

PROJECT SUMMARY

CLIENT: Industrial

PROJECT: Acquisition of an Existing Styrene Manufacturing Plant in the Midwest.

PROJECT CHALLENGE:

Perform a Desktop Due Diligence/Regulatory Compliance Evaluation to Identify and Evaluate Potential Liabilities



SCOPE OF WORK:

The scope of work was limited to a desktop review of available reports, a commercial database report, online databases, and information obtained via Freedom of Information Act Requests.

The property was identified as a No Further Remedial Action Planned (NFRAP) site under CERCLA. The property had historically been utilized as a zinc smelter operation from the 1870's until the 1940's. The elevation of the property had been raised by using zinc slag as fill material. The State agency concluded that based on the current use of the property as an active styrene plant, there did not appear to be any risk of public exposure.

Unrelated to the NFRAP status, the property had been impacted by a significant release of styrene to soil and groundwater, which had not been fully investigated. In addition, there was evidence of mix waste (radioactive) impacts associated with historical clock manufacturing an adjacent offsite site directly up gradient from the property.

Lastly, the current leasee of property was obligated to remediate the historical slag beneath the property, demolish all onsite structures, and return the site to its original topography if site closure under CERCLA ever became necessary.

Based on the information reviewed, Mostardi Platt developed a reasonable best case verses reasonable worst case cost evaluation for the environmental liabilities identified. In addition, a "worst case" scenario was also provided. The cost estimates ranged from approximately \$40 million to \$80 million dollars, with a worst case estimate of over \$150 million dollars.

Based on the environmental evaluation and associated cost evaluation performed by Mostardi Platt, the client made a business decision to not pursue the acquisition.