



September 2, 2009

Project #3690

Mr. Rob Lochner
McEagle Properties, LLC
1001 Boardwalk Springs Place
O'Fallon, Missouri 63368

Re: CCRC of O'Fallon Senior Redevelopment – The Village of St. Mary's
Skilled Nursing Facility
204 North Main Street
O'Fallon, Missouri (Site)
Asbestos & Lead Abatement

Dear Mr. Lochner:

The following serves as Environmental Operations, Inc.'s (EOI) Analysis of Brownfields Cleanup Alternatives (ABCA) for the Skilled Nursing Facility (SNF) portion of the CCRC of O'Fallon Senior Redevelopment – The Village of St. Mary's located at 204 North Main Street, O'Fallon, Missouri. The SNF includes Buildings *N* and *S* and a portion of Building *H*, formerly a part of the Sisters of the Most Precious Blood Convent (Sisters). A map of the Subject Site is attached.

This ABCA treats solely with the abatement of the asbestos and lead in the above-named buildings. The Recognized Environmental Condition (REC) referenced in the Phase I ESA Update of May 7, 2009, has not yet been addressed, as the phase of project construction associated with this REC has not yet begun. The Missouri Department of Natural Resources' (MDNR) Brownfields/Voluntary Cleanup Program (B/VCP) has agreed that this REC can be addressed in a separate Remedial Action Plan. Once this RAP has been generated and approved by the VCP, an ABCA will be generated for this REC.

BACKGROUND

The Subject Site lies in a residential and commercial area of O'Fallon, St. Charles County, Missouri. The three Subject Buildings are associated with the former Sisters of the Most Precious Blood Convent, which was begun in the early 1870s and consists of approximately 40 acres of land with several additional buildings. Surrounding properties include O'Fallon City Hall (formerly a part of the original convent), Assumption Parish, and residences. Surrounding properties have been developed since at least 1870.

BACKGROUND (continued)

A Phase I Environmental Assessment report on the entire Sisters campus, which included the Subject Site currently under investigation, was prepared by Dee Stenger Allison of Environmental Operations, Inc., dated August 30, 2007. According to this report, no concerns were associated with the SNF portion of the Subject Site.

A Phase I Update was conducted on the SNF portion of the Sisters site by Dee Stenger Allison of Environmental Operations, Inc., dated May 7, 2009. This assessment revealed the following evidence of a REC (as defined by ASTM Practice E 1527-05) in connection with the Subject Site:

- A freight elevator located in Building *S* required the addition of hydraulic oil in the past, indicating the unit was leaking and therefore likely releasing hydraulic oil to the subsurface. Due to the pre-1978 date of installation, the potential for the hydraulic oil to contain PCBs exists. Based on the pre-1978 date of installation, the potential for the hydraulic oil to contain PCBs, and the unknown quantity of hydraulic oil released to the subsurface, the freight elevator represents a REC to the Subject Site. Additional investigation would be required to further evaluate this issue.

According to an Environmental Survey of the Subject Site prepared by Environmental Operations, Inc. on January 25, 2008, asbestos was identified in the Subject Buildings in flooring tile and associated adhesives and thermal system insulation and fittings. Lead-based paint (LBP) was identified throughout the buildings on ceilings, doors, trim, stairwells, and walls.

The Subject Site was accepted into the MDNR's B/VCP to oversee site remediation and ultimately issue a "certificate of completion" for the property. Pathways for these contaminants of concern to potentially affect human health include direct exposure via ingestion, dermal contact, and inhalation.

DEVELOPMENT PLANS

The Village of St. Mary's project is essentially a repositioning redevelopment of a portion of the historic Sisters convent. During the first phase of the redevelopment, the campus will be managed by a Continuum of Care Retirement Community (CCRC) management company. The CCRC will include 60 apartments for low-income seniors, licensed skilled nursing, and a complete wellness center with an indoor pool. Future phases will include 74 independent living apartments and 45 patio homes. This CCRC will consist of two features:

DEVELOPMENT PLANS (continued)

Affordable Housing - The housing component of the project will renovate existing buildings A, C, D, E, and I into approximately 60 one- and two-bedroom units. As many as 45 of these senior-housing units will be used by the retired Sisters already living on-site. The remaining units and any future vacancies will be open to the community.

Skilled Nursing Facility - The skilled nursing project will renovate Buildings S, N, and a portion of Building H into residential, clinical, and convalescent space. This development will provide a state-of-the-art, 127-bed facility, licensed by the Missouri Department of Senior Services (DHSS) and dedicated to the care of seniors within the community. A portion of this facility will be Medicare certified.

ANALYSIS OF BROWNFIELDS CLEANUP ALTERNATIVES

The following describes the analysis of Brownfield cleanup alternatives for the site. The cleanup alternatives evaluated include:

1. the scenario if no cleanup were conducted (do nothing)
2. cleanup using risk-based closures including deed restrictions
3. remediation to unrestricted risk-based site cleanup goals
4. remediation to background (naturally occurring) concentrations

This analysis is summarized in a matrix evaluation included as Table 1.

Do Nothing Approach

If no abatement of the asbestos-containing materials (ACM) and no remediation of the LBP or other miscellaneous wastes are conducted, the necessary "certificate of completion" from the B/VCP could not be obtained for the site, nor could the facility be licensed for its proposed use. Thus, the proposed project redevelopment could not be accomplished.

Risk-Based Closures Approaches

Risk-based approaches for remediation of the site can be completed using the MDNR asbestos and lead-based paint regulations. Using these regulations, risk-based strategies include evaluating site cleanup goals based on site use (residential, commercial and industrial). In addition, the regulations include options for leaving asbestos or LBP on-site through the use of engineered barriers (encapsulation or enclosure) and deed restrictions.

ANALYSIS OF BROWNFIELDS CLEANUP ALTERNATIVES (continued)

Advantages to using these risk-based approaches include a likely lower remediation cost and the ability to receive a “certificate of completion” from the B/VCP within the project timeframe. Disadvantages to using these risk-based approaches to remediation for this project include possible management of ACM or LBP during construction activities, restricted site development, long-term operations and maintenance plan, and long-term costs associated with maintaining these restrictions.

Remediation to Unrestricted Risk-Based Site Cleanup Goals

Abatement/remediation to unrestricted risk-based site cleanup goals can be completed using MDNR regulations in order to receive a “certificate of completion” from the B/VCP.

Advantages to using these risk-based approaches include ultimately handing over an unrestricted site for development and the ability to receive a “certificate of completion” from the B/VCP within the project timeframe. Disadvantages for this approach include moderately high costs associated with remediation. It should be noted, however, that while remediation costs are likely to initially be moderately high relative to other risk-based approaches listed above, there would be no additional development costs associated with this approach and no need for long-term monitoring costs.

Remediation to Background (Naturally Occurring) Concentrations

This remedial approach is similar to that of the unrestricted risk-based site cleanup goals and would ultimately produce a “certificate of completion”. This approach would also provide future unrestricted site use. However, this remedial approach would be more costly and threaten the project timetable due to additional remediation beyond risk-based site cleanup goals.

Environmental Operations, Inc.
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SUMMARY/CONCLUSIONS

Based on the above detailed analysis, the most optimal approach for meeting the future site construction plans and schedule while providing a “certificate of completion” and unrestricted site use at the least overall cost for environmental remediation is to clean up the site to *Unrestricted Risk-Based Site Cleanup Goals*. This will include:

- Complete removal of all identified ACM and miscellaneous wastes.
- Partial removal of LBP. Select interior surfaces having LBP will remain intact during construction. The surfaces will be scraped to remove loose and deteriorated paint and encapsulated or the surfaces will be enclosed by new construction. In addition, the floor surfaces will be cleaned up to residential standards for LBP. An operations and maintenance plan will be developed that will summarize the remaining LBP surfaces and be recorded with the deed by St. Charles County.

If you have any questions, please call my office at (314) 241-0900.

Sincerely,

A handwritten signature in cursive script that reads "Ronda Latina". The signature is written in dark ink and is positioned above the typed name and title.

Ronda Latina
Brownfield Coordinator