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Plaza Tower, Rose City

November 27, 2002

Karin Franklin
Director, Planning & Community Development
City of Iowa City
Civic Center
410 E. Washington St.
Iowa City, IA 52240

Dear Karin:

Subject: Review of Phase I Environmental Site Assessment and Limited Subsurface Investigation Reports Prepared by Terracon for Proposed Plaza Towers Site

I enjoyed meeting you and discussing these reports and their implications for the City's project. This letter summarizes our thoughts following review of the two reports.

Project Summary

The City has owned this site southwest of Linn and College Streets and used it for parking since about 1970. The City plans to sell the site to a private developer for the Plaza Towers development. The new development will include a 13- or 14-story structure with below-grade parking. Excavation to depths of about 10 – 12 feet below grade is anticipated.

Site Contamination

Because the Phase I indicated historical uses at the site and in the area could have caused environmental contamination, Terracon conducted soil and groundwater sampling at the site in September 2002. This investigation did not detect soil contamination, but did detect groundwater contamination with tetrachloroethylene (PCE) and its degradation products at two locations. The groundwater contaminant levels in the well on the northeastern part of the site exceeded drinking water standards for four parameters and were the highest on the site. The groundwater contaminant levels in the well on the southern part of the site exceeded drinking water standards for two parameters and were lower. No groundwater contamination was detected in the wells on the northwestern part of the site. Groundwater in the area generally flows in a southerly direction. Contamination could be present in the underlying bedrock at the site because PCE tends to sink in water. Groundwater movement in bedrock can be variable due to fractures in the bedrock. As a result, the rate and direction of contaminant migration are not always easy to predict.



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PCE is frequently used as a dry cleaning solvent and groundwater contamination with PCE is often associated with dry cleaners. The Phase I indicated a dry cleaner on the property to the west (currently the Sheraton) between 1926 and 1933. Dodge Cleaners is reportedly located about a block southeast of the site at 304 E. Burlington (near Linn and Burlington). This dry cleaner is listed as a small quantity generator of hazardous waste. The Phase I includes a leaking underground storage tank report at another Dodge Cleaners/RAC Mail location at 19 ½ S. Dubuque St., about two blocks northwest of the site. The available records indicate a leaking underground tank was reported at that location in 1994 and the Iowa Department of Natural Resources (IDNR) told the owner in 1999 that no cleanup was required. This could have been a leaking petroleum tank or another type of material; the available records do not specify the materials that leaked. Although there is no information to indicate PCE leaked at any of these dry cleaners, available information indicates the Dodge Cleaners/RAC Mail location at 19 ½ S. Dubuque St. would be the most likely source of the contamination found at the site. The current owner of the site is shown in the records as Macht, Inc. The past dry cleaning operations west of the site could also have caused the contamination found, although no contamination was detected in the well on the northwestern part of the site.

Implications for Future Site Uses

Because no soil contamination was detected, contact with soil during construction or as part of future site uses does not present a concern. Because no one is drinking groundwater in the area nor would they be allowed to install a drinking water well in the area, there is no concern regarding people drinking contaminated groundwater. However, there could be a risk associated with vapors from the contaminated groundwater because the contaminants in the groundwater could volatilize and move up through the soils. This could present a risk in the below-grade levels of the new building. Another pathway for human exposure to contaminants could occur during construction. Workers could be exposed to vapors if they are working in the excavated area and if deep foundations are required. Any dewatering during construction activities could also present a risk of exposure to contaminants. Risk calculations should be made to estimate the contaminant concentrations in vapors that workers could be exposed to during construction and to estimate contaminant concentrations in vapors in the future below-grade parking structure. Even if risk calculations do not indicate a concern in the new structure, all below-grade portions of the structure should include a vapor barrier to minimize the potential for vapors to enter the building. Worker protection issues should be addressed during construction.

Liability Issues

As we discussed, the City must report this contamination to the IDNR because it presents a hazardous condition as defined at Iowa Administrative Code 567 Chapter 131. I left a copy of this regulation with you during our meeting. New federal legislation signed in January (Public Law 107-118, Title II, Subtitle B) states that property owners are not liable for cleanup costs under Superfund for contamination on their property if they did not cause it and they fulfill certain requirements. I left you a summary of this information that includes a web link to EPA's Brownfields web site if you want more details. Even though you and the future property owner cannot be held liable for cleanup costs, there is the potential that the IDNR could require you to investigate the contamination to prove it did not originate on your property. I called Cal Lundberg, Contaminated Sites Section Supervisor at IDNR, to discuss this general issue. I did not tell him what client I was representing nor the site location. He said that if he can be convinced that the contamination did not come from the site, the State would conduct the investigations to



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determine the source of the contamination. However, you will have to make a very strong case to avoid investigation costs. I think your case is good for the following reasons (which I outlined for him):

- The City has owned the property for over 30 years and only used it for parking
- Historical records do not indicate a dry cleaner was ever located onsite
- No soil contamination was found onsite
- The contamination is PCE and degradation products which do not come from many sources
- There are nearby dry cleaners which are the likely source

You should call Cal at 515/281-7040 to discuss this in more detail. You can make the verbal report to him at that time and find out what written information he wants from you. Most likely, you can send Cal copies of the Phase I and Limited Subsurface Investigation reports along with a cover letter stating why you believe the contamination is not from your site. I suggest that you discuss this issue with your attorneys because of the potential for investigation costs and the implications for your property transaction.

Please contact me if we have not adequately addressed all of your questions and concerns. We appreciate the opportunity to assist the City with this issue and would be happy to provide any other assistance you need on this or other environmental matters.

Sincerely,

Stanley Consultants, Inc.

Rebecca Lance Svatos
Senior Environmental Engineer

cc: Rick Fosse/City of Iowa City

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