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| Subject: Environmental Site Assessment | Number: 8-1 |
| | Date Issued/Revised: December 1, 1998 |
| Responsible Department: Development | Approved: |

Purpose

To establish general procedures and policies applicable to environmental site assessments for transactions involving real estate.

Policy

Existing environmental law holds both the current and past owners or operators of hazardous waste property jointly and severally liable for the cost of toxic clean-up.

To minimize the extensive environmental liability exposure, an initial environmental site assessment (EA) or study of the subject property shall be performed by the City prior to any transactions involving real estate (purchases, leases, exchanges, acceptance of deeds of trust as security, bond financing, etc.) engaged in by the City of Fresno, except for exchanges between the City and the Redevelopment Agency of the City of Fresno.

An EA shall be utilized to determine the existence of any toxic or hazardous materials on the subject property. For purposes of this policy, toxic or hazardous materials shall include asbestos building material, industrial cleaning solvents, pesticides, PCBs, or any other material identified in any federal, state or local law or regulation as toxic or hazardous. The EA will provide crucial decision-making information prior to the finalization of transactions involving real estate. The information generated in a pre-transaction survey can be used to confirm fair market value, establish acceptability of security, negotiate price and incorporate special escrow or insurance provisions, determine whether a subject property should ultimately be acquired or utilized, or even determine whether a particular transaction should be pursued.

Procedures

The department engaging in the transaction shall perform a Phase I EA consistent with this instruction, or select a consultant experienced in EAs to conduct a Phase I EA. The Phase I EA shall contain the following information:

1. A site visit to observe conditions at the subject property and adjacent properties. The objective of this visit is to identify activities or conditions that have or could result in the existence or release of toxic or hazardous materials at the property resulting in contamination of the property. Specific areas of concern would include: stored hazardous

chemicals, buried wastes, underground storage tanks, asbestos in building materials, PCBs in electrical transformers and capacitors, and pesticides.

2. A review of historical usage of the property, including interviews with individuals knowledgeable about the subject property operations.
3. A review of information available in regulatory agency (Federal, State and local) and other files (including aerial photographs) about the subject property.
4. This list shall not be assumed to be exhaustive. Specific conditions may warrant modifications to the list and the department shall be responsible to ensure that all specific conditions are identified and carried out in an appropriate manner to determine the existence or extent of toxic or hazardous materials on a given property.

The Phase I EA shall be concluded with a written report of any findings and recommendations. If the Phase I EA concludes that the subject property is free from toxic or hazardous materials, no further action is necessary. However, if the report finds that additional work is needed to determine the existence of toxic or hazardous materials, such work shall be accomplished through a Phase II EA. The Phase II EA seeks a more detailed review of the subject property focusing on areas of concern noted in the Phase I EA. The Phase II EA can be used to determine the presence or absence of specific environmental liabilities and quantify those problems. A Phase II EA shall include a review of the Phase I EA and performance of soil or groundwater tests, as necessary, to confirm the presence or absence of toxic or hazardous materials on subject property. The specialized nature of Phase II EAs requires that they be performed by a consultant experienced in EAs.

Even in cases that do not ordinarily require Council authorization, a department shall not contract with a consultant to proceed with a Phase II EA without the prior written approval of the Chief Administrative Officer. The department's request shall include an analysis of the public benefit of the project, the need for a further EA, and the estimated cost of the Phase II EA.

The Phase I or II EA may supplement the CEQA review and should be accomplished at the earliest point possible. The EA should be concluded prior to the completion of the subject transaction. The Phase I and II EAs shall not substitute for a CEQA review of a project.