



Revitalizing Mothballed Properties

Challenges, Success Stories, & Solutions



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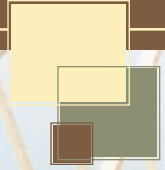
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CHALLENGES & OPPORTUNITIES AT MOTHBALLED PROPERTIES

A mothballed property is a property where the owner is unwilling or unable to transfer the property or put it into productive reuse. Mothballed properties cause blight to neighborhoods inhibit economic development and revitalization threaten public health and the environment, discourage productive reuse of infill areas, and contribute to urban sprawl. Whether these properties are controlled by large corporations or mom & pop owners, whether they involve parties striving for a cooperative outcome or are owned by disengaged or absentee landowners, mothballed properties can hinder productive reuse and vitality in communities across America.

The United States Conference of Mayors reports that mothballed brownfields remain the toughest brownfields barrier facing local leaders. The National Brownfield Association study, “Bringing Corporate Brownfield Properties to Market,” concludes that many property owners are seeking additional comfort and redevelopment assistance before transferring these properties.

A study by the National Center for Neighborhood and Brownfields Redevelopment at Rutgers University on the impact of mothballed industrial properties on urban redevelopment, finds that 40 percent of cities in its study have at least one mothballed brownfield. The study also concludes that about half of the municipalities with mothballed properties consider these properties to be a barrier to urban redevelopment. The Rutgers study found that the revitalization of mothballed properties is particularly important for communities dealing with potentially contaminated properties located in prime downtown redevelopment areas, along waterfronts, and near important public facilities such as schools.

A number of factors and challenges confront property owners, local communities, and other parties striving to deal with mothballed properties. These challenges can include: the need for expertise and information; sites where cleanup costs outweigh property values; slow real estate markets; concerns about long term environmental and legal liability; lack of confidence in the monitoring and enforcement of institutional controls at remediated sites; insufficient coordination between state and federal regulatory programs; questions about the proper accounting and reporting of environmental

financial liabilities; and, at times, uncooperative property owners.

Despite these challenges, success stories are emerging. These stories show property owners working in collaboration with local communities, regulators, redevelopers, and other stakeholders that can overcome barriers to reusing properties preventing mothballing or transforming properties that were previously mothballed.

- **General Motors** is entering into new partnerships with local governments, redevelopers, and regulatory agencies to move previously mothballed properties into revitalization on a more expedited timeframe.
- **Hemisphere Development** is partnering with local governments and the **Ohio EPA** to redevelop an old, 1,100 acre chemical manufacturing facility mired in litigation for 24 years into a mixed use waterfront redevelopment and sports center on the coast of Lake Erie.
- The **State of Wisconsin** established a comprehensive, streamlined “Remediation and Redevelopment” program that consolidates cleanup authorities under one state program with a single point of contact, resulting in time and cost savings during the cleanup and redevelopment process, effectively reducing the extent to which properties are mothballed.
- The **DuPont Corporation** is working with the **City of Rochester, New York** to convert a 100 year old chemical manufacturing plant, fenced and vacant for 13 years, into a sports and recreational complex.
- The **Colorado Brownfields Foundation** is providing technical assistance to help small businesses and individual property owners understand and address issues needed to facilitate the transfer and reuse of contaminated properties.

This report showcases a few of the many examples of projects where stakeholders are establishing effective partnerships to bring sites that were previously mothballed back into productive use. The



report also identifies “10 Contributors to Success” for the revitalization of mothballed properties.

These success stories show that the cleanup and revitalization of mothballed properties can benefit all parties – overcoming liabilities and producing value for property owners, creating redevelopment opportunities for buyers, and bringing new vitality for local communities and the economy.



The U.S. Environmental Protection Agency launched an effort to foster the revitalization of mothballed properties at the EPA National Brownfields Conference in Boston, Massachusetts in 2006. In October 2007, EPA convened more than 75 property owners, redevelopers, community leaders, and federal, state, and local officials in Washington, DC to discuss tools and resources needed for successful mothball revitalization.

This report builds on the ongoing EPA effort to provide assistance on this important issue. This report highlights innovative approaches and real success stories in the revitalization of mothballed properties. The highlighted projects include just a few of the many examples of successful revitalization projects underway across the country.

CHALLENGES



10 CONTRIBUTORS TO SUCCESS AT MOTHBALLED PROPERTIES

At contaminated properties in communities across America, certain tools and approaches often contribute to the successful revitalization of mothballed properties:

1. **Reuse First** – Revitalization of contaminated properties often is more successful when the property owner works upfront with potential buyers, redevelopers, the local community and other interested parties to identify a potential reuse, rather than focus solely on the remediation and regulatory challenges.
2. **Recruit Redevelopers** – Redevelopers who get involved or obtain the property at the front end of the process can help overcome challenges at mothballed properties.



3. **Local Leadership** – The leadership of local government officials is critical to moving mothballed sites where the owner is unable or unwilling to sell or reuse the property. Local tools include reuse planning, market catalyzation, deal facilitation, support in attracting public and private funding, and acquisition and assembly of properties.
4. **Craft Creative Corporate Strategies** – Increasingly, many companies are engaging in strategies that consider idled sites to be potential assets that can be moved into appropriate reuse to the benefit of both the company and the community. Innovative corporate strategies include the integration of environmental and real estate teams to move stagnant properties, the outsourcing of site revitalization to

potential buyers and redevelopers early in the process, and the formation of partnerships with state federal, and local government authorities.

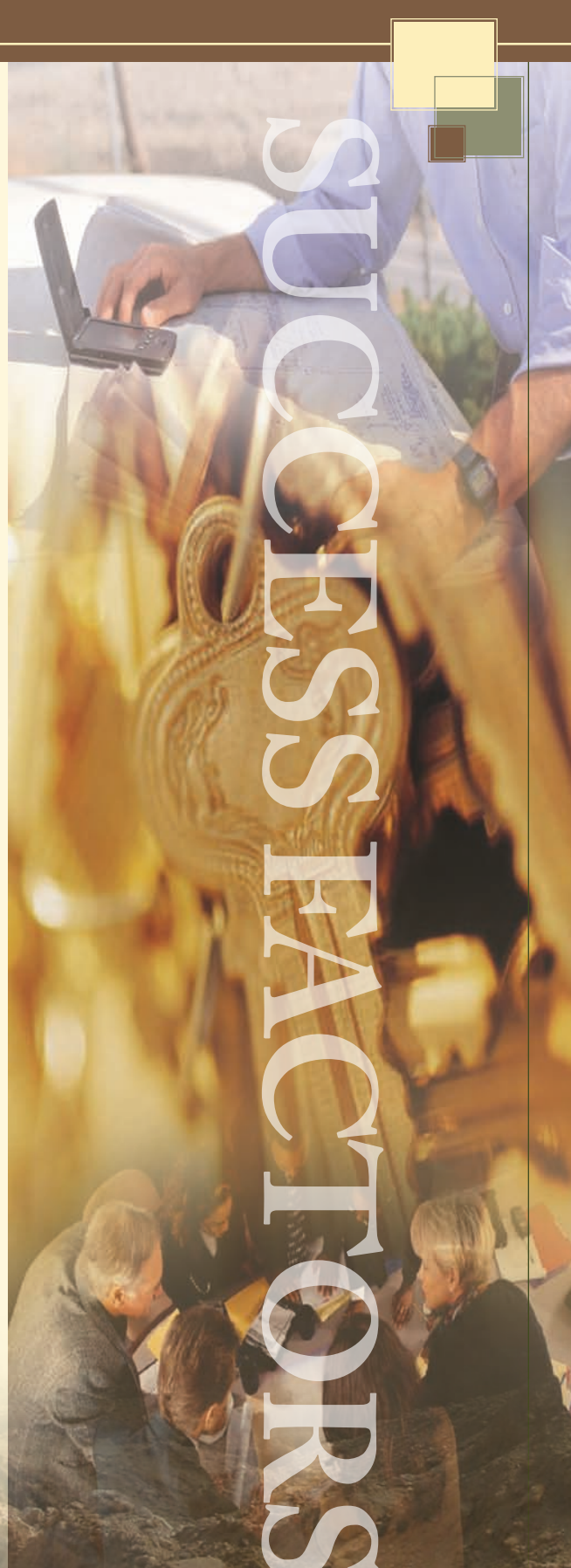
5. **Take Advantage of State Tools & Resources** – State environmental and economic development officials are essential partners with effective tools in the revitalization of mothballed properties. These tools include voluntary cleanup programs; state funding; buyer-seller agreements for site transfer and liability clarification.
6. **Coordinate Cleanups** – Using a team tactic to coordinate and integrate state and federal cleanup requirements into a “One Cleanup” approach can expedite the cleanup and redevelopment process by avoiding bureaucratic duplication, conflicting requirements, and delays that can thwart action at contaminated properties.



7. **Leverage Federal Funding & Support** – Together with local, state, and private resources the federal agencies support the revitalization of potentially contaminated properties with funding outreach, training, and technical assistance. Federal tools include EPA assessment and cleanup grants. Other federal funding resources available to address redevelopment include Brownfields Economic Development Initiative (BEDI) and Section 108 funding from the Department of Housing and Urban Development, Public Works and Economic Development Facilities Grants from the Department of Commerce’s Economic Development Administration, and the federal brownfields tax incentive.

8. **Assist the Mom & Pops** – Mothballed properties owned by individuals and small entities exist in nearly every community in America. Cooperative outreach and education, reuse plans that spark market opportunities, and the leveraging of public funding can overcome the challenges at these properties. Nonprofit organizations, business assistance centers, local and regional support agencies, business associations, and other nongovernmental entities often are well suited to assist mom & pop owners of potentially contaminated properties.
9. **Reduce Risks** – The public and private sectors are using a variety of institutional control maintenance and assurance tools, environmental insurance protections, and liability transfer strategies to reduce risks for hesitant sellers of mothballed properties.
10. **Create Comfort** – While not needed in the majority of contaminated property transactions, state and federal authorities can provide a number of policy, legal, and enforcement tools to help prospective purchasers of contaminated properties reach a level of comfort regarding potential liability at these properties, therefore increasing the likelihood that the properties will be redeveloped. These tools include the bona fide prospective purchaser protections of federal law, state voluntary cleanup programs, prospective purchaser agreements, liability status clarifications, comfort letters, “Ready for Anticipated Use” determinations, and federal settlements and state agreements for cooperative sellers.

For more information on tools and approaches for potentially contaminated properties, see www.epa.gov/brownfields.



SUCCESS FACTORS

PROFILES OF SUCCESSFUL MOTHBALLED PROPERTY REVITALIZATION

The tools and approaches that contribute to the revitalization of mothballed properties emerge from the tales of success stories from across America. This section showcases examples of cases in which previously mothballed properties were converted into new vitality and opportunity. The first series of case studies highlights **Corporate Strategies** for redevelopment and prevention of mothballed properties. The second series describes situations where **Local Leadership**, from both governments and nonprofits, drove redevelopment of underutilized sites.



CORPORATE STRATEGIES

1. Car Company Revs Up Old Manufacturing Sites for Revitalization
2. Ohio Development Team Overcomes Barriers to Reuse of Mothballed Waterfront Property
3. Manufacturer Takes Prevention Approach to Mothballed Properties
4. Chemical Company Ranks Sites and Reaches out to Regulators for Reuse of Underutilized Properties
5. Pennsylvania Buyer-Seller Agreement Facilitates Reuse of Old Manufacturing Site

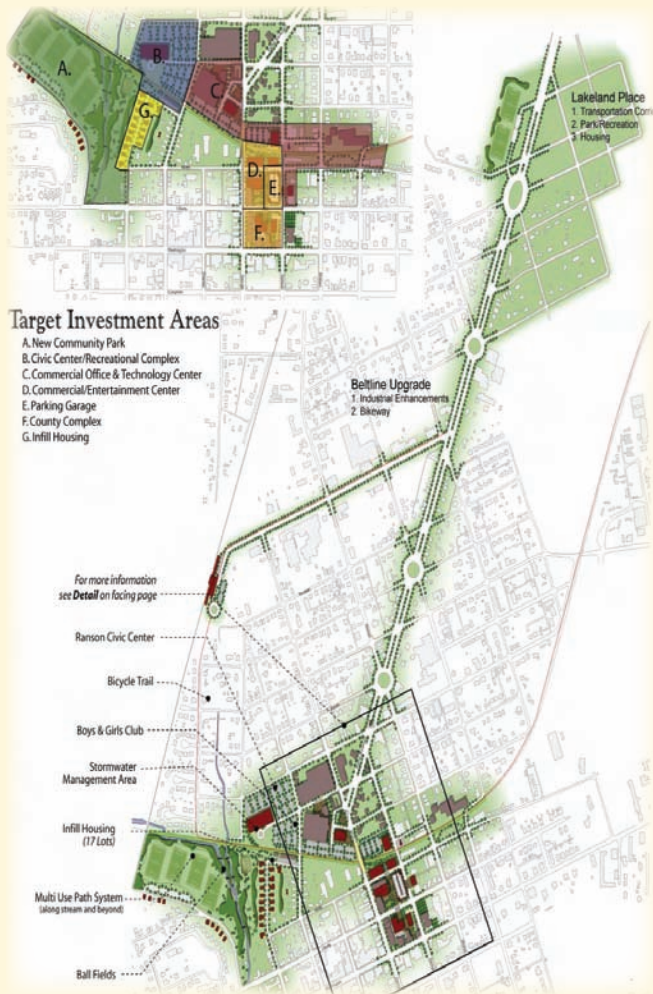


LOCAL LEADERSHIP

1. Vacant Site to Become Rochester Sports Complex
2. Milwaukee Master Plan Renews Old Industrial Valley
3. Environmental Extension Center Helps Seattle Small Businesses on Contaminated Properties
4. West Virginia Small Cities Create A Commerce Corridor



- 5. Colorado Brownfields Foundation Help Mom & Pops with Environmental Stewardship Program
- 6. Innovative Building Reuse Program Spurs Revitalization of North Carolina Small Towns



CAR COMPANY REVS UP OLD MANUFACTURING SITES FOR REVITALIZATION

General Motors (GM) has large manufacturing properties throughout the United States. As the industry has changed over past decades, many of its properties ceased operating, and some are sitting idle and contaminated. While traditionally the GM approach at these sites was to conduct remediation with in-house technical staff while a separate real estate staff worked later to sell the sites, GM is adopting a new approach in which GM partners with local governments and the private sector to move these sites toward revitalization on more expedited timeframes at the beginning of the process. Success stories are beginning to emerge, including the revitalization of former GM sites in two cities – Anderson, Indiana and Baltimore, Maryland.

ANDERSON, INDIANA

For most of the 20th Century, Anderson, Indiana was a booming economic and industrial area. In 1918, GM headquartered its Delco Remy division in Anderson and the City became a leading electromechanical technology center. GM and automotive parts manufacturing in the City reached its peak in the early 1970s providing more than 27,000 jobs. Today, however, GM has divested nearly all of its interests in Anderson. GM is selling operating businesses, shuttering, and in some cases completely demolishing its former manufacturing facilities. Key properties in the center of Anderson are idle. The final GM plant closed in 1996.



Given the extent of GM's pullout from Anderson, the City's future may depend in large part on its ability to revitalize the former GM properties. Local leadership is contributing to a collaborative partnership with GM that includes a commitment to moving properties toward revitalization. GM's commitment is encouraging the devotion of City staff and resources to these challenges.

An example of this collaborative partnership is the efforts made to revitalize the plant that GM closed in November 2006. GM agreed to transfer 300 acres in the downtown area to the City of Anderson. This property was subject

The redevelopment represents a new way of thinking about unused properties for General Motors.

to a RCRA corrective action remedy that was completed, thereby preparing the area for potential reuse. The sale and transfer agreement creates an arrangement under which the risk of contamination is allocated between GM, the City, and the redevelopers. Residential reuse is prohibited under institutional controls, and GM is granted the ability to review and consent to redevelopment plans to ensure that reuse is consistent with the Agency approved remediation.

In August 2007, the City of Anderson entered into an agreement with a redevelopment firm, P&L Investments and its partner the Value Recovery Group, to redevelop the property for new commercial and light industrial economic investment. The redevelopment agreement includes an innovative approach under which the developer will share profit revenues with the City on a scale determined by how many local jobs are created – the more jobs, the more profit the developer retains.

Anderson credits EPA's Brownfields Program with contributing to its emerging success by offering the City an opportunity to leverage public dollars to attract private investment. The City used EPA Brownfields assessment grant funding to build the capacity to manage its challenges and leverage private funding sources. EPA funding was used to conduct outreach to community stakeholders and to attract additional investment. Anderson officials also point to their participation in the EPA Brownfields Conference as instrumental in introducing City officials to federal, private sector, and finance partners that are now investing in the revitalization effort.

CONTRIBUTIONS TO SUCCESS:

1. **Recruit Redevelopers** – Anderson entered into an innovative agreement where the redeveloper's profits are dependent on job creation, providing incentives for job growth in the community.
2. **Leverage Federal Grant Dollars** – Anderson leveraged EPA Brownfields funding and assistance, using these resources to open opportunities to work with local stakeholders, finance partners, and regulatory agencies.

CHESAPEAKE COMMERCE CENTER IN BALTIMORE, MARYLAND

GM formed a partnership with redevelopers and local, state, and federal officials to convert an old auto assembly plant in Baltimore into a \$140 million business park in an expedited time frame.

GM owned and operated an assembly plant in Baltimore for 68 years. When GM shut down the plant in 2005, the company met with EPA Region 3 and Maryland Department of Environment (MDE) representatives to ensure them that GM would retain a developer who would take on responsibility for the cleanup of the site as part of the redevelopment. GM officials also assured regulators that GM would stay involved in the cleanup process to ensure the developer met all remedy commitments. EPA Region 3's Facility Lead Program and MDE's Voluntary Cleanup Program provided a favorable framework to facilitate this revitalization project.

GM focused initially on finding a developer with experience in redevelopment of potentially contaminated properties. In January 2006, GM selected Duke Realty Corporation as the developer for the Baltimore property. GM and Duke Realty focused on establishing a collaborative approach to property cleanup with EPA and MDE. Duke proposed a comprehensive cleanup matrix and master schedule as part of a facility lead RCRA cleanup approach. The state and EPA Region 3 regulators responded by setting up an intergovernmental team to develop a streamlined cleanup process that met both federal and state program goals. This collaborative group focused on the cleanup matrix, the master schedule, and the commercial reuse scenario to drive decisions on the remedy and institutional and engineering controls.

The developer and its partners also committed to conducting early and substantial community outreach on the site redevelopment vision. As described by EPA Region 3 Administrator Donald Welsh, "Although it may require more effort at the outset, by working collaboratively with the owners, developers, and the impacted neighborhoods, EPA can streamline the environmental cleanup process so redevelopment takes less time to complete, but still ensure the highest environmental standards."

The groundbreaking for the Chesapeake Commerce Center took place in the summer of 2006. Duke Realty plans to invest more than \$140 million in the redevelopment of the site. When the redevelopment is complete, there will be 16 buildings encompassing 2.8 million square feet. The project is expected to create thousands of new jobs over the next 10 years.



The redevelopment of its Baltimore property represents a new way of thinking about unused properties for General Motors. Historically, GM held onto unused properties and typically conducted remediation with in-house resources during and after site transfer. In this case, GM worked collaboratively with outside parties to allow a redeveloper to take on cleanup and redevelopment responsibilities. GM retains certain responsibilities and remains liable under CERCLA and RCRA as a responsible party. However, allowing the developer to conduct the remediation with Agency oversight reduced GM's future liability risks to an acceptable level.

CONTRIBUTIONS TO SUCCESS:

1. **Coordinated Cleanups** – A coordinated cleanup plan, meeting both federal and state program goals, significantly expedited redevelopment.
2. **Recruit Redevelopers** – The redeveloper assumed many remediation responsibilities and collaborated with federal and state regulatory agencies in order to reduce decision times on the remedy and institutional and engineering controls.

For more information, contact: Fred Zehnder at (313) 665-6616 or frederick.j.zehnder@gm.com.

www.gm.com/corporate/responsibility/environment/plants/brownfield_redev/index.jsp

OHIO DEVELOPMENT TEAM OVERCOMES BARRIERS TO REUSE OF MOTHBALLED WATERFRONT PROPERTY

The Diamond Shamrock Painesville Works property in Lake County, Ohio was mothballed and mired in litigation from 1977 until 2001. In 2001, Hemisphere Development entered into a partnership with area municipalities, the Ohio EPA, Lake Metroparks, and other public stakeholders to create a plan for addressing the liability and cleanup issues and transforming the old industrial property into a mixed use and recreational facility.

Located on 1,100 acres on the coast of Lake Erie and the Grand River, the former chemical plant operated from 1912 through 1977, where it produced a variety of products including soda ash, baking soda, chromium compounds, carbon tetrachloride, hydrochloric and sulfuric acids, chlorinated wax, and coke. The land was the site of various activities over the years, including a 500 acre settling pond, a chromium production facility and a landfill.

The site spans three separate municipalities with overlapping jurisdiction over regional development issues. In 1980, U.S. EPA initiated action to remedy chromium contamination at the site, resulting in



One critical aspect in freeing the site from its mothballed status was to change the direction of the cleanup and reuse plans.

the construction of a 120 acre clay cap over the impacted area. The Ohio EPA began enforcement activities for the rest of the site in 1989. The site was proposed for inclusion on the Superfund National Priorities List, which guides EPA in determining which sites containing hazardous substances warrant further Superfund investigation and remediation. Parties responsible for hazardous substance releases at the site were embroiled in years of litigation that prevented movement at the site.

One critical aspect in freeing the site from its mothballed status was to change the direction of the cleanup and reuse plans. The original plans were initially focused on achieving an industrial reuse in a region that is not expecting any significant additions to the manufacturing sector. Instead, Hemisphere and its partners envisioned the site for a prime, mixed use, waterfront revitalization that could command a substantial increase in property value, thereby providing an incentive to the property owners and other liable parties to move toward site transfer. This potential increase in property value – contrasted with the years of litigation cost and controversy – motivated the parties to get the property into the redeveloper's hands.

Under this arrangement, the former owners and other responsible parties will be responsible for cleanup costs to levels required for industrial use. The redevelop-



oper will handle the incremental costs associated with bringing the cleanup to residential reuse standards. In addition, because the previous site owners had concerns about their degree of control over the property during remediation and redevelopment, the arrangement is based on the redeveloper entering into a 99 year lease that gives the previous owners a degree of comfort and control due to their retention of ownership. Under the terms of the lease, the redeveloper has the right to purchase the property once redevelopment is completed and site users and development tenants are established. The deal is backed with negotiated indemnity and environmental insurance instruments.

Another key to the successful transfer of the property was the collaboration among the redeveloper, the site owners, and regulatory authorities. The State of Ohio assumed lead enforcement authority with the support of EPA Region 5. The remedy was planned to fulfill both state and federal regulatory obligations, as well as prepare the site to participate in the Ohio Voluntary Action Program as soon as the enforcement remedy is completed. Participation in the Ohio Voluntary Cleanup Program is critical, because it ensures that the redeveloper is eligible to obtain substantial funding from the "Clean Ohio Fund" to cover the incremental costs associated with cleaning up the property to residential cleanup standards.

Hemisphere's development plan was the catalyst to settling this costly and complex multiparty Superfund case, as well as a long standing regulatory enforcement action, in an expedited fashion. The redeveloper will complete the majority of required remedial activities in 2008. Completion of these activities will lead to the implementation of one of the largest shoreline redevelopment projects on the Great Lakes and the construction of significant recreational amenities.

CONTRIBUTIONS TO SUCCESS:

1. **Reuse First** – The developer changed the focus of redevelopment from unrealistic industrial use to a profitable mixed use development, causing previously litigious owners to recognize the value in cooperation.
2. **State Tools and Resources** – The developer is working closely with the state of Ohio to expedite the clean up process and obtain much-needed remediation funds for the project.

For more information, contact: Todd Davis, Hemisphere Development at (216) 464-4105 or tdavis@hemispheredev.com.

www.hemispheredev.com/case/lakeview.html



MANUFACTURER TAKES A PREVENTION APPROACH TO MOTHBALLED PROPERTIES

The Honeywell company initiated a proactive approach to the redevelopment of its closed facilities. Given historical operations, some formerly operated facilities require remediation. Rather than mothball these properties, Honeywell is actively working to bring them into constructive reuse. Honeywell's contributions to the successful reuse of its properties include working with local communities and businesses to identify a new use before cleanup begins, and treating remediation and re-use as linked objectives.



When evaluating a closed facility, Honeywell integrates its remediation, real estate, communications, and government relations teams to engage the surrounding community and identify redevelopment opportunities that can resolve the challenges such properties typically face: achieving regulatory environmental closure while revitalizing the property in line with community objectives as soon as practicable. This is different from the traditional cleanup model where remediation of the site is often done without consideration of an end use. Under that approach, the goal is to complete remediation and then to identify a new end use for the cleaned up, but vacant, property. This traditional model ignores the fact that cleanup standards and approaches can vary depending on the new

The company is able to create a flexible remediation and re-development plan that considers the needs of the community and identifies a viable end use for the property.

end use. Failure to integrate remediation with redevelopment can unnecessarily delay the remediation of a site and may ultimately increase remediation costs. By integrating the remediation, real estate, government relations, and communications functions, Honeywell is able to create a flexible remediation and redevelopment plan for its closed properties. This approach considers the needs of the community and identifies a viable end use for the property – thereby lessening the likelihood that properties will be mothballed.

A project in El Segundo, California is representative of Honeywell's mothball prevention approach. Honeywell owned a 56 acre chemical facility on



a South Bay location only a few miles from the Pacific Ocean and Los Angeles International Airport. The facility began operation in the 1920s and ceased operation in 2003. The main industrial activities at the site included sulfuric acid production, pesticide packaging and distribution, phthalic anhydride production, solvents packaging, and refrigerants production. The more than 70 years of operation resulted in both groundwater and soil contamination with volatile organic compounds.



Honeywell's remediation, real estate, communications, and government relations teams worked in partnership with a developer and local government officials to identify potential end uses for the property. The real estate group set an ambitious time table to redevelop the property. With the time line for redevelopment set to drive the remediation, Honeywell and its partners identified several key technical elements essential to the success of the redevelopment, including achieving expedited site characterization using a dynamic work plan (known as the TRIAD approach) and the use of real time measurement technologies to accelerate and improve the cleanup process. The planning resulted in a two phase development strategy. Phase I consisted of redeveloping 43 acres to feature a retail and restaurant center that opened in 2006. Phase II included the remaining 13 acres, which is targeted to be developed into an industrial/commercial center at a later time.

As a result of the coordination and close cooperation among the entire project team, including Honeywell, the developer, and regulatory agencies, Phase I of the project met its ambitious remediation and redevelopment schedule. The remediation of the Phase I areas was completed and approved by the regulatory agencies by the end of 2005, only two years after the factory was closed in 2003. The newly constructed retail center opened for business in November of 2006.

CONTRIBUTIONS TO SUCCESS:

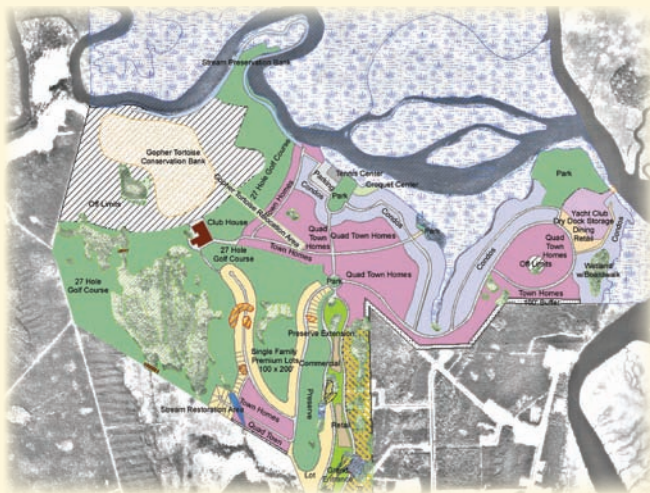
1. **Creative Corporate Strategies** – Honeywell views idle properties as assets to be moved into appropriate reuse to the benefit of the community and the company.
2. **Reuse First** – Honeywell works upfront with the local community and other allies to identify reuse opportunities for company properties.

For further information, contact Evan Van Hook, Honeywell at (973) 455-4132 or evan.vanhook@honeywell.com.

www.honeywell.com/hser/environmental-remediation-program.html

CHEMICAL COMPANY RANKS SITES AND REACHES OUT TO REGULATORS FOR REUSE OF UNDERUTILIZED PROPERTIES

The Dow Chemical Company is working jointly with EPA Region 5 on a project to encourage reuse of Dow's underutilized properties. The Dow Brownfields Reuse Project seeks to engage government regulatory officials in a pro-active process to strategically direct Dow's contaminated sites into tailored regulatory programs to allow the implementation of timely remedies that match reuse goals.



To promote the productive reuse of contaminated properties, Dow approached EPA's Office of Solid Waste and Emergency Response and EPA Region 5 in November 2006 with a proposal to remediate and make their sites available for reuse in a way that is sustainable, protective of human health and the environment, creates assets for communities, and is cost effective for the company.

EPA and Dow held several formal meetings and conference calls to move forward on the initiative. A prime objective of the collaboration is to determine a strategy under which Dow can voluntarily bring idled and contaminated facilities into the cleanup program that is the most optimal for a

Site strategies integrate remediation and reuse goals for each of the facilities.

given property. Some properties may be best addressed by a RCRA facility-lead corrective action. Other properties, if not subject to RCRA or state permitting requirements, may be easily entered into a state-led voluntary cleanup program. The effort is designed to seek consensus on the most optimum regulatory approach, convene appropriate personnel and resources from the regulatory agencies and Dow to conduct the regulatory process, and seek expedited timeframes for remedy and reuse.



Dow and EPA agreed on three Dow facilities located in EPA Region 5 to use as pilots for the project. Dow is evaluating potential site strategies that integrate remediation and reuse goals for each of the facilities. In addition, Dow is working



with EPA to outline a process to document the “life cycle” of steps and decisions associated with closing and revitalizing a facility. The decision process is intended as a tool for use in determining a range of factors, such as reuse potential and environmental issues to sort other Dow facilities for reuse potential.

Dow’s use of this decision process is leading to progress with reuse plans under development by Dow at their Bay City, Michigan and Crest Hill, Illinois facilities.

The Bay City site is a RCRA facility-lead corrective action project that has progressed to the remedy selection phase. The reuse plan will likely include multiple land uses including recreational, residential, environmental habitat, and light industrial. Dow also is looking at ways to provide access to a historic lighthouse, which is an important cultural resource to the community. EPA’s RCRA corrective action project manager is working closely on this project to ensure that all requirements are met, while providing the flexibility for the proposed reuse of the property.

The Crest Hill facility is a small facility with a landfill as the primary environmental concern. The facility is subject to RCRA corrective action and will become a facility lead voluntary cleanup. Dow and EPA Region 5 are in discussions with

the Mayor of Crest Hill, who is excited about the potential redevelopment of this facility, which is located on the main road into town. The parties believe that the issues related to the Crest Hill facility are manageable and a final remedy decision could come in 2008.

Dow and EPA Region 5 are discussing the use of the company’s ranking and regulatory tool to expand the company’s sustainability project to include one or more additional facilities.

CONTRIBUTIONS TO SUCCESS:

1. **Coordinated Cleanups** – Dow is working with EPA regional offices to voluntarily bring facilities into the most appropriate regulatory programs in order to build consensus on cleanup approaches and minimize delays while cleaning up properties to approved levels.
2. **Creative Corporate Strategies** – Dow is actively engaged in a corporate initiative to proactively remediate contaminated and underutilized properties.

For more information, contact Vicki Rupp at Dow at (989) 636-1000 or VRupp2@Dow.com.

www.dow.com/commitments/sustain.htm

PENNSYLVANIA BUYER-SELLER AGREEMENT FACILITATES REUSE OF OLD MANUFACTURING SITE

The Pennsylvania Department of Environment (PADEP) uses a successful approach at potentially contaminated sites when the owner is hesitant and uncertain about the risks of selling: Buyer-Seller Agreements with liability protections.

In January 2006, PADEP entered into a Buyer-Seller agreement with Murata Electronics North America, Inc. (Murata Electronics), a Japanese firm considering the sale of a contaminated property in State College, Pennsylvania, and a Pennsylvania-based firm, Spectrum Control, Inc., a company interested in buying the property. The transfer of cleanup responsibility and future environmental liability in a manner satisfactory to all involved parties was the key to completing a transaction that resulted in a robust cleanup effort as well as the creation and retention of hundreds of jobs.

Murata Electronics owned and operated a ceramic manufacturing facility on the 54 acre site since 1956. At the peak of operations, the 250,000 square-foot facility employed 1,200 people. Manufacturing operations at the facility were shut down in 2004 and the final 300 employees were laid off. Murata Electronics retained ownership, but they vacated the building and fenced off the property.



Murata Electronics is the Responsible Party of record relative to the contamination and cleanup obligation. Remediation of the site was ongoing since 1988. Groundwater is contaminated with PCE and TCE

that was used in manufacturing processes at the site from 1958 to 1980. At the time of the Buyer-Seller agreement, PADEP estimated the remaining cost of cleanup for the known contamination at approximately \$1,500,000.

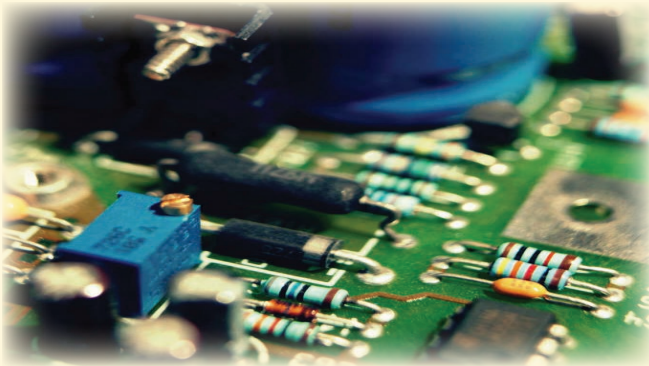
Spectrum Control, a ceramics and electronics manufacturing firm, was looking to relocate their Louisiana manufacturing operations that had been destroyed by Hurricane Katrina. The idle facility owned by Murata Electronics was a solution for Spectrum Control – the location was ideal since they were already operating in other Pennsylvania locations and they could reuse most of the equipment Murata Electronics left onsite. Time was of the essence because Spectrum Control had to be back in operation as soon as possible to meet production obligations – including deliveries that would keep its other Pennsylvania facilities in operation. Because over 100 new jobs would be created and hundreds of existing jobs would be retained by the relocation of Spectrum Control's Louisiana operations, a successful and timely transaction was of high importance to the Pennsylvania Governor's office.

However, Murata Electronics was a reluctant seller given its ongoing environmental liabilities. To sell the property, Murata Electronics needed assurances that it would be released of all environmental cleanup and third party liability. As the buyer, Spectrum Control was willing to buy the property "as is," assume the environmental liability obligations and complete the remediation.

Early in the transaction negotiations, insurers were unwilling to underwrite the types of environmental insurance policy needed to satisfy the seller's requirements. Potential insurers felt there was not enough technical information available to adequately underwrite a policy. The insurance companies also were uncertain that PADEP would be willing to forego the typical liability transfer mechanism of putting cleanup funds in an escrow account that PADEP controlled and instead rely on a traditional environmental insur-

ance instrument. Without the appropriate insurance coverage, the deal could not happen.

After a complex negotiation process involving PADEP, Murata Electronics, Spectrum Control, and the insurer, a Buyer-Seller agreement was established and agreed upon. Murata Electronics was allowed to end its remediation obligations at the facility. Spectrum Control was allowed to assume liability, and to continue working to remediate the site to achieve a release of liability under Pennsylvania's Act 2 brown-fields statute and program. After the insurer agreed to underwrite the transaction, PADEP agreed to accept the insurer's risk management structure rather than requiring that remediation funds be secured in an escrow account.



Under the Buyer-Seller agreement, Spectrum Control's liability was capped by PADEP at \$4 million for previously identified contamination and related ongoing remedial obligations. Spectrum Control also purchased a Cost Cap and Pollution Legal Liability insurance policy to address risks that went beyond cleanup obligations and other sources of potential environmental liability, such as cleanup costs associated with unknown contamination and third party claims.

Murata Electronics and PADEP were listed as additionally insured parties under the policy. The insurer's ability to extend coverage to both the regulatory agency as well as to the seller was a critical part of the transaction. By being afforded status as an insured party on the policy, PADEP was satisfied that remedial obligations would be met by privately secured funding. Should the new owner fail, however, to execute its remedial obligations or become financially

insolvent, the Commonwealth can invoke its rights under the policy to receive insurance coverage for the cleanup of the site, thereby removing the possibility that PADEP is left with financial obligations related to cleanup.

By extending coverage to Murata Electronics, the transaction could proceed because third party liability concerns were addressed. Protection from third party claims was essential to the transaction because the seller would not sell the property without this protection. In this case, the environmental insurance policy provided an additional level of liability protection not afforded under the Commonwealth's Act 2 release of liability.

The funds to purchase the insurance policy came from the private parties engaged in the transaction. The liability transfer allowed the transaction to proceed while satisfying the regulatory authority that the cleanup would be completed without the use of taxpayer dollars.

Today, site remediation is moving along as planned. In fact, cleanup efforts were greatly expedited following the transfer of ownership. The manufacturing facility is operating in full swing, employing over 100 Pennsylvanians, and saving hundreds of other jobs. Moreover, the revitalized operation is back on the tax rolls for the community of State College.

CONTRIBUTIONS TO SUCCESS:

1. **Create Comfort** – PADEP's buyer-seller agreement with liability protection provided assurances the owner needed to transfer the contaminated property.
2. **Reduce the Risks** – By being listed as an insured party on the environmental insurance policy, PADEP was satisfied that remedial obligations would be met.

For more information, contact Tracey Vernon, Pennsylvania Department of Environmental Protection at (717) 772-5906 or tvernon@state.pa.us.
www.depweb.state.pa.us/dep/site/default.asp

VACANT SITE TO BECOME ROCHESTER SPORTS CENTER

As a result of local government leadership, and the use of risk management tools and institutional controls, a DuPont owned property that was closed for 13 years is on the verge of being redeveloped as a public recreational complex. DuPont is the owner of a 9.9 acre site in northwestern Rochester, New York. The site began as a fairground in the 1870s and was purchased by the Defender Photo Supply Company, a photographic film and paper manufacturing firm. DuPont purchased the business and property in 1945 and continued production at the property until 1995. The manufacturing plant was demolished in 1996 and the site remains vacant.



For almost 10 years there was little interest from entities in the community to redevelop the site, and it remained fenced off. In 2006, local youth sports organizations began expressing a desire to use the site as public athletic fields. The City of Rochester School District started to discuss the possibility of turning the site into athletic fields and a parking lot. The renewed community interest encouraged the City of Rochester to approach DuPont to begin redevelopment negotiations.

The institutional controls provided the framework for an agreement that will alleviate concerns about losing control of the site and dramatically reduce the risk associated with property transfer.

The prior use of the site presented an impediment to redevelopment during initial negotiations. The soil at the property was contaminated with the byproducts of photographic film production – a process that predominantly uses silver and small levels of cadmium, lead, and mercury. Given these challenges, the reuse of the property hinged on DuPont’s ability to reach an acceptable redevelopment agreement with the City.

In response to DuPont’s concerns regarding potential environmental risks at the property, the local government explored whether the City could take over ownership or liability to provide the certainty DuPont sought. Because both DuPont and the City are long established and stable entities, the parties are more confident about negotiating to reduce risks and liability concerns at this long idled property.

The City will implement institutional controls as part of the remedy to provide the level of certainty regarding future risks and liability sought by DuPont. By instituting deed restrictions and environmental easements that run with the land, DuPont and Rochester can address long term concerns not always covered by indemnification agreements. Institutional controls most often are not dependent on the continued involvement of the party who owned the property at the time of remediation. The responsibility to monitor institutional controls generally is transferred upon land sale. In-

demnification agreements generally are not affected by the property sale. The City of Rochester, being a local government, can provide an additional layer of protection in the case of institutional controls because the local government has the internal structure to oversee land use permits and can restrict what happens to the property, adding additional certainty to any future use.

DuPont and the City reached an agreement in principle where DuPont will clean up the site and then



donate the property to the City of Rochester. In addition, DuPont executed a Brownfield Cleanup Agreement on May 17, 2007 with the State of New York. The remedy and land transfer agreement will provide for institutional controls, such as a deed notice restriction requiring restricted residential reuse (to limit the number of parties responsible for monitoring compliance with institutional controls) and environmental easements. DuPont will indemnify the City for environmental costs provided the City accepts the property donation, determines appropriate recreational use and ensures all property restrictions are enforced. The indemnification by DuPont will be reduced, if not terminated, if the City transfers the property to another party in the future. This reflects DuPont's concerns with regard to indemnifying parties that may have uncertain financial futures.



The institutional controls provided the framework for an agreement that will alleviate DuPont's concerns about losing control of how the site is used in the future. Further, Rochester's local leadership in creatively working to structure a negotiation that satisfies the interests of both parties was important in moving the negotiation process forward. Remedial selection for the site is expected in late 2008 or 2009, construction in 2009-2010, and property transfer expected in 2010.

CONTRIBUTIONS TO SUCCESS:

1. **Local Leadership** – The City approached DuPont to develop a plan for reuse of the property to meet community needs.
2. **Reduce Risk** – The land transfer agreement utilizes institutional controls to limit end uses to reduce DuPont's risk of liability.

For more information, contact Mark Gregor, City of Rochester at (585) 428-5978 or mgregor@cityofrochester.gov.

www.ci.rochester.ny.us/des/index.cfm

MILWAUKEE MASTER PLAN RENEWS OLD INDUSTRIAL VALLEY

The City of Milwaukee, Wisconsin's 1,500 acre Menomonee Valley experienced rapid growth from the 1920s to the early 1950s, serving as a major industrial center for the area. Surrounding the numerous industrial facilities, neighborhoods sprang up allowing many of the workers to live near their places of employment. As is the case in many Midwestern areas, the decline of United States manufacturing forced the businesses of the once thriving area to close, leaving contaminated properties within walking distance of the city center.

In the 1990s, the City of Milwaukee expressed interest in revitalizing the Menomonee Valley and returning jobs to the community. In 1998, the City of Milwaukee completed a master plan to redevelop the five-mile long and half mile wide valley. The City partnered with the Menomonee Valley Business Improvement District, the Milwaukee Economic Development Corporation, the Menomonee Valley Business Association, and numerous other local entities to form the nonprofit Menomonee Valley Partners, Inc. to implement the land use plan.



The land use plan relies upon, and uses, federal, local, and state tools for cleanup. Federal tools include Community Development Block Grants, HUD Economic Development Initiative grants, Congressionally directed spending, and Environmental Protection Agency re-

sources including Brownfields grants. Local leadership, private investment, tax foreclosure, and the use of eminent domain were identified as important tools and used when necessary. Since the implementation of the land use plan, two additional local tools assisted in the redevelopment. First, the establishment of an overall Valley land use plan created momentum toward redevelopment and resulted in increasing property values in the Valley. Property owners in the Valley, including several mom & pop businesses, are taking advantage of the rise in property value and are becoming willing to sell now that there is a market, thus speeding up redevelopment. A second local tool is the use of the Menomonee Valley Partners organization as an acquirer of property, as some owners may look more favorably on transferring their property to an entity other than the government.



The State of Wisconsin has a number of tools to redevelop potentially contaminated properties that are contributing to the development of the master land use plan and ongoing cleanup of mothballed properties in the Menomonee Valley. Tax increment financing (TIF) is used on sites to fund site acquisition and cleanup. TIFs allow for a local government to credit property owners for the expected rise in property value from redevelopment. That expected credit enables the owner to receive a bond to pay for redevelopment up front. Menomonee

Valley projects also took advantage of Wisconsin Department of Natural Resources (DNR) programs and expertise. The DNR's Brownfields Environmental Assessment Program awarded funds for site assessment and cleanup. DNR's Sustainable Urban Development Zone funds assisted with investigation as well. DNR continues to provide extensive technical assistance to complete all environmental work in advance of development. As a result, when the City finds an interested purchaser for a parcel, the parties need to work only with the DNR on the appropriate placement of the buildings (to act as a barrier to residual contamination on site) and request an exemption to build on the historic fill. This strategy saves new businesses thousands of dollars in direct and indirect costs, since most of these businesses have very short windows in which to finance, purchase, and build. A further tool available to local government in Wisconsin is a State-established liability exemption for local governments who acquire property through use of eminent domain or tax receipt foreclosure. This enabled Milwaukee to acquire property without becoming a potentially responsible party for cleanup.

Many of the above tools assisted in the redevelopment of the largest mothballed properties in the Menomonee Valley – the 130 acre former Milwaukee Road Railyards. The rail yards were vacant for over 20 years before the redevelopment plan was instituted. The City faced owners unwilling to sell the property that was contaminated with asbestos, oil, and PCBs. Eventually an agreement was reached. City grants, EPA grants, HUD grants, CDBG funds, DNR grants and technical assistance, \$16 million in TIFs, and \$39 million in private investment came together to purchase and redevelop the property. Currently, there is a business park for light industrial users on approximately half of the site that is projected to create over 1.2 million square feet of building space and 1,200 jobs. The other half of the property will be greenspace.

Redevelopment in the Menomonee Valley is still ongoing. Successful projects include the construction of Miller Park, home of the Milwaukee Brewers. The Valley is also the site of the 12 mile Hank Aaron State Trail along the Menomonee River. Over the next 10 years the Menomonee Valley Partners are projecting three million square feet of new construction in the once blighted Menomonee Valley. At this time, 18 redevelopment projects are underway including a unique Harley-Da-



vidson museum, trails, greenspaces, and light manufacturing. The Harley-Davidson museum is a \$60 million, 110,000 sq. ft. project located on a former Morton Salt industrial site that houses the museum, a retail store, banquet space, and a restaurant. Phase II will include space for the Harley-Davidson corporate archives, a restoration shop and additional museum exhibits. Phase III plans include office space and other growth needs. Harley-Davidson incorporated the Menomonee Valley Sustainable Design Guidelines in their development.

CONTRIBUTIONS TO SUCCESS:

1. **Reuse First** – The City of Milwaukee and the Menomonee Valley Partners developed a comprehensive land reuse plan to spur redevelopment.
2. **State Tools & Resources** – Wisconsin provides technical assistance, grants, tax increment financing, and limited governmental liability to aid redevelopment.

For more information, contact David Misky, Milwaukee Department of City Development at (414) 286-8682 or David.Misky@milwaukee.gov.

www.renewthevalley.org/

ENVIRONMENTAL EXTENSION CENTER HELPS SEATTLE SMALL BUSINESSES ON CONTAMINATED PROPERTIES

An innovative nonprofit environmental assistance center in King County, Washington is helping small businesses and mom & pop owners make their potentially contaminated properties available for sale and revitalization.



The Environmental Coalition of South Seattle (ECOSS) is a nonprofit educational organization designed to assist businesses and the community with environmental and economic development issues. ECOSS established an Environmental Extension Service that works cooperatively with government, businesses, and community and environmental interests in the Puget Sound Region.

The Environmental Extension Service helps small businesses understand and address issues related to contaminated properties. It helps small businesses navigate the road to property cleanup, which can be confusing and may seem to be unnecessarily expensive and time consuming. Moreover, the Extension Service helps businesses understand that by finding and eliminating contamination, they can reduce their legal liability and preserve the value of their real estate.

ECOSS has established an Environmental Extension Service that works cooperatively with the government, businesses, and community and environmental interests in the Puget Sound Region.

The Extension Service provides free consultations and assistance. The assistance tailored individually for each business includes research and assessments on a property's contamination history, referrals to environmental consultants, interpretation of consultant reports, recommendations on cleanup strategies, recruitment of tenants for newly cleaned properties, help in developing and implementing stormwater management plans, assistance with en-



vironmental compliance, and help accessing public sector grants and technical assistance.

The King County/Seattle Brownfields Showcase Initiative, supported by the EPA Brownfields Program and assessment grants, helped launch the Environmental Extension Service's brownfields assistance work.

Since ECOSS started helping small businesses deal with problem properties, the center developed an inventory of potentially contaminated properties in King County, conducted initial inspections of more than 170 sites, started 96 environmental site assessments, completed 50 assessments totaling 250 acres of properties, saved businesses more than \$250,000 in costs, and leveraged more than \$11 million in Brownfields cleanup grants and revitalization funding.



ECOSS helped mom & pop owners of potentially contaminated properties on numerous successful revitalization projects. When Jun and Susan Despi immigrated from the Philippines to Seattle, they started the Delite Bakery. Their bakery was so successful that the business needed to expand. But plans went awry when they unwittingly bought the contaminated Kwik Cleaners dry cleaning site and were unable to address the contamination issues with their family lawyer. ECOSS assisted by finding the family a good environmental attorney, helped find and hire a cleanup consultant, and obtained cleanup funding through an old insurance policy. Today, the family is proud that "Despi's Delite Bakery" is a popular and thriving bakery for the neighborhood.



At the North Coast Chemical site located in a low rent, depressed industrial area in the County, the out of state landlord heard about ECOSS and met with ECOSS officials at a community presentation. The landowner worked with ECOSS to address problems at the site, removing the polluting tenant, establishing a work plan for cleanup, and helping find and hire a trustworthy cleanup contractor.

Through community based efforts, environmental assistance centers, such as ECOSS are making a difference for mom & pop owners of contaminated sites across the nation.

CONTRIBUTIONS TO SUCCESS:

1. **Assist the Mom & Pops** – ECOSS assists mom & pop owners navigate the road to cleanup by providing information on the tools available for remediation and redevelopment.
2. **Federal Grants** – EPA Brownfields Program assessment grants provided the seed money to begin the program and continue to support ECOSS assistance to small businesses.

For more information, contact Emery Bailey, Environmental Coalition of South Seattle at (206) 767-0432 or emery@ecoss.org.

<http://ecoss.org/about/index.htm>

WEST VIRGINIA SMALL CITIES CREATE A COMMERCE CORRIDOR

The cities of Charles Town and Ranson, West Virginia are revitalizing a blighted corridor in the center of their adjacent downtowns into a new “Commerce Corridor” of mixed use development. Technical assistance from private sector organizations, supported with EPA Brownfields resources, are critical to this success. These resources are helping small owners of mothballed properties and redevelopers realize the potential for transfer and redevelopment of their properties.



Two key parcels at the center of the corridor were mothballed for decades, held by families unable and uninterested in sale or redevelopment. One site is a century old industrial scrapyard that was tainted with lead, petroleum, and other metals. The second is a granary complex subject to state emergency removal actions due to petroleum and pesticides contamination. The family and individual owners of these sites were reluctant to revitalize based in part on lack of experience in real estate and development of contaminated properties, lack of collaboration with the local government, and a listless downtown market for reuse.

The cities of Charles Town and Ranson engaged these property owners, local developers, and the broader community in a process to create a reuse

The cities used EPA and other resources to create a plan for matching the highest and best market uses for these sites to the physical conditions of the sites and the surrounding development context.

vision for this corridor, to educate stakeholders on opportunities, and to prime the market for reuse. Charles Town and Ranson sought and obtained U.S. EPA assessment grant funding to support the endeavor. The cities worked with property owners to convince them of the value of conducting environmental assessments on the properties to understand and manage the risks at the sites. The localities also worked with a local developer on strategies to overcome challenges at these properties. The site owners and interested redevelopers agreed to allow the performance of Phase I and Phase II assessments on these properties.

The cities used EPA and other resources to create a plan for matching the highest and best market uses for these sites to the physical conditions of the sites and the surrounding development context. The community conducted planning charettes, highest and best use analyses, market feasibility studies, and reuse planning. The owners of the properties and other stakeholders were invited to participate in all of these activities, helping them realize the potential opportunities for revitalization.

A key step was securing assistance from the Urban Land Institute (ULI), a nonprofit research and education institute focused on urban revitalization. ULI convened a “technical assistance panel” (TAP)



of 10 experts in the fields of development, finance, real estate, and contaminated properties from the mid Atlantic region. The ULI TAP engaged the cities and community stakeholders to define a set of issues and objectives for analysis. The TAP convened in the community for three days, met with stakeholders, debated reuse prospects, and established a set of reuse recommendations. Several weeks after the onsite forum, ULI provided a comprehensive 25 page report with reuse recommendations. The report confirmed and enhanced the reuse planning already conducted by the community.



At the beginning of the localities' efforts, one community official asked a local developer whether he would work with the owners of the mothballed properties to seek redevelopment. The local developer replied, "those sites are contaminated and worthless. Why would I want to get involved in another Love Canal?" At the conclusion of the ULI forum, that same developer, who attended all of the reuse planning activities in the community together with the site owners, remarked "I am convinced that this project holds the future to the Charles Town community. I am investing and moving forward." He formed a dynamic development team for the reuse of the former industrial scrapyard, created a remedial plan in cooperation with state officials, and prepared the site for redevelopment. In August 2007, the City of Charles Town approved final site development plans for a "Gateway Center" that

will house high tech commercial office tenants. A groundbreaking is planned for 2008. This developer also purchased a vacant lumber yard in the corridor and converted it into a 35,000 square foot commercial office and warehousing operation. In the meantime, other redevelopers who see progress in Charles Town are engaging in talks with the family that owns the granary about expanding the commercial redevelopment in the area.

In this case, small property owners, an inexperienced local government, and reluctant investors who had given up on this downtown corridor came together to create a reuse vision that is now being implemented. This transformation in thinking was fueled by U.S. EPA Brownfields grant resources enabling private sector organizations like the Urban Land Institute to conduct reuse planning, outreach, education, and environmental assessments to create a market for revitalization and give parties the confidence to move forward.

CONTRIBUTIONS TO SUCCESS:

1. **Reuse First** – Creation of a reuse plan convinced site owners and developers there would be a market for the redeveloped property and provided the certainty the parties were seeking.
2. **Federal Grants** – Charles Town and Ranson used EPA Brownfields assessment funding to reach out to the site owners and the broader community to conduct assessments and educate stakeholders on opportunities for reuse.

For more information, contact Charles Town Councilwoman Ann Paonessa at (304) 728-2887 or annpwv@frontiernet.net.

www.charlestownwv.us/section.asp?section_id=44



COLORADO BROWNFIELDS FOUNDATION HELPS MOM & POPS WITH ENVIRONMENTAL STEWARDSHIP PROGRAM

The Colorado Brownfields Foundation (CBF) is a nonprofit organization servicing urban, suburban, and rural Colorado to promote the cleanup and reuse of environmentally impaired sites, including mothballed properties. CBF assists in finding solutions to mothballed properties by providing technical assistance to owners, buyers, and local governments seeking to revitalize these properties.



CBF's Environmental Stewardship Program assists communities and property owners facing critical issues related to potentially contaminated properties but lacking the specialized expertise and financial resources to address them. CBF can loan a brownfields coordinator to a project to inventory redevelopment opportunities, provide strategic information on land reuse models, coordinate environmental related services, identify funding options, and act as an intergovernmental liaison. CBF's Environmental Due Diligence Grants provide environmental services to local governments to support public-private real estate transactions and support redevelopment for public benefits. CBF brings seminars, workshops, and conferences to communities to educate stakeholders and project

managers on strategic approaches to redeveloping potentially contaminated properties.

Additionally, CBF administers several specialized programs including the Colorado Historic Byways Initiative, an interagency state program that provides environmental assessment and cleanup services to local economic development projects along Colorado's Scenic Byways and Historic Districts. CBF also works to help clean up environmental contamination associated with clandestine methamphetamine labs, focusing on homes that are abandoned, in foreclosure, or otherwise veiled to potential occupants.

CBF coordinated a public-private partnership to clean up and reuse the Former Buckshot Industries property in Crowley County, Colorado (population 6,000). The eight acre site is the former location of a family owned highway construction business and was blighted by a combination of illegal dumping, diesel fuel spills, and clandestine methamphetamine production.



Buckshot Industries ceased operation in the mid 1990s when the owner's two sons inherited the family business. In place of the road construction



business, the brothers started a methamphetamine production lab – a process with hazardous byproducts. In addition to the toxic methamphetamine chemicals, the site also contained rusty drums leaking diesel fuel left over from previous road construction. Asbestos debris accumulated on the property due to the brothers operating an illegal dump in addition to their methamphetamine laboratory.



The site eventually became subject to tax liens by the County Treasurer. At the tax sale there were no potential purchasers and the county itself declined to convert the Treasurer's liens into title, citing the environmental issues. It appeared that the property could remain mothballed for some time into the future.

In 2007, CBF assisted in encouraging a local manufacturer of hand-crafted cabinetry to consider using this property for an expansion of its operations. The manufacturer contemplated relocating out of the County, but after discussions with Crowley County Commissioners, it decided to take possession of the Treasurer's liens with full title after cleanup was complete.

CBF was instrumental in putting this agreement into place and saving the property from continued status as a mothballed property. First, CBF coordinated with the Colorado Department of Public Health & Environment to characterize site conditions. CBF also developed the terms of the agreement. In addition to transferring fee title following cleanup, it delegated cleanup responsibilities for contaminated diesel soils

to the County. The cabinetry company agreed to clean up the dump site and asbestos debris. CBF itself will clean up the methamphetamine laboratory. The County waived all entitlement fees for the property and offered to provide earth moving equipment and operators for cleanup activities. As a side benefit and cost savings measure, the local Voluntary Fire Department will receive free training from the State in assaying and disposing of unknown containerized liquids as part of the methamphetamine lab cleanup. The agreement also specifies that jobs will be kept on the site for three years or the business will incur financial penalties.

The retention and expansion of this local business is economically significant because it entails the creation of jobs and puts the property back on the tax rolls. CBF estimates reuse of this once tax delinquent and vacant site would add about \$250,000 in payroll to the community, contribute almost \$6,000 annually to the County's tax rolls, and over \$1,000 in annual taxes to the local school district. Unfortunately, at the time that this report was being published, a Colorado wildfire destroyed this revitalized property, and the community will need to work again to redevelop.

CONTRIBUTIONS TO SUCCESS:

1. **Assist Mom & Pops** – CBF provided the expertise to the cabinetry company and local government to understand the human health impacts of environmental conditions and to develop a strategy to clean up and reuse this site.
2. **Local Leadership** – The local government, through the use of assuming cleanup costs and waiving fees, committed to developing an agreement whereby the cabinetry company would remain in the community.

For more information, contact Jesse Silverstein, Colorado Brownfields Foundation at (303) 962-0942 or jesse@ColoradoBrownfields-Foundation.org.

www.coloradobrownfieldsfoundation.org/



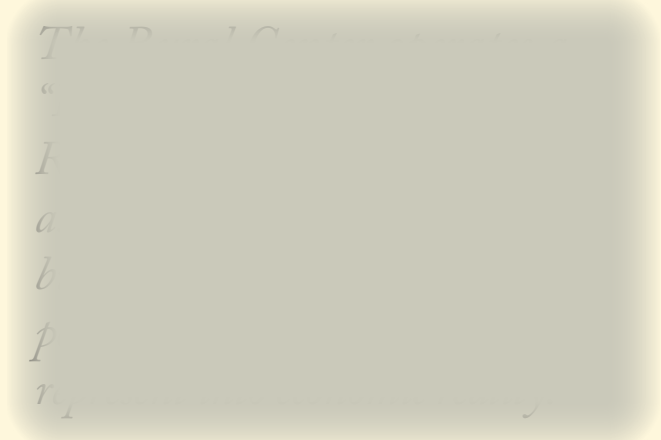
INNOVATIVE BUILDING REUSE PROGRAM SPURS REVITALIZATION OF NORTH CAROLINA SMALL TOWNS

North Carolina is in the midst of a 30 year economic restructuring as a result of manufacturing closures and job losses. Many communities lost their economic base as manufacturing plants closed, the number of small farms declined and locally owned businesses, including main street stores, disappeared. The hardest hit small towns saw their tax bases erode, making it difficult to provide basic services and nearly impossible to plan for new growth and development.



Whether an empty storefront on Main Street or a shuttered factory out on the highway, vacant buildings serve as daily reminders of the economic hardships being pressed upon small towns throughout North Carolina. They are a source of discouragement to local residents and to anyone considering starting a new business. But these buildings also represent a town's potential. Restored, renovated, and equipped, they can once again become thriving centers of commerce, creating jobs and adding much-needed tax base for struggling communities.

A nonprofit center based in Raleigh called the North Carolina Rural Economic Development Center (Rural Center) helps create economic revitalization in the state's 85 rural counties by



conducting research into rural issues; advocating for policy and program innovations; and building the productive capacity of rural leaders, entrepreneurs, and community organizations. The Rural Center operates a "Building Reuse and Restoration Program" that assists communities and small businesses in transforming the potential these buildings represent into economic reality. Grants provided by the Rural Center help local governments prepare the buildings for reuse by new and expanding businesses. The Rural Center oversees the program that received \$40 million in funding from the North Carolina General Assembly.





The Building Reuse program provides predevelopment grants of \$25,000 to cover the costs of studies and other activity necessary to secure commitments from a business or investors for the reuse of vacant and blighted buildings. Development grants of up to \$400,000 are awarded to projects ready for reuse and must be matched by at least an equal amount of private and public funds. Awards are limited to local governments in rural counties or the most economically distressed urban areas, with priority given to towns with fewer than 5,000 people.

For example, a Rural Center grant is helping the City of Albemarle, North Carolina reuse a 42,000 square foot manufacturing facility that closed in the early 1970s into a mix of offices, retail, and living space. The Rural Center also provided \$250,000 to the Town of Forest City for the reuse of the Cone Mills/Florence textile plant as a mixed use development with a total investment of \$20 million. The complex, with a restaurant, bookstore, movie theater, meeting facilities, hotel, museum, and housing, will create 50 jobs and spur the redevelopment of other historic buildings near the former mill.

An important role of the North Carolina Rural Center's programs with respect to mothballed properties is that the Building Reuse effort helps create "market pull" in localities that struggle with economic stagnancy. The predevelopment and restoration grants help create community consensus on reuse plans, identify highest and best uses for


particular sites, and create interest by potential investors and redevelopers in reuse. These issues are typically more complex for contaminated properties. Such economic development momentum can be critical in providing confidence to the individuals and businesses who own these long vacant sites that there is value in taking on the challenges of cleanup and restoration. With hope for real estate and market opportunities created by the proactive efforts that are enabled with Rural Center grants, property owners often become less reluctant to discuss site transfer.

CONTRIBUTIONS TO SUCCESS:

1. **Assist Mom & Pops** – The Rural Center provides assistance to small businesses for building reuse and revitalization.
2. **State Tools and Resources** – State funds provide grants for predevelopment and development projects for communities to identify reuse opportunities.

For more information, contact Billy Ray Hall, North Carolina Rural Center at (919) 250-4314 or brhall@ncruralcenter.org.

www.ncruralcenter.org/



Mothballed properties are a challenge in communities across America. America is up to the challenge of revitalizing these sites through new innovative approaches and public-private collaboration.

Stephen Johnson, EPA Administrator