Brownfield Project Development

Metro Brownfields Recycling Program Technical Workshop

Portland, Oregon

May 31, 2007

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Environmental and Geotechnical Consultants

Project Development

- Due Diligence
- Visioning
- Remediation Planning

Three essential aspects of Brownfield project development.

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Due Diligence

A buyer of contaminated property may become liable for the cost of cleaning up existing contamination if the buyer *knew or should have known about the contamination* at the time of purchase.
(From ORS 465.255)

Resolution:

Conduct an All Appropriate Inquiry (AAI)

Commonly implemented as a Phase I ESA
(ASTM 1527-05)

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Avoiding/Managing Liabilities

Four mechanisms for avoiding contamination liability:

- Innocent Purchasers who later find contamination.
- Prospective Purchaser Agreements (PPA).
- Contiguous Property Owners Defense (passive migration scenario).
- "Innocent" Condemnors who have to deal with contamination.

Purchaser must address liability at the time of purchase or run a significant risk of owning the cleanup.

Mar Com/DSL Acquisition

- Former Mar Com ship repair facility used to operate on two groupings of property immediately south (upstream) of Terminal 4.
- Adjacent north parcel (NP) used for storage (equipment and materials).
- South parcel used for ship building and repair since WWI.

Former Mar Com Marine

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Findings

The Result:

- Port took the steps to learn about what they were acquiring.
- Process identified several liabilities, and developed strategy to manage them.
- Managed liabilities through the PPA process and negotiations.

Conclusions:

- Effective due diligence requires a good professional to follow the process and dig into the details.
- Effective risk management on complicated sites requires good legal counsel.
- Allow for sufficient time to complete due diligence.

Visioning

A collaborative process by which stakeholders generate the redevelopment concept, integrating key technical, regulatory, land use, and community concepts and concerns.

The benefits of effective Visioning include:

- High likelihood that critical project elements and stakeholder concerns are identified.
- Community support.
- Added partner/investor comfort with the Brownfield process, increasing the likelihood of participation.

Brownfield to Biofuel

McVay Highway / Sequential Biofuels Project

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The Vision (short version):

- A small biofuels company approaches DEQ about an out-of-use station for a retail biofuels project in the University area.
- After problems with that site, they ask about the McVay Highway site.
- DEQ meets with County to discuss foreclosure and applying for a Brownfield Cleanup grant.
- County is very hesitant about owning or acquiring contaminated property; they do not want to oversee a major cleanup or take on liability.

Brownfield to Biofuel

The Partnership:

- DEQ, County economic development, and others convince County and commissioners to foreclose.
- County applies for $200,000 Brownfield Cleanup grant in November 2004.
- County completes surface cleanup, serving as part of their $40,000 match, in January 2005.
- DEQ Orphan Site Program manages grant remediation activities, completes large source excavation.
- Sequential builds project; PPA with DEQ limits liability to County; Sequential signs lease with option to purchase.

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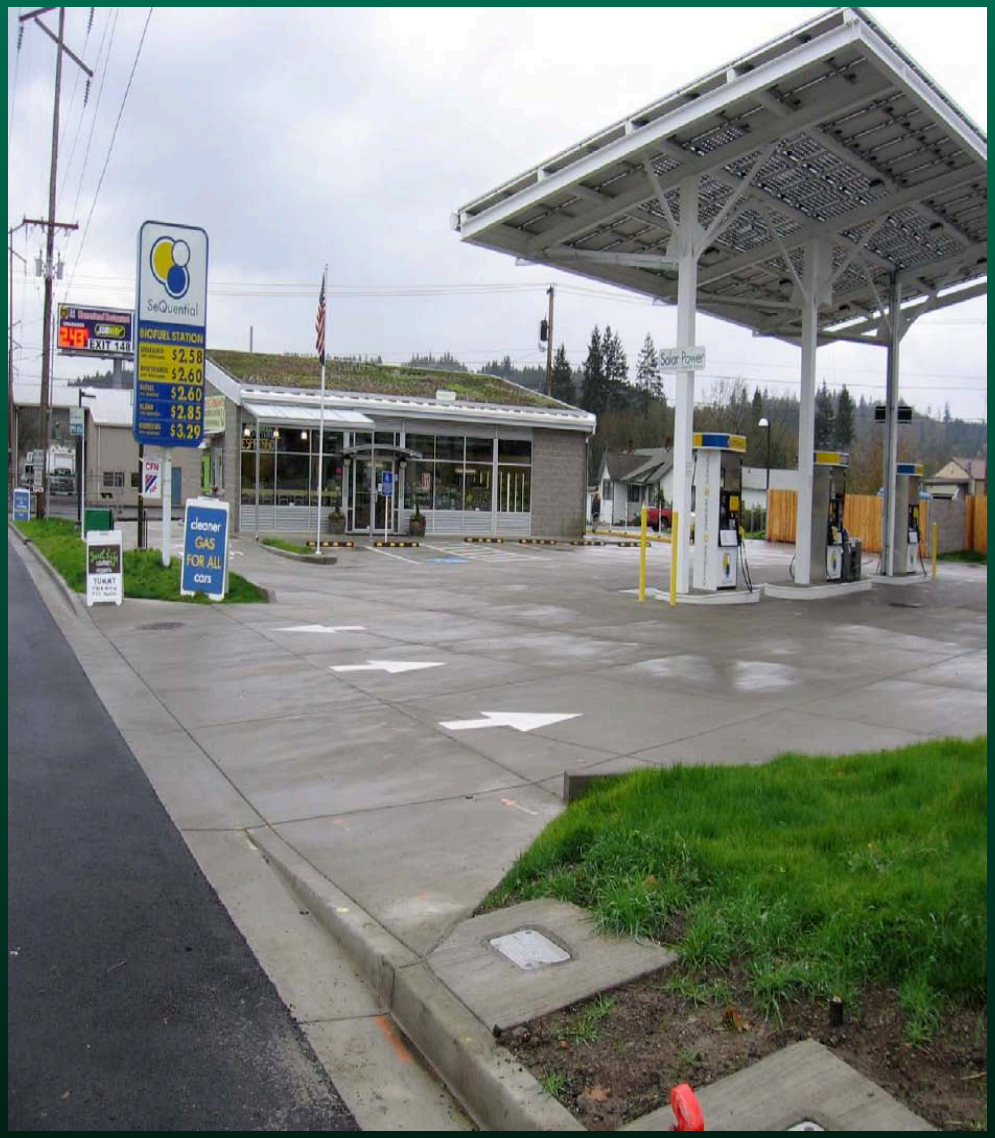
Effective partnering results in:

- Cleanup;
- Return to use;
- Sustainable economic development; and
- Liability management for County and operator.



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Brownfield to Biofuel

Integrated Remediation and Redevelopment Planning:

- Project planning approach involving all stakeholders, consultant, and others as appropriate.
- Essential that critical redevelopment planning and design requirements blend with the remediation program.
- Provides for maximum application of *risk-based decision making*, resulting in an appropriate, site-specific remedial program.

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Remedial Approaches

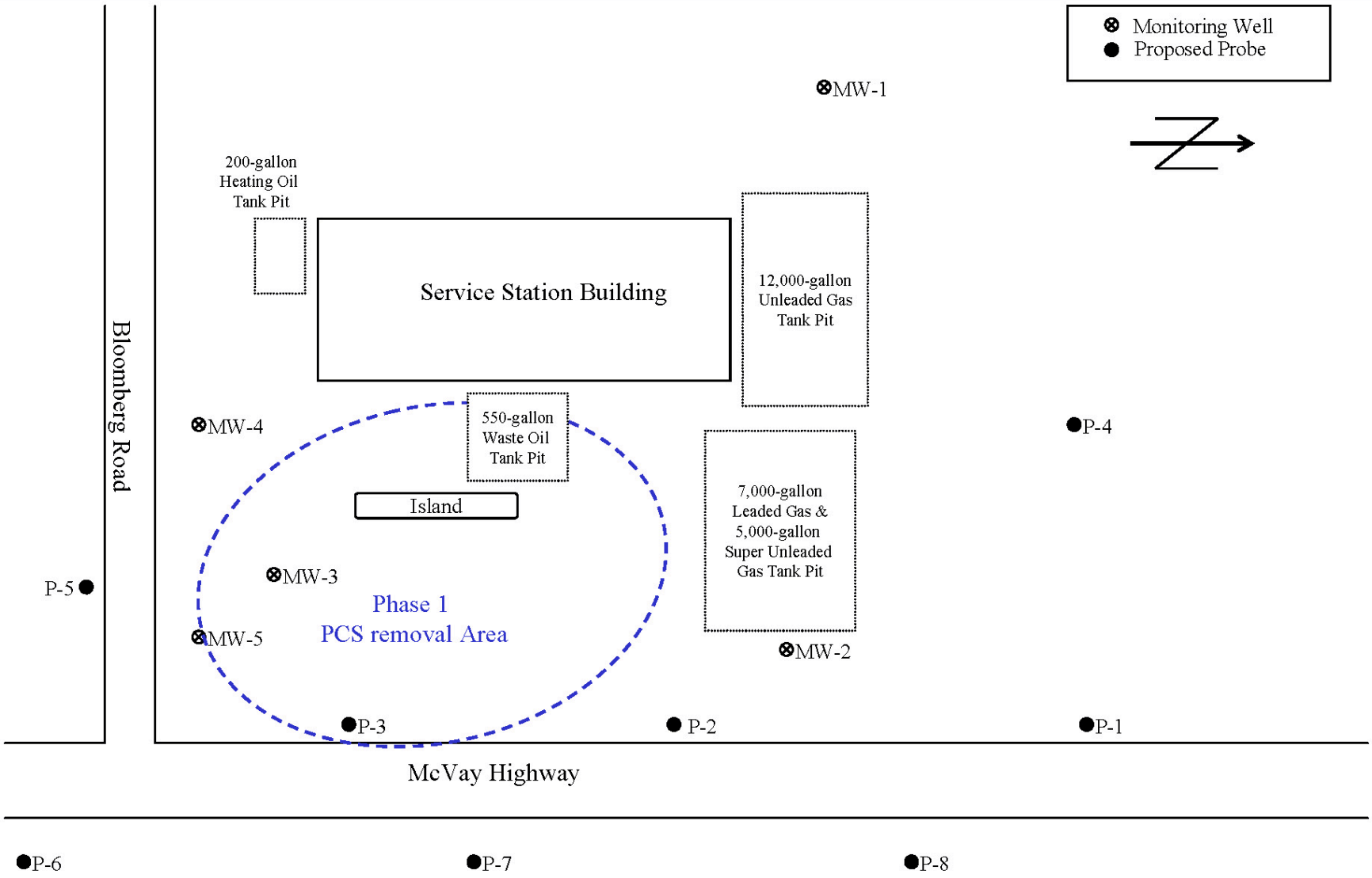
Three general remediation approaches:

- *Ex Situ* Remediation. Soil excavation or groundwater extraction and subsequent treatment or disposal.
- *In Situ* Remediation. Physical, chemical, or biologic alterations to soil and groundwater for remediation.
- Manage in place. Manage the contamination in place using engineering and institutional controls.

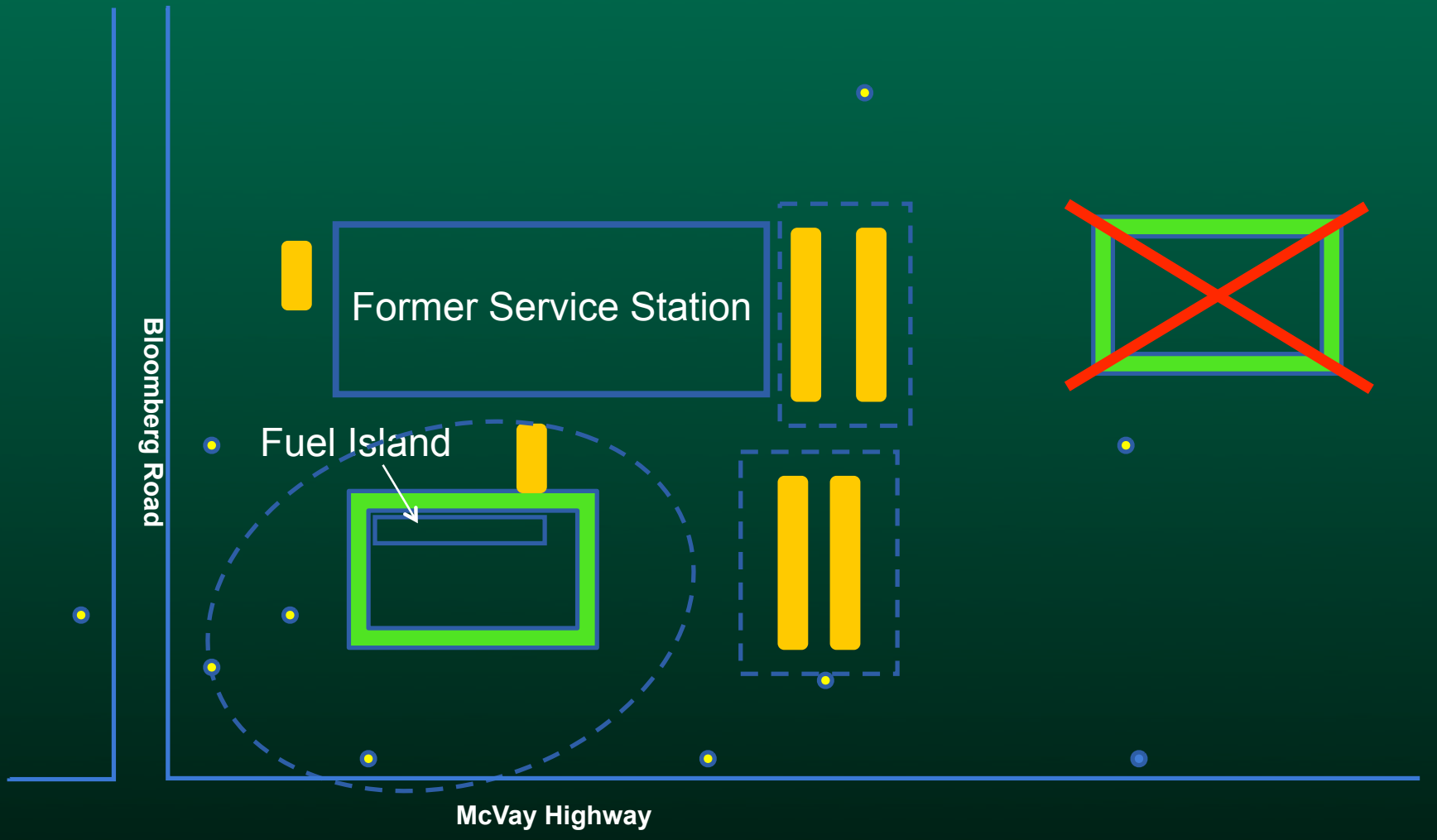
The McVay Highway Biofueling Station Site
86714 McVay Highway, Eugene

Figure **2**

SITE PLAN WITH MONITORING WELLS AND PROPOSED PROBE LOCATIONS



Site Plan



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Questions?

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