State of Wisconsin
DEPARTMENT OF NATURAL RESOURCES
2300 N. Dr. Martin Luther King, Jr. Drive
Milwaukee WI 53212-3128

Tony Evers, Governor
Preston D. Cole, Secretary
Telephone 608-266-2621
Toll Free 1-888-936-7463
TTY Access via relay - 711

February 21, 2020

Sarah Cooper
Global Medical REIT
2 Bethesda Metro Center
Suite 440
Bethesda, MD 20814

Subject: Liability Clarification Letter Concerning Environmental Liability
Former Vaughan Mfg Co/MPS Site, currently Gateway Medical Clinic
801 S. 70th Street, West Allis, Wisconsin
BRRTS # 07-41-236669 and 06-41-200024

Dear Ms. Cooper:

Purpose

The purpose of this letter is to provide you with clarifications regarding the environmental liability that a prospective purchaser may have for the Former Vaughan Mfg Co/MPS Site, which is currently the Gateway Medical Clinic located at 801 S. 70th Street in West Allis, Wisconsin (the Property). The Property consists of approximately four acres of land, a map of the Property is attached to this letter. This letter herein refers to the environmental liability associated with the Property. The Wisconsin Department of Natural Resources (DNR) has agreed to provide you with a letter clarifying the environmental liability associated the purchase and use of the Property and respond to your specific concerns.

Request

On January 13, 2020, you requested that DNR address the environmental liability that a prospective purchaser of the Property may have related to any remaining contamination at the Property that was previously addressed by actions associated with the Property. The Technical Assistance and Environmental Liability Clarification or Post-Closure Modification Request (Form 4400-237), dated January 10, 2020, and attachments were submitted for this request.

The request relates to the following environmental cases:

- Closed Environmental Repair Program (ERP) case: Vaughan Mfg Co, BRRTS # 02-41-000938
- Closed Leaking Underground Storage Tank (LUST) case: Vaughan Mfg Co, BRRTS # 03-41-000938
- Closed ERP case: West Allis Cty, BRRTS # 02-41-117864
- Closed VPLE case: MPS Site, BRRTS # 06-41-200024

The following documents were submitted for this request:

- Technical Assistance and Environmental Liability Clarification Request (Form 4400-237) dated January 10, 2020

- Copy of letter sent by DNR dated October 24, 2019, with the results from vapor sampling including maps and data obtained by The Sigma Group
- Shallow Soil Gas Survey, August 6, 2019 prepared by EMG

The DNR received the fee for providing assistance, as required by Wis. Admin. Code § NR 749.04(1). It is DNR's understanding that Global Medical REIT is considering acquiring the Property. The Property is now owned by RMS ST Allis, LLC/ Olympus Ventures, LLC. The current building on the Property was built circa 1999 and is currently leased to and occupied by the Gateway Medical Clinic operated by Ascension Columbia St. Mary's Milwaukee. The prospective purchaser is planning to continue to lease the Property to the current tenant.

The technical assistance form you submitted stated "Global Medical REIT is requesting clarification of liability status for the property currently, as well as with regard to potential future construction/improvement activities. Additionally, it is understood that the Department is currently in the process of performing additional investigation of subsurface/sub-slab vapors and indoor air quality within the existing medical facility. As such, Global Medical REIT is requesting clarification of the current results and status of the investigation activities, as well as the potential impact with regard to further regulatory action(s), use/occupancy, and owner liability (current and future) within the context of the VPLE program." This letter is intended to address those topics.

Background and Summary of Environmental Conditions

The Property is currently being used as a medical clinic and includes a parking lot and a single-story building. Historically the Property was used for various industrial purposes for approximately 100 years, including Manpower Printing Services (MPS). The Property was acquired by the City of West Allis (City) in 1997. The City undertook an investigation and remedial action which included excavation and offsite disposal of soil contaminated with trichloroethylene (TCE), 1,2- dichlorobenzene, 1,4-dichlorobenzene, xylenes and benzene.

On November 11, 2003, DNR issued a Certificate of Completion (COC) to the City after DNR approved the cleanup actions and determined that all the requirements of the Voluntary Party Liability Exemption (VPLE) program in Wis. Stat. § 292.15(2)(a) were met. The DNR issued an amendment to the COC on May 17, 2004, to clarify the property boundaries of the land covered by the VPLE.

As part of a pending sale of the Property, due diligence was performed by EMG consultants, who identified the possibility of vapor intrusion from residual contamination as a migration pathway of concern at the Property. On August 6, 2019, EMG consultants prepared a report with results from shallow soil gas sampling conducted outside around the building. The results from the sampling identified the presence of 1,3-butadiene, naphthalene and TCE above soil gas screening criteria for small commercial buildings. The results were shared with the DNR.

The DNR retained The Sigma Group (Sigma) to assess whether the compounds reported by EMG were present in the building or sub-slab soil vapor at the Property. The investigation consisted of collection of sub-slab soil gas samples via vapor pins drilled through the building foundation and collection of indoor air samples. During the first round of sampling conducted during October 2019, none of the compounds reported by EMG or other volatile constituents that might be the result of former discharges were found in sub-slab soil gas samples above a vapor risk screening level (VRSL) or in indoor air above a vapor action level (VAL). One compound, 2-propanol (isopropyl alcohol) was found above the

VAL in indoor air. The presence was attributed to the common use of this compound in the medical clinic. A second round of sampling was performed in late January and early February 2020. The results of the indoor air sampling did not identify any compounds above a VAL. TCE was detected in a sample taken within a utility closet at a concentration of 3.2 micrograms per cubic meter (μ/m^3), which is below the VAL for small commercial buildings of 8.8 μ/m^3. None of the sub-slab vapor samples collected in February exceeded a VRSL. Based on these results, the DNR does not recommend or plan to conduct any additional sampling because there does not appear to be a risk of vapor intrusion (DNR letter dated February 18, 2020 attached).

Liability Clarification

Wis. Stat. § 292.55 authorizes the DNR to issue clarification letters concerning liability for environmental pollution. This letter will clarify the DNR's position on environmental liability associated with the Property for the current owner and a future buyer.

What assurances does a voluntary party receive from DNR once a cleanup is complete at a VPLE site?

The DNR issued a COC in 2003. The COC indicates that the DNR determined that no further environmental response action was necessary and that the requirements for the VPLE were met. Once a COC is issued, the party proceeding under the VPLE program (the Voluntary Party) and any subsequent property owner has an exemption from future liability for prior hazardous substance releases under most provisions of the Hazardous Substance Discharge Law, as well as certain hazardous and solid waste laws, pursuant to Wis. Stat. § 292.15(2)(a). This general exemption from liability would apply even if, in the future, environmental standards change, the cleanup action fails, or the contamination that was the subject of the VPLE investigation is discovered to be more extensive than originally thought.

Under Wis. Stat. § 292.15(3), the liability exemption conveyed by a VPLE COC runs with the land, is transferrable, and applies to any successor or assignee of the voluntary party. If someone purchases a VPLE property after a COC is issued, they are a successor and will be protected by the liability exemption for discharges that occurred prior to the date the VPLE site investigation was approved. No specific action or documentation to the DNR is needed to transfer this exemption to successors. The DNR does not reissue a COC to a new owner. The COC applies to future owners of the property, provided that such parties continue any required maintenance and monitoring of the property that may be applicable.

The VPLE that was approved at the Property provides liability protection to the current and future owners regarding any discharges of hazardous substances which occurred before the VPLE site investigation was approved by the DNR. The current owner and future owners are not obligated under Wis. Stat. ch. 292 to investigate or remediate the hazardous substance discharges on the Property, including potential naphthalene and trichloroethene (TCE) vapors that are the subject of the recent sampling described above. The current owner and future owners also would not have to investigate or remediate any additional hazardous substance discharges that may be identified in the future if those discharges occurred prior to the VPLE site investigation approval.

If previously unreported discharges were discovered in the future, the property owner and the party who caused the discharge are still required to report those to the DNR in accordance with Wis. Stat. § 292.11 and Wis. Admin. Code ch. NR 706. Also, a site investigation and remedial action in accordance

with Wis. Stat. § 292.11 and Wis. Admin. Code ch. NR 700 rule series would be required for any discharges which may have occurred after the VPLE site investigation was approved or may occur in the future.

Status of Vapor Intrusion Evaluation

The current and future owners of the Property are not required to conduct any assessment of possible vapor intrusion into the existing building and would not be required by the Hazardous Substance Discharge Law to conduct actions to mitigate vapor intrusion into the building if such mitigation were warranted. The DNR agreed to conduct the assessment described above to evaluate whether migration of vapors into the building may be an issue of concern. Also, if additional sampling had found that there were a risk of vapors entering the building that could cause a health threat, the DNR had agreed to work with the property owner and to fund and undertake appropriate measures to mitigate the vapor intrusion risk in the existing building.

Future Construction and Changes to the Building and Property Use

If the current or future owner of the Property plans to change the current use of the Property by expanding the existing building, disturbing the existing foundation or building a new building on the Property, the DNR recommends working with an environmental consultant to evaluate the potential risk of vapor intrusion and exposure in the buildings. While the results of the recent vapor intrusion investigation conducted by the DNR indicate that vapor intrusion does not appear to be a risk for the occupants of the existing building, chlorinated VOCs remain in soil and groundwater in areas on the Property at levels that may be of concern for vapor intrusion in the future, depending on intended future use of the Property, including the construction and occupancy of new or modified buildings. Therefore, before a building is constructed or an existing building is modified, it is recommended that the property owner notify the DNR before the construction in a manner consistent with the procedure set forth in Wis. Admin. Code § NR 727.07(6). To address future risk, vapor control technologies could be included in the construction of new occupied buildings or the property owner can assess the vapor pathway to determine if vapor control technologies are needed.

If soil is planned to be excavated from an area that has known contamination, the Property owner at the time of excavation must sample and analyze the excavated soil to determine if contamination remains. If sampling confirms that contamination is present, the property owner at the time of excavation will need to determine whether the material is considered solid or hazardous waste and ensure that any storage, treatment or disposal is in compliance with applicable standards and rules. Contaminated soil may be managed in accordance with Wis. Admin. Code ch. NR 718 with prior DNR approval.

If future construction is proposed, the actions to address these environmental issues would be the responsibility of the Property owner, the DNR would not conduct or pay for these recommended actions. Addressing these issues is common at redeveloped brownfields throughout Wisconsin.

In addition, the existing building on the Property is currently being used as a medical clinic. The DNR determined that additional response actions are not necessary based on the current property zoning and use. There are no legally required continuing obligations or limitations related to future land-use. There is not a need to reevaluate the risk associated with a new use if the building were used for any commercial, office, industrial, or medical use. However, because of the residual contamination, if the

use of the existing building is proposed to be changed to a residential use, it is recommended that you contact the DNR and evaluate whether additional sampling and/or cleanup to ensure that the conditions are protective for the proposed changes to the Property in a manner consistent with the procedure set forth in Wis. Admin. Code § NR 727.07(5).

The Bureau for Remediation and Redevelopment Tracking System (BRRTS) identification numbers for these activities are shown at the top of this letter. DNR tracks information on all determinations such as this in a DNR database, "BRRTS on the Web," that is available on the Internet at: https://dnr.wi.gov/topic/Brownfields/WRRD.html.

The DNR hopes that this letter helps clarify what known areas of residual contamination on the Property may require further environmental response action under Wisconsin law, and who is responsible for conducting those actions. If you have any questions, please contact me at (414) 374-2423 or by email at pamela.mylotta@wisconsin.gov.

Sincerely,

Pamela A. Mylotta
Team Supervisor, Southeast Region
Remediation and Redevelopment Program

Attachments:
Soil Gas Sample Location Map, Saint Mary's MOB, by EMG, August 5, 2019
DNR Letter re: "Vapor Sampling Results", February 18, 2020

cc: Perry Hughes, Cox, Castle & Nicholson LLP,
2029 Century Park East, Suite 2100, LA, CA 90067

Matthew Karl, RMS ST Allis, LLC/Olympus Ventures, LLC,
3033 Excelsior Blvd., Suite 525, Minneapolis, MN 55416

Michael Prager, DNR-CO, RR/5
Jim Walden, DNR-CO, RR/5

0 200 ft

Parcel boundaries, as shown, are approximate and are not suitable for conveyance or property boundary descriptions. This data should not be used as a substitute for a professional land survey.

Milwaukee County, West Allis city
Wauwatosa Quadrangle
Section 34, T7N, R21E

Basemap: Milwaukee County GIS 2018

emg

Figure 2
Soil Gas Sample Location Map
Saint Mary's MOB
801 South 70th Street
West Allis, Wisconsin 53214

Project Number: 138584.19R000-002.075	
Date: 8/5/2019	
Drawn by: JRB	Scale: 1 in : 80.00 ft

State of Wisconsin
DEPARTMENT OF NATURAL RESOURCES
101 S. Webster Street
Box 7921
Madison WI 53707-7921

Tony Evers, Governor
Preston D. Cole, Secretary
Telephone 608-266-2621
Toll Free 1-888-936-7463
TTY Access via relay - 711

February 18, 2020

Mr. Matthew Karl
Olympus Ventures LLC
660 France Ave. S., Suite 550
Minneapolis, MN 55435

Ms. Jennifer Recker-Jones
Ascension Wisconsin Real Estate
4300 W. Brown Deer Rd.
Brown Deer, WI 53223

Subject: Vapor Sampling Results – Contaminant Detections Below DNR Screening Levels
Property: Former Vaughan Mfg./MPS site, currently Gateway Medical Clinic, 801 S. 70th St., West Allis, WI.
BRRTS Activity # 02-41-000938 VPLE # 06-41-200024

Dear Mr. Karl and Ms. Recker-Jones:

Included with this letter are the findings of a recent investigation performed on the property located at 801 S. 70th St., West Allis (the site), by the Wisconsin Department of Natural Resources (DNR).

As you are aware, this investigation was conducted because of the potential for contaminant vapors related to residual soil and groundwater contamination at the site, to migrate through soils, accumulate beneath the medical building foundation, and possibly enter the indoor air. The contaminants of concern included naphthalene and trichloroethene (TCE), which were detected during soil gas sampling conducted in July 2019 outside of the building footprint. These volatile organic compounds (VOCs) were detected outside the building footprint at concentrations exceeding their respective vapor risk screening level (VRSL) based on commercial property use.

On January 23, 2020 The Sigma Group, Inc. (Sigma), an environmental consulting firm hired by the DNR, collected ten indoor air samples from the medical facility at the site. The samples were submitted to Pace Analytical Services, LLC (Pace) where they underwent laboratory analysis for VOCs, including TCE and naphthalene.

Additionally, on February 4, 2020, Sigma collected nine sub-slab vapor samples from beneath the foundation of the medical building. The samples were also submitted to Pace where they were analyzed for VOCs, including TCE and naphthalene.

Your Test Results

Attached are copies of the laboratory reports, results tables for both the indoor air and sub-slab vapor samples and sample location maps. The DNR fact sheet "Understanding Chemical Vapor Intrusion Testing Results" is also enclosed for your information.

Indoor air results: Low level VOCs were detected in some of the indoor air samples. Naphthalene was not detected in any sample above laboratory detection limits. TCE was detected in one sample taken in a closet (IA-1 – 2nd) at a concentration of 3.2 micrograms per cubic meter ($\mu g/m^3$). All results were compared to indoor air vapor action levels (VAL), the numeral value that represents a health hazard risk to no more than 1 in 100,000 people

during a lifetime of exposure. None of the chemicals detected exceeded a VAL. The VAL for TCE for small commercial buildings is 8.8 $\mu g/m^3$

Sub-slab vapor results: One or more individual VOCs, including TCE, were detected in each of the sub-slab samples submitted for analysis. No chemical was detected at a concentration exceeding its vapor risk screening level (VRSL) based on residential, commercial or industrial property use assumptions.

Department guidance (RR800) recommends two or three sampling rounds for commercial structures, preferably with one sample taken during the winter months. The results from the January/February winter sampling event along with the results from sampling performed in October 2019 indicate fairly consistent results and no values exceeding a VRSL or VAL (other than isopropyl alcohol (2-propanol) which was attributed to the use of this compound in the clinic). Therefore, there does not appear to be a risk of TCE, naphthalene or other VOCs posing a threat to occupants of the building from vapor intrusion at this time.

Next Steps

The DNR proposes having Sigma contact you to schedule a time to remove the vapor pins that were installed for the sampling.

Please feel free to contact me at (608) 267-3131 or by email to jamese.walden@wisconsin.gov if you have any questions about these results.

Sincerely,

James Walden, Hydrogeologist
Remediation & Redevelopment Program

Attachments:
RR-977 Understanding Chemical Vapor Intrusion Testing Results
Laboratory indoor air and sub-slab vapor results – provided electronically
Indoor air and sub-slab sampling maps
Table 1 Ambient/Indoor Air Analytical Data
Table 2 Subslab Vapor Analytical Data

Cc:
Curtis Hedman, Wisconsin Department of Health Services
Pam Mylotta, SER