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## Municipalities can bank on brownfields during pandemic

With the current COVID-19 restrictions, now is a good time for municipalities to plan ahead and look for economic development opportunities that they may have bypassed before. One such opportunity is brownfield sites, which may have been considered “too difficult” in the past, but now can be given the time and attention they deserve. Municipalities and other property owners who take this opportunity to plan, assess and clean up brownfield sites will have properties that are well-positioned for marketing and redevelopment as the economy recovers.

Brownfield sites are often an untapped resource due to the costs and difficulties associated with cleanup, regulations and special construction requirements. However, they also are frequently located on prime sites for development, whether it’s an urban infill location or a highly visible and easily accessible address. Some examples of these types of sites include dry cleaners; gas stations, body shops and other automotive uses; plating and machining operations; city landfills; and older industrial properties that are rail served or adjacent to waterways.

There are a number of things municipalities can be doing during this “down time” to prepare these unique sites for shovel-ready development:

■ **Environmental investigations.** A Phase I Environmental Site Assessment is an important first step for any imminent property acquisition. A properly scoped Phase I ESA not only collects and organizes readily available environmental information on the



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site, but also it provides future owners and investors certain federal environmental liability protections. These liability protections require that a Phase I assessment be finalized within six months of title transfer. Older Phase I ESAs may be refreshed and updated with current information at minimal cost up to one year after they are originally performed.

If a property already is owned, title transfer isn’t expected within the next 12 months, or a Phase I identified potential environmental conditions of concern, a Phase II assessment may be appropriate. A Phase II assessment typically includes sampling of soil, groundwater and/or building materials. Although some sites may need just a few samples, larger or more impacted sites may require a significant effort to gather the necessary data. The primary goals of Phase I and Phase II ESAs are to determine if adverse environmental conditions exist, and, if so, if the conditions require cleanup. ESAs also serve to inform site re-use decisions and allow for reliable cost estimating if cleanup is needed. Although these assessments cost money, they make the site more marketable by removing uncertainty and streamlining the due diligence process for the buyer.

■ **Real estate evaluations.** Various real estate-focused stud-

ies are available that will provide a municipality with important information about the best use for the site and its value to a developer. The studies that are readily available include an appraisal, which provides a professional assessment of the market value of the property, and a market study, which will provide information on the demographics, market conditions and demand for various types of property uses in that area. The market study often results in a “highest and best use” determination, based solely on the property’s location and current or projected market conditions.

A further evaluation, the real estate feasibility study, will provide important, site-specific development and financial analysis to supplement the market study and will evaluate the viability of the highest and best use. Note that some environmental conditions will preclude certain “sensitive” land uses, such as residential or schools, so the nature and extent of contamination and plans for cleanup also must be considered in any reuse decision.

■ **Site planning.** Once a land use determination is made, a thoughtful, attractive conceptual site plan can help developers and investors to more easily envision the potential for a brownfield site and how it will attract users. When done by a municipality, a conceptual site plan can incorporate community desires or constraints, such as for open space or density, and show what would likely be approved through the city’s planning process. Conducting some planning on the front end also will provide a better indication to

developers of what the economics of a project are and who the end users would be.

■ **Assistance for brownfields redevelopment.** Not all municipalities have the resources to conduct the environmental assessment and real estate planning described here. However, programs do exist for smaller communities to jumpstart their brownfield redevelopment efforts. The most accessible of these is the Environmental Protection Agency’s Technical Assistance to Brownfields program, which helps communities understand how to tackle brownfield site assessment, cleanup and reuse. Technical assistance can include creating inventories of brownfield sites, reviewing cleanup plans or grant applications, providing training and workshops, convening community meetings, supporting stakeholder engagement, running charettes, conducting market studies, identifying sources of financing for brownfields, and other types of redevelopment assistance.

■ **Community concerns.** Communication with the community about the project is vital. Your approach should include briefings, newsletters and social media throughout the life of the project. It also is essential to take into account important factors including environmental justice and social equity. Low-income neighborhoods often are confronted with these challenges, and community outreach is critical to the health of the site and the surrounding communities.

■ **Site cleanup.** The EPA and state governments have published

standards for environmental cleanups for different types of land uses, such as residential (“unrestricted”), commercial/industrial or open space. In most cases, the state environmental agency oversees site cleanups and can offer assistance to public or nonprofit property owners. Cleanups can be completed by the original property owner prior to sale, or by the new property owner. Ideally, the new property owner can integrate site preparation activities with the cleanup, saving time and money.

For those sites where some level of contaminants are allowed to remain – that is, for cleanup to anything other than unrestricted use standards – some constraints on the property will be necessary to eliminate contact with the chemicals by future users. Known as “land use controls,” these may include requiring a certain thickness of clean soil be maintained at the surface, prohibitions on the use of groundwater or growing crops on the property, or restrictions on the allowable site uses, such as no single-family homes. And, for those sites where vapor emissions are a concern, standard designs are available for vapor mitigation that operate much like a home’s radon protection system. This uniformity in design and installation affords cost effectiveness and provides reliance on the final product.

■ **Conclusion.** As municipalities examine how to leverage their shifting resources during these uncertain times, examining the potential opportunities presented by their brownfield sites makes good sense. ▲