

**Appendix B**  
**Phase I Assessment**

**DRAFT - FOR DISCUSSION PURPOSES ONLY**

**PHASE I ENVIRONMENTAL SITE ASSESSMENT**

Monterey Road Proposed Redevelopment Site  
2829 Monterey Road  
San Jose, Santa Clara County, California 95111

**Prepared For:**

EverWest Advisors, LLC  
Denver, Colorado

**Prepared By:**

Blackstone Consulting LLC  
Project No. EVRWCO012.02

**November 26, 2018**

## TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	i
1.0 INTRODUCTION .....	1
1.1 Purpose .....	1
1.2 Special Terms and Conditions .....	2
1.3 Scope of Services .....	2
1.4 Significant Assumptions and Data Gaps .....	3
2.0 USER PROVIDED INFORMATION .....	5
2.1 Reason For Performing the Phase I ESA .....	5
2.2 Environmental Liens and Activity Use And Limitations (AULs) .....	5
2.3 Specialized Knowledge, Commonly Known & Degree of Obviousness .....	6
2.4 Value Reduction for Environmental Issues .....	6
2.5 Owner, Key Site Manager, and Occupant Information .....	6
2.6 Past Owners, Operators and Occupant Interviews .....	6
2.7 Reliance .....	7
3.0 SITE DESCRIPTION .....	8
3.1 Site Characteristics and Features .....	8
3.2 Utilities .....	9
4.0 VICINITY RECONNAISSANCE .....	10
5.0 PHYSICAL SETTING .....	11
6.0 HISTORICAL INFORMATION REVIEW .....	12
6.1 Historical Fire Insurance Maps .....	12
6.2 Aerial Photographs .....	12
6.3 Historical Topographic Maps .....	13
6.4 Agency Records, Interviews and Other Historical Sources .....	14
6.5 City Directories .....	16
6.6 Environmental Lien/AUL Search .....	16
6.7 Previous Environmental Reports .....	16
6.8 Historical Information Conclusions .....	19
7.0 ENVIRONMENTAL DATABASE SEARCH AND REVIEW .....	22
7.1 Federal, State, Local, Tribal and Proprietary Databases .....	23
7.2 Unmappable Facilities .....	24
7.3 Affirmation .....	24
7.4 Environmental Database Search and Review Conclusions .....	25
8.0 SITE INSPECTION .....	26
8.1 Underground Storage Tanks (USTs) .....	26
8.2 Aboveground Storage Tanks (ASTs) .....	26
8.3 Chemicals and Materials Usage .....	27
8.4 Hazardous Wastes .....	27
8.5 Non-Hazardous Wastes .....	27
8.6 Polychlorinated Biphenyls (PCBs) .....	27
8.7 Wastewater Discharges .....	28
8.8 Stormwater Discharges .....	28
8.9 Pits, Ponds, and Lagoons (On-site Process Water Discharge) .....	28
8.10 Wells .....	28
8.11 Underground Product Pipelines .....	28

8.12	Odors.....	29
8.13	Pools of Liquid.....	29
8.14	Stressed Vegetation or Stained Surfaces.....	29
8.15	Site Inspection Conclusions .....	29
9.0	ASTM NON-SCOPE CONSIDERATIONS .....	30
9.1	Air Emissions.....	30
9.2	Asbestos-Containing Materials (ACM).....	30
9.3	Lead-Based Paint (LBP) .....	30
9.4	Radon Gas.....	30
9.5	Apparent Mold Growth (AMG).....	30
9.6	Wetlands.....	31
9.7	Lead In Drinking Water .....	31
9.8	Potable/Irrigation Groundwater Well Survey.....	31
10.0	CONCLUSIONS AND RECOMMENDATIONS.....	32
11.0	SIGNATURES OF ENVIRONMENTAL PROFESSIONALS .....	33

## **APPENDICES**

- Appendix A: Site Maps, Plans and Photographs
- Site Location Map
  - Site Plan
  - Site Photographs
- Appendix B: Historical Sources
- Historical Fire Insurance Maps
  - Historical Aerial Photographs
  - Historical Topographic Maps
- Appendix C: Environmental Lien/AUL Search Information
- Appendix D: Previous Environmental Reports
- Appendix E: Environmental Database Search Report
- Appendix F: AAI User Questionnaire
- Appendix G: Qualifications of Professionals

## EXECUTIVE SUMMARY

Blackstone Consulting LLC (Blackstone) performed a Phase I Environmental Site Assessment (Phase I ESA) of the vacant lot located at 2829 Monterey Road in San Jose, Santa Clara County, California (site). It is understood that the site is planned for a potential acquisition. The purpose of the Phase I ESA is to identify recognized environmental conditions (RECs) in accordance with ASTM Standard E 1527-13 and other agreed-upon ASTM *Non-Scope Considerations (Business Environmental Risk Issues)*.

### SITE INSPECTION

**Name of Inspector:** Heather Hill

**Date of Inspection:** November 16, 2018

**Site Representatives:** Mr. Joel Yungen, Associate Vice President of Colliers International

### SITE DESCRIPTION

**Street Addresses:** 2829 Monterey Road

**City and State:** San Jose, California

**County:** Santa Clara

**Legal Description:** Santa Clara County Assessor Number: 456-40-004 (fka 455-36-009) (southern portion of parcel; see attached map of the proposed parcel split)

**Owner(s):** Trojan Storage of San Jose II LLC

**Site Size:** Approximately 4.64 acres

**Site Use:** The site consists of vacant, rough graded parcel of land. The land is occupied by an electrical contractor for material and equipment storage. Development activities (installation of subsurface utilities) was underway within the utility easement along the southwestern portion of the site during the site inspection.

**Year(s) Built:** No structures

<b>Structure(s)</b>	<b>Location On Site</b>	<b>Number of Stories</b>	<b>Size (approx. square feet)</b>
---------------------	-----------------------------	--------------------------	---------------------------------------

None

**Other Site Features:** Future access to the site will be granted from Monterey Road via an easement on the northeast-adjointing property.

## **HISTORICAL INFORMATION**

Reasonably ascertainable historical information indicates the site consisted of agricultural land from at least 1939 until developed with an asphalt plant facility (along with the northeast and southeast adjoining properties) from approximately 1956 until approximately 2012. The improvement related to the asphalt plant removed by 2014, and the site has consisted of vacant, graded land used as a storage area for construction related activities since 2014.

The former on-site asphalt plant maintained one 10,000-gallon and three 15,000-gallon underground storage tanks (USTs) of liquid asphalt that were located in a 2,500-square foot tank farm on the southwestern portion of the property. The asphalt plant also reportedly operated aboveground storage tanks (ASTs) containing asphalt, emulsion oil and diesel; a septic tank, an oil-water separator, and a waste oil UST; and stored numerous 55-gallon drums of gear oil, heat transfer oil, and hydraulic oil in secondary containment. The operation of the plant also utilized underground conveyor-belt tunnels and vaults, which were demolished along with the other plant structures in 2012.

Various subsurface investigations have been performed on the site from at least 1990 through 2017 during UST removal activities and to assess the former site operations. Based on the results of multiple subsurface investigations, the former site uses were documented to have impacted the soil at the site with low to moderate levels of asphalt oil in the immediate vicinity of the former USTs. The releases were reportedly discovered in 2014 when the former asphalt tanks were removed. To facilitate the environmental closure related to the impacts associated with the former asphalt plant, the site was enrolled in the Santa Clara County Department of Health (SCCDEH) Voluntary Cleanup Program (VCP) in December 2014. The site is identified on the State Water Resources Control Board GeoTracker website as Former Raisch (Case Number T10000006433). Following the tank removal, approximately 1,114 tons of petroleum hydrocarbon-impacted soil was removed from the site. Impacted soil was also removed from a second identified area in the vicinity of exploratory boring SB-12, which was located on or near the northeastern portion of the site. Collectively, the investigation reports attribute the remaining petroleum hydrocarbons concentrations in soil to asphalt buried in the subsurface. Supplemental soil and groundwater investigations were performed in February 2015 to further assess the extent of the impacts on the site. Laboratory analyses of the collected soil samples also revealed high concentrations of mid- to heavy- range TPH in soil on the site, but no chemicals of concern at concentrations greater than applicable screening levels were identified from the surface to a depth of 10 feet bgs. In 2015, a Soil Management Plan (SMP) was prepared for the site at the direction of the SCCDEH which documents procedures related to the proper handling and disposal of any impacted materials encountered during construction. Supplemental trenching and an investigation were performed on the southeastern portion of the site in preparation for the installation of storm drain system. The investigation report indicates that laboratory analyses of retrieved soil samples revealed no chemicals of concern at concentrations greater than applicable screening levels from the surface to a depth of 10 feet bgs.

Based on comprehensive investigation reports indicating that no elevated concentrations of chemicals of concern have been documented in soil less than 10 feet bgs at the site, which is reportedly the maximum depth of excavation required for future development, the absence of off-site migration of contaminants and the absence of sensitive receptors, the SCCDEH issued a case closure for the VCP case on March 29, 2017, under California's Low Threat Underground Storage Tank Case Closure Policy. Under the closure, elevated concentrations of TPH remain present in site soil and groundwater at

concentrations that exceed regulatory screening levels. According to the SCCDEH VCP Case Closure letter, the maximum concentration of TPH remaining in site soil is 39,000 milligrams per kilogram (mg/kg). In addition, concentrations of 1,2-dichloroethene (9.5 ug/kg), naphthalene (11,000 ug/kg), and 1,2,4 trimethylbenzene (5.5 ug/kg) were identified in the site soil. Concentrations of mid-range TPH were also detected in the site groundwater samples at a maximum concentration of 5,870 micrograms per liter ( $\mu\text{g/L}$ ), which exceeds the Regional Water Quality Control Board's Environmental Screening Levels (ESLs) for groundwater (100  $\mu\text{g/L}$ ). The remaining concentrations of TPH in soil and groundwater appear to exceed the Regional Water Quality Control Board's (RWQCB's) indirect evidence screening level for the possible presence of Light Non-Aqueous Phase Liquids (LNAPLs), which are approximately 10 to 50 mg/kg in soil and 5,000 mg/L for groundwater. Previous consultants attribute the remaining concentrations of TPH in site soil to asphalt buried at the site. However, during a 2017 geotechnical investigation on the site, slight to strong asphalt odor was reported in a number of soil samples collected from as shallow as five feet bgs. According to the SCCDEH VCP Case Closure letter, the levels of petroleum contamination remaining at the site pose a low risk to human health and the environment "under current land use conditions."

Adjoining properties consisted of agricultural land, rural farmsteads and the present-day southwest adjoining railroad tracks from at least 1939 through at least 1956. The northwest adjoining property was utilized as an auto salvage yard from circa 1963 until cleared in the early 2000s. The property remained vacant land until redeveloped with the present-day apartment buildings between 2010 and 2016 under a Brownfield redevelopment program. The northeastern adjoining property was occupied as a portion of the former asphalt plant (which also occupied the site) from at least 1956 until 2012, when the property was cleared and graded. The property has since been used for construction material storage. The southeast adjoining property was developed in the mid-1960s with many of the present-day buildings and operated as the office, support facilities and parking areas associated with the former on-site asphalt plant until circa 2012 and have since been occupied as a portion of a lumber yard and an equipment rental facility. The southwestern adjoining property has consisted of railroad lines followed by vacant land since at least 1939.

Blackstone performed a Phase I ESA of the site in conformance with the scope and limitations of ASTM Standard Practice E 1527-13, the regulations at 40 CFR Part 312, and the July 30, 2018 proposal (Agreement) between EverWest Real Estate Partners and Blackstone. Any exceptions to or deletions from this practice are described in Sections 1.2 through 1.4 of this report. This assessment has revealed no evidence of *recognized environmental conditions (RECs)* in connection with the site, except for the following:

- **Contaminated Soil and Groundwater:** As previously discussed, the site has been evaluated and granted regulatory closure under the SCCDEH VCP. The regulatory closure of the site includes institutional controls in the form of use limitations and the required implementation of a Soil Management Plan (SMP) during any on-site excavation or development activities. In addition, the closure specifically states that elevated soil impacts are located below 10 feet of non-impacted soil. Based on the regulatory closure granted with institutional controls required to maintain the closure in the site's current condition, the former asphalt plant and associated impacts are considered a controlled REC (CREC).

Blackstone recommends continued compliance with the VCP closure requirements, including the implementation of the site-specific SMP and use restrictions. According to the SCCDEH Case

Closure letter, "The DEH shall be notified prior to changes in land use, installation of water wells, or if contamination is encountered at the site." Redevelopment of the site appears to trigger the first criterion.

During the preparation for the planned site redevelopment activities, Blackstone recommends the following regarding the VCP case closure and remaining impacts:

- Notify SCCDEH of the intended change of the use of the site, provide all current documentation to the SCCDEH regarding the site (including geotechnical investigations) and confirm whether the redevelopment of the site will require reopening of the closed VCP case with SCCDEH.
- Verify with the SCCDEH (or site consultant) that the Case Closure issued applies to all site media, including soil, groundwater and soil vapor and to all historical site features and activities associated with the former asphalt plan.

Elevated naphthalene was identified in the soil on the site and there is no record of the evaluation of vapor intrusion concerns in the documents reviewed nor any record polycyclic aromatic hydrocarbons (PAHs) analysis for the site samples. If the potential for vapor intrusion in the future site development has not been evaluated, further assessment may be required.

- Confirm with the SCCDEH whether any further comments are expected from the parent state agencies (e.g., the Regional Water Quality Control Board or the Department of Toxic Substances Control) in order to maintain case closure after the development of the site.

This section is only intended to represent a brief summary of our findings and is not a detailed account of all the information provided in this report. The report should be reviewed in its entirety prior to drawing any final conclusions as to potential environmental conditions associated with the site.

## 1.0 INTRODUCTION

### 1.1 PURPOSE

Blackstone Consulting LLC (Blackstone) performed a Phase I Environmental Site Assessment (Phase I ESA) of the vacant property located at 2829 Monterey Road in San Jose, Santa Clara County, California (site).

The purpose of this Phase I ESA is to investigate and identify *recognized environmental conditions (RECs)* associated with the site and/or surrounding properties. ASTM Standard Practice E 1527-13 defines RECs as:

*The presence or likely presence of any hazardous substances or petroleum products in, on, or at a property due to any release to the environment, under conditions indicative of a release to the environment, or under conditions that pose a material threat of a future release to the environment. De minimis conditions are not recognized environmental conditions.*

A *de minimis condition* is a condition that generally does not present a threat to human health or the *environment* and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.

Additionally, this Phase I ESA was conducted to identify *controlled recognized environmental conditions (CRECs)* associated with the site and/or surrounding properties. ASTM Standard Practice E 1527-13 defines CRECs as:

*A recognized environmental condition resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority (for example, as evidenced by the issuance of a no further action letter or equivalent, or meeting risk-based criteria established by a regulatory authority), with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls (for example, property use restrictions, activity and use limitations, institutional controls, or engineering controls).*

This Phase I ESA also was conducted to identify *historical recognized environmental conditions (HRECs)* associated with the site and/or surrounding properties. ASTM Standard Practice E 1527-13 defines HRECs as:

*A past release of any hazardous substances or petroleum products that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls (for example, property use restrictions, activity and use limitations, institutional controls, or engineering controls).*

This practice is generally intended for the User to satisfy one of the requirements to qualify for the *innocent landowner, contiguous property owner, or bona fide prospective purchaser* limitations on CERCLA liability; that is, this practice constitutes all appropriate inquiries (AAI) into the previous ownership and uses of the site consistent with good commercial or customary practice as defined at 42 U.S.C. §9601(35)(B) and the regulations at 40 CFR Part 312.

ASTM *Non-Scope Considerations (Business Environmental Risk Issues)* are detailed in Section 1.3 and outlined in the July 30, 2018 proposal (Agreement) between EverWest Real Estate Partners (EverWest) and Blackstone.

## 1.2 SPECIAL TERMS AND CONDITIONS

This Phase I ESA has been conducted in accordance with ASTM Standard Practice E 1527-13, the regulations at 40 CFR Part 312, and the Agreement between EverWest and Blackstone. Qualifications of the professionals conducting this assessment have been provided in Appendix G.

Blackstone performed the professional services, obtained findings, rendered conclusions, and prepared recommendations in accordance with generally accepted practices of other environmental consultants undertaking similar assessments at the same time in the same geographical area.

Historical and environmental information pertaining to the site has been included in this report to the extent that such information is *practically reviewable*, as defined in the above-referenced standard practice.

## 1.3 SCOPE OF SERVICES

As detailed in the Agreement, this Phase I ESA was conducted in accordance with the industry standard ASTM Standard Practice E 1527-13 and as such in accordance with all appropriate inquiries (AAI) into the previous ownership and uses of the site consistent with good commercial or customary practice as defined at 42 U.S.C. §9601(35)(B) and the regulations at 40 CFR Part 312. This Phase I ESA included the following services:

1. A site inspection to identify and evaluate potential sources of RECs such as underground storage tanks (USTs), aboveground storage tanks (ASTs), equipment containing polychlorinated biphenyls (PCBs), waste and chemical storage areas, and wastewater and stormwater discharges. The inspection included observations for evidence of chemical spills, releases, or on site waste disposal.
2. A review of site records and interviews with site representatives with regard to current and former site operations to identify known or potential environmental concerns.
3. A visual survey of the properties in the vicinity of the site to evaluate the potential for RECs at the site from these properties.
4. A review of historical information to identify RECs at the site from historic on-site and off-site uses. To the extent feasible under the conditions of the assessment, the historical information obtained included verbal information from site and/or local agency representatives. In addition, some or all of the following records, where *publicly available* and *practically reviewable*, were reviewed: construction plans, zoning maps, building permits, property record cards, topographic maps, fire insurance maps, historical city directories, and aerial photographs.

5. A review of State and Federal environmental database information.

Blackstone also performed the following activities to identify ASTM *Non-Scope Considerations (Business Environmental Risk Issues)* in addition to the ASTM requirements and as required per the Agreement:

Document research, visual and/or sampling surveys, and interviews for the presence of:

- Air Emissions,
- Asbestos-containing materials (ACM),
- Lead-based paint (LBP),
- Radon,
- Apparent Mold Growth (AMG),
- Wetlands,
- Lead in Drinking Water, and
- Potable/Irrigation Groundwater Well Survey.

The scope of this Phase I ESA did not include surface water, soil, soil vapor, or groundwater sampling. Consequently, conclusions provided with regard to surface water, soil, soil vapor, and groundwater impacts are limited to those that can be formed based on a non-intrusive investigation. The absence of environmental hazards in the subsurface cannot be guaranteed based on conditions observed on the surface.

Where performed, the limited ACM, LBP, AMG, and radon surveys are intended to provide an indication of the potential for significant environmental issues associated with these ASTM *Non-Scope Considerations (Business Environmental Risk Issues)*. Hidden materials or locations such as those inside walls, inaccessible attics, crawl spaces, and inside ductwork and piping were not evaluated. As such, these surveys should not be regarded as comprehensive surveys for demolition or renovation purposes or indoor air quality health risk assessments, vapor intrusion into buildings, or explosion hazards.

#### 1.4 SIGNIFICANT ASSUMPTIONS AND DATA GAPS

The site inspection consisted of a walkover of the site parcel and storage area. Blackstone walked the perimeter of the site in a single pass, at the direction of the Site Representative. During the site inspection, Blackstone did not inspect inaccessible areas of the site including beneath equipment and materials, beneath vehicles, under manholes or in areas of construction. The adjoining properties were visually observed from curbside without being entered. There is no reason to believe the inability to inspect these areas would alter the findings or recommendations set forth in this report or be considered a significant data gap.

The historical information reviewed for the site did not confirm the first developed use of the site. *Data failure*, as defined by ASTM, has occurred in attempting to identify obvious uses of the site back to the first developed use, or back to 1940, whichever is earlier. Information regarding the use of the site prior to 1939 (at which time a portion of the site was utilized for agricultural purposes) was not available from the *standard historical sources* (including available aerial photographs, fire insurance maps, property tax files, recorded land title records, USGS topographic maps, local street directories, building department records, or zoning/land use records). There were no other reasonably ascertainable historical sources

available for review that were considered sufficiently useful. It is the opinion of Blackstone that the data failure does not represent a significant data gap that impacts our ability to identify RECs.

Conclusions stated herein are based upon publicly available information and other documented sources. Blackstone has assumed, where reasonable, that the information reviewed is true and accurate. Blackstone assumes no responsibility for inaccurate information that is not otherwise obvious in light of information of which Blackstone has actual knowledge. Blackstone's site observations are of the conditions observed at the time of the assessment.

Blackstone reviewed an environmental database search report. Blackstone's conclusions based on the search report are limited to the accuracy of that report. To the extent possible, Blackstone's field observations are used to verify the information or identify errors and inconsistencies in the search report regarding the listed facilities in the immediate vicinity of the site.

This report provides an estimation of groundwater flow direction at the site based on visual observations and topographical data. This assessment did not include groundwater sampling and water table elevation measurement. True groundwater flow direction can only be determined through direct measurement of groundwater elevations from properly installed on-site groundwater monitoring wells. The groundwater flow direction estimation should not be considered a true measurement of groundwater flow direction.

## 2.0 USER PROVIDED INFORMATION

As defined under ASTM Standard Practice E 1527-13, EverWest Advisors, LLC is considered the “User” of this Phase I ESA report. To qualify for one of the *Landowner Liability Protections (LLPs)* offered by the Small Business Liability Relief and Brownfields Revitalization Act of 2002 (the “*Brownfields Amendments*”), the User must provide certain information based on their relationship to the purpose of the due diligence and as required by 40 CFR 312.25, 312.28, 312.29, 312.30, and 312.31.

As part of this Phase I ESA, Blackstone requested certain information from the User. A copy of the User Questionnaire is provided in Appendix F. The information requested, and associated responses, are outlined below in Sections 2.2 through 2.4.

In addition, the owner’s representatives, Mr. Joel Yungen, Associate Vice President of Colliers International (“Site Representative”) provided information about the site. The information requested, and associated responses, are outlined below in Section 2.5.

### 2.1 REASON FOR PERFORMING THE PHASE I ESA

Blackstone understands that this assessment was performed for EverWest Advisors, LLC as the potential purchaser of the site. As such, this Phase I ESA was conducted in an effort to qualify for the *innocent landowner, contiguous property owner, and bona fide prospective purchaser* defense to CERCLA liability and performed as an appropriate risk management and due diligence standard for real estate transactions in accordance with general industry standards which include ASTM Standard E 1527-13 and the regulations at 40 CFR Part 312.

### 2.2 ENVIRONMENTAL LIENS AND ACTIVITY AND USE LIMITATIONS (AULS)

With reference to environmental liens that are filed or recorded against the site (40 CFR 312.25) in recorded land title records or judicial records, it is unknown to the User if there are any environmental liens against the site that are filed or recorded under federal, tribal, state or local law.

With reference to activity and use limitations (AULs) that are in place on the site or that have been filed or recorded against the site (40 CFR 312.26(a)(1)(v) and (vi)) in recorded land title records or judicial records, it is unknown to the User if there are any AULs, such as *engineering controls*, land use restrictions or *institutional controls* that are in place at the site and/or have been filed or recorded in a registry under federal, tribal, state or local law.

In addition, the User requested Blackstone to perform an environmental lien and AUL search as part of the scope of work. Refer to Section 6.6 for a discussion of the environmental lien and AUL search.

### 2.3 SPECIALIZED KNOWLEDGE, COMMONLY KNOWN & DEGREE OF OBVIOUSNESS

With reference to specialized knowledge or experience of the person seeking to qualify for the LLP (40 CFR 312.28), the User has some knowledge related to the site or nearby properties.

With reference to commonly known or *reasonably ascertainable* information about the site (40 CFR 312.30), the User, to the best of their ability, provided commonly known or *reasonably ascertainable* information about the site that would help the *environmental professional* to identify conditions indicative of releases or threatened releases, such as:

1. Past uses of the site;
2. Specific chemicals that are present or once were present at the site;
3. Spills or other chemical releases that have taken place at the site; and
4. Environmental cleanups that have taken place at the site.

The User provided Blackstone with a prior environmental report for the site, which is further discussed in Section 6.7.

With reference to the degree of obviousness of the presence or likely presence of releases or threatened releases at the site, and the ability to detect releases or threatened releases by appropriate investigation (40 CFR 312.31), the User, based on knowledge and experience related to the site, was not aware of any *obvious* indicators that point to the presence or likely presence of releases at the site.

### 2.4 VALUE REDUCTION FOR ENVIRONMENTAL ISSUES

With reference to the relationship of the purchase price to the fair market value of the site if it were not contaminated (40 CFR 312.29), the User indicated that, to their knowledge, the purchase price of the site reasonably reflects the fair market value of the site, and has not been reduced due to contamination known or believed to be present at the site.

### 2.5 OWNER, KEY SITE MANAGER, AND OCCUPANT INFORMATION

Blackstone interviewed the Site Representative (Key Site Manager) regarding environmental conditions at the site. This individual was not aware of: (1) pending, threatened, or past litigation relevant to environmental conditions on the site; (2) any pending, threatened, or past administrative proceedings relevant to environmental conditions in, on, or from the site; and (3) any notices from any governmental entity regarding any possible violation of environmental laws or possible liability relating to environmental conditions on the site.

### 2.6 PAST OWNERS, OPERATORS AND OCCUPANT INTERVIEWS

In accordance with ASTM Standard Practice E 1527-13, interviews with past owners, operators, and occupants shall be conducted to the extent that they have been identified and that the information likely to be obtained is not duplicative of information already obtained. There is no reason to believe

that such interviews were necessary for this site or would alter the findings or recommendations set forth in this report.

## 2.7 RELIANCE

This report may be relied upon by EverWest Advisors, LLC and each of their affiliates, successors, attorneys, lenders, investors and each of their assigns subject to the terms and conditions of the Agreement between EverWest and Blackstone. No other person may rely on this report without written authorization from Blackstone and EverWest. If any of the above limitations conflict with the Agreement, the Agreement governs.

DRAFT

### 3.0 SITE DESCRIPTION

The site is located at 2829 Monterey Road in San Jose, Santa Clara County, California. A Site Location Map, depicted on the U.S. Geological Survey (USGS) *San Jose East, California*, topographic quadrangle, is included in Appendix A.

#### 3.1 SITE CHARACTERISTICS AND FEATURES

<b>Street Addresses:</b>	2829 Monterey Road
<b>City and State:</b>	San Jose, California
<b>County:</b>	Santa Clara
<b>Legal Description:</b>	Santa Clara County Assessor Number: 456-40-004 (fka 455-36-009) (southern portion of parcel; see attached map of the proposed parcel split)
<b>Owner(s):</b>	Trojan Storage of San Jose II LLC
<b>Site Size:</b>	Approximately 4.64 acres
<b>Zoning:</b>	HI – Heavy Industrial
<b>Site Use:</b>	The site consists of vacant, rough graded parcel of land. The land is occupied by an electrical contractor for material and equipment storage. Development activities (installation of subsurface utilities) was underway within the utility easement along the southwestern portion of the site during the site inspection.
<b>Year(s) Built:</b>	No structures

<b>Structure(s)</b>	<b>Location On Site</b>	<b>Number of Stories</b>	<b>Size (approx. square feet)</b>
---------------------	-----------------------------	--------------------------	---------------------------------------

None

<b>Construction Materials:</b>	No structures
<b>Heating/Cooling Systems:</b>	No structures
<b>Other Site Features:</b>	Future access to the site will be granted from Monterey Road via an easement on the northeast-adjointing property.

A Site Plan and Site Photographs are provided in Appendix A.

**3.2 UTILITIES**

**Electricity Provider:** Pacific Gas and Electric (PG&E)

**Natural Gas Provider:** PG&E

**Potable Water:** City of San Jose

**Sewer Services:** City of San Jose

It is possible that the former site buildings utilized septic systems and/or potable water wells. However, any potential former septic systems and/or water wells would likely have been removed during the demolition of these structures. Based on this information, the potential historical use of septic systems and/or water wells on the site is not considered to be a REC.

No RECs were identified as a result of the review of the site as described in this section of the report.

DRAFT

#### 4.0 VICINITY RECONNAISSANCE

The site is located in San Jose, California, within an area characterized by residential and light industrial development. Adjoining property use is summarized as follows:

**Northwest:** Residential development (80-88 Montecito Vista Drive)

**Northeast:** Vacant parcel of land followed by auto repair shops (2845, 2851 and 2859 Monterey Road)

**Southeast:** Ahern Rentals (111 Pullman Way) and The Coastal Companies (99 Pullman Way)

**West:** Railroad lines followed by land being graded of residential development

Source	Findings
Field observations	Blackstone observed no industrial, manufacturing or military operations such as outdoor chemical or hazardous waste storage or handling activities that may impact the site and no evidence of chemical spills, releases, or waste disposal. From accessible vantage points, Blackstone identified no outdoor chemical or waste storage, wastewater treatment facilities, or other operations that may impact the site and no pits, ponds or lagoons for apparent discharge and/or treatment of process water.
Environmental databases search	Adjoining and/or nearby properties identified on the environmental databases searched are discussed further in Section 7.0.

No RECs were identified as a result of the vicinity reconnaissance.

## 5.0 PHYSICAL SETTING

	<i>Findings</i>	<i>Sources of Findings</i>
<b>Surficial Soils Beneath Site</b>	Urban land	USDA NRCS <i>Web Soil Survey</i>
<b>Depth to Bedrock</b>	Greater than 60 inches bgs	EDR Report
<b>Topography</b>	The site is relatively flat with an area slope to the north.	Site observations and USGS <i>San Jose East, California</i> topographic map
<b>Elevation</b>	Approximately 150 feet NAVD	USGS <i>San Jose East, California</i> topographic map
<b>Depth to Shallow Groundwater</b>	Approximately 45 to 50 feet bgs	Prior on-site investigations (see Section 6.7)
<b>Estimated Groundwater Flow Direction</b>	Generally northwesterly	

*bgs*: below ground surface

*EDR Report*: Environmental Data Resources Database Report

*NAVD*: North American Vertical Datum, 1988-1990

*USDA*: United States Department of Agriculture

*USGS*: United States Geological Survey

No RECs were identified as a result of the physical setting records review.

## 6.0 HISTORICAL INFORMATION REVIEW

As part of this Phase I ESA, Blackstone reviewed historical information to identify RECs associated with the historical use of the site and surrounding properties. Blackstone obtained historical information from interviews with site representatives and other individuals familiar with the site as well as aerial photographs, historical maps, and other *practically reviewable* standard historical sources that are considered *reasonably ascertainable*.

### 6.1 HISTORICAL FIRE INSURANCE MAPS

Environmental Data Resources, Inc. (EDR) conducted a search of Sanborn historical fire insurance maps for the site and site vicinity. Sanborn historical fire insurance maps are scaled drawings that indicate the location and use of building structures present in a given area from as early as the late 1800s. The maps provide information regarding the development and historic use of site structures and can indicate the historic presence of tanks at the site.

According to EDR, historical fire insurance maps are not available for the site area. A summary of the map search is provided in Appendix B.

### 6.2 AERIAL PHOTOGRAPHS

Aerial photographs of the site area were obtained from EDR. The aerial photographs are reproduced in Appendix B and are summarized as follows:

Aerial Photographs: Development/Land Uses		
<i>Year</i>	<i>Site</i>	<i>Adjoining Properties</i>
1939	The site appears to consist of agricultural land.	The adjoining properties appear to consist of agricultural land with a rural farmstead (residence, barn and outbuildings) to the non-adjoining northwest and railroad lines to the adjoining southwest.
1948	The site appears similar to the previous aerial photograph.	The adjoining properties appear similar to the previous aerial photograph, except the northeast adjoining property has been developed with a farmstead.
1950 1956	The site appears similar to the previous aerial photograph.	The adjoining properties appear similar to the previous aerial photograph.
1963	The site is developed with an asphalt batch plant, which includes gravel piles, conveyors systems and open pits.	The northwest adjoining property appears to consist of vehicle storage or salvage yard and vacant land. The buildings remain on the northeast adjoining property but include improvements associated with the asphalt plant on the site. The southeastern and southwestern adjoining properties appear similar to the previous aerial photograph.

<b>Aerial Photographs: Development/Land Uses</b>		
<b>Year</b>	<b>Site</b>	<b>Adjoining Properties</b>
1968	The quality of this photograph is poor; however, the site appears similar to previous aerial photograph.	The northwest adjoining property appears similar to the previous aerial photograph. The northeast adjoining property appears to consist of asphalt plant with no structures visible. The southeast adjoining property consists of commercial/industrial development (similar to present-day buildings) with possible ASTs along the southern portion, which appear to be operated in conjunction with the on-site asphalt plant. The southwestern adjoining property appears to consist of railroad lines followed by vacant land.
1970	The site is not visible in the aerial photograph.	The adjoining properties are not visible in the aerial photograph.
1974 1982 1998	The site appears to consist of an asphalt batch plant.	The northwest adjoining property appears to consist of vehicle storage/auto salvage and two ponds. The northeast adjoining property appears to be developed as part of the on-site asphalt plant, with rock piles/equipment and two small buildings. The southeast adjoining property appear to be occupied as a part of the asphalt plant, and includes the present-day office and industrial buildings, parking areas, and includes possible ASTs along the southern portion. The southwestern adjoining property remains as railroad lines followed by vacant land.
2006 2009	The site appears similar to the previous aerial photograph.	The adjoining properties appear similar to the previous aerial photograph, except the northwest adjoining property appears to consist of vacant land.
2012	The site appears similar to the previous aerial photograph.	The adjoining properties appear similar to the previous aerial photograph, except the northwest adjoining property appears to be developed with present-day apartment building.
2016	The site appears to consist of vacant, graded land.	The adjoining properties appear similar to the previous aerial photograph, except the northwest adjoining property appears to be developed with additional present-day apartment buildings.

**Findings:** As further discussed in Sections 6.7 and 6.8, the former asphalt plant operations and related impacts are considered a CREC. No other RECs were identified as a result of the review of historical aerial photographs.

### 6.3 HISTORICAL TOPOGRAPHIC MAPS

Historical topographic maps of the site area were obtained from EDR. The historical topographic maps are included in Appendix B and are summarized as follows:

Year	Historical Topographic Maps: Development/Land Uses	
	Site	Adjoining Properties
1889 1897 1899	The site is depicted with a driveway and no shading.	The adjoining properties are depicted with scattered single-family residences and the present-day Monterey Road. No shading is depicted.
1953	The site is depicted without structures or shading.	The northeast adjoining property is depicted with three structures. The northwest adjoining property is depicted with former structures. The southeast adjoining property is depicted with railroad lines followed by a Hillsdale Mine.
1961	The site is depicted as a gravel pit.	The adjoining properties are depicted similar to the previous topographic map.
1968 1973 1980	The site is depicted similar to the previous topographic map.	The adjoining properties are depicted similar to the previous topographic map, except for two new commercial buildings to the adjoining southeast and a mobile home park to the adjoining north.
2012	In this map series, land uses are no longer individually identified by shading. Major roads and general topography are identified.	

**Findings** No RECs were identified as a result of the review of historical topographic maps.

#### 6.4 AGENCY RECORDS, INTERVIEWS AND OTHER HISTORICAL SOURCES

In accordance with ASTM E1527-13, Blackstone requested site history and/or regulatory information regarding the site from federal, state and/or local government officials. Information regarding the site is obtained from regulatory agency officials either by:

- 1) Conducting interviews by telephone or in-person at various federal, state and/or local agencies; or
- 2) Requesting file information via submission of an open records request to the appropriate agency contact based upon applicable agency requirements, and in accordance with the Freedom of Information Act (FOIA).

Findings from the interviews/records review are summarized below:

Agency Records, Interviews and Other Historical Sources		
Source	Information Requested	Findings

<b>Agency Records, Interviews and Other Historical Sources</b>		
<b>Source</b>	<b>Information Requested</b>	<b>Findings</b>
California State Water Resources Control Board, GeoTracker website  Online query <a href="http://geotracker.waterboards.ca.gov">http://geotracker.waterboards.ca.gov</a>	Aboveground and/or underground storage tanks (ASTs and/or USTs), inspection reports, past hazardous materials spills, and/or any emergency environmental responses or incidents	The GeoTracker website includes records of the former Raisch facility at the site, as well as former Raisch Company operations on the southeast adjoining property (99 Pullman Way). The GeoTracker records for the site include the Santa Clara County Environmental Health Department (SCCDEH), Voluntary Cleanup Program (VCP) file and related documents, including the record of UST removals, site investigation, remedial action, the preparation of a site-specific soil management plan (SMP) and the VCP correspondence and closure documents from the SCCDEH. A summary of the documents is provided in Section 6.7.
Santa Clara County Assessor  Online query <a href="http://www.sccassessor.org">www.sccassessor.org</a>	On-line query for typical ownership data, parcel information, and valuation data	No conditions of environmental concern were identified based on a review of the online information. Typical tax assessment data and parcel information were obtained for the subject property.
City of San Jose Fire Department  Online query <a href="https://www.sjpermits.org/permits/">https://www.sjpermits.org/permits/</a>	ASTs and/ or USTs, past hazardous materials spills, and/or any emergency environmental responses or incidents	Blackstone received information from the City of San Jose Fire Department regarding the site. The former Raisch Products had numerous permits for storage and usage of lubricants, oils, antifreeze and filters with minor violations from early 2000s until 2006. A hazardous material business plan was on file for the site from 1997 in 2002 and with a hazardous waste generator permit in the early 1990s.
Santa Clara County Environmental Health Department (DEH), Hazardous Materials Compliance Division  Records Request	ASTs and/ or USTs, past hazardous materials spills, and/or any emergency environmental responses or incidents	A FOIA request was submitted to this agency. To date a response has not been received from Blackstone's request and available records are not considered reasonably ascertainable for inclusion in this report.
California Department of Toxic Substances Control via on-line ENVIROSTOR database/No contact provided	Underground storage tanks, spills, leaks and clean-up sites	No listings were identified for the site.

**Findings:** As further discussed in Section 6.8, the former usage and related impacts at the site are considered a CREC. No other RECs were identified during the review of agency records and other historical sources

## 6.5 CITY DIRECTORIES

Blackstone requested a city directory review for the subject property address from EDR. City directories were reviewed at approximate five-year intervals for the years spanning 1957 through 2014. The review of city directories is summarized as follows:

City Directory Review			
<i>Site Listings</i>			
<i>Address</i>	<i>Occupant</i>	<i>Years</i>	
2829 Monterey Road	Raisch Products	1985 and 1986	
	Granite Construction Company	2010	
City Directory Review			
<i>Adjoining/Surrounding Property Listings*</i>			
<i>Address</i>	<i>Occupant</i>	<i>Years</i>	<i>Direction</i>
2829 Monterey Road	Raisch Products	1985 and 1986	Northeast
	Granite Construction Company	2010	
80-88 Montecito Vista Drive	Not listed		Northwest
99-111 Pullman Way	Not listed		Southeast
*not all adjoining property addresses included in city directory abstract			

**Findings:** As further discussed in Sections 6.7 and 6.8, the former asphalt plant operations and related impacts are considered a CREC. No other RECs were identified as a result of the review of historical city directories.

## 6.6 ENVIRONMENTAL LIEN/AUL SEARCH

Blackstone independently obtained an environmental lien and activity & use limitation (AUL) search report from EDR. The lien and AUL report includes results from a search of available current land title records for environmental cleanup liens and other AULs, such as engineering controls and institutional controls. Review of the lien and AUL search report did not indicate evidence of environmental cleanup liens against the site or AULs having been filed or recorded under federal, tribal, state or local law. The lien and AUL search report is reproduced in Appendix C.

## 6.7 PREVIOUS ENVIRONMENTAL REPORTS

Blackstone was provided or obtained with the following previous environmental reports regarding the site:

- *Phase II Environmental Site Assessment 2829 Monterey Road, San Jose, Santa Clara County, California, prepared by SECOR International (SECOR), dated June 20, 2007*

- *Phase II Environmental Site Assessment Update and Excavation Report, 2829 Monterey Road, San Jose, Santa Clara County, California, prepared by SHN Consultants, dated February 22, 2013*
- *Phase II Environmental Site Assessment Update and Excavation Report, 2829 Monterey Road, San Jose, Santa Clara County, California, prepared by SHN Consultants, dated August 11, 2014*
- *UST Confirmation SOIL and Groundwater Sampling, 2829 Monterey Road, San Jose, Santa Clara County, California, prepared by The Wolff Company, dated March 19, 2015*
- *Soil Management Plan, 2829 Monterey Road, San Jose, Santa Clara County, California, prepared by EEI Engineering Solutions (EEI), dated December 21, 2015*
- *Results of Additional Site Characterization of Proposed Storm Drain Location and Request for no Further Action under California's Low Threat Underground Storage Tank Case Closure Policy, 2829 Monterey Road, San Jose, Santa Clara County, California, prepared by EEI, dated February 21, 2017*
- *Phase I Environmental Site Assessment 2829 Monterey Road, San Jose, Santa Clara County, California, prepared by AEI Consultants (AEI) prepared for Kobre Holdings, LLC, dated August 9, 2017 (this Phase I ESA was prepared for both the site and the adjoining vacant lot to the northeast) (2017 AEI ESA)*
- Voluntary Cleanup Program Case Closure: Former Raisch Property, 2829 Monterey Road, San Jose, California, Case 07S1E27Lot01s, prepared by the SCCDEH, addressed to 2829 Monterey Development Company LP, dated March 29, 2017

Various subsurface investigations have been performed on the site from at least 1990 through 2017 during UST removal activities and to assess the former site operations. The documents related to the older UST removals are included on the ESA reports. According to the documents reviewed, the former asphalt plant on the site maintained one 10,000-gallon and three 15,000-gallon underground storage tanks (USTs) of liquid asphalt that were located in a 2,500-square foot tank farm. The asphalt plant also reportedly operated aboveground storage tanks (ASTs) containing asphalt, emulsion oil and diesel, a septic tank, an oil-water separator, and a waste oil UST, which was reportedly located in the southwestern portion of the asphalt plant. The plant also stored numerous 55-gallon drums of gear oil, heat transfer oil, and hydraulic oil in secondary containment. The operation of the plant also utilized underground conveyor-belt tunnels and several vaults, which were demolished along with the other plant structures.

The former site uses were documented to have impacted the soil at the site with low to moderate levels of asphalt oil in the immediate vicinity of the former USTs. The releases were reportedly discovered in 2014 when the former asphalt tanks were removed. Numerous environmental investigations were performed at the site, including soil and groundwater sampling. Following the tank removal, an additional 1,114 tons of petroleum hydrocarbon-impacted soil was removed from the site. Impacted soil was also removed from a second identified area in the vicinity of exploratory boring SB-12, which was located on or near the northeastern portion of the site. Collectively, the investigation reports attribute the remaining petroleum hydrocarbons concentrations in soil to asphalt buried in the subsurface.

In February 2015, four supplemental soil sampling borings and two grab groundwater borings were completed at the site to further assess site impacts; soil borings were progressed to a maximum depth of 44.5 feet bgs, just above the water table. Concentrations of mid-range total petroleum hydrocarbons (TPH) in soil exceeded screening levels in each soil boring. According to previous reports, the highest TPH concentrations were obtained from the deepest soil samples in each boring. TPH concentrations in groundwater also exceeded applicable screening levels. In July 2015, additional soil samples were retrieved from the area of the former asphalt plant known as the Tunnel Area (north and adjacent to the former UST area) and from the Trough Area (located along the fence line on the southern boundary of the site). Laboratory analyses of the collected soil samples revealed high concentrations of mid- to heavy- range TPH in site soil in the Tunnel area of the site. No TPH was identified in the Trough area; however, concentrations of 1,2-dichloroethene (9.5 ug/kg), naphthalene (11,000 ug/kg), and 1,2,4 trimethylbenzene (5.5 ug/kg) were identified in the soil samples collected in the Trough area.

Additional shallow trench sampling was performed in January 2017 and retrieved soil samples were submitted for laboratory analyses of TPH and volatile organic compounds (VOCs); this investigation aimed to be representative of future construction-related utility installation activities (storm drainage). The investigation report indicates that laboratory analyses of retrieved soil samples revealed no chemicals of concern at concentrations greater than applicable screening levels from the surface to a depth of 10 feet bgs.

Based on comprehensive investigation reports, in particular the February 2017 investigation findings, no elevated concentrations of chemicals of concern have been documented in soil less than 10 feet bgs at the site, which is reportedly the maximum depth of excavation required for future development. However, a 2017 site geotechnical report prepared by EEI reports slight to strong asphalt odor in a number of soil samples collected from as shallow as five feet bgs.

Based on comprehensive investigation reports indicating that no elevated concentrations of chemicals of concern have been documented in soil less than 10 feet bgs at the site, which is reportedly the maximum depth of excavation required for future development, the absence of off-site migration of contaminants, the absence of sensitive receptors and the preparation of a site-specific Soil Management Plan, the SCCDEH issued a case closure for the VCP case on March 29, 2017, under California's Low Threat Underground Storage Tank Case Closure Policy. Elevated concentrations of TPH remain present in site soil and groundwater at concentrations that exceed regulatory screening levels. According to the SCCDEH VCP Case Closure letter, the maximum concentration of TPH remaining in site soil is 39,000 milligrams per kilogram (mg/kg). In addition, concentrations of 1,2-dichloroethene (9.5 ug/kg), naphthalene (11,000 ug/kg), and 1,2,4 trimethylbenzene (5.5 ug/kg) were identified in the site soil. Concentrations of mid-range TPH were also detected in the site groundwater samples at a maximum concentration of 5,870 micrograms per liter ( $\mu\text{g/L}$ ), which exceeds the Regional Water Quality Control Board's Environmental Screening Levels (ESLs) for groundwater (100  $\mu\text{g/L}$ ). The remaining concentrations of TPH in soil and groundwater appear to exceed the Regional Water Quality Control Board's (RWQCB's) indirect evidence screening level for the possible presence of Light Non-Aqueous Phase Liquids (LNAPLs), which are approximately 10 to 50 mg/kg in soil and 5,000 mg/L for groundwater. Previous consultants attribute the remaining concentrations of TPH in site soil to asphalt buried at the site.

According to the SCCDEH VCP Case Closure letter, the levels of petroleum contamination remaining at the site pose a low risk to human health and the environment "under current land use conditions."

Although the SCCDEH has approved an SMP for future redevelopment of the site, according to their Case Closure letter, “The DEH shall be notified prior to changes in land use, installation of water wells, or if contamination is encountered at the site.” Redevelopment of the site appears to trigger the first criterion.

Excerpts from previous reports are included in Appendix D.

## 6.8 HISTORICAL INFORMATION CONCLUSIONS

Reasonably ascertainable historical information indicates the site consisted of agricultural land from at least 1939 until developed with an asphalt plant facility (along with the northeast and southeast adjoining properties) from approximately 1956 until approximately 2012. The improvement related to the asphalt plant removed by 2014, and the site has consisted of vacant, graded land used as a storage area for construction related activities since 2014.

The former on-site asphalt plant maintained one 10,000-gallon and three 15,000-gallon underground storage tanks (USTs) of liquid asphalt that were located in a 2,500-square foot tank farm on the southwestern portion of the property. The asphalt plant also reportedly operated aboveground storage tanks (ASTs) containing asphalt, emulsion oil and diesel; a septic tank, an oil-water separator, and a waste oil UST; and stored numerous 55-gallon drums of gear oil, heat transfer oil, and hydraulic oil in secondary containment. The operation of the plant also utilized underground conveyor-belt tunnels and vaults, which were demolished along with the other plant structures in 2012.

Various subsurface investigations have been performed on the site from at least 1990 through 2017 during UST removal activities and to assess the former site operations. Based on the results of multiple subsurface investigations, the former site uses were documented to have impacted the soil at the site with low to moderate levels of asphalt oil in the immediate vicinity of the former USTs. To facilitate the environmental closure related to the impacts associated with the former asphalt plant, the site was enrolled in the SCCDEH VCP in December 2014. The site is identified on the State Water Resources Control Board GeoTracker website as Former Raisch (Case Number T10000006433). Following remedial actions and multiple investigations, it has been concluded that high concentrations of mid- to heavy-range TPH remain in soil on the site, but no chemicals of concern at concentrations greater than applicable screening levels were identified from the surface to a depth of 10 feet bgs. In 2015, a Soil Management Plan (SMP) was prepared for the site at the direction of the SCCDEH which documents procedures related to the proper handling and disposal of any impacted materials encountered during construction.

Based on comprehensive investigation reports indicating that no elevated concentrations of chemicals of concern have been documented in soil less than 10 feet bgs at the site, which is reportedly the maximum depth of excavation required for future development, the absence of off-site migration of contaminants and the absence of sensitive receptors, the SCCDEH issued a case closure for the VCP case on March 29, 2017, under California’s Low Threat Underground Storage Tank Case Closure Policy. Elevated concentrations of TPH and other contaminants remain present in site soil and groundwater at concentrations that exceed regulatory screening and cleanup levels. According to the SCCDEH VCP Case Closure letter, the levels of petroleum contamination remaining at the site pose a low risk to human health and the environment “under current land use conditions.”

While the site has been evaluated and granted regulatory closure under the SCCDEH VCP, the regulatory closure of the site includes institutional controls in the form of use limitations and the required implementation of a Soil Management Plan (SMP) during any on-site excavation or development activities. In addition, the closure specifically states that elevated soil impacts are located below 10 feet of non-impacted soil. Based on the regulatory closure granted with institutional controls required to maintain the closure in the site's current condition, the former asphalt plant and associated impacts are considered a CREC.

Blackstone recommends continued compliance with the VCP closure requirements, including the implementation of the site-specific SMP and use restrictions. According to the SCCDEH Case Closure letter, "The DEH shall be notified prior to changes in land use, installation of water wells, or if contamination is encountered at the site." Redevelopment of the site appears to trigger the first criterion.

During the preparation for the planned site redevelopment activities, Blackstone recommends the following regarding the VCP case closure and remaining impacts:

- Notify SCCDEH of the intended change of the use of the site, provide all current documentation to the SCCDEH regarding the site (including geotechnical investigations) and confirm whether the redevelopment of the site will require reopening of the closed VCP case with SCCDEH.
- Verify with the SCCDEH (or site consultant) that the Case Closure issued applies to all site media, including soil, groundwater and soil vapor and to all historical site features and activities associated with the former asphalt plan.

Elevated naphthalene was identified in the soil on the site and there is no record of the evaluation of vapor intrusion concerns in the documents reviewed nor any record polycyclic aromatic hydrocarbons (PAHs) analysis for the site samples. If the potential for vapor intrusion in the future site development has not been evaluated, further assessment may be required.

- Confirm with the SCCDEH whether any further comments are expected from the parent state agencies (e.g., the Regional Water Quality Control Board or the Department of Toxic Substances Control) in order to maintain case closure after the development of the site.

Adjoining properties consisted of agricultural land, rural farmsteads and the present-day southwest adjoining railroad tracks from at least 1939 through at least 1956. The northwest adjoining property was utilized as an auto salvage yard from circa 1963 until cleared in the early 2000s. The property remained vacant land until redeveloped with the present-day apartment buildings between 2010 and 2016 under a Brownfield redevelopment program. The northeastern adjoining property was occupied as a portion of the former asphalt plant (which also occupied the site) from at least 1956 until 2012, when the property was cleared and graded. The property has since been used for construction material storage. The southeast adjoining property was developed in the mid-1960s with many of the present-day buildings and operated as the office, support facilities and parking areas associated with the former on-site asphalt plant until circa 2012 and have since been occupied as a portion of a lumber yard and an equipment rental facility. The southwestern adjoining property has consisted of railroad lines followed by vacant land since at least 1939.

The adjoining properties are further discussed in Section 7.1, and are not considered a REC.

No other RECs were identified as a result of the historical records review.

DRAFT

## 7.0 ENVIRONMENTAL DATABASE SEARCH AND REVIEW

ER provided Blackstone a search report of federal, state, local, tribal and proprietary environmental databases to determine the environmental regulatory status of the site, adjoining facilities, and facilities identified within the specified approximate minimum search distance (AMSD) of the site. ASTM Standard E 1527-13, Section 8.2.1 establishes the distance from the site that each database is searched. *Standard federal, state, and tribal databases* searched and the search distances specified for each database are summarized as follows:

<b>Standard Environmental Record Sources</b>	<b>Search Distance</b>
<b>Federal Databases</b>	
NPL: National Priority List Sites	1.0 mile
Proposed NPL: Proposed National Priority List Sites	1.0 mile
Delisted NPL: National Priority List Deletions	0.5 mile
NPL Liens: Federal Superfund Liens	Site only
FEDERAL FACILITY: Federal Facility Site Information Listing	1.0 mile
SEMS: Superfund Enterprise Management System	0.5 mile
SEMS-ARCHIVE: Superfund Enterprise Management System Archive	0.5 mile
RCRA CORRACTS: Resource Conservation and Recovery Act - Corrective Action Sites	1.0 mile
RCRA TSDF: RCRA – Treatment, Storage and Disposal Facilities	0.5 mile
RCRA LQGs: RCRA - Large-Quantity Generators	Site and adjoining
RCRA SQGs: RCRA - Small-Quantity Generators	Site and adjoining
RCRA CESQG: RCRA – Conditionally Exempt Small-Quantity Generators	Site and adjoining
US ENG CONTROLS: Engineering Controls Sites List	Site only
US INST CONTROL: Sites with Institutional Controls	Site only
ERNS: Emergency Response Notification System	Site only
<b>State and Tribal Databases</b>	
SHWS: State Hazardous Waste Site	1.0 mile
SWF/LF: Solid Waste Facilities & Landfill Sites	0.5 mile
LUST: Leaking Underground Storage Tanks	0.5 mile
LAST: Leaking Aboveground Storage Tanks	0.5 mile
INDIAN LUST: Leaking Underground Storage Tanks on Indian Lands	0.5 mile
UST: Registered Underground Storage Tanks	Site and adjoining
AST: Registered Aboveground Storage Tanks	Site and adjoining
INDIAN UST: Registered Underground Storage Tanks on Indian Lands	Site and adjoining
INST CONTROL: Sites with Institutional Controls	Site only
ENG CONTROLS: Sites with Engineering Controls	Site only
VCP: Voluntary Cleanup Program Sites	0.5 mile
INDIAN VCP: Voluntary Cleanup Priority sites on Indian Lands	0.5 mile
BROWNFIELDS: Brownfields Listings	0.5 mile

All federal, state, local, tribal and proprietary databases searched, the search distances specified for each database, and the results of the environmental database search are provided in the complete database report (*EDR Radius Map*) in Appendix E. The database search report also includes the date and a detailed description of each database searched. These databases include, but are not limited to, the *standard environmental records sources*, as defined in ASTM Standard E 1527-13.

## 7.1 FEDERAL, STATE, LOCAL, TRIBAL AND PROPRIETARY DATABASES

A review of the databases included in the *EDR Radius Map* has been performed. Please refer to Appendix E for a complete list of the properties included on the databases within the required AMSD. The summary below includes database listings, if present, associated with the site and adjoining properties, as well as any additional property/listing within the AMSD that is deemed by the *environmental professional* to be at a distance or status that presents a higher potential risk for environmental concerns to the site and requires discussion.

The results of the database search are summarized as follows:

### **SITE:**

The site, identified as Raisch Company, San Jose Asphalt and Granite Construction, is listed on the AST, CUPA Listings, Facility Index System (FINDS), California Integrated Water Quality System (CIWQS), Emissions Inventory Data (EMI), US Mines, HAZNET, Waste Discharge System (WDS), San Jose Hazmat, CPS-SLIC and CERS databases. The AST database states the site had a 64-gallon AST. The CUPA Listing database states the site generates 100 kg of hazardous waste a year. The FINDS database is a "pointer" database that references the site has an air classification and the state master list. The EMI database states the Bay Area Air Quality Management District (AQMD) tested the air quality at the site from 2008 until 2013. The CIWQS database states the former occupant had an industrial stormwater permit. The EMI and US Mines database states the site was a non-coal mining facility that was abandoned in 2003 without any current violations. The HAZNET database states the site had organic solids and oil-containing waste removed from the site in 2007 and 2008 and unreported hazardous waste removed in 2012. The CPS-SLIC database states this facility had a release of asphalt (diesel and motor oil range petroleum hydrocarbons) that impacted the soil. The SCCDEH issued a SLIC/VCP Case Closure for the former Raisch Property March 29, 2017. The San Jose Hazmat database states hazardous waste was removed from the site in 2014. The WDS database states this facility has an active waste discharge requirement that is a minor threat to water quality. No WDS violations were reported. The CIWQS database states there was a stormwater permit that was effective as of 2007 and was terminated as of 2012. As previously discussed in Sections 6.7 and 6.8, the remaining soil and groundwater contamination on the site which has been issued regulatory closure under the VCP is considered a CREC.

### **ADJOINING OR FACILITIES IN CLOSE PROXIMITY:**

Orvieto and Orvieto Family Apartments (88 Montecito Vista Drive) is located to the adjoining to the northwest and downgradient of the site based on inferred groundwater gradient. This facility is listed on the Envirostor, Deed and VCP databases. This facility is listed on the Envirostor and VCP databases as a voluntary cleanup program that has a certified operations and maintenance plan that was approved with a land use restriction as of August 6, 2015. The contaminate of concern consisted of lead, TPH-motor oil and PCBs within the soil from the former salvage yard. This facility has to complete an annual oversight report with oversight of DTSC. The contaminated soil was covered with at least two feet of clean soil before construction of the present-day multi-family residential buildings. The Deed database states there is a deed restriction referencing the Envirostor database. Based on the current regulatory status and the absence of groundwater contamination or the off-property migration of contaminants, this facility is not considered a REC.

O/B (Medvac) (111 Pullman Way) is located adjoining to the southeast and upgradient of the site based on inferred groundwater gradient. This facility is listed on the HAZNET and San Jose Haznet databases. The Haznet database states this facility had a hazardous material removed in 2006 and 2007. No spills, releases or violations were reported. Based on the absence of reported spills, releases or violations, these database listings are not considered a REC.

Ahern Rentals (111 Pullman Way) is located adjoining to the southeast and upgradient of the site based on inferred groundwater gradient. This facility is listed on the CUPA Listings, CERS and CERS Hazardous waste databases. The CUPA and CERS database states this facility generates less than 100 kg of waste and has a hazardous material business plan on file. The CERS database states this facility is a chemical storage facility. No spills, releases or violations were reported. Based on the absence of reported spills, releases or violations, these database listings are not considered a REC.

AMR San Jose American Medical Response (111 Pullman Way) is located adjoining to the southeast and upgradient of the site based on inferred groundwater gradient. This facility is listed on the HAZNET and San Jose Haznet databases. The Haznet database states this facility had a hazardous waste removed in 2008 and 2009. The San Jose Haznet database states this facility is a miscellaneous complex firm that has hazardous waste. No spills, releases or violations were reported. Based on the absence of reported spills, releases or violations, these database listings are not considered a REC.

**NON-ADJOINING FACILITIES WITHIN APPROXIMATE MINIMUM SEARCH DISTANCE:**

As detailed in the EDR Report, several additional non-adjoining facilities are located within the ASTM E 1527-13 Approximate Minimum Search Distance (AMSD). However, based on factors such as distance to the site, topography, media affected (surface water, soil, soil vapor, or air), depth to groundwater, anticipated groundwater flow direction away from the site, and/or a "Case Closed" and/or "No Further Action (NFA)" regulatory status, these non-adjoining facilities within the AMSD is unlikely to have current or former releases of hazardous substances and/or petroleum products that could migrate to the site and is not considered a REC.

## 7.2 UNMAPPABLE FACILITIES

Due to inadequate address information or other erroneous facility information, several facilities listed in the environmental databases searched could not be plotted by EDR on a radius map. However, these facilities are still identified in the EDR report by grouping them into an unmappable facility summary. Blackstone reviewed this summary to determine if any of the listed facilities include or adjoin the site. The unmappable facility listings are summarized as follows:

**SITE:**

Not listed

**ADJOINING FACILITIES:**

None listed

## 7.3 AFFIRMATION

Blackstone's conclusions based on the EDR report are limited to the accuracy of that report. To the extent possible, Blackstone used field observations to verify the information or identify errors and inconsistencies in the search report regarding the listed facilities in the immediate vicinity of the site. The provided database summary is sufficiently complete and current to be used as a source to satisfy the regulatory database requirements outlined in ASTM Standard E 1527-13.

#### 7.4 ENVIRONMENTAL DATABASE SEARCH AND REVIEW CONCLUSIONS

Based upon Blackstone's review of the EDR database report, no additional regulatory file reviews are warranted. Other than the CREC identified regarding impacts from the former usage of the site, no RECs were identified.

DRAFT

## 8.0 SITE INSPECTION

**Name of Inspector:** Heather Hill  
**Date of Site Inspection:** November 16, 2018

SITE REPRESENTATIVE		
<i>Name</i>	<i>Title or Association with Site</i>	<i>Years Associated with Site</i>
Mr. Joel Yungen	Associate Vice President of Colliers International	<1 year

The site inspection consisted of a walkover of the site parcel and storage area. Blackstone walked the perimeter of the site in a single pass, at the direction of the Site Representative. During the site inspection, Blackstone did not inspect inaccessible areas of the site including beneath equipment and materials, beneath vehicles, under manholes or in areas of construction. The adjoining properties were visually observed from curbside without being entered. There is no reason to believe the inability to inspect these areas would alter the findings or recommendations set forth in this report or be considered a significant data gap.

### 8.1 UNDERGROUND STORAGE TANKS (USTS)

<i>Number of USTs</i>	<i>Capacity (gallons)</i>	<i>Contents</i>	<i>Location</i>	<i>Status/Notes</i>	<i>REC</i>
None					No

No physical evidence of current or former USTs was identified during the site inspection. The Site Representative was unaware of current or former USTs.

### 8.2 ABOVEGROUND STORAGE TANKS (ASTS)

<i>Number of ASTs</i>	<i>Capacity (gallons)</i>	<i>Contents</i>	<i>Location</i>	<i>Status/Notes</i>	<i>REC</i>
One	500	Diesel	Central portion of site	See discussion below	No

A 500-gallon diesel fuel AST is located on the central portion of the site. The AST is associated with refueling vehicles associated with the electrical contractor. There are no reported incidences of leaks or spills at the site. The AST was observed in good condition during the site inspection with no signs of leaks or spills beneath the AST. Therefore, the on-site AST is not considered a REC.

No physical evidence of other current or former ASTs was identified during the site inspection. The Site Representative was unaware of other current or former ASTs.

### 8.3 CHEMICALS AND MATERIALS USAGE

The following section describes non-bulk (55-gallons or less) chemical and petroleum storage at the site. Where applicable, all bulk fixed chemical and petroleum product storage (i.e. USTs and/or ASTs) is discussed in Sections 8.1 and 8.2.

<i>Chemical or Material</i>	<i>Use</i>	<i>Container Type</i>	<i>Location</i>	<i>REC</i>
None				No

No physical evidence of on-site hazardous materials use or storage was identified during the site inspection. The Site Representative was unaware of any on-site hazardous materials use.

### 8.4 HAZARDOUS WASTES

<i>Hazardous Waste</i>	<i>Generated By</i>	<i>Storage Container</i>	<i>Storage Location</i>	<i>Disposal Details</i>	<i>REC</i>
None					No

No physical evidence of on-site hazardous waste generation, storage, or disposal was identified during the site inspection. The Site Representative was unaware of any other on-site hazardous waste generation, storage, or disposal.

### 8.5 NON-HAZARDOUS WASTES

<i>Non-Hazardous Waste</i>	<i>Generated By</i>	<i>Storage Container</i>	<i>Storage Location</i>	<i>Disposal Details</i>	<i>REC</i>
Construction debris	Site tenants	Roll off dumpsters	Central portion	Emptied on an as needed basis.	No

No physical evidence of on-site non-hazardous waste disposal was identified during the site inspection. The Site Representative was unaware of any on-site non-hazardous waste disposal.

### 8.6 POLYCHLORINATED BIPHENYLS (PCBS)

PCBs can be present in coolants or lubricating oils used in older electrical transformers, hydraulic systems, and other similar equipment. The 1976 Toxic Substances Control Act (TSCA) extended regulatory control over the use of PCBs to the United States Environmental Protection Agency (USEPA). In November 1979, the USEPA generally prohibited the domestic manufacture of PCBs in electromagnets, transformers, and heat-transfer and hydraulic equipment.

<i>Equipment</i>	<i>Location</i>	<i>Owner</i>	<i>Status/Notes</i>	<i>REC</i>
None				No

**8.7 WASTEWATER DISCHARGES**

<i>Type</i>	<i>Generated By</i>	<i>Discharged To</i>	<i>Status/Notes</i>	<i>REC</i>
None				No

No physical evidence of septic systems, cesspools, clarifiers, or oil/water separators was identified during the site inspection.

**8.8 STORMWATER DISCHARGES**

<i>Discharged From</i>	<i>Discharged To</i>	<i>Potential Impacts</i>	<i>REC</i>
Exterior site surfaces	Natural percolation	See discussion below	No

**8.9 PITS, PONDS, AND LAGOONS (ON-SITE PROCESS WATER DISCHARGE)**

<i>Type</i>	<i>Contents</i>	<i>Location</i>	<i>Status/Notes</i>	<i>REC</i>
None				No

No pits, ponds or lagoons used for process water discharge were observed at the site. The Site Representative was unaware of other such features on the site.

**8.10 WELLS**

<i>Type</i>	<i>Location</i>	<i>Status/Notes</i>	<i>REC</i>
None			No

No physical evidence of groundwater monitoring wells, dry wells, injection wells, extraction wells, vapor wells, or other groundwater production wells was identified during the site inspection. The Site Representative was unaware of other on-site wells.

**8.11 UNDERGROUND PRODUCT PIPELINES**

<i>Type</i>	<i>Location</i>	<i>Status/Notes</i>	<i>REC</i>
None			No

No physical evidence of underground product pipelines carrying petroleum or other hazardous substances was identified during the site inspection. The Site Representative was unaware of on-site product pipelines.

**8.12 ODORS**

<i>Odors</i>	<i>Location</i>	<i>Status/Notes</i>	<i>REC</i>
None			No

No unusual odors indicative of environmental concerns were identified during the site inspection. The Site Representative was unaware of such odors at the site.

**8.13 POOLS OF LIQUID**

<i>Pools of Liquid</i>	<i>Location</i>	<i>Status/Notes</i>	<i>REC</i>
None			No

No pools or sumps containing liquids indicative of environmental concerns were identified during the site inspection. The Site Representative was unaware of pools or sumps containing liquids at the site.

**8.14 STRESSED VEGETATION OR STAINED SURFACES**

<i>Stressed Vegetation or Stained Surfaces</i>	<i>Location</i>	<i>Status/Notes</i>	<i>REC</i>
None			No

No stained soils or stressed vegetation were observed by Blackstone. The Site Representative was unaware of stressed vegetation or stained surfaces.

**8.15 SITE INSPECTION CONCLUSIONS**

No evidence of RECs was identified in connection with the site as a result of the site inspection.

## 9.0 ASTM NON-SCOPE CONSIDERATIONS

Blackstone performed the following client-specific activities to identify *ASTM Non-Scope Considerations (Business Environmental Risk Issues)* in addition to the ASTM requirements and as required per the Agreement.

### 9.1 AIR EMISSIONS

<i>Regulated Emissions Source</i>	<i>Discharged To</i>	<i>Potential Impacts</i>	<i>Status/Notes</i>	<i>REC</i>
None				No

### 9.2 ASBESTOS-CONTAINING MATERIALS (ACM)

No permanent structures are currently on the site and no suspect ACM was observed. As such, sampling was not required, and no further evaluation is recommended.

### 9.3 LEAD-BASED PAINT (LBP)

No permanent structures are currently on the site and no suspect LBP was observed. As such, sampling was not required, and no further evaluation is recommended.

### 9.4 RADON GAS

A review of records regarding radon concentrations in Santa Clara County, California, was conducted to determine if concentrations of radon in the general area of the site are within the USEPA guidelines. The USEPA uses a continuous exposure level of 4.0 pCi/L (picoCuries per liter of air) or greater as a guidance level at which further evaluation and potential remedial actions are recommended.

According to USEPA Office of Radiation and Indoor Air information/mapping, the site is located within a Radon Zone Level 2. This zone has a predicted average indoor radon gas screening level between 2.0 pCi/L and 4.0 pCi/L, which is within USEPA guidance levels. Based on the Radon Zone Level 2 designation and non-residential use of the subject property, radon is not considered an environmental concern.

### 9.5 APPARENT MOLD GROWTH (AMG)

No permanent structures are currently on the site and no AMG was observed. As such, no further evaluation is recommended.

## 9.6 WETLANDS

As defined by the USEPA and U.S. Army Corps of Engineers (USACE), wetlands are "those areas that are inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions."

Wetlands possess three essential characteristics: (1) hydrophytic vegetation; (2) hydric soils; and (3) hydrology. All three characteristics must be prevalent to document an area as a jurisdictional wetland.

<b>Wetlands</b>	
<i>Information Source</i>	<i>Findings</i>
National Wetlands Inventory (NWI) on-line Wetland Mapper: ( <a href="http://www.fws.gov/wetlands/Data/Mapper.html">http://www.fws.gov/wetlands/Data/Mapper.html</a> )	No mapped federal wetlands are located at the site.
Field observations	No vegetation or ponded areas that are characteristic of wetlands were observed at the site.

## 9.7 LEAD IN DRINKING WATER

The City of San Jose will provide drinking water to the site upon redevelopment. The City of San Jose 2017 Water Quality Report (most recent report available for review) indicates the municipal water system meets the requirements as established by the USEPA, state, and local authorities for lead content in drinking water. Based on this information, no further evaluation of drinking water is recommended.

## 9.8 POTABLE/IRRIGATION GROUNDWATER WELL SURVEY

According to the Site Representative, no potable or irrigation groundwater wells are located on the site. Blackstone did not observe such wells during the site inspection. The locations of groundwater production wells are no longer published by local municipalities due to the US Department of Homeland Security regulations.

## 10.0 CONCLUSIONS AND RECOMMENDATIONS

Blackstone performed a Phase I ESA of the site in conformance with the scope and limitations of ASTM Standard Practice E 1527-13, the regulations at 40 CFR Part 312, and the July 30, 2018 proposal (Agreement) between EverWest Real Estate Partners and Blackstone. Any exceptions to or deletions from this practice are described in Sections 1.2 through 1.4 of this report. This assessment has revealed no evidence of *recognized environmental conditions (RECs)* in connection with the site, except the following:

- **Contaminated Soil and Groundwater:** As previously discussed, the site has been evaluated and granted regulatory closure under the SCCDEH VCP. The regulatory closure of the site includes institutional controls in the form of use limitations and the required implementation of a Soil Management Plan (SMP) during any on-site excavation or development activities. In addition, the closure specifically states that elevated soil impacts are located below 10 feet of non-impacted soil. Based on the regulatory closure granted with institutional controls required to maintain the closure in the site's current condition, the former asphalt plant and associated impacts are considered a controlled REC (CREC).

Blackstone recommends continued compliance with the VCP closure requirements, including the implementation of the site-specific SMP and use restrictions. According to the SCCDEH Case Closure letter, "The DEH shall be notified prior to changes in land use, installation of water wells, or if contamination is encountered at the site." Redevelopment of the site appears to trigger the first criterion.

During the preparation for the planned site redevelopment activities, Blackstone recommends the following regarding the VCP case closure and remaining impacts:

- Notify SCCDEH of the intended change of the use of the site, provide all current documentation to the SCCDEH regarding the site (including geotechnical investigations) and confirm whether the redevelopment of the site will require reopening of the closed VCP case with SCCDEH.
- Verify with the SCCDEH (or site consultant) that the Case Closure issued applies to all site media, including soil, groundwater and soil vapor and to all historical site features and activities associated with the former asphalt plan.

Elevated naphthalene was identified in the soil on the site and there is no record of the evaluation of vapor intrusion concerns in the documents reviewed nor any record polycyclic aromatic hydrocarbons (PAHs) analysis for the site samples. If the potential for vapor intrusion in the future site development has not been evaluated, further assessment may be required.

- Confirm with the SCCDEH whether any further comments are expected from the parent state agencies (e.g., the Regional Water Quality Control Board or the Department of Toxic Substances Control) in order to maintain case closure after the development of the site.

**11.0 SIGNATURES OF ENVIRONMENTAL PROFESSIONALS**

This Phase I Environmental Site Assessment (ESA) Report documents the research methodology used by qualified environmental professionals of Blackstone to identify recognized environmental conditions using the scope and limitations of ASTM Standard Practice E 1527-13 and the July 30, 2018 proposal (Agreement) between EverWest Real Estate Partners and Blackstone.

We declare that, to the best of our professional knowledge and belief, we meet the definition of *Environmental Professional* as defined in §312.10 of 40 CFR 312, and we have the specific qualifications based on education, training, and experience to assess a site of the nature, history, and setting of the subject site. We have developed and performed all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Prepared By:

\_\_\_\_\_  
Heather Hill  
Project Manager

\_\_\_\_\_  
Date

Technical Review and Concurrence By:

\_\_\_\_\_  
Allan S. Coffee  
Senior Associate

\_\_\_\_\_  
Date

Principal Review By:

\_\_\_\_\_  
Stephen E. Manelis  
Principal

\_\_\_\_\_  
Date