

December 6, 2007

Mr. Demetri Loukas
DAVID J. POWERS AND ASSOCIATES
1885 The Alameda, Suite 204
San Jose, California 95126

Re: Vicinity Hazardous Materials Users Survey Further Evaluation, North First Street/East
Rosemary Street, San Jose, California

Dear Mr. Loukas:

As requested, I have completed the scope of work for further evaluation of hazardous materials users and related concerns within the vicinity of the proposed North First Street/East Rosemary Street site located at 1290 North First Street and 34, 66, and 80 East Rosemary Street in San Jose, California, in accordance with the email authorization of October 5, 2007.

Request for Current Chemical Inventories from San Jose Fire Department

Copies of current chemical inventories previously unavailable for the facilities identified during the *Vicinity Hazardous Materials Users Survey*, completed on September 6, 2007, were requested from the San Jose Fire Department (SJFD) on October 8, 2007. At the time this letter was issued, a response from the SJFD had not been received.

Based on visual observations of these facilities at the time of the previous site vicinity reconnaissance, hazardous materials permit-related information available from SJFD files, or hazardous materials/hazardous waste-related listings in the regulatory agency database report previously reviewed, it appears likely that these facilities do utilize hazardous materials. As no inventories were available however, a conclusion as to the likelihood of a release from any of these facilities impacting the proposed development was unable to be drawn. If further information on the potential risks these facilities pose to the site is desired, consideration should be given to attempting to obtain chemical inventories for these facilities by other means.

Request for Propane Tank Information from Kragen Auto Parts

Mr. Terri Butler, Environmental Affairs Manager for CSK Auto, Inc. (parent company of Kragen Auto Parts), was contacted via email on October 8, 2007. Mr. Butler subsequently contacted the Kragen Auto Parts store located at 1160 North Forth Street and was told that they do not have a propane tank at that facility.

Screening Level Risk Evaluation Results

Based on review of the available documents during the initial September 2007 survey, a preliminary evaluation and possible subsequent screening level risk appraisal of the reported chemical storage for the Coast Engraving (1097 North Fifth Street), Babbitt Bearing (1170 North Fifth Street), and Safety-Kleen Systems, Inc. (1147 North Tenth Street) facilities were recommended. A preliminary evaluation and possible subsequent screening level risk appraisal of the reported air emissions for Babbitt Bearing, Peter Auto Body (1310 North Tenth Street), Auto Tech Collision Center (1460 Terminal Avenue), and All Auto (1539 Terminal Avenue) also were recommended.

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Chemical Storage Facilities - The following table summarizes the results of the screening level risk evaluation performed by Toxichem Management Systems, Inc. (Toxichem) on the chemicals deemed potentially significant by Mr. Daniel Hernandez of Toxichem. Based on review of the most-recently available hazardous materials inventories for these three facilities, Toxichem identified four possible worst-case chemical release scenarios. Modeling output for the screening level risk evaluations is attached to this letter.

**SCREENING LEVEL RISK EVALUATION RESULTS
POSSIBLE WORST-CASE CHEMICAL RELEASE SCENARIOS**

Concentration	Maximum Threat Zone	Maximum Project Outdoor Concentration ^a	Emergency Planning Guidelines
<i>Babbitt Bearing – 0.13 mile from site</i>			
Acetylene Release (375 ft ³)			
Flammable Area of Vapor Cloud	0.09 miles (60% LEL) 0.25 miles (10% LEL)	8,040 ppm	60% LEL = 15,000 ppm 10% LEL = 2,500 ppm TEEL-2 = 2,500 ppm TEEL-3 = 6,000 ppm
Peak overpressure from vapor cloud explosion	0.07 miles	0.256 psi	1 psi overpressure
Liquid oxygen release (4,688 ft ³)	NS	140,000 ppm	TEEL-2 = 750,000 ppm
<i>Coast Engraving – 0.16 mile from site</i>			
Nitric Acid Release (15 gallons of 99% solution into 100 ft ² containment)	0.12 miles (ERPG-2)	3.5 ppm	IDLH = 25 ppm ERPG-2 = 6 ppm ERPG-3 = 78 ppm
<i>Safety Clean Systems, Inc. – 0.39 mile from site</i>			
Solvent Release (55 gallons [as methylene chloride] into 200 ft ² containment)	0.028 miles (ERPG-2)	10.4 ppm	IDLH = 2,300 ppm ERPG-2 = 750 ppm ERPG-3 = 4,000 ppm

NS = not significant; psi = pounds per square inch; ppm = parts per million

LEL = Lower Explosive Limit; ERPG = Emergency Response Planning Guideline; IDLH = Immediately Dangerous to Life and Health; TEEL = Temporary Emergency Exposure Limit (used when ERPGs are not available).

All releases assume U.S. EPA Worst-Case conditions: loss of container contents over 10-minute period, Stability Class F, and Wind Speed of 1.5 meters per second.

^a The maximum outdoor concentration is the concentration predicted at the site exterior after the plume reaches the site (ALOHA model).

Based on the data provided by Toxichem, the results of this screening level evaluation indicate that a catastrophic release of acetylene from Babbitt Bearing during worst-case atmospheric conditions could have significant impacts at the site exterior. However, although the modeling of the acetylene release was performed using an "urban" terrain input, specific terrain features are not directly input into the model. The presence of Interstate 880 between the Babbitt Bearing facility and the site likely would dilute and/or disperse the vapor cloud, such that an acetylene release from the Babbitt Bearing facility would be significantly less likely to impact the site.

Emissions from Automotive Repair Facilities - Chemical-specific emissions were not available from the emissions inventory database reviewed during the previous study and, for this screening level evaluation of the auto body repair facilities, were deemed not required by Mr. Hernandez of Toxichem. In performing the screening level risk evaluation of the auto body repair facilities, Mr. Hernandez conservatively assigned surrogate chemicals to approximate toxicity, and assumed that the largest emitter, Auto Tech Collision Center, represented the three auto body repair facilities. For the conservative assessment, Mr. Hernandez assumed a stationary emission of 3.85 tons vinyl acetate (surrogate for total organic hydrocarbon gases) and 3.85 tons ethylene glycol monobutyl ether (EGMBE) (surrogate for reactive organic gases), exiting through a 12-inch diameter stack at an exhaust rate of 1,000 cubic feet per minute, 25 feet above grade. For the hazard calculation, the chemical intake (dose) was compared to a reference dose resulting in a Hazard Index (HI). A HI of less than 1 is considered acceptable (adverse non-carcinogenic health effects would not be expected as a result of long-term exposure).

The following table summarizes the results of the screening level risk evaluation performed by Toxichem on the automotive repair facility emissions deemed potentially significant by Mr. Daniel Hernandez of Toxichem. Based on review of the most-recently available emissions inventories for these three facilities, Toxichem identified six possible worst-case chemical release scenarios. Modeling output for the screening level risk evaluations is attached to this letter.

**SCREENING LEVEL RISK EVALUATION RESULTS
POSSIBLE WORST-CASE AIR EMISSIONS SCENARIOS**

	Concentration (ug/m³)	HI as Vinyl Acetate	HI As EGMBE
<i>Peter Auto Body and Paint – 0.46 mile from site</i>	43	0.13	0.0021
<i>Auto Tech Collision Center – 0.35 mile from site</i>	35	0.21	0.003
<i>All Auto – 0.40 mile from site</i>	28	0.17	0.0026

All releases assume U.S. EPA reference concentrations: 350 day per year exposure frequency, 20-year exposure duration, 20 m³/day breathing rate, and 70 kilogram body weight. Reference concentration for vinyl acetate (0.2 mg/m³) based on critical endpoint of nasal epithelial lesions; reference concentration for EGMBE (13 mg/m³) based on critical endpoint of reduced red blood cell count.

- ^a The maximum outdoor concentration is the concentration predicted at the site exterior after the plume reaches the site (ALOHA model).

Based on the data provided by Toxichem, the results of this screening level evaluation indicate that emissions from the three identified automotive repair facilities during worst-case atmospheric conditions would not have significant impacts at the site exterior.

Emissions from Babbitt Bearing - Hexavalent chromium emissions inventory data for Babbitt Bearing was obtained from the Bay Area Air Quality Management District (BAAQMD) for the risk evaluation. Information obtained from the BAAQMD indicated hexavalent chromium emissions from the facility were reported at less than 0.17 pounds per year. In performing the screening level risk evaluation of Babbitt Bearing, Mr. Hernandez conservatively assumed hexavalent chromium emissions to total 0.17 pounds annually. Hexavalent chromium is a human carcinogen, and therefore a carcinogenic risk appraisal was performed using the Screen3 model to identify the plume center line concentration at ground level at the Site, for both worst-case and alternative-case meteorological conditions. The following table summarizes the results of the

screening level risk evaluation performed by Toxichem on hexavalent chromium emissions from Babbitt Bearing.

**SCREENING LEVEL RISK EVALUATION RESULTS
POSSIBLE WORST-CASE AND ALTERNATIVE-CASE AIR EMISSIONS SCENARIOS**

	Exposure Point Concentration* ($\mu\text{g}/\text{m}^3$)	Carcinogenic Risk
<i>Babbitt Bearing – 0.13 mile from site</i>		
Worst-case meteorological conditions	0.0048	3E-4
Alternative-case meteorological conditions	0.0013	8.1E-5

The risk calculation followed Cal/EPA guidelines, incorporating Cal/EPA unit risk value. Calculations assumed a 350 day per year-exposure frequency, 30-year exposure duration, 20 m³/day breathing rate, and 70 kilogram body weight. The unit risk value for hexavalent chromium is (0.15 $\mu\text{g}/\text{m}^3$)⁻¹, based on a cancer critical endpoint.

* At a distance of 200 meters from source

A 1E-6 cancer risk represents a one in 1 million additional probability that an individual may develop cancer over a 70-year lifetime as a result of the exposure conditions evaluated. For the exposure conditions modeled for Babbitt Bearing, the resultant risk calculations indicated additional carcinogenic risks ranging from 8.1E-5 to 3.0E-4; the acceptable carcinogenic risk for a residential receptor is generally defined as 1E-6. Based on the data provided by Toxichem, the modeled carcinogenic risks due to hexavalent chromium emissions from Babbitt Bearing are considered excessive.

Following completion of the risk evaluation modeling, additional information on the resultant risk due to hexavalent chromium emissions from Babbitt Bearing was obtained from the BAAQMD. Mr. Randy Frazier, a senior engineer with the BAAQMD, reportedly completed a standard risk screening analysis for the hexavalent chromium emissions from Babbitt Bearing. The resulting cancer risk to future occupants of the proposed site development, as reported by the BAAQMD to Mr. Demetri Lukas of David J. Powers and Associates, was determined to be three per 1 million. This risk, according to the BAAQMD, is less than significant per BAAQMD Regulation 2 Permit Rule 5.

Limitations

The results of this evaluation are limited by uncertainties associated with the completeness of the hazardous materials inventories available at the San Jose Fire Department, the completeness of the emissions inventories available in the Environmental Data Resources, Inc. report and from the BAAQMD, the selection of chemicals/emissions for evaluation by Toxichem Management Systems, Inc., the size of each release, assumptions concerning release/emissions location, vapor pressures of released liquids, assumed area of liquid spills, surrogate use, and atmospheric conditions during the release. All release scenarios assumed that the site was located plume centerline, down wind at the time of the release; wind speed and wind direction vary over time. Chemicals/emissions were selected based on reported volume, recognized toxicity and/or flammability, and were judged to be representative of the potential release/emissions risks posed by each facility. As with all hazardous materials-related studies, the extent of information obtained was a function of client demands, time limitations, and budgetary constraints.

This letter was prepared for the sole use of David J. Powers and Associates. No warranty, expressed or implied, has been made, except that the services have been performed in accordance with environmental principles generally accepted at this time and location.

Thank you for allowing me to assist you with this project. If you have any questions please do not hesitate to call and I will be glad to discuss them with you.

Sincerely,

Belinda P. Blackie, P.E., R.E.A.
P.E. Number C56448
R.E.A. Number REA-06746

Modeling Output