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August 4, 2011

Mssrs. Timothy B and Rustin Erdman
Erdman Real Estate Holdings, LLC
P.O. Box 5180
Madison WI 53705

Subject: Technical Assistance, Liability Clarification and Current Site Conditions at The Erdman Campus, University Avenue and North Whitney Way, Madison, Wisconsin
Wisconsin DNR BRRTS Activity Number: 07-13-557280

Dear Mssrs. Erdman and Erdman:

Purpose

The purpose of this letter is to provide you with technical assistance and clarifications as to environmental liabilities and current environmental conditions at the Erdman Campus, located at the corner of University Avenue and North Whitney Way in Madison, Wisconsin ("the Property"). The Property consists of several parcels comprising approximately 17 acres of land located in the S $\frac{1}{2}$, SE $\frac{1}{4}$, Section 18 and the N $\frac{1}{2}$, NE $\frac{1}{4}$, Section 19, Town 7 North, Range 9 East, in Dane County. A list of property addresses is provided in Attachment A of this letter.

Request

On June 21, 2011, you requested that the Department of Natural Resources ("the Department") provide you with technical assistance in the review of Phase I and Phase II environmental site assessments performed at the Property. The letter is to contain a determination whether further response actions are needed under the ch. NR 700 rule series, Wis. Adm. Code, based on the release or presence of one or more hazardous substances at the Property. The Department received the fee for providing assistance, in accordance with s. NR 749.04(1), Wis. Adm. Code.

In order for the Department to make this determination, the following documents were reviewed:

- "Phase I Environmental Site Assessment, Erdman Holdings, LLC, 5101 and 5063 University Avenue, 650 Whitney Way, Madison, Wisconsin..." dated December 10, 2003; prepared by URS Corporation, Milwaukee, Wisconsin
- "Phase I Environmental Site Assessment Update, Phase II Environmental Site Assessment, In Support of Erdman Center Development, 5117 University Avenue, Madison, Wisconsin..." dated November 2010; prepared by URS Corporation, Milwaukee, Wisconsin
- Department of Natural Resources' (DNR) file information for "Docter Inn", a former Leaking Underground [Petroleum] Storage Tank clean-up site located at 5101 University Avenue,

Madison, Wisconsin, tracked as DNR Bureau for Remediation and Redevelopment Tracking system (BRRTS) activity number 03-13-002369

The Department has examined the reports listed above and provides the following summary of the facts of the case and opinions concerning environmental conditions at the Property.

Background and Summary of Environmental Conditions

A summary of the various parcel numbers, addresses, current property ownership, past uses and environmental concerns is provided in Attachment A. In those instances where more detailed site- or address-specific information is available, it is discussed below.

Based upon review of aerial photographs and other historical information available, the Property was undeveloped land until the early 1950's. The first buildings on the Property (Buildings 1 and 2) were originally used for cabinet-making, a furniture showroom (Building 1) and a bottling plant (Building 2). Buildings 4, 5, and 6 were used in the production of materials for the [prefabricated] housing industry. These buildings were later converted into storage space which is now mostly vacant. A portion of the area occupied by Building 7 was used as a gasoline service station and later became part of the motel operations that were located on the remaining portion of Building 7. These buildings and the environmental concerns are discussed in greater detail later in this letter.

Building 8 has always been a restaurant; Building 9 operated as a convenience store; and Building 10 has always been a parking structure. No recognized environmental conditions were noted at the parcels housing Buildings 8, 9, and 10. Building 3 was originally used for product storage by the bottling company and later used by Marshall Erdman's maintenance department. While there were/are likely small amounts of hazardous materials being stored in Building 3 (gasoline, oil, lubricants, cleaning supplies, etc.), the materials were/are stored in a safe manner. There did not appear to be environmental concerns (or recognized environmental conditions) at Building 3.

Environmental concerns associated with Building 1 include the presence of underground petroleum storage tanks (USTs), the potential for hazardous material use and waste disposal associated with the manufacturing operations and the presence of an out-of-service water well in the vicinity of Building 1. This well has been abandoned. In Building 2 there is the potential for "down the drain" disposal of waste in the basement of the former truck maintenance area within the bottling plant.

The "Remedial Action Plan for Marshall Erdman & Associates..." prepared by Fluid Management, Incorporated (FMI) and dated February 1994, details the removal of 3 underground petroleum storage tanks (USTs). Two of these USTs were located between two large office buildings at 5117 University Avenue [Buildings 1 and 2 in the 2010 Phase I and II environmental site assessments (ESAs)]. The third UST (referred to as "site 2" in the document) was located near Building 5 and a former manufacturing building located in the southwest portion of the Property (this manufacturing facility reportedly burned down in 1971). All three tanks were considered one "site" for the purposes of clean-up and tracking by the regulating agency; the site was assigned a DNR BRRTS activity number 03-13-000669. The remedial action plan document states, "All tanks were previously used to fuel vehicles at the 7-Up Bottling Company that formerly owned the site." The "Case Summary & Closure Assessment..." prepared by FMI and dated September 1996 states, "Since there is no evidence that contaminated soils remains on-site and evidence that the soil in the bioreactor has been successfully remediated, FMI recommends no further action and the site be considered closed. The site was granted closure by the Department of Commerce in a letter dated January 30, 1997.

In October 2010, additional soil sampling was performed in an attempt to identify any undocumented contamination in the vicinity of the tanks in "site 1", between Buildings 1 and 2. Soils samples SB10 and SB11 were analyzed for the presence of total volatile organic compounds (VOCs); none were detected.

In October 2010, additional soil sampling was performed in an attempt to identify any undocumented contamination in the vicinity of "site 2" in the southwest portion of the Property. Soils samples SB1 – SB3 were analyzed for the presence of total VOCs; none were detected.

Removal of a waste oil UST from 5063 University Avenue (a portion of Building 7) in 1994 is well documented. The site was assigned a DNR BRRTS activity number 03-13-002369 and tracked as a site called "Docter Inn"; the activity was closed by the Department in May, 1995. Little, if any, soil contamination remained on-site at the time of closure [benzo(b) fluoranthene was documented at a concentration of 5.87 nanograms per gram (parts per billion) in Pit 3 at a depth of approximately 5 – 6 feet below ground surface. This concentration does not exceed any standard currently established to protect either groundwater or human health.] The Phase I ESA for Building 7 (the former motel and gasoline service station) also discussed the removal and replacement of various tanks over the history of the site. It is not clear where these tanks were located and whether their presence resulted in a release to the environment. In October 2010, additional soil sampling was performed in an attempt to identify any undocumented releases on this portion of the Property. Soils were analyzed for the presence of diesel range organics (samples SB4 – SB8), gasoline range organics (sample SB-8) and total VOCs (sample SB – 9). There was no indication of contamination based upon the sampling performed.

During a geotechnical investigation of the parcels in the vicinity of Buildings 2 and 7 performed in 2000 by Giles Engineering Associates, 11 test borings and 1 groundwater monitoring well were installed. The groundwater monitoring well was installed on the "Building 7" parcel. Groundwater was reported to be present at a depth of 34 feet below ground surface. There is no indication in the report that contaminated soil or groundwater was encountered during the geotechnical investigation. During the 2003 Phase I ESA, the well depth was measured and found to be 9.5 feet deep. The well at that time had a strong petroleum odor. There was no mention of water being present in the well at this time. During the 2010 Phase II ESA, the well was again examined. The well appeared to be filled with bentonite to within 9 feet of the land surface, indicating that the well had been partially abandoned as early as 2003. No petroleum odors were detected in the well during the October 2010 Phase II ESA work.

In the 2003 Phase I ESA for the Building 7 parcel(s), it was noted that transformers were located on, and in the vicinity of, that portion of the Property. The Phase I ESA states that URS received documentation from Madison Gas and Electric (MG&E) indicating there were no PCB-containing transformers located on the subject property. The 2010 Phase I ESA update refers to the 2003 information provided by MG&E indicating there were no PCB-containing transformers located at the site.

The Phase I ESA for Building 6 discusses the historic use of paints and lacquers in this building. Building 6 consists of 2 interconnected slab-on-grade buildings. Due to the potential for releases to the environment that could occur through painting and finishing of wood products, additional soil sampling in the vicinity of Building 6 was completed in October 2010. Samples from borings SB12 – SB16 and SS-1 were analyzed for the presence of VOCs; none were detected.

Environmental contamination was not documented in the October 2010 soil sampling event, therefore no groundwater samples were collected at that time. Similarly, none of the historic site investigations resulted in the need to evaluate the potential for groundwater contamination at the Property.

Erdman Real Estate Holdings, LLC, and Erdman Holdings, Incorporated, plan to redevelop the approximately 17 acre Property into a mixed-use urban employment center, which will involve demolition of existing buildings and earthworks.

Liability Determination

The Wisconsin Hazardous Substance Discharge Law, s. 292.11, Wis. Stats., commonly called the Spill Law, requires those who cause, possess or control a hazardous substance discharge to "take the actions necessary to restore the environment to the extent practicable and minimize the harmful effects from the discharge to the air, lands or waters of this state." Section 292.55, Wis. Stats., authorizes the Department to issue clarification letters concerning liability for environmental pollution.

The data summarized above indicates that one or more hazardous substance discharges have occurred on the Property. However, based on the criteria in s. NR 716.05(2), Wis. Adm. Code, the Department has determined that further site investigation activities are not required and that no further response action is required under the ch. NR 700, Wis. Adm. Code, rule series to respond to these identified discharges.

This response letter relates only to those conditions described above, and makes no determination concerning the presence or absence of hazardous substances, other than those identified in the reports listed above. Generally, the assessment activities seem adequate given the known scope of contamination and complexity of the site. The information contained in documents submitted to the Department indicates there are minimal to no environmental impacts to soil or groundwater associated with the various historic uses of buildings located at the Property.

Although the Phase I and Phase II ESAs appear to be complete and address the recognized environmental conditions at the Property, given the history of use(s) at the Property and uncertainty about actual tank locations, it is possible that contamination may be encountered during the demolition and redevelopment process. If contamination is encountered, please be reminded that the Spills Law (s. 292.11, Stats.) requires the release to be reported to this Department and appropriate steps be taken to restore the environment to the extent practicable. The Remediation and Redevelopment Program is ready to assist you in identifying clean-up strategies in the event contamination is discovered.

Enclosed for your information are 2 factsheets regarding building demolition. I hope they will help you anticipate regulatory needs and waste disposal requirements. Also, please be aware that landowners of most construction projects where one or more acres of land will be disturbed must obtain a Wisconsin Pollution Discharge Elimination System (WPDES) Construction Site Erosion Control and Storm Water Discharge Permit. Please contact Eric Rortvedt of our office at (608) 273-5612 for more details.

In the future, if the Department becomes aware of new information concerning the contaminants referenced above, or the presence of other contaminants on the Property not previously identified, the Department will need to evaluate that data to determine if response actions may be required. Whenever possible, the Department requires the person who caused the discharge to take the appropriate response actions.

The Bureau for Remediation and Redevelopment Tracking System (BRRTS) identification number for this activity is shown at the top of this letter. The Department tracks information on all determinations such as this in a Department database that is available on the Internet at <http://dnr.wi.gov/org/aw/rr/>. See "BRRTS on the web" under "Contaminated Land Databases". The Department has issued BRRTS case number 07-13-557280 and will track this site activity as a request for technical assistance.

If you have any questions, please contact me at (608) 275-3310, or by writing to the address at the top of this letter or by email to linda.hanefeld@wisconsin.gov

Sincerely,



Linda Hanefeld
South Central Region
Remediation and Redevelopment Team Supervisor

Enc: Attachment A – Summary of Erdman Campus Properties
"What You Need to Know about Renovation and Demolition" factsheet – DNR Asbestos Program
DNR Publication WA-651-07 "Pre-Demolition Environmental Checklist"

cc: Janet DiMaggio, SCR/RR
Michael Prager, RR/5
Eric Rortvedt, Storm Water Engineer

Attachment A – Summary of Erdman Campus Properties

Building #/Letter	Building Name and Address	Owner(s)	Parcel Number	Construction date(s)	Documented Environmental Concerns	Past Uses
1/M	Erdman Building 1 5117 University Ave.	Erdman Real Estate Holdings, LLC	7079-184-1408-1	1951; Additions in 1980s	Hazardous material use and waste disposal, former UST (closed Sept. 2008) BRRTS # 03-13-000669 Out-of-service water well	Cabinet manufacturing, furniture showroom, office space
2/B	Erdman Building 2 5105 University Ave.	Erdman Future, LLC University Avenue Properties, LLC	0709-184-1407-3	1951	UST or USTs for fueling delivery trucks, potential “down the drain” disposal of vehicle maintenance waste	Bottling facility turned office space – had UST/USTs for fueling delivery trucks
3/K	Lower Warehouse 5119 University Ave. (a/k/a 5107 Univ. Ave.)	Erdman Real Estate Holdings, LLC	0709-184-1401-5	Late 1968 – early 1969		Bottling facility storage
4/J	Upper Warehouse 5119 University Ave (a/k/a 5111 Univ. Ave.)	Erdman Real Estate Holdings, LLC	0709-184-1401-5	1968		Former truss, framing cutting shed; storage
5/I	Doll House 5119 University Ave. (a/k/a 5115 Univ. Ave.)	Erdman Real Estate Holdings, LLC	0709-184-1401-5	1966; Addition in 1968		Former Euro-style cabinet factory Later used by Madison Children’s Museum for storage
6/G, H	Quonset Huts (a/k/a green (G) and gray (H) warehouses) 5119 University Ave.	Erdman Real Estate Holdings, LLC	0709-184-1401-5	Late 1950s to Early 1960s	Paint shop and cabinet making activities/wastes (paints, stains, lacquers) Presence of leaking drum containing hydraulic oil	Former wood finishing facility; storage
7/A, B, C, D	Merrill Springs Inn (former) 5063 University Ave.	Erdman Future, LLC University Avenue Properties, LLC	0709-184-1405-7	1957	Former USTs – closure granted to 1x1000 gallon waste oil UST by DNR in May 1995 (03-13-002369) Info re: location and removal of historic tanks not known	Former gasoline service station later incorporated in motel operations
	Merrill Springs Inn/Docter Inn (former) 5101 University Ave.		0709-184-1406-5	1954	No tanks known to be located at 5101 University Avenue	Motel
8/Q	Irish Waters (former) 702 N. Whitney Way	Erdman Future, LLC University Avenue Properties, LLC	0709-184-1403-1	1979		Was always a restaurant
9/E	Open Pantry (former) 650 N. Whitney Way	Erdman Real Estate Holdings, LLC	0709-184-1420-5	1977		Was always a convenience store until closing in the early 2000’s
10/No letter assigned to parcel	PSC Parking Structure	Erdman Real Estate Holdings, LLC	0709-184-1401-5	1994		Vacant until parking structure built