of any law shall be deemed stricken and all remaining provisions will remain binding on the parties. The obligations of the parties to indemnify and the limitation on liability set forth in this Agreement shall survive the expiration or termination of this agreement.

PNG Environmental, Inc.

SCHEDULE OF FEES-1999

INTRODUCTION

It is the objective of PNG Environmental, Inc. (PNG) to provide its clients the highest quality professional and technical services and a continuing source of professional advice and opinions. Our services will be provided in accordance with applicable federal, state, and local regulations and generally accepted practices in the Geoscience field.

The Schedule of Fees is subject to adjustment with a 30 day written notice. Charges for our services will be based on the Schedule of Fees in effect at the time the services are provided. When required, contract employees will be billed at standard hourly rates presented below.

HOURLY CHARGES FOR PNG PERSONNEL

PROFESSIONAL STAFF CATEGORIES

Technician	\$50
Staff and Field Geologist/Engineer/Scientist	\$65-\$75
Project Geologist/Engineer/Scientist	\$75-\$85
Senior Geologist/Engineer/Scientist	\$90-\$120

SUPPORT STAFF CATEGORIES

Administrative/ Clerical	\$45
Technical Word Processing	\$45
Drafting	\$50
Project Administrative Assistant	\$45

Expert testimony in depositions or trials, including preparation of materials and meetings in support of the testimony, will be charged at 150% of the above rates.

EXPENSES

1. Field equipment will be charged in accordance with PNG's standard rates. A schedule of equipment rates is available upon request.
2. Subcontractor services, equipment, and materials are charged at cost plus 15%.
3. Travel and subsistence expenses (transportation, room and board, etc.) for individuals on projects requiring travel and/or living expenses away from the principal office are charged at cost plus 15%, or alternatively subsistence can be charged at an agreed Per Diem rate.
4. Vehicles expenses are charged at a rate of 40 cents per mile for personal-owned vehicles traveling between PNG offices and the project site.
5. Other out-of-pocket direct project expenses (administrative, mailing, long-distance telephone calls, reproduction, fax, etc.) are charged at a rate of 10% of project total labor cost.
6. Permits and bonds will be charged at cost.
7. Sales taxes will be charged at the applicable rates.

INVOICES

1. Invoices will be submitted to the client on a monthly basis or at the completion of a specified task, and will show charges for each category of personnel and expense classifications, except for lump sum invoices.
2. Payment is due upon presentation of invoice and is past due thirty (30) days from invoice date. In the event that the Client fails to pay any payment to PNG when due, PNG may immediately cease work hereunder until said payment, together with a service charge at the rate of eighteen percent (18%) per annum (but not exceeding the maximum allowed by law) from the due date, has been received. Further, PNG may at its sole option and discretion refuse to perform any further work irrespective of payment from Client in the event Client fails to pay PNG for services rendered when said payments are due.
3. Attorney's fees or other costs incurred in collecting any delinquent invoice shall be paid by the Client.

PNG ENVIRONMENTAL, INC.

November 23, 1999

938-01

Mr. George Scott, Executive Director
The Port City Development Center
1847 East Burnside
Portland, Oregon 97214-1533

Subject: **Phase I Environmental Site Assessment**
Former Manufacturing Facility
2110-2156 North Williams Avenue
Portland, Oregon

Dear Mr. Scott:

Attached please find three copies of the Phase I Environmental Site Assessment (ESA) for the subject property, prepared by PNG Environmental, Inc. (PNG). PNG appreciates the opportunity to work on this important project. If you have any questions or comments, please contact the undersigned at (503) 620-2387.

Sincerely,

PNG ENVIRONMENTAL, INC.



Paul Ecker, R.G.
Project Manager



Nick Varnum, R.G.
Senior Geologist

Attachments: Phase I ESA Report

PHASE I ENVIRONMENTAL SITE ASSESSMENT

Former Manufacturing Facility
2110 - 2156 North Williams Avenue
Portland, Oregon

Prepared for:

PORT CITY DEVELOPMENT CENTER

1847 East Burnside Street
Portland, Oregon 97214

Prepared by:

PNG ENVIRONMENTAL, INC.

Project 938-01

November 23, 1999

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EXECUTIVE SUMMARY

PNG Environmental, Inc. (PNG) conducted a Phase I Environmental Site Assessment (ESA) at the subject property. The project site is located at 2110-2156 North Williams Avenue, between Thompson and Tillamook Streets in Portland, Oregon. The unoccupied site covers approximately 0.5 acres, and includes three industrial-use buildings. The following summary is intended for introductory and reference use only, and should not be relied upon without reading this report in its entirety.

Site Description

The site includes three buildings and four physical addresses (2110, 2124, 2152, and 2156 North Williams), covering two contiguous tax parcels. The site is currently unoccupied, but portions of the northern and southern buildings are used for storage. The southern warehouse building (2110 North Williams) was constructed as an addition to the older adjoining manufacturing building (2124 North Williams). The other industrial building (2152-2156 North Williams) is located on the northwestern corner of the site. All three buildings include office space. Paved storage and parking areas are located on the central and southern portion of the site. The eastern margin of the site, which borders several residential properties, is a narrow unpaved lot extending from NE Tillamook to NE Thompson Street.

Site History

The site was originally developed for residential use around 1900. In 1901, at least eight residences were located on the site. Industrial development began in 1926, with the construction of the main manufacturing building at 2124 North Williams. This building was used for metal fabrication and furniture making until purchased by the former owners for use as Wagstaff Battery Manufacturing in the early 1960s. The manufacturing building was occupied by Wagstaff until the mid-1990s. A concrete tilt-up warehouse was added to the southern portion of the Wagstaff manufacturing building in the early 1970s, and was leased to several manufacturing-use tenants through the 1990s. The northern site building was constructed in the 1930s and has been occupied by industrial-use tenants since that time. All residences had been removed from the site by the early 1980s. The vacant site was purchased by its current owner, Port City Development Center, in September 1998.

Geology and Hydrogeology

The site is located on a considerable thickness of unconsolidated silts, sands, and gravels associated with the Portland Basin. The sediments are underlain by the Columbia River Basalt Group. No site-specific groundwater evaluation has been conducted, but local water well logs indicate that first occurring (perched) groundwater is expected within approximately 50-75 feet of the ground surface. Productive water wells are installed in the regional Troutdale Aquifer at depths greater than 100 feet below ground surface (bgs).

Environmental Records Review

The subject site is located in a mixed industrial- and residential-use neighborhood. PNG's research identified numerous off-site facilities within approximately one mile of the subject site where contamination sources are known and suspected to exist. PNG's review of available information indicates that none of the nearby facilities appears to pose a significant risk of environmental impairment to the subject property because of their distances and positions relative to the site, and because the depth to groundwater in the site vicinity appears deep enough to minimize contaminant migration to the site.

PNG's research indicates that the subject property has a high potential for adverse environmental impact from historical operations. This judgment is based on known and potential impacts from historical industrial use on the site dating to 1926. Regulatory actions and cleanup activities identified to date include:

Regulatory Actions

- The site came under Oregon Department of Environmental Quality (DEQ) scrutiny beginning in 1992 for potential lead dust contamination and hazardous waste generation associated with the battery manufacturing operations.
- In 1993, the site was added to the DEQ's Environmental Cleanup Site Information System. Independent assessment and cleanup activities began at the site in 1993.
- The site was placed on DEQ's Confirmed Release List in 1997 and the site owners entered into the DEQ's Voluntary Cleanup Program in an effort to expedite regulatory review and closure during property sale negotiations.
- The current site owners (PCDC) agreed to the terms of a Prospective Purchaser's Agreement with the DEQ in September 1998. The PPA requires PCDC to conduct various assessment and cleanup actions under DEQ oversight, as necessary, during site redevelopment and future site operations.

Cleanup Activities

- A 1,000-gallon gasoline UST was decommissioned in 1993. No evidence of a release from the UST was identified.
- Lead-contaminated soil from the on-site drywell area was excavated, treated, and returned to the excavation between 1993 and 1995.
- In 1997, nearly 300 cubic yards of lead-contaminated soil from the on-site drywell area was re-excavated and disposed at an approved landfill in Arlington, Oregon.
- Small volumes of accessible highly contaminated soils were manually removed from two interior sump locations in 1997. Residual lead and hydrocarbon contamination exists in the Sump 1 area beneath the northeastern margin of the main building. A small volume of lead-contaminated soil also remains in place beneath the eastern portion of the building, near the former drywell location.

Conclusions and Recommendations

PNG's review of historical site operations indicates that several areas of environmental concern are known and suspected to be present at the site. Note that the Prospective Purchaser Agreement requires DEQ review and approve of all investigation and development plans for the site. PNG recommends that the following site-specific issues be considered:

- Conduct a subsurface exploration in the paved yard area located between the two manufacturing buildings, including the area near the former pasting room, to evaluate former battery manufacturing practices.
- Conduct a subsurface exploration in the paved yard areas located to the east and west of the southern building (Building 1A) to evaluate potential releases associated with historical operations, including the former plating facility.
- Conduct a subsurface exploration in the areas of Sump 1/1A and Sump 2, depending on development plans for the site.
- Sample and test interior and exterior building surfaces for lead to evaluate worker safety requirements during renovation and demolition, as well as demolition debris disposal issues.
- Sample and test potential asbestos-containing building materials (overhead ducting and potential asbestos floor tiles in Buildings 1B and 2) to evaluate worker safety and demolition disposal issues.

- Conduct a geophysical survey using ground-penetrating radar and an electromagnetometer to attempt to locate underground structures (e.g., USTs, septic systems, trenches, and drywells).
- Consider a groundwater characterization study to (1) attempt to determine if previous site operations affected groundwater quality in an effort to establish potential liabilities; and (2) provide a baseline of groundwater quality at this time, for possible comparison to future studies conducted by site tenants, site owners, or other property owners.

1 INTRODUCTION

1.1 PURPOSE AND SCOPE

PNG Environmental, Inc. (PNG) performed a Phase I Environmental Site Assessment (ESA) at the former Wagstaff Battery Manufacturing Facility, located at 2110 – 2156 North Williams Avenue in Portland, Oregon (Figure 1). The purpose of the Phase I ESA was to document current and historical information on-site and vicinity property usage, to evaluate the risk of adverse environmental impact to the site based upon those usages, and to identify “recognized environmental conditions” as defined by the American Society for Testing and Materials (ASTM). The project conforms to general standards established in 1997 by the ASTM (ASTM E-1527-97). The scope of work for the Phase I ESA includes:

- A physical reconnaissance of the site and observation of surrounding properties for unusual land colorations, stressed vegetation, physical irregularities, and noticeable refuse piles as well as an observation of current land use in the immediate vicinity.
- A review of available information on the soils, geology, and hydrogeology in the vicinity of the site.
- A review of available environmental documentation for the site and vicinity properties from local, state, and federal environmental agencies.
- A review of available historical data pertaining to site and adjacent property use.
- A review of available prior environmental assessment reports conducted at the subject property.
- A review of the information obtained and an assessment of the potential for impact by toxic, hazardous, or otherwise regulated materials.

2 SITE DESCRIPTION AND RECONNAISSANCE

2.1 GENERAL SITE DESCRIPTION

The subject site covers approximately 0.5 acres located on the east side of North Williams Avenue, between NE Thompson and Tillamook Streets, in Portland, Oregon. The site includes three buildings and four physical addresses (2110, 2124, and 2152-2156 North Williams), covering two contiguous tax parcels. The site is located in the northeast quarter of Section 27, Township 1 North, Range 1 East, of the Willamette Meridian, in Multnomah County.

At the time of PNG's site visit on November 10, 1999, the subject site was unoccupied. The site is located along the eastern frontage of North Williams Avenue, a major local industrial arterial street. Northeast Thompson and Tillamook Streets, which border the site to the north and south, respectively, are primarily residential streets. The site surrounds a single-family residence on three sides along NE Thompson Street; that residence address is 20 NE Thompson.

2.2 SITE RECONNAISSANCE

PNG personnel conducted a site reconnaissance on November 10, 1999. Access to the site was provided by Mr. George Scott, Executive Director of Port City Development Center ("PCDC," the current site owner). Figure 2 provides a site plan for the primary observed (and historical) site features. Photographs of major site features are presented as Appendix A. The investigation was conducted on foot. The following observations were noted:

2.2.1 Buildings

Three buildings are present on the subject site. No basement areas were identified in any of the site buildings. From south to north, the buildings are described below.

Building 1A - 2110 N. Williams. This concrete tilt-up building was constructed as an addition to the site's main manufacturing building (2124 N. Williams) in approximately 1970 (see Sections 3.2 and 3.4). A large doorway joins this building with the main manufacturing building to the north (Building 1B). This building appears to have been used primarily as a warehouse and shipping facility. The building includes open floor space covering approximately 4,750 square feet. PNG observed that portions of the concrete floor were discolored. A small loft formerly used for offices, and two restrooms on the ground level, are located on the southern margin of this building. A strip drain was observed in the central portion of the building's concrete floor, draining westwards into a paved loading dock area. At the time of PNG's visit, the warehouse was being used for storage of bulk clothes hangers and boxes belonging to PCDC (Photo 1, Appendix A). The warehouse opens to a covered and paved loading dock to the west. The loading dock was occupied by equipment and supplies which, according to Mr. Scott, belonged to a landscaping contractor and current tenant. The southwestern portion of the adjoining paved parking area was used for limited vehicle storage by a garbage hauler, a second tenant.

Building 1B - 2124 N. Williams. This vacant, L-shaped wood-frame building was the main manufacturing facility at the site, and was originally constructed beginning in 1926. The original site address was 452-454 N. Williams, according to building permit records (see Section 3.4). The concrete-floored single-story building covers approximately 8,200

square feet. The west-central portion of this building (approximately 500 square feet) was used for office space. All manufacturing equipment had been removed from the building at the time of PNG's visit (Photo 2). Some newer overhead ducting remained in place, and portions of an older ducting system, including numerous roof vents, are also present. PNG observed dust throughout much of the manufacturing area (Photo 3). Much of the floor in the manufacturing area is discolored and pitted. A subfloor structure resembling a covered trench was observed along the southern margin of the manufacturing area. Portions of this trench were covered with wood planking; eastern portions of the trench were paved. The use and specific location of the trench were not determined by PNG. Metallic splatter was observed on a portion of the southern wall, west of the doorway to Building 1A (Photo 4).

An interior loading dock area (referenced as the "pasting room" in previous reports; see Section 3.8) is located immediately north of the office, with a door opening to N. Williams. A catch basin ("Sump 2;" see Section 3.8) is located in the concrete floor of this loading area (Photo 5). A second small in-floor structure (approximately one square foot) is located north of the catch basin along the north wall of this room. The small structure appears to provide access to a subfloor water valve (Photo 6). Because there was no lighting in this area, PNG did not determine whether this structure had a sealed bottom surface. Overhead ducting is present in this area.

A processing room is located east of this loading bay area, in the northern portion of the building. The concrete floor in this area of the building is severely pitted and degraded. Two catch basins ("Sump 1" and "Sump 1A") are located in the north-central portion of this area, both in corroded and poor condition (Photo 7). Pavement surrounding the two catch basins appeared to have been patched asphalt in poor condition, and was covered with a yellow crust. The western catch basin is covered by a rectangular steel lid measuring approximately two by three feet, and the basin itself is circular. This resembles "Sump 1" as photographed in the 1997 InterMountain West Report (Photo 8; also see Section 3.8.4). A second, larger catch basin is located approximately ten feet east of the first. This second basin measured approximately four by six feet, with a steel grate below grade (Photos 7 and 9). PNG did not determine whether the basin floor surfaces were sealed. Sump 1A was photographed during a 1992 DEQ site inspection, and appears to have been used to contain acids and process wastewater during the battery manufacturing and repair operations (Section 3.8.1 and Appendix H). Sheets of degraded plywood covered the floor along the northeastern wall of the building. Two large exhaust fans are located along the eastern wall of this area. Several patched holes in the floor, resembling previous drilling locations, are located west of the southern exhaust fan.

A wooden loft of approximately 2,000 square feet (Photo 2) was added to the western portion of this building in 1941. The loft appears to have been used for storage, office space, a kitchen, and locker room areas. A paved yard area is located north of the loading bay area, immediately south of Building 2 (described below).

Building 2 – 2152-2156 N. Williams. This masonry-frame building ("Building 2") was constructed in the late 1930s (Section 3.4). Original plans show the building measures 67 feet by 70 feet (4,690 square feet). A small empty office area covering approximately 300 square feet is located in the northwestern corner of the building (2156 N. Williams). The L-shaped former shop area has a concrete floor, with a bay door access near the northeast and southeast building corners (2152 N. Williams). At the time of PNG's site visit, approximately 70% of the building was used for storage of what appeared to be bulk shoe boxes (Photo 10). Two exhaust chimneys are present near the center of the building, one of masonry construction and the other of sheet metal (Photo 11). The furnace or boiler system was not accessible during PNG's visit. PNG's interior

observations were limited because the building's lighting system was inoperative, and numerous stacked boxes covered most of the shop's floor area. PNG observed one indoor catch basin in the northeast corner of the former shop area (Photo 12). This basin was referenced in previous reports as "Sump 3" (see Section 3.8). The floor surface surrounding the catch basin was cracked and discolored. A fenced and paved yard area separates Building 2 from Building 1B to the south.

2.2.2 Fuel Storage Tanks

No above ground fuel storage tanks (ASTs) were observed on the site. No visual evidence of underground fuel storage tanks (USTs), such as fill or vent pipes, was observed by PNG. One 1,000-gallon gasoline UST was formerly located in the parking area immediately west of the warehouse (Building 1A). According to a report provided to PNG from the former property owner, Mr. Charles Hindman, the UST was decommissioned by removal in 1993. Portland Fire Marshal records also confirm the removal of the single UST in 1993. No evidence of a release from the UST was reported. UST closure records are provided as Appendix B.

A single-family residence at 20 N. Thompson Street is located between Building 2 (to the west) and the on-site grass yard (to the east), although the residence is excluded from the subject property. PNG observed vent and fill piping; this is likely associated with a basement heating oil AST along the western wall of this residence.

2.2.3 Chemical Materials

The site is currently vacant, and appears to be used only for storage. Although PNG did not identify evidence on the site indicating current generation or storage of chemical materials, the site's historic industrial operations since the 1920s are consistent with significant chemical use and on-site disposal. PNG's historical review (Section 3) indicates that former operations included battery manufacturing and recycling, metal plating, cabinet manufacturing, air compressor repair, gas station equipment sales and repair, upholstery and furniture manufacturing, metal fabrication, and range manufacturing.

Based on the site's historical operations, it is likely that numerous chemical materials and wastes were used and generated on-site. Some wastes, including fuel hydrocarbons, acids, and lead, are known to have been incorporated into liquid wastes and disposed in the on-site drywell during the 1970s and 1980s. Other chemical materials are suspected to have been used on-site based on normal manufacturing processes. Additional chemicals of potential concern (COPCs) include parts cleaners and solvents, paints/varnishes, and plating metals.

2.2.4 Refuse and Debris

PNG observed several areas of refuse and debris on the southern portion of the site. One of the site tenants is storing miscellaneous equipment and materials in the paved loading dock area west of Building 1A. These materials include small volumes of paints and lubricants and exposed mechanical equipment. Landscaping supplies and wastes are also stored in the southeastern portion of the site on paved and unpaved surfaces.

2.2.5 Site Drainage

The subject site is located on flat-lying urban topography. Surface drainage appears to be directed towards the surrounding roadways (Williams, Thompson, and Tillamook

Streets). The southeastern corner of the site is elevated approximately five feet above NE Tillamook Street.

Interior drainage and wastewater in Building 1B was directed into sumps, which discharged to an on-site drywell between approximately 1970 and 1991. According to a Phase I ESA conducted by Technical Action Group (TAG) in 1992, historical wastewater discharges from the battery manufacturing facility (Building 1B) were released onto surrounding surfaces which drained to N. Williams Avenue (Section 3.8.1). Charles Hindman disputed TAG's statement, and told PNG that wastewater discharges prior to installation of the drywell in 1970 were directed into the city sanitary sewer. Mr. Hindman stated that the catch basin located in Building 2 ("Sump 3") has always discharged to sanitary sewer.

2.2.6 Fill Areas

PNG observed recent end-dumped soil and rock material in the yard area on the eastern portion of the site. The fill appeared to be associated with the landscaping tenant's business, and included approximately 20- to 30-cubic yards of material. No other evidence of recent fill activity was identified on the site.

2.2.7 Water Wells and Water Service

Water service at the site is provided by the City of Portland. According to Mr. Todd Aschoff of the Portland Water Bureau (823-7368), no records were available indicating the original date of water connection. PNG did not identify visual evidence of any water wells at the subject site. PNG conducted a review of available local water well logs through the Oregon Water Resources Department, and no domestic wells within approximately one-mile of the site were identified.

2.2.8 Sewer and Septic Systems

No septic systems are known to be located at the site. According to Mr. Scott Bryan of the Portland Bureau of Environmental Services (823-7761), the main manufacturing building at 2124 N. Williams (Building 1B) was originally connected to city sanitary sewer in the 1920s, and then expanded on NE Tillamook (for Building 1A) in 1970. Mr. Bryan said that sanitary service for 2152-2156 N. Williams (Building 2) was first installed in 1926. Mr. Bryan said that he did not identify any information describing or permitting industrial wastewater discharge for any of the site addresses.

2.2.9 Electrical Utilities and Transformers

Electrical service is provided to the site by Pacific Power (PP&L) from power poles located along the east side of N. Williams Avenue. Two power poles abutting the site support a total of five electrical transformers. Pole number 0101/277313 is located southwest of Building 2, and carries transformers 22-28680-NMT50, 22-23954-25, and a third unit that could not be identified. Pole number 0101/277314 is located west of Building 1B, and carries transformers 22-35787, 22-35788, and 22-35789, all of which included blue labels identifying them as non-PCB containing transformers. In addition to the service power lines described above, high-power transmission electrical lines border the site along N. Williams.

As specified by EPA regulations (40 CFR 761.30), any release of PCB-containing oil from electrical transformers, should any be present, would be the responsibility of the transformer owner (PP&L).

2.2.10 Surface Vegetation

Surface vegetation can be indicative of subsurface conditions, and may show signs of stress where contaminants have been discarded. On-site vegetation was limited to grass and blackberry brush around the north and east sides of Building 1B, and grass located on the vacant parcel immediately east of Building 2. No unusual or stressed vegetation was observed by PNG.

2.2.11 Adjoining Properties

Surrounding and vicinity usage consists of mixed industrial and residential properties (see Figure 2). The site surrounds a single-family residence on three sides along NE Thompson Street; that residence address is 20 NE Thompson. Other than a basement heating oil AST at the adjoining residence, no obvious evidence of operating ASTs or USTs was noted near the site, and no obvious spillage or storage of chemicals was observed at adjoining properties.

3 SITE HISTORY

The site history was documented through a review of tax assessment records, historical aerial photographs, historical maps, fire department records, building permit records previous site assessment reports, and personal interviews.

3.1 TAX ASSESSMENT RECORDS

Multnomah County Tax Assessment records indicate the subject property is described as Accounts R-00960-8230 (2110-2124 N. Williams Avenue) and R-00960-8270 (2156 N. Williams Avenue). Tax Lots include 1N1E27DA-10400 and -13400, respectively. The site is currently owned by The Port City Development Center. Tax Assessment information is presented in Appendix C.

3.2 AERIAL PHOTOGRAPH REVIEW

PNG reviewed aerial photographs in an effort to identify the history of development at the site and the surrounding area. The reviewed photographs cover the years 1936, 1944, 1948, 1955, 1959, 1963, 1970, 1972, 1979, 1986, 1991, and 1999. A discussion of the photos is presented below. References to street names, addresses, and occupants are summarized in Section 3.3. Aerial photographs from selected years are attached in Appendix D. Obvious site features are also illustrated on the Site Plan (Figure 2).

1936

In the 1936 aerial photograph, the subject site is occupied by several buildings in a developed urban setting. Buildings include what appear to be two residences along NE Tillamook Street, the main (L-shaped "Building 1B") manufacturing building at 2124 N. Williams Avenue, a residence immediately north of the manufacturing building, and approximately two additional residences fronting NE Thompson Street. The corner lots at Tillamook/Thompson and N. Williams appear to be vacant. Surrounding and vicinity properties are residential and commercial/industrial in use but cannot easily be resolved in this photograph.

1944

A large square industrial-type building has been constructed on the northwest corner of the site (2152-2156 N. Williams). A structure resembling a billboard is located on the southwest corner of the site. Five residential-type buildings are located elsewhere on the site, in the locations described above. Trees are visible along the eastern margin of the site. No obvious changes to the surrounding area are visible.

1948

An industrial-type building has been constructed west of the site, along the western margin of N. Williams Avenue. No other obvious changes to the site or surrounding area are visible.

1955

No obvious changes to the site or surrounding area are visible.

1959

Additional development continues in the site vicinity. No obvious changes to the site are visible.

1963

Interstate-5 has been constructed approximately three blocks to the west of the site. No other obvious changes to the site or surrounding area are visible.

1970

The two residences along NE Tillamook Street, on the southern margin of the site, have been removed and replaced by the southern expansion of the site's main manufacturing building. This new warehouse building (currently addressed as 2110 N. Williams) is bordered by open yard areas to the east and west. No other obvious changes to the surrounding area are visible.

1972

The 1972 photo clearly shows the recent warehouse addition described above. An awning has been installed in the paved loading dock (western) portion of the warehouse. A small yard area, which appears to be associated with outdoor storage for the industrial building (2124 N. Williams), is located along the northern margin of that building, immediately south of the residence (2142 N. Williams). The yard area to the east of the main building appears to be unpaved.

1979

The 1979 photo shows that the 2142 N. Williams residence had been removed, and replaced by a cluttered outdoor storage yard. Discolored or wet surfaces are visible in this yard area, located between the site's two industrial-use buildings. The residence formerly located on the northeastern corner of the site has been removed. The eastern portion of the site is completely cleared, with the southeastern corner by the warehouse being used for vehicle access or loading. A small unidentified solitary structure is located on the central eastern margin of the site.

1986

A large circular dark-discolored area is located immediately east of the center portion of the main building, in the vicinity of the (former) drywell. Small objects continue to be located in the storage yard between the site's two manufacturing buildings. The industrial-type building to the west of the site (on the west side of N. Williams Avenue) has been expanded southwards to Tillamook Street. No other obvious details are visible in this small-scale photograph.

1991

The 1991 photo shows that the yard area east of the warehouse appears to have been paved. The circular area east of the main building appears light-colored in this photo. The yard area between the two manufacturing buildings appears to be used for parking or loading. No other obvious changes to the site or surrounding areas are visible.

1999

A small circular dark-discolored area is present near the northeastern corner of the southern warehouse building (Building 1A). No other obvious changes to the site or surrounding areas are visible.

3.3 HISTORIC CITY DIRECTORIES

PNG reviewed available historic City Directories covering the subject site in an effort to identify current and former site occupants. PNG reviewed the published City Directories at the Multnomah County Library, covering the years 1920, 1925, 1930, 1935, 1940, 1943-44, 1950, 1955, 1960, 1961, 1962, 1965, 1970, 1975, 1980-81, 1985, 1990, 1995, and 1998-99. Site occupants and historic site addresses are summarized below.

ON-SITE ADDRESSES & OCCUPANTS NORTH WILLIAMS AVENUE

DIRECTORY DATE	ADDRESS	OCCUPANT
1998-99	2110 N. Williams	Resource Revival (recycled materials re-manufacturing)
	2124 N. Williams	Wagstaff Battery & Service
	2156 N. Williams	American Relocation Managers
1995	2110 N. Williams	Adam Systems Inc. Portland Plating Co.
	2124 N. Williams	Wagstaff Battery Manufacturing
	2156 N. Williams	Amtcor Western Inc.
1990	2124 N. Williams	Wagstaff Battery Manufacturing
	2156 N. Williams	Industrial Battery Co.
1985	2124 N. Williams	Wagstaff Battery Manufacturing
	2156 N. Williams	Vacant
1980-81	2124 N. Williams	Wagstaff Battery Manufacturing
	2156 N. Williams	Vacant
1975	2124 N. Williams	Wagstaff Battery Manufacturing
	2156 N. Williams	Wood Arts Co. (cabinetmakers)
1970	2124 N. Williams	Wagstaff Battery Manufacturing
	2142 N. Williams	Vacant
	2156 N. Williams	A. Lister Co. Air Compressors (distribution and repair)
1965	2124 N. Williams	Wagstaff Battery Manufacturing
	2142 N. Williams	Otto C. Oliver
	2156 N. Williams	A. Lister Co. Air Compressors (distribution and repair)
1962	2124 N. Williams	Wagstaff Battery Manufacturing
	2142 N. Williams	Otto C. Oliver
	2156 N. Williams	A. Lister Co. (gas station equipment)

1961	2124 N. Williams	Vacant
	2142 N. Williams	Otto C. Oliver
	2156 N. Williams	A. Lister Co. (gas station equipment)
1960	2124 N. Williams	Portland Lounge & Chair Co. (upholstery & furniture manufacturing)
	2142 N. Williams	Otto C. Oliver
	2156 N. Williams	A. Lister Co. (gas station equipment)
1955	2124 N. Williams	Portland Lounge & Chair Co. (upholstery & furniture manufacturing)
	2142 N. Williams	Lorenzo Hunter
	2156 N. Williams	Portland Lounge & Chair Co. (warehouse)
1950	2124 N. Williams	Portland Lounge & Chair Co. (upholstery & furniture manufacturing)
	2142 N. Williams	Mrs. M. E. Bryant
	2156 N. Williams	Portland Lounge & Chair Co. (warehouse)
1943-44	2124 N. Williams	Portland Lounge & Chair Co. (upholstery & furniture manufacturing)
	2142 N. Williams	Mrs. M. E. Bryant
	2156 N. Williams	Acme Metal Works
1940	2124 N. Williams	Portland Lounge & Chair Co. (upholstery & furniture manufacturing)
	2142 N. Williams	Mrs. M. E. Bryant
	2156 N. Williams	Acme Metal Works
1935	2124 N. Williams	Ramke & Grass (upholstery)
	2142 N. Williams	Vacant
	2148 N. Williams	Mrs. Sine M. Tuggle
1930	452 N. Williams	Acme Metal Works, Inc. Theo A. Newholm (public accountant) Oregon Range Manufacturing Co.
	458 N. Williams	Vacant
	460 N. Williams	Arthur Bourgo
	462 N. Williams	Mrs. Clara Anderson
1925	No listing by street (Acme Metal Works is listed at 475 N. Williams, north of Eugene (Thompson) Street)	n/a

ON-SITE ADDRESSES & OCCUPANTS

(offsite in italics)

NE THOMPSON (Formerly Eugene Street) and NE TILLAMOOK STREETS

DIRECTORY DATE	ADDRESS	OCCUPANT
1990	20 NE Thompson <i>(excluded from site)</i>	Eddie Mears, Attorney
	NE Tillamook	No on-site addresses
1980-81	14 NE Thompson	Farris Collins
	20 NE Thompson	Wm. N. Bowen
	NE Tillamook	No on-site addresses
1970	14 NE Thompson	James Coleman
	20 NE Thompson	Wm. N. Bowen
	26 NE Thompson	Vacant
	13 NE Tillamook	Mrs. Lottie Powell
1960	14 NE Thompson	James Coleman
	20 NE Thompson	Wm. N. Bowen
	26 NE Thompson	Dennis Albert
	13 NE Tillamook	Carl Powell
	23 NE Tillamook	Roy V. Blair
1950	14 NE Thompson	James Coleman
	20 NE Thompson	Susan F. Lum
	26 NE Thompson	Mrs. M. E. Banks Roosevelt Lewis
	13 NE Tillamook	Carl Powell
	23 NE Tillamook	R. V. Blair
1940	14 NE Thompson	Frank Janisch
	20 NE Thompson	Edward L. Keins
	26 NE Thompson	Vacant
	13 NE Tillamook	RV Winchester (building contractor)
	23 NE Tillamook	Roy V. Blair
1930	286 Eugene (to become 14 NE Thompson)	Frank J. Janisch Anton F. Usselman
	288 Eugene (to become 20 NE Thompson)	Edward L. Keins

1930 (cont.)	290 Eugene (to become 26 NE Thompson)	Robert T. Spitznagel
	287 Tillamook (to become 13 NE Tillamook)	John F. Herrold Joseph G. Howe (watchmaker)
	291 Tillamook (to become 23 NE Tillamook)	Roy Blair

3.4 BUILDING PERMITS AND PLANNING RECORDS

PNG identified numerous building permit records and plans for the subject site at the City of Portland's Permit Center. The permit files included the following items, some of which are presented in Appendix E:

BUILDING 1A - 2110 N. Williams

- Original building permit for the 50' x 95' concrete tilt-up building dated February 20, 1970.

BUILDING 1B - 2124 N. Williams (originally 452-454 N. Williams)

- Original construction permit, dated November 26, 1926.
- Other miscellaneous permits for balcony/loft construction (1941); parking lot paving in 1962 (34' x 85') and 1972; fence installation (1967 and 1974); and exhaust system modification (1989).
- Construction plans for exhaust system modification (1989).

BUILDING 2 - 2156 N. Williams (originally 2152-2156 N. Williams)

- Original building plans attached to construction bid documents for "Garage Building," April 1936.
- Other miscellaneous permits for change of occupancy to cabinet shop (1971).

3.5 SANBORN FIRE INSURANCE MAPS

PNG subcontracted a search for Sanborn Fire Insurance Maps covering the subject site. The Sanborn map search was performed by Environmental Data Resources, Inc. (EDR, Southport, Connecticut). According to EDR documents, Sanborn Fire Insurance Maps covering the site were published for the years 1901, 1909, 1924, 1950, and 1969. The available maps are described below and are presented as Appendix F.

1969

The most recent (1969) available Sanborn Map shows the site's two manufacturing buildings (Buildings 1B and 2) in their current locations at 2124 and 2152-2156 N. Williams Avenue. The use of the 2124 address is illustrated as "Battery Manufacturing," and the map illustrates the L-shaped original building before the addition of the warehouse (Building 1A). The map indicates that the 2152 address includes the larger manufacturing portion of Building 2; the 2156 address is for the office portion of the same building. Rectangular structures in the shop area are described by an EDR representative as wired glass skylights. The 1969 map shows that Building 2 was used for "Gas Station Equipment

Service." A total of four residences were located on the site including one immediately south of Building 1B (13 NE Tillamook); one between Building 1B and Building 2 (2142 N. Williams), and three to the east of Building 2 (14 NE Thompson, 20 NE Thompson (excluded from the site), and 26 NE Thompson). Vacant lots were located on the southeast and southwest corners of the site, and between Building 1B and the residence to its north.

1950

The 1950 map shows that the 2124 N. Williams building was used as a "furniture factory and upholstering" facility, with a furniture warehouse located in the northern portion of the building. Building 2 is shown to have been used for "furniture upholstering." A total of five residences are illustrated on the site, including 13 NE Tillamook (south of Building 1B) and 23 NE Tillamook (southeast of building 1B); 2142 N. Williams; and 14, 20 (excluded), and 26 NE Thompson.

1924

The site was not occupied by any large manufacturing facilities in 1924. At that time, the area's street numbering system was different from the current system, and NE Thompson Street was named Eugene Street. A total of seven residences are shown on the site, including 287 and 291 Tillamook (later 13 and 23 NE Tillamook); 458, 460, and 462 N. Williams; and 286, 288 (excluded), and 290 Eugene (later 14, 20, and 26 NE Thompson).

1909

The site configuration in 1909 is similar to that described in 1924. A small unidentified structure (not labeled as a residence) was located at 452 N. Williams, near the center of the current Building 1B.

1901

In 1901, a total of five main structures were present on the site, with associated small garages and sheds. A residence was located at 287 Tillamook, with another building (likely to be a garage or stable) on the same parcel with an address of 287 ½ Tillamook. The small structure at 452 N. Williams was present, as was the residence at 458 N. Williams. One residence was present along the north margin of the site, at 290 Eugene. Other lots on the site were vacant at this time.

3.6 FIRE DEPARTMENT RECORDS

According to a representative of the City of Portland Fire Marshal's Department, the only record for the subject property was a permit filed in 1993 for decommissioning one 1,000 gallon unspecified fuel UST. Details regarding the UST decommissioning are provided in Section 5.2.2 and Appendix B.

3.7 PERSONAL INTERVIEWS

In addition to personal interviews conducted during the preparation of this report and cited in the report, PNG provided written environmental use and history questionnaires to Mr. George Scott of PCDC (the current site owner), and to Mr. Charles Hindman (the former site owner). Copies of the questionnaires are provided in Appendix G. Both Mr. Scott and Mr. Hindman acknowledged the historical use of the site for industrial battery manufacturing. Mr. Hindman added that on-site chemical use included solvents and paints, and storage and use of industrial (55-gallon) drums. See Section 3.8 and Appendix G for more detail.

3.8 PREVIOUS ENVIRONMENTAL ASSESSMENT REPORTS

3.8.1 DEQ File Review

PNG reviewed available documents at DEQ's Northwest Region office in an effort to determine site usage history and the site's regulatory status. Copies of selected documents obtained from DEQ's ECSI file for the site are attached in Appendix H. Additional details regarding the site's regulatory status are provided in Section 5.

According to DEQ files, Wagstaff Battery Manufacturing Company manufactured industrial batteries on the site between the 1960s and 1991, using antimony, arsenic, cadmium, and lead as main constituents. The manufacturing operation ceased in 1991, switching to battery service and repair between 1991 and approximately 1996, when business operations at the site ceased altogether. DEQ reported that Wagstaff produced approximately 800 batteries per year in 1973, using 240 tons of lead ingot. In 1986, a DEQ Air Quality inspector reported similar site operations, with estimated annual production of 500 batteries from 70 tons of lead and 100 tons of lead oxide. Wagstaff notified DEQ in 1991 that all battery manufacturing at the site had ceased. At the time of a DEQ inspection in 1992, the facility used four above ground sulfuric acid storage tanks, located in the northeastern portion of the building (Building 1B). Total acid storage capacity was reported by DEQ to be 3,200 gallons. Wastewater associated with process acids, metals, sludges, and other materials was routinely discharged to two sumps in the building. Prior to approximately 1972, the sumps were reportedly connected to the municipal sanitary sewer. In approximately 1972, the sumps were re-plumbed to a 15-foot deep on-site drywell, located immediately east of Building 1B, according to a construction drawing of the drywell dated April 5, 1972 (Appendix H). The environmental permitting history of the site was described in DEQ's File Review Memo dated June 19, 1997 (Appendix H).

DEQ conducted site inspections in 1992 and 1994, documenting several issues of environmental concern at the site, including the historical drywell usage, storage of potentially hazardous materials and wastes in outdoor yard areas, interior and exterior lead dust emissions, and the presence of an out-of-service gasoline UST. Based on this information, the site was added to the DEQ's suspected release list (the Environmental Cleanup Site Information (ECSI) System) in September 1993. On April 7, 1997, the property owner, Mr. Charles Hindman, entered the DEQ's Voluntary Cleanup Program in an effort to expedite Agency review and regulatory closure for the site. The site was added to the DEQ's Confirmed Release List on July 23, 1997, and a conditional No Further Action decision was issued for the site on February 24, 1998. The NFA acknowledged the presence of residual lead-contaminated soil at Sump 1 and beneath the eastern portion of Building 1B, adjoining the former drywell. The NFA indicated that lead dust was not a contaminant of concern for shallow outdoor soils at the site. The property was then sold to Port City Development Center on about September 2, 1998. PCDC signed a Prospective Purchasers Agreement (PPA) with the DEQ on September 10, 1998, agreeing to various environmental notification and cleanup obligations associated with future use of the site.

Additional regulatory details are provided in Section 5.

3.8.2 Phase I Environmental Site Assessment (Technical Action Group, Inc., May 1992)

Mr. Hindman provided PNG with a copy of a Phase I ESA conducted at the site by Technical Action Group, Inc. (TAG), dated May 24, 1992. At the time that work was conducted, the Wagstaff Battery Manufacturing facility was in operation. The Phase I ESA report concluded that several issues of environmental concern were identified, and recommended further characterization as summarized below. A copy of the TAG report is presented as Appendix I.

1. Lead- and acid-containing wastewater was historically discharged into the on-site drywell, located immediately east of Building 1B. Subsurface characterization was recommended in this area.
2. Indoor sumps were used to hold and discharge wastewater to sanitary sewer and to the on-site drywell. Subsurface characterization was recommended in these areas.
3. The 1,000-gallon gasoline UST was reported to be out of service in 1992. TAG recommended decommissioning the UST.
4. TAG stated that Wagstaff had discharged or spilled acidic wastewater onto the site surface, draining towards N. Williams Avenue. Subsurface characterization in the storage yard area was recommended.
5. TAG identified 29 known or suspected facilities of environmental concern within 0.5 miles of the subject site. Given a depth to groundwater estimated at over 50 feet, TAG did not recommend further inquiry regarding off-site contaminant sources.
6. Electrical transformers located within 100 feet of the subject site were determined not to be a significant environmental risk to the site.
7. TAG stated that light ballasts at the site potentially contained PCBs, but no further characterization of light fixtures was recommended.

3.8.3 1,000 Gallon Underground Storage Tank Decommissioning Report (Environmental Investigation Corporation, October 1993)

Environmental Investigation Corporation (EIC) directed the decommissioning of the site's registered 1,000-gallon gasoline UST in September 1993. The steel UST, which was reportedly installed in 1974 to fuel Wagstaff equipment, was located immediately west of Building 1A. The tank system, including steel piping and the fuel dispenser, was decommissioned by removal from the site. In a report dated October 14, 1993, EIC documented that no fuel hydrocarbons were detected in soil samples collected from beneath the eastern and western ends of the tank. Following receipt of laboratory confirmation, the tank cavity was backfilled and paved. A copy of the EIC report is attached in Appendix B.

3.8.4 Phase II Site Investigation (InterMountain West, Inc., March 1997)

In early 1997, InterMountain West, Inc. (IMW) performed initial characterization of soils underlying the site's three identified sumps. The report concluded that several issues of environmental concern were identified, and recommended further characterization as summarized below. A copy of the IMW report is presented in Appendix J.

Sump 1. This sump is located in the northeastern portion of Building 1B. During the period of Wagstaff Battery's operations, used battery washing solutions were reportedly drained into this sump. After solids settled, the wastewater was discharged to the sanitary sewer (prior to 1972), or to the on-site drywell (1972-1993). IMW transferred liquids and sludges from the sump to a steel drum, and measured the sump to be 24 inches in diameter and 36 inches deep. The deteriorated concrete floor of the sump was removed in order to sample underlying soils. IMW conducted three sampling events at this location during January and February 1997. Analytical testing results indicated that volatile organic compounds (VOCs) and polychlorinated biphenyls (PCBs) were not detected. Total lead and total petroleum hydrocarbons in the gasoline and diesel fuel range were detected and determined to decrease with depth below approximately 4.5 feet bgs. IMW manually removed soil from beneath the sump to a total depth of six feet bgs. The disposition of the contaminated soil was not discussed in the IMW report. Laboratory testing results are summarized below. Soil samples were not tested for leachable (TCLP) lead. IMW concluded that additional characterization for hydrocarbons was necessary in this area.

SAMPLE DEPTH (feet bgs)	TOTAL LEAD (mg/kg)	TPH (EPA Method 418.1) (mg/kg)
3.5	350	15,000
4.5	1,900	17,000
5.0	23	Not Measured
6.0	19	9,000

Note that IMW did not discuss the presence of a second sump in this area. PNG observed a second, larger sump located approximately 15 feet east of Sump 1. Based on a review of DEQ site photographs from 1992, it appears that Sump 1A was used to contain battery overflow or rinseate. PNG assumes that the second sump was also plumbed to the drywell, but no previous investigations have described or investigated Sump 1A to our knowledge.

Sump 2. This sump is located in the northwestern portion of Building 1B, in the former loading dock or lead oxide "pasting room" area. During the period of Wagstaff Battery's operations, floor and battery washing solutions were reportedly drained into this sump. After solids settled, the wastewater was discharged to the sanitary sewer (prior to 1972), or to the on-site drywell (1972-1993). IMW measured the sump to be 24 inches in diameter and 36 inches deep. The deteriorated steel floor of the sump was removed in order to sample underlying soils. IMW conducted three sampling events at this location during January and February 1997. Analytical testing results indicated that VOCs, PCBs, and fuel hydrocarbons were not detected. Total lead was detected and determined to decrease with depth below approximately four feet bgs. IMW removed soil from beneath the sump to a total depth of four feet bgs. The disposition of the contaminated soil was not discussed in the IMW report. Laboratory testing results are summarized below. Soil samples were not tested for leachable (TCLP) lead. IMW concluded that no additional characterization was necessary in this area.

SAMPLE DEPTH (feet bgs)	TOTAL LEAD (mg/kg)	TPH (EPA Method 418.1) (mg/kg)
3.2	5,700	Not Detected
4.0	34,000	Not Measured
4.2	15	Not Measured

Sump 3. This sump is located in the northeastern portion of Building 2, in the former workshop area. The sump appears to collect surface water from the concrete-floored work area, and is reportedly connected to sanitary sewer (Section 2.2.8). IMW measured the sump to be 24 inches in diameter and 36 inches deep. The intact steel floor of the sump was cut in order to sample underlying soils. IMW conducted one sampling event at this location in January 1997. Analytical testing results indicated that VOCs, PCBs, and fuel hydrocarbons were not detected. A low concentration of total lead was detected at 21 mg/kg at a depth of 3.2 feet bgs, and no further sampling was conducted or recommended in this area.

3.8.5 Remedial Investigation Final Report (Philip Environmental Services Corporation, December 1997)

In October 1997, Wagstaff's owners (Charles and Bruce Hindman) authorized Philip Environmental Services Corporation (PES) to characterize and remediate four identified areas of concern. The areas of concern included: (1) determining the extent of residual hydrocarbon impact beneath Sump 1; (2) removing and disposing offsite of cement-treated lead contaminated soil in the former drywell area, immediately east of Building 1B; (3) determining the extent of lead contamination beneath the eastern portion of Building 1B, adjacent to the former drywell; and (4) characterizing lead in surface soil on the unpaved eastern yard area. Since the site had been listed by the DEQ for known hazardous material releases (see Section 5.2.1), the purpose of PES's work was to satisfy identified data gaps and to gain regulatory closure of the site. PES work tasks and findings are summarized below. A copy of the PES report is attached in Appendix K.

Exploration of Sump 1. Previous work at the site by IMW indicated the presence of residual gasoline and diesel fuel impact in Sump 1 at depths below five feet bgs. Use of the sump reportedly discontinued prior to 1993, and above ground plumbing from the sump was removed at that time. PES advanced a soil boring directly beneath Sump 1 to identify the extent of hydrocarbon impact. PES reported a total petroleum hydrocarbon concentration of 13,100 mg/kg (using EPA Method 418.1) at a depth of nine feet bgs. TPH levels diminished to 334 mg/kg at 12 feet bgs, and no TPH was detected at 15 feet bgs. Although no polynuclear aromatic hydrocarbons (PAHs) were detected at nine and 15 feet bgs, one PAH constituent (phenanthrene) was detected at a low concentration of 22 micrograms per kilogram (ug/kg) at 12 feet bgs. PES measured pH in this depth interval at concentrations between 3.39 and 3.56. PES concluded that the volume of residual TPH-impacted soil beneath Sump 1 is 10.5 cubic yards, and recommended no further action based on the judgment that the impacted soil poses no significant risk of migration or threat to groundwater. Again, there was no exploration or discussion of adjoining Sump 1A.

Excavation and Disposal of Lead-Contaminated Drywell Soils. PES reported that soil surrounding the former drywell contained leachable lead in excess of 5 milligrams per liter (mg/L), indicating the excavated soil would be considered a hazardous waste by characteristic. Approximately 100 tons of lead-contaminated soil was reportedly excavated from the former drywell by others in 1993 and stockpiled east of Building 1B. PNG did not identify any written documentation of the 1993 removal activity. Visibly discolored soil associated with the drywell was observed to extend westwards beneath the building. PES reported that the stockpiled soil was cement-treated in April and December 1995 in an effort to raise soil pH and to stabilize the leachable lead content. Wagstaff reportedly received DEQ approval in 1996 to return the treated soil to the former drywell excavation. PES did not indicate whether feasibility testing or risk evaluations were conducted for the treated soil to determine long-term stability and acceptable risk scenarios.

PES reported that after joining the DEQ's Voluntary Cleanup Program in 1996, the DEQ determined that inadequate feasibility testing had been conducted on the treated drywell soils. DEQ required Wagstaff either to perform a risk assessment or to remove the drywell soils for off-site disposal. Wagstaff then directed PES to remove the accessible drywell soils for offsite disposal at an approved landfill facility. PES excavated approximately 362.2 tons of soil from the former drywell area in October 1997. The excavated soil was transported to the Waste Management Columbia Ridge Landfill in Arlington, Oregon. Final excavation dimensions were reported to be 26 by 28 feet, and up to 24 feet deep. Confirmation soil sampling reported by PES indicates that accessible lead-contaminated soil was successfully removed from the excavation. A small volume of inaccessible impacted soil was left in place along the eastern margin of the building. One soil sample collected from the west wall of the excavation at a depth of 10 feet bgs yielded a lead concentration of 383 mg/kg. PES estimated the volume of residual lead-impacted soil to be approximately 22 cubic yards, and recommended leaving the pocket of contamination in place to avoid damage to the building structure.

Indoor Exploration Beneath East Margin of Building 1B. In an effort to determine the extent of residual lead-contaminated soil beneath Building 1B, PES advanced three indoor soil borings within approximately 10 feet of the former drywell location. PES collected soil samples at depths between two and ten feet bgs in each boring location, and submitted the samples for lead testing. Total lead concentrations in the sampled areas ranged between 5.51 and 8.37 mg/kg. PES concluded that no contaminants associated with the former drywell extended beneath the eastern portion of the building. Although PES measured a lead concentration of 3,750 mg/kg at 19 feet bgs in the drywell excavation, indoor soil borings were completed to maximum depths of 10 feet. It is possible that additional lead impact is present in this area at depths below 10 feet bgs.

Surface Soil Characterization East of Building 1B. PES collected surface soil samples from three locations east of Building 1B to determine if lead dust emissions from the Wagstaff operation had impacted surrounding soils. The soil samples, which were reportedly collected at maximum depths of two inches bgs, yielded lead concentrations between 1.39 and 27.5 mg/kg. No further assessment was recommended in this area.

Based on the results of these explorations, PES concluded that all necessary remedial actions had been completed at the site. PES recommended that the DEQ be petitioned for a "No Further Action" ruling.

4 GEOLOGIC AND HYDROGEOLOGIC SETTING

Our understanding of subsurface conditions is based on the results of PNG's experience in the site vicinity, as well as supporting documentation concerning regional, local, and on-site subsurface conditions.

4.1 GEOLOGY AND SOILS

The subject site is located in the Portland Basin, a structural basin filled with up to 1,000 feet of primarily fluvial deposits. Vicinity water well logs indicate that near-surface soils consist of unconsolidated silts, sands, and gravels which extend at least to several hundred feet in depth. The fine-grained surficial Quaternary Alluvium is underlain by Pleistocene catastrophic flood deposits, which include boulders and gravel deposits. Unconsolidated deposits are underlain at considerable depth by Plio-Miocene basalts of the Columbia River Basalt Group.

4.2 HYDROGEOLOGY

PNG obtained water well log information from the Oregon Water Resources Department (WRD) for the site and vicinity, described as Township 1 North, Range 1 East, Section 27. WRD records indicate that 116 well records are filed for this area, all but three of which are described as geotechnical exploration holes or shallow groundwater monitoring wells. All of the three identified water wells are located at distances greater than approximately 0.5 miles from the subject site. None of the three water wells in Section 27 appears to be used for domestic (drinking) use.

PNG obtained a monitoring well log for what appears to be the nearest water bearing well, located approximately 0.5 miles north of the site at 3237 N. Williams Avenue. This monitoring well was completed at 177 feet bgs, with static water measured at 163 feet bgs. The well appears to have been installed in 1995 and abandoned in 1997, when static water level was reported to be 12.8 feet bgs. Other wells in the search area reported various static water levels ranging between 11 and 163 feet bgs. Water well log data are provided in Appendix L.

According to information extrapolated from the USGS 7.5 Minute Portland Quadrangle map and from aerial photographs, the regional groundwater aquifer is estimated to flow to the west or northwest, towards the Willamette River Basin. Where present, perched groundwater is expected to follow local topography, flowing generally to the west or southwest. At this time, however, no site-specific groundwater flow direction or gradient has been calculated.

5 ENVIRONMENTAL DATABASES AND OTHER RECORDS

A review was made of selected public environmental records, which are readily available for the subject site and vicinity. The reviewed records include databases and files available from the DEQ and the EPA. The records search was performed in general accordance with standards established in 1997 by the ASTM (ASTM E-1527-97). The reviewed records include:

Federal Lists

- EPA National Priority List (NPL)
- Comprehensive Environmental Response, Compensation, and Liability Act Information System (CERCLIS - State and Federal Superfund)
- U.S. EPA Resource Conservation and Recovery Act (RCRA) Databases:
 - RCRA Large Quantity and Small Quantity Generators
 - RCRA Treatment, Storage, and Disposal (TSD) Facilities, including Corrective Action Sites (CORRACTS) and non-CORRACTS facilities
- Emergency Response Notification System (ERNS)
- Toxic Release Inventory System (TRIS)
- PCB Activity Database System (PADS)
- Facility Index System (FINDS)

Oregon State Lists

- DEQ Environmental Cleanup Site Information System (ECSIS) and Confirmed Release List (CRL)
- DEQ list of Registered USTs
- DEQ UST Cleanup List (LUST)
- Oregon HAZMAT Database
- Oregon Spills Database
- Oregon State Listing of Solid Waste Disposal Permits

PNG's primary environmental records review is based on computerized data compiled by EDR, dated November 1, 1999. These lists are not necessarily complete or fully up-to-date. A copy of the EDR database search report is provided in Appendix M.

PNG has attempted to evaluate the sites identified on these lists, based on their distance from and location relative to the subject site. Known and potential on-site contamination appears to represent the site's greatest environmental liability, and PNG's research efforts have focussed mainly on historical site operations and site-specific (rather than off-site) contaminant sources. Our identification of "upgradient", "downgradient" or "cross-gradient" facility location is based on the anticipated west- or southwest-trending shallow (perched) groundwater gradient. Local and seasonal fluctuations are likely to affect actual groundwater flow conditions.

5.1 RESULTS OF FEDERAL ENVIRONMENTAL DATABASE REVIEW

5.1.1 National Priorities List

The NPL is a list compiled by the EPA, pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). The NPL contains sites with the highest priority for cleanup as dictated by EPA's Hazard Ranking System.

- The subject property is not included on the NPL database.
- No off-site facilities within approximately one-mile of the subject site were identified on this list.

5.1.2 CERCLIS

The CERCLIS database is a compilation by the EPA of sites EPA has investigated or is currently investigating for a release or threatened release of hazardous substances pursuant to the Comprehensive Environmental Response, Compensation, and Liability Information Act of 1980 (CERCLA or Superfund Act).

- The subject property is not included on the CERCLIS database.
- No offsite facilities within approximately 0.5 miles of the subject site were identified on this list.

Two CERCLIS "NFRAP" (No Further Remedial Action Planned) facilities, which have been removed from the CERCLIS list, were identified within approximately 0.25 miles of the site. Both facilities (Mammal Survey & Control Services and Master Chemical Inc.) are referenced in Section 5.2.1.

5.1.3 Resource Conservation and Recovery Information System

The EPA's Resource Conservation and Recovery Act (RCRA) Program identifies and tracks hazardous waste from the point of generation to the point of disposal. The RCRA Facilities databases are a compilation by the EPA of reporting facilities that generate, transport, treat, store or dispose of hazardous waste. The nature of the hazardous waste is not defined in the Resource Conservation and Recovery Information System (RCRIS) database.

The RCRIS database identifies large quantity generators (RCRIS-LQG, generating greater than 1,000 kg hazardous waste per month), small quantity generators (RCRIS-SQG, generating between 100 and 1,000 kg hazardous waste per month), and conditionally exempt generators, which generate less than 100 kg hazardous waste per month. This database also includes non-regulated generators, non-regulated transporters, treatment storage and disposal (TSD) facilities, and non-regulated burner-blender facilities.

- The Wagstaff Battery Manufacturing (subject) property registered as a Small Quantity Hazardous Waste Generator because of one-time shipments in 1995 of battery processing wastes and generation of lead-contaminated soil. The hazardous wastes were generated on-site and reportedly shipped to licensed disposal facilities. These issues are discussed in Section 5.2.1.
- An on-site tenant at Building 1A (2110 N. Williams) in approximately 1994-1996, Portland Plating Company was registered as a Conditionally Exempt Hazardous Waste Generator in 1994. In 1995, Portland Plating Company (PPC) was cited

for numerous violations of hazardous waste rules, particularly storage and waste determination for accumulated hazardous wastes on the subject site. According to the DEQ complaint, the PPC facility used copper, zinc, nickel, and cadmium plating metals. DEQ determined that the facility had no wastewater discharge permit from the City of Portland, and the facility apparently went out of business and abandoned all equipment and materials on the site in early 1995. DEQ issued a Notice of Noncompliance (NON) for these violations on October 19, 1995 (to Portland Development Commission, PPC's lender) and January 19, 1996 (to PPC and Bruce/Charles Hindman). DEQ identified the waste streams as including electroplating sludges, acids, caustics, plating solutions, and electroplating wastewaters. DEQ and PPC then prepared a Mutual Agreement and Order (MAO) requiring PPC to comply with corrective actions at the site. The MAO was signed on June 20, 1996. According to Ms. Deborah Nesbitt with DEQ's Enforcement Section, the MAO was completed and closed on October 16, 1996. Copies of the MAO and DEQ's inspection summary are provided in Appendix N.

- Five additional off-site facilities within approximately 0.25 miles of the subject site were identified on the RCRIS SQG list.
- Two off-site facilities within approximately 0.25 miles of the subject site were identified on the RCRIS LQG list.
- No RCRIS TSD facilities were identified within approximately 0.5 miles of the subject site.

5.1.4 Resource Conservation and Recovery Act Corrective Action List

The EPA's RCRA CORRACTS List identifies hazardous waste handlers with corrective action activity.

- The subject property is not listed on the CORRACTS database.
- No off-site facilities within approximately one-mile of the subject site were identified on this list.

5.1.5 Emergency Response Notification System

The Emergency Response Notification System (ERNS) is a national database used to collect information on reported releases of oil and hazardous substances. The database contains information from spill reports made to federal authorities including the EPA, the U.S. Coast Guard, the National Response Center, and the Department of Transportation.

- The subject property is not listed on the ERNS database.

5.1.6 Toxic Release Inventory System

The Toxic Release Inventory System (TRIS) database identifies facilities that release toxic chemicals to the air, water, and land in reportable quantities under SARA Title III Section 313.

- The subject property is not listed on the TRIS database.

5.1.7 PCB Activity Database System

The PCB Activity Database System (PADS) database identifies generators, transporters, commercial stores, and/or brokers and disposers of PCBs which are required to notify the EPA of related activities.

- The subject property is not listed on the PADS database.

5.1.8 Facility Index System

The Facility Index System (FINDS) database identifies chemical user facility information and links to other sources of detailed information. This is often a redundant database, which lists facilities described elsewhere in the EDR report.

- The subject property is listed on the FINDS database, in association with other listings (RCRIS SQG; UST Facility; and ECSI) detailed in the appropriate portions of Section 5.

5.2 RESULTS OF STATE ENVIRONMENTAL DATABASE REVIEW

5.2.1 Environmental Cleanup Site Information System List

The DEQ Environmental Cleanup Site Information (ECSI) System database is a list of sites with reported or confirmed evidence of a release of hazardous materials (EDR refers to this list as the "State Hazardous Waste" database). The ECSI is comprised primarily of non-UST sources that may represent a possible threat to human health and the environment. These sources are generally listed by the state to notify the public or as a part of an investigation and cleanup program managed by the state.

- A total of 19 off-site facilities within approximately one mile of the subject site were identified on this list. Three ECSI facilities are located within approximately 0.25 miles of the subject property, all of which are located west (downgradient) of the site. PNG's review of available DEQ files indicates that none of the three nearby ECSI facilities appears to pose a significant risk of environmental impairment to the subject property, for the following reasons: (1) the facilities are not expected to be located in an upgradient location relative to the subject site; and (2) no impacts to groundwater have been identified at any of the three sites.
- The subject site is listed on the ECSI database. Details regarding the regulatory history of the site are provided below, based in part on DEQ's File Review Memo dated June 19, 1997 (Appendix H).

Air Quality: In March 1974, DEQ issued an Air Contaminant Discharge Permit for Wagstaff's operations. The permit allowed a total of 100 pounds annual lead particulate discharge. DEQ conducted another inspection in 1986 and noted that no dust buildup was observed inside the building. DEQ collected three surface soil samples around the Wagstaff building, with total lead concentrations ranging between 840 and 4,000 mg/kg. DEQ later installed air monitoring stations near the Wagstaff facility; no elevated lead levels were reported by DEQ for the area discharge.

Solid Waste: Wagstaff excavated and treated lead-contaminated soil associated with the on-site drywell in 1993-1995 (see Section 3.8.5). In April 1996, Wagstaff obtained a Solid Waste Letter Authorization Permit from the DEQ which authorized on-site burial of the cement-treated soil.

Water Quality: In 1986, DEQ sampled wastewater from an interior sump at Wagstaff. The water was found to contain 28 mg/L total lead, with 0.3 mg/L leachable lead. These levels were determined to be in excess of the DEQ's drywell lead discharge limit of 0.05 mg/L. The DEQ had no record of any water discharge permit for on-site or off-site discharge.

Underground Fuel Storage Tanks: The 1,000 gallon gasoline UST was installed at the site in the early 1970s, west of Building 1A. The regulated UST was registered in 1989, and was removed in 1993. No evidence of a release from the UST was reported. No other USTs are known to exist on the site.

Hazardous Waste: In September 1993, Wagstaff excavated approximately 130 tons of lead-contaminated soil from the former drywell and stockpiled the soil on-site pending treatment or disposal (PNG has not obtained a copy of any report from this period of site excavation). The stockpiled soil contained leachable lead in excess of hazardous waste criteria, and Wagstaff acquired a Hazardous Waste Generator Number for the waste (ORD987181146). In September 1994, DEQ issued a Notice of Noncompliance (NON) for improper storage of the hazardous soil. This issue was referred to DEQ's Enforcement Section, which issued a Compliance Order and assessed a civil penalty against Wagstaff in February 1995. In June 1995, Bruce Hindman signed a Mutual Agreement Order (MAO) which directed Wagstaff to recycle and dispose potentially hazardous materials and other wastes at the site.

Regulatory Oversight & Closure: On April 7, 1997, the property owner, Mr. Charles Hindman, entered the DEQ's Voluntary Cleanup Program in an effort to expedite Agency review and regulatory closure for the site. The site was added to the DEQ's Confirmed Release List on July 23, 1997, and a conditional "No Further Action" decision was issued for the site on February 24, 1998. The NFA acknowledged the presence of residual lead and TPH contaminated soil at Sump 1 and beneath the eastern portion of Building 1B, adjoining the former drywell. The NFA indicated that lead dust was not currently a contaminant of concern for shallow outdoor soils at the site. The property was then sold to Port City Development Center on or about September 2, 1998. PCDC signed a Prospective Purchasers Agreement (PPA) with the DEQ on September 10, 1998, agreeing to various environmental notification and cleanup obligations associated with future use of the site. The terms of the PPA require PCDC to conduct the following actions:

- Ensure that the pocket of residual lead-contaminated soil in the former drywell area remains isolated from human contact.
- Construct a protective concrete cap over Sump 1 to minimize potential contact with and migration from the residual contamination among soils beneath the sump.
- Investigate and remediate any residual impacted soils if site conditions change to allow access to the impacted soil areas.
- Notify DEQ of proposed site redevelopment plans, and submit all pertinent planning documents to DEQ for review and approval. PCDC will also require all employees and tenants at the site to comply with this restriction.
- Comply with certain land-use restrictions detailed in the PPA.

5.2.2 Registered Underground Fuel Storage Tanks

The DEQ maintains a list of registered USTs in the state. This list does not include non-regulated or unreported USTs.

- The subject property is listed on the registered UST database (File No. 943). One registered 1,000-gallon gasoline UST was formerly located in the parking area immediately west of the warehouse (Building 1A). According to a report provided to PNG from the former property owner, Mr. Charles Hindman, the UST was decommissioned by removal in 1993. This report was submitted to the DEQ and was present in the DEQ's file for the site. Portland Fire Marshal records also confirm the removal of the single UST in 1993. No evidence of a release from the UST was reported. UST closure records are provided in Appendix B.
- No off-site facilities within approximately 0.25 miles of the subject site were identified on this list.

5.2.3 Leaking Underground Storage Tank List

The Leaking Underground Storage Tank List (LUST) database is maintained by the DEQ and lists suspected or confirmed sites with leaking USTs.

- The subject property is not listed in the LUST database.
- A total of 55 LUST facilities were identified within approximately 0.5 miles of the subject property, eight of which are located within 0.25 miles. Six of those eight LUST facilities have been formally closed by the DEQ, indicating that the agency determined no risk to human health or the environment. The remaining nearby sites include:
 - Hoggins Heating Oil LUST, 47 NE Tillamook Street (100 yards southeast).
 - Williamson & Bleid, Inc., 270 N. Hancock Street (0.2 miles southwest).

PNG's review of available DEQ files indicates that neither of the two remaining LUST sources appear to pose a significant risk of environmental impairment to the subject property, for the following reasons: (1) neither site is expected to be located in an upgradient location relative to the subject site; (2) no impacts to groundwater have been identified at either site; (3) primary contaminant sources (USTs and impacted cavity soils) have been removed at both sites, and residual contamination in both cases appears to be relatively immobile.

5.2.4 Oregon HAZMAT Database

This database contains Fire Department response to spills as reported by the Oregon State Fire Marshal's office. No details concerning the HAZMAT responses are available in the EDR report.

- The subject site is not listed on the Oregon HAZMAT Database.

5.2.5 Oregon Spills Database

This Oregon (OR) Spills database is maintained by the DEQ and/or the state Fire Marshal. No details concerning spill responses are available in the EDR report.

- The subject site is not listed on the OR Spills Database.

5.2.6 Oregon Confirmed Release List

The DEQ Oregon Confirmed Release List (CRL) database is a list of sites with confirmed evidence of a release of hazardous materials that may require cleanup.

- A total of five off-site facilities within approximately one mile of the subject site were identified on this list, all at distances greater than 0.25 miles from the site. None of the identified facilities appears to be located upgradient of the subject property, and none of these distant facilities therefore appears to pose a significant environmental risk to the subject site.
- The subject site is listed on the CRL database. See Section 5.2.1 for details.

5.2.7 Permitted Solid Waste Disposal Facilities/Landfills

The DEQ Solid Waste Disposal (SWF) database is a list of permitted solid waste landfill sites in Oregon.

- The subject site was not listed on the SWF database.
- One off-site facility within approximately 0.5 miles of the subject site was identified on this list. Lighting Recyclers, located greater than 0.25 miles to the southwest, is not expected to pose an environmental risk to the subject site because of its distant downgradient location.

6 CONCLUSIONS AND RECOMMENDATIONS

PNG performed a Phase I Environmental Site Assessment at the subject site located in Portland, Oregon. Portions of the site were originally developed for residential usage prior to 1901, and as many as seven residences were located on the site in the early 1900s. The main manufacturing building at the site was constructed at 2124 N. Williams Avenue in 1926. Until the early 1960s, that building was used for manufacturing processes including metal fabrication, and upholstery and furniture making. Wagstaff Battery Manufacturing purchased the site in approximately 1961 or 1962, and occupied the main building until ceasing operations in approximately 1995. The second industrial building, located at 2152-2156 N. Williams, was constructed in the late 1930s. This building was used for metal fabrication, furniture warehousing, gas station equipment sales and service, cabinet manufacturing, and other mechanical repair services. A warehouse building was added to the south side of the main plant, at 2110 N. Williams, in approximately 1970. The only known industrial use of that building to date was a brief occupancy as a plating facility in 1994-1996, with actual plating operations apparently limited to late 1994. The site is currently unoccupied, but is used for storage by its current owner and several tenants. The site is located in a mixed-use industrial and residential neighborhood in North/Northeast Portland.

Based on PNG's site reconnaissance, review of regulatory environmental records, personal interviews, and historical data review, the site has a high potential for adverse environmental impact from historical operations. This judgment is based on known and potential impacts from historical industrial use on the site dating to 1926.

The subject site was placed on DEQ's Confirmed Release List in 1997 for known impacts to underlying soils during a 30-year period of lead-battery manufacturing and processing. Nearly 300 cubic yards of lead-contaminated soil was excavated from an on-site wastewater drywell area in 1997, and disposed at an approved landfill in Arlington, Oregon. Small volumes of accessible highly contaminated soils were manually removed from two interior sump locations in 1997; these wastes are assumed to have been incorporated into the drywell soils and disposed offsite. Residual lead and hydrocarbon contamination exists in the Sump 1 area beneath the northeastern margin of the main building. A small volume of lead-contaminated soil also remains in place beneath the eastern portion of the building, near the former drywell location.

PNG's review of historical site operations indicates that additional areas of environmental concern may also be present at the site. These issues of concern may affect potential ownership liabilities and construction issues. Note that the Prospective Purchaser Agreement requires DEQ review and approval of all investigation and development plans for the site. PNG recommends that the following site-specific issues be considered:

- A paved storage yard is located between Building 1B (2124 N. Williams) and Building 2 (2152-56 N. Williams). Both industrial-use buildings open onto the yard area and it is clear from historical aerial photographs and site photographs that the yard has been used for storage of industrial wastes and potentially hazardous wastes. PNG did not determine when the yard was paved, but pavement cracks and patched areas were observed during our site visit. In addition, PNG observed a small opening in the adjacent concrete floor of the former lead battery "pasting room." This opening provides access to a subfloor water valve, and is located approximately 15 feet north of Sump 2, where lead contamination in shallow soil was measured at levels as high as 34,000 mg/kg in 1997. Since Sump 2 was contaminated by floor and equipment washing

activities in this area, it is possible that soils underlying this nearby floor opening were impacted by the same activities. PNG recommends that subsurface exploration be conducted in several locations in this yard, including areas near the pasting room.

- Additional paved yard areas located to the east and west of Building 1A (2110 N. Williams) are likely to have been used for storage of batteries and other industrial equipment during site operations. These surfaces were not paved until the early 1970s. In addition, Building 1A was used as a plating facility, and used plating materials and wastes were stored inside and outside the building between 1994 and 1996. Although no releases were reported, the facility's tenant has been cited by the DEQ for numerous hazardous waste violations. PNG recommends a limited subsurface exploration be conducted in these yard areas.
- Development plans for the site should be evaluated from an environmental perspective. The PPA requires Sump 1 to be capped, and Sumps 2 and 3 should either be capped or evaluated by an engineer to determine if they are constructed in accordance with current design requirements. If the area near Sumps 1 and 1A will be disturbed by redevelopment activities, additional characterization could be conducted inside the building to determine the extent and magnitude of lead and hydrocarbon impact in this area. Information from this assessment would be used to plan for remedial actions, soil disposal options, health and safety precautions, and construction scheduling. Other development issues include:
 - Interior and exterior building surfaces should be sampled and tested for lead because of worker safety requirements during renovation and demolition, as well as possible demolition debris disposal issues.
 - Widespread and affected building materials should be evaluated prior to renovation as possible hazardous or regulated wastes. For example, floor and wall surfaces in the northeastern portion of Building 1B are visibly contaminated and degraded because of the battery processing operations. Overhead ducting is visibly coated with dust, and what appeared to be lead overspray covered a portion of the southern wall. Ducting and floor tiles should also be tested for possible asbestos-containing materials. Worker safety and disposal issues should be considered prior to disturbing and disposing of these materials.
- Given the history and nature of site usage, it is possible that various buried or obscured structures of potential environmental concern may be present at the site. Typical structures may include (but not be limited to) USTs, septic systems, trenches, and drywells. A geophysical survey using ground-penetrating radar and an electromagnetometer could be used to attempt to locate such structures on the site.

- At this time, no groundwater characterization has been conducted at the site. The potential for groundwater impacts from the site have been minimized during previous site assessments because the depth to water, which is estimated at over 50 feet, has been assumed to be protective. This is supported by data from excavation of the drywell, where the vertical extent of impact was measured to be approximately 24 feet. It is also true that potential groundwater impacts are not expected to affect site redevelopment. Primary reasons to conduct groundwater characterization at the site at this time include: (1) attempting to determine if previous site operations affected groundwater quality in an effort to establish liability; and (2) providing a baseline of groundwater quality at this time, for possible comparison to future studies conducted by site tenants, site owners, or other property owners.

7 LIMITATIONS

Environmental impairment of a property may result from activities such as illegal or unreported dumping, or the spilling of hazardous wastes or materials. It should be noted that the presence of contaminants at a particular property may not always be apparent, and the completion of a Phase I ESA in accordance with the specified work scope cannot provide a guarantee that chemical wastes, materials, or other impacts do not exist. The scope of services executed for this project does not comprise an audit for regulatory compliance, nor does it comprise a detailed condition survey for asbestos, lead paint, radon, naturally occurring materials, wetlands, or other conditions or potential hazards not outlined in PNG's Work Scope.

This report has been prepared for the exclusive use of Port City Development Center and its lenders and agents, in accordance with generally accepted professional consulting practices. No warranty, expressed or implied, are made. The findings contained herein are relevant to the dates of PNG's site visits and should not be relied upon to represent conditions at later dates. In the event that changes in the nature, usage or layout of the property or nearby properties are made, the conclusions and recommendations contained in this report may not be valid. If additional information becomes available, it should be provided to PNG so that the original conclusions and recommendations can be modified as necessary.

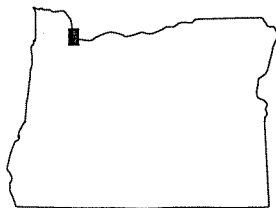
PNG ENVIRONMENTAL, INC.



Paul Ecker, R.G.
Project Manager



Nick Varnum, R.G.
Senior Geologist



REFERENCE: USGS 7.5 MINUTE QUADRANGLE;
QUADRANGLE LOCATION: PORTLAND, OR.1990





APPENDIX A
SITE PHOTOGRAPHS

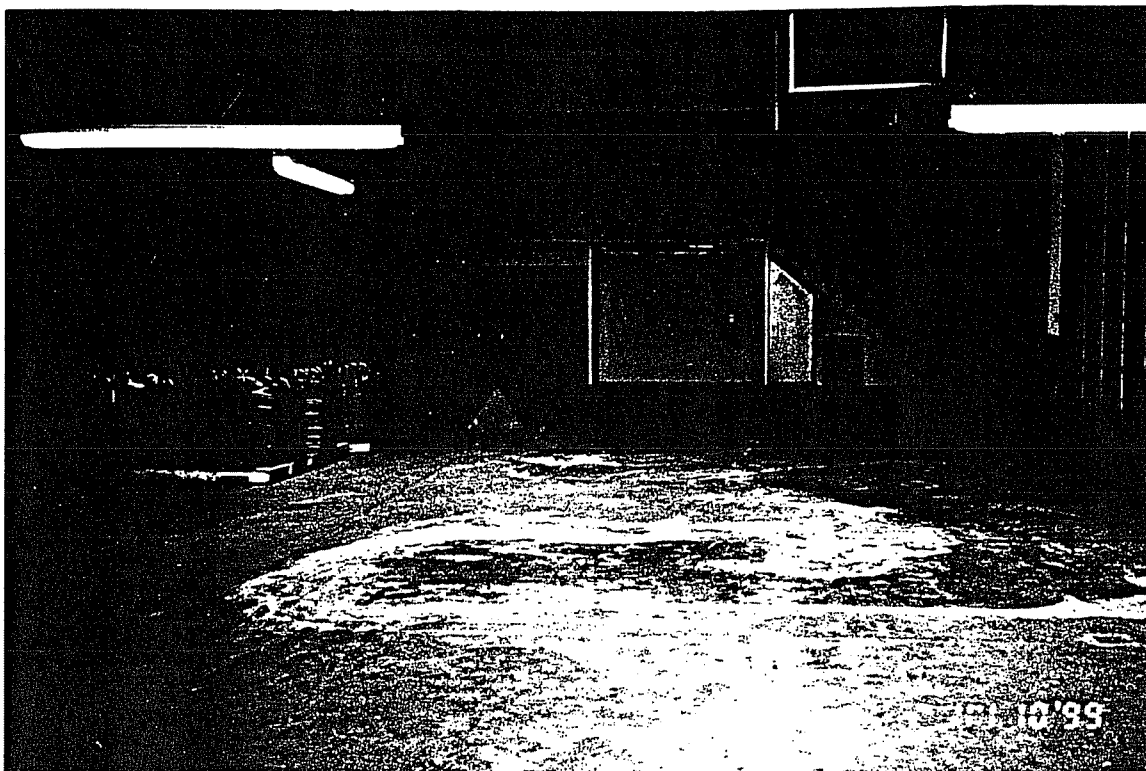


Photo 1: Interior view of the warehouse (Building 1A), looking south.

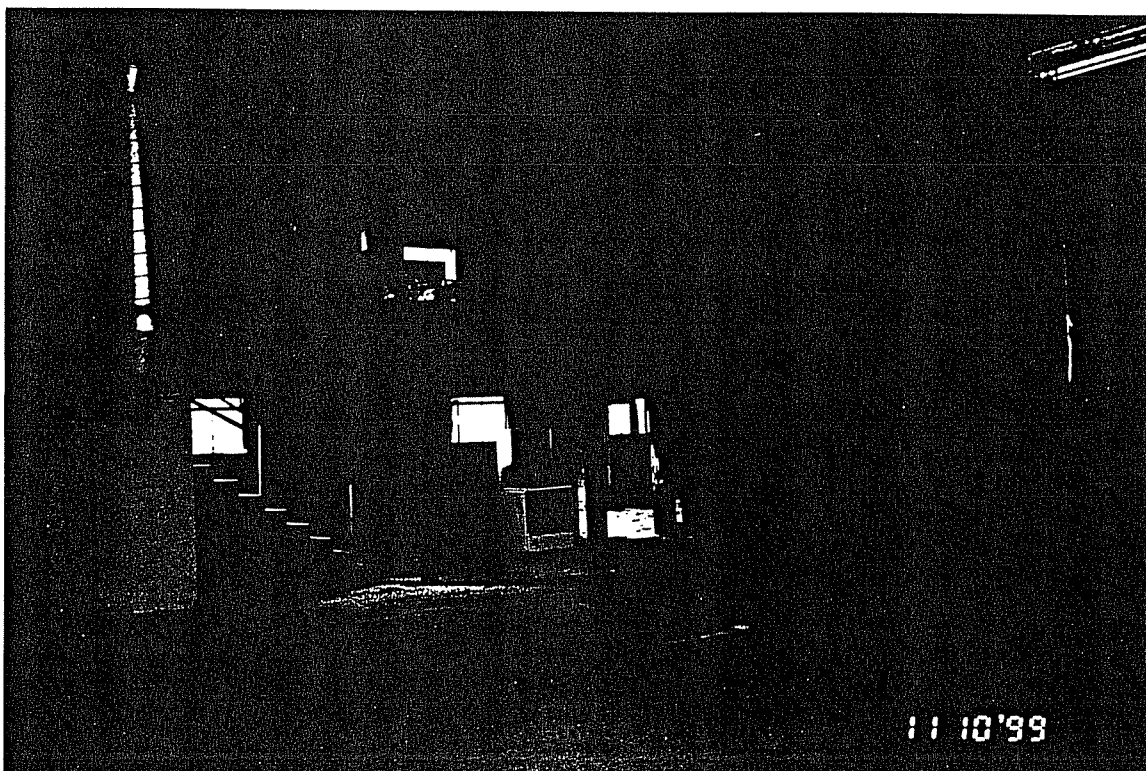


Photo 2: Interior view of the main manufacturing area (Building 1B) and loft, looking northeast.

PNG Environmental, Inc.
 7130 SW Elmhurst Street
 Tigard, Oregon 97223

(503) 620-2387
 FAX (503) 620-2977

CURRENT DATE: 11-23-99
 CAD FILE NAME: 93001P1
 DRAWN BY: SKB
 APPROVED BY: PE

2110-2156 NORTH WILLIAMS
 PORTLAND, OREGON

SITE PHOTOGRAPHS
 PHASE I ESA
 PORT CITY DEVELOPMENT CENTER

Project No.
 938-01
 Figure No.

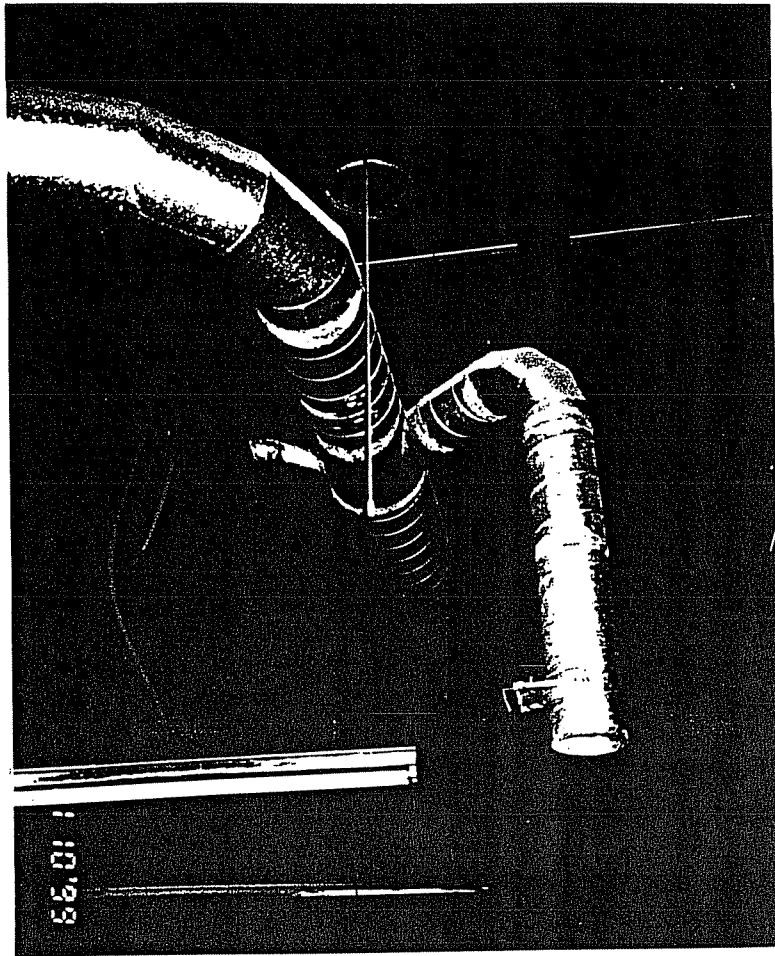


Photo 3: New and older overhead exhaust ducts in Building 1B are covered by dust residue.

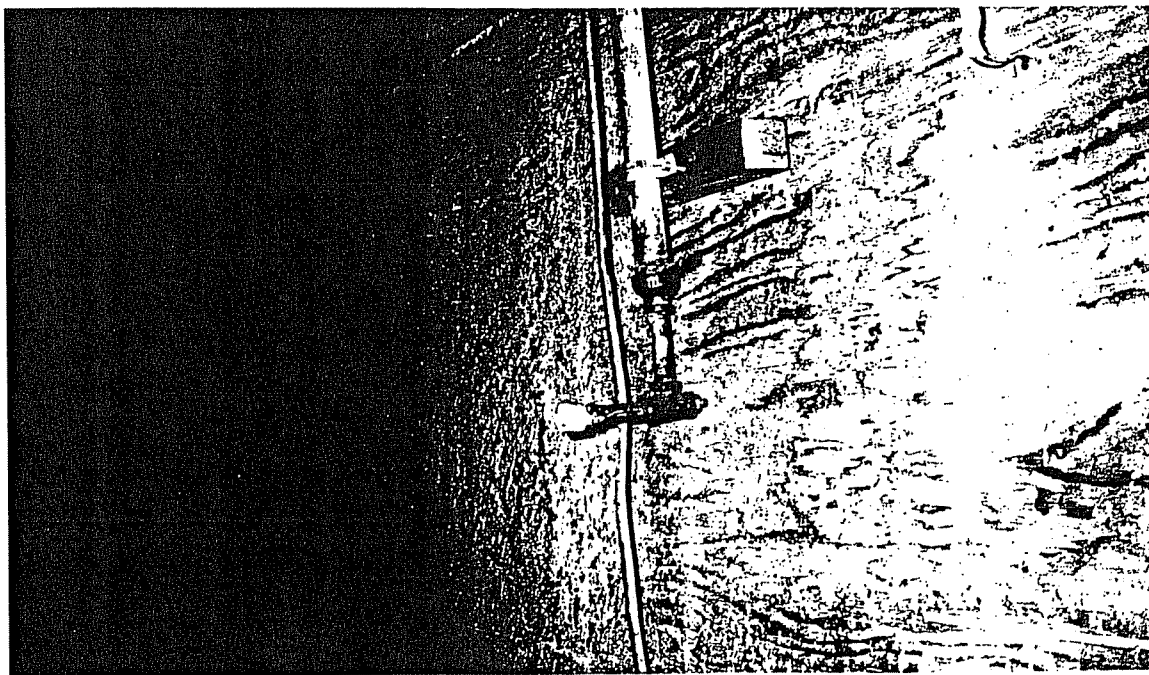


Photo 4: Metallic overspray on south wall of Building 1B.



Photo 5: View to the west, former pasting room of Building 1B.
Sump 2 at center. Small valve box at far right (see Photo 6).

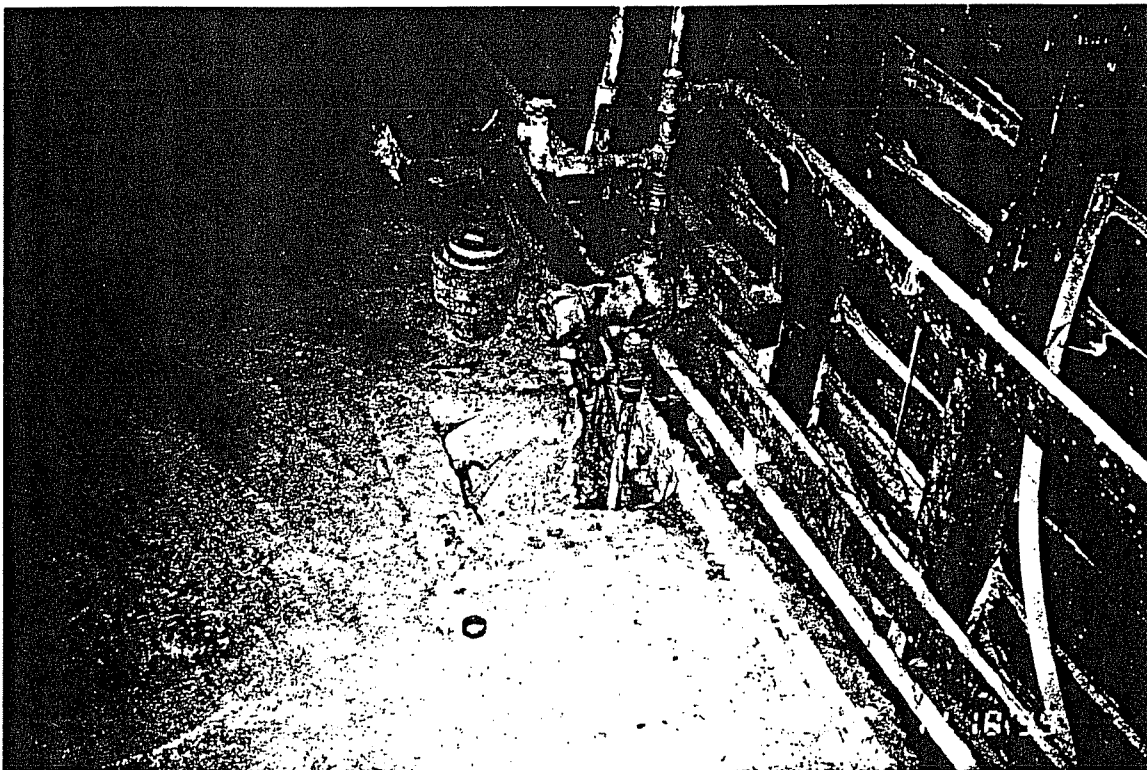


Photo 6: Small valve box in floor of former pasting room, north wall.



Photo 7: View looking north inside Building 1B, showing Sump 1 (left) and Sump 1A (right). Note poor condition of floor.

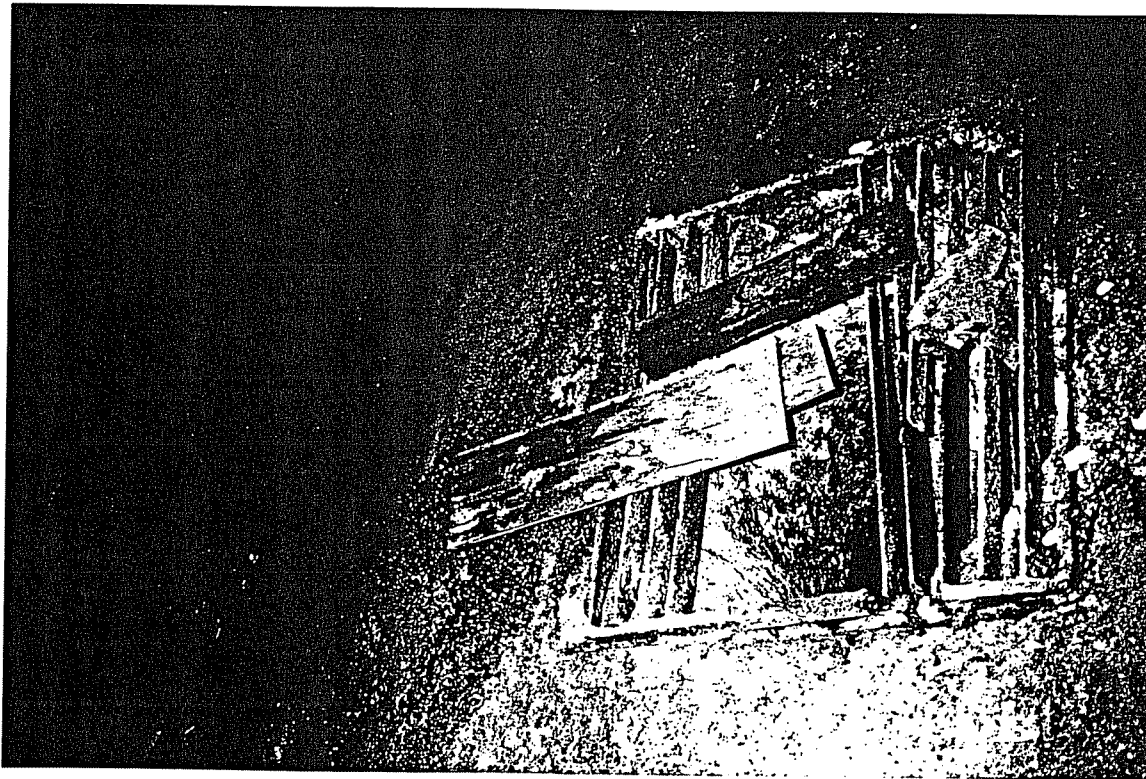


Photo 8: Close-up view of Sump 1.

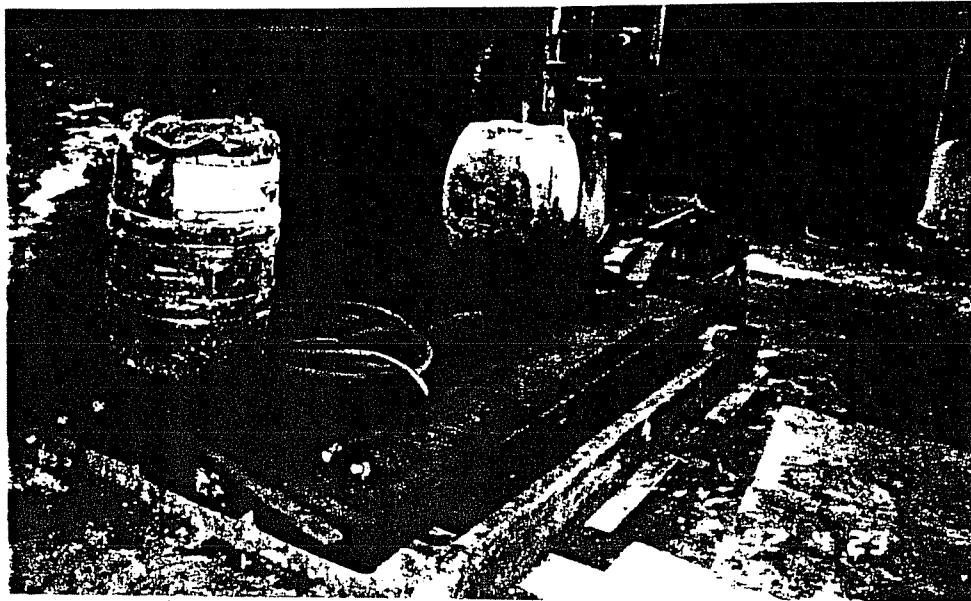


Photo 9: Photo of Sump 1A taken during a DEQ site inspection, April 23, 1992.

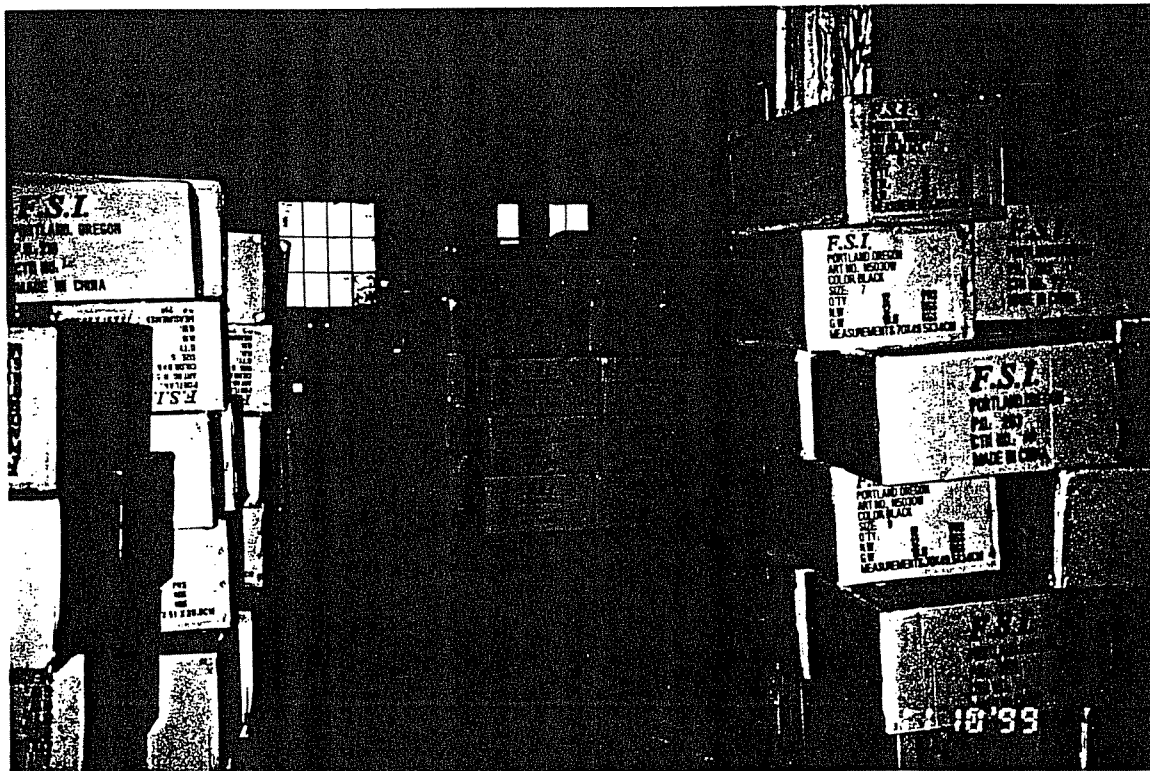


Photo 10: Interior of Building 2, looking west.

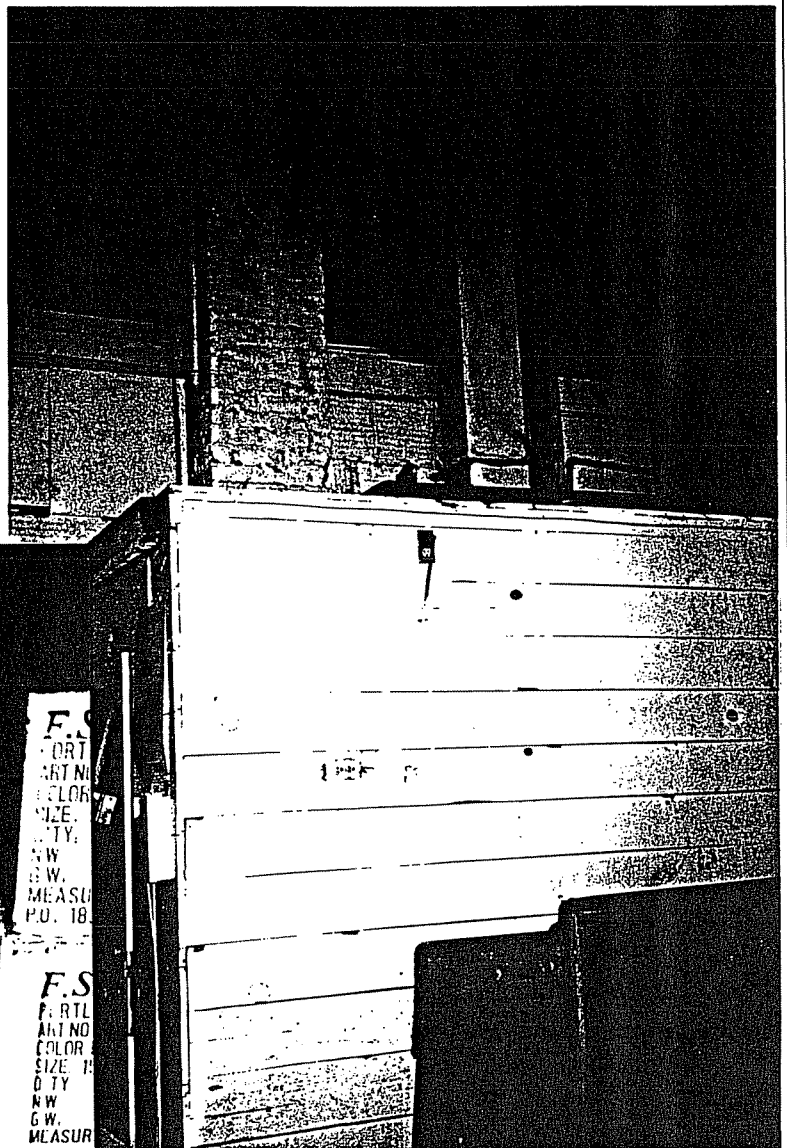


Photo 11: Interior chimneys, Building 2.

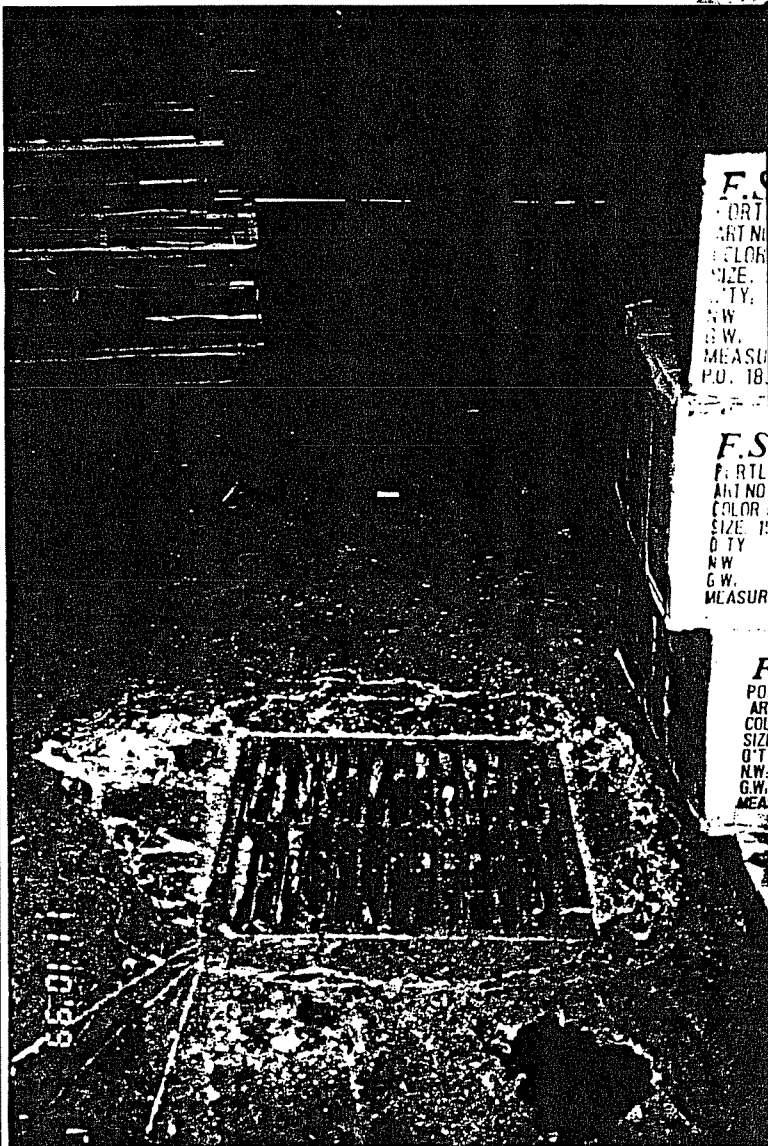


Photo 12: Sump 3, inside Building 2.

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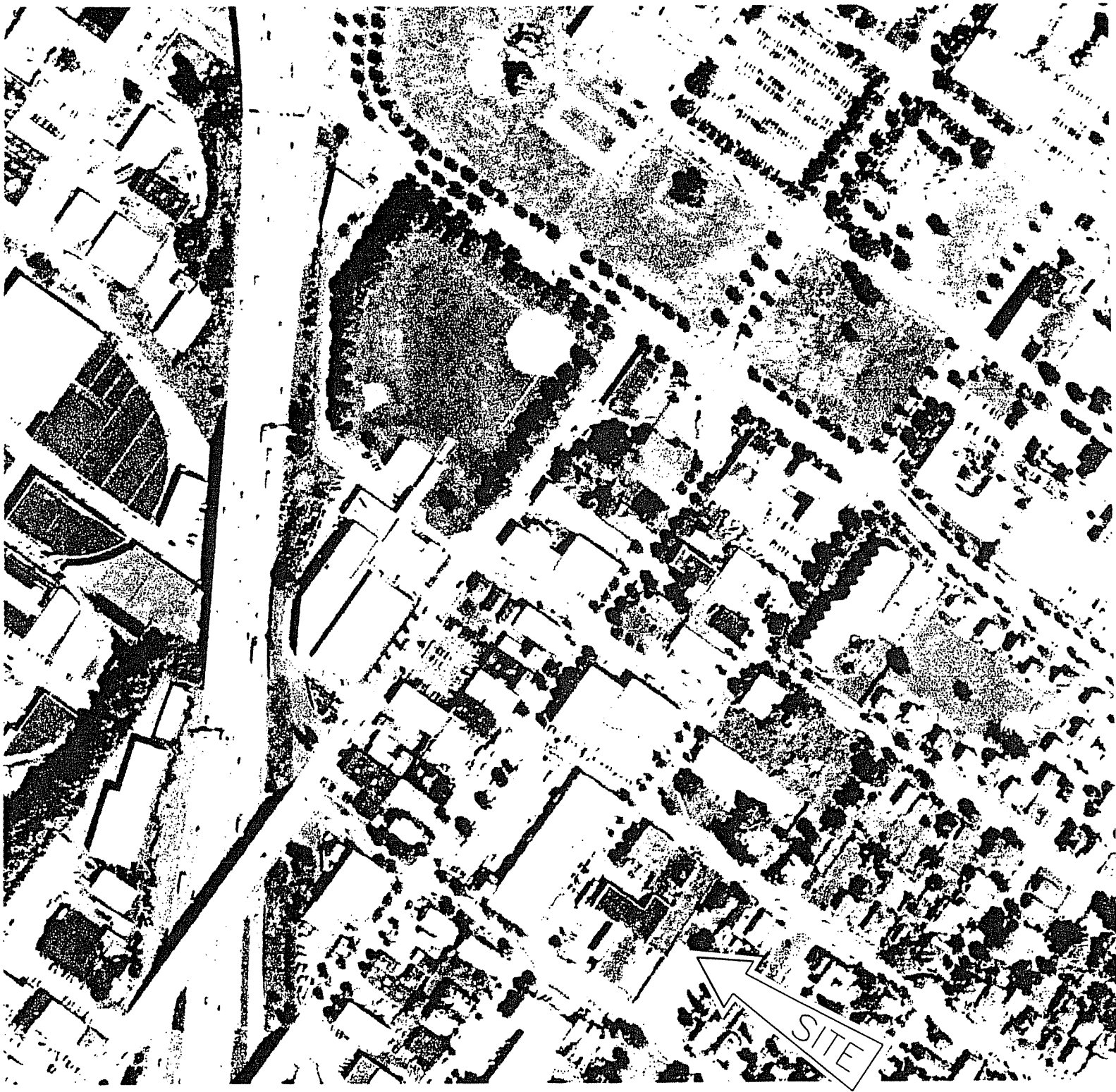
CURRENT DATE: 11-23-99
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 DRAWN BY: SKS
 APPROVED BY: PE

2110-2156 NORTH WILLIAMS
 PORTLAND, OREGON

SITE PHOTOGRAPHS
 PHASE I ESA
 PORT CITY DEVELOPMENT CENTER

Project No.
 938-01
 Figure No.

APPENDIX D
SELECTED AERIAL PHOTOGRAPHS



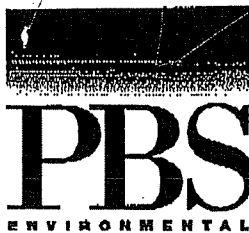
1991 Aerial Photograph



1979 Aerial Photograph



1944 Aerial Photograph



Multnomah County
ATTN: Accounts Payable
2505 SE 11th
Portland OR 97202

August 20, 1999
Invoice No: 0015194.17-0000001

Project: 0015194.17 2100 N. Williams

Document Review
Client Contact: Mike McBride

Technical Services: July 1, 1999 through July 31, 1999

Professional Personnel

	Hours	Rate	Amount	
Staff Geologist/Chemist				
Hancock, Doug	6.00	75.00	450.00	
Clerical Computer Support				
Hetterscheid, Sheila	0.25	30.00	7.50	
Totals	6.25		457.50	
Total Labor				457.50

Reimbursable Expenses

Reproduction				
07/14/99 Hancock, Doug	COPIES		1.71	
Total Reimbursables			1.71	1.71

Total this invoice \$459.21

Billings to date

	Current	Prior	Total
Labor	457.50	0.00	457.50
Expense	1.71	0.00	1.71
Totals	459.21	0.00	459.21

OK TO
PAY
mm

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PATRICK FOR
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AND ENVIRONMENTAL SOLUTIONS

10 Portland, OR 97205 503/248-1939 Fax 503/248-0223

ORTLAND SEATTLE TRI-CITIES VANCOUVER

PORT CITY

279.103 Evaluation of certain public improvement projects not contracted by competitive bidding. (1) Upon completion of and final payment for any public improvement contract in excess of \$100,000 for which the public agency did not use the competitive bidding process, the public agency shall prepare and deliver to the Director of the Oregon Department of Administrative Services or the local contract review board an evaluation of the public improvement project.

(2) The evaluation shall include but not be limited to the following matters:

(a) The actual project cost as compared with original project estimates.

(b) The amount of any guaranteed maximum price.

(c) The number of project change orders issued by the public agency.

(d) A narrative description of successes and failures during the design, engineering and construction of the project.

(e) An objective assessment of the use of the alternative contracting process as compared to the findings required by ORS 279.015.

(3) Evaluations required by this section shall be made available for public inspection.

(4) The evaluations required by this section must be completed within 30 days of the date that the public agency accepts the public improvement project. [1997

c.685 s.4]

279.103 Evaluation of certain public improvement projects not contracted by competitive bidding.

- (1) Upon completion of and final payment for any public improvement contract in excess of \$100,000 for which the public agency did not use the competitive bidding process, the public agency shall prepare and deliver to the Director of the Oregon Department of Administrative Services or the local contract review board an evaluation of the public improvement project.
- (2) The evaluation shall include but not be limited to the following matters:
- (a) The actual project cost as compared with original project estimates.
 - (b) The amount of any guaranteed maximum price.
 - (c) The number of project change orders issued by the public agency.
 - (d) A narrative description of successes and failures during the design, engineering and construction of the project.
 - (e) An objective assessment of the use of the alternative contracting process as compared to the findings required by ORS 279.015.
- (3) Evaluations required by this section shall be made available for public inspection.
- (4) The evaluations required by this section must be completed within 30 days of the date that the public agency accepts the public improvement project. [1997 c.685 s.4]

279.106 Requirement to subcontract with emerging small business. A public contracting agency may require a bidder to subcontract some part of the contract to, or obtain materials to be used in performing the contract from, certified emerging small businesses that are, as identified by the public contracting agency, located in, or draw their workforces from within, economically depressed areas, as designated by the Economic and Community Development Department in cooperation with the Employment Department. [1989 c.1043 s.9]

Note: 279.106 and 279.111 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 279 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

279.111 Discrimination in subcontracting prohibited; disqualification; appeal. (1) A contractor who contracts with a public contracting agency shall not discriminate against minority, women or emerging small business enterprises in the awarding of subcontracts. The contractor shall certify as part of the bid documents accompanying the bid on a public contract that the contractor has not discriminated against minority, women or emerging small business enterprises in obtaining any required subcontracts.

(2) The public contracting agency may disqualify any person as a bidder on a public contract if the agency finds that the person has violated subsection (1) of this section in a contract between the person and the agency.

(3) If the person desires to appeal the disqualification, the appeal procedure shall be subject to ORS 279.043 and 279.045. [1989 c.1043 s.11]

Note: See note under 279.106.

279.116 Forest products sale contracts exempt from bidding requirements. (1) Contracts for the sale of forest products from lands owned or managed by the State Board of Forestry and the State Forestry Department shall be exempt from the provisions of ORS 279.011 to 279.542.

(2) Contracts for the sale of forest products from lands owned or managed by the State Board of Forestry and the State Forestry Department shall be conducted according to the relevant provisions of ORS 273.522 to 273.541 and ORS chapter 530.

(3) As used in this section, "forest products" has the meaning for that term given in ORS 321.005. [1995 c.375 s.2]

Note: 279.116 was added to and made a part of ORS chapter 279 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

PUBLIC CONTRACTS GENERALLY

(Conditions)