



“BROWNFIELDS PROGRAMS FOR INDUSTRY – WHY SHOULD WE BOTHER?”

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What are Brownfields?

- Property that has lost value due to the perception that it is contaminated.
- Abandoned , idle or underused industrial or commercial facility or other real property at which expansion or redevelopment of the real property is complicated by pollution.



Does Oklahoma have Brownfields?

◎ YES

- Oil Industry
- Zinc Smelting
- Chemical Manufacturing
- Dry Cleaning
- Metal Plating
- Manufacturing
- Printing
- Wood Preserving
- Mining
- Vertical Brownfields
- Gas Stations



Purpose of Program

The purpose of the program is to provide a means for property owners to manage their environmental liability.

- ◎ The main goal is get properties cleaned up and reused which will:
 1. Reduce blight
 2. Stimulate economy
 3. Sustainable growth

Benefits of the Program

- Liability Relief- State/CERCLA
- Increase in property values
- Increase tax base
- Remove sources of pollution
- Job creation
- Reduction of blight

Oklahoma Brownfield Program

- Voluntary Program
- Cleanup based on the risk the site presents to the future use
- Oklahoma Brownfield Voluntary Redevelopment Act, 1996
- State Program created in 1996
- Program approved by EPA (MOA) in 1999

Oklahoma Brownfield Program

- ◎ Congress endorsed the MOA in the federal Small Business Liability Relief and Brownfield Revitalization Act of 2002
- ◎ Federal Brownfield legislation, 2002
 - Funding mechanisms
 - Clarification of Liability
 - Recognition of State Programs

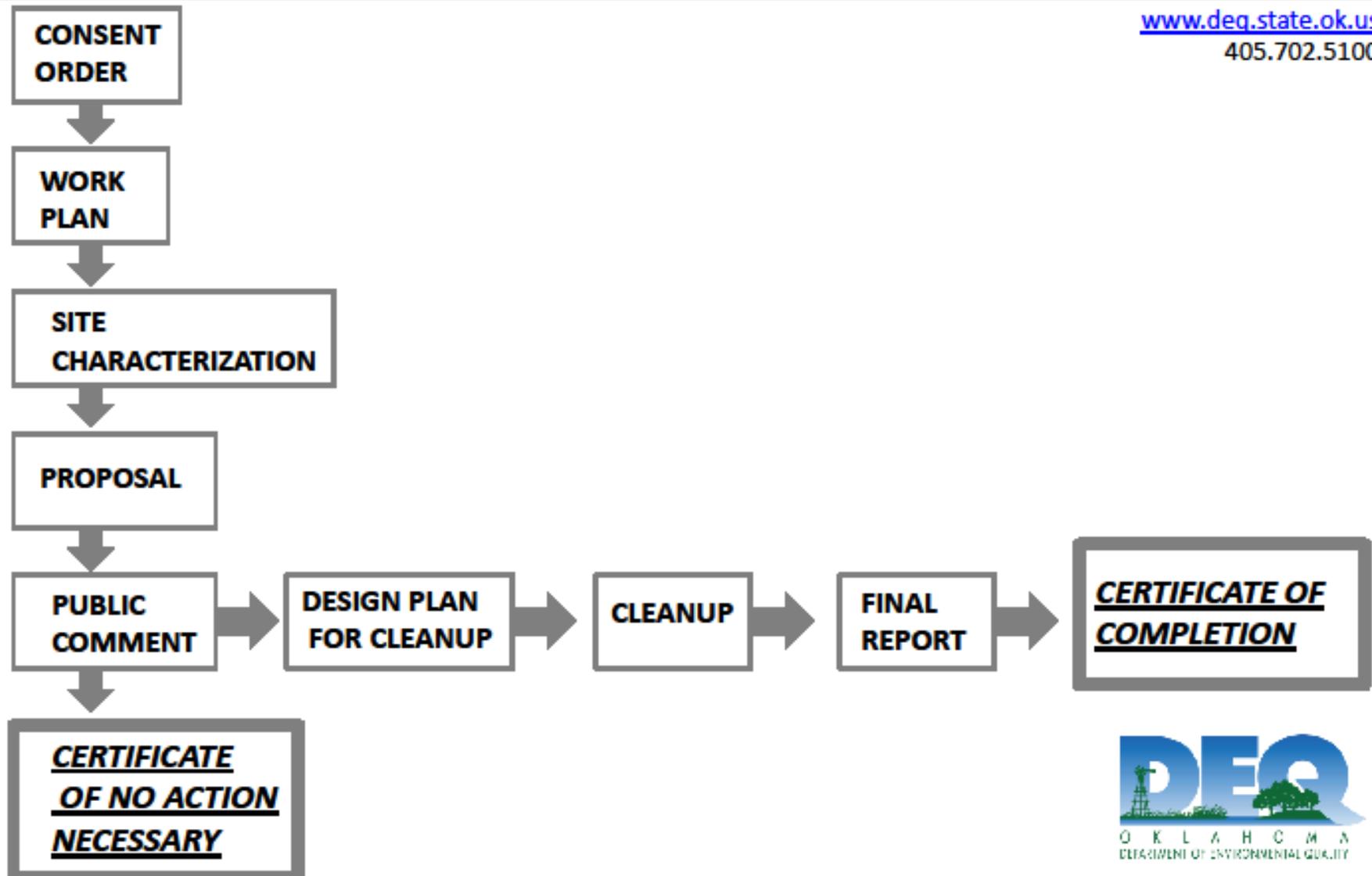
OK Brownfield Program Changes -2010

New Rules

- ⦿ Ensure the Rule changes implement the changes to the Oklahoma Brownfield Voluntary Redevelopment Act
- ⦿ Make the program less cumbersome (less red-tape)
- ⦿ Ensure that the substantive requirements remain in place
- ⦿ Ensure the public continues to have opportunity to review and comment on the proposed projects
- ⦿ Revise the RLF Rules to meet new federal requirements

BROWNFIELDS PATH

www.deq.state.ok.us
405.702.5100



Why should I care?

- ⦿ The value of the property
 - Resale
- ⦿ The ability to get financing
- ⦿ Liability
 - Under federal and state law
 - Under Common Law – Third Party liability
- ⦿ Cost of cleanup
- ⦿ Once in the chain of title – you are a potentially responsible party (PRP) under Superfund

What financial risks are involved?

- ◎ Comprehensive Environmental Response Compensation and Liability Act (Superfund)
 - Strict joint and several liability
 - Treble damages
- ◎ Liability to the State
 - State Superfund Programs
 - Nuisance laws
- ◎ Third Party Liability

How can I manage the risks?

- ⦿ Phase I Environmental Site Assessment
 - Innocent Landowner, Contiguous Property Owner, Bona Fide Prospective Purchaser
- ⦿ Lender/Fiduciary protection from Superfund
 - Involuntary acquisition
- ⦿ Acquisition by Eminent Domain
- ⦿ Brownfield Certificate
 - Certificate of Completion
 - Certificate of No Action Necessary

Are resources available to help?

- ⦿ Targeted Brownfield Assessments
 - Phase I & II...more
- ⦿ EPA Brownfield Grants
- ⦿ Brownfields Revolving Loan Funds
 - Loans and Subgrants
- ⦿ Clean Water State Revolving Fund
- ⦿ State Brownfield Programs
- ⦿ HUD
 - Brownfield Economic Development Initiatives Grants
- ⦿ Public/Private partnerships

Owning a brownfield property

- Is a business risk
- It can be managed like other business risks
- Each person has to determine their own level of risk tolerance.

What are the business risks?

- Liability for a full cleanup of the property under federal and state laws + treble damages.
- Not being able to get financing...at least not when the property is the collateral.
- Not being able to sell the property in the future.
- Third party lawsuits

How real are the risks?

- ◎ It depends...
 - Where is the property located?
 - Who will be on the property?
 - How will the property be used?
 - Is the groundwater impacted?
 - What chemicals are present?
 - What is the likelihood that someone would come into contact with those chemicals?
 - What are the state laws ?
 - Oklahoma does not have a state Superfund law, but many states do.

General concept

- ⦿ Anytime you invest money into something there is a risk, whether large or small, that you might not get your money back. In turn, you expect a return, which compensates you for bearing this risk.
- ⦿ So ultimately, redeveloping brownfields is an exercise in Cost Benefit Analysis

Rewards

- ⦿ Brownfield properties are often in great locations
- ⦿ Perception of contamination can keep the price under market value
- ⦿ Resolving the liability can impact the future resale value
- ⦿ Economic growth and community revitalization

**BROWNFIELD
SUCCESS STORIES IN
OKLAHOMA**

Flintco Warehouse, Tulsa



Brainerd Chemical - Tulsa



Saline Court House, Cherokee Nation- EPA Cleanup Grant



Henryetta Smelter – Superfund Removal Site (Public) - Henryetta



Okmulgee Refinery – Public/Private Relationship



New hotel/industrial park

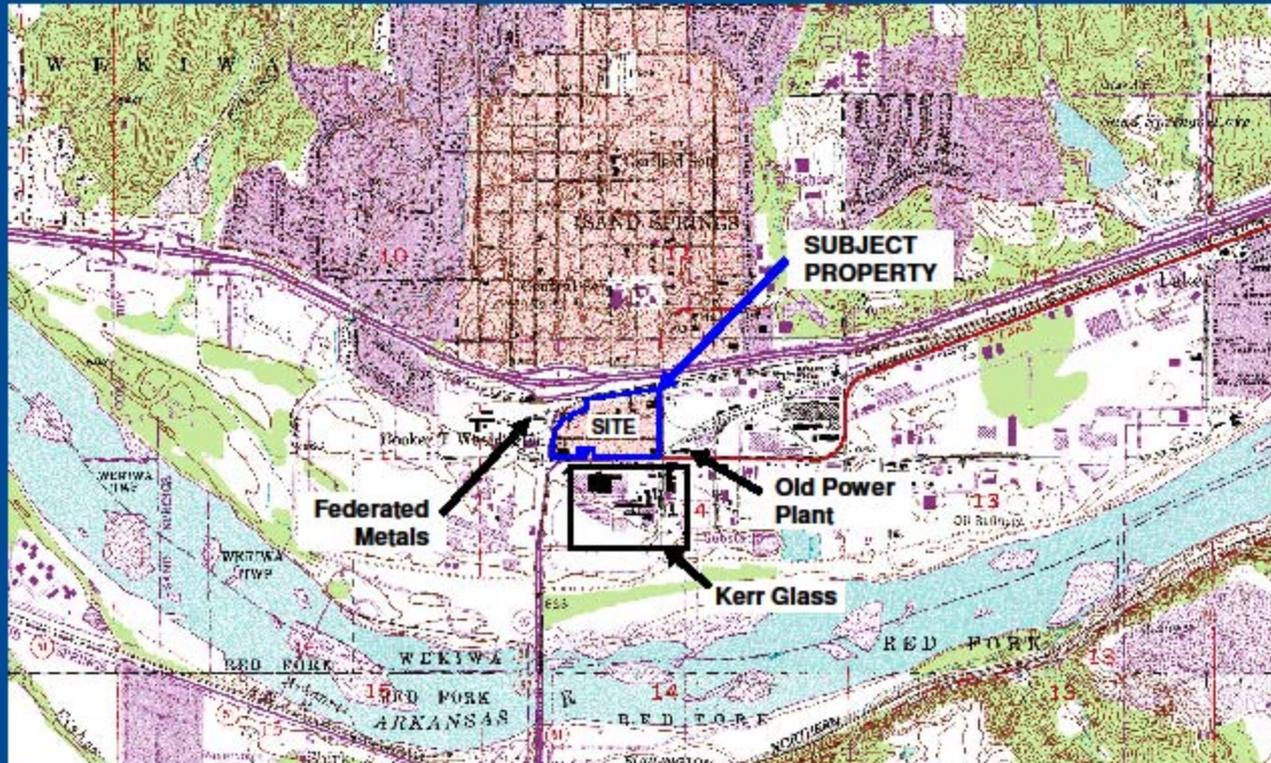




Cimarron Center Redevelopment Project (Federated Metals Site) - BF Program – Sand Springs



Success Begets Success – BF Triple Play (Federated Metal – Railroad – Keystone Corridor) – BF Program - Sandsprings





Oklahoma City – BF Program



Bricktown Entertainment District- BF Program

Warehouse district, Oklahoma City

Dell Call Center, OKC – BF Program



Skirvin Hilton Hotel, OKC - RLF





Bricktown Firehouse, OKC (TBA – ODEQ/EPA)



Vintage Lake Apartments, The Village- RLF/EPA Grant

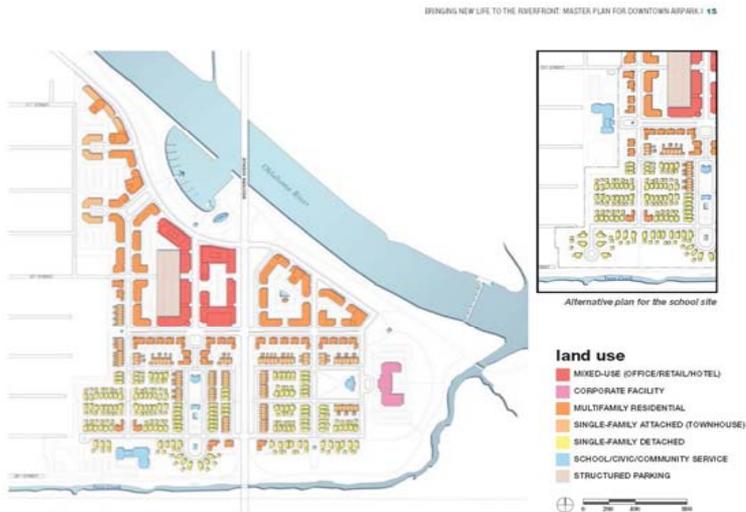


Downtown Airpark, OKC



Redevelopment Plan

Waterfront Park, OKC



Vertical Brownfields- OKC RLF



The Dowell Center, OKC



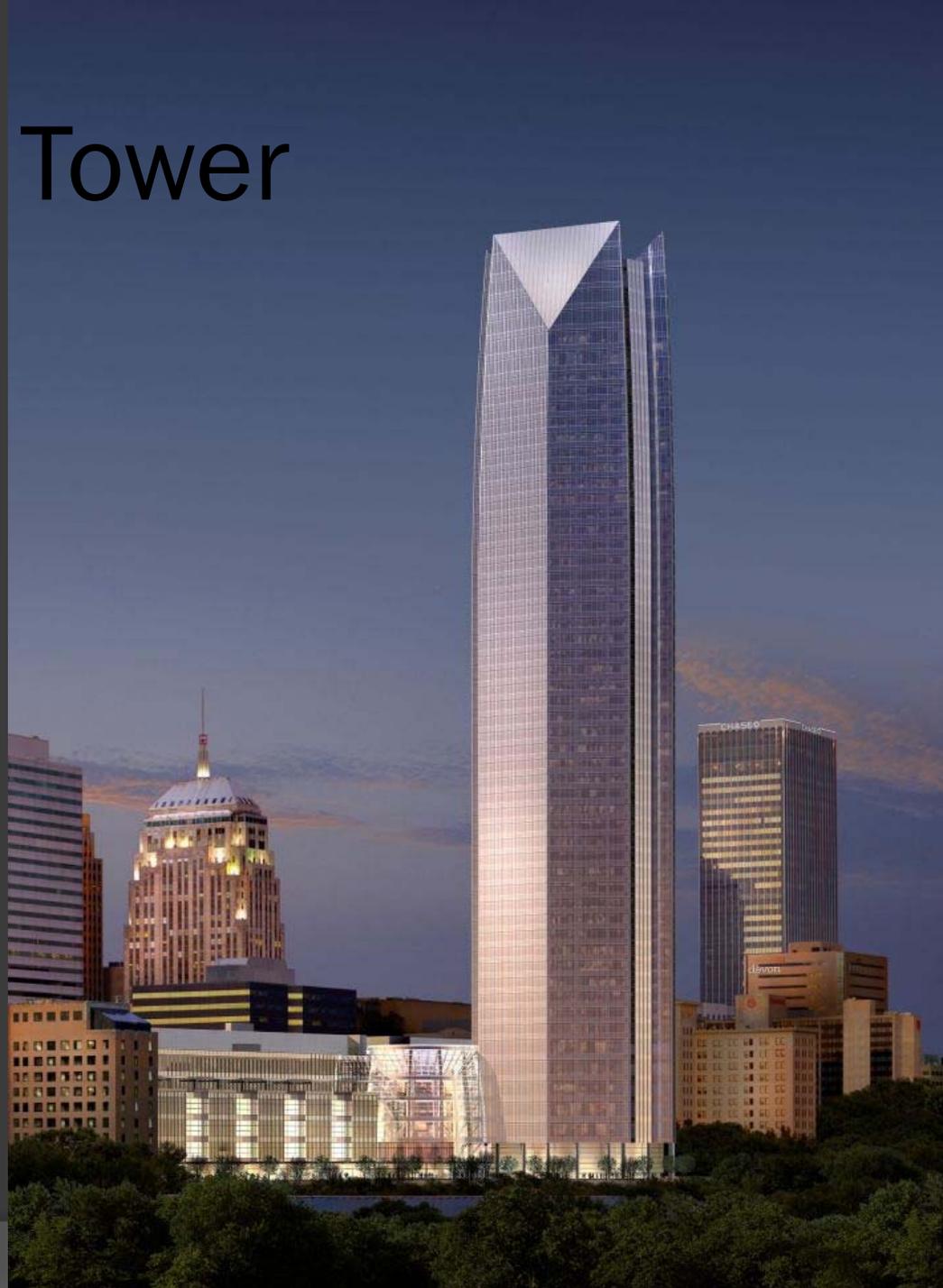
Successes – City of OKC BF Program

- **\$3.2 B in public/private investment in downtown redevelopment projects since 1995**
- **\$1.5 B invested on brownfields**
- **Bricktown district property values have increased (aggregate) 391% since 2000 to \$142M**

Former coal gasification plant and parking garage – BF site/LEED



Devon Tower



Bricktown- before



Bricktown - today





Region 6 Phoenix Award Winners - Oklahoma

2004 – Cimarron Center Redevelopment Project – Federated Metals

2007 – Shurden Leist Industrial Park – Henryetta

2009 – MAPS - OKC

Projects in the Pipeline

2010-2011

- ⦿ GM manufacturing plant – Tinker Air Force Base- BF Program
- ⦿ Former City of Claremore Landfill – Claremore Hospital's new Physicians' Building – BF Program
- ⦿ Former Universal Rig –entertainment area- BF Program

Projects in the Pipeline

2010-2011

- Former Hospital in Lawton – commercial development – asbestos cleanup
ASCOG
- Former oil refinery – Habitat for Humanity Hope Development – BF Program
- Salvage Yard in Henryetta – commercial development - TBA

Projects in the Pipeline

2010-2011

- Former industrial dry cleaning operation – Love Link Ministries homeless services – TBA- ODEQ/EPA
- National Guard Armories closed under BRAC – city services/economic development - TBA
- Rare Metals company – Port - TBA
- Blackwell Industrial Park -Former Smelter
- Tulsa Community College – BF program



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