



*Department of Environmental Quality*  
**North Carolina Brownfields Redevelopment Section**  
**Stakeholders Meeting**  
March 20, 2025



# *Brownfields Stakeholders Meeting Agenda*



- 1. Access DEQ: Demo (Christi)**
- 2. Funding update and fee increases (Bruce)**
- 2. LURU Issue Resolution/Non-compliance fee (Joselyn)**
- 3. PFAS Issue Resolution (Sharon)**
- 4. New Report Checklist overview (Tracy)**
- 5. O&M Checklist (Jordan)**

# *Brownfields Stakeholders Meeting*

## *Access DEQ*



### **Access DEQ: Demo (Christi)**

*Department of Environmental Quality*



# *Brownfields Stakeholders Meeting*

## *Funding Issues*



Funding update and fee increases (Bruce)

- a. Federal funding reduction
- b. Proposed sales tax incentive
- c. Fee increases

# *Brownfields Stakeholders Meeting*

## *Funding Issues*



### Brownfields Property Reuse Act on Fees:

- “A prospective developer who enters into a brownfields agreement with the Department shall pay a fee in an amount equal to the full cost to the Department and the Department of Justice of all activities related to the brownfields agreement, including but not limited to negotiation of the brownfields agreement, public notice and community involvement, and monitoring the implementation of the brownfields agreement.”
- Fees last set in 2008 do not cover the cost to the state in 2025
- We have obtained 3 separate U.S. EPA grants to try to offset fees
- Most of these Grants end in 2027 (if not sooner)

# Funding Forecast

@ Current Staffing Levels

*Until 2027	Estimated Annual Cost	Estimated Grant Revenue	Fees Needed
Production	\$2,620,000	\$580,000	
PMB	\$1,200,000	\$875,000	
Section Total	<b>\$3,820,000</b>	<b>\$1,455,000</b>	<b>\$2,365,000</b>

EPA Assessment Grant

Post 2027	Estimated Annual Cost	Estimated Grant Revenue	Fees Needed
Production	\$2,620,000	\$580,000	
PMB	\$1,200,000	\$0	
Section Total	<b>\$3,820,000</b>	<b>\$580,000</b>	<b>\$3,240,000</b>

# *Defining the Why*

## Technical changes since property tax incentive:

- Vapor Intrusion assessment/mitigation now a cost driver
- Assessment costs up
- Mitigation costs up
- Legal costs up
- Need mechanism for increased offsets for these costs

# *Defining the Why*

Why are we here?

- Last Fee Increases were 2008 (RN) and 2012 (Standard)
- Non-compliance work is unfunded and an undefined cost
- Redevelopments of Redevelopment
- Plan for sunset of EPA grant funding
- Fee Increase is needed



# *Potential Sales Tax Incentive Framework*

We recognize that costs are up for Prospective Developer too...

Need additional Tax Incentive and one has been drafted for potential proposal:

- Sales Taxes generated on Brownfields Properties temporarily diverted into Brownfields Sales Tax Fund (not a new tax)
- Fund used to Reimburse Prospective Developer Mitigation/Remediation Costs
- When reimbursement is complete, sales taxes revert into general fund as normal.
- Annual reimbursement to PD based on submitted expenses approved by DEQ
- 10-year sunset on receiving funds even if redevelopment has not taken place
- DOR and DEQ have small set aside percentages for expenses
- Refund multiplier for Tier 1 (2x) and Tier 2 Counties (1.5x)



# *Hypothetical Examples*

## **Home Depot Store**

- \$50 million in annual sales...\$3.5 million annual sales tax
- VI mitigation system cost \$2 million installed
- Cost Recouped in Year 1

## **Restaurant on Ground Floor of Mixed-Use Project**

- \$1.5 million annual sales...~\$50,000 annual sales tax
- VI Mitigation system cost \$150,000 installed.
- Year 1 – Year 3, \$50,000 reimbursement annually.



# *Hypothetical Examples*

## Revised Fee Schema Accounts for 2 Main Issues

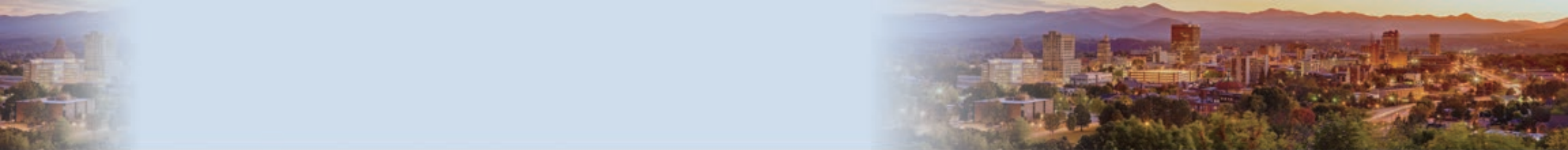
### **Inflation since 2008**

- \$30,000 in 2008 = \$45,000 in 2025
- \$8,000 in 2008 = \$12,000 in 2025

### **Post Recordation Costs For VI Systems and Soil Management**

- Insignificant in 2008
- Significant in 2025





Current Fees (have not changed since 2008)				
Fee Type	Amount	Projects per year	Projected Revenue	
Standard	\$8,000	5	\$40,000	
Redevelopment Now (expedited)	\$30,000	50	\$1,500,000	
Ready-For-Reuse	\$15,000	5	\$30,000	
		Revenue	\$1,554,000	
Proposed fee rates – planned effective on or about May 1, 2025				
Fee Type	Amount	Projects	Projected Revenue	
Muni/Local Government	\$8,000	5	\$40,000	
Standard *	\$12,000	10	\$120,000	
Redevelopment Now or Ready-For-Reuse	\$45,000	45	\$2,025,000	
Active Construction Oversight**	\$10,000	40	\$400,000	
		Revenue	\$2,585,000	

Other: Implementation of Noncompliance Fee of \$1,000 for failure to submit LURUs in Jan 2026 and beyond.



# *Brownfields Stakeholders Meeting*

## *LURU Issue Resolution*



### **LURU Issue Resolution/Non-compliance fee (Joselyn)**

*Department of Environmental Quality*



# *Brownfields Stakeholders Meeting*

## *Issue Resolution 17*

### **Issue Resolution 17: Identification of Emerging Compounds at Brownfields Properties**

#### **1) Prior to Application to the Brownfields Redevelopment Section/During Brownfields Assessments:**

- Include assessment of the presence of PFAS during the Phase I/II ESA processes.
- If PFAS is suspected, include PFAS analysis using DEQ-approved analytical methods during assessment, particularly if private or public water supply may be impacted.
- Ensure any field sampling for PFAS follows specific DEQ-approved methods to protect the integrity of the samples.
- Include PFAS results in reports to DEQ and include any detections of PFAS in the most current version of the DEQ risk calculator.

# *Brownfields Stakeholders Meeting*

## *Issue Resolution 17*

### **Issue Resolution 17: Identification of Emerging Compounds at Brownfields Properties**

#### **2) Finding PFAS After Recordation of a Brownfields Agreement:**

- Provide documentation of the discovery of PFAS at the Brownfields Property
- Provide a technically sound rationale comparing the historical sources of PFAS that is separate and distinguishable from any potential PFAS-related chemicals used, stored, or handled at the Brownfields Property since the BFA was recorded.
- DEQ will take such findings into consideration as to liability (or lack thereof) for existing PFAS contamination found

# *Brownfields Stakeholders Meeting*

## *Issue Resolution 17*



### **Issue Resolution 17: Identification of Emerging Compounds at Brownfields Properties**

#### **Other issues:**

- **BRS has no plans to ask for a general reassessment of properties that have recorded agreements for PFAS**
- **BRS does not feel it is generally necessary to amend agreements for liability protection in such situations.**



# *Brownfields Stakeholders Meeting*

## *New Report Checklist*

### **The Minimum Requirements Checklist for Site Assessment Work Plans and Reports**

**Currently being updated to:**

#### **Minimum Site Assessment and Reporting Requirements Checklists**

- Yes, no more work plans.
- Scoping meeting with PI or PM.
- Submit Tables and Figures outlining the scope of work.
- Submit Report in accordance with the Checklist.
  - Deviations from the scope need prior DEQ approval.
  - An incomplete report will be returned.
- Expect to release it in April.

# *Brownfields Stakeholders Meeting*

## *O&M Checklist*

- Standard VI LUR/LURU require demonstrating that any installed VIMS are operating as designed.
- O&M Plan Checklist for use in submittal to streamline review and use.
- Outlines minimum requirements for submittal
- Format non-specific, can be tailored to consultant's preferred layout.
- Appendices include guidance for active depressurization system monitoring and reduction of pressure monitoring frequency.
- Will be uploaded to the [BRS Statutes and Guidance Page](#).