Ø3106050226 -- Cook County
Crestwood / Playfield Shopping
Site Remediation 010160001632 Incl. Rpts

CRA

CONESTOGA-ROVERS & ASSOCIATES
8615 W. Bryn Mawr Avenue
Chicago, Illinois 60631
(773) 380-9933 Fax: (773) 380-6421

April 1, 1998

Reference No. 9117

(b) (6), (b) (7)(C)
[redacted]
Manager
State Site Management Section
Bureau of Land
2200 Churchill Road
P.O. Box 19276
Springfield, Illinois 62794-9276

RECEIVED
APR 02 1998
IEPA/BOL

Dear (b) (6), (b) (7)(C) [redacted]

Re: Playfield Plaza Site
Crestwood, Illinois

We appreciated the opportunity to meet with you and members of your staff recently concerning the Playfield Plaza Site in Crestwood, Illinois (the "Site"). As you are aware, the Site consists of approximately two and one-half acres of land, currently in use as a commercial strip mall, located at the southwest corner of the intersection of 121st Street and Illinois Route 83 (Calumet Sag Road).

BACKGROUND

The Site has been in use as a commercial strip mall for approximately 37 years. During that time a dry-cleaning business (among other retail and service-oriented businesses) operated at the Site. Based upon the data developed by CRA and others, volatile organic compounds ("VOCs") generally associated with dry-cleaning solvents were detected in soil at the Site in close proximity to the dry-cleaning operation.

As we have discussed in our meetings with the Illinois Environmental Protection Agency the owner of the Site is deceased and the Site is currently in foreclosure. The Lender (Plaintiff in the foreclosure action) is not interested in taking title to the Site or in improving the Site, much less managing an environmental cleanup. Rather, the Lender wants only to divest itself of the Site without incurring any liability for environmental expense or exposure, and to sell the property to a purchaser for the best price under the circumstances. Ideally, the sales price in a foreclosure sale should reimburse the Lender for the full value of the loan, with any surplus (in this case) going to the heirs of the deceased owner.

The Lender has discovered a developer who is interested in purchasing the Site and in improving it generally and, specifically, in managing a reasonable environmental cleanup. While the developer is sophisticated in developing strip malls, he is not a speculator who is interested in developing speculative, and potentially risky, Brownfield investments. In our view, the developer will pay the best price for the Site, because he intends to continue to use it at its highest and best use, as a Strip Mall. As you may imagine, any other purchaser will leverage the environmental conditions in order to gain price concessions from the Lender. At a

SCREENED

certain point in depressed-price negotiations, the Lender will merely dismiss the foreclosure action and abandon the property to scavengers.

At this point, we need to assist the developer and the Lender by negotiating a cost-effective remedy that will encourage the sale and protect the environment. Additionally, we need to develop an attainable cleanup process that the parties can rely on in determining the sales price, in order assist in the transfer of the Site to a party (in this case the developer) who will actually perform a limited remedy. In our discussion with the parties, the developer requires written assurance from IEPA that if the developer designs and implements a good faith soil remedy, according to a scope of work to be approved by the Agency, that the Agency will release the developer from all liability associated with the soil at the Site pursuant to Section 4(y) of the Illinois Environmental Protection Act.

SUMMARY OF CURRENT ENVIRONMENTAL CONDITIONS

CRA and others have identified tetrachloroethene ("PCE"), trichloroethene ("TCE") and related compounds in the soil at the Site in close proximity to the current dry-cleaning operation. CRA conducted additional investigations at the Site in order to determine the approximate volume of soil that is impacted by the compounds of concern, and to provide an estimate of the cost for soil remediation. On the basis of the data collected, including the data generated during a soil vapor extraction ("SVE") pilot test, in-situ SVE or enhanced in-situ SVE were the remedial options determined to be the most cost-effective and the most easily implemented at the Site. Other options, including soil excavation and off-Site disposal (or soil treatment prior to off-site disposal), were also evaluated and were determined to be cost prohibitive. Indeed, those costs were found to exceed the value of the Site.

As you also know from our previous discussions, the Village of Crestwood operates a municipal well near the Site (Playfield Subdivision municipal well No. 1 located at 12800 West Playfield Drive). The municipal well is located inside a pump house approximately 300 feet east of the Site, and across Tinley Creek. Based upon a well log provided by the Illinois State Water Survey, the municipal well was installed in 1959, is twelve inches in diameter, and is 345 feet deep. According to the Village, the municipal well had been used to provide water to the Village until 1969. Currently the Village obtains water from Lake Michigan through the Village of Alsip, which purchases water from the City of Chicago. According to the Village of Crestwood, the municipal well is used only, as an emergency backup to supplement the Village's water supply during periods of high water demand. The maximum ratio of Lake Michigan water and water from the municipal well does not exceed 90:10 according to Village personnel. All potable water is directed to the Village's municipal water works located on Calumet-Sag Road where it is mixed and enters the distribution network.

CRA collected water samples on two occasions from the Village of Crestwood's municipal well. CRA also collected water samples from the Village's municipal water distribution facility from

Tinley Creek upstream of the Site. CRA coordinated the sampling activities with the cooperation of representatives of the Village of Crestwood. The samples were sent to the laboratory and analyzed for selected chlorinated VOCs and degradation products of the specific VOCs that have been found at the Site. The laboratory reported that cis-1,2-dichioroethene ("cis-1,2-DCE") was detected in the surface water sample collected upstream in Tinley Creek and in the water samples collected from the municipal well - both at a concentration of 3 micrograms per Liter ("µg/L"). These concentrations are well below the Maximum Contaminant Level ("MCL") of 70 µg/L for this compound. Importantly, other site-related VOCs were not detected in the water sample collected at the municipal water works facility, or for that matter, in the surface water sample collected upstream in Tinley Creek.

As we discussed with you previously, the concentrations of these compounds in the on-Site soil exceed IEPA's cleanup objectives. Site-related VOCs have also been detected in groundwater samples collected on Site. However, the single VOC detection in the municipal well was well below the maximum contaminant level MCL established by the Safe Drinking Water Act and was identical to the concentration observed in the upstream surface water sample collected from Tinley Creek. Therefore, despite the detection of this single VOC in the samples collected from the municipal well, no definitive hydraulic connection has been established between Site-related VOCs and the detection of cis-1,2-DCE in the municipal well or, for that matter, Tinley Creek.

CURRENT SITE STATUS

As we discussed earlier in this letter, the Site is currently in foreclosure and is being operated under the authority of the court, using a court-appointed receiver. At this juncture, it is also critically important to recognize that neither the potential purchaser (who may pay for and perform the remedy), nor the Lender who is initiating the foreclosure, were in any way responsible for the operation of the dry-cleaning business or the reported release of dry-cleaning solvents at the Site. Both of these parties are strangers to the Site and have no environmental liability at the Site. The Lender is only interested in recouping its losses and abandoning the Site, unless the prospective developer chooses to buy the Site for a fair price. The prospective purchaser is interested in paying a fair price for the Site only if he can limit and, more importantly, quantify his environmental exposure with IEPA. Without that certainty, it will be difficult to find any buyer given the current environmental conditions at the Site.

As part of this process, the prospective purchaser is aware that soil remediation is necessary to obtain a Section 4(y) release from IEPA. To obtain the Section 4(y) release, the prospective purchaser is willing to install and operate the in-situ SVE system. As we discussed with you earlier, CRA has determined that enhanced, in-situ SVE would likely remove the dry-cleaning solvents from the vadose zone in a reasonably cost-effective manner. CRA evaluated other

remedial options, and rejected them because they were difficult to implement or were not cost-effective given the market value of the property.

However, as you recognize, although in-situ SVE is likely to substantially reduce the concentrations of dry-cleaning solvents in the soil, there is no guarantee that the *in-situ* SVE process would necessarily remedy the soil to some predetermined numerical soil cleanup objective. Given this uncertainty, the prospective purchaser, in order to limit his future liability, requires written assurance from IEPA, prior to acquiring the Site, that IEPA will issue the Section 4(y) release following a reasonable, good faith effort by the prospective purchaser to remedy the soil using in-situ SVE based upon an Agency-approved work plan.

It is important to note that during the course of this project, we have had the opportunity to speak with Village officials regarding the status of the Site. It is our impression that these officials would support the developer's plans to improve the Site. The Village also understands and recognizes that the environmental concerns may leave the Site abandoned. The prospective purchaser presents a very viable and desirable alternative to an orphaned property.

PROPOSAL TO THE IEPA

Obviously, no one benefits if this property becomes an orphaned site. Conversely, there are considerable benefits if the property is improved:

- The Village benefits with continued (likely increased) tax revenues.
- The citizens of Crestwood (and the adjacent Village of Alsip) would benefit from increased services in the area and the continued presence of a viable, improved property rather than an eyesore.
- The environment would benefit with soil remediation at the Site.
- The current Lender could cut its losses, and the prospective purchaser could provide many of the foregoing benefits, and, hopefully, operate the Site at a profit.

Therefore, the following general action items are proposed as a framework for a process that would facilitate this transaction, the remediation of the soil, and the continued beneficial use of the property.

1. Submit data obtained during investigations performed to date for review by IEPA.
2. Prepare and submit the conceptual design, implementation plan, schedule and monitoring plan for the enhanced in-situ SVE system for IEPA review and comment.

3. Obtain IEPA approval for the in-situ SVE implementation plan.

4. Obtain the necessary permits and install the in-situ SVE system.

5. Operate the in-situ SVE system for a reasonable period of time or until monitoring indicates that an insignificant contaminant mass is being recovered.

6. Collect subsurface soil samples, decommission the in-situ SVE system, and submit a remedial action completion ("RAC") report to the IEPA.

7. Issuance of a Section 4(y) release by IEPA to the prospective purchaser following submission of the RAC report.

Initially, IEPA would receive the currently available data that documents the current site conditions. Additionally, IEPA would receive the evaluation of remedial alternatives prepared by CRA. Shortly thereafter, IEPA would receive the conceptual design for the *in-situ* SVE system, the implementation plan and the schedule. The implementation plan would detail the site-specific cleanup criteria, the monitoring to be performed during the operation and the criteria to be used in determining when the system would be shut down. This operational monitoring would likely include monitoring of vapor concentrations and flow rates during operation of the in-situ SVE system to determine the effectiveness of the system, to assist in optimizing the system, and to determine when it is appropriate to shut down the system. Progress reports, including available monitoring data, would be provided to IEPA on a regular basis during system operation.

Most importantly, IEPA review and concurrence with the implementation plan would demonstrate the Agency's willingness to proceed with the project and would contain a written assurance that the Agency would issue a Section 4(y) release following the satisfactory completion of the work detailed in the implementation plan. This action would facilitate the property transaction. As stated previously, prior to acquiring the property, the prospective purchaser requires written assurance from IEPA that a Section 4(y) release will be issued following a reasonable, good faith effort on the part of the prospective purchaser to remedy the soil using in-situ SVE based upon an Agency-approved work plan. Without this agreement from the IEPA, the developer will not proceed with the property transaction, and the Lender will abandon the property.

In our view, the in-situ SVE system would be operated for a period of three years or until the monitoring data indicate that recovery of volatile organic vapors is minimal (exhaust vapor monitoring indicates that an insignificant contaminant mass is being recovered). The system would then be shut down 30 days following submission of a notice-of-intent to IEPA. This notice would include the technical data and calculations supporting the action. Shortly thereafter, soil samples would be collected to determine whether the site-specific cleanup

objectives had been met. Following the receipt of the soil analytical data, a RAC report would be issued to IEPA demonstrating completion of the project. If site-specific soil cleanup objectives were not met, then the RAC report would detail appropriate physical barriers (such as pavement) and institutional controls to prevent human exposure to the soil. In the event the soil meets the cleanup objectives, physical barriers and institutional controls would not be required. In either event, following submission of the RAC report, IEPA would issue a Section 4(y) release to the prospective purchaser for the soil conditions at the Site.

SUMMARY

In summary, it is most important to agree upon an attainable cleanup process that the parties can rely on in determining a fair sale price for the Site. Furthermore, it is important for the Agency to recognize that neither the potential purchaser (who may pay for and perform the remedy), nor the Lender who is initiating the foreclosure, were in any way responsible for the operation of the dry-cleaning business or the reported release of dry-cleaning solvents at the Site. A written assurance from IEPA is a key component of this process. In essence, the IEPA would agree, in writing, that if a good faith soil remedy is implemented, the Agency will issue a release pursuant to Section (4y) of the Illinois Environmental Protection Act. This action would then release the purchaser from all liability associated with the soil at the Site. This proposal identifies a cleanup process that facilitates a property transaction that is available to close immediately - pending only IEPA's approval of the process as outlined above. With the cooperation of the Agency, we can accomplish a "win-win" situation for all of parties involved, as well as the Agency and the environment.

We trust that IEPA finds this proposal acceptable, and we look forward to working cooperatively with the Agency on this project. Please feel free to contact the undersigned at any time to discuss this matter.

Yours truly,

CONESTOGA-ROVERS & ASSOCIATES

(b) (6), (b) (7)(C) [redacted]

(b) (6), (b) (7) pg/11

cc: (b) (6), (b) (7)(C) [redacted]