



You're Finally Buying a Building for Your Business!

Perhaps your business has grown to the point where you're considering purchasing a building or commercial lot for construction. Or maybe you've decided a commercial property would be a good place to invest some capital. If you're planning on obtaining financing for the purchase, and the price is over \$1 million, the lender will probably ask you to have the property evaluated for potential environmental problems.

Remember, you can always call us at (503) 233-8565 or email us at info@aaiconsulting.com with any questions, by the way.

While You're Still Shopping Around, there are Several Ways to Get a Big Head Start on Your Environmental Research

Due to the cost, most buyers put off the Phase I Environmental Site Assessment (ESA) until almost every other contingency has been met, as the typical cost for a Phase I ESA can range from \$1,700-\$2,500. Over the past 20 years, however, much of the information that informs a Phase I ESA has been made publicly available on the web or from government agencies. When you've settled on the property you want to buy, you'll want to hire a qualified environmental professional to conduct your Phase I ESA in compliance with ASTM E1527-13, which defines the Phase I ESA scope of work and qualifications of the environmental professional. But while you're still shopping around, you can glean a lot of environmental information about a property using these tips and resources:



Google Earth Historical Aerial Photography

[Google Earth](#) is a free online provider of aerial photography. Recently GoogleEarth has added the dimension of time to their aerial photography maps. After downloading and starting the GoogleEarth application, enter an address into the search field and click the search icon. Now click the clock icon in the toolbar along the top of the frame. A box will appear that allows you to view the same area in previous years, in some cases back to the 1950s. The quantity and quality of the historical photography can vary widely by location, but most cities have photography going back to the mid-1990s.

GoogleEarth Street View

Realtors really love [GoogleEarth Street View](#) because you can take a virtual "walk down the street" almost anywhere in the US! Although Street View doesn't have multiple years of photography in layers like the main map feature, the photos that are posted in the system are usually at least a year old, so they provide some historical value. To activate Street View, click the check box for Street View in the "layers" toolbar on the lower left side of the GoogleEarth window. When you zoom in low enough to your subject property, little camera icons will appear along the roadways. Double-click on one to open it to full screen. Now use your mouse or arrow keys to pan 360 degrees. The copyright date in the photo will give you an approximate date. You can view a property without driving to it, and see if there are any sites of potential environmental significance nearby, such as a dry cleaner, landfill, or gas station. The mere presence of these sites is not necessarily a problem, but they are a potential concern.

Import EPA Superfund Data into GoogleEarth

While we're on the subject of GoogleEarth, there is one additional advanced feature worth mentioning. GoogleEarth uses files with the suffix .kml or .kmz to pinpoint a location. The Environmental Protection Agency, which tracks the status of environmental sites across the US, maintains updated [KML-based files for all of these sites](#). To find the files, click the link above, or do a google search for the term "EPA Regional KML Download". After downloading your chosen region,



double click on the file to open it in GoogleEarth. Then do a search for your property location and you'll see icons for all of the sites from the EPA KML file. Clicking on the icons brings up environmental status information about each site that link back to the EPA online databases. It's a great way to see which sites near your property are on the EPA Superfund list, Hazardous Waste Generator list, and Brownfields list, among others.

Sanborn Maps Online Through Your Local Library

Between the late 1800s and mid-1900s, one of the most important tools that insurance companies used to evaluate the relative insurability of a building were Sanborn Fire Insurance Maps, which were produced for the majority of cities and towns across the country. The maps are intricate line drawings of entire cities, and were updated on a regular basis. Because they focused on fire hazards and building construction materials, these block-by-block maps now serve as an invaluable tool for environmental professionals. Sanborn maps will often depict the location of historical gas stations, oil storage buildings, chemical warehouses, power plants, dry cleaners, and tanneries. A complete historical set for a given address can be purchased from www.edrnet.com, but most libraries have some hard copies of these maps on hand for nearby areas, and some libraries even offer access to a few of the available years and cities through their online portals, which are available with a standard library account. Ask your local reference librarian for help, or try the [U.S. Library of Congress Collection!](#)

Reverse City Directories

While you're at the library, ask the reference librarian if they have any "historical city directories". Often referred to as "Cole Directories", "Polk Directories", or "Criss-Cross Directories", these are simply phone books that are arranged by address, allowing you to trace the use or occupant at an address back through time. Starting with the newer directories and working your way back in time in 5 or 10 year increments, look up the address of your subject property and write down the name of the business as well as the neighboring property uses. If any of those include potential problem sites, the above-mentioned gas stations or dry cleaners, you'll know there might be additional environmental



information about the property from the federal EPA or state environmental agency to investigate.

City and County Building Development Offices

For decades, most municipalities have required building permits. These documents are publicly available for anyone to review, and can often be a treasure trove of environmental information about a property. Some cities' records date back to the late 1800s. Building permits will often describe the intended use of the building under construction, and plumbing permits can include information about septic systems, drywells, disposal wells, and old sewer lines. Mechanical permits will usually describe the heating system, and more importantly, the fuel source, and can often even include a drawing showing where such tanks were located. Some municipalities charge a small research fee for these services, but most still pull the files and allow you to review them for free. This can often be done in under an hour and can provide a wealth of historical environmental and construction information that will help you get an idea of what kinds of environmental problems might be lurking under the surface.

Knock and Talk

It seems like every neighborhood has an older resident that remembers what was on the corner before they built that coffee shop twenty years ago. In more rural areas, local residents or adjacent business owners are often the only source of historical information on a property. If you've narrowed your building search down to a location or two, walk around the neighborhood and look for older houses, older businesses, or local meeting places, like a cafe or barber shop, and strike up a friendly conversation with the proprietor. Chance are, they'll remember the old dry cleaners that was there before the drugstore that they tore down to build the coffee shop.

This Really Looks Like the Right Property!

So, you've found a property that fits your need and your budget, and even seems to be relatively free of environmental encumbrances. Way to go! If the cost of the building is under \$1 million, your lender might not require a Phase I ESA, based simply on the size of the loan. Although your own personal research may have failed to find any "skeletons in the closet", you will most likely own any contamination on this property if



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you buy it without ordering a Phase I ESA, so it's always a good idea to determine your risk comfort level, and a real estate attorney can often help you make this decision. If the deal is over \$1 million, your lender will probably require a Phase I ESA. Feel free to discuss your personal findings with the Phase I ESA consultant. The consultant will probably want to check all the same sources, but may be especially interested in any non-agency information you've uncovered--like the personal interviews from the barber or that old guy at the lumber yard.

We Hope these Free and Low-Cost "First Pass" Environmental Efforts Provide Value for You. Good Luck with Your Property Purchase and Business Enterprise!

When you're ready to purchase the property, be sure to give us a call at (503) 233-8656 for a quick, free Phase I ESA proposal.

Thanks from the folks at Assessment Associates, Inc.