



April 2025 Meeting

BOARD OF DIRECTORS

Thursday, April 24, 2025

Addendum B

Contents:

<i>1) 615 Commercial Street Appraisal Report.....</i>	<i>1</i>
<i>2) 615 Commercial Street Environmental Screen</i>	<i>8</i>

COMMUNITY ACTION PROMISE

Community Action changes people’s lives, embodies the spirit of hope, improves communities, and makes America a better place to live. We care about the entire community, and we are dedicated to helping people help themselves and each other.

Helping People Changing Lives

MWVCA PROFESSIONAL OFFICE

615 Commercial St NE
Salem, Oregon 97301

APPRAISAL REPORT

Date of Report: March 13, 2025

Colliers File #: PDX250201

Client File #: 511342



PREPARED FOR
Eddie McKee
Umpqua Bank
1 SW Columbia Street
Portland, OR 97204

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

LETTER OF TRANSMITTAL

COLLIERS INTERNATIONAL
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March 13, 2025

Eddie McKee
Umpqua Bank
1 SW Columbia Street
Portland, OR 97204

RE: MWVCA Professional Office
615 Commercial St NE
Salem, Oregon 97301

Colliers File #: PDX250201

Client File #: 511342

Mr. McKee:

This appraisal report satisfies the scope of work and requirements agreed upon by Umpqua Bank and Colliers International Valuation & Advisory Services. At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). Our appraisal format provides a summary description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest. At the request of the client, we have also completed a Land Value and an Insurable Replacement Cost Estimate. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Fee Simple	March 10, 2025	\$3,670,000
OTHER CONCLUSIONS		AS OF MARCH 10, 2025	
Insurable Replacement Cost			\$3,380,000
Land Value			\$1,310,000

The subject is MWVCA Professional Office, a single-tenant low-rise office property totaling 15,939 SF of NRA located on a 0.75-acre site at 615 Commercial St NE in Salem, Oregon. The improvements were built in 1949 with minor periodic renovations, are in average condition and have a remaining economic life of 30 years based on our estimate.

The subject property has a single-tenant design that will be owner-occupied upon consummation of the pending sale, and has a current occupancy level of 100.0%, which is above the stabilized occupancy level estimate of 95.0% that was developed in this appraisal.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The report is intended to conform to the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) standards and the appraisal guidelines of Umpqua Bank.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, “an assignment specific-assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions”. *USPAP* defines a Hypothetical Condition as, “that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis”.

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at our opinion of value are fully discussed below. We advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

EXTRAORDINARY ASSUMPTIONS

We have assumed that the current pending sale to purchase the land area is consummated and that the land and the improvements ownership are common indicating no leasehold interest exists and the subject reflects the fee simple interest. If this is found to be inaccurate an adjustment to the concluded value may need to be made.

This Appraisal Report is not contingent on any other extraordinary assumptions.

HYPOTHETICAL CONDITIONS

This Appraisal Report is not contingent on any hypothetical conditions.

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The signatures below indicate our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

**COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES**



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Managing Director
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GENERAL INFORMATION

Property Name	MWVCA Professional Office
Property Type	Office - Low-Rise Office
Address	615 Commercial St NE
City	Salem
State	Oregon
Zip Code	97301
County	Marion
Core Based Statistical Area (CBSA)	Portland-Vancouver-Hillsboro, OR-WA
Market	Oregon
Submarket	Salem MSA
Latitude	44.946553
Longitude	-123.038127
Number Of Parcels	2
Assessor Parcels	589375 and 602265
Census Tract Number	2.00

SITE INFORMATION

Land Area	Acres	Square Feet
Usable	0.75	32,670
Excess	0.00	0
Surplus	0.00	0
Total	0.75	32,670
Topography	Level at street grade	
Shape	Rectangular	
Access	Good	
Exposure	Good	
Current Zoning	Central Business District (CB)	
Flood Zone	Zone X (Unshaded)	

IMPROVEMENT INFORMATION

Gross Building Area SF (GBA)	15,939 SF
Net Rentable Area (NRA)	15,939 SF
Total Number Of Stories	2
Year Built	1949
Year Renovated	Periodic
Quality	Average
Condition	Average
Type Of Construction	Wood frame
Land To Building Ratio	2.0 : 1
Site Coverage Ratio	24.5%
Parking Type	Surface
Number of Parking Spaces	53
Parking Ratio (Spaces/1,000SF NRA)	3.3/1,000 SF NRA

HIGHEST & BEST USE

As Vacant	Development Of An Office Property As Market Conditions Warrant
As Improved	Continued Use As A Low-Rise Office Property

EXPOSURE TIME & MARKETING PERIOD

Exposure Time	12 Months or Less
Marketing Period	12 Months or Less

TENANCY INFORMATION

Tenancy	Single-Tenant Owner-Occupied
Direct Capitalization NOI	\$239,161

VALUATION SUMMARY	
VALUATION INDICES	AS-IS MARKET VALUE
INTEREST APPRAISED	FEE SIMPLE
DATE OF VALUE	MARCH 10, 2025
INCOME CAPITALIZATION APPROACH	
Direct Capitalization	\$3,680,000
Direct Capitalization \$/SF	\$231/SF
NOI Proforma	\$239,161
NOI \$/SF	\$15.00/SF
Capitalization Rate	6.50%
INCOME CONCLUSION	\$3,680,000
Income Conclusion \$/SF	\$231/SF
SALES COMPARISON APPROACH	
SALES CONCLUSION	\$3,670,000
Sales Conclusion \$/SF	\$230/SF
FINAL VALUE CONCLUSION	
FINAL VALUE	\$3,670,000
\$/SF	\$230/SF
Implied Capitalization Rate	6.52%
LAND VALUATION	
LAND VALUE	\$1,310,000
Land Value/SF	\$40.00
OTHER CONCLUSIONS	
Insurable Replacement Cost	\$3,380,000
Insurable Replacement Cost/SF	\$212/SF

SWOT ANALYSIS

SWOT is an acronym for the internal strengths and weaknesses of an asset and the environmental (external) opportunities and threats facing that property. Based on our analysis of the subject property we have identified the following strengths, weaknesses, opportunities and threats.

Strengths

- › Appealing owner/user property
- › Demand for owner/user properties is relatively strong

Weaknesses

- › Above typical levels of office vacancy
- › Older age which may necessitate future expenditures for replacement of long-lived items

Opportunities

- › Growth in the area with several new local developments

Threats

- › The market remains highly fragmented and there are significant inefficiencies. The general economy has been recovering but not evenly over all sectors. There could be some general market instability in the near term due to this environment.



Environmental Transaction Screen

REPORT DATE: March 24, 2025

PROPERTY INFORMATION:

MWVCAA - Land Purchase
615 Commercial Street North East
Salem, Marion County, Oregon 97301

PROJECT INFORMATION:

AEI Project No. 507015
Site Assessment Date: March 19, 2025
YouConnect Project Number: 511343

PREPARED FOR:

Umpqua Bank
1 SW Columbia Street
Portland, Oregon 97258

PREPARED BY:

AEI Consultants - Corporate Headquarters
2500 Camino Diablo
Walnut Creek, California 94597



March 24, 2025

Michael Pereira
Umpqua Bank
1 SW Columbia Street
Portland, Oregon 97258

Subject: **Environmental Transaction Screen**
MWVCAA - Land Purchase
615 Commercial Street North East
Salem, Oregon 97301
AEI Project No. 507015
YouConnect Project Number: 511343

Dear Michael Pereira:

AEI Consultants is pleased to provide the *Environmental Transaction Screen* of the above referenced property. This assessment was authorized and performed in accordance with AEI's MSA with Umpqua Bank and the Task Order, as well as the scope and limitations of ASTM Standard Practice E1528-22, and Umpqua Bank's Environmental Services Guidance (dated January 2, 2019).

AEI has no present or contemplated future ownership interest or financial interest in the real estate that is the subject of this Environmental Assessment Report. AEI has no personal interest with respect to the subject matter of the Environmental Assessment Report of the parties involved. AEI has no relationship with the property or the owners thereof which would prevent an independent analysis of the environmental or other conditions of the property.

Unless expressly authorized in writing by Umpqua Bank, no one is permitted or intended to rely upon the findings, conclusions or recommendations found herein. This information is provided as a courtesy only and its accuracy has not been verified. The recipient accepts this information understanding that no representations or warranties are made with respect to this information and that recipient must make an independent determination of the accuracy

of any information contained herein. The recipient acknowledges that Umpqua Bank has no responsibility for this information and the recipient releases Umpqua Bank from liability for any inaccuracy, mistake or other defect in this information.

We appreciate the opportunity to provide services to you. If you have any questions concerning this report, or if we can assist you in any other matter, please contact me at (916) 333-4568 or cmetzinger@aeiconsultants.com.

Sincerely,



Charles Metzinger
Vice President
AEI Consultants

TABLE OF CONTENTS

EXECUTIVE SUMMARY	5
Affirmative Answers to Transaction Screen Questionnaire	6
Findings	6
Conclusions, Opinions, and Recommendations	7
1.0 INTRODUCTION	8
1.1 Scope of Work	8
1.2 Additional Services	8
1.3 Significant Assumptions	8
1.4 Limitations	9
1.5 Limiting Conditions/Deviations	9
1.6 Reliance	10
2.0 SITE AND VICINITY DESCRIPTION	11
2.1 Site Location and Description	11
2.2 On-Site Utilities	11
2.3 Site and Vicinity Characteristics	11
2.4 Physical Setting	12
3.0 HISTORICAL USE INFORMATION	13
3.1 Aerial Photographs	14
3.2 Sanborn Fire Insurance Maps	15
3.3 City Directories	16
3.4 Interviews	16
3.5 Transaction Screen Questionnaire	16
4.0 REGULATORY DATABASE RECORDS REVIEW	17
4.1 Records Summary	17
4.2 Per- and Polyfluoroalkyl Substances (PFAS)	19
5.0 SITE RECONNAISSANCE	20
5.1 Subject Property Reconnaissance Findings	21
5.2 Adjoining Property Reconnaissance Findings	22
6.0 OTHER ENVIRONMENTAL CONSIDERATIONS	24
6.1 Asbestos-Containing Building Materials	24
6.2 Lead-Based Paint	25
6.3 Radon	26
6.4 Mold	26
6.5 Wetlands	27
6.6 Business Compliance	27
7.0 SIGNATURE OF ENVIRONMENTAL PROFESSIONALS	28
8.0 REFERENCES	29

TABLE OF APPENDICES

APPENDIX A: CLIENT REQUIRED INFORMATION
APPENDIX B: FIGURES
APPENDIX C: PROPERTY PHOTOGRAPHS
APPENDIX D: REGULATORY DATABASE
APPENDIX E: HISTORICAL SOURCES
APPENDIX F: TRANSACTION SCREEN QUESTIONNAIRE(S)
APPENDIX G: OTHER SUPPORTING DOCUMENTATION
APPENDIX H: QUALIFICATIONS
APPENDIX I: COMMONLY USED ACRONYMS & ABBREVIATIONS

EXECUTIVE SUMMARY

AEI Consultants (AEI) was retained by Umpqua Bank to conduct an Environmental Transaction Screen (ETS) in conformance with AEI's MSA with Umpqua Bank (dated December 17, 2024) and Task Order (dated March 6, 2025), and the scope and limitations of ASTM Standard Practice E1528-22 and Umpqua Bank's Environmental Services Guidance (dated January 2, 2019) for the property located at 615 Commercial Street North East, Salem, Marion County, Oregon (the "subject property"). Any exceptions to, or deletions from, this practice are described in Sections 1.4 and 1.5 of this report.

Pertinent subject property information is noted below:

Property Information	
Site Address(es)	615 Commercial Street North East, Salem, Marion County, Oregon 97301
Property ID (APN or Block/Lot)	589375;602265
Location	North side of the intersection of Commercial Street NE and Union Street NE
Property Type	Office
Site and Building Information	
Approximate Site Acreage/Source	0.75/Assessor
Number of Buildings	One (1)
Building Construction Date(s)/Source	Circa 1954/Historical Aerial Research
Building Square Footage (SF)/Source	15,939/Client provided
Number of Floors/Stories	Two (2)
Basement or Subgrade Area(s)	None identified
Number of Units	Single tenant
Additional Improvements	Asphalt-paved parking areas and associated landscaping
On-site Occupant(s)	The Arches Project
Current On-site Operations/Use	Day center offices providing homeless services and associated administrative activities
Current Use of Hazardous Substances	None identified
Regulatory Information	
Regulatory Database Listings	None identified

Based on a review of historical sources, the subject property was identified to consist of residences from as early as 1924 to 1951. From at least 1951 to 1978 the property was occupied by Capitol Chevrolet Cadillac Used Car and Truck lot (607, 635 Commercial Street). The current subject building was first noted in a 1954 aerial photograph. From 1980-present, the property lists several commercial office tenants (615 Commercial Street). ARCHES has occupied the property from 2018 to present.

The immediately surrounding properties consist of the following:

Direction	Tenant/Use (Address)	Regulatory Database Listing(s)
Northwest	Coldwell Banker (235 Union Street NE)	Yes; refer to Section 4.0
	State Highway 99E followed by:	
	Teacher Standards (250 Division Street NE)	
Northeast	Commercial Street NE followed by:	Yes; refer to Section 4.0
	Salem Paint Co (686 Commercial Street NE)	
Southeast	Commercial Street NE followed by:	Yes; refer to Section 4.0

Direction	Tenant/Use (Address)	Regulatory Database Listing(s)
	Salem First Baptist Church (510, 630, 640, 660, & 686 Commercial Street NE) Apartments (610 Commercial Street NE)	
Southwest	Union Street NE followed by: Marion Square Skateboard Park (551 Commercial Street NE)	None identified

AFFIRMATIVE ANSWERS TO TRANSACTION SCREEN QUESTIONNAIRE

Question No.	Discussion of "Yes" Responses
5.1	Minor amounts of oily surface staining were observed in the parking area. The staining appears to be from leaking vehicles and is surficial in nature. Based on the small size and the surficial nature of the staining, it is not considered evidence of a PEC.
5.6	Equipment Lubricated with Oil or Hydraulic Fluid, (e.g. vehicle lifts, elevator shafts, air compressors) - Elevator and air compressor. Based on AEI's observations, the on site elevator is not considered evidence of a PEC.

FINDINGS

Potential Environmental Concerns (PECs) are defined by the current ASTM Standard Practice E1528 as the possible presence of any chemicals of concern on a subject property under conditions that indicate the possibility of an existing release, a past release, or a threat of a future release of any chemicals of concern into structures on the subject property or into the ground, groundwater, or surface water of the subject property.

- AEI did not identify evidence of PECs during the course of this assessment.

Other Environmental Considerations (OEC) include, but are not limited to, business environmental risks such as the presence of ACMs and LBP, which can have a material environmental or environmentally-driven impact on the business associated with the current or planned use of a parcel of commercial real estate, not necessarily limited to those environmental issues required to be investigated in the ASTM Standard. These may also affect the liabilities and financial obligations of the client, the health and safety of site occupants, and the value and marketability of the subject property.

- AEI observed interior areas of the subject property building in order to identify the potential presence of mold. AEI did not note obvious visual or olfactory indications of the presence of suspect mold. However, several water stained ceiling tiles were observed throughout the building.
- Due to the age of the subject property building, there is a potential that ACMs are present. The observed suspect ACMs at the subject property were in good condition at the time of the site reconnaissance and are not expected to pose a health and safety concern to the occupants of the subject property at this time. In the event that building renovation or demolition activities are planned, a thorough asbestos survey to identify asbestos-containing building materials is required in accordance with the EPA NESHAP 40 CFR Part 61 prior to demolition or renovation activities that may disturb suspect ACMs.

- Due to the age of the subject property building, there is a potential that LBP is present. All observed painted surfaces were in good condition and are not expected to pose a health and safety concern to the occupants of the subject property at this time. Local regulations may apply to LBP in association with building demolition/renovations and worker/occupant protection. Actual material samples would need to be collected or an x-ray fluorescence (XRF) survey performed in order to determine if LBP is present. It should be noted that construction activities that disturb materials or paints containing any amount of lead may be subject to certain requirements of the OSHA lead standard contained in 29 CFR 1910.1025 and 1926.62.

CONCLUSIONS, OPINIONS, AND RECOMMENDATIONS

AEI did not identify evidence of PECs in connection with the subject property during the course of this assessment. AEI recommends no further investigation for the subject property at this time.

1.0 INTRODUCTION

This report documents the methods and findings of the ETS performed in conformance with AEI's MSA with Umpqua Bank (dated December 17, 2024) and Task Order (dated March 6, 2025), and the scope and limitations of ASTM Standard Practice E1528-22 and Umpqua Bank's Environmental Services Guidance (dated January 2, 2019) for the property located at 615 Commercial Street North East, Salem, Marion County, Oregon (Appendix A: Figure and Appendix B: Property Photographs).

1.1 SCOPE OF WORK

The purpose of this ETS is to identify potential environmental liabilities at the subject property arising from past or present practices in the handling, storage or disposal of hazardous materials or petroleum products on-site or at neighboring sites. This is an abbreviated assessment based on the following activities:

- Site inspection, interviews and completion of ETS Questionnaire;
- Database search of local, state, and federal databases to identify known or suspected hazardous sites within a one-mile radius of the subject property; and
- Limited historical source review.

1.2 ADDITIONAL SERVICES

Other Environmental Considerations such as ACMs, LBP, lead in drinking water, radon, mold, and wetlands can result in business environmental risks for property owners which may disrupt current or planned operations or cash flow and are generally beyond the scope of an ETS as defined by the current ASTM E1528. Based upon the agreed-on scope of services this ETS did not include subsurface or other invasive assessments, business environmental risks, or other services not specifically identified and discussed herein.

1.3 SIGNIFICANT ASSUMPTIONS

The following assumptions are made by AEI in this report. AEI relied on information derived from secondary sources including governmental agencies, the client, designated representatives of the client, property contact, property owner, property owner representatives, computer databases, and personal interviews. AEI has reviewed and evaluated the thoroughness and reliability of the information derived from secondary sources including government agencies, the client, designated representatives of the client, property contact, property owner, property owner representatives, computer databases, or personal interviews. It appears that all information obtained from outside sources and reviewed for this assessment is thorough and reliable. However, AEI cannot guarantee the thoroughness or reliability of this information.

Groundwater flow, unless otherwise specified by on-site well data or well data from the subject property or nearby sites, is inferred from contour information depicted on the USGS topographic maps. AEI assumes the property has been correctly and accurately identified by the client, designated representative of the client, property contact, property owner, and property owner's representatives.

1.4 LIMITATIONS

AEI has performed this ETS in accordance with generally accepted environmental property assessment practices. Unless otherwise stated, no environmental hazards were found which would warrant a Phase I ESA. However, AEI must state that this screen may not identify all environmental impacts or potential impacts which may be identified in a full Phase I ESA.

Property conditions, as well as local, state, tribal and federal regulations can change significantly over time. Therefore, the recommendations and conclusions presented as a result of this assessment apply strictly to the environmental regulations and property conditions existing at the time the assessment was performed. Available information has been analyzed using currently accepted assessment techniques and it is believed that the inferences made are reasonably representative of the property. AEI makes no warranty, expressed or implied, except that the services have been performed in accordance with generally accepted environmental property assessment practices applicable at the time and location of the assessment.

AEI's limited radon screening, if included, is intended to provide a preliminary screening to evaluate the potential presence of elevated radon concentrations at the site. The proposed scope is not intended to define the full extent of the presence of radon at the subject property. As such, the results should be used for lending purposes only. The recommendations and conclusions presented as a result of the limited preliminary radon screening apply strictly to the property conditions existing at the time the sampling was performed. The sample analytical results are only valid for the time, place, and condition of the site at the time of collection and AEI does not warrant that the results will be repeatable or are representative of past or future conditions.

1.5 LIMITING CONDITIONS/DEVIATIONS

The performance of this assessment was limited by the following:

- Due to the large volume of materials within portions of the building and vehicles parked within exterior areas, direct visual observation of many of the floor and wall areas of the building and exterior ground surfaces was not possible. Features may be present that were not observed during AEI's field reconnaissance. Based on the quality of information obtained from other sources, this limitation is not expected to alter the overall findings of this assessment.
- Per ASTM E1528-22, the Transaction Screen Questionnaire is divided into two parts, Part A (to be completed by the owners, occupants, and operators of the subject property) and Part B (to be completed by the preparer). AEI completed Part B as the preparer; however, as of the issuance of this report, the owners, occupants, and operators of the subject property have not completed Part A. AEI utilized good faith efforts to assist the owners, occupants, and operators of the subject property in completing Part A. Per ASTM E1528-22 Section 5.6.1, while the person conducting the transaction screen has an obligation to ask the questions in the Transaction Screen Questionnaire, others may have no obligation to answer them. Based on the information reviewed by AEI, the lack of completion of Part A is not expected to significantly alter AEI's findings presented in Part B.

1.6 RELIANCE

All reports, both verbal and written, are for the benefit of Umpqua Bank. This report is for the purpose of evaluating the subject Property in connection with securing mortgage financing and has no other purpose. This report may not be relied upon by any other person or entity without the written consent of AEI either verbally or in writing. In the absence of a written agreement with AEI granting such rights, no third parties shall have rights of recourse or recovery whatsoever under any course of action against AEI, its officers, employees, vendors, successors or assigns.

Reliance is provided in accordance with Umpqua Bank and AEI's Master Services Agreement, and the Engagement Letter dated March 6, 2025. The limitation of liability defined in the contracted terms is the aggregate limit of AEI's liability to the client and all relying parties.

2.0 SITE AND VICINITY DESCRIPTION

2.1 SITE LOCATION AND DESCRIPTION

Property Information	
Site Address(es)	615 Commercial Street North East, Salem, Marion County, Oregon 97301
Property ID (APN or Block/Lot)	589375;602265
Location	North side of the intersection of Commercial Street NE and Union Street NE
Property Type	Office
Site and Building Information	
Approximate Site Acreage/Source	0.75/Assessor
Number of Buildings	One (1)
Building Construction Date(s)/Source	Circa 1954/Historical Aerial Research
Building Square Footage (SF)/Source	15,939/Client provided
Number of Floors/Stories	Two (2)
Basement or Subgrade Area(s)	None identified
Number of Units	Single tenant
Additional Improvements	Asphalt-paved parking areas and associated landscaping
On-site Occupant(s)	The Arches Project
Current On-site Operations/Use	Day center offices providing homeless services and associated administrative activities
Current Use of Hazardous Substances	None identified
Regulatory Information	
Regulatory Database Listings	None identified

2.2 ON-SITE UTILITIES

Utility	Source/System Information
Heating System	Electricity
Cooling System	Electricity
Potable Water	City of Salem
Sewage Disposal/Treatment	City of Salem

Utility source/system information listed in the table above is provided by Dolores Segura, Operations Manager, unless otherwise noted above.

2.3 SITE AND VICINITY CHARACTERISTICS

The subject property is located in a commercial area of Salem, Oregon. The immediately surrounding properties consist of the following:

Direction	Tenant/Use (Address)	Regulatory Database Listing(s)
Northwest	Coldwell Banker (235 Union Street NE)	Yes; refer to Section 4.0
	State Highway 99E followed by:	
	Teacher Standards (250 Division Street NE)	
Northeast	Commercial Street NE followed by:	Yes; refer to Section 4.0
	Salem Paint Co (686 Commercial Street NE)	
Southeast	Commercial Street NE followed by:	Yes; refer to Section 4.0

Direction	Tenant/Use (Address)	Regulatory Database Listing(s)
	Salem First Baptist Church (510, 630, 640, 660, & 686 Commercial Street NE) Apartments (610 Commercial Street NE)	
Southwest	Union Street NE followed by: Marion Square Skateboard Park (551 Commercial Street NE)	None identified

2.4 PHYSICAL SETTING

Groundwater Flow Direction	West-Northwest Source: Topographic map interpretation
Estimated Depth to Groundwater	50-75 feet bgs Source: Hydrology Review of Private Property at 7085 Bttle Creek Road, Salem Oregon
Surface waters on the subject property or adjoining sites	None
Additional notes	N/A

Note: Groundwater flow direction can be influenced locally and regionally by the presence of local wetland features, surface topography, recharge and discharge areas, horizontal and vertical inconsistencies in the types and location of subsurface soils, and proximity to water pumping wells. Depth and gradient of the water table can change seasonally in response to variation in precipitation and recharge, and over time, in response to urban development such as storm water controls, impervious surfaces, pumping wells, cleanup activities, dewatering, seawater intrusion barrier projects near the coast, and other factors.

3.0 HISTORICAL USE INFORMATION

By design, the scope of an ASTM Transaction Screen does not include extensive historical research of the subject property. For this assessment, AEI reviewed limited historical resources and conducted interviews with persons familiar with the subject property.

The focus of this research is to determine whether any past use of the property would suggest the presence of contamination associated with the property due to releases of hazardous substances or petroleum products. If reasonably ascertainable, one of three sources of historical data must be examined: fire insurance maps, local street directories, or historical aerial photographs. A chronological summary of historical data found is as follows:

Date Range	Subject Property Description and Use (Historical Addresses)	Source(s)
1890-1948	Dwellings (443, 455, 465, 607, 635, 655 Commercial Street; 10, 17, 18, 331 Union Street; 253 Union Street)	Aerial photographs, Sanborn maps, city directories
1950-1963	Dwelling (607 Commercial Street), Used Auto Storage (635 Commercial Street, 253 Union Street), and dwelling (655 Commercial Street) with current structure visible by 1954	Aerial photographs, Sanborn maps, city directories
1967-1978	Commercial building (307, 365, 675 Commercial Street and 253 Union Street) <ul style="list-style-type: none">Capitol Chevrolet Cadillac Used Car and Truck lot	Aerial photographs, Sanborn maps, city directories
Circa 1954-present day	Developed for office use (615 Commercial Street)	Aerial photographs

Based on a review of historical sources, the subject property was identified to consist of residences from as early as 1924 to 1951. From at least 1951 to 1978 the property was occupied by Capitol Chevrolet Cadillac Used Car and Truck lot (607, 635 Commercial Street). The current subject building was first noted in a 1954 aerial photograph. From 1980-present, the property lists several commercial office tenants (615 Commercial Street). ARCHES has occupied the property from 2018 to present.

The subject property was partially developed for used car/truck sales and storage operations from at least 1950 to 1978. No indication of auto repair operations were depicted on the Sanborn maps. Further, no indication of the presence of fuel or oil storage tanks was found during the review of historical sources. Based on the lack of features of concern identified, this historical use of the subject property is not considered evidence of a PEC.

If available, copies of historical sources are provided in the report appendices.

3.1 AERIAL PHOTOGRAPHS

AEI reviewed aerial photographs of the subject property and surrounding area. A search was made of the EDR collection of aerial photographs. Aerial photographs were reviewed for the following years (1936-2020, non-inclusive):

Year(s)	Subject Property Description	Adjoining Site Descriptions
1936	Appears to be dwellings	NORTHEAST: Appears to be dwellings SOUTHEAST: Roadway followed by what appears to be dwellings SOUTHWEST: Roadway followed by park NORTHWEST: Alleyway followed by residences
1948	Appears to be two dwellings with parking areas	NORTHEAST: No significant changes SOUTHEAST: Roadway followed by apartment buildings SOUTHWEST: No significant changes NORTHWEST: Appears to be dwellings and a commercial building
1954	Appears to be commercial building and portion of a dwelling building	NORTHEAST: No significant changes SOUTHEAST: No significant changes SOUTHWEST: No significant changes NORTHWEST: No significant changes
1963	No significant changes	NORTHEAST: Dwellings and parking lot SOUTHEAST: No significant changes SOUTHWEST: No significant changes NORTHWEST: No significant changes
1967, 1970, 1975	Commercial building	NORTHEAST: Commercial building and parking lots SOUTHEAST: No significant changes SOUTHWEST: No significant changes NORTHWEST: Commercial building and parking lot
1980	Appears to be current commercial building	NORTHEAST: Land appears to be undergoing redevelopment; no buildings or features SOUTHEAST: Roadway followed by apartment building and commercial buildings SOUTHWEST: No significant changes NORTHWEST: Appears to be an apartment building and what appears to be land undergoing redevelopment
1982	No significant changes	NORTHEAST: Appears to be current roadway followed by landscaped lots SOUTHEAST: Roadway followed by commercial building, parking lot, landscaped lot, and apartment building SOUTHWEST: No significant changes NORTHWEST: Current commercial building
1994, 2000	No significant changes	NORTHEAST: Roadway followed by parking lot SOUTHEAST: Roadway followed by commercial building, parking lot, and apartment building SOUTHWEST: No significant changes NORTHWEST: No significant changes

Year(s)	Subject Property Description	Adjoining Site Descriptions
2006, 2009, 2012, 2016, 2020	No significant changes	NORTHEAST: Roadway followed by current commercial building and parking lot SOUTHEAST: No significant changes SOUTHWEST: No significant changes NORTHWEST: No significant changes

Subject property:

- No potential environmental concerns identified

Adjoining site(s):

- No potential environmental concerns identified

3.2 SANBORN FIRE INSURANCE MAPS

Sanborn Fire Insurance maps were developed in the late 1800s and early 1900s for use as an assessment tool for fire insurance rates in urbanized areas. A search was made of the EDR collection of Sanborn Fire Insurance maps.

The following maps were reviewed (1890-1978, non-inclusive):

Year(s)	Subject Property Description (Listed Address)	Adjoining Site Descriptions
1890, 1895	Dwellings (443, 455, part of 465 Commercial Street; 10, 17, 18, 331 Union Street)	NORTHEAST: Dwellings SOUTHEAST: Commercial Street followed by dwellings SOUTHWEST: Union Street followed by Marion Square NORTHWEST: Alley followed by dwellings
1926	Dwellings (607, 635, 655 Commercial Street; 253 Union Street)	NORTHEAST: Dwellings SOUTHEAST: Commercial Street followed by single family dwellings and apartments SOUTHWEST: Union Street followed by Marion Square NORTHWEST: Alley followed by dwellings and bus garage building
1950	Dwelling (607 Commercial Street), Used Auto Storage (635 Commercial Street; 253 Union Street), and dwelling (655 Commercial Street)	NORTHEAST: Dwellings SOUTHEAST: Commercial Street followed by single family dwellings and apartments SOUTHWEST: Union Street followed by Marion Square NORTHWEST: Alley followed by dwellings
1978	Used car and auto sales with parking (307, 365, 675 Commercial Street and 253 Union Street)	NORTHEAST: Parking SOUTHEAST: Commercial Street followed by commercial buildings and apartment building SOUTHWEST: Union Street followed by Marion Square NORTHWEST: Alley followed by apartment building, restaurant, and parking lot

Subject property:

- Used car and auto sales - refer to Section 3.0

Adjoining site(s):

- No potential environmental concerns identified

3.3 CITY DIRECTORIES

A search of historical city directories was conducted for the subject property utilizing EDR. Directories were reviewed in approximate five-year increments from 1924-2024, non-inclusive.

The first listing for the subject property appeared in 1924. City directory listings for the subject property were residential in nature from 1924-1951. From 1951-1976 the property was occupied by Capitol Chevrolet Cadillac Used Car and Truck lot (607, 635 Commercial Street; 253 Union Street). From 1986-2020, the property lists several commercial office tenants (615 Commercial Street).

No potential tenants of concern were identified based on AEI's review of the historical city directories.

Refer to the appendices for a complete list of historical subject property tenants identified by EDR.

Subject property:

- Used car and auto sales - refer to Section 3.0

3.4 INTERVIEWS

The following interviews were performed during this assessment.

Relation to Property	Name	Date Interviewed	Method of Contact	Number of Years at Site	Completed ETS Questionnaire	Notes
Owner/Owner Representative	Dolores Segura, Operations Manager	March 18, 2025	Email/ In Person	4	No	Not completed, refer to Section 1.5
Preparer/ Consultant	Daniela Alvarado, AEI Consultants	N/A	N/A	N/A	Yes	Transaction Screen Questionnaire responses are based on our findings during this assessment.

3.5 TRANSACTION SCREEN QUESTIONNAIRE

Affirmative answers to the questionnaire are listed and discussed in the Executive Summary.

Pursuant to the current ASTM Standard E1528, the completed Transaction Screen Questionnaire(s) are included in [Appendix E](#).

4.0 REGULATORY DATABASE RECORDS REVIEW

AEI contracted EDR to conduct a search of publicly available information from federal, state, tribal, and local databases containing known and suspected sites of environmental contamination and sites of potential environmental significance. Data gathered during the current regulatory database search is compiled by EDR into one regulatory database report. Location information for listed sites is designated using geocoded information provided by federal, state, or local agencies and commonly used mapping databases with the exception of "Orphan" sites. Due to poor or inadequate address information, Orphan sites are identified but not geocoded/mapped by EDR, rather, information is provided based upon vicinity zip codes, city name, and state. A copy of the regulatory database report, which includes detailed descriptions of the databases noted below as well as the total number of sites identified, is included in [Appendix C](#) of this report.

In determining if a listed site is a potential environmental concern to the subject property, AEI generally applies the following criteria to classify the site as lower potential environmental concern: 1) the site only holds an operating permit (which does not imply a release), 2) the site's distance from, and/or topographic position relative to, the subject property, and/or 3) the site has recently been granted "No Further Action" by the appropriate regulatory agency.

4.1 RECORDS SUMMARY

Regulatory database listings associated with the subject property, adjoining site(s) and/or nearby sites of concern that were determined to warrant additional discussion are identified and further discussed below.

Facility Name	DAVIDSONS AUTO SERVICE
Address	636 FRONT ST NE
Distance & Direction	Adjoining to the northwest
Hydrologic Position	Down to Cross-gradient
Databases Listed	EDR HIST AUTO
Comments	The EDR HIST AUTO database lists "DAVIDSONS AUTO SERVICE INC," identified as general automotive repair, at the adjoining site to the northwest in 1966-1982. The EDR HIST AUTO database does not report a release, but rather identifies businesses, based on name, that may have been associated with automotive activities. Based on the lack of a documented release and the down to cross-gradient direction of groundwater flow, the listing is not expected to represent a PEC.

Facility Name	AAMCO TRANSMISSIONS OF SALEM AUTO REPR, FORMER HONDA OF SALEM,
Address	686 COMMERCIAL ST NE
Distance & Direction	Adjoining to the east/northeast
Hydrologic Position	Up-to Cross gradient
Databases Listed	EDR HIST AUTO (x2), UST, UST FINDER, LUST
Comments	The EDR HIST AUTO database lists "AAMCO TRANSMISSIONS OF SALEM AU/ PALCOR LTD," identified as an automotive repair and transmission repair shop at the adjoining site to the east in 1980-1995. This property was later occupied by a used auto sales company (circa 2007-2013) and then Honda of Salem from about 2014 to about 2015. It appears during Salem Paint Company's occupancy, the property underwent cleanup due to the former Honda of Salem being reported as a LUST and UST site. According to information reported in the regulatory database, one 1,000-gallon UST installed in 1978 was closed and

	<p>removed on May 16, 1998. A second 5,000-gallon gasoline UST installed in 1994 was removed on September 11, 2015. The site was labeled a "Risk-based Corrective Action" site for which cleanup began on February 11, 2017. Cleanup was reported to be completed on August 17, 2017 and the facility received No Further Action closure.</p> <p>Based on the No Further Action designation of this site, the listings are not expected to represent a PEC.</p>
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Facility Name	EOFF ELECTRIC COMPANY
Address	320 UNION ST NE
Distance & Direction	Adjoining to the southeast
Hydrologic Position	Up to cross-gradient
Databases Listed	UST FINDER RELEASE, UST FINDER, UST, LUST
Comments	<p>According to the regulatory database, this site underwent risk-based corrective action after being reported in the UST Finder, UST Finder Release, LUST, and UST databases. It is reported that cleanup began on December 4, 1989. A total of seven (7) tanks reportedly containing used oil were closed and removed on November 11, 1989. After sufficient corrective action and remediation, this site received No Further Action closure on May 28, 2015.</p> <p>Based on the No Further Action designation of this site, the listings are not expected to represent a PEC.</p>

Facility Name	FIRST BAPTIST CHURCH OF SALEM, CAPITOL CHEVROLET CADILLAC
Address	510 COMMERCIAL STREET NE
Distance & Direction	Adjoining to the southeast
Hydrologic Position	Up to Cross-gradient
Databases Listed	ESCI, EDR HIST AUTO
Comments	<p>The EDR HIST AUTO database lists "CAPITOL CHEVROLET CADILLAC," identified as an automobile repairing facility, at the adjoining site to the southeast in 1976. Based on Sanborn Maps, "Garage and Services" occupied this site from at least 1950-1978. The EDR HIST AUTO database does not report a release, but rather identifies businesses, based on name, that may have been associated with automotive activities.</p> <p>The Environmental Cleanup Site Information Database (ECSI) reports the following: "While working on renovation of the parking lot, suspect material was encountered. Three soil samples were collected (1 from the excavated area and 2 from stockpiled material). All samples were analyzed for hydrocarbons, waste oil, and VOCs. Based on laboratory results, it appears that the petroleum contamination was most likely from a small surface spill or applied to gravel for dust control prior to concrete paving of the site. A total of 300.09 tons of petroleum contaminated soil was transported and disposed of at Coffin Butte Landfill. No file record was found in DEQ's LUST or ESRI systems for this address. The site assessment section recommends no further action at this site".</p> <p>It's reported that the procedures began on May 26, 2004 and were completed on June 1, 2004. A decision was made by the Oregon Department of Environmental Quality to not list the site on the CRL Inventory. The property received No Further Action status.</p> <p>Based on the No Further Action designation of this site and apparent soil impacts only, the listings are not expected to represent a PEC.</p>

4.2 PER- AND POLYFLUOROALKYL SUBSTANCES (PFAS)

The current ASTM E1528 definition of chemicals of concern, includes hazardous substances or petroleum products or any specific compounds and their breakdown products that are identified under federal environmental laws, state cleanup programs, voluntary cleanup programs, or other state or federal corrective action laws or regulations as requiring a response action. On July 8, 2024, the Final EPA rule became effective that designates perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS) as CERCLA hazardous substances. Given that PFOA and PFOS are regulated under CERCLA and select per- and polyfluoroalkyl substances (PFAS) are regulated under various state cleanup programs, AEI reviewed PFAS-related database listings from EDR.

It should be noted that AEI's limited PFAS screening is based solely on review of the resources cited. Identification, or lack thereof, is not a warranty that PFAS contamination is present or absent at a site. Additionally, it should be noted that given the evolving nature of science and regulatory oversight of PFAS, additional sources of PFAS contamination may exist at the subject property, adjoining sites and/or other nearby sites not identified by the limited screening tools reviewed.

4.2.1 PFAS-RELATED REGULATORY DATABASE LISTINGS

As an initial screening tool for potential PFAS contamination, AEI reviewed PFAS-related database listings from EDR.

Location	PFAS Database Listing Identified	PFAS Database Listing Not Identified	Comments
Subject Property			N/A
Adjoining and/or Nearby Site(s)			N/A

4.2.2 POTENTIAL ON-SITE PFAS SOURCES/CONCERNS

Based on the limited sources reviewed and interviews conducted, AEI did not identify any obvious potential sources of PFAS contamination originating from on-site operations/sources.

5.0 SITE RECONNAISSANCE

Site Reconnaissance Date	March 19, 2025
AEI Site Assessor(s)	Daniela Alvarado
Property Escort(s)/ Relationship(s) to Property	Ms. Dolores Segura, Operations Manager
Units/Areas Observed	<p>Representative interior common areas such as:</p> <ul style="list-style-type: none"> • Lobby • Management/administrative offices • Corridors • Restrooms • Electrical/mechanical rooms • Elevator room • Conference rooms • Kitchen <p>Exterior areas: Parking and building exteriors</p>
Area(s) not accessed and reason(s)	N/A
Other Physical Constraints	<ul style="list-style-type: none"> • Large volume of parked vehicles • Larger volume of stored materials <p>Refer to Section 1.5 for discussion of limiting condition(s)</p>

Reconnaissance Findings Summary

Feature	Observed on Subject Property (see Section 5.1)	Observed on Adjoining Property (see Section 5.2)
Regulated Hazardous Substances/Wastes and/or Petroleum Products in Connection with Property Use		
Aboveground/Underground Hazardous Substance or Petroleum Product Storage Tanks (ASTs/USTs)		
Hazardous Substance and Petroleum Product Containers Not in Connection with Property Use		
Unidentified Substance Containers		
Electrical or Mechanical Equipment Likely to Contain Fluids	✓	✓
Interior Stains or Corrosion		
Strong, Pungent, or Noxious Odors		
Pools of Liquid		
Drains, Sumps, and Clarifiers	✓	✓
Pits, Ponds, and Lagoons		
Stained Soil or Pavement	✓	
Stressed Vegetation		
Solid Waste Disposal or Evidence of Fill Materials		
Waste Water Discharges		
Wells		
Septic Systems		
Biomedical Wastes	✓	

Feature	Observed on Subject Property (see Section 5.1)	Observed on Adjoining Property (see Section 5.2)
Other	✓	

5.1 SUBJECT PROPERTY RECONNAISSANCE FINDINGS

During the site reconnaissance, AEI observed the items listed in the above Reconnaissance Findings Summary table, which are further discussed below.

5.1.1 ELECTRICAL OR MECHANICAL EQUIPMENT LIKELY TO CONTAIN FLUIDS

Toxic PCBs were commonly used historically in electrical equipment such as transformers, fluorescent lamp ballasts, and capacitors. According to United States EPA regulation 40 CFR Part 761, there are three categories for classifying such equipment: <50 ppm of PCBs is considered "Non-PCB"; between 50 and 500 ppm is considered "PCB-Contaminated"; and >500 ppm is considered "PCB-Containing." Pursuant to 15 U.S.C. 2605(e)(2)(A), the manufacture, process, or distribution in commerce or use of any polychlorinated biphenyl in any manner other than in a totally enclosed manner was prohibited after January 1, 1977.

Transformers

Type	Quantity	Owner	Presumed Date of Installation	Spills or Stains Observed (Yes/No)	Non-PCB Label (Yes/No)
Pole-Mounted	Three (3)	City of Salem	Unknown	No	No

The management of potential PCB-containing transformers is the responsibility of the local utility or the transformer owner. Actual material samples need to be collected to determine if transformers are PCB-containing.

Transformers installed prior to 1977 may be PCB containing while transformers installed after 1977 are unlikely to be PCB containing. Federal Regulations (40 CFR 761 Subpart G) require any release of material containing >50 ppm PCB and occurring after May 4, 1987, be cleaned up by the transformer owner following the United States EPA's PCB spill cleanup policy.

AEI did not observe evidence of spills, staining, or leaks on or around the transformers. Based on the good condition of the equipment, the transformers are not expected to represent a significant environmental concern.

Elevators

The subject property building is equipped with a hydraulic elevator. The hydraulic fluid contained within elevator systems can potentially contain toxic PCBs. Based on the construction date of the building (pre-1978), the potential exists that hydraulic fluid within the equipment may have contained PCBs. The equipment for the elevator is located on the second floor in front of office 201. No evidence of stains or leaks was observed at the base of the equipment during the site reconnaissance. The elevator is reportedly maintained by KONE Elevators. Based on the good condition and regular maintenance of the elevator, it is not a PEC.

Air Compressors

One air compressor was located in fire riser room in the first floor of the subject property building. The air compressor contains small amounts of hydraulic oil. No spills, staining or leaks were observed on or around the compressor. Based on the good condition of the equipment, the compressor is not a PEC.

5.1.2 DRAINS, SUMPS, AND CLARIFIERS

Several storm drains were observed in the parking area of the subject property. AEI did not observe evidence of hazardous substances or petroleum products in the vicinity of the drains. Based on the use of the drains solely for storm water runoff, the presence of the drains is not expected to represent a PEC.

Kitchen drainage system grease trap:

The on-site kitchen drainage system is equipped with a grease trap. According to Ms. Segura, the grease trap is periodically cleaned and emptied off-site disposal. Based on the non-hazardous nature of material entering the grease trap, and the periodic cleanout, it is not a PEC.

5.1.3 STAINED SOIL AND PAVEMENT

Minor amounts of oily surface staining were observed in the parking area. The staining appears to be from leaking vehicles and is surficial in nature. Based on the small size and the surficial nature of the staining, it is not considered evidence of a PEC.

5.1.4 BIOMEDICAL WASTES

The Arches Project generates typical biohazardous waste such as syringes and gauze pads. According to the site representative, the biohazardous waste is accumulated in biohazardous waste and sharps containers and hazardous chemicals closets. This waste is then picked up periodically by a licensed transporter for proper disposal. Based on the small quantities of biohazardous waste and the off-site disposal, the storage and handling of this material is not considered a PEC.

5.1.5 OTHER

Cleaning supplies and detergents are stored in the kitchens and in the locked laundry room. All chemicals were packaged in consumer quantities. Based on the nature of these materials, the presence of cleaning supplies at the subject property is not considered evidence of a PEC.

Approximately 10-gallons of maintenance products, such as paints, cleaners, lubricants, etc. were observed in the designated areas. The containers were properly labeled and stored. No signs of spills or leaks were observed in conjunction with the containers. No significant staining or evidence of release of any of the materials was observed during the site reconnaissance. Based on the relatively small quantities observed and the lack of evidence of the mismanagement of these materials, the use of these materials on site is not considered evidence of a PEC.

5.2 ADJOINING PROPERTY RECONNAISSANCE FINDINGS

During the site reconnaissance, AEI observed the items listed in the above Reconnaissance Findings Summary table, which are further discussed below.

5.2.1 ELECTRICAL OR MECHANICAL EQUIPMENT LIKELY TO CONTAIN FLUIDS

Transformer(s)

Several pole-mounted and pad-mounted transformers were observed on the adjoining sites during the site reconnaissance. No spills, staining, or leaks were observed on or around the transformers. Based on the good condition of the equipment, the transformers are not a PEC.

5.2.2 DRAINS, SUMPS, AND CLARIFIERS

Several storm drains were observed in the parking areas of the adjoining properties and adjoining roadways. AEI did not observe evidence of hazardous substances or petroleum products in the vicinity of the drains. Based on the use of the drains solely for storm water runoff, the presence of the drains is not expected to represent a significant environmental concern.

5.2.3 STAINED SOIL OR PAVEMENT

Minor amounts of oily surface staining were observed in the parking area. The staining appears to be from leaking vehicles and is surficial in nature. Based on the small size and the surficial nature of the staining, it is not considered evidence of a PEC.

6.0 OTHER ENVIRONMENTAL CONSIDERATIONS

6.1 ASBESTOS-CONTAINING BUILDING MATERIALS

Asbestos is the name for a group of naturally occurring silicate minerals that can be separated into fibers. The fibers are strong, durable, and resistant to heat and fire. They are also long, thin and flexible, so they can even be woven into cloth. Because of these qualities, asbestos has been used in thousands of consumer, industrial, maritime, automotive, scientific and building products. During the 20th century, some 30 million tons of asbestos have been used in industrial sites, homes, schools, shipyards and commercial buildings in the United States. Commercial use of ACM began in the early 1900s and peaked in the period between 1940 and into the 1970s. Common ACMs include pipe-covering, insulating cement, insulating block, refractory and boiler insulation materials, transite board, fireproofing spray, joint compound, vinyl floor tile, ceiling tile, mastics, roofing products, and duct insulation for HVAC applications. Inhalation of asbestos fibers can result in deleterious health effects.

The potential for ACM was evaluated based the United States EPA Guidance Document: Managing Asbestos in Place - A Building Owner's Guide to Operations and Maintenance Programs for Asbestos-Containing Materials (the Green Book). In 1973 the NESHAPS banned the use of most spray-applied surfacing ACM, specifically asbestos containing spray-on fireproofing and insulation. Subsequent revisions to this regulation in 1975 and 1978 effectively eliminated the use of friable pre-molded pipe, boiler, turbine, and duct insulation; and the spray application of friable asbestos-containing materials for all uses in buildings. In 1989 the EPA issued regulations to ban some asbestos-containing products and phase out most others over a multi-year period. The "Ban and Phase-Down" rule was challenged in court and the regulation remanded to the agency. As a result, any asbestos-containing products then "in commerce" would not be banned. Those not in commerce would be banned. Those materials "banned" could not be sold. It did not affect such materials already installed, or in use. Most US firms voluntarily ceased production of asbestos containing building materials not covered by the aforementioned Federal bans by the mid-1980s. In 1994, the OSHA determined that employers and building owners are required to treat installed thermal system installation and sprayed on and troweled-on surfacing materials, as well as vinyl or asphalt flooring material, as ACM in buildings constructed no later than 1980 until tested by laboratory analysis to prove otherwise.

The information below is for general informational purposes only and does not constitute an asbestos survey. In addition, the information is not intended to comply with federal, state or local regulations in regards to ACM.

Due to the age of the subject property building, there is a potential that ACMs are present. A limited list of typical suspect ACMs is included in the following table:

Material Type	Location
Plaster (acoustical and smooth)	Walls and ceilings
Ceiling tile	Ceiling systems
Thermal systems insulations, packings, and gaskets	Heating systems, cooling systems, domestic and heating and cooling piping, ductwork, and other equipment
Floor tile and associate mastics, flooring felts, and papers (under hardwood/other)	Floors
Vinyl sheet flooring and adhesives	Floors
Cove base and associated mastics	Walls
Ceramic tile adhesives and grouts	Walls, floors, and ceilings
All adhesives	Mirrors, wall coverings, construction, etc.

Grout and caulking	Windows and doors
Gypsum board, tape, and joint compound	Wall and ceiling systems
Insulation materials	Walls, ceilings, and attic spaces
Roofing materials (felts, rolled, shingle, flashings, adhesives, tar, and insulations)	Roof and parapet wall systems
Brick and block, mortars	Walls

The observed suspect ACMs at the subject property were in good condition at the time of the site reconnaissance and are not expected to pose a health and safety concern to the occupants of the subject property at this time. In the event that building renovation or demolition activities are planned, a thorough asbestos survey to identify asbestos-containing building materials is required in accordance with the EPA NESHAP 40 CFR Part 61 prior to demolition or renovation activities that may disturb suspect ACMs.

6.2 LEAD-BASED PAINT

Lead-based paint (LBP) is defined as any paint, varnish, stain, or other applied coating that has ≥ 1 mg/cm² (5,000 µg/g or 5,000 ppm) or more of lead by federal guidelines; state and local definitions may differ from the federal definitions in amounts ranging from 0.5 mg/cm² to 2.0 mg/cm². Section 1017 of the Housing and Urban Development (HUD) Guidelines, Residential Lead-Based Paint Hazard Reduction Act of 1992, otherwise known as "Title X," defines a LBP hazard as "any condition that causes exposure to lead that would result in adverse human health effects" resulting from lead-contaminated dust, bare, lead-contaminated soil, and/or lead-contaminated paint that is deteriorated or present on accessible, friction, or impact surfaces. Therefore, under Title X, intact LBP on most walls and ceilings would not be considered a "hazard," although the paint should be maintained and its condition monitored to ensure that it does not deteriorate and become a hazard. Additionally, Section 1018 of this law directed HUD and EPA to require the disclosure of known information on LBP and LBP hazards before the sale or lease of most housing built before 1978. Most private housing, public housing, or federally owned or subsidized housing is affected by this rule.

Under OSHA, lead-containing paint (LCP) is defined as any paint with any detectable amount of lead present in it. Therefore, all LBP is considered LCP. Conversely, LCP may not meet the criteria to be considered LBP in accordance with HUD guidelines or some states' definition of LBP.

It is important to note that LCP may create a lead hazard when being removed. The condition of these materials must be monitored when they are being disturbed. In the event LCP is subject to abrading, sanding, torching, and/or cutting during demolition or renovation activities, there may be regulatory issues that must be addressed.

The information below is for general informational purposes only and does not constitute a lead hazard evaluation. In addition, the information is not intended to comply with federal, state, or local regulations in regards to LBP.

In buildings constructed after 1978, it is unlikely that LBP is present; however, some paints utilized after 1978 will be LCP under OSHA. Structures built prior to 1978 and especially prior to the 1960s should be expected to contain LBP.

Due to the age of the subject property building, there is a potential that LBP is present. All observed painted surfaces were in good condition and are not expected to pose a health and safety concern to the occupants of the subject property at this time. Local regulations may apply to LBP in association with building demolition/renovations and worker/occupant protection. Actual material samples would need to be collected or an XRF survey performed in order to determine if LBP is present. It should be noted that construction activities that disturb materials or paints containing any amount of lead may be subject to certain requirements of the OSHA lead standard contained in 29 CFR 1910.1025 and 1926.62.

6.3 RADON

Radon is a naturally-occurring, odorless, and invisible gas. Natural radon levels vary and are closely related to geologic formations. Radon may enter buildings through basement sumps or other openings.

The United States EPA has prepared a map to assist National, State, and local organizations to target their resources and to implement radon-resistant building codes. The map divides the country into three radon zones, with Zone 1 being those areas with the average predicted indoor radon concentration in residential dwellings exceeding the EPA Action Limit of 4.0 pCi/L. It is important to note that the EPA has found homes with elevated levels of radon in all three zones, and the EPA recommends site specific testing to determine radon levels at a specific location. However, the map does give a valuable indication of the propensity of radon gas accumulation in structures.

Radon sampling was not requested as part of this assessment. According to the US EPA, the radon zone level for the area is Zone 3, which has a predicted average indoor screening level less than 2.0 pCi/L, below the action level of 4.0 pCi/L set forth by the US EPA.

6.4 MOLD

Molds are simple microscopic organisms which can often be seen in the form of discoloration, frequently green, gray, white, brown, or black. When excessive moisture or water accumulates indoors, mold growth may occur, particularly if the moisture problem remains undiscovered or unaddressed. As such, interior areas of buildings characterized by poor ventilation and high humidity are the most common locations of mold growth. Building materials, including drywall, wallpaper, baseboards, wood framing, insulation, and carpeting, often play host to such growth. Mold spores primarily cause health problems through the inhalation of spores or the toxins they emit when they are present in large numbers. This can occur when there is active mold growth within places where people live or work.

Mold, if present, may or may not visually manifest itself. Neither the individual completing this inspection, nor AEI has any liability for the identification of mold-related concerns except as defined in applicable industry standards. In short, this Phase I ESA should not be construed as a mold survey or inspection.

This activity was not designed to discover all areas which may be affected by mold growth on the subject property. Rather, it is intended to give the client an indication if significant (based on observed areas) mold growth is present at the subject property. Potential areas of mold growth, such as in pipe chases, HVAC systems, and behind enclosed walls and ceilings, were not observed as part of this limited assessment.

AEI observed interior areas of the subject property building in order to identify the potential presence of mold. AEI did not note obvious visual or olfactory indications of the presence of suspect mold. However, several water stained ceiling tiles were observed throughout the building.

6.5 WETLANDS

The nearest surface water in the vicinity of the subject property is the Willametter River, located approximately 637 feet west of the subject property.

No setting ponds, lagoons, surface impoundments, wetlands or natural catch-basins were observed at the subject property during this assessment.

Additionally, review of the US Fish and Wildlife Service National Wetlands Inventory (NWI) map showed that the subject property is not located within a federally designated wetlands area.

6.6 BUSINESS COMPLIANCE

No apparent business compliance-related deficiencies were found during the course of this assessment.

7.0 SIGNATURE OF ENVIRONMENTAL PROFESSIONALS

AEI Consultants performed this ETS of the property located at 615 Commercial Street North East, Salem, Marion County, Oregon, in conformance with AEI's MSA with Umpqua Bank (dated December 17, 2024) and Task Order, and the scope and limitations of ASTM Standard Practice E1528-22 and Umpqua Bank's Environmental Services Guidance (dated January 2, 2019). Any exceptions to, or deletions from, this practice are described in Sections 1.4 and 1.5 of this report.

Prepared By:



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