

CORRESPONDENCE/MEMORANDUM

DATE: March 18, 2015

FILE REF: Former White and Lesperance Properties
BRRTS #s 02-36-096500 and 02-36-560273, respectively

TO: File

FROM: Tauren Beggs – DNR Project Manager

SUBJECT: Meeting with lessee regarding status of the site investigation and discussion of redevelopment for the Former White and Lesperance Properties

Lessee – Richard Carey from Chard International, LLC

Background and Chard Involvement with Properties:

Carey provided to Beggs a brief background of the properties and his involvement. Carey is currently leasing the Former Lesperance Property with an option to purchase over a 10 year period. Carey is also leasing the Former White Property, which he recently started leasing at the end of 2014/beginning of 2015. His agreement with Manitowoc County consists of Carey assisting the county with site investigation, cleanup, closure, and preparations for redevelopment. Any money Carey spends on the cleanup process will be deducted from the purchase price of the properties.

Carey stated the Lesperance Property was formerly a bulk oil/gasoline distribution facility and was also utilized as a wood play system manufacturer and the White Property was formerly a petroleum recycling and storage facility.

Carey is currently using the Lesperance Property for his outdoor cooking equipment manufacturing business named Chard. Carey is using the east half of the main building for office space and the west half for warehouse storage of finished products and/or construction materials.

Potential Redevelopment Plans:

Lesperance Property: Carey stated the west end of the property by the river would be developed with topsoil and vegetation to assist with storm water management. The current buildings would remain on-site. Carey also plans to pave driveway and parking lot areas.

White Property: Carey stated he would like to expand his facilities onto the north end of the White Property with a potential L-shape warehouse with adjacent paved approaches and parking lot. Carey stated the foundation/paved areas could be used as a cover if needed. However, in order to construct the warehouse, Carey would need to bring in clean soil to bring the grade up to the grade of the Lesperance Property. The south end of the White Property may be developed into either potential mini-storage or as a possible relocation of the Two Rivers City Works building. The south end of the property could potentially have one to four buildings constructed on it. Carey would start construction on the west end of the property and work his way back towards the east to the road. Redeveloped areas could act as potential covers on the White Property, if needed. Carey stated he was going to talk to the City of Two Rivers tomorrow to determine if they still are interested in relocating the City Works building to this property and to see if he could get a potential revolving loan from the City. Depending on redevelopment, Carey may consider splitting the White Property into multiple parcels.

Site Walkthrough on Both Properties:

Carey provided Beggs with a Site Walkthrough of both properties starting with the Lesperance Property. Refer to site walkthrough photographs below that were taken by Beggs.

Lesperance Property: Carey started by showing Beggs the eastern office building/warehouse. The driveway and parking areas adjacent to the buildings on this property are currently gravel. Carey showed Beggs the area of the UST location at the southwest corner of the eastern office building/warehouse. Carey said the warehouse was converted to natural gas, so the fuel oil UST was no longer needed. The UST vent pipe was observed. Carey noted that this area was mostly buried sawdust and woodchips. Carey and Beggs continued to the west end of the property. The original buildings (steel warehouse and small brick building) from the 1940's are still present. The area to the north and west of the steel warehouse and small brick building were wooded. The area was recently cleared of trees and underbrush. Carey stated two monitoring wells, associated with the north-adjacent open WPSC Two Rivers MGP Site, BRRTS # 02-36-000255, were recently abandoned by WPS. Carey then showed Beggs the US Oil Pipeline location. Carey said that US Oil abandoned the pipeline in-place and the pipeline is about five feet below ground surface. Carey said petroleum contamination was found in a boring by the pipeline.

Lesperance Property Site Walkthrough Photographs:



Photo Left: UST Area Location, looking NW. Note sawdust/woodchips in front of pallets. Photo Right: West end of property, looking NE. Note wooded area has been cleared and two monitoring wells in this area were abandoned. Painted wood stake marks one of the five MW locations.



Photo Left: Area between the westernmost buildings and river, looking SSE. Photo Right: Historic Brick Building with historic steel warehouse and office building/warehouse behind, looking E. Note wood stake on left side of photo marks one of the five MW locations.

Lesperance Property Site Walkthrough Photographs Continued:



Photo Left: Between historic steel warehouse and office building/warehouse, looking west. Photo Right: Historic steel warehouse, looking north. Note the area between the warehouse and camper is the location of the abandoned underground US Oil pipeline that runs N-S.



Photo Left: Approximate location at the Lesperance and White Property boundary where abandoned underground US Oil pipeline runs across N-S, looking south. Photo Right: Historic brick building with river in the background, looking NW.

White Property Site Walkthrough:

Carey showed Beggs the western part of the property first, then worked towards the road to the east. Carey showed Beggs the building next to the river and the wetland area just to the northeast of the building. Carey stated that he believed the small mound adjacent to the northeast end of the wetland area was the original grade prior to the EPA's removal in 1995 of the 18 ASTs and contaminated soil on-site. Beggs asked Carey if he knew of any USTs on the property and Carey was not aware of any. Beggs asked because the Phase I ESA completed in September 2012 noted there was UST closure in 1995 on the property; however, the status of whether the tank is still present is unknown. There were no vent pipes or other signs of USTs on the property. Carey showed Beggs remnants of a railroad track on the south end of the property and two access points for the US Oil Pipeline believed to be abandoned in-place. Carey then showed Beggs the other two buildings and briefly talked about the two main areas he was looking to redevelop. Carey stated he would like to have the warehouse constructed on the north-northeast portion of the property and either mini-storage buildings constructed along the southern property boundary or the potential development of the southern portion for the relocation of the Two Rivers City Works Building. Carey and Beggs returned to the office to finish up the meeting.

White Property Site Walkthrough Photographs:



Photo Left: East half of White Property, looking SE. Photo Right: West half of White Property, looking SSW. Note the three original buildings associated with former petroleum storage and recycling facility operations. An unassociated trailer is temporarily parked on the property.



Photo Left: North half of White Property, looking W. Photo Right: South half of White Property looking WSW.



Photo Left: Northern Area for potential L-Warehouse expansion, looking N. Note grade is lower than Lesperance Property. Photo Right: Closer view of two buildings on east half of the White Property, looking SSE.

White Property Site Walkthrough Photographs Continued:



Photo Left: Wetland on the west portion of the property, looking W. Photo right: Carey believed that the mound was the original grade of the property. When the EPA conducted a removal in 1995 to remove the 18 ASTs on-site, they excavated a vast amount of contaminated soil as well.



Photo Left: Access to US Oil Pipeline. Carey showed Beggs two access locations during the site walkthrough. Photo Right: Railroad Track on the south end of the property. Likely railroad access was from the south end of the property during former operations.

Upcoming Site Investigation and Property Restoration Work:

Carey stated that additional Geoprobe sampling was going to be completed during the week of April 6, 2015, which will utilize the current WEDC grant they have for site investigation. Carey plans to have the former fuel oil tank adjacent to the southwest corner of the office building/warehouse removed sometime in May 2015 on the Lesperance Property. Carey also talked about wanting to place topsoil over the wooded area that was cleared and seed it to assist in storm water management on the Lesperance Property. Carey also stated that he would like to pave the driveway and parking lot areas on the Lesperance Property. Carey did not have any property restoration work planned at this time for the White Property.

DNR Follow-Up from Meeting:

Carey provided his potential redevelopment plan and had some environmental cleanup & land recycling/brownfields questions/comments associated with the cleanup and redevelopment process on these properties.

- 1) Carey asked Beggs about the floodplain for both properties and the small wetland area on the White Property.

Beggs said he would get those areas defined for Carey and provide him an answer at a later date.

- 2) Carey showed Beggs a flush mount monitoring well adjacent to the US Oil Pipeline location on the Lesperance Property and stated he didn't have any information on it.

Beggs told Carey he will see if he can find information about the well in the available DNR files for open/closed cases in the area.

- 3) Carey said there was contamination discovered adjacent to the US Oil Pipeline that was believed to be abandoned in-place.

Beggs told Carey that US Oil is responsible for the cleanup of petroleum contamination associated with their pipeline. Beggs told Carey he would look into the option for him to request a GLC letter for liability clarification.

- 4) Carey was wondering if there would be any actions he needed to take for the restoration work (topsoil and seed on west end & paving driveway/parking lot areas on east half) on the Lesperance Property.

Beggs told Carey that contaminated soil would need to be properly managed and disposed if encountered. Beggs also said that if the restoration work is used as an existing cover in the future, that a maintenance plan would be created for these areas at time of closure. Proper maintenance of the areas would become a continuing obligation at closure.

- 5) Carey was interested in applying for VPLE.

Beggs told Carey VPLE is always an option at any time throughout the environmental cleanup process. Beggs will provide Carey with the application and guide him through the process.

- 6) Carey asked Beggs if he could develop the Mini-Storage prior to closure of the White Property.

Beggs told Carey it may be a possibility, but he will need some time to review the multiple DNR files for the White Property to give Carey a better answer. Beggs also told Carey he may need a clarification letter if he wants to get a loan for the Mini-Storage development.

- 7) Carey believed the WEDC grant that was approved for the investigation was \$80,000 total with a 50% required match (\$40,000). Carey was wondering if the costs for the UST removal could be used as an in-kind contribution towards the required match.

Beggs told Carey he would talk to Naletta Burr from WEDC to determine if the removal could be used for an in-kind contribution and get an answer back to Carey.