



Dry Cleaners

One Drop Can Cost You

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Owners of centers that have rented to dry cleaners should pay particular attention to environmental problems associated with a chemical used at dry cleaners - tetrachloroethylene, commonly known as Perc or PCE. This chemical has been used at dry cleaners for decades.

PCE is a hazardous substance that can travel through concrete floors, floor drains, and sewer lines into the soil and groundwater. Dry cleaner operators often spilled it or disposed of it improperly which resulted in releases of the chemical to the environment. California regulatory agencies are very concerned about these releases and want them investigated and cleaned up, sometimes at substantial cost. Only one drop can cause problems – cleanup targets are extremely low.

The PCE releases often go undetected for years and are often identified for the first time during an environmental investigation connected with the sale of the center. PCE detections can stop the sale in its tracks. Sometimes it is detected when a neighbor is trying to sell property and the detection can stop that sale – not a happy event for the neighbor who will now look to you for help and compensation!

Whether or not you are considering a sale or whether your neighbors are selling, it's best to learn early whether your center has/had a dry cleaner and whether the cleaner released PCE into the environment. The earlier you learn, the greater chance you have to control costs and chart a course to help find resources to assist in paying for investigations and cleanups.

A PCE release could have started when the dry cleaning equipment was first installed. Dry cleaning machinery designed in the 1960s, 1970s, and even 1980s had parts ("stills", "reclaimers", "separators") that discharged water that contained large amounts of PCE into drains, sewers, or open buckets. Some authorities estimate that 75% of all dry cleaners discharged chemicals into the environment.

California environmental agencies are concerned about these releases for a number of reasons. First, the chemical can get into drinking water and make it potentially unhealthy to consume. Second, PCE can travel substantial distances in groundwater so that many properties can be affected. Finally, PCE can also travel as a vapor from the ground or

groundwater and enter buildings located over the affected ground or groundwater. The regulatory agencies consider the vapor to be harmful to building occupants.

As a result, the California agencies work very hard to find responsible parties to clean up the contamination. Very often, the only party with any

money to do so (who is also easy to find) is the owner of the center.

Therefore, owners of centers with dry cleaners should give serious consideration to investigating whether the dry cleaners caused or are causing, environmental problems. Here are some thoughts on what you can do:


1. Gather information on past dry cleaner and center ownership. Collect information on all past insurance held by these tenants and owners. Determine what dry cleaning equipment, by name brand, was installed and/or replaced. Locate franchise agreements for the dry cleaner, such as One Hour Martinizing.

2. Consider hiring an experienced environmental consultant to assist you to conduct a compliance investigation (if you have a current dry cleaner). If you find issues with the current operation or if you no longer have a dry cleaner but suspect a problem in the environment, the consultant can assist you by conducting further investigations.

3. If the investigations find that PCE has been released into the environment, a number of state and local agencies have voluntary programs that can direct investigations and cleanups. However, because a number of agencies have jurisdictions that overlap, it is important to select the right agency for your site. The agencies have the authority to order you to do work at substantial cost and with tight schedules if you ignore the problem, which is why working in voluntary programs (with some schedule and work scope flexibility) is often advisable.

4. Notify all prior dry cleaning tenants and all companies that sold, installed or operated the equipment. If you find a release, it is also important to notify insurance companies that may have policies that cover the investigation and/or cleanup. Insurance coverage is tricky - policies have changed many times over the years, and it is important to know when the release(s) may have taken place to determine if there is coverage.

5. Seek legal advice concerning each of the above actions – experienced attorneys and consultants can help you understand the risks and benefits of working with regulatory agencies and approaching manufacturers, operators, and insurance companies to try to help to cover the costs.

It's an awful thing to find that your center is contaminated with PCE from a dry cleaner. But it's worse to find it out when you are trying to sell your center or when a neighbor sues you because of your dry cleaner's contamination. It's best to know what you have and plan your legal and technical strategies early. 

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Ed Firestone and Jordan Stanzler are environmental attorneys located in Palo Alto, CA. They work on dry cleaner and other environmental matters for property owners throughout the state and assist owners to obtain insurance coverage, regulatory approval and compensation from responsible parties.