North Carolina’s Partnership with Developers: North Carolina’s Team Approach Yields Many Successes

Introduction

The State of North Carolina Brownfields Program’s (N.C. Brownfields Program) stakeholder partnering approach has yielded significant benefits to North Carolina residents, brownfields developers and local communities. A commitment to partnering and a risk-based brownfields redevelopment approach has enabled the N.C. Brownfields Program to remove over 128 brownfields from active use since 2002. The N.C. Brownfields Program has helped to create over 2000 new jobs and has contributed over $710 million to the state of North Carolina’s economy. North Carolina’s communities have also realized significant reductions in property tax assessments resulting in increased property tax revenues across the state and beneficially impacted by environmental contamination.

North Carolina’s Brownfields Program was designed to promote a collaborative environment fashioned through the legal structure adopted by the North Carolina General Assembly (N.C. General Assembly). The partnering approach utilized by the Program is inclusive of all stakeholders involved in the redevelopment of brownfields sites, including stakeholders such as a property owner, the local government, the local community, and the developer. The partnership approach with all of these entities will have the unique ability to reduce the time commitment to execute a brownfields agreement and successfully realize a brownfields property while supporting a safe, marketable future.

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Elements of the partnering process include dynamic brownfields agreement process, brownfields redevelopment incentives, and a risk-based approach for redevelopment.

Partnering to Assess Risk

The N.C. Brownfields Program’s focus on risk management has been instrumental in the successful implementation of brownfields agreements across the state. The N.C. Brownfields Program’s risk-based cleanup approach allows for “safe use” of a brownfields property.

The N.C. Brownfields Program works with prospective developers to efficiently assess potential environmental contaminative risks through assessment and risk analysis, rather than being solely controlled by inflexible environmental standards. The simplified review process includes identifying and evaluating contaminant risks, confirming that the proposed use of the brownfields property is acceptable based on the risks identified, and finalizing the environmental standards. The simplified review process includes confirming that the proposed use of the brownfields property is acceptable based on the risks identified, and finalizing the environmental standards.

The partnering benefits realized from the flexibility of the N.C. Brownfields Program are demonstrated through management of risks from vapor intrusion in North Carolina. Potential vapor intrusion concerns are assessed on a case-by-case basis. Prior to taking action, a brownfields property owner may review the process and determine if additional environmental assessment and data are needed.

As part of the brownfields application process, the developer submits a contingency plan for the project and identifies the benefits to the local community. Prior to completing the brownfields agreement, a public comment period is held to allow community members to express their opinions.

Incentives for Partnering

The N.C. Brownfields Program is designed to provide incentives to the various partners and stakeholders involved in the brownfields redevelopment process. Incentives for the State of North Carolina and local communities include:

• Revitalize neighborhoods;
• Increase in local jobs;
• Reduction of greenspace development pressure;
• Improved local tax base;
• Protecting future brownfields users through use-based restrictions.

Benefits for developers include:

• North Carolina Brownfields program as a non-competitive partner;
• Defined environmental liability;
• Property tax incentives (Figure 4);
• Liability assurances needed for financing;
• Brownfields Agreement draft completion schedule;
• Increase of property values; and
• Business opportunities.

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Elements of the Partnering Process

A critical element of a successful partnering process is ensuring that the partners can have confidence in understanding the requirements, resources needed, the timeline, and the commitment to execute a brownfields agreement.

The N.C. Brownfields Program developed a dynamic brownfields agreement process where partners understand, by a shared understanding, the requirements, resources needed, the timeline, and the timeline to commitment to execute a brownfields agreement and community partners confidence in the process (Figure 2).

Among the required submittals with a brownfields application, the developer provides documentation of the public benefit and demonstrates the public benefit to the community. Prior to completing the brownfields process, a public comment period is held to allow community members to express their opinions. After the developer submits the application to the N.C. Brownfields Program and the property is deemed eligible, a public comment period is held to identify environmental site data at the property where additional environmental assessment/monitoring may be required. Once the environmental assessment/monitoring is completed, the program staff will evaluate the potential brownfields property can be used safely for its proposed use or potential environmental conditions.

A challenge with brownfields redevelopment is estimating the change in VOC concentrations in subsurface vapor and above ground vapor, particularly for projects where the VOC concentrations are below detection limits. A key challenge of the N.C. Brownfields Program is the assessment and development of above ground vapor, subsurface vapor and below grade vapor mitigation system (piping), that can be upfitted to an active system post-occupancy. As VOC concentrations can be detected above acceptable levels post-occupancy, the brownfields developer must be able to demonstrate above acceptable levels post-occupancy, the brownfields developer must be able to demonstrate above a building’s future use. (Image: Vapor Mitigation)

Measuring and Sharing Partnering Success

Public outreach benefits the local economy and development community. To assist in measuring the financial benefits to local communities, the N.C. Brownfields Program has evaluated brownfields development impacts on local property values including those that have shown a significant, positive impact to property values in brownfields sites across the state.

In addition, the N.C. Brownfields Program encourages developers who have participated in the Program for feedback regarding their experiences. Information from the survey assists with improving the partnering process. A synopsis of survey results:

• 57% of respondents would not have undertaken redevelopment without the Brownfields Tax incentives;
• 46% of respondents indicated that the liability incentive was the primary reason for entering into a Brownfields Agreement;
• Average actual benefit-to-cost ratio financial investment reported by respondents was 2.90.

The N.C. Brownfields Program is regularly used social media to share brownfields development successes with the public. For our success stories on Facebook at https://www.facebook.com/ncdeq or follow @NCDEQ on Twitter.

The Partnership Continues...

The N.C. Brownfields Program is only one step ahead of the challenges faced by a creating brownfields program. Overall, there is the possibility that knowledge and compliance with site specific brownfields land-use restrictions (LURs) associated with a specific brownfields property and development objectives with changes in ownership.

To proactively manage these challenges, the N.C. Brownfields Program established the Property Management Unit to assist prospective developers with brownfields LUR compliance. The staff also works with the local community to advise developers where non-compliance with a LUR is not realistic. The N.C. Brownfields Property Management Unit generally verify that LURs are maintained and continue to ensure a safe use of the brownfields property. As part of the property management, the Property Management Unit works with developers to directly monitor and maintain compliance with brownfields LURs.

Brownfields Development in the Charlotte Region: Mixed-use Brownfields Development Adjacent to Charlotte’s Blue Line Light Rail

The Brownfields Development Site located adjacent to Charlotte’s Blue Line Light Rail (Figure 3) was previously an abandoned railroad intermodal facility. The property is located near the Charlotte Douglas International Airport and includes a 9.5-acre site with mixed-use brownfields development. The site includes a market-rate apartment complex and a mixed-use building.

As part of the brownfields development, the developer installed a vapor barrier, a vapor mitigation system, and a vapor mitigation system. The developer also provided documentation of the public benefit and demonstrated the public benefit to the community. Prior to completing the brownfields process, a public comment period is held to allow community members to express their opinions. After the developer submits the application to the N.C. Brownfields Program and the property is deemed eligible, a public comment period is held to identify environmental site data at the property where additional environmental assessment/monitoring may be required. Once the environmental assessment/monitoring is completed, the program staff will evaluate the potential brownfields property can be used safely for its proposed use or potential environmental conditions.

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