



Community and Economic Development in North Carolina and Beyond Blog: Flexible Opportunities in North Carolina's Brownfields Program

By CED Program Interns & Students

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In the past the CED blog has explored the basics of brownfields programs in North

Carolina, how they are administered and implemented, and their role in revitalizing communities. In this edition, we're looking at two innovative facets of the state Brownfield's program that were developed to better respond to the needs of landowners and developers to clean contaminated sites and bring them back into productive use. The Ready for Reuse program and Redevelopment Now Option give flexibility when pursuing projects that have high public benefit, and so should be in the toolbox of every local government, developer, or landowner when pursuing development or sale of contaminated land.

Ready for Reuse

The North Carolina Ready for Reuse (RfR) program—not to be confused with the federally administered Superfund program of the same name—is an avenue for sites without prospective developers to better reach the private market. Brownfields often have difficulty in attracting private development due to the risk and uncertainty associated with negotiating a brownfields agreement. Through RfR, landowners can reduce uncertainty and improve marketability by creating a ready-to-sign brownfields agreement.

Landowners take on the role of "Proxy Prospective Developer" and navigate the brownfield agreement process with a project manager of the Brownfields program, including plat maps, Department of Justice review, and negotiation. Once submitted for public comment and approved, the brownfields agreement is set aside to help facilitate the sale, ready for a developer's signature. A RfR brownfields agreement provides prospective buyers of the property all the assurances of a regular brownfield agreement, as well as the time savings of a ready-to-sign document already having been negotiated. While the owner is still at risk and costing a \$15,000 fee, it can be a useful way of providing the market with more information, reducing uncertainty and controlling the risk normally associated with these sites.

Redevelopment Now Option

While RfR offers options to owners seeking to better access the market of prospective developers, the Redevelopment Now Option (RN) offers developers a fast-track way to reach a brownfields agreement in high value and high public benefit projects in as little as five months. Due to the high volume of requests and limited resources of the North Carolina Brownfields Program, the RN program allows a developer to pay a higher fee (\$30,000 vs \$8,000) to hire a project manager who is nearly solely dedicated to that project. This allows for timely processing of the agreement, as well as the ability for staff to respond to changes in the development more effectively.

This program is targeted towards developers who have stringent timelines, whether that be from financing requirements from lenders or the high cost of the time value of money. Brownfields Program eligible projects are automatically eligible for the RN process until all Department of Environmental Quality staff slots are filled. Once filled, additional staff will be hired for projects in order of the public benefit of the project. This option has been increasingly used by developers with 14 of the 39 completed agreements in 2015



coming out of the RN process.

With more agreements signed, less reliance on limited federal funds, and increased developer interest in contaminated sites, both the Ready for Reuse and Redevelopment Now Option can be important tools when used in the right development situations. Both help correct imperfect knowledge in marketplace, reduce risk of private developers, and allow additional parties, including otherwise ineligible landowners and lenders, to more effectively take part in brownfield revitalization.

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