

DEFENSIVE ENVIRONMENTAL CONSULTING



A3E
ENVIRONMENTAL
CONSULTANTS

I JUST GOT MY PHASE I ESA RESULTS. NOW WHAT?

If you've been around environmental reports long enough as a lender or commercial real estate (CRE) agent, eventually you'll see one where you look at the conclusions and say, "You gotta be kidding me!"

We see them all the time; environmental reports that are overly cautious, inadequate, or misleading.

The problem is, when a lender or CRE Professional is presented with a bad Phase I ESA, unless you have your own consultant on speed-dial, often you find yourself stuck by deadlines and circumstances. Your client may have to do all sorts of unnecessary environmental testing.

This. Kills. Deals.

A3E: YOUR TRUSTED RESOURCE

A3 Environmental Consultants wants to be your trusted resource on speed-dial.

We will double check any Phase I ESA you think might be suspicious. If we can, we'll save your client money, time, and possibly save the deal.



A3E: WHAT'S THE PROCESS?

Starting is as simple as emailing us a copy of the original Phase I ESA. We take the time to double check the findings and recommendations, then ask three questions:

1. Do we agree with the findings?
2. Can we convince the other consultant of our opinions?
3. Can we re-scope/down-scope the Phase II ESA?

A3E: SAVES MONEY AND TIME

An average Phase II ESA can take 30 to 45 days and cost between \$4000 and \$11,000. Avoiding a Phase II ESA altogether is a significant savings of money and time. Our first course of action if we don't agree with a Phase I ESA is to have a conversation with the other consultant to see if we can eliminate the concern. This works surprisingly well. If it works, the other consultant amends the Phase I ESA and you're ready to close.

If we can't eliminate the concern, do we agree with the scope? Scoping a project is the strategy for dealing with an environmental concern.

The scope can be, and too often is, tailored unnecessarily wide, which increases the expense. It can also be too narrow, which won't adequately address the concern, possibly making more investigation necessary and ultimately increasing the expense. Both scenarios are bad but a too-narrow scope costs money without addressing the risk identified in the Phase I ESA. From a risk-versus-expense standpoint a too-narrow scope is worse than a too-wide one.

A3E will adequately scope and bid on the project to address the concerns while keeping costs to a minimum. This offers a second price-point and turn-around time, injecting competition and lowering your client's prices.

A3E: AMAZING TRACK RECORD

1

SAVINGS: \$9,500 AND 45 DAYS

A seller of an automotive repair shop in Minneapolis calls, distraught that a buyer is making him spend \$10,000 for a Phase II ESA. He asks A3E to review the Phase I ESA. The report identifies an onsite oil-water-separator and in-ground hydraulic lifts as a concern but never inspected or questioned the owner about them. A3E asks the seller about said separator and lifts. The seller notes that the lifts were properly abandoned, and the oil-water separator was recently serviced. He provides the necessary documentation. Armed with this information, A3E has a conference call with the Phase I ESA consultant and talks them off the ledge.

With 4 hours of work, we put the buyer and lender's concerns to bed and allowed the deal to close. A3E helped our client realize a savings of \$9,500 and 45 days by not performing a Phase II ESA.

2

PROJECT TURN AROUND: 36 HOURS

An SBA lender calls us for a Phase I ESA regarding an Illinois factory. They have a Phase I ESA identifying stains around a 50-year-old compressor which may contain PCB's. A3E is of the opinion the staining is de minimis. A3E was not able to change the mind of the original consultant.

However, A3E provided a competitive price to investigate the concern and beat the price by \$1000 turning the project around in less than 36 hours.

3

SAVINGS: \$6000 AND 45 DAYS.

A bank requested a Phase II ESA on a restaurant based on the findings of a Phase I ESA, that identified a former leaking gas station on the west adjoining property that never received closure. Prior to providing a quote for a Phase II ESA, A3E reviewed the gas station soil and groundwater investigation reports submitted to the regulatory agency. The reports identified that all soil and groundwater impacts were fully delineated and had not traveled offsite onto the restaurant property. A3E telephoned the regulatory agency who concurred with A3E that there was no threat to the restaurant property. The only offsite impacts were onto the north adjoining roadway.

A3E informed the bank that completing a Phase II ESA was not necessary. The bank agreed, saving their client \$6000 and 45 days.

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