

Bay West

Delivering Environmental, Industrial, and Emergency Solutions

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April 23, 2004

Erling E. Rice Limited Partnership
6255 Bury Drive
Eden Prairie, Minnesota 55346

Mr. Steve Wellington, Jr.
Wellington Management, Inc.
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St. Paul, Minnesota 55108

RECEIVED

JUN 11 2004

MPCA, MAR Division
PLR/SS Section

ADDENDUM TO PHASE I ENVIRONMENTAL
SITE ASSESSMENT FINAL REPORT
BAY WEST
APRIL 23, 2004 LEAK 15708

**RE: Addendum to Phase I Environmental Site Assessment Final Report dated February 16, 2004
Hi-Lake Shopping Center Property – Minneapolis, Minnesota**

Dear Mr. Rice and Mr. Wellington:

Bay West, Inc. (Bay West) has prepared this addendum to the Phase I Environmental Site Assessment (ESA) Report (Phase I Report) dated February 16, 2004 for the above-referenced property in Minneapolis, Minnesota. The Report documented the performance of a Phase I ESA, in accordance with all ASTM Standards outlined in ASTM E1527-00, which also included review of information and reports associated with previous investigations performed at the site. The review included consideration of information found during previous site investigations, including performance of a Phase II site investigation with findings documented in a Phase II Investigation Report (Phase II Report) dated September 2000.

During performance of the 2004 Phase I ESA, Bay West reviewed the previously completed Phase II Report, which documented sampling activities, analytical results and conclusions. The Phase II Report noted the presence of an elevated concentration of mercury at 11.4 mg/kg in a soil sample collected from GP-9 (2-4') in the table summarizing the analytical results, as well as in the discussion in the text, which stated that this detection of mercury exceeded Tier II Soil Reference Value (SRV) criteria (2 mg/kg) for the site. The 2004 Phase I ESA documented this historic finding as detailed in the Phase II Report and listed the elevated mercury concentration as a recognized environmental condition (REC) on the subject property. However, subsequent review of the analytical data included in the appendices of the Phase II Report has revealed a reporting error of the mercury concentration from the soil samples collected from GP-9 (2-4'). The analytical data indicates that the actual concentration of mercury in the GP-9 (2-4') soil sample is 0.025 mg/kg, which is below the Tier II SRV.

Bay West has prepared this addendum to the 2004 Phase I ESA Report noting the error in the Phase II Report, on Table 1 and within the discussion in the text and, consequently, stating that there does not appear to be an issue with the presence of mercury contamination in the soil at the subject property. Therefore, there is not a REC associated with mercury contamination at the subject property.

MAY 26 2004

Phase I ESA Addendum

April 23, 2004

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Bay West appreciates the opportunity to work with Erling E. Rice, Limited Partnership and Wellington Management, Inc. on this project. Please contact me if you have any questions or concerns regarding the addendum, the Phase I ESA Report or if I can be of any further assistance.

Thank you,



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BWJ040056
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MPCA, MAR Division
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**PHASE I
ENVIRONMENTAL SITE ASSESSMENT**

**HI-LAKE PROPERTY
2100-2218 East Lake Street
Minneapolis, MN 55407**

Prepared for:

Erling E. Rice Limited Partnership
6255 Bury Drive
Eden Prairie, Minnesota 55346

Wellington Management, Inc.
1625 Energy Park Drive, Suite 100
St. Paul, Minnesota 55108

Prepared By:

Bay West, Inc.
5 Empire Drive
St. Paul, Minnesota 55103

February 16, 2004

BWJ040056



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1.0 EXECUTIVE SUMMARY

Erling E. Rice Limited Partnership contracted Bay West, Inc. (Bay West) to conduct a Phase I Environmental Site Assessment (Phase I ESA) on the Hi-Lake Shopping Center property located at 2100-2218 East Lake Street in Minneapolis, Minnesota (subject property). The Phase I ESA consisted of a review of available historical records, a site reconnaissance, interviews with key personnel, review of previous Phase I and Phase II Reports, and the preparation of a final report.

Based on the records review, review of aerial photographs and Sanborn fire insurance maps, interviews, and the site reconnaissance, the Phase I ESA revealed a recognized environmental condition (REC) associated with the subject property. A REC is defined within the American Standard for Testing Materials (ASTM) E1527-00 standards as "the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substance or petroleum products into structures on the property or into the ground, ground water, or surface water of the property."

The REC involved a past discovery/release associated with elevated levels of mercury above MPCA Tier II Soil Reference Values (SRVs) in the shallow soil on the subject property. The mercury impact was discovered in a soil boring advanced as part of a Phase II Investigation performed in 2000, on the southwestern area of the property, where the former service station's waste oil underground storage tank (UST) was located. Mercury was detected in the 2-4 foot soil interval at a concentration of 11.4 mg/kg, which is above the SRV for mercury at 2 mg/kg. Mercury was not detected in the 14-16 foot interval above laboratory detection limits. The extent of mercury soil impacts appears to be relatively limited. At this time, it does not appear that the mercury impacts discovered in 2000 have been reported to the MPCA or otherwise addressed. The mercury-contaminated soil may pose a risk or require appropriate management during future construction or development at the subject property.

The facility appears relatively well maintained and in fair condition. The subject property is occupied by one primary site structure, which hosts several commercial businesses, and two smaller site structures currently operated as public restaurants. General business operations occurring on the subject property do not require the use of or experience the generation of hazardous materials. Information conveyed during the personal interviews also indicated that no spills, leaks or releases have occurred at the subject property or with associated activities.

The Phase I ESA was performed in conformance with the scope and limitations of the ASTM in *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (E 1527-00)* (ASTM E1527-00). Any exceptions to or deletions from this practice are described in Section 2.2 of this report. This assessment did reveal evidence of a recognized environmental condition as defined in ASTM E1527-00 associated with the subject property.

2.0 INTRODUCTION

2.1 Purpose

The Phase I ESA was performed to evaluate the site's current and historical land use/operations performed on-site in an effort to identify any condition that would qualify as a REC. RECs are defined as the presence or likely presence of any hazardous substances or petroleum products on the property under the conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances into structures on the property or into the ground, ground water, or surface water of the property. The term includes hazardous substances or petroleum products even under conditions in compliance with laws.

De minimis conditions, conditions that do not present a material risk of harm to public health or the environment and that generally would not be subject of enforcement action if brought to the attention of appropriate governmental agencies, are not included in the identified RECs.

2.2 Scope of Services

The Phase I ESA included a review of available records and databases, a limited site reconnaissance, conducting interviews with facility management, and preparation of a final report. The site reconnaissance included an examination of the property and exterior of site structures, however, observation of the building interior was limited general oversight. Additionally, the interview was conducted with personnel responsible for management of the property and tenants; however individual business owners were not available for interviews. The Phase I ESA did not include soil or ground water sampling and a title search was not included in the scope of requested services.

2.3 Significant Assumptions

Through the performance of the Phase I ESA and associated interviews, no information was conveyed to Bay West which suggested the existence of any title concerns, environmental liens, or use limitations encumbering the property.

2.4 Limitations and Exceptions of the Assessment

No environmental site assessment can entirely eliminate uncertainty regarding the potential for RECs in connection with a property. However, Bay West performed the Phase I ESA in accordance with ASTM E1527-00 and thereby substantially reduced the uncertainty.

2.5 Special Terms and Conditions

No special terms or conditions were encountered during the performance of the current Phase I ESA.

3.0 SITE DESCRIPTION

3.1 Location/Property Description

The subject property is located at 2100-2218 East Lake Street in Minneapolis, Minnesota (Figure 1). The property, currently owned by Erling E. Rice Limited Partnership, consists of a parcel approximately 7.95 acres in size that includes three structures. The subject property is situated on the northern side of East Lake Street and the east side of 21st Avenue South, directly to the west of Hiawatha Avenue and the light-rail tracks. The property is bounded to the north by 29th Street East, to the west by 21st Avenue South and to the south and south by East Lake Street. An access alley-way joins 29th Street East along the east edge of the property, providing a connection to East Lake Street. A chain-link fence is also present along the eastern boundary. The property is located in an area predominately occupied with commercial/retail business facilities.

At this time, three structures occupy the subject property utilized for the leasing/rental of retail space/storefront for several commercial/retail businesses. The primary site structure is a one-story, 92,683 square foot building with an L-shape configuration along the northern and eastern property boundaries. The building is an outdoor shopping center divided into multiple units that are rented/leased and operated as commercial/retail space. The stores currently occupying the primary site structures include True Value Hardware, Mega Wash Coin Laundry, Fashion Express, Saver's Department Store, Dollar City, Bumper to Bumper auto parts store, Rent-a-Center, one vacant space, H&R Block, The Re-Use Center, a Vietnamese Restaurant and Hi-Lake Liquor liquor store. The two smaller site structures, which are approximately 3,281 square feet (eastern building) and 1,582 square feet (western building), are occupied by Pineda Tacos and Subway restaurants (Figure 2).

A parking lot occupies the center area of the property, with the storefronts facing the parking lot area. The parking lot is paved with a bituminous surface and cars are parked in an east/westerly fashion. The balance of the parcel is occupied with the paved parking areas and entrance/exits, a sidewalk along the south and west property lines and a shipping/receiving roadway that provides access to the north and east (rear faces) of the primary site building.

3.2 Site and Vicinity General Characteristics

The USGS 7.5-Minute Topographic Map (Figure 1) indicates that the property elevation is approximately 850 feet above mean sea level. The Mississippi River is located approximately 1 ¼ to 1 ½ miles east of the site and flows south/southeasterly in the vicinity of the site. In general, ground water in the area of the property likely flows easterly toward the Mississippi River. As mentioned previously, a Phase II Investigation was performed in September 2000, providing further information regarding soil and ground water characteristics on the subject property. Borings were completed to depths of 5 to 23.5 feet below ground surface, and ground water was not encountered in any of the borings advanced as part of the Phase II Investigation. Soils encountered beneath the subject property were classified as sand to silty sand.

The subject property slopes slightly toward the north area of the property. Storm water runoff appears to be directed from the property by the contour of the property. The building is served by above-ground and underground utility connections. The City of Minneapolis provides water and sewer services for the property. No water wells are known to exist on the property. Solid waste from the facility appeared to be collected from the individual businesses from dumpsters located in the back of the shopping center. Solid waste was collected and serviced locally by Waste Management

The subject property appeared in relatively good condition without any notable indication of adverse site conditions. The land surrounding the structure consisted primarily of paved parking/transport areas. At the time of the site visit, Bay West was unable to observe the paved parking/transport area surfaces due to freshly fallen snow.

3.3 Descriptions of Structures and Roads On-Site

Access to the property is available from East Lake Street and 21st Avenue South. 29th Street East runs along the north property line, the back face of the primary structure, and connects to the eastern alley running to East Lake Street.

The structure on site is primarily constructed of concrete block and brick. The store fronts are finished with store entrances, windows, plaster, wood and brick. The interior of the businesses are each finished differently with a variety of materials such as concrete, tile or carpeted flooring, concrete block or plaster and painted walls. As stated previously, the interior of the subject property buildings were briefly observed to determine the general use of the building space and observe any potential areas of the generation, storage or disposal of hazardous waste.

3.4 Current Use of the Subject Property

The subject property is owned by Erling E. Rice Limited Partnership. As stated above, the property is occupied by the Hi-Lake Shopping Center, an outdoor shopping structure comprised of several commercial businesses, and two restaurant buildings.

The businesses located within the shopping center include retail stores, a restaurant and service providers such as H&R Block. General operations occurring at the facility have not required the use of or experienced the generation of hazardous materials, however retail stores such as True Value Hardware, Champion Auto Store, the Re-Use Center and Dollar City did have cleaning compounds, paint, propane and other common chemicals stored or for retail sale at the facility. The Re-Use Center had used paint available for "re-use" at the entrance to the business. The paint cans were haphazardly stacked on a shelf in this area, however it they did not appear to be leaking. Additionally, gasoline was stored at the True Value Hardware store for use with various rental equipment. The gasoline was stored in a proper cabinet that was labeled appropriately. Information conveyed during the personal interviews also indicated that no spills, leaks, or releases have occurred at the subject property.

3.5 Historic Use of the Subject Properties

According to the Phase I Environmental Site Assessment Report dated May 2000 (former ESA Report) and review of the Sanborn fire insurance maps, the property was formerly used to store lumber for Minneapolis Harvest Works from approximately 1885 through 1910. Subsequently, the subject property was operated as the Twin City Rapid Transit Company (TCRT) storage yard for streetcars from approximately 1910 until 1957. At this time, from 1950 until 1954, there was also a gas station operated on the southwest area of the property. The former ESA Report documents a review of City Fire Department Records (CFDR) conveyed the former presence of two 4,000-gallon underground storage tanks (USTs) which were removed in 1954.

The property was then developed with the primary site structure, in approximately 1957, as an outdoor shopping center and a gasoline service station on the southwest area of the property. Three USTs were present on the property associated with the operation of the service station, including two 6,000-gallon fuel storage tanks one 560-gallon tank used for storage of waste oil. The service station was then closed in the early 1970's, however there are no removal records for the tanks on site. The presence of the tanks was further investigated with a geophysical survey and subsurface investigation performed during a Phase II investigation completed in September 2000. The Phase II investigation



was not able to determine the presence of USTs on the subject property, but did indicate a probable area of a tank basin from the geophysical investigation.

The additional site structures currently on the subject property, Subway and Pineda Tacos, are visible on the property between 1978 and 1983 and between 1983 and 1993, respectively. A Burger King restaurant was also present on the southwest area of property from approximately 1977 until building demolition in December 2001. Information conveyed during the personal interviews also indicated that no spills, leaks, or releases have occurred at the subject property to the best of their knowledge.

3.6 Current Use of the Adjoining Properties

The subject property is located in an area of commercial businesses. The subject property is bordered to the north, across 29th Street East by a commercial office building housing Eco Enterprise Center and additional commercial/warehouse space currently for lease. The adjacent property to the west, across 21st Avenue South is a cemetery with the City of Minneapolis Solid Waste and Recycling South Transfer Station north of the cemetery property. The Minneapolis YWCA is located south of the subject property across East Lake Street, with various other businesses lining East Lake Street. Further south of East Lake Street, the land use becomes more predominantly residential. There is a small vacant parcel to the east of the subject property situated between the subject property and Hiawatha Avenue. The newly constructed light rail transit line also runs on a bridge above this parcel, along and just west of Hiawatha Avenue. There were no odors observed during the site reconnaissance or reported during the personal interviews.

4.0 USER PROVIDED INFORMATION

The term 'User' in the ASTM E1527-00 context defines the party employing Bay West for the performance of the Phase I ESA. As previously discussed in Section 2.1, one of the goals of the Phase I ESA is to identify any condition that would qualify as a REC. User-supplied information, otherwise unavailable to Bay West without the expenditure of unreasonable time and expense, can be critical to the REC identification process.

4.1 Title Records

The title records for the subject property were not reviewed by Bay West. The User stated that there were no issues or concerns regarding the title records.

4.2 Environmental Liens or Activity and Use Limitations

The User or property occupant indicated there were no environmental liens or use limitations associated with the subject property.

4.3 Specialized Property Knowledge

Other than the findings reported within this Phase I ESA report, Bay West was not made aware of any additional specialized property knowledge during the site reconnaissance or personal interviews.

4.4 Valuation Reduction for Environmental Issues

The User did not indicate any information associated with a valuation reduction for environmental issues associated with the subject property.

4.5 Owner, Property Manager, and Occupant Information

The subject property is owned by Erling E. Rice Limited Partnership, and space is currently leased to and occupied by several commercial businesses as described in Section 3.1.

4.6 Reason for Performing the Phase I

A Phase I ESA was performed on the subject property for one of the following reasons:

1. Qualify for the innocent landowner defense to CERCLA liability.
2. Identify potential environmental conditions that could materially impact the operation of the business associated with the commercial real estate parcel (business environmental risk).

Innocent Land Owner Defense

The Comprehensive Environmental Response, Cleanup, and Liability Act (CERCLA), or Superfund law, was enacted in 1980 to cope with the nationwide problem of abandoned hazardous waste sites. Superfund outlines the potential liability for cleanup costs associated with a hazardous substance release or threatened release, and available defenses to the defendant. The law requires cleanup reimbursement from all potentially responsible parties (PRPs). PRPs under the law include the generators of the hazardous waste, the previous owners of the site, and the current non-polluting landowner.

Superfund was reauthorized in 1986 with several changes to the original framework. Most notably, the reauthorization established an 'innocent subsequent landowner' defense. Liability will not be imposed if the release or threatened release of the hazardous substance were caused by: 1) an act of God, 2) an act of war, or 3) an act or omission of a third party. The innocent landowner defense arises out of this last category and is available if the defendant shows:



- a. The release or threat of a release was caused by a third party
- b. The third party is not an employee of the defendant
- c. The release by a third party did not occur in relation to a contract with the defendant and at the time of property acquisition, the defendant did not know and had no reason to know of the release or threatened release
- d. The defendant exercised due care and at the time of acquisition, undertook all appropriate inquiry into the previous ownership and uses of the property consistent with good commercial and customary practice in an effort to minimize liability

ASTM E1527-00 constitutes all appropriate inquiry into the previous ownership and uses of the property consistent with good commercial and customary practices in an effort to minimize liability.

Business Environmental Risk

The non-scope considerations are outside the scope of ASTM E1527-00 and include asbestos-containing materials, lead-based paint, radon, wetlands, regulatory compliance, eco-resources, endangered species, power lines, indoor air quality, etc., and represents a more comprehensive evaluation.

Non-scope considerations also include substances outside of the definition of hazardous substance or petroleum products that may lead to contamination of the property or nearby properties, or otherwise will not present CERCLA liability issues.

5.0 RECORDS REVIEW

Various record sources are reviewed during the preparation of a Phase I ESA. The objective of the records review is to develop an understanding of the historical property uses to help identify any potential 'recognized environmental conditions' in connection with those historical property uses.

5.1 Standard Environmental Record Resources

Bay West retained FirstSearch Technology Corporation (FirstSearch) to search the various federal and State regulatory databases for the subject properties. FirstSearch searches the databases for 'listings' of the subject property and for area property within a 1-mile radius of the subject property. The search involved a review of 'reasonable ascertainable' records in the following federal and State databases in accordance with ASTM E-1527:

-
- | | |
|----------------|--|
| FEDERAL | <ul style="list-style-type: none">• National Priorities List (NPL)• Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS)• Comprehensive Environmental Response, Compensation, and Liability Information System - No Further Remedial Action Planned (CERCLIS-NFRAP)• Resource Conservation and Recovery Information System (RCRIS)• Emergency Response Notification System (ERNS)• National Pollution Discharge Elimination System (NPDES)• Facility Index System (FINDS)• PCB Activity Database (PADS)• Toxic Chemical Release Inventory (TRIS) |
| STATE | <ul style="list-style-type: none">• Registered Underground Storage Tank/Aboveground Storage Tank (REG UST/AST)• Leaking Underground Storage Tank (LUST)• Minnesota Voluntary Investigation and Cleanup (MN VIC)• State Sites• Solid Waste Landfills (SWL)• Minnesota Pollution Control Agency List of Sites (MN LS)• Superfund Permanent List of Priorities (SHWS) |
-

One of the businesses located on the subject property, Champion Auto Stores, now Bumper to Bumper, was identified in the database review. The property was identified in the Registered Underground Storage Tank (REG UST/AST) and the Resource Conservation and Recovery Information System (RCRIS) Large and Small Quantity Generators (RCRA GEN). Sites listed in this database include EPA's database of RCRIS sites that may create between 100 kilograms (kg) and 1,000 kg of hazardous waste per month, or meet other RCRA requirements including the administrative action tracking system and the compliance monitoring and enforcement list. Champion Auto Stores was listed as a registered Conditionally Exempt Small Quantity Generator, which indicates generation of less than 100 kg per month of hazardous waste.

Champion Auto Stores was also listed in the UST database with registration of one 500-gallon aboveground storage tank (AST) for fuel oil storage. According to Bumper to Bumper, the tank is still present but is no longer actively used, as the business has discontinued the auto service line of

business and now is only a retail auto parts store. The tank is currently enclosed in a shed with a berm-type containment around it, according to the personal interviews. The tank and shed are scheduled for abandonment and removal within the next 60 days. The site was not listed in the Leaking Underground Storage Tank (LUST) or other environmental database and personal interviews indicated that there has not been any release or spills associated with the tank.

Three additional RCRA GEN sites were registered within a 1/8-mile radius of the subject property. The businesses listed included Hi Lake Auto Repair, listed as a Conditionally Exempt Small Quantity Generator, LSM Inc DBA MAACO, listed as a Small Quantity Generator (100-1,000 kg/month), and Clark Station No. 1610, listed as a Small Quantity Generator. No violation or enforcement information was recorded for any of the sites.

Additionally, three sites within 1/8-mile of the subject property were listed within the database search. The Former Midway Citgo-Jiffy site was listed on the REG UST/AST database with indicated registration of three abandoned USTs at the former service station located at 1901 East Lake Street. The Clark Oil Co. site, located at 1901 East Lake Street, was listed on the LUST database as a closed LUST site. The site was discovered in April 1989, was investigated, remediated and subsequently closed in August 1997. Northern States Power, with an address listing of 2124 29th Street, was listed within the Emergency Response Notification System (ERNS) database. The spill of approximately 5 gallons of transformer oil was reported on March 10, 1995 after a car struck a transformer, which caused the release.

Twenty-four sites were reported within a 1/4-mile radius of the subject property including six RCRA GEN sites, five States Voluntary Investigation and Cleanup (VIC) sites, five REG AST/UST sites and eight LUST sites. The six RCRA GEN sites included Scheib Earl of Minnesota, Inc., John A. Dalsin and Son, Inc., and Wentworth Aircraft, Inc. listed as Conditionally Exempt Small Quantity Generators. Peerless Machine Products Co., Inc., Eagle Motorcycle Engineering, Inc. and Auto Max were listed as Small Quantity Generators.

The five sites listed in the VIC database included Hennepin County Parcel, Phillips Eco-Enterprise Center, Hiawatha Construction Yard, Hiawatha LRT Corridor, and the Minnehaha Mall, Target Site #3 sites. The Hiawatha LRT Corridor and the Minnehaha Mall Target Site #3 remain active sites, indicating that the MPCA VIC program and voluntary parties are still involved with site activities while the other three listed sites are listed as not active.

The five sites listed on the REG UST/AST database located within 1/4-mile of the subject property included Miller & Holmes, located at 2300 East Lake Street, City of Minneapolis/Equipment Services Garage, located at 2850 20th Ave S., Jadco Supply, located at 2827 S. 20th Ave., South High School, located at 3131 19th Ave S., and Auto Max, located at 2401 East Lake Street. These five sites represent properties which have USTs or ASTs present on the property, or have had tanks that have been removed or abandoned, that were registered with the State of Minnesota.

Eight sites located within 1/4-mile of the subject property were identified on the LUST database. The sites are summarized below:

LUST Sites within 1/4-mile of Subject Property		
Site	Leak Reported	Site Closed by the MPCA
South Minneapolis Transfer Station 21 st Ave S & 29 th St E.	February 24, 1994	July 20, 1994
MNDOT/M&H 2300 East Lake Street	October 5, 1987	April 19, 1996

LUST Sites within 1/4-mile of Subject Property		
Site	Leak Reported	Site Closed by the MPCA
City of Minneapolis 2850 20 th Ave S.	June 4, 1992	March 1, 1993
South High School 3131 19 th Ave. S.	June 14, 2001	August 6, 2002
Former Clark Soil Service Station Hiawatha and Lake St	August 1, 1991	OPEN
Wentworth Aircraft 3015 Cedar Ave S.	June 18, 1992	October 29, 1992
Chicago-Milwaukee Corp/Rollins Oil Co. 2000-2020 East 28 th Street	August 29, 1989	October 10, 1997
Vacant Property 2016-2100 East 28 th Street	December 13, 1995	January 9, 1996

The open LUST site is reportedly located between 1/8- and 1/4- mile southeast of the subject property. This indicates that if off-site contamination was associated with the site, migration to the subject property is not likely due to its down-gradient location.

Twenty-three sites were listed in the database review located between 1/4- to 1/2- mile from the subject property. The sites include eight State VIC sites and fifteen LUST sites. The sites are summarized in the two tables below:

VIC Sites within 1/4- to 1/2-mile of Subject Property		
Site	Date Listed	Status
3023/3033 Snelling Ave 3023/3033 Snelling Ave.	April 23, 2002	Not Active
Arby's Snelling 3000 Snelling Avenue	April 3, 1995	Not Active
Pro Floor 320 2700 Minnehaha Avenue	August 26, 2002	Active
Bokers Inc. 3100 Snelling Ave.	January 8, 2001	Not Active
Bokers Inc. 3100 Snelling Ave.	January 8, 2001	Not Active
So Line Marshalling Yards SW of 26 th Ave. S. & E. 26 th St.	April 1, 1988	Not Active
Burr Properties 26 th Ave. S. & 27 th St.	December 1, 1989	Not Active
Ecolotech Warehouse 2619 28 th Avenue	July 25, 2000	Not Active

LUST Sites within 1/4- to 1/2-mile of Subject Property		
Site	Leak Reported	Site Closed by the MPCA
Arby's Restaurant 3000 Snelling Ave. S.	May 22, 1995	June 15, 1995

LUST Sites within 1/4- to 1/2-mile of Subject Property		
Site	Leak Reported	Site Closed by the MPCA
3 rd Precinct Police Station 3023 Snelling Ave S.	October 27, 2003	OPEN
Amoco SS #5241 1716 East Lake Street	July 23, 1991	March 30, 1992
Custom Products 1700 East Lake Street	August 27, 1991	February 19, 1992
Former Gas Station 2750 Cedar Ave S.	November 25, 2003	OPEN
Bokers Inc. 3104 Snelling Ave.	May 5, 1995	August 6, 1996
City of Minneapolis 1911 East 26 th St.	June 11, 1990	February 27, 1998
Minneapolis Asphalt Plant 1925 E 26 th St.	May 16, 1995	January 11, 2002
3017 Residential Property 3017 28 th Ave S.	March 14, 2002	August 12, 2002
US West 3317 24 th Ave S.	July 14, 1994	January 10, 1995
Gas Plus 1 3333 Cedar Ave S.	October 24, 2003	OPEN
Soo Line Railroad Property SW of 26 th Ave S & E. 26 th St.	June 1, 1988	OPEN
Butler Drug 1522 East Lake Street	May 20, 1999	December 6, 1999
Carls Auto & Riverside Transmission 2648 Cedar Ave S.	October 27, 1999	December 28, 2000
Carls Auto Service 2648 Cedar Ave S.	June 22, 1993	December 5, 1994

Four of the 15 LUST sites located between 1/4- to 1/2- mile from the subject property were listed as 'open'. This indicates that the MPCA still requires or is involved with additional site investigation or remedial activities.

Additionally, there were twenty VIC sites listed in the reviewed databases between 1/2 - to 1-mile radial distance from the subject property. The twenty VIC sites are summarized in the table below:

MN VIC Sites within 1/4- to 1/2-mile of Subject Property		
Site	Date Listed	Status
Minnehaha Industrial Park East 27 th St. & Minnehaha Avenue	April 16, 2001	Not Active
Norwest Zone Railyard Vicinity of the East 26 th St. M haha	No Information Listed	No Information Listed
Ford Deep Rock North Side of E. 28 th St. between 29 th	May 23, 1988	Active
Earl Weikle & Sons, Inc. 2514 24 th Ave S.	November 12, 1998	No



PHASE I ENVIRONMENTAL SITE ASSESSMENT

Hi-Lake Property
MINNEAPOLIS, MINNESOTA

MN VIC Sites within 1/4- to 1/2-mile of Subject Property		
Site	Date Listed	Status
Hiawatha Corridor I-94 to Lake St. along Hiawatha Ave.	April 29, 1996	Active
Flour City 2637 27 th Ave S.	August 5, 1994	Not Active
Glass Depot 2450 Minnehaha Avenue	January 25, 2002	Not Active
Gopher Stage Lighting 1201 E Lake St.	September 3, 1997	Not Active
Vacant Lot – Mpls 3408 Snelling Avenue	January 12, 1999	Not Active
Urban Gardens – 17 th Ave 2426-2430 1/2 17 th Ave S.	January 24, 2003	Active
Urban Garden Townhomes 3501 Bloomington Ave S.	October 21, 2002	Active
The Free Store 2438 Bloomington Ave.	December 27, 2001	Not Active
Hiawatha Metalcraft 2631 31 st Ave S.	December 7, 1990	Not Active
Mack Engineering 2626-2632 31 st Ave. S.	July 29, 1998	Active
Minnegasco Meter Site – Mixer Station	July 26, 2000	Not Active
Hiawatha Panel 3105 & 3119 East 26 th Street	November 12, 1998	Active
AT&T Technologies, Inc. 3100 East 28 th Street	May 21, 1991	Not Active
Embers Restaurant 3300 East Lake Street	March 9, 1999	Not Active
Sears Tower 900 E. Lake St.	October 10, 1997	Not Active
United Van Bus Delivery 2601 32 nd Avenue South	December 16, 1994	Not Active

The complete records report is provided in Appendix 1 and includes figures that illustrate the sites identified in the specified databases as discussed above.

5.2 Review of Previous ESA Investigations

A Phase I ESA was performed by Bay West in May 2000 for the Minneapolis Community Development Agency. The Phase I ESA included a records review, site reconnaissance, review of historical records, and completion of a report. In general, the report stated that the Phase I ESA revealed no RECs, but did recommend a limited Phase II Investigation based on the historical site operations (street car, gas/service station).

In September 2000, a Phase II Investigation was performed at the subject property, which included a geophysical survey in the southwest area of the property to determine the presence/absence of USTs associated with the former service station as well as a subsurface investigation in three site areas to investigate the historic street car operations, former gas/service station

operations and any potential impacts from the dry cleaning facility (Pilgrim Cleaners) that formerly leased space in the HI-Lake Shopping Center. The results of the Phase II Investigation were summarized as follows:

- Two possible UST locations were identified in the geophysical investigation during the performance of a magnetometer survey. The locations were located on the southwest area of the site, west of the current Subway restaurant building.
- Ground water was not encountered during the subsurface investigation, in borings advanced from 5 to 23.5 feet below ground surface.
- Field screening with a photo-ionization detector (PID) indicated 0 ppm for all intervals in each of the borings, with the exception of one interval measured at 6 ppm.
- The subsurface investigation performed to investigate historic streetcar operations and dry cleaning activities yielded no analytical results suggesting the presence of impacts above Tier II Soil Reference Values (SRVs) or Tier I Soil Leaching Value (SLV).
- Mercury was detected at 11.4 mg/kg, above the Tier II SRV value (2 mg/kg), in the upper-interval soil sample from the boring advanced near the estimated location of the former waste/used oil UST. The lower-interval soil sample did not indicate the presence of mercury above laboratory detection limits.
- Confirmation of the presence/absence of a UST was not possible during the Phase II Investigation.

Finally, the Phase II Investigation recommended evaluation of reporting the mercury impacts to the MPCA, as well as proper management of mercury-contaminated soils during future construction or development on the subject property.

5.3 Historical Use Information

Aerial Photographs

Aerial photographs are a valuable resource for documenting past land uses of the subject property and the surrounding area. Copies of the historical aerial photos from the 2000 Phase I ESA were utilized for review and documentation of historic land use for this Phase I ESA Report. A copy of photographs from the years 1938, 1947, 1961, 1967, 1970, 1974, 1978, 1983 and 1993 were reviewed and are provided in Appendix 2.

Sanborn Fire Insurance Maps

Fire insurance maps are another valuable resource for documenting past land uses. Copies of the Sanborn Fire Insurance Maps from the 2000 Phase I ESA were available from 1885, 1912, 1924, 1949, 1950, 1952, 1963 and 1968. Copies of the Sanborn Fire Insurance Maps for the subject property are included in Appendix 3.

Additional Sources

Consultation of additional sources was not included in the current scope of work.

5.4 Records Review Summary

Through aerial photographs, Sanborn Fire Insurance Maps, the previous site Phase I ESA and Phase II Investigation Reports and personal interviews, a property use history was developed:

The subject property was listed as Minneapolis Harvester Works, a lumber storage facility from approximately 1885 through approximately 1910. After 1910 until approximately 1957, the Minneapolis streetcar storage yard and/or station occupied the subject property, and a gasoline/service station operated on the southwestern portion of the subject property between 1950 to 1954. Subsequently, in approximately 1957, the property was used as a shopping center, with a gas station operating until approximately 1974 on the southwestern area of the property.

Although the businesses within the outdoor shopping center may have changed, the land use is presently used as a shopping center; however there is no longer a gas/service station, or its former structure, located on the subject property. Additionally, Pilgrim Cleaners & Launderers formerly operated a dry cleaning facility within the shopping center from approximately 1958 until approximately 1972. There is no longer a dry cleaning business within the shopping center.

6.0 INFORMATION FROM SITE RECONNAISSANCE AND INTERVIEWS

6.1 Limiting Conditions and Methodology Used

Limiting conditions that governed the performance of the Phase I ESA were noted in Sections 2.2 and 2.3 of this report. The review was conducted following the general guidelines established by ASTM E1527-00. The Phase I ESA consisted of a review of available historical records, a site reconnaissance, and the preparation of a final report. As described above, the interiors of the site businesses were observed generally to determine the use of the space as well as the likely presence of hazardous materials or petroleum products. Additionally, individual business owners/managers were not available for interviews; however, Bay West interviewed the manager for the shopping center.

6.2 Site Reconnaissance

Ms. Megan Kari, Bay West, performed a site reconnaissance on Tuesday, February 10, 2004. Exterior areas of the site building were viewed from all sides and nearby public thoroughfares. The facility's interior was observed during a limited, guided site tour. The observations noted during the site reconnaissance are as follows:

The structure on site is constructed of concrete block and brick. The building front is finished with a variety of materials including glass windows, store entrances, plaster, wood and brick. The parking area was covered with a layer of fresh snow, therefore the condition of the bituminous parking lot could not be observed. The parking area was situated in the center of the property with the storefronts facing toward it. Parking was provided in an east/westerly pattern. A slight northward gradient was observed in the parking area on the subject property. Sidewalk was present along East Lake Street and 21st Avenue South along the edge of the property.

The eastern border of the property was fenced along the property line with a chain-link fence along the alley/throughway between 29th Street East and East Lake Street. Several dumpsters were noted behind the stores, the north and east faces of the primary structure, along with some miscellaneous furniture, appliance and refuse that had been dumped. Additionally, the Bumper to Bumper AST that is located behind the building in this area was not physically observed during the site visit due to the presence of many dumpsters and the location for snow removal. Subsequent to the site visit, Bay West learned from speaking with Bumper to Bumper that the tank is enclosed in a shed with a berm present around the tank. Bay West was not able to physically examine the structure or the tank.

The interior of the facility was observed as retail stores or places of business. The office spaces were finished with concrete, tile or carpeted flooring, concrete block, plaster or drywalled/painted walls, and were relatively clean and well maintained. The stores did not suggest the generation of hazardous materials nor have any evidence of spilling, corrosion, leaking, or staining.

Photographs taken during the site reconnaissance are located in Appendix 4.



6.3 Interviews

PERSON	COMPANY	DATE	TELEPHONE
Peter Templeton	FirstSearch Technology Corporation	2-9-2004	317-543-0010
Angie Quale	Rice Associates, Inc.	2-10-2004	952-937-8977
Mark Wold	Midwest Auto Parts Distributor	2-11-2004	651-644-6448

7.0 FINDINGS AND CONCLUSIONS

7.1 Findings

Based on the records review, review of aerial photographs, Sanborn Fire Insurance Maps and the previous Phase I ESA and Phase II Investigation Reports, interviews, and the site reconnaissance, the Phase I ESA did not reveal any current releases or threats of release. The facility appeared in relatively good condition. However, the Phase I ESA found that a REC does exist associated with the mercury contaminated soil previously documented on the southwest corner of the property. This discovery and release does not appear to have been registered with any MPCA program and represents a past release that may be encountered or pose a risk during future construction or development in this area.

Current operations performed at the facility do not suggest the generation of hazardous waste associated with the retail/commercial business operations. Concerns associated with the historic land use of the subject property, concerning the former streetcar, gasoline/service station and dry cleaning facility operations, were investigated during the Phase II Investigation. Other than the detection of mercury in soil around the area suspected to be the former service station's waste oil tank, impacts were not detected above Tier II SRVs for analyzed compounds.

Gasoline is stored on the subject property at the True Value Hardware store, but appeared to be properly stored, contained and labeled without suggestion of past or current release. Additionally, there is an AST present on the property on the north (back) face of the primary site building, near the Bumper to Bumper store. The tank is owned by Bumper to Bumper and is registered in the State of Minnesota Registered Underground and Above-ground Storage Tank database. The records review and personal interviews suggested no evidence or report of spills, leaks, or notable events associated with the AST. It was also noted that the tank is scheduled to be abandoned/removed within the next 60 days.

7.2 Conclusions

Bay West performed a Phase I ESA of 2100-2218 East Lake Street in Minneapolis, Minnesota (the subject property). The Phase I ESA was performed in conformance with the scope and limitations of the ASTM in *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (E 1527-00)*. Any exceptions to, or deletions from, this practice are described in Section 2.2 and 2.3 of this report. The performance of the Phase I ESA revealed the presence of a REC associated with the former discovery of elevated concentrations of mercury above the Tier II SRV within the near-grade soils on the subject property.

7.3 Opinion

Information gathered through the records review, site reconnaissance, and personal interviews indicated the presence or former presence of a recognized environmental condition on the subject property. This condition involves the discovery/release associated with the elevated levels of mercury found in soils in the suspected area of the former service station's waste oil UST. Additionally, the radius search/record review did not indicate adjacent properties with a recent or ongoing release that appeared likely to act as a source of contaminant migration to the subject property.

7.4 Disclaimer

The conclusions contained in this report represent our professional opinions. These opinions are based on currently available information and are arrived at in accordance with currently accepted practices at this time and location. Other than this, no warranty is implied or intended.



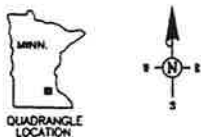
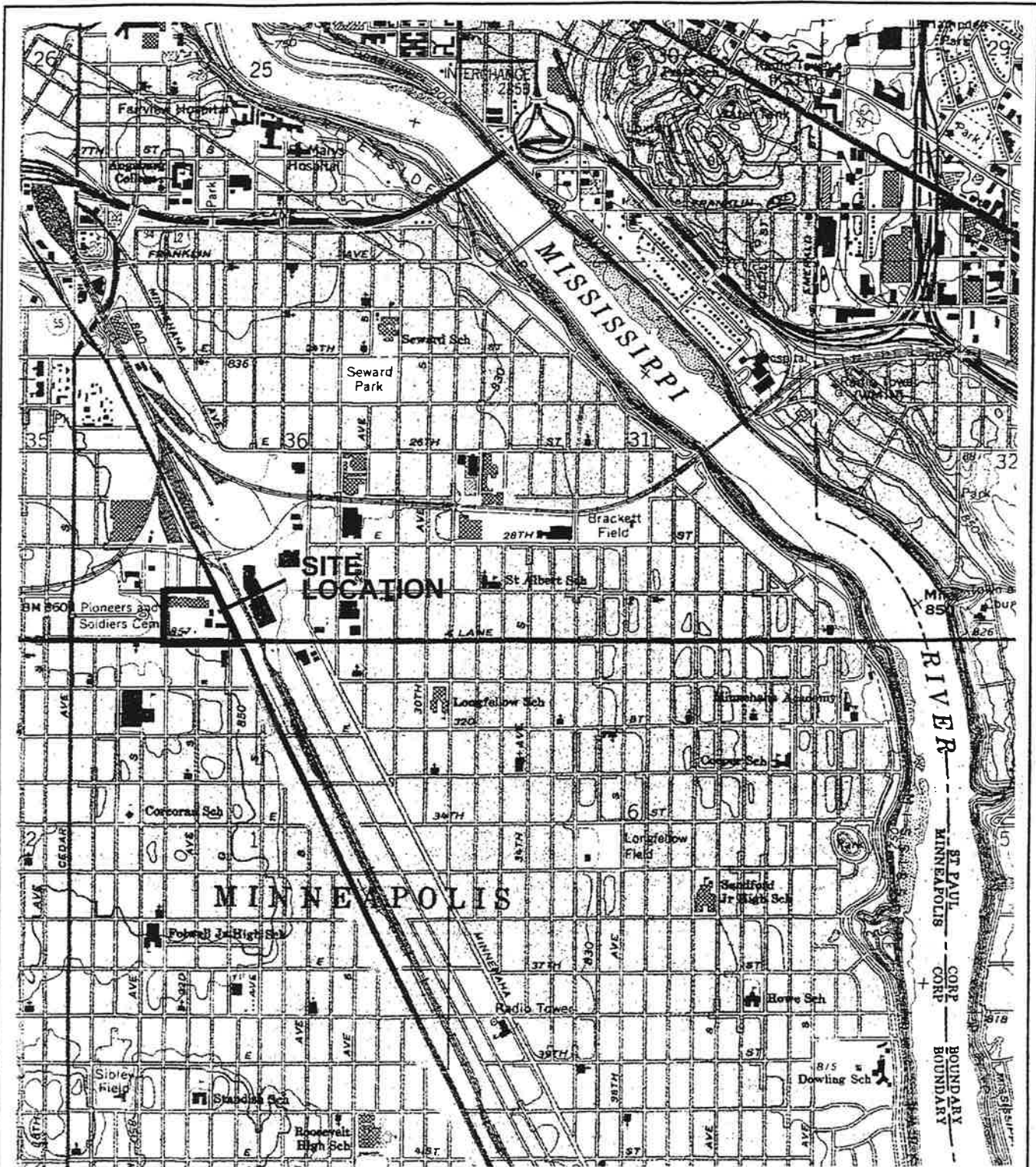
Signature of Environmental Professional Responsible for the Report:




Megan Kari
Bay West, Inc.

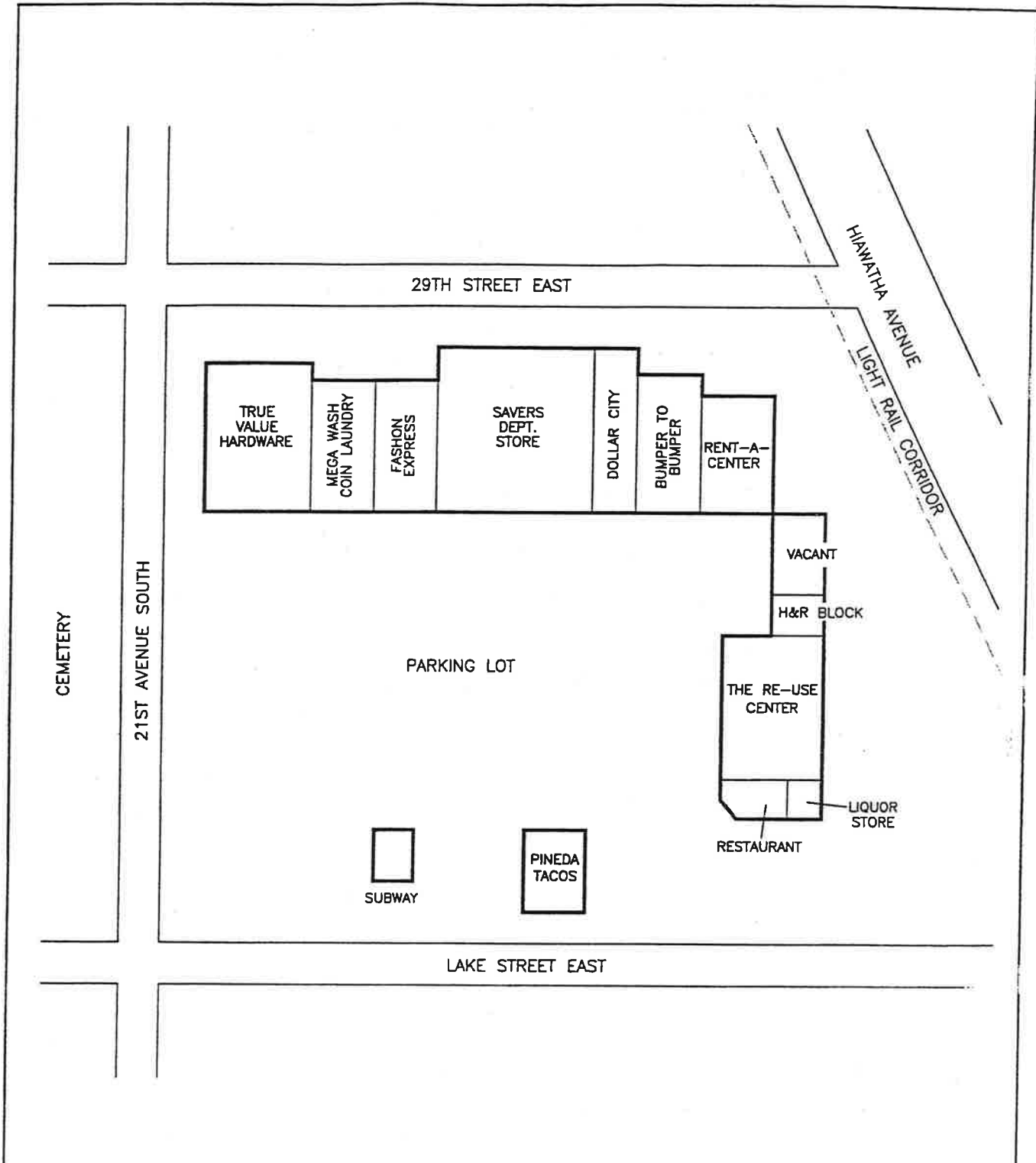



FIGURES



SOURCE:
USGS 7.5 MINUTE
TOPOGRAPHIC MAP-
ST. PAUL WEST, MN
QUADRANGLE

ENGR'G	M.K.	DATE		BAY WEST Inc. ENVIRONMENTAL SERVICES ST. PAUL, MN
DRAWN	K.M.	2/14/04		
REV.				
PROJECT NAME				HI-LAKE SHOPPING CENTER- PHASE I
TITLE				SITE LOCATION MAP
DWG. NO.		040056A1	SCALE	1"=2000'
			FIGURE #	1



ENGR'G	M.K.	DATE		BAY WEST Inc. ENVIRONMENTAL SERVICES ST. PAUL, MN
DRAWN	K.M.	2/12/04		
REV.				
PROJECT NAME				HI-LAKE SHOPPING CENTER- PHASE I
TITLE				SITE MAP
DWG. NO.	040056A2	SCALE	NONE	FIGURE # 2