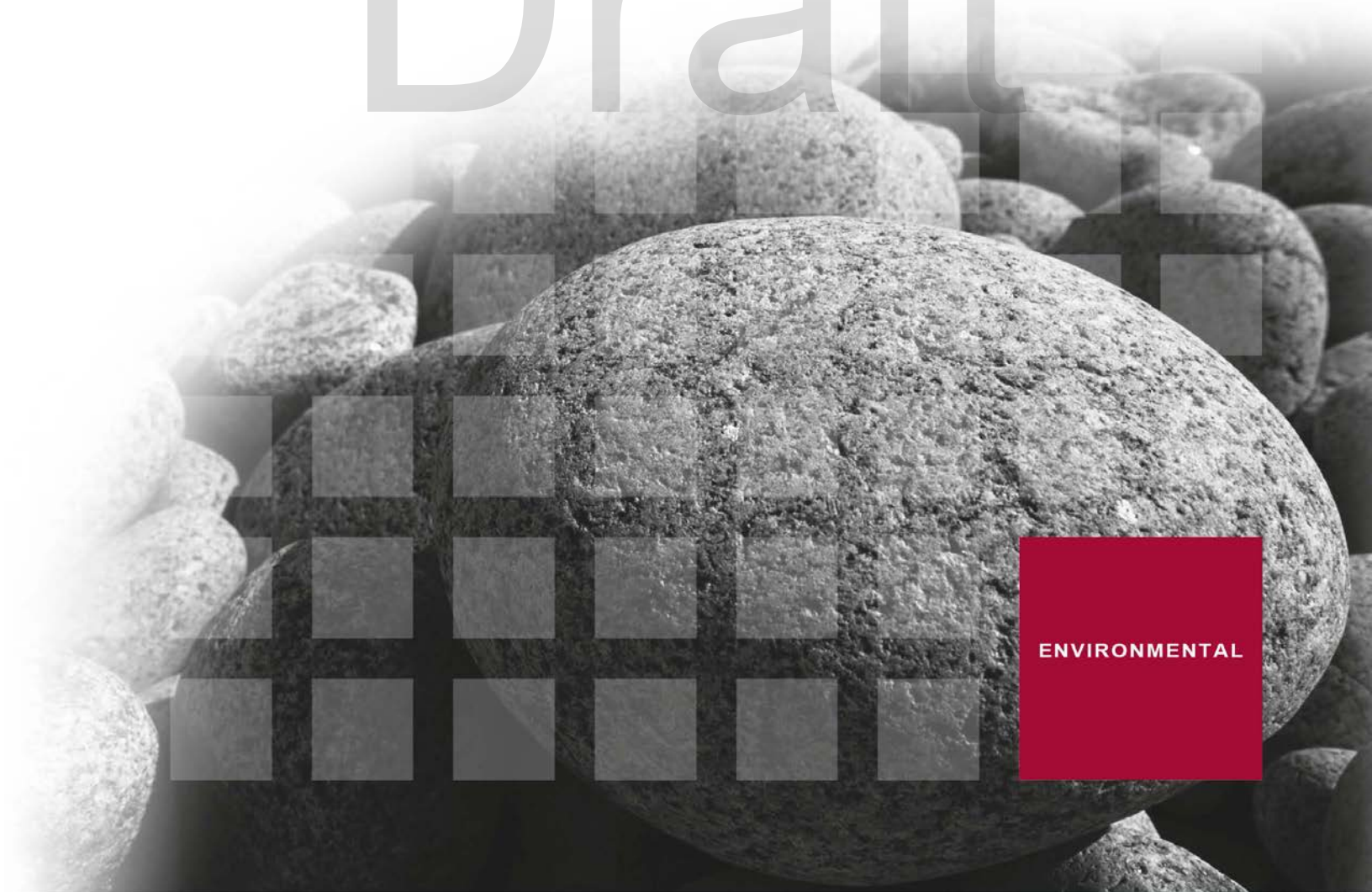
Appendix E

Phase I Environmental Site Assessment

CORNERSTONE EARTH GROUP

TYPE OF SERVICES	Phase I Environmental Site Assessment Update
LOCATION	San Jose Flea Market 1590 Berryessa Road and 1411 Mabury Road San Jose, California
CLIENT	David J. Powers & Associates
PROJECT NUMBER	118-98-1
DATE	March 28, 2018

Draft



CORNERSTONE EARTH GROUP

Type of Services	**Phase I Environmental Site Assessment Update**
Location	**San Jose Flea Market** **1590 Berryessa Road and 1411 Mabury Road** **San Jose, California**
Client	**David J. Powers & Associates**
Client Address	**1871 The Alameda, Suite 200** **San Jose, California 95126**
Project Number	**118-98-1**
Date	**March 28, 2018**

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CORNERSTONE EARTH GROUP

Table of Contents

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SECTION 1: INTRODUCTION

This report presents the results of the Phase I Environmental Site Assessment (ESA) Update performed at 1590 Berryessa Road and 1411 Mabury Road in San Jose, California (Site) as shown on Figures 1 and 2. This report is an update to a prior Phase I ESA report prepared by Lowney Associates (Lowney) dated March 30, 2005. The Phase I ESA Update was prepared for David J. Powers & Associates in accordance with our January 24, 2018 Agreement (Agreement).

1.1 PURPOSE

The scope of work presented in the Agreement was prepared in general accordance with ASTM E 1527-13 titled, "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process" (ASTM Standard). The ASTM Standard is in general compliance with the Environmental Protection Agency (EPA) rule titled, "Standards and Practices for All Appropriate Inquiries; Final Rule" (AAI Rule). The purpose of this Phase I ESA Update is to strive to identify, to the extent feasible pursuant to the scope of work presented in the Agreement, Recognized Environmental Conditions at the property.

As defined by ASTM E 1527-13, the term Recognized Environmental Condition means the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: (1) due to any release to the environment; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment. De minimis conditions are not Recognized Environmental Conditions.

Cornerstone Earth Group, Inc. (Cornerstone) understands that David J. Powers & Associates is preparing an Environmental Impact Report (EIR) for the proposed redevelopment of the Site. We performed this Phase I ESA Update to support David J. Powers & Associates in evaluation of Recognized Environmental Conditions at the Site. This Phase I ESA Update is intended to reduce, but not eliminate, uncertainty regarding the potential for Recognized Environmental Conditions at the Site.

1.2 PROJECT DESCRIPTION

The project proposes a Planned Development (PD) rezoning to allow up to 2,000,000 square feet (sf) of commercial/office/retail, associated parking structures, 2,605 residential units, and public park/open space on Flea Market property located south of Berryessa Road and north of Mabury Road, between Coyote Creek and the future BART station. The overall Flea Market

property has a San Jose General Plan land use designation of Urban Village (UV) and has a PD zoning (PDC09-006) allowing a total of 2,818 dwelling units and 365,622 sf of commercial/industrial uses. For the on-Site property south of Berryessa Road, the existing entitlement includes remaining capacity for 1,818 residential units and 220,000 sf of commercial use, representing a net increase of 787 residential units and approximately 1,780,000 sf of commercial space. The project is consistent with the General Plan designation and will require a PD rezoning and other related approvals by the City.

1.3 SCOPE OF WORK

As presented in our Agreement, the scope of work performed for this Phase I ESA Update included the following:

- A reconnaissance of the Site to note readily observable indications of significant hazardous materials releases to structures, soil or ground water.
- Drive-by observation of adjoining properties to note readily apparent hazardous materials activities that have or could significantly impact the Site.
- Acquisition and review of a regulatory agency database report of public records for the general area of the Site to evaluate potential impacts to the Site from reported contamination incidents at nearby facilities.
- Review of readily available information on file at selected governmental agencies to help evaluate past and current Site use and hazardous materials management practices.
- Review of readily available prior reports to help evaluate past and current Site uses and environmental conditions at the Site.
- Interviews with persons reportedly knowledgeable of existing and prior Site uses.
- Preparation of a written report summarizing our findings and recommendations.

The limitations for the Phase I ESA Update are presented in Section 9.

1.4 ASSUMPTIONS

In preparing this Phase I ESA Update, Cornerstone assumed that all information received from interviewed parties is true and accurate. In addition, we assumed that all records obtained by other parties, such as regulatory agency databases, maps, related documents and environmental reports prepared by others are accurate and complete. We also assumed that the boundaries of the Site, based on information provided by David J. Powers & Associates, are as shown on Figure 2. We have not independently verified the accuracy or completeness of any data received.

1.5 ENVIRONMENTAL PROFESSIONAL

This Phase I ESA Update was performed by Stason I. Foster, P.E. and Ron L. Helm, C.E.G., Environmental Professionals who meet the qualification requirements described in ASTM E 1527-13 and 40 CFR 312 § 312.10 based on professional licensing, education, training and experience to assess a property of the nature, history and setting of the Site.

SECTION 2: SITE DESCRIPTION

This section describes the Site as of the date of this Phase I ESA Update. The location of the Site is shown on Figures 1 and 2. Tables 1 through 3 summarize general characteristics of the Site and adjoining properties. The Site is described in more detail in Section 7, based on our on-Site observations.

2.1 LOCATION AND OWNERSHIP

Table 1 describes the physical location, and ownership of the property, based on information provided by David J. Powers & Associates.

Table 1. Location and Ownership

Assessor's Parcel No. (APN)	254-17-007, 052, 053, 084, and 095
Reported Address/Location	1590 Berryessa Road and 1411 Mabury Road, San Jose, California (formerly 12000 Berryessa Road)
Owner	The Flea Market, Inc.
Approximate Lot Size	60 acres

2.2 CURRENT/PROPOSED USE OF THE PROPERTY

The current and proposed uses of the property are summarized in Table 2.

Table 2. Current and Proposed Uses

Current Use	San Jose Flea Market
Proposed Use	Mixed Use Development

2.3 SITE SETTING AND ADJOINING PROPERTY USE

Land use in the general Site vicinity appears to be a mix of commercial and residential properties. Based on our Site vicinity reconnaissance, adjoining Site uses are summarized below in Table 3.

Table 3. Adjoining Property Uses

Northeast	BART Station (under construction)
Northwest	Residential (under construction) across Berryessa Road
Southeast	Undeveloped land and City of San Jose Mabury Service Yard (across Mabury Road)
Southwest	Commercial properties (across Coyote Creek)

SECTION 3: USER PROVIDED INFORMATION

The ASTM standard defines the User as the party seeking to use a Phase I ESA to evaluate the presence of Recognized Environmental Conditions associated with a property. For the purpose of this Phase I ESA, the User is David J. Powers & Associates. The "All Appropriate Inquiries" Final Rule (40 CFR Part 312) requires specific tasks be performed by or on behalf of the party seeking to qualify for Landowner Liability Protection under CERCLA (*i.e.*, the User).

Per the ASTM standard, if the User has information that is material to Recognized Environmental Conditions, such information should be provided to the Environmental Professional. This information includes: 1) specialized knowledge or experience of the User, 2) commonly known or reasonably ascertainable information within the local community, and 3) knowledge that the purchase price of the Site is lower than the fair market value due to contamination. A search of title records for environmental liens and activity and use limitations also is required.

3.1 ENVIRONMENTAL LIENS OR ACTIVITY AND USE LIMITATIONS

An environmental lien is a financial instrument that may be used to recover past environmental cleanup costs. Activity and use limitations (AULs) include other environmental encumbrances, such as institutional and engineering controls. Institutional controls (ICs) are legal or regulatory restrictions on a property's use, while engineering controls (ECs) are physical mechanisms that restrict property access or use.

The regulatory agency database report described in Section 4.1 did not identify the Site as being in 1) US EPA databases that list properties subject to land use restrictions (*i.e.*, engineering and institutional controls) or Federal Superfund Liens or 2) lists maintained by the California Department of Toxic Substances Control (DTSC) of properties that are subject to AULs or environmental liens where the DTSC is a lien holder.

ASTM E 1527-13 categorizes the requirement to conduct a search for Environmental Liens and AULs as a User responsibility. A search of land title records for environmental liens and AULs was not within the scope of the current Phase I ESA.

3.2 SPECIALIZED KNOWLEDGE AND/OR COMMONLY KNOWN OR REASONABLY ASCERTAINABLE INFORMATION

Based on information provided by or discussions with David J. Powers & Associates, we understand that David J. Powers & Associates does not have specialized knowledge or experience, commonly known or reasonably ascertainable information regarding the Site, or other information that is material to Recognized Environmental Conditions except for the information contained in the provided reports described in Section 3.3.

3.3 DOCUMENTS PROVIDED BY DAVID J. POWERS & ASSOCIATES

To help evaluate the presence of Recognized Environmental Conditions at the Site, Cornerstone reviewed and relied upon the documents provided by David J. Powers & Associates listed in Table 4. Please note that Cornerstone cannot be liable for the accuracy of the information presented in these documents. ASTM E1527-13 does not require the Environmental Professional to verify independently the information provided; the Environmental

Professional may rely on the information unless they have actual knowledge that certain information is incorrect. A summary of the provided documents is provided below; please refer to the original reports for complete details (Appendix B).

Table 4. Documents Provided by David J. Powers & Associates

Date	Author	Title
March 30, 2005a	Lowney Associates	Phase I Environmental Site Assessment, San Jose Flea Market, San Jose, California
April 5, 2005b	Lowney Associates	Soil Quality Evaluation, San Jose Flea Market, San Jose, California
March 10, 2006	TRC Lowney	Soil and Ground Water Quality Evaluation, San Jose Flea Market, San Jose, California

3.3.1 Reported Site History

Based on the information reviewed, by 1939, a portion of the Site was developed with what reportedly was a feed lot/meat packing plant, while other on-Site areas were used for agricultural purposes (orchards and row crops); several residential and/or agricultural structures also were present. By the mid-1950s, the feed lot/meat packing plant had expanded to include most of the northern portion of the Site. The San Jose Flea Market began operation in 1960 on the northern portion of the Site that was previously occupied by the feed lot/meat packing plant. The southernmost Site parcel (currently occupied by a parking lot [APN 254-17-095]) appears to have remained as agricultural land with a residence and associated outbuildings near Mabury Road until it was converted to a paved parking lot during the late 1990s.

3.3.2 Reported Chemical Storage and Use

Lowney (2005a) reported that chemical storage and use on-Site by The Flea Market involved moderate quantities of automotive/engine repair and maintenance-related chemicals (waste and virgin oils, waste and virgin ethylene glycol, gasoline, diesel, Safety-Kleen hydrocarbon solvent, and automatic transmission fluid) and painting/printing-related chemicals (paints lacquers, stains, inks, and thinners). A paint spray booth, petroleum pipeline, print shop, paint shop, steam cleaning area, and several storage areas were reported to be present on-Site. Smaller quantities of numerous automotive/engine repair and maintenance-related chemicals, kerosene, solvents, assorted cylinders of Freon, and compressed welding gases also were reported. Chemical drums and some smaller containers were noted to be stored within secondary containment. Many smaller containers reportedly were not secondarily contained, and the majority of the paint and paint-related materials were not stored within secondary containment.

Regulatory agency files reviewed by Lowney reportedly indicated an on-going lack of appropriate storage/secondary containment for some chemicals, in addition to other minor chronic violations. An inspection report from 1985 documented the spillage of hydraulic fluid and motor oil during dispensing, due to the lack of a secondary containment system.

3.3.3 Underground Storage Tanks

The Flea Market historically stored gasoline and diesel in underground storage tanks (USTs) and Jet "A" fuel was stored in an above ground storage tank (AST).

A 15,000 gallon gasoline UST and a 15,000 gallon jet fuel AST were removed from the Site in 1993. A 10,000-gallon gasoline UST, a 3,000-gallon gasoline UST, a 500-gallon gasoline UST, and two 4,000-gallon diesel USTs were removed in 1999.

Soil and ground water samples were collected during the tank removals and during subsequent studies. Residual concentrations of total petroleum hydrocarbons as gasoline (TPHg) and diesel (TPHd) were detected in soil at up to 110 milligrams per kilograms (mg/kg) and 700 mg/kg, respectively. The Water Board's Tier 1 Environmental Screening Levels (ESLs)[1] for TPHg and TPHd are 100 mg/kg and 230 mg/kg, respectively. The soil samples in which the greatest TPHg and TPHd concentrations were detected were collected from an approximate depth of 10 feet.

Remaining benzene, toluene, ethylbenzene and xylenes (BTEX) concentrations in soil were detected at up to 0.96 mg/kg, 0.847 mg/kg, 1.1 mg/kg and 1.2 mg/kg, respectively. Except for benzene, these concentrations do not exceed their respective residential screening levels[2]. The residential screening level for benzene (DTSC-SL) of 0.33 mg/kg was exceeded; however, the location from which this sample was collected reportedly was over-excavated.

In ground water at the former UST locations, residual concentrations of TPHg and TPHd were reported at up to 63 micrograms per liter (µg/L) and 1,100 µg/L, respectively. The Water Board's Tier 1 ESL for these constituents is 100 µg/L. Reported residual BTEX concentrations did not exceed the Water Board's Tier 1 ESLs.

The Santa Clara Valley Water District (SCVWD) issued case closure letters dated April 4, 1996 and October 30, 2000 for the USTs removed in 1993 and 1999, respectively. The SCVWD stated that no further action related to the petroleum release(s) was required.

An 8,000-gallon fiberglass dual compartment UST containing 4,000 gallons of gasoline and 4,000 gallons of diesel was installed in 1999 and was present at the Site at the time of the prior Phase I ESA (Lowney, 2005a).

3.3.4 Water Supply and Monitoring Wells

Several ground water monitoring wells historically were installed near the USTs. An active water supply well also was present at the time of the prior Phase I ESA (Lowney, 2005a). Additional water supply wells reportedly were historically present at the Site prior to acquisition

[1] Environmental Screening Levels (San Francisco Bay, Regional Water Quality Control Board, February 2016) are used to screen sites for potential human health concerns where releases of hazardous chemicals to soil have occurred. ESLs are risk-based concentrations derived from standardized equations combining exposure information assumptions with toxicity data. Under most circumstances, the presence of a chemical in soil at concentrations below the corresponding screening level can be assumed not to pose a significant health risk.

[2] BTEX concentrations were compared to screening levels established by the California Department of Toxic Substances Control (DTSC) Human and Ecological Risk Office (HERO) (DTSC-SLs, January 2018). As recommended by the DTSC, US EPA Regional Screening Levels (RSLs)(November, 2017) were used for analytes for which no DTSC-SLs have been established.

by The Flea Market. Lowney (2005a) recommended that the proper destruction of the wells be confirmed with the SCVWD.

3.3.5 Hydraulic Lifts

Two below grade hydraulic vehicle lifts reportedly were present on-Site. Lowney (2005a) recommended that the lifts be removed prior to redevelopment of the Site and that verification soil samples be collected to document soil quality.

3.3.6 Soil and Ground Water Quality Studies

To evaluate potential impacts to the Site from past agricultural uses, seven near surface (0 to ½ foot depth) soil samples (EB-6 through EB-12) were collected from the Site by Lowney in March 2005. Dieldrin was detected in one soil sample (EB-8) at 0.069 mg/kg, which exceeds the residential screening level[3] of 0.034 mg/kg. Additionally, lead was detected in one sample (EB-7) at 820 mg/kg, which exceeds the residential screening level of 80 mg/kg. The organochlorine pesticide (OCP) and metal (lead, arsenic and mercury) concentrations detected in the other soil samples did not exceed their respective residential screening levels or, for metals, appear typical of background concentrations.

Additional soil and ground water sampling was conducted at the Site during June, July and November 2005 (Lowney, 2006). The purpose of these sampling events was to evaluate soil and/or ground water quality in the vicinity of the prior feed lot/meat packing facility, and at areas/features utilized by the flea market including 1) the former UST and AST locations, 2) the existing 8,000 gallon dual compartment UST, and 3) several flea market corporation/maintenance yard locations. Additional soil sampling also was conducted to evaluate the extent of impacts in the vicinity of prior samples EB-7 and EB-8, at which elevated lead or dieldrin concentrations were previously reported.

In soil samples collected at the former feed lot/meat packing facility TPHd (at up to 140 mg/kg) and TPH as oil (TPHo) at up to 720 mg/kg were detected, which do not exceed the Water Board's Tier 1 ESLs of 230 and 5,100 mg/kg, respectively. Detected OCP and metal concentrations in soil did not exceed their respective residential screening levels or, for metals, appear typical of natural background concentrations. In ground water, TPHd and TPHo were detected at up to 1,600 µg/L and 660 µg/L, respectively, which exceed the Water Board's Tier 1 ESL for these constituents of 100 µg/L. Benzene also was detected in two of seven ground water samples at 2.3 µg/L and 10 µg/L, which exceed the Water Board's Tier 1 ESL of 1.0 µg/L.

At the flea market maintenance shop, TPHd was detected at up to 410 mg/kg in soil collected from the approximate ½ foot depth, which exceeds the Water Board's Tier 1 ESL of 230 mg/kg. However, the greatest TPHd concentration detected in a deeper sample (1 to 1½ feet) and in soil from three additional borings drilled within approximately 15 feet of the initial sampling location was 7.3 mg/kg, suggesting that the extent of TPHd impacts was limited. An elevated lead concentration (170 mg/kg) was detected in one sample (EB-33b) collected near a hazardous materials storage shed. The residential screening level (DTSC-SL) is 80 mg/kg. Lowney (2006) recommended that additional sampling be conducted to evaluate the extent of lead impacts in this area. In general, the remaining analyte concentrations detected in soil and ground water in the vicinity of the USTs and at various flea market corporation/maintenance

[3] Organochlorine pesticide and metal concentrations were compared by Cornerstone to screening levels established by the California Department of Toxic Substances Control (DTSC) Human and Ecological Risk Office (HERO) (DTSC-SLs, January 2018). As recommended by the DTSC, US EPA Regional Screening Levels (RSLs) (November, 2017) were used for analytes for which no DTSC-SLs have been established.

yard locations did not exceed their respective residential screening levels or, for metals, appear typical of natural background concentrations.

To evaluate the lateral and vertical extent of lead concentrations detected in soil sample EB-7 and dieldrin concentrations detected at EB-8, soil samples were collected from three additional borings drilled within approximately 15 feet of each of the initial sampling locations (six total borings). Deeper soil samples also were collected at the EB-7 and EB-8 locations from depths of approximately 1 and 2½ feet.

At EB-7, an elevated lead concentration (180 mg/kg) was detected at the approximate 1 foot depth, but lead concentrations at the approximate 2½ foot depth and in soil from the surrounding three borings were typical of natural background concentrations. Lowney (2006) recommended that soil containing lead concentrations above the residential screening level be excavated and disposed off-Site.

At EB-8, dieldrin was not detected at the 1 foot or 2½ foot depths, but was detected in near surface (0 to ½ foot depth) soil in each of the three surrounding borings at concentrations of 0.046, 0.065 and 0.083 mg/kg. These dieldrin concentrations are similar to the initial detected concentration at EB-8 (0.069 mg/kg), and each exceeds the residential screening level of 0.034 mg/kg.

SECTION 4: RECORDS REVIEW

4.1 STANDARD ENVIRONMENTAL RECORD SOURCES

Cornerstone conducted a review of federal, state and local regulatory agency databases provided by Environmental Data Resources (EDR) to evaluate the likelihood of contamination incidents at and near the Site. The database sources and the search distances are in general accordance with the requirements of ASTM E 1527-13. A list of the database sources reviewed, a description of the sources, and a radius map showing the location of reported facilities relative to the project Site are attached in Appendix A.

The purpose of the records review was to obtain reasonably available information to help identify Recognized Environmental Conditions. Accuracy and completeness of record information varies among information sources, including government sources. Record information is often inaccurate or incomplete. The Environmental Professional is not obligated to identify mistakes or insufficiencies or review every possible record that might exist with the Site. The customary practice is to review information from standard sources that is reasonably available within reasonable time and cost constraints.

4.1.1 On-Site Database Listings

The San Jose Flea Market was identified at the Site on the leaking underground storage tank (LUST) database. Two LUST cases are listed; both are identified as being closed, which is consistent with the discussion presented in Section 3.3.3. The San Jose Flea Market also was listed on City and County databases of facilities that store hazardous materials and operate USTs, and as a Resource Conservation and Recovery Act (RCRA) Small Quantity Generator (SQG) of hazardous waste.

The San Jose Flea Market was identified at the Site address on the HAZNET database, which contains data extracted from the copies of hazardous waste manifests received each year by

the DTSC. Listed wastes disposed between 1993 and 2016 were categorized as asbestos containing waste; organic solids; unspecified aqueous solutions; oil-containing waste; organic liquid mixtures; unspecified solvent mixtures; organic liquids with metals; waste and mixed oil; oxygenated solvents; tank bottom waste; off-specification, aged or surplus inorganics; hydrocarbon solvents; photochemicals/photoprocessing waste; and latex waste. Willow Dental Health Center also was listed at 1590 Berryessa Road on the HAZNET database. Listed wastes disposed between 2000 and 2003 were categorized as unspecified organic liquid mixtures. The Estate of Victor Nicora was listed on the HAZNET database at the Site address of 1411 Mabury Road; empty containers were listed as being disposed in 1997.

4.1.2 Nearby Spill Incidents

Based on the information presented in the agency database report, no nearby off-Site spill incidents were reported that appear likely to significantly impact soil, soil vapor or ground water beneath the Site. The potential for impact was based on our interpretation of the types of incidents, the locations of the reported incidents in relation to the Site and the assumed ground water flow direction.

4.2 ADDITIONAL ENVIRONMENTAL RECORD SOURCES

The following additional sources of readily ascertainable public information for the Site also were reviewed during this Phase I ESA Update.

4.2.1 City and County Agency File Review

Cornerstone requested available files pertaining to 1590 Berryessa Road and 1411 Mabury Road at the following public agencies: the San Jose Building Department, San Jose Fire Department, and the Santa Clara County Department of Environmental Health (DEH). Files at these agencies were previously reviewed by Lowney during the 2005 Phase I ESA; thus, to update the prior findings, the focus of the file review conducted by Cornerstone was on agency files generated post-2005.

In general, the Building and Fire Department and DEH files related to hazardous material use/storage included various inspection reports, chemical inventories, and UST monitoring and maintenance records. Diesel and gasoline were noted to be stored in a dual compartment UST. Diesel ASTs associated with emergency generators also were noted. Other reported hazardous materials storage was mainly at the corporation yard/maintenance area and include paint and printing related products, automotive repair and maintenance products, woodworking glues and adhesives, and various other facility maintenance and cleaning products. Waste motor oil, used antifreeze, used absorbents, waste printer and photochemicals, and waste paint were noted to be generated.

SECTION 5: PHYSICAL SETTING

We reviewed readily available geologic and hydrogeologic information to evaluate the likelihood that chemicals of concern released on a nearby property could pose a significant threat to the Site and/or its intended use.

5.1 RECENT USGS TOPOGRAPHIC MAP

A 2012 USGS 7.5 minute topographic map was reviewed to evaluate the physical setting of the Site. The Site's elevation is approximately 80 feet above mean sea level; topography in the vicinity of the Site slopes downward gently to the west towards Coyote Creek.

5.2 HYDROGEOLOGY

Based on our experience review of prior reports pertaining to the Site, the shallow ground water beneath the Site is likely present at depths of approximately 5 to 15 feet. Ground water likely flows toward the west or southwest.

SECTION 6: SITE RECONNAISSANCE

We performed a Site reconnaissance to evaluate current Site conditions and to attempt to identify Site Recognized Environmental Conditions. The results of the reconnaissance are discussed below. Additional Site observations are summarized in Table 5. Photographs of the Site are presented in Section 6.2.1.

6.1 METHODOLOGY AND LIMITING CONDITIONS

To observe current Site conditions (readily observable environmental conditions indicative of a significant release of hazardous materials), Cornerstone staff Stason I. Foster, P.E. visited the Site on February 15, 2018 and was accompanied by Mr. Gerard Denny, Environmental Health and Safety Coordinator with The Flea Market. The Site history also was discussed with Mr. John Garcia, Director of Business and Land Development with Bumb & Associates. The Site reconnaissance was conducted by walking representative areas of the Site, including the interiors of selected on-Site structures, the periphery of the structures and accessible portions of the Site periphery. Cornerstone staff only observed those areas that were reasonably accessible, safe, and did not require movement of equipment, materials or other objects. Physical obstructions that limited our ability to view the ground surface at the Site included the existing structures and paved vehicle drives and parking areas (typical of developed properties). Our reconnaissance focused on areas where hazardous materials were used or stored; these areas were selected based on information contained in prior reports and agency files reviewed by Cornerstone, and information provided by Mr. Denny during our visit.

6.2 OBSERVATIONS

At the time of our visit, the Site was occupied by the San Jose Flea Market and consisted mainly of merchandise sales booths including a variety of small permanent structures, converted shipping containers, and temporary sales areas comprised of fabric awnings supported on metal frames. Support facilities including security and administration offices, restrooms, and food and beverage sales facilities also were present. Asphalt paved parking lots were present on the south and western portions of the Site.

A centrally located corporation yard/facility maintenance area consisted of multiple structures, canopy covered areas and exterior storage areas. The main facility maintenance structure contained a machine shop, an automotive maintenance shop, welding and wood working shops, a printing shop and a sign fabrication shop. Two below grade hydraulic vehicle lifts were present within the automotive shop area.

A hazardous materials storage shed and two emergency generators with an associated diesel storage AST were located adjacent to the northeast of the main maintenance building. Structures and canopy covered areas to the north of the main maintenance building were used to store vehicles, miscellaneous facility maintenance materials and miscellaneous equipment including several trailer mounted emergency generators with associated diesel storage ASTs and a separate trailer mounted diesel AST. A paint shop and paint spray booth were located southwest of the main maintenance building, along with a food services warehouse.

A dual compartment UST containing gasoline and diesel and an associated fuel dispenser were located northwest of the food services warehouse. Two small ASTs containing motor oil and hydraulic fluid were located adjacent to the fuel dispenser.

A variety of hazardous materials were observed within the corporation yard/facility maintenance areas including automotive related products, paint related products, printing supplies, and other facility maintenance products. These materials were stored in 55-gallon drums, 5-gallon buckets, and 1-gallon and smaller containers. Several metal flammable material storage cabinets were observed to contain mainly aerosol cans, paint related products, lubricants and other miscellaneous maintenance products.

Waste oils, used filters, used absorbents and rags, waste paint related products and waste printing materials were observed in drums, most of which were located on secondary containment pallets.

The corporation yard/facility maintenance area was observed to be paved with asphalt and concrete. What appeared to be oil staining was observed on some of the paved surfaces; however, no evidence of significant hazardous materials spills was readily apparent.

Two steam cleaning areas consisting of concrete pads with trench drains were observed. One was located west of the food services warehouse and reportedly was used for cleaning of food vendor equipment. The second was located at the north corner of the main maintenance building and was use for cleaning of other miscellaneous equipment.

Two additional stationary emergency generators were observed on-Site, one near a concession building and the other on the northern portion of the Site adjacent to a water supply well. Both generators had integral diesel storage ASTs. Mr. Denny indicated that the water supply well was operational and intermittently used.

Markings identifying the presence of a below ground Chevron petroleum pipeline were observed on-Site; the pipeline bisects the Site just southeast of the facility maintenance building. Mr. Denny indicated that he was not aware of any spills or leaks associated with the pipeline.

Two PG&E owned electrical transformers on concrete pads, as well as pole mounted transformers were observed on-Site. No evidence of transformer oil leaks was readily apparent.

Table 5. Summary of Readily Observable Site Features

General Observation	Comments
Aboveground Storage Tanks	Observed as described above
Agricultural Wells	Not Observed
Air Emission Control Systems	Not Observed
Boilers	Not Observed
Burning Areas	Not Observed
Chemical Mixing Areas	Not Observed
Chemical Storage Areas	Observed as described above
Clean Rooms	Not Observed
Drainage Ditches	Not Observed
Elevators	Not Observed
Emergency Generators	Observed as described above
Equipment Maintenance Areas	Observed as described above
Fill Placement	Apparent on the western portion of the Site
Ground Water Monitoring Wells	Not Observed
High Power Transmission Lines	Not Observed
Hoods and Ducting	Not Observed
Hydraulic Lifts	Observed as described above
Incinerator	Not Observed
Petroleum Pipelines or wells	Observed as described above
Ponds or Streams	Coyote Creek traverses the southwest portion of the Site
Railroad Lines	Not Observed
Row Crops or Orchards	Not Observed
Stockpiles of Soil or Debris	Not Observed
Sumps or Clarifiers	Not Observed
Transformers	Observed as described above
Underground Storage Tanks	Observed as described above
Vehicle Maintenance Areas	Observed as described above
Vehicle Wash Areas	Not Observed
Wastewater Neutralization Systems	Not Observed

The comment “Not Observed” does not warrant that these features are not present on-Site; it only indicates that these features were not readily observed during the Site visit.

6.2.1 Site Photographs

Photograph 1. View of merchandise sales area.

Photograph 2. View of merchandise sales area.

Photograph 3. View of main maintenance building.

Photograph 4. Interior of maintenance building.

Photograph 5. Two emergency generators and associated diesel AST.

Photograph 6. Stored items in hazardous materials storage shed.

Photograph 7. One of several trailer mounted emergency generators.

Photograph 8. Trailer mounted diesel AST.

Photograph 9. Paint storage shed.

Photograph 10. Paint spray booth.

Photograph 11. Dual compartment UST, dispenser and adjacent oil and hydraulic fluid ASTs.

Photograph 12. Steam cleaning area near food services warehouse.

Photograph 13. Steam cleaning area at maintenance building.

Photograph 14. Water supply well.

Photograph 15. Emergency generator near water supply well.

Photograph 16. Southern parking lot, looking north.

SECTION 7: ENVIRONMENTAL QUESTIONNAIRE AND INTERVIEWS

7.1 ENVIRONMENTAL QUESTIONNAIRE / OWNER INTERVIEW

To help obtain information on current and historical Site use and use/storage of hazardous materials on-Site, we provided an environmental questionnaire to The Flea Market (the Site owner). The completed questionnaire is attached in Appendix B. Based on our review of the completed questionnaire and discussions with Mr. Denny and Mr. Garcia during our Site visit, The Flea Market has operated at the Site since 1960. The southern parking lot area (1411 Mabury Road [APN 254-17-095]) was acquired in 1997 from Victor Nicora. Reported Site features appear generally consistent with those described in Section 3.3 and observed during our Site visit.

Mr. Garcia additionally indicated that fill material was historically placed on the western portion of the Site to raise Site elevations near Coyote Creek. This area subsequently was paved and currently is used as a parking lot.

7.2 INTERVIEWS WITH PREVIOUS OWNERS AND OCCUPANTS

Contact information for previous Site owners and occupants was not provided to us. Therefore, interviews with previous Site owners and occupants could not be performed.

SECTION 8: FINDINGS, OPINIONS AND CONCLUSIONS (WITH RECOMMENDATIONS)

Cornerstone performed this Phase I ESA Update in general accordance with ASTM E1527-13 to support David J. Powers & Associates in evaluation of Recognized Environmental Conditions. Our findings, opinions and conclusions are summarized below.

8.1 HISTORICAL SITE USAGE

Based on the information obtained during this study, by 1939, a portion of the Site was developed with a feed lot/meat packing plant, while other on-Site areas were used for agricultural purposes (orchards and row crops). Several residential and/or agricultural

structures also were present. By the mid-1950s, the feed lot/meat packing plant had expanded to include most of the northern portion of the Site. The San Jose Flea Market began operation in 1960 on the northern portion of the Site that was previously occupied by the feed lot/meat packing plant. The southernmost Site parcel (currently occupied by a parking lot [APN 254-17-095]) remained as agricultural land with a residence and associated outbuildings near Mabury Road until it was converted to a paved parking lot during the late 1990s.

8.2 CHEMICAL STORAGE AND USE

A variety of hazardous materials are used and stored on-Site, mainly at the corporation yard/facility maintenance area, including automotive related products, paint related products, printing supplies, and other facility maintenance products. These materials are stored in 55-gallon drums, 5-gallon buckets, and 1-gallon and smaller containers. Several metal flammable material storage cabinets are present that contain mainly aerosol cans, paint related products, lubricants and other miscellaneous maintenance products.

Waste oils, used filters, used absorbents and rags, waste paint related products and waste printing materials are stored in drums, most of which are located on secondary containment pallets. Diesel fuel, motor oil and hydraulic fluid are stored in ASTs.

The corporation yard/facility maintenance area was observed to be paved with asphalt and concrete. What appeared to be oil staining was observed on some of the paved surfaces; however, no evidence of significant hazardous materials spills was readily apparent.

8.3 UNDERGROUND STORAGE TANKS

Gasoline and diesel currently are stored within a dual compartment 8,000 gallon UST. Prior to redevelopment of the Site, this UST should be removed in coordination with the San Jose Fire Department and DEH, and underlying soil and ground water quality should be evaluated. For a higher level of comfort, sampling can be performed prior to UST removal to help establish baseline conditions.

A 15,000 gallon gasoline UST and a 15,000 gallon jet fuel AST were removed from the Site in 1993. A 10,000-gallon gasoline UST, a 3,000-gallon gasoline UST, a 500-gallon gasoline UST, and two 4,000-gallon diesel USTs were removed in 1999. Residual concentrations of petroleum hydrocarbons and BTEX compounds were identified in soil and ground water near the former UST locations. The SCVWD issued case closure letters dated April 4, 1996 and October 30, 2000 for the USTs removed in 1993 and 1999, respectively. The SCVWD stated that no further action related to the petroleum release(s) was required.

We recommend preparing a Site Management Plan to establish appropriate management practices for handling impacted soil, soil vapor and ground water or other materials that may potentially be encountered in these areas during construction or redevelopment activities.

8.4 SOIL AND GROUND WATER QUALITY

In 2005, soil and ground water sampling was conducted at the Site to evaluate potential impacts associated with the prior feed lot/meat packing facility and flea market corporation/maintenance yard activities. Soil sampling also was conducted to evaluate potential impacts from prior agricultural uses.

In the vicinity of the former feed lot/meat packing facility, analyte concentrations detected in soil did not exceed their respective residential screening levels or, for metals, appear typical of natural background concentrations. In ground water, TPHd and TPHo were detected at up to 1,600 µg/L and 660 µg/L, respectively, which exceed the Water Board's Tier 1 ESL for these constituents of 100 µg/L. Benzene also was detected in two of seven ground water samples at 2.3 µg/L and 10 µg/L, which exceed the Water Board's Tier 1 ESL of 1.0 µg/L. As the source of this contamination was not determined, we recommended reevaluating the ground water quality in this general area.

At the flea market maintenance shop, TPHd was detected at up to 410 mg/kg in soil collected from the approximate ½ foot depth, which exceeds the Water Board's Tier 1 ESL of 230 mg/kg. However, the greatest TPHd concentration detected in a deeper sample (1 to 1½ feet) and in soil from three additional borings drilled within approximately 15 feet of the initial sampling location was 7.3 mg/kg, suggesting that the extent of TPHd impacts was limited.

Elevated lead concentrations were sporadically detected in soil at the Site. Lead concentrations reported at sampling locations EB-7 and EB-33b were 820 mg/kg and 170 mg/kg, which exceed the residential screening level of 80 mg/kg. The source of the lead was not identified. Soil adjacent to structures that are painted with lead-containing paint can become impacted with lead as a result of the weathering and/or peeling of painted surfaces. Although, no information was identified during this study documenting the use of lead based paint on-Site, it appears possible that the detected lead concentrations could be associated with prior structures. Historically, there were several residences and associated outbuilding on-Site, along with several prior structures that were associated with the former feed lot/meat packing facility. Prior to redevelopment of the Site, we recommend that shallow soil at the former structure locations be evaluated for the possible presence of lead and that the elevated lead concentrations detected be appropriately mitigated.

Soil near wood framed structures also can be impacted by pesticides historically used to control termites. At agricultural properties, pesticides and/or pesticide application equipment often were stored in outbuildings such as barns and sheds. The recommended soil sampling near prior structures also should include analyses for organochlorine pesticides and pesticide related metals (arsenic, lead and mercury).

Dieldrin concentrations ranging from 0.046 mg/kg to 0.083 mg/kg were detected in soil at sampling location EB-8 and in soil from three surrounding borings within approximately 15 feet of EB-8. These concentrations exceed the residential screening level for dieldrin of 0.034 mg/kg. These samples appear to have been collected from parcel 254-17-007 on the northern portion of the Site. Based on Cornerstone's review of historical aerial photographs, this parcel historically was occupied by an orchard and later by row crops. The orchard tree size and density on this parcel were different than other on-Site locations, suggesting that historic pesticide application practices may have been different. Several other on-Site areas also had distinct crop patterns, which may similarly have been subjected to unique pesticide application practices. Prior to redevelopment of the Site, we recommend that additional near surface soil samples be collected from the Site to better evaluate potential impacts from past agricultural uses, and also to further define the extent of elevated dieldrin concentrations on parcel 254-17-007.

8.5 WELLS AND SEPTIC SYSTEMS

Several ground water monitoring wells historically were installed near the USTs. An active water supply wells also is present at the Site. Additional water supply wells reportedly were historically present at the Site prior to acquisition by The Flea Market. Abandoned wells[4] can act as a conduit for the vertical migration of ground water contamination. Also, if ground water levels rise, an abandoned well can become an artisan well with uncontrolled water flow that can adversely impact future developments. Prior to redevelopment of the Site, we recommend that well records from the SCVWD be researched and that attempts be made to locate abandoned wells at the Site. If identified, or subsequently encountered during earthwork activities, they should be properly destroyed in accordance with SCVWD Ordinance 90-1.

Septic systems associated with the former residences could also remain on the Site. If encountered during earthwork activities, the septic systems should be abandoned in accordance with DEH requirements.

8.6 UNDOCUMENTED FILL

Fill was historically imported to the Site to raise low lying land elevations near Coyote Creek. The source and quality of the fill are unknown. Prior to initiation of earthwork activities within the filled area, we recommend that soil sampling and analytical testing be conducted at planned earthwork locations to establish appropriate soil management procedures.

8.7 FACILITY CLOSURE

As part of the facility closure process for occupants that use and/or store hazardous materials, the San Jose Fire Department and DEH typically require that a closure plan be submitted by the occupant that describes required closure activities, such as removal of remaining hazardous materials, cleaning of hazardous material handling equipment, decontamination of building surfaces, and waste disposal practices, among others. We recommend that facility closure be coordinated with the Fire Department and DEH to ensure that required closure activities are completed prior to redevelopment of the Site.

As part of the facility closure process, the two below grade hydraulic vehicle lifts within the maintenance building should be removed (including associated piping and hydraulic fluid reservoirs) and verification soil samples should be collected to document soil quality. We additionally recommend that soil sampling be conducted at the locations of the drains associated with the two steam cleaning areas. The removal and sampling activities should be observed and documented by an Environmental Professional.

8.8 IMPORTED SOIL

If the planned development will require importing soil for Site grading, we recommend documenting the source and quality of imported soil. The DTSC's October 2001 Clean Fill Advisory provides useful guidance on evaluating imported fill.

8.9 POTENTIAL ENVIRONMENTAL CONCERNS WITHIN THE SITE VICINITY

[4] Abandoned wells are those that have not been properly destroyed in accordance with SCVWD Ordinance 90-1.

Based on the information obtained during this study, no hazardous material spill incidents have been reported in the Site vicinity that would be likely to significantly impact the Site. However, as is typical to many commercial areas, several facilities in the vicinity were reported as hazardous materials users. If leaks or spills occur at these facilities, contamination could impact the Site, depending upon the location of the property, the magnitude of the release, and the effectiveness of cleanup efforts.

8.10 SITE MANAGEMENT PLAN

We recommend preparing a Site Management Plan (SMP) and Health and Safety Plan (HSP) prior to redevelopment activities. The purpose of these documents will be to establish appropriate management practices for handling impacted soil, soil vapor and ground water or other materials that may potentially be encountered during earthwork and construction activities.

8.11 ASBESTOS CONTAINING BUILDING MATERIALS (ACBMS)

Due to the age of the on-Site structures, building materials may contain asbestos. Because demolition of the buildings is planned, an asbestos survey is required by local authorities and/or National Emissions Standards for Hazardous Air Pollutants (NESHAP) guidelines. NESHAP guidelines require the removal of potentially friable ACBMs prior to building demolition or renovation that may disturb the ACBM.

8.12 LEAD-BASED PAINT ON EXISTING STRUCTURES

The Consumer Product Safety Commission banned the use of lead as an additive in paint in 1978. Based on the age of the buildings, lead-based paint may be present. During demolition, the removal of lead-based paint is not required if it is bonded to the building materials. However, if the lead-based paint is flaking, peeling, or blistering, it should be removed prior to demolition. In either case, applicable OSHA regulations must be followed; these include requirements for worker training, air monitoring and dust control, among others. Any debris or soil containing lead must be disposed appropriately.

8.13 DATA GAPS

ASTM Standard Designation E 1527-13 requires the Environmental Professional to comment on significant data gaps that affect our ability to identify Recognized Environmental Conditions. A data gap is a lack of or inability to obtain information required by ASTM Standard Designation E 1527-13 despite good faith efforts by the Environmental Professional to gather such information. A data gap by itself is not inherently significant; it only becomes significant if it raises reasonable concerns. The following data gaps were identified:

- Contact information for the former occupants and owners of the Site was not provided to us; thus, no interviews with former occupants and owners were conducted during this study. The general environmental setting of the Site appears to have been established based on the information reviewed from other data sources. However, these individuals may have knowledge of the Site that is not otherwise readily available or apparent. Thus, the absence of these interviews may diminish our ability to identify Recognized Environmental Conditions.

8.14 DATA FAILURES

As described by ASTM Standard Designation E 1527-13, a data failure occurs when all of the standard historical sources that are reasonably ascertainable and likely to be useful have been reviewed and yet the historical research objectives have not been met. Data failures are not uncommon when attempting to identify the use of a Site at five year intervals back to the first use or to 1940 (whichever is earlier). ASTM Standard Designation E 1527-13 requires the Environmental Professional to comment on the significance of data failures and whether the data failure affects our ability to identify Recognized Environmental Conditions. A data failure by itself is not inherently significant; it only becomes significant if it raises reasonable concerns. No significant data failures were identified during this Phase I ESA.

8.15 RECOGNIZED ENVIRONMENTAL CONDITIONS

Cornerstone has performed a Phase I ESA Update in general conformance with the scope and limitations of ASTM E 1527-13 of 1590 Berryessa Road and 1411 Mabury Road, San Jose, California. This assessment identified the following Recognized Environmental Conditions[5].

- TPHd, TPHo and benzene were detected in ground water in the vicinity of the former feed lot/meat packing facility at concentrations exceeding the Water Board's Tier 1 ESLs; a source was not identified.

- Soil adjacent to structures that are painted with lead-containing paint can become impacted with lead as a result of the weathering and/or peeling of painted surfaces. Soil near wood framed structures also can be impacted by pesticides historically used to control termites. There is a potential that residual lead and pesticide concentrations could remain in on-Site soil resulting from existing and/or prior on-Site structures. During prior studies, lead concentrations exceeding its residential screening level were sporadically detected in soil at the Site. The source of the lead was not identified; it may be associated with the use of lead-containing paint on existing or prior structures.

- The Site historically was used for agricultural purposes. Dieldrin concentrations that exceed its residential screening level were identified in soil on parcel 254-17-007. This parcel and several other on-Site areas historically had distinct crop patterns, which may have been subjected to unique pesticide application practices. Further evaluation of potential impacts from past agricultural activities appears warranted.

- Hydraulic vehicle lifts remain in ground within the maintenance building. Two steam cleaning areas with associated drains also are present at the Site. There is a potential that these features may have impacted soil and/or ground water at the Site.

- Gasoline and diesel currently are stored within a dual compartment 8,000 gallon UST. Although no significant releases from the UST have been documented, there is a potential for soil or ground water to have been impacted.

[5] The presence or likely presence of hazardous substances or petroleum products on the Site: 1) due to any release to the environment; 2) under conditions indicative of a release to the environment; or 3) under conditions that pose a material threat of a future release to the environment.

This assessment identified the following Historical Recognized Environmental Conditions[6]:

- Several gasoline and diesel USTs were removed from the Site in 1993 and 1999. Residual concentrations of petroleum hydrocarbons and BTEX compounds were indentified in soil and ground water near the former UST locations. The SCVWD issued case closure letters dated April 4, 1996 and October 30, 2000 stating that no further action related to the petroleum release(s) was required.

Fill was historically imported to the Site to raise low lying land elevations near Coyote Creek. The source and quality of the fill are unknown. The presence of undocumented fill does not appear to meet the definition of a Recognized Environmental Condition per ASTM E 1527-13; note, however, that Cornerstone considers this item to be a potential environmental concern.

SECTION 9: LIMITATIONS

Cornerstone performed this Phase I ESA Update to support David J. Powers & Associates in evaluation of Recognized Environmental Conditions associated with the Site. David J. Powers & Associates understands that no Phase I ESA can wholly eliminate uncertainty regarding the potential for Recognized Environmental Conditions to be present at the Site. This Phase I ESA Update is intended to reduce, but not eliminate, uncertainty regarding the potential for Recognized Environmental Conditions. David J. Powers & Associates understands that the extent of information obtained is based on the reasonable limits of time and budgetary constraints.

Findings, opinions, conclusions and recommendations presented in this report are based on readily available information, conditions readily observed at the time of the Site visit, and/or information readily identified by the interviews and/or the records review process. Phase I ESAs are inherently limited because findings are developed based on information obtained from a non-intrusive Site evaluation. Cornerstone does not accept liability for deficiencies, errors, or misstatements that have resulted from inaccuracies in the publicly available information or from interviews of persons knowledgeable of Site use. In addition, publicly available information and field observations often cannot affirm the presence of Recognized Environmental Conditions; there is a possibility that such conditions exist. If a greater degree of confidence is desired, soil, ground water, soil vapor and/or air samples should be collected by Cornerstone and analyzed by a state-certified laboratory to establish a more reliable assessment of environmental conditions.

Cornerstone acquired an environmental database of selected publicly available information for the general area of the Site. Cornerstone cannot verify the accuracy or completeness of the database report, nor is Cornerstone obligated to identify mistakes or insufficiencies in the information provided (ASTM E 1527-13, Section 8.1.3). Due to inadequate address information, the environmental database may have mapped several facilities inaccurately or could not map the facilities. Releases from these facilities, if nearby, could impact the Site.

David J. Powers & Associates may have provided Cornerstone environmental documents prepared by others. David J. Powers & Associates understands that Cornerstone reviewed and

[6] A past Recognized Environmental Condition that has been addressed to the satisfaction of the applicable regulatory agency or meeting unrestricted use criteria established by the applicable regulatory agency without subjecting the Site to required controls or restrictions.

relied on the information presented in these reports and cannot be responsible for their accuracy.

This report, an instrument of professional service, was prepared for the sole use of David J. Powers & Associates and may not be reproduced or distributed without written authorization from Cornerstone. It is valid for 180 days. An electronic transmission of this report may also have been issued. While Cornerstone has taken precautions to produce a complete and secure electronic transmission, please check the electronic transmission against the hard copy version for conformity.

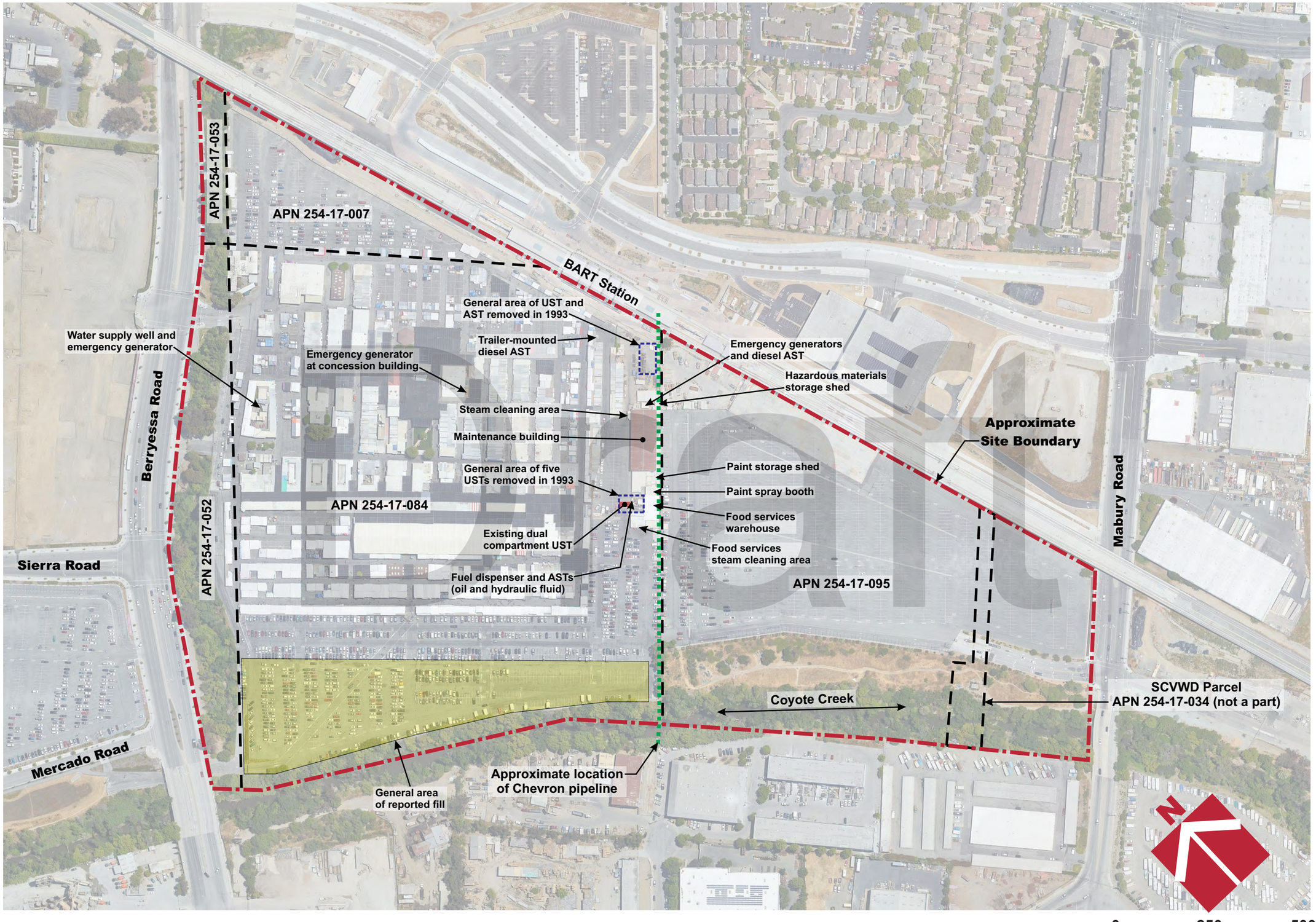
Cornerstone makes no warranty, expressed or implied, except that our services have been performed in accordance with the environmental principles generally accepted at this time and location.

CORNERSTONE EARTH GROUP

Vicinity Map

San Jose Flea Market
1590 Berryessa and 1411 Mabury Road
San Jose, CA

Project Number	118-98-1
Figure Number	Figure 1
Date	March 2018
Drawn By	RRN



Base by Google Earth, dated 4/15/2017

Project Number	118-98-1
Figure Number	Figure 2
Date	March 2018
Drawn By	RRN

Site Plan

San Jose Flea Market
Berryessa and 1411 Mabury Road
San Jose, CA

1590 Berryessa Road

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APPENDIX A – DATABASE SEARCH REPORT

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APPENDIX B – QUESTIONNAIRE AND PRIOR REPORTS

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APPENDIX C – HISTORICAL AERIAL PHOTOGRAPHS