

PLANNING AND DEVELOPMENT SERVICES STAFF REPORT

For Planning Commission Meeting of February 21, 2019

SUBJECT: 202 Miller Avenue Special Exception Use with Site Plan for Planning Commission Approval

File No. SEU18-013

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission, after hearing all interested persons and reviewing all relevant information, including an accompanying site plan, finds the petition substantially meet the standards in Chapter 55 (Unified Development Code), Section 5.29.5 (Special Exceptions) and Section 5.16.3G (Regulations Concerning Medical Use of Marijuana), and therefore approves the 202 Miller Avenue Special Exception Use for a medical marijuana Provisioning Center. This approval is based on the following findings:

1. The proposed use will be consistent with the D2 (Downtown Interface) District, which provides for commercial and retail activities as well as office and residential uses.
2. The proposed use will not adversely impact traffic, pedestrians, bicyclists, circulation, or road intersections based on the location. Both Miller Ave. and N. Ashley Street provides adequate access to the site, and the proposed use is consistent with other surrounding uses' traffic impact.
3. Through documentation submitted by the petitioner regarding waste disposal, inventory tracking, security, and other methods of operation of the facility, the provisioning center will be operated in a manner that will not have an adverse impact on the neighboring properties or area, and will not have a detrimental impact on natural features.

This Special Exception Use approval is based on the following conditions:

1. The petitioner obtaining and maintaining both a State of Michigan Medical Marijuana License and a City of Ann Arbor Medical Marijuana Permit, and providing documentation to Planning Services within three years of the City Planning Commission approval date of this petition.
2. The petitioner operating a medical marijuana business at this address within three years of the City Planning Commission approval date of this petition.
3. The petitioner will close the Miller Ave. curb cut, reduce the N. Ashley Curb cut and stripe parking spaces and install bumper blocks as shown

on sheet c1.0. The closed curb cuts and parking spaces must be installed by October 31, 2019.

4. The petitioner will maintain the operating hours of 10:00 am to 8:00 pm Monday thru Saturday and 11:00 am to 6:00 p.m Sunday.
5. Occupancy of the building shall be conditional on installation of a vapor mitigation system with indoor air sampling demonstrating no unacceptable exposure to occupants conducted by a qualified environmental consultant.
6. The petitioner shall remove impacted soil in accordance with the letter dated January 8, 2019 by the DEQ.
7. The driveway shall be evaluated for site distance due to the possible conversion to two-way traffic on Ashley Street.

And that the Ann Arbor Planning Commission approves the attached Site Plan which demonstrates compliance with the applicable Special Exception Use standards.

STAFF RECOMMENDATION:

Staff recommends that the special exception use be **approved with conditions** because the proposed special exception use is of such location, size and character as to be compatible with the zoning district in which the site is situated; and the location and size of the proposed use, its nature and intensity, the site layout and access, and effect of the proposed use on public services would not be hazardous or inconvenient to the neighborhood nor unduly conflict with the normal traffic of the neighborhood.

STAFF REPORT:

This petition was postponed at the August 8, 2018 City Planning Commission Meeting to allow the petitioner to address contamination issues on site.

As a reminder, the petitioner seeks special exception use approval to operate a medical marijuana provisioning center in an existing building zoned D2 (Downtown Interface). The 2,920-square foot site contains a vacant 1,153-square foot, one-story commercial building. The petitioner proposes closing the curb cut off Miller Ave. and reducing the 51-foot wide curb cut off N. Ashley to 30 feet to meet City Code. The original staff report is attached.

The petitioner agrees to excavate the soils under the paved area of the site and screen for contaminants. Known areas of contamination will be removed and properly disposed. Additional clean fill from offsite sources will replace the contaminated soils and the entire lot will be repaved at the conclusion of the project. At the completion of the field work, a report detailing the project will be available approximately four weeks after completion of the field work.

An additional citizen public meeting inviting residents within 1,000 feet of this site was held on November 20, 2018 (minutes attached).

DEPARTMENT COMMENTS:

DDA – All changes to the right of way in downtown must comply with the City of Ann Arbor Downtown Street Design Manual. The Design Manual was adopted into the City of Ann Arbor Standard Specifications in March 2016.

The sidewalk along Miller Avenue has been widened to 6 feet matching the adjacent sidewalk width. Two street trees fronting Miller Avenue have been proposed along with brick paver extensions.

The DDA has two capital projects planned for this area. Depending on the construction timeline for 202 Miller, it will be important to coordinate construction staging and impacts.

DEQ - 202 Miller LLC submitted a Baseline Environmental Assessment (BEA) for property located at 202 Miller Avenue in Ann Arbor, Washtenaw County, Michigan after the statutory deadline to submit the document to the department. As such, based on the review of information within the file, 202 Miller LLC is liable for previous releases associated with this property. Submitted along with the BEA was a request for inconsequential determination under Section 21323a(1)(b)(iii) of which if approved, would allow for the liability protection afforded by Section 21323a(1)(b). The inconsequential determination was reviewed by the division's BEA - Due Care Technical Assistance and Program Support (TAPS) team and the Jackson District Office. The BEA-Due Care TAPS team and the district recommended that the inconsequential determination for 202 Miller Ave be denied. However, a final decision from the department on this request has not been made.

Additionally, the DEQ has received a work plan to install a Vapor Mitigation System (VMS) at 202 Miller Avenue in Ann Arbor, Michigan. The DEQ has reviewed this work plan and has no objections. The work plan specifies performance objectives which are required to be achieved for the VMS to be protective of human health. 202 Miller LLC is required under Part 21304(c) to exercise due care and mitigate unacceptable exposure to the occupants of the property.

Planning – Feedback was received from neighbors and an attorney and presented at the 8/8/18 City Planning Commission Meeting.

Prepared by Chris Cheng, City Planner
Reviewed by Brett Lenart, Planning Manager

Attachments: [8/8/18 Staff Report](#)
[11/20/18 CPO Meeting Minutes](#)
[Soil Remediation Letter](#)

Revised Site Layout

City Attorney's Office
Systems Planning
File No. SEU18-013

PLANNING AND DEVELOPMENT SERVICES STAFF REPORT

For Planning Commission Meeting of August 8, 2018

SUBJECT: 202 Miller Avenue Special Exception Use with Site Plan for Planning Commission Approval

File No. SEU18-013

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission, after hearing all interested persons and reviewing all relevant information, including an accompanying site plan, finds the petition substantially meet the standards in Chapter 55 (Zoning Ordinance), Section 5:104 (Special Exceptions) and Section 5:50.1 (Regulations Concerning Medical Use of Marijuana), and therefore approves the 202 Miller Avenue Special Exception Use for a medical marijuana Provisioning Center. This approval is based on the following findings:

1. The proposed use will be consistent with the D2 (Downtown Interface) District, which provides for commercial and retail activities as well as office and residential uses.
2. The proposed use will not adversely impact traffic, pedestrians, bicyclists, circulation, or road intersections based on the location. Both Miller Ave. and N. Ashley Street provides adequate access to the site, and the proposed use is consistent with other surrounding uses' traffic impact.
3. Through documentation submitted by the petitioner regarding waste disposal, inventory tracking, security, and other methods of operation of the facility, the provisioning center will be operated in a manner that will not have an adverse impact on the neighboring properties or area, and will not have a detrimental impact on natural features.

This Special Exception Use approval is based on the following conditions:

1. The petitioner obtaining and maintaining both a State of Michigan Medical Marijuana License and a City of Ann Arbor Medical Marijuana Permit, and providing documentation to Planning Services within three years of the City Planning Commission approval date of this petition.

2. The petitioner operating a medical marijuana business at this address within three years of the City Planning Commission approval date of this petition.
3. Submit a License Agreement Application prior to applying for a Zoning Permit and to enter into a License Agreement prior to applying for a Certificate of Occupancy to address the encroachment of the existing building in the public right-of-way.
4. The petitioner will close the Miller Ave. curb cut, reduce the N. Ashley Curb cut and stripe parking spaces and install bumper blocks as shown on sheet c1.0. The closed curb cuts and parking spaces must be installed by October 31, 2018.
5. The petitioner will maintain the operating hours of 10:00 am to 8:00 pm Monday thru Saturday and 11:00 am to 6:00 p.m Sunday.
6. Occupancy of the building shall be conditional on the indoor air sampling demonstrating no unacceptable exposure to occupants conducted by a qualified environmental consultant.

And that the Ann Arbor Planning Commission approves the attached Site Plan which demonstrates compliance with the applicable Special Exception Use standards.

STAFF RECOMMENDATION:

Staff recommends that the special exception use be **approved with conditions** subject to Planning Commission consideration because the proposed special exception use is of such location, size and character as to be compatible with the zoning district in which the site is situated; and the location and size of the proposed use, its nature and intensity, the site layout and access, and effect of the proposed use on public services would not be hazardous or inconvenient to the neighborhood nor unduly conflict with the normal traffic of the neighborhood.

LOCATION:

This site is located at the northwest corner of Miller Avenue and North Ashley Street. Downtown Development Authority area, Downtown planning area, Ward 1.

DESCRIPTION OF PETITION:

The petitioner seeks special exception use approval to operate a medical marijuana provisioning center in an existing building zoned D2 (Downtown Interface). Per the

Zoning Ordinance, Chapter 55, the D2 district allows medical marijuana provisioning centers with special exception use approval.

The 2,920-square foot site contains a vacant 1,153-square foot, one-story commercial building. The petitioner proposes closing the curb cut off Miller Ave. and reducing the 51-foot wide curb cut off N. Ashley to 30 feet to meet City Code. Two parking spaces are proposed at the southeast corner of the site with 6 bicycle parking locate in the southwest corner.

SURROUNDING LAND USES AND ZONING:

	LAND USE	ZONING
NORTH	Downtown residential	D2 (Downtown Interface)
EAST	Downtown commercial	D2
SOUTH	Downtown residential	D2
WEST	Downtown residential	D2

HISTORY AND PLANNING BACKGROUND:

The existing building was built in 1925 and used as a gasoline service station for approximately 40 years. This was before modern site plans were required for development on platted lots. It is within the Downtown Development Authority area which was created in 1982. The survey provided as part of this petition revealed the existing building encroaches into the West Jefferson Street right-of-way by several inches.

The recommendations in the [2009 Downtown Plan](#) for the site and surrounding blocks to be zoned D2 base district and Kerrytown character overlay district were achieved by the Ann Arbor Discovering Downtown (A2D2) rezoning approved in 2009.

Also of note, the frontage designation of the site per the Zoning Ordinance is front yard street. The [Downtown Street Design Manual](#), an approved policy, assigns the functional emphasis of both Miller Ave. and N. Ashley Street as “bicycle” and the frontage context of both streets as “mixed.”

SPECIAL EXCEPTION USE STANDARDS:

The Planning Commission, in arriving at its decision relative to any application for a special exception, shall apply the standards shown on the attached [petition](#).

In addition, the following information is required to be submitted for provisioning centers per 5:50.1(8) Special exception use regulations for medical marijuana facilities:

- 1) an [operations statement](#) that describes the life cycle of marijuana on site, and general business operations;

- 2) a [safety and security](#) plan that addresses marijuana, customers, employees, and the neighborhood;
- 3) a description of methods to be used to [contain all odors](#) within the building;
- 4) a [waste disposal plan](#) for marijuana; and
- 5) [hours of operation.](#)

This required information is linked to this report.

PLANNING STAFF COMMENTS:

The special exception use requirements as they are applied to this petition are broken down into general categories below.

Master Plan: (The [City Master Plan](#) includes 8 elements, adopted individually between 2009 and 2017, and together by resolution in 2015.) Together, the City Master Plan elements seek to guide the City towards sustainability, conservation, and increasing livability, affordability, transportation choices, and dense, mixed uses on vibrant, active, friendly streets. Recommendations specific to the site include the future land use recommendations in the [Downtown Plan](#) for downtown interface zoning designation and active streetlevel uses, which have been satisfied.

Compatibility with the general vicinity: The use is similar to other downtown retail establishments in its hours of operation, customer volumes, and general activities.

The existing development is well within the normal FAR limit, off-street parking requirements are satisfied by the on-site spaces in addition to the assumption of parking for private developments downtown by the on-street parking spaces and parking structures open to the public for the benefit of all downtown developments.

Consistent with the neighborhood and not detrimental: The intensity and character of the provisioning center are compatible with downtown activities. This petition is seeking approval to open a new business and so there is no history of complaints or compliments received. (Note that complaints have been received about the increasing number of provisioning centers in general.)

Parking: The site is in a parking-exempt area for developments at or below the normal FAR maximum. In those cases, off-street parking requirements are assumed by the on-street spaces and parking structures open to the public for the benefit of all downtown developments. Three bicycle hoops, providing 6 spaces, is provided on the site at the southwest corner of the building.

Pedestrian Safety: Public sidewalks, in good condition, are present along Miller Ave. and N. Ashley Street as well as throughout downtown. The site has an undefined parking lot where each car pulls in, and backs out, over the public sidewalk. Statistically this is less safe for pedestrians than parking lots accessed by a traditional driveway.

Vehicle movement and traffic: The vehicle trips generated by a provisioning center are consistent with general retail uses found in D2 district. This provisioning center will have a neutral affect on vehicular movements and traffic patterns downtown.

Natural Features: There are on natural features on this site.

Additional required Medical Marijuana SEU information:

Operations Plan: The referenced [operation plan](#) describes patient workflow, employee workflow, storage and deliveries, packaging and product tracking, cash handling, staffing hiring and training, and opening and closing.

Safety & Security: It should be noted that the state licensing process requires an extremely detailed and comprehensive security system. Staff does not ask for the particulars of provisioning centers' security plan since our documents are all public, unlike the state license permit application which is not. The applicant has provided an abbreviated [security plan](#) that describes an alarm and surveillance system, facility security, and policies and training to prevent or mitigate any breaches.

Odor Control: Lack of odor control is the most frequent complaint heard by staff about provisioning centers. The applicant has [stated](#) that the entire building is equipped with constant, continuously running charcoal/carbon fans to control and eliminate all odors from leaving the building.

Waste Disposal: The applicant has [stated](#) that typical waste will be recycled or disposed into standard carts provided by the City, stored in a screened enclosure at the rear of the site. Any marijuana waste will be made into an unusable form, tracked, and disposed of securely.

Hours of Operations: Normal [hours](#) of operation will be 10:00am to 8:00pm, Monday through Saturday and 11:00 am to 6:00 pm Sunday.

DEPARTMENT COMMENTS:

Environmental Coordinator – 202 Miller, LLC is proposing to perform response actions to prevent or mitigate unacceptable exposure. These actions include removal of the known contamination above residential criteria, monitoring for indoor air issues, notifying appropriate persons and maintaining all exposure barriers.

The City has been provided with environmental data showing that the petitioner has demonstrated no contamination under the building and is proposing response actions to remove the potential for unacceptable exposure. Because the petitioner is proposing to perform indoor air sampling, Occupancy will be conditional on the indoor air sampling demonstrating no unacceptable exposure to occupants.

Planning – The petitioner proposes to close a curb cut off Miller Ave. and reduce the existing curb cut off N. Division to prevent vehicles from backing in the streets. The proposed layout allows for vehicles to back up in the existing lot and exit the site safely.

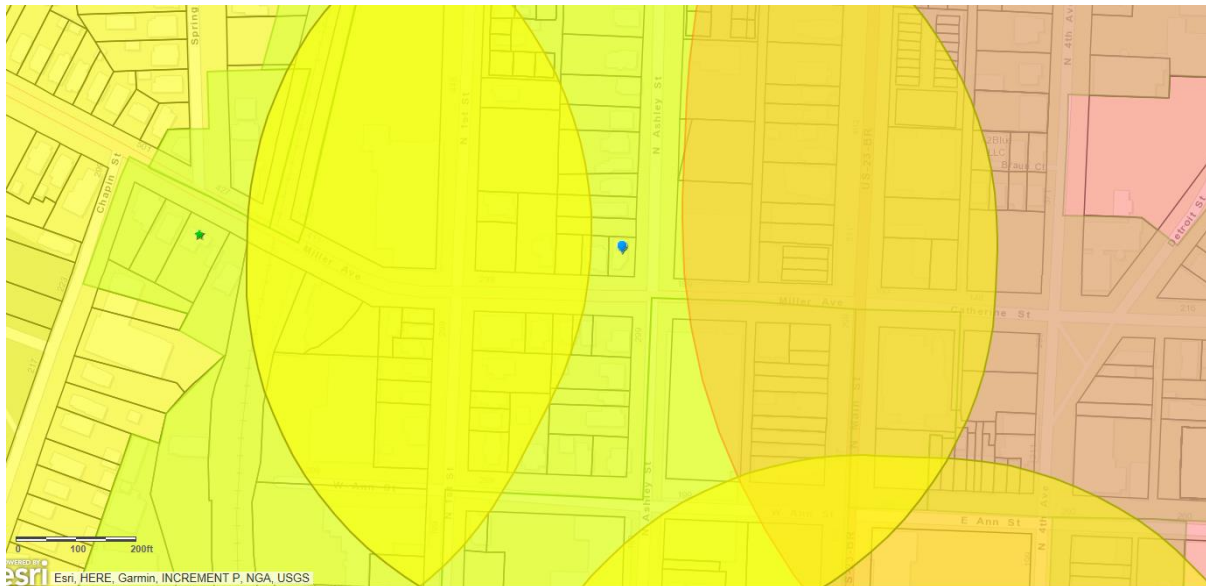
This project has gone through a Phase 1 and Phase 2 Environmental Assessment. The entire site was tested including within the building. The petitioner is requesting an "Inconsequential Determination" from the MDEQ (attached).




The petitioner responded to neighborhood concerns and a summary of their responses is linked.

STREET VIEW IMAGE: (© 2018 Google, image capture August 2016)



MEDICAL MARIJUANA APPLICATIONS MAP:



-  600 foot buffer from provisioning center
-  1,000 foot buffer from public school
-  Allows provisioning centers

202 Miller Ave. Special Exception Use and Site Plan
August 8, 2018
Page 7

Prepared by Chris Cheng, City Planner
Reviewed by Brett Lenart, Planning Manager

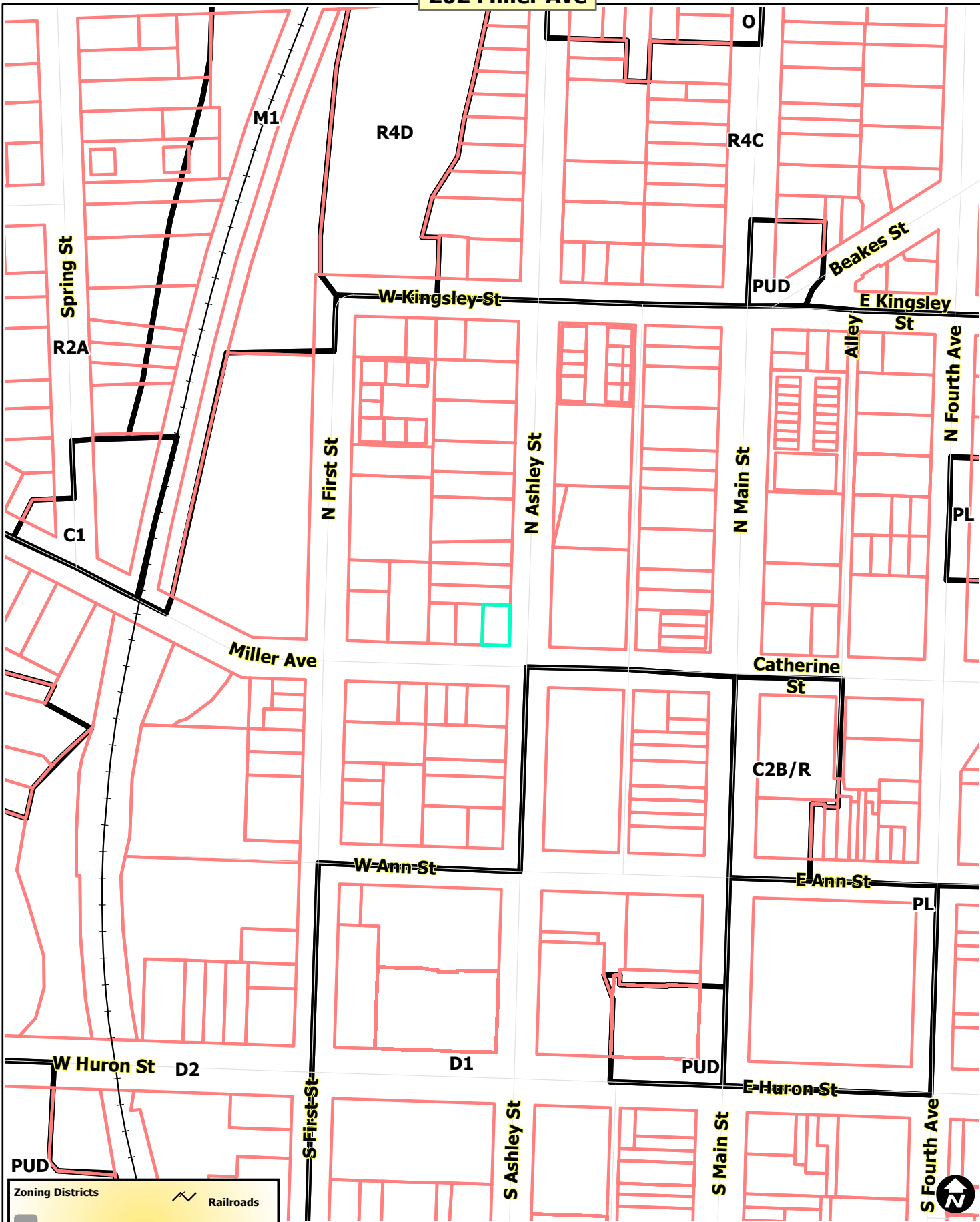
Attachments: [Zoning/Parcel Maps](#)
[Aerial Photo](#)
[SEU Petition Application](#)
[Security Plan, Operations Statement, Waste Disposal Plan](#)
[Site Plan](#)
[Neighborhood Comments](#)
[MDEQ Letter](#)

c: Petitioner – Damian Farrell Design Group

Property Owner – Scientific Method Holdings, Inc.
Drew Hutton, Owner
339 East Liberty Street, Suite 220
Ann Arbor, MI 48104

City Attorney's Office
Systems Planning
File No. SEU18-013

202 Miller Ave






	Zoning Districts		Railroads
	Township Islands		Huron River
	City Zoning Districts		Tax Parcels



Map date 2/6/2018
 Any aerial imagery is circa 2015
 unless otherwise noted
 Terms of use: www.a2gov.org/terms

202 Miller Ave






-  Railroads
-  Huron River
-  Tax Parcels



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202 Miller Ave



-  Railroads
-  Huron River
-  Tax Parcels



Map date 2/6/2018
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Return Address
Scientific Method Holdings Inc
202 Miller Avenue
Ann Arbor MI 48104

METROPLEX MI 48104
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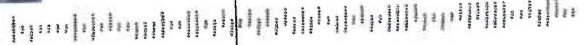
Proposed Special Exception Use

In accordance with the City of Ann Arbor's Citizen Participation Ordinance, you are being notified that a proposal for a Medical Marijuana provisioning center has been submitted to the City of Ann Arbor's Planning Department. A citizen participation meeting is designed for you to learn about this project. The details are described on the opposite side of this card. Visit www.a2gov.org/participation for more information about citizen participation in Ann Arbor.

Mia Gale
301 E Huron St
Ann Arbor MI, 48104



48104-150801



NOTICE OF CITIZEN PARTICIPATION MEETING: 202 Miller Avenue

Citizen Participation Meeting

Postcards are being sent to all property owners within 1,000 ft of the project site to give notice that a development petition was submitted to the City of Ann Arbor on 02/12/18. A citizen participation meeting will be held to give you an opportunity to review plans, ask questions, and provide comments that will be considered by the developer to finalize plans and then incorporated into a report for the City Planning Commission.

Project Location



Project Description

This project proposes a special exception use at 202 Miller Avenue to allow the operation of a medical marijuana provisioning center.

Meeting Logistics

Date: 11. 20. 2018
Time: 5:30 pm. - 7:30 pm

Place: The Blue Nile
221 E Washington St. Ann Arbor. MI 48104

Questions or Comments

Questions or comments may be directed to Kyle Gonzalez, Project Manager, at kgonzalez@dfdgonline.com or during business hours at 734.998.1331.

Persons with disabilities are encouraged to participate. Accommodations may be arranged by contacting Kyle Gonzalez at 734.998.1331. Requests need to be received at least 24 hours in advance of the meeting.

Damian Farrell Design Group

359 Metty Drive, #4A / Ann Arbor / Michigan
734.998.1331 / DFDGonline.com



202 Miller SEU Revision 2

202 Miller Avenue
Ann Arbor, MI 48104

SEU Revision 1 -	7.13.18
For SEU Application -	2.12.18
Pre-submittal Meeting -	2.5.18

Attachment F – Type 1 Citizens Participation Report

The following is a summary of the Type 1 citizens participation meeting that was held on November 20, 2018 for neighbors within the 1000ft area surrounding the proposed medical marijuana provisioning center at 202 Miller Avenue.

Petitioner Attendees:

Mark Hutton

Damian Farrell, Principal of Damian Farrell Design Group (DFDG)

Kyle Gonzalez, Project Manager, DFDG

Bill Stapleton, Attorney, Hooper Hatheway

Keith Gadway, Quantum Environmental

11.20.2018

One neighbor, Frances Wright, attended the meeting.

Comment: Frances Wright

Frances stated that her concern is about that pollution on the site since it was a gas station.

Response:

Keith Gadway from Quantum Environmental explained where the contamination was found and stated that we will take the recommendation from the MDEQ on how to remediate the site. The strategy is to excavate the contaminated soil and install a vapor mitigation system.

Second Comment:

Frances then asked if the gasoline tanks have been removed.

Response: Keith responded that yes, at some point the gasoline tanks were removed.

Third Comment:

Frances said that the pollution was her main concern and it sounds like we have that taken care of. She then asked how the building was going to be designed and where the main entrance was.

Third Response:

Damian Farrell, explained that we are following the regulations given by the city. Kyle Gonzalez, then showed Frances the plan and showed where the main entrance is.

Fourth Comment:

Frances then asked how the provisioning center works. She wanted to know how much marihuana a patient is prescribed at one time because she was wondering how often a patient would need to come back to the provisioning center.

Fourth Response:

Kyle explained that there is a limitation, but he is not sure what that is.

Fifth Comment:

Frances asked when construction will start.

Fifth Response:

Kyle explained that we are waiting to hear back from the MDEQ for us to be able to get on the agenda for the planning commission. After the meeting, we will be able to submit for building permit. Kyle offered to email Frances when we get on the agenda.

Sixth Comment:

Frances asked if we were keeping both entrances or if patients will be entering and exiting the site from the same driveway.

Sixth Response:

Kyle explained that we are closing the entrance on Miller Avenue and we are making the entrance on Ashley smaller. Kyle also said that he does not expect much vehicle traffic on the site due to only having two parking spaces.

Seventh Comment:

Frances asked why there are only two parking spaces on site.

Seventh Response:

Kyle stated that site is exempt from parking requirements because it is in D2 zoning and that there is public parking available around the site.

Eighth Comment:

Frances asked if there is going to be a name for the provisioning center

Eighth Response:

Kyle said there will be, but he is not sure what it is yet.

February 1, 2019

Mr. William J. Stapleton
Hooper, Hathaway, Price, Beuche & Wallace
126 South Main Street
Ann Arbor, Michigan 48104-1945

RE: Proposed Soil Remediation, 202 Miller, Ann Arbor, Michigan

Dear Mr. Stapleton:

On behalf of 202 Miller LLC, Quantum is pleased to present this proposal for soil remediation at the 202 Miller property in Ann Arbor, Michigan. The site consists of an approximately 1,100 square foot building on an approximately 0.1-acre site. The site was reportedly used as a gasoline station for several decades up until the 1970s.

Background

The results of our May 2018 Phase I ESA of the subject site revealed potential recognized environmental conditions (RECs) associated with the site. According to Sanborn Fire Insurance maps, a filling station with three gasoline tanks (USTs) was located on the site by 1931. The map also shows an oil drain located inside the north portion of the building. A city directory search indicates the property was residential in 1924 and then had a gasoline service station listed from 1929 through 1964. City of Ann Arbor records also reference USTs on the site.

Most of the use of the site as a filling/gasoline service station occurred prior to any meaningful regulations, (enacted in the 1970s) governing USTs or the storage, use and disposal of chemicals, fuels and hazardous materials, all of which were likely used at the site. To evaluate potential releases of hazardous materials or petroleum products, Quantum recommended a subsurface investigation of the property.

A two-step Phase II subsurface investigation was completed for the site in June 2018. The investigation included collecting soil samples from a total of 10 soil borings. The soil samples were analyzed for likely contaminants to determine if contamination exists on the site above applicable regulatory criteria.

During the Phase II subsurface investigation the following activities were conducted:

- Probed ten borings (SB-1 through SB-10);
- Collected 23 soil samples from between one foot and 11 feet below ground surface (bgs) from borings SB-1 (3', 7', 10' and 11'), SB-2 (4' and 8'), SB-3 (4', 7' and 8'), SB-4 (4' and 8'), SB-5 (4' and 8'), SB-6 (4' and 8'), SB-7 (4' and 8'), SB-8 (1' and 5'), SB-9 (1', 5' and 11') and SB-10 (1').
- Submitted 21 soil samples to a laboratory for volatile organic compound (VOC) analysis, six soil samples for polynuclear aromatics (PNAs) analysis, six soil samples for cadmium, chromium and lead analysis and two soil samples for polychlorinated biphenyl (PCB) analysis.

Quantum conducted a preliminary field investigation in March 2018 and completed the subsurface investigation in June 2018. United States Environmental Protection Agency (EPA) and Michigan Department of environmental Quality (DEQ) protocols with respect to sample collection, handling, and chemical analysis were observed throughout the investigation.

Soil borings were placed at various locations across the site. Borings were spaced to allow adequate coverage of the site and to target suspect areas, particularly the known UST location at the southeast end of the site and the oil drain at the northwest end of the site. Boring locations SB-1 through SB-7 were placed in the parking/driveway areas and boring locations SB-8 through SB-10 were placed on the interior of the building, including one in the basement (SB-10). No water was encountered in the soil boring investigation to a depth of 12 feet below grade.

All samples were submitted to Brighton Analytical, LLC in Brighton, Michigan for analysis. Twenty-one soil samples were submitted for VOC analysis. The VOC analysis provides an effective screening tool for a range of contaminants possibly associated with the site. Six soil samples were submitted for cadmium, chromium and lead analysis (metals associated with gasoline), six soil samples were submitted for PNA analysis and two soil samples were submitted for PCB analysis.

The analytical results indicate that various VOCs exceeded the DEQ Generic Residential Cleanup Criteria (GRCC) at SB-1 (7'), SB-2 (8'), SB-3 (8') and SB-4 (8'). Soil samples from SB-1 (7') and SB-2 (8') both contained 1,2,4-trimethylbenzene detected above criteria. The soil sample from SB-3 (8') contained ethylbenzene, 2-methylnaphthalene, naphthalene, n-butylbenzene, n-propylbenzene and xylenes detected above criteria. The soil sample from SB-4 (8') contained ethylbenzene, 2-methylnaphthalene, naphthalene, n-butylbenzene, n-propylbenzene, 1,2,4-trimethylbenzene, 1,3,5-trimethylbenzene and xylenes detected above criteria. Note that 2-butanone (MEK) was identified in several samples and appears to be a laboratory contaminant. Soil from boring locations SB-5 through SB-10 did not contain detectable contamination. The analytical results for PNAs, metals, and PCBs were all below relevant GRCC levels in soil from all locations. The results of the Phase II investigation were detailed in Quantum's June 15, 2018 report. Figure 1 provides a summary of soil boring locations and associated contamination levels.

Current Conditions

Based on the analytical results, VOCs were the only contaminants detected above the GRCC levels. The VOCs detected are likely associated with the gasoline USTs and pumps previously used at the site. Note that no evidence of these USTs was found during our investigations and they have likely been removed from the site.

The full extent of contamination was not established in this investigation. It appears that the vertical extent of contamination is deeper than eight feet, although possibly less than 11 feet deep since SB-1 (11') had only low levels of VOCs detected. Also, the presence of clay layers at greater depths has likely reduced vertical contaminant movement.

Contamination was not identified in soil borings located beneath the subject building. It appears that the horizontal extent of contamination has been approximately established to the north (no VOCs detected in SB-5, SB-6, SB-8 and SB-9) and to the west (no VOCs detected in SB-7, SB-8 and SB-10), while the extent to the south (towards Miller) and east (towards Ashley) is unknown.

Based on discussions with DEQ, 202 Miller LLC has agreed to remove and properly dispose of contaminated soil from the site. Soil removal and disposal will be conducted in accordance with the scope of work presented below. We estimate that field work will be completed within a 10-day period.

Soil Remediation Scope of Work

Quantum proposes to provide oversight, verification sampling for soil removal, and documentation of the project. We anticipate that verification sampling to determine if additional soil requires removal will take place over an extended period to allow for laboratory turnaround, during which the excavation will remain open and secured.

Quantum will conduct the following activities during the soil removal project:

- Assist 202 Miller LLC in identifying soil requiring stockpiling or removal.
- Arrange for waste soil transport and proper offsite disposal of petroleum contaminated soil.
- Collect and analyze samples in accordance with DEQ guidelines to determine limits of excavations. The number and type of samples will be dependent on the size and configuration of the excavation.
- Provide a report documenting soil removal, including identifying sampling locations and associated analytical results.

Soil borings from the Phase II investigation identified the presence of substantial clay and clayey silt layers beginning approximately six feet below grade. Very little contamination was noted in depths shallower than approximately four feet below grade. Clay layers become progressively less silty and more clayey with depth, based on our findings at SB-1, which terminated at approximately 12 feet below grade.

The presence of numerous gasoline constituents above the GRCC was noted in soil from four borings from the south-central portion of the site. Based on the Phase II findings, soil around SB-1 through SB-4 will require excavation from below a depth of approximately four feet to a depth of approximately nine feet. Figure 2 indicates the approximate extent of required excavation.

Initial excavation will include removal of the asphalt over the entire lot and stockpiling of soil not believed to contain petroleum contamination. Shallow soil will be screened after excavation and the presumptive clean soil will be stockpiled. Excavation for petroleum contaminated soil will commence to the south and will proceed to the north and west until known areas of gross contamination have been removed. Soil removal for the clean

overburden and for petroleum-contaminated soil will proceed based on visual and olfactory cues, as well as readings from a photoionizing instrument designed to identify hydrocarbon contamination. Soil samples will be collected and submitted to an analytical laboratory from the stockpiled fill, waste soil, and excavation perimeter and bottom in accordance with DEQ guidance.

Soil determined to be uncontaminated from the shallow excavation will be stockpiled on plastic sheeting in a lined, curbed, and covered area designed to prevent the release of any excavated materials. This stockpile will be regularly screened with survey instruments as described above to ensure that grossly contaminated soil is not retained for future backfill.

Waste soil presumed to contain petroleum products will be excavated as directed by an onsite geologist. Our objective is to remove all recoverable contaminated soil that exceeds GRCC on all sides and the bottom of the excavation. We recognize that complete removal of all contaminated soil above criteria may not be possible due to the presence of underground utilities, sidewalks and roads, and building foundations. We will note the location of unrecoverable contaminated soil left in the excavation.

Soil designated for off-site disposal will be held within lined, watertight, and covered roll-off boxes for transport. Full roll-off boxes will be periodically swapped for empty boxes as excavation proceeds. We estimate that up to 150 cubic yards of contaminated soil will require transport and offsite disposal.

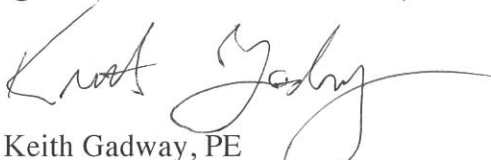
Waste petroleum-contaminated soil will be transported by a licensed hauler and properly disposed of in a licensed landfill. The excavation area will be backfilled with designated clean fill from the site (i.e., soil that has been screened, sampled, and analyzed to be free of levels of contamination in excess of GRCC criteria). Additional clean fill from offsite sources will augment the onsite fill and the parking lot elevations returned to original grade. The entire lot will be repaved at the conclusion of the project.

Following completion of the field work, Quantum will provide a report detailing the entire project, including analytical data on both removed and residual soil. We anticipate that the final report will be available approximately four weeks after completion of the field work.

Please let me know if you have questions or need additional information.

Sincerely,

QUANTUM ENVIRONMENTAL, INC.



Keith Gadway, PE
Director, Engineering Services Group

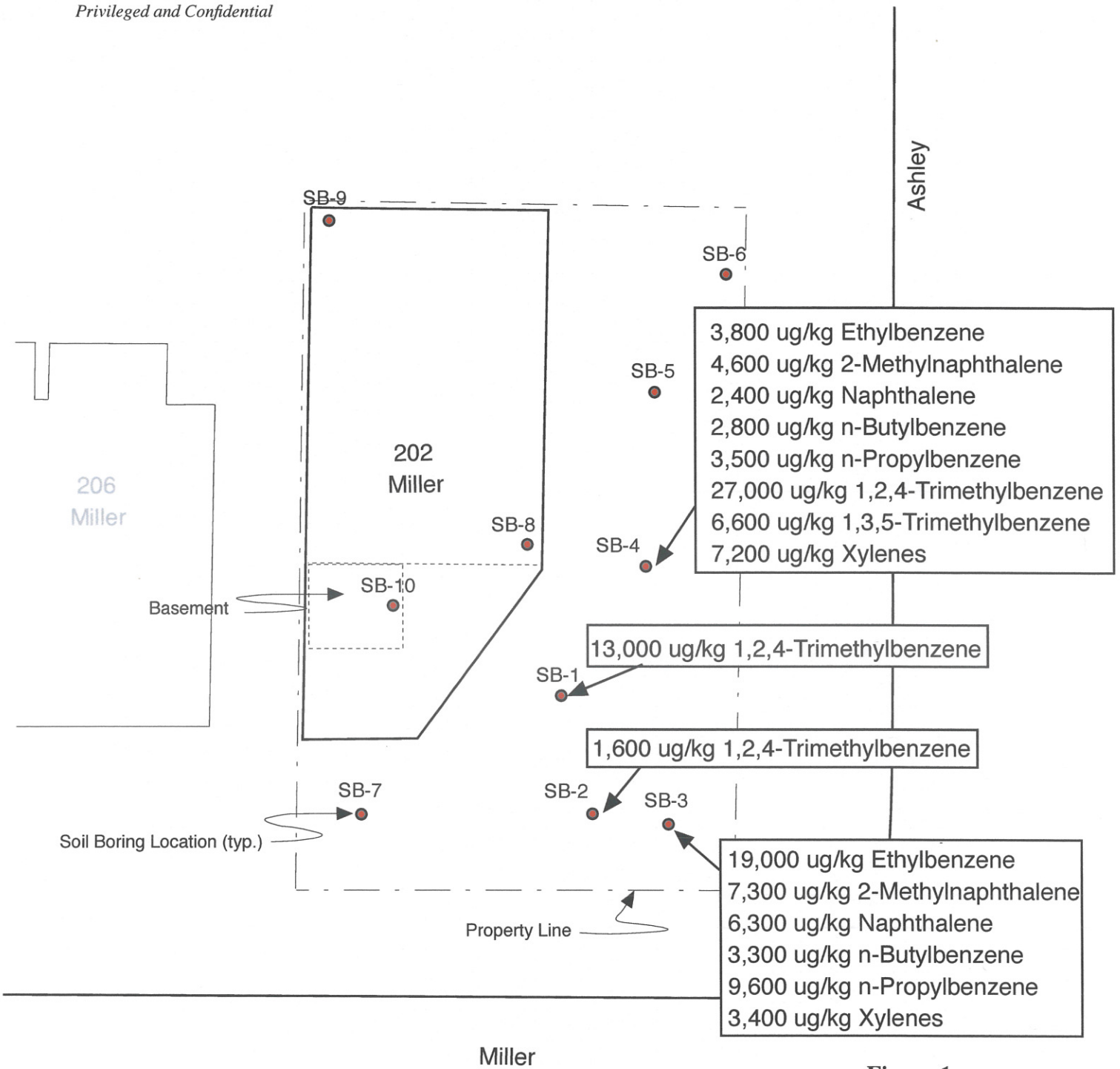
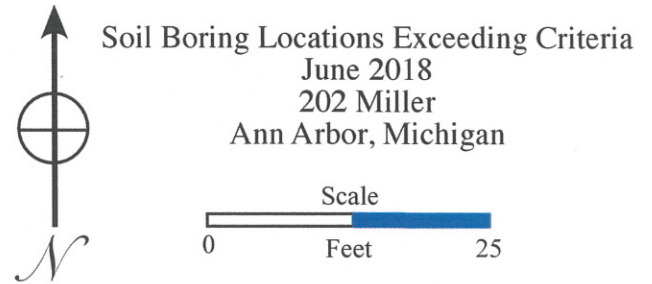


Figure 1



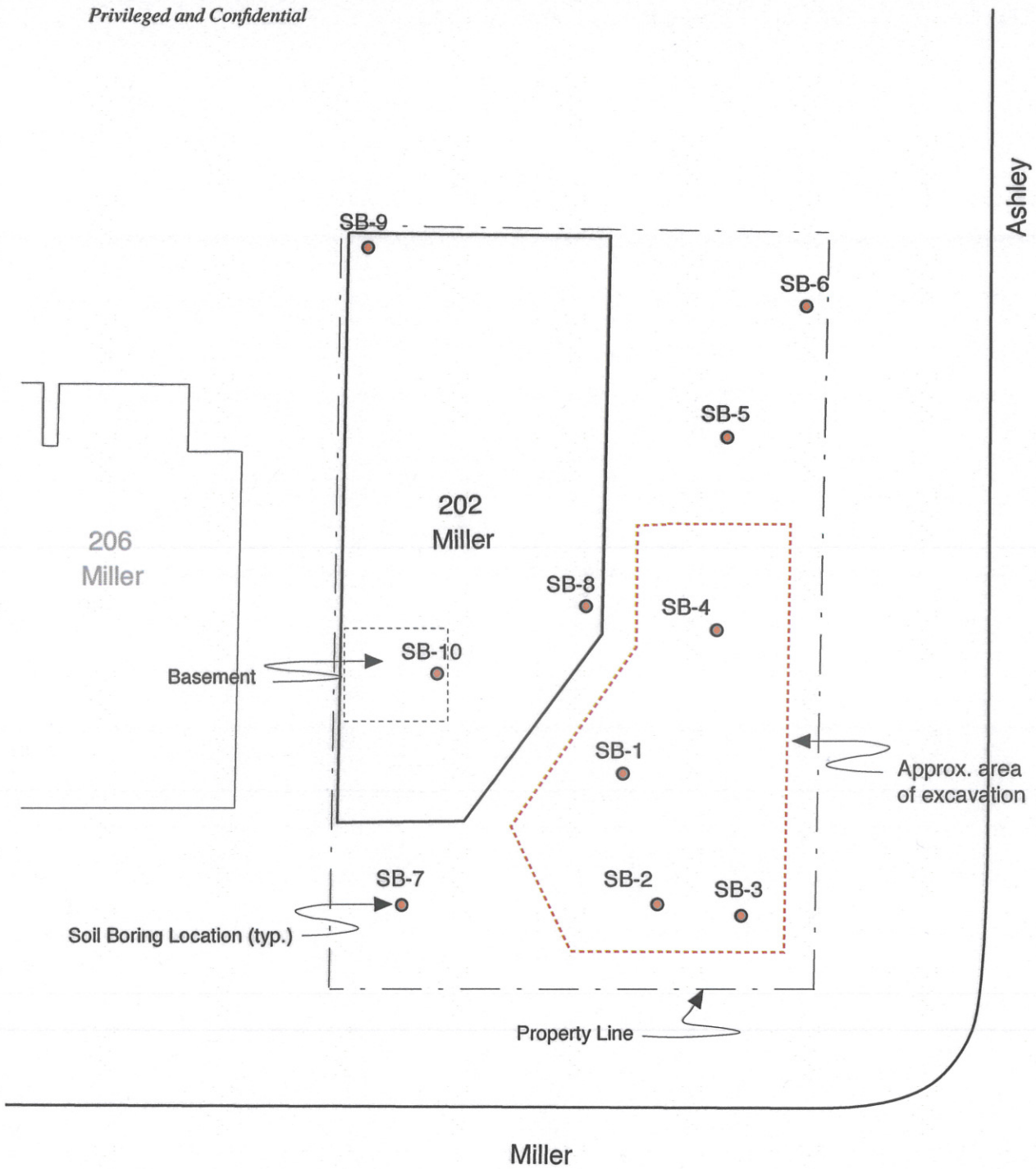
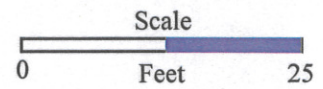


Figure 2

Approximate Excavation Area
January 2019
202 Miller
Ann Arbor, Michigan



Quantum Environmental, Inc.