



June 1, 2004

Anchorage

Mr. Jim Seaver
Ivar's Restaurants/Kidd Valley Restaurants
1001 Alaskan Way
Seattle, Washington 98104

Re: Preliminary Environmental Assessment (Phase I)
531 Queen Anne Avenue North
Seattle, Washington
17063-00

Denver

Dear Mr. Seaver:

This letter report presents the results of our preliminary environmental assessment (Phase I) at the referenced property located at 531 Queen Anne Avenue North, in Seattle, Washington (Figure 1). The project work scope was completed in accordance with our scope of services dated April 29, 2004.

Edmonds

The subject property currently contains a one-story building with three tenants, a Kidd Valley restaurant, check cashing company, and dry cleaning company. We understand that you currently lease the property and are interested in purchasing the property. Our Phase I Assessment provides information on the current conditions and past practices at the property to evaluate whether it is likely that potentially adverse environmental conditions may be present.

Philadelphia

Our report begins with a Summary of Findings and Recommendations, which is followed by our:

- Scope of Work;
- Subject Property Description;
- Geologic Description;
- Historical Characterization;
- Regulatory Agency Database List and File Review;
- Site Reconnaissance;
- Potential for Contamination; and
- Limitations.

Portland

Seattle



Figure 1 is a Vicinity Map showing the location of the subject property. A Site Plan showing subject property boundaries and photograph locations is presented on Figure 2. Photographs taken during our site reconnaissance are presented in Appendix A. Sanborn Fire Insurance maps and King County tax archive records for the subject property are presented in Appendix B. Appendix C presents the EDR site assessment report.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

Based on our review of historical records and agency database lists, and our site reconnaissance, there is a potential for subsurface impacts to the subject property. The following summarizes our findings relating to environmental conditions at the subject property.

Potential for Subsurface Impacts

Based on the presence of two gasoline service stations on the property from the late 1930s until the early 1980s, there is a high potential for subsurface impacts to the subject property. Subject property USTs were removed in 1986; however, we did not locate any documentation of soil sampling and analysis conducted at that time. It is our understanding that the dry cleaning businesses located in the subject property building have not processed dry cleaning on-site.

Recommendation. To evaluate the potential for impacted soil and groundwater at the subject property, a Phase II subsurface investigation should be conducted. Potential analytes include gasoline-, diesel-, and heavy oil-range hydrocarbons, volatile organic compounds (VOCs), and lead. In the event of future building demolition or regrading, a construction contingency plan should be prepared to deal with potentially impacted soil or additional encountered USTs.

SCOPE OF WORK

Our Phase I environmental assessment included:

- Conducting a historical review of the subject property and surrounding area;
- Reviewing regulatory agency database lists and file review for the subject property and adjacent sites;



- Conducting a site reconnaissance to observe the subject property and surrounding sites; and
- Preparing this letter report presenting the findings of our work.

SUBJECT PROPERTY DESCRIPTION

The subject property is approximately 12,480-square-foot lot described as Lots 1 and 2, Block 23, D. T. Denny's North Replat of Seattle. The subject property contains one building, located at 531 Queen Anne Avenue North in Seattle, Washington. The building is approximately 4,200 square feet and is a one-story wood frame retail strip building. Current tenants are a Kidd Valley Restaurant, a Checks Cashed franchise, and a dry cleaning company. The building was constructed in 1987. The property is bound by West Mercer Street to the north, Queen Anne Avenue North to the west, an alley to the east, and a commercial property to the south. John Morris currently owns the subject property.

GEOLOGY AND HYDROGEOLOGY

According to the Washington DNR Geologic Map of Washington—Northwest Quadrant (Dragovich et al. 2002), the property is predominantly underlain by glacial till (very dense sand and gravel) or alluvium (silty sand and gravel) deposits. The surrounding area topography slopes downward to the south and west toward Elliott Bay, located approximately 1/2 mile to the southwest. The subject property is at approximate elevation of 140 feet above mean sea level and slopes to the north and west. The subject property grade at the southwest property boundary is approximately 6 feet higher than the grade of the adjacent alley. Shallow perched groundwater zones may exist in the till and alluvium beneath the property within 20 feet of the ground surface. Based on surrounding area topography, the inferred groundwater flow direction is to the south or west.

HISTORICAL CHARACTERIZATION

We researched the history of land use activities on the subject property and adjacent sites to identify potential sources of contamination or activities that could impact the subject property. The historical characterization of the subject property and the adjacent sites was developed from the following sources:



- Aerial Photographs (EDR Collection 1956, 1965, 1977, 1985, and 1990);
- Sanborn Fire Insurance Maps (1893, 1904-1905, 1917, and 1950);
- Seattle Department of Planning and Development (DPD) microfiche records;
- Polk business directories (1934, 1938, 1943-44, 1951, 1957, 1963, 1967, 1974, 1980, and 1989-90);
- King County Tax Records (Puget Sound Regional Archives);
- Documents regarding the subject property provided by Kidd Valley;
- Topographic Maps (Land Classification Sheet, Washington Seattle Quadrangle 1897; USGS 7.5' quadrangle, Seattle North 1979); and
- Interview with property owner John Morris.

A Chain of Title was not available for review. Dates in the text refer to historical records and provide an approximate indication of the period of operation for each business or activity identified, except where explicitly stated.

Subject Property

The 1893 Sanborn Map shows the subject property as vacant. By 1905, however, a building with stores on the first floor and residential apartments on the second floor is shown on the eastern half of the property adjacent to Queen Anne Avenue North, and three small residential buildings are shown on the western half of the property. These buildings are still shown on the 1919 Sanborn, and the stores are described as plumbing and drug stores. These buildings were removed by 1935, when the first service station was constructed on the property. The first service station operated variously as Albert G Markwell gas station, Langdon gas station, and Morrison and Zylstra Associated Service gas station. The station was associated with two pump islands and a small lube building with one hoist, ~~but no information regarding the number or location of the USTs associated with the first service station was located.~~ A retail building, identified as "Rhodes Department Store" in available DPD documents, was located on the southern portion of the subject property during the time of the first service station.

*Final PLP Search
EPI pg 4
3 usts at
1st station*



In the late 1950s, the first service station and the retail building were removed and a second service station was constructed for Tidewater Oil Company. The second service station was associated with one hydraulic hoist, four pump islands, one 250-gallon UST, one 5,000-gallon UST, and one 7,500-gallon UST. DPD documents included plans for the second service station and show the location of a sump and waste oil drain in the lube building. The second service station operated variously as Lee's Flying A Service Station, Dale and Jim's Flying A Service Station, Ray's Phillips '76, and Queen Anne Phillips '76 until 1981. DPD documents included a 1981 change-of-use permit for conversion of the service station to a retail space. The pump islands were left in-place at that time.

John Morris purchased the property in the mid-1980s. Documents provided by Kidd Valley included 1986 contracts and receipts for the demolition of the service station and removal of the USTs. A photograph of the removed tanks was included in the documents, but documentation of soil sampling and analysis following the removal of the tanks was not available. The existing building was constructed in 1987. The Kidd Valley restaurant has operated continuously since that time. The existing check cashing and dry cleaning spaces in the building have also operated since that time, though the names have changed periodically. No evidence was obtained that indicates dry cleaning has ever been conducted on site.

Surrounding Properties

The vicinity of the subject property was primarily residential when first developed in the early 1890s. By 1905, additional residential structures were present on the nearby properties, and a store was located northeast of the subject property across the intersection of Mercer Street and Queen Anne Avenue. By 1917, a piano store was located to the north across Mercer Street, a small filling station was located to the southeast across Queen Anne Avenue, and a laundry and dye works facility was present to the south beyond a residential lot. By 1950, most of the existing buildings in the neighborhood to the north, south, and east of the subject property were constructed. Property use in the area has remained predominantly commercial through the present day. Tenants have been varied but have included restaurants, shoe repair, a hotel, and music sales. Another service station was present to the northwest of the subject property across West Mercer Street in the 1950s and 1960s. A dry cleaning company was listed at an address east of the subject property (538 Queen Anne Avenue North) from the early 1970s through 1980. The office building to the northwest of the subject property across Mercer Street was built in 1984, and the existing condominium building to the west of the subject property was built in 2003.



REGULATORY AGENCY DATABASE LIST AND FILE REVIEW

This section describes the regulatory agency database lists and files reviewed for sites of concern by Environmental Data Resources, Inc. (EDR) and the results of our regulatory agency file review. EDR is a firm that acquires data from government agencies on various media such as magnetic tape, disk, and hard copy. ~~The purpose of the regulatory agency database list review was to screen for potential sources of contamination or activities of environmental concern for the subject property and adjacent properties. The agency published databases were screened for sites of potential concern in general accordance~~ with current American Society for Testing and Materials (ASTM) standards. Because our regulatory agency database search was based on current agency records, our results are only as accurate as the records provided.

Regulatory agency database lists reviewed and approximate search distances from the subject property are detailed below:

- Environmental Protection Agency (EPA) National Priorities List (NPL) (January 2004) - List of "Superfund" sites; search radius of 1 mile;
- EPA Region 10 Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) List (February 2004) - List of sites which are either proposed to or are on the NPL ~~and sites currently being reviewed for possible inclusion on the NPL~~; search radius of 1/2 mile;
- EPA Emergency Response Notification System (ERNS) List (December 2003) - List of reported CERCLA oil or hazardous substance releases or spills; search for subject property;
- EPA Region 10 Resource Conservation and Recovery Information System (RCRIS) List (March 2004)
 - Treatment/Storage/Disposal (TSD) - List of generators and transporters of hazardous waste, and TSD facilities; search radius of 1 mile;
 - Large Quantity Generator (LQG), Small Quantity Generator (SQG) - List of facilities that qualify as large or small quantity generators of hazardous wastes under RCRA; search radius of 1/4 mile;



- EPA Region 10 RCRA Corrective Action Sites (CORRACTS) List (March 2004) - List of RCRA facilities which are undergoing corrective action; search radius of 1 mile;
- EPA Region 10 Superfund (CERCLA) Consent Decrees (CONSENT) List (Variable) - List of major legal settlements establishing responsibility and standards for cleanup at NPL sites; search radius of 1 mile;
- EPA Region 10 Facility Index System (FINDS) List (April 2004) - Lists both facility information and "pointers" to other sources that contain more detail; search for subject property;
- EPA Federal Superfund Liens (NPL Liens) List (October 1991) - List of filed Superfund liens; search for subject property;
- EPA PCB Activity Database System (PADS) List (December 2003) - Lists generators, transporters, commercial storers, and/or brokers and disposers of PCBs who are required to notify the EPA of such activities; search for subject property;
- EPA Region 10 RCRA Administrative Action Tracking System (RAATS) List (April 1995) - List of sites under RCRA pertaining to major violators undergoing enforcement actions, search for subject property;
- EPA Region 10 Toxic Release Inventory System (TRIS) List (December 2001) - Inventory of toxic chemicals emissions from certain facilities; search for subject property;
- EPA Toxic Substances Control Act (TSCA) List (December 2002) - Identifies manufacturers and importers of chemical substances included on the TSCA Chemical Substance Inventory list; search for subject property;
- EPA Delisted NPL Sites (Delisted NPL) (January 2004) - Sites identified for deletion from the NPL where no further response is appropriate; search for subject property;
- EPA No Further Remedial Action Planned (NFRAP) List (February 2004) - Identifies sites that have been removed from CERCLIS; search for subject property;
- Federal Records of Decision (ROD) List (January 2004) - List of Superfund Sites where ROD property has been developed; search radius of 1 mile;



- US Department of Transportation (HMIRS) List (December 2003) - List of hazardous material spill incidents reported to DOT; search for subject property;
- Nuclear Regulatory Commission (MLTS) List (January 2004) - List of sites which possess or use radioactive materials and are subject to NRC licensing requirements; search for subject property;
- Washington Confirmed and Suspected Contaminated Sites List (CSCSL) (January 2004) - List of sites currently being investigated by the Washington State Department of Ecology (Ecology) under the Model Toxics Control Act (MTCA); search radius of 1 mile;
- Ecology Hazardous Sites List (HSL) (April 2004) - List of sites assessed and ranked using the Washington Ranking Method (WARM); search radius of 1 mile;
- Ecology Leaking Underground Storage Tank (LUST) Site List (January 2004) - List of registered leaking USTs in Washington; search radius of 1/2 mile;
- Ecology Underground Storage Tank (UST) Registration List (January 2004) - List of registered USTs in Washington; search radius of 1/4 mile;
- Ecology Solid Waste Facilities/Landfill Sites (SWF/LF) (October 2003) - List of permitted solid waste landfills operating in Washington; search radius of 1/2 mile;
- Ecology Independent Cleanup Reports (ICR) (December 2002) - List of sites undergoing cleanup for which reports have been received by Ecology from either the owner or operator; search radius of 1/2 mile; and
- Ecology Voluntary Cleanup Program (VCP) Sites (February 2004) - List of sites that have entered either the Voluntary Cleanup Program or its predecessor Independent Remedial Action Program.

EDR conducted a review of the regulatory agency database lists indicated above. The report of the database search provided by EDR includes a list of databases searched, a statistical profile indicating the number of properties within 1 mile of the subject property, selected detailed information from federal and state lists, and an overview map illustrating the identifiable and mappable sites within 1 mile of the subject property. The EDR report is presented in Appendix C of this report. Refer to the EDR report for more detailed information and additional local database lists reviewed.



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The purpose of a file review is to acquire regulatory agency file information for the subject property and adjacent sites of potential concern based on their database-type listing and to identify potential sources of contamination or activities of environmental concern. The review was limited to current files and did not include a review of archived information.

We made a Freedom of Information Act (FOIA) request on May 10, 2004, to Ecology to inquire about the availability of regulatory file information for the subject property and nearby sites regarding potential sources of contamination or activities of environmental concern to the subject property. On May 24, 2004, we reviewed available files at the Ecology Northwest Regional Office regarding the subject property and neighboring sites of potential concern.

*file reviewed
request*

The following summarizes the results of the database search and review of available file information.

Subject Property

The subject property was identified on the agency lists as **John K. Morris at 541 Queen Anne Avenue North (UST List)**. Ecology files included UST notification forms dated August 1986. These forms were intended to notify Ecology of the closure of two USTs, a leaded gasoline UST and unleaded gasoline UST. According to the forms, the steel tanks were last used in 1984, were over 30 years old at the time of closure, and did not have any leak detection systems. Tank capacities, locations, and description of any soil sampling and analysis activities following removal were not included in the file.

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Nearby Site Information

Surrounding properties were identified on the agency lists. The regulatory information reviewed is summarized below.

Manhattan Express/Texaco #211577/Young H Yoo/ Monterey Apartments at 531 Queen Anne Avenue North and 622 1st Avenue West at Queen Anne Avenue North (RCRIS-SQG, FINDS, VCP, UST, CSCSL, and ICR Lists). The EDR report listed these sites separately; however, Ecology files grouped them together as one site related to multiple leaking USTs at the former Texaco service station on the southwest corner of the intersection of Queen Anne Avenue North and West Roy Street. This property is located over 300 feet north, hydraulically cross-gradient, of the subject property. According to documents available in Ecology files, tenants in basement apartments in the nearby Monterey Apartments building noted petroleum odors in 1978. In 1986, Ecology was



notified of the problem and possible sources (the Texaco station and a Unocal station on the northeast corner of the intersection) were identified. A series of monitoring wells and recovery wells were subsequently installed. In 1991, an RI/FS was initiated and included detailed soil gas and groundwater sampling and analysis. During this phase of work, multiple leaking USTs at the Texaco station were determined to be the source and the petroleum contamination plume was determined to extend over 500 to the west of the station. The plume did not include the vicinity of the subject property. USTs and some petroleum-contaminated soil were removed from the property in 1993. Groundwater sampling completed at the property in 1999 found free product remaining in two of the property wells. In 2001, an SVE system was installed to remediate this site.

Additional area businesses were identified as UST sites or RCRA large or small quantity generator sites. These sites indicate use/storage of petroleum products or hazardous materials and do not imply a release to the environment. Additional area properties identified on agency database lists other than the RCRIS lists were located over 500 feet hydraulically downgradient or cross-gradient from the subject property. None of the surrounding property listings appear to present a likely potential for adverse effects to the subject property.

SITE RECONNAISSANCE

On May 14, 2004, Jessica Robertson of Hart Crowser conducted a site reconnaissance to observe the subject property and current business/land use in a one-block radius. Photographs taken during the visits are presented in Appendix A. The following observations were recorded.

Subject Property

The subject property contains ^{Masaru} a one-story wood frame retail strip building with associated asphalt parking lot. Current tenants are a Kidd Valley Restaurant (Photograph 1), Checks Cashed franchise, and a dry cleaning company (Photograph 2). The Checks Cashed and dry cleaning were observed from the public right of way. Dry cleaning is sent off site for processing.

The subject property building appears to be in good condition with good housekeeping practices. Restaurant spaces include dining room, restrooms, a walk-in cooler, dish and equipment wash area, order counter, and kitchen. The dry ice tank and two 55-gallon drums for waste grease storage are located in a locked open-air area between the restaurant



and the Checks Cashed (Photograph 5). A small amount of staining was observed on the concrete adjacent to the drums. Floor drains are present inside the building, two in the restrooms, and two in the wash area (Photographs 4 and 6). Floor drains in the wash area are connected to grease traps, which are cleaned regularly and stored as indicated above. Grease is removed regularly. Small quantities of cleaning products are stored on shelves in the wash areas (Photographs 4 and 6).

The building is served by the municipal water, power, and sewer systems. The building is heated with an HVAC system. **No USTs or ASTs are currently known to exist at the property. No UST vent pipes or fill ports were observed.**

We did not observe suspect **ACM** in the building during our walk-through. Fluorescent light fixtures are present throughout the building.

An asphalt patched area was observed in the parking lot (Photograph 3). Two catch basins were observed in parking lot. Surface water on the subject property appears to runoff from the south and east.

Surrounding Properties

The subject property is bounded on the north by West Mercer Street, on the east by Queen Anne Avenue North, on the west by an alley, and on the south by a commercial property. The businesses to the north, east, and south are commercial and include restaurants and small retail shops. A large condominium building is located west of the subject property across the alley. Properties to the northeast are at a higher elevation than the subject property and are likely hydraulically upgradient of the subject property. Surrounding properties were observed from the right of way. We did not observe any obvious evidence of USTs or ASTs on adjacent properties.

POTENTIAL FOR CONTAMINATION

Subject Property

Based on the presence of two gasoline service stations on the property from 1935 until the **mid-1980s**, there is a high potential for subsurface impacts to the subject parcel. USTs associated with the service station were removed in 1986; however, we did not locate any documentation of soil sampling and analysis activities in the vicinity of the former USTs.

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Surrounding Properties

Based on the historical use of the hydraulically upgradient land to the east and north as residential and commercial, the potential for migratory contaminants to have impacted the subject property is low. ~~However, the city directories listed a dry cleaning company at an address to the east of the subject property across Queen Anne Avenue North in the early 1970s through 1980. It is unknown whether dry cleaning was processed in the building at this address, and the address was not identified in the regulatory database lists. While the properties to the north have also been used as gasoline service stations, and the property to the south was a dry cleaning plant for several decades, these properties are located hydraulically cross-gradient or downgradient of the subject property and present a low potential for migratory contamination to the subject property.~~

? address
dates

LIMITATIONS

Work for this project was performed, and this letter report prepared, in accordance with generally accepted professional practices for the nature and conditions of the work completed in the same or similar localities, at the time the work was performed. It is intended for the exclusive use of Ivar's Restaurants/Kidd Valley Restaurants, for specific application to the subject property. This report is not meant to represent a legal opinion. No other warranty, express or implied, is made.

It should be noted that Hart Crowser relied on information provided by the individuals indicated above. Hart Crowser can only relay this information and cannot be responsible for its accuracy or completeness.

Our work did not include sampling or testing of drinking water for lead content, sampling for indoor air quality, assessment of sewer systems and mold, sampling for radon vapor, a "good-faith" survey of asbestos and lead, and other items not the standard of practice for our time, unless otherwise noted herein.



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Any questions regarding our work and this letter report, the presentation of the information and the interpretation of the data are welcome and should be referred the undersigned.

Sincerely,

HART CROWSER, INC.

JESSICA ROBERTSON
Senior Staff Geochemist
Jessica.robertson@hartcrowser.com

JULIE K.W. WUKELIC
Principal
jkw@hartcrowser.com

Attachments:

Figure 1 - Vicinity Map

Figure 2 - Site Plan

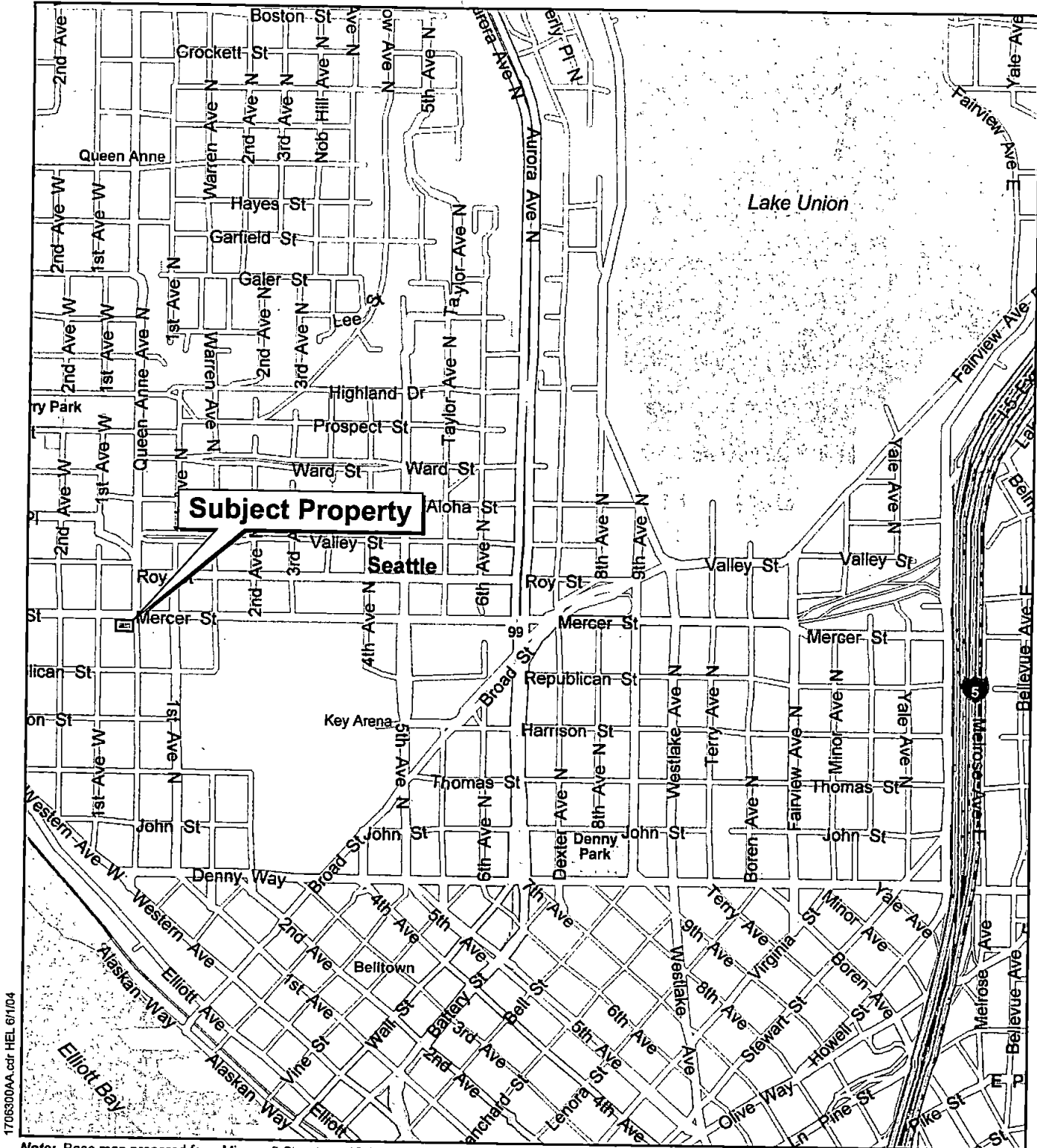
Appendix A - Site Reconnaissance Photographs

Appendix B - Sanborn Fire Insurance Maps and
Tax Archive Records

Appendix C - Site Assessment Report
EDR, Inc.

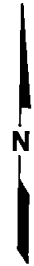
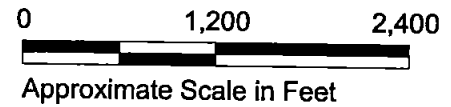
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Vicinity Map

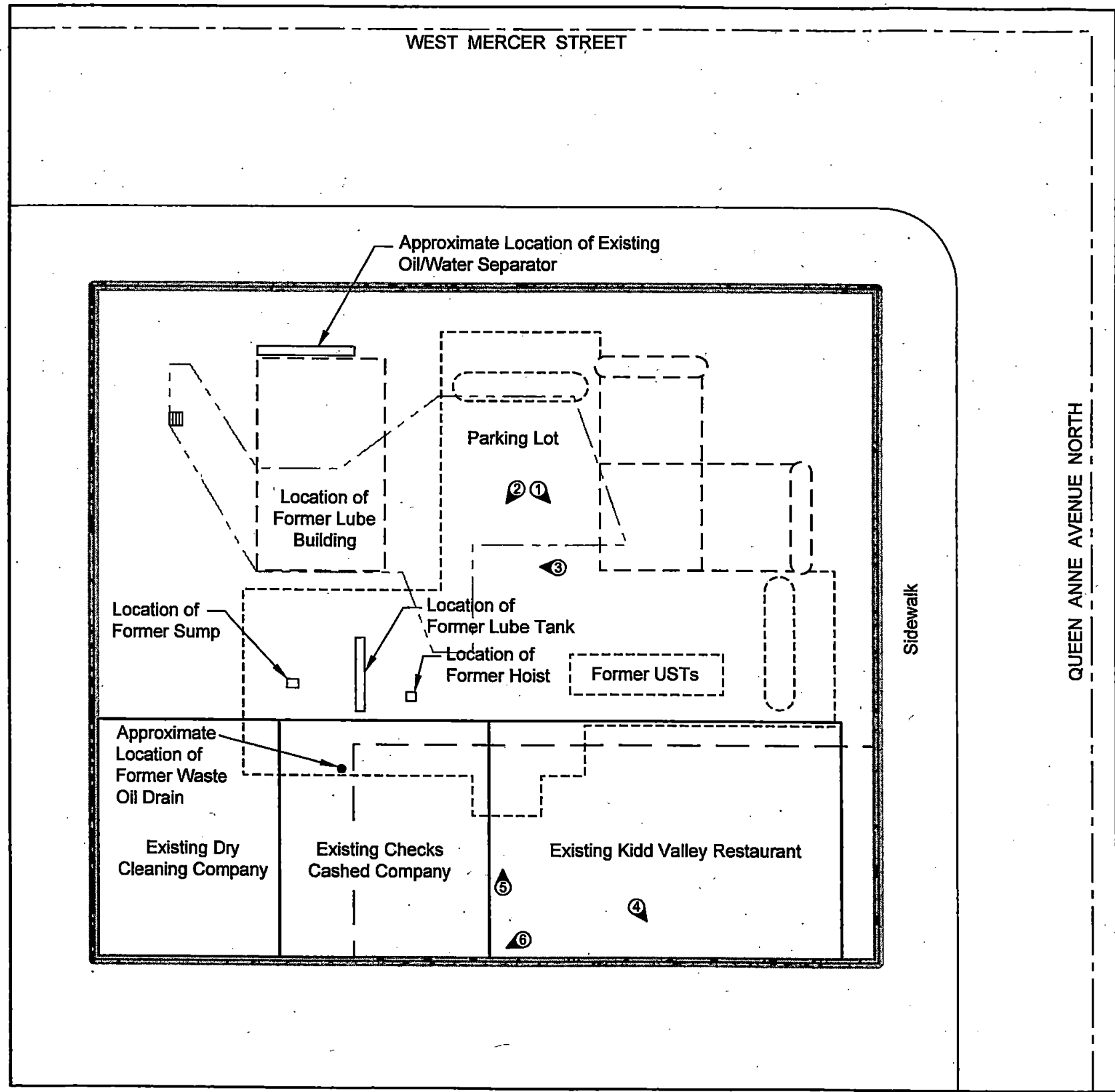






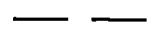
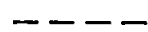
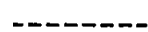
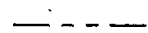
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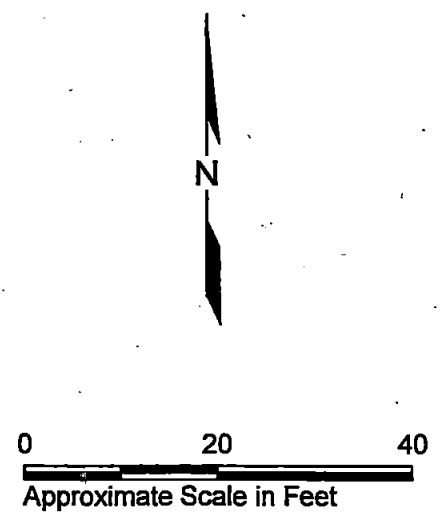
Note: Base map prepared from Microsoft Streets and Trips 2002.



Site Plan



-  Subject Property Boundary
-  Existing Building Footprint
-  Existing Catch Basin
-  Photograph Location, Number, and Location
-  Retail Store Location (1950 to pre-1960)
-  Service Station Location (1935 to pre-1960)
-  Service Station Location (1960 to pre-1986)
-  Approximate Location of Asphalt Patch



HEL 6/1/04 1706300-001.DWG