



Brownfields – Property Recycling

Exploring Local Government Grant Opportunities for
Brownfields
August 26, 2008

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Pristine, Green space...



Brown – What?





What is a Brownfield?

“Abandoned, idled, or underused property where redevelopment is hindered by real or perceived environmental contamination.”

- Offers pre-existing infrastructure
- Site can be made suitable for the intended reuse while protecting public health and the environment
- Reuse brings public benefit
- Cleanup liability can be defined
- Can compete with “greenfields”
- Offers viable investment opportunity



Typical Brownfield Sites

- ❖ Textile Mills
- ❖ Light and Heavy Industrial Properties
- ❖ Automobile Service Stations
- ❖ Manufacturing Facilities
- ❖ Machine Shops
- ❖ Dry Cleaners
- ❖ Junkyards or Salvage Properties



A Brownfield



A Brownfield



A Brownfield



A Brownfield



A Brownfield





Brownfields Sites

- ❖ Sites currently regulated under other DENR programs are acceptable:
 - Inactive Hazardous Sites
 - Aquifer Protection Section
 - Hazardous Waste
- ❖ DENR Brownfields **cannot** address:
 - Sites with only petroleum contamination due solely to USTs
 - Remediation under the Comprehensive Environmental Response, Compensation & Liability Act of 1980 (CERCLA)
[i.e., NPL Sites]



Brownfields Sites

- ❖ Sites assessed and/or cleaned up with EPA grants are not required to enter the NCBP; however, it is a preferred path.
- ❖ Most of our BF sites are assessed with funds other than under EPA grants:
 - Start a dialogue early
 - Obtain input on plans & results
 - Follow published State guidance for assessment & cleanup



How to Encourage Non-responsible Parties to Cleanup?

- ❖ Recognize Sites as Possible Profit Opportunities
- ❖ Cleanup for “Safe Reuse” rather than to unrestricted use standards
- ❖ Liability Protection (a brownfields agreement)
 - Necessary actions listed in brownfields agreement
 - Liability protection contingent on completion
- ❖ Local Property Tax Exclusion on *Improvements* Phased over 5 year period:
 - Year 1 - Assessed at **10%** of improved value
 - Year 2 - **25%**
 - Year 3 - **50%**
 - Year 4 - **70%**
 - Year 5 - **90%**



Brownfield Agreements

- ❖ States pertinent facts of Property history & ownership
- ❖ Documents location of contaminants in excess of unrestricted use standards
- ❖ States work to be performed
- ❖ Lists land use restrictions
- ❖ States other legal requirements including annual certification and notification
- ❖ Includes map and survey plat of site as exhibits



Land Use Restrictions

- ❖ In every BFA
- ❖ Run with the land
- ❖ Require annual certification, LURU.
- ❖ Recorded at Register of Deeds on NBP



How Do I Get a Brownfields Agreement?



Source: explodingdog.com



Brownfield Process Summary

1. PD Submits Brownfields Property Application
2. DENR Performs Eligibility Screen & Notifies PD of Outcome:
 - Redevelopment of an abandoned, idled, underutilized property
 - Contamination hinders redevelopment
 - The Prospective Developer (PD) did not cause or contribute to contamination
 - PD needs a BFA to buy or sell the property
 - There is public benefit commensurate with liability relief provided
 - PD has financial capability to conduct actions under the agreement
 - BFA is at Secretary's discretion



Brownfield Process Summary

3. PD submits Site Information for Background & to Identify Data Gaps
4. PD performs Assessment Work, as needed
5. Site Risks Evaluated for Intended Land Use
6. Draft & Negotiate Brownfield Agreement
7. Submit for 30-Day Public Comment Period
8. Implement Brownfield Agreement

That's great, but how long will this process take?

- ❖ Dependent on multiple factors:
 - Status of assessment & cleanup at site
 - Legal issues re: ownership
 - Staff resources





And....Who Pays for What?

Prospective Developer:

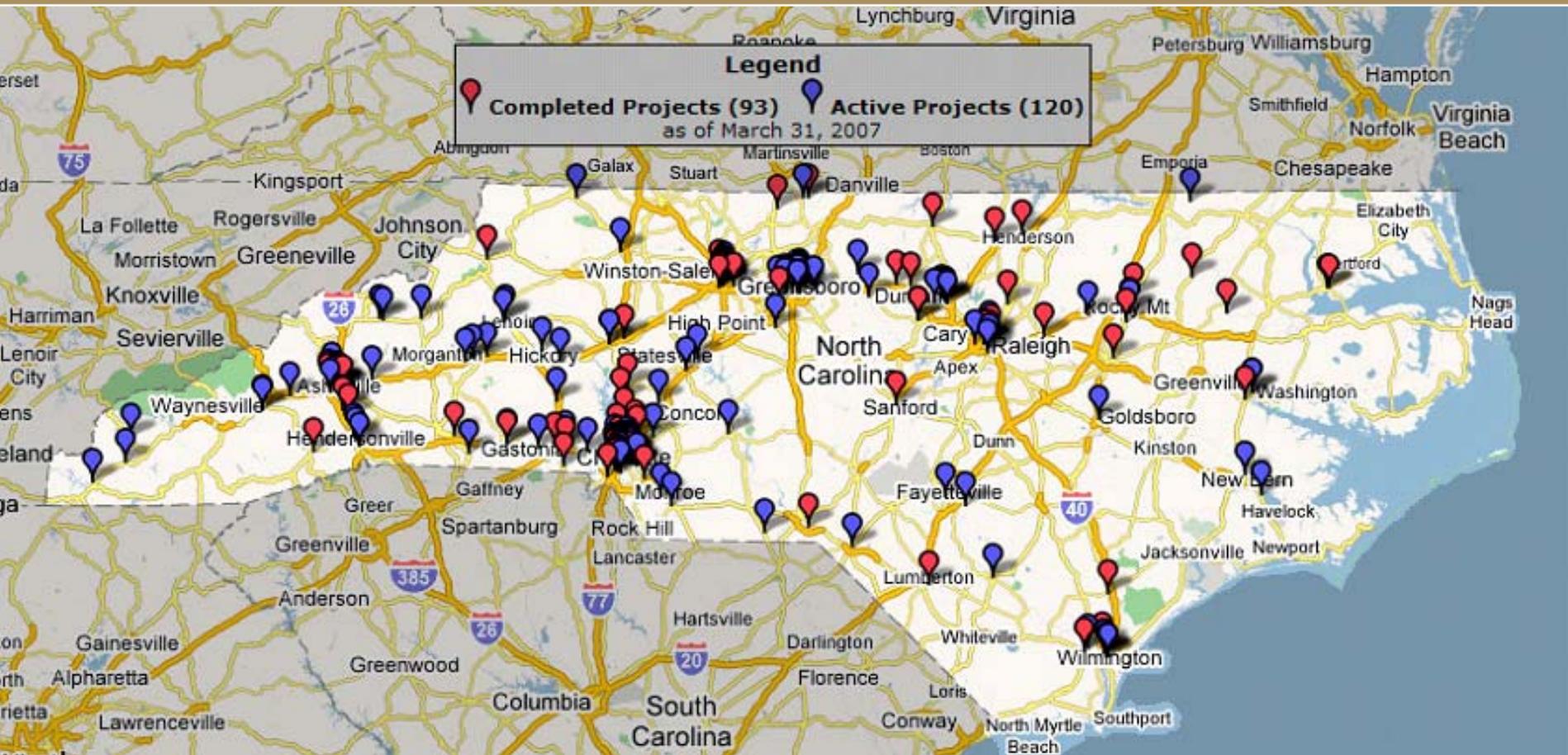
- ❖ All assessment costs*
- ❖ All cleanup costs*
- ❖ All development costs

*Some sites may be eligible for funding through local government EPA grants & revolving loan funds

State:

- ❖ Oversight of project to ensure protection of public health and environment
- ❖ Estimated average cost at \$12-15K per site

Where are They?





Brownfield Program Statistics

August 2008

- ❖ Total Applications: 367
- ❖ Completed Projects: 126
- ❖ Active Projects: 112
- ❖ Eligible – Inactive: 10
- ❖ Pending Eligibility: 35
- ❖ Ineligible Projects: 12
- ❖ PD No Further Interest: 72

- ❖ Private Capital Investment: \$3.8 billion
- ❖ Acres Redeveloped: 2,028



Win, Win, WIN!

For DENR...

- Risk reductions on Brownfields properties
- Land reuse is SMART GROWTH
- A brownfield reused is a greenfields preserved = Sustainability

For Local Government...

- Increased tax base
- Job creation
- Quality of life benefits

For the Developer...

- Liability is defined, therefore uncertainty is reduced
- Redevelopment for profit



Go Brownfields! And Leave the Greenfields to the Turkeys





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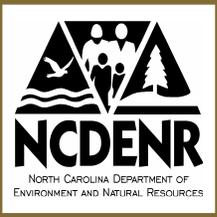
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Questions

