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Developers Focus New Attention on Brownfields

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Construction RoundTable

Brownfield sites are increasingly important to the state's builders, making it possible to develop areas that may otherwise have run out of land. While construction companies need to contend with a difficult permitting process, safety concerns and various extra costs—many of these properties are contaminated from previous industrial use—developers are finding it a winning business proposition.

A number of brownfields projects are under way; some with very high profiles. The Newark Arena, the future home of the New Jersey Devils, is going up on a site that had been contaminated by subsurface oil-tank leaks. It also required the removal of 2,700 bodies from a cemetery that occupied part of the property. The Harrison MetroCentre, a mixed-use development that will include the new stadium for the New York Red Bulls and will be built by Turner Construction Co., will rise on the 110-acre former Guyon Piping Co. site. This property, too, was contaminated by leakage from underground oil tanks. It also contained landfill materials that contractors had used before the 1970s to prepare land for development.

Hundreds of brownfields sites have already been redeveloped in the state, according to Chris Donnelly, spokesman for the Department of Community Affairs. The Brownfield Redevelopment Interagency Team, which is part of the department's Office of Smart Growth has been involved in talks about approximately 100 projects. Roughly 50 are under way and 40 are in the works, says Donnelly.

Such properties were once shunned by developers. "For years, people avoided these sites," says George Kelley, chairman of Langan Engineering and Environmental Services in Elmwood Park. "People were afraid. Banks were leery of financing; the insurance companies didn't want to provide coverage."

Several factors have helped shift building away from so-called greenfields, or undeveloped land, to brownfields. The state has fielded a number of initiatives to support such redevelopment, including the Hazardous Discharge Site Remediation Fund, which helps to finance assessment, investigation and remediation of potentially contaminated sites; a state tax reimbursement program, which will pay for up to 75 percent of remediation costs during the redevelopment process; and the Housing Mortgage and Finance Agency's tax credit program, which provides incentives to build affordable housing on cleaned-up brownfields.

Another factor is the increasing scarcity of greenfields in the state. "There is less and less open land, coupled with the fact that regulation of virgin land has become more and more complex," says Kelley, whose company is working on the Devils and Red Bulls stadiums and is involved with the Ford Avenue Redevelopment Project, a commercial and residential development that will be built on a 25-acre former tire-factory site in Milltown.

The scarcity of available land has also changed many people's attitudes toward brownfields. "The perception of contaminated sites has changed and the requirements companies need to satisfy have changed as they learn to deal with these issues," Kelley adds. "There's no land. You've got to deal with what you have."

Meanwhile, the obstacles to building on virgin land have only risen. "It's much more difficult to get a new project on a new greenfields site than it's ever been before," says Michael Sexton, vice president of Skanska in Parsippany. "You think about just the amount of money to go through that process to deal with objections people may have and the amount of time to go through local and state agencies. Sometimes companies don't have that time."

Brownfields sites have consequently made up a greater portion of business for construction companies. "Over the last five years, probably only 15 percent of our sites were brownfield sites," says Michael Pembroke, senior vice president of leasing and marketing at Russo Development in Hackensack. "If you're looking at that now, probably 30 to 40 percent of our sites" are brownfields. Russo, which handles its own construction management, is currently building Sawmill Park, an industrial development on a 22-acre former landfill in Kearny.

Building on polluted land can be complicated, according to Kelley. "Construction on brownfields sites really

involves two separate processes that have to come together," he says. "One is the construction of conventional projects and the other is the remediation of contamination and dealing with contamination during the construction process."

Two types of remediation are used, says Pembroke. "The first involves removing certain material, moving the material off-site and taking it to a treatment site to get disposed of properly. That is extremely expensive. For some contaminants that are not as volatile, and don't have the potential to migrate off-site ... you have a cap over the entire site."

Caps, which contain the contamination where it lies, come in several forms. "When you actually go ahead and build a building, that acts as part of a cap," says Pembroke. A parking lot can also "act as an impervious membrane. [For] any areas that are left as landscape, you use a geofabric membrane, which is a fabric-type material that acts as a barrier between existing material on-site and the clean topsoil that you bring in."

Existing material that has been buried underground can also pose a challenge. "If you want to put concrete footing on, you need to put it on ground that's been undisturbed," says Pete Gardner, commissioning manager of Torcon, a Red Bank construction-management firm. "If you drill down and find pockets of old material and the ground's been disturbed, the soil may not be able to take the weight of the building." In such a situation, a contractor will have to resort to more costly and time-consuming alternatives for a building foundation, Gardner explains.

Brownfields construction has its own set of safety issues. "It changes the methodologies you employ for excavation," says Sexton. "You always have to be ready for potentially hazardous materials."

"During excavation, there are requirements for dust control, for monitoring of dust, for protective clothing—depending on the conditions," says Kelley. "The contractor has to adhere to preparing a health and safety plan that lays out the ground rules for his operations."

Under regulations from the federal Occupational Safety and Health Administration, construction workers also have to undergo hazardous-materials training before working on brownfields, according to Ken Hoffner, assistant director for the New Jersey Laborers Health and Safety Fund in Monroe. "The training needs to cover a pretty wide range of topics, everything from flammable liquids to toxic materials," he says.

All of the extra work, safety and time considerations can drive up construction costs, says Kelley. "Certainly it's impacted the cost of construction because of the additional work and additional health and safety procedures that raise the cost of the project. There may be additional personnel, a health and safety officer on-site, protective clothing. All of those things cost money."

Yet brownfields development has strong points—including reduced land costs—that can outweigh the disadvantages, Kelley adds. "Remediation is expensive. It's time consuming and the planning process is longer because of this regulatory process that has to be followed," he says. "However, the sites that are being redeveloped have the advantage of being closer to the urban areas, to the urban cores, where the businesses want to be."

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