

**DRAFT
REMEDIAL INVESTIGATION/FEASIBILITY STUDY
AND CONCEPTUAL CLEANUP ACTION PLAN
EAST BAY REDEVELOPMENT
PORT OF OLYMPIA
OLYMPIA, WASHINGTON
ECOLOGY FACILITY/SITE No. 5785176
VCP No. SW0827**

DECEMBER 20, 2007

**FOR
PORT OF OLYMPIA**

EXECUTIVE SUMMARY

The Port of Olympia (the Port) has undertaken a significant project to revitalize a 13-acre portion of its property known as the East Bay Redevelopment Project, located between Marine Drive NE to the east, State Avenue NE to the south and Adams Street NE to the west in Olympia, Washington. The purpose of this effort is to create the infrastructure and incentives to redevelop a current brownfields site into a vibrant urban center. Public facilities, amenities, infrastructure and private mixed uses (retail, residential, commercial) are planned across nine individual parcels. As part of these redevelopment efforts, the Port has completed this Remedial Investigation – Feasibility Study and Conceptual Cleanup Action Plan (RI/FS CAP) in order to evaluate and offer a remedy to the environmental issues associated with past uses of the area. Historical operations were generally associated with lumber milling that occurred at the East Bay property and surrounding (non-Port) properties from the late 1800s through the mid 1900s.

Several environmental studies have been completed at the project area to characterize the chemical nature of soil and groundwater and ascertain potential contamination. These past studies are summarized and included in this RI/FS CAP report. As part of the redevelopment and cleanup planning, the Port entered into the Washington State Department of Ecology's (Ecology's) Voluntary Cleanup Program (VCP) (Ecology Facility/Site No. 5785176; VCP No. SW0827). The Port, Ecology and stakeholders, which include potential buyers of the parcels, have been communicating through meetings and review of work plans and interim reports since January 2007. In fact, the LOTT Alliance entered into a purchase and sale agreement for Parcel 8 in October 2007. At the request of Ecology, cleanup actions on Parcel 8 and the adjacent LOTT property will be managed by LOTT through a separate VCP effort.

The chemical analytical results of this Remedial Investigation (RI) were similar to the results of previous environmental studies in this area: gasoline- diesel- and motor oil-range petroleum hydrocarbons, arsenic, lead and carcinogenic polycyclic aromatic hydrocarbons (cPAHs) in soil, and diesel-range petroleum hydrocarbons and arsenic in groundwater (one location each) were observed at localized areas at the East Bay Redevelopment project area. In addition, analysis for dioxin compounds was performed at four soil sample locations at the project area: two random locations and two locations in the vicinity of a historical boiler and power house associated with historical mill operations. Dioxins were detected in soil at concentrations greater than Model Toxics Control Act (MTCA) cleanup levels for unrestricted land use but below MTCA cleanup levels for industrial properties in all four samples.

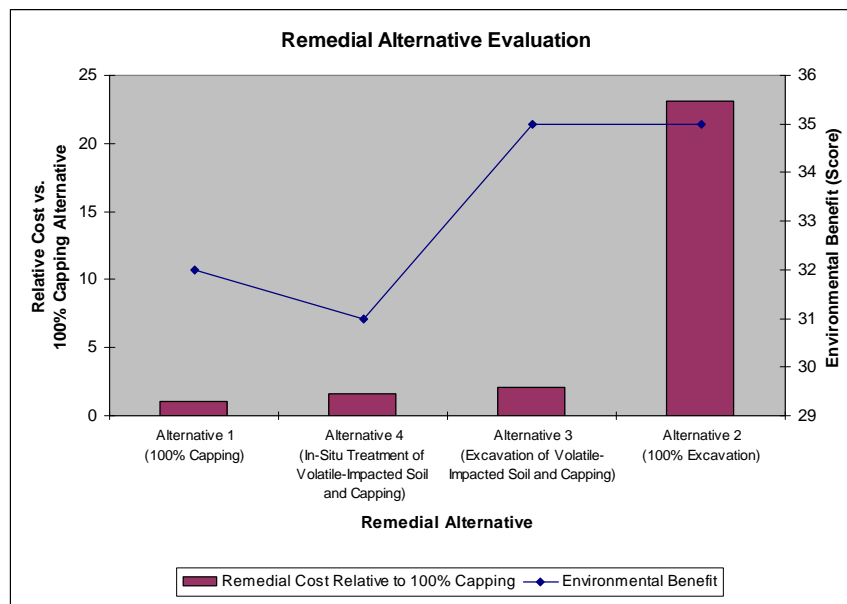
The purpose of the RI was to gather information to describe the nature and extent of contamination across the project area. The conclusions from, and the information collected in, the RI were used to develop a Feasibility Study (FS) and Conceptual Cleanup Action Plan (CAP) consistent with development plans at the project area. The FS evaluated five possible remedial alternatives at the project area to provide protection of human health and the environment from on-site contaminants. As part of the FS, a preferred remedial alternative was identified, and the CAP describes this preferred alternative in greater detail. The preferred remedial alternative consists of a combination of excavation, engineering and institutional controls. Specifically, the preferred remedy consists of four components:

- Remedial excavation and off-site disposal of contaminated soil containing volatile chemicals (i.e. aromatic hydrocarbons);
- Localized regrading, on-site encapsulation and capping of non-volatile contaminated soil (diesel and oil-range hydrocarbons, cPAHs, metals and dioxins) from areas where landscaping and water features are intended;
- Capping of the remainder of non-volatile contaminated soil beneath buildings and/or parking or other impervious areas; and

- Institutional controls such as:
 - Routine groundwater monitoring at conditional points of compliance (wells closest to East Bay);
 - A restrictive covenant limiting access to the subsurface;
 - Cap maintenance; and
 - Implementation of a soil handling and disposal plan for any future site excavation.

The selected remedy will be protective of human health and the environment, comply with MTCA cleanup standards and support the planned East Bay Redevelopment at a reasonable cost. It will also result in less short-term air pollution (i.e., a reduced carbon footprint such as reduced carbon dioxide emissions from limited usage of heavy equipment and trucking).

Below is a graphic that compares the four viable remedial alternatives. Consistent with MTCA requirements for remedy selection, the costs and benefits associated with the evaluated remedial alternatives are compared using a disproportionate cost analysis. Costs are disproportionate to benefits if the incremental costs of the more permanent remedy (in this case, “100% Excavation”), exceed the incremental degree of benefits achieved by the other, lower-cost alternative (in this case, “Excavation of Soil Containing Volatiles, Capping and Institutional Controls”). Alternatives which exhibit such disproportionate costs are considered “impracticable” by MTCA. Where the quantitative and qualitative benefits of two alternatives are equivalent, MTCA specifies that Ecology shall select the less costly alternative; in this case, the preferred alternative, “Excavation and Capping of Volatile-Containing Soil.”



Cleanup action is intended to be completed on a parcel-by-parcel basis and managed as separate independent actions in accordance with the overall CAP. The CAP outlined in this report is intended to provide the framework for cleanup action across any parcel at the project area. However, individual interim cleanup plans may be warranted to make cleanup elements consistent with redevelopment design, once details are available for each parcel. We understand that the infrastructure construction will start in the second quarter of 2008 and the first parcel is intended to be redeveloped around the third quarter of 2008.