

CASE STUDY: REMEDIATED BROWNFIELDS FOR INDUSTRIAL DEVELOPMENT

As usable space becomes few and far between development, companies are looking to remediated brownfields sites as alternatives.

Prepared by Russo Development

SAW MILL PARK KEARNY, NEW JERSEY

The Saw Mill Park in Kearny, New Jersey is a 500,000-square-foot industrial park on a 25-acre brownfield site. This site was acquired by Russo Development on an as-is basis with full responsibility for all environmental obligations. This property was formerly used as a municipal landfill in the 1940s and 1950s and was subject to years of illegal dumping prior to its acquisition. Russo Development completed an extensive environmental investigation consisting of site-wide soil and groundwater sampling, an ecological evaluation, and installation of groundwater monitoring wells.

Russo's initial site investigation uncovered a variety of contamination throughout the property including volatile organic compounds (VOC), polychlorinated biphenyls (PCB), heavy metals, base neutrals, and several byproducts of petroleum related waste. It then completed several rounds of remedial investigations designed to fully delineate the areas of concern identified during the site investigation. After successfully delineating the horizontal and vertical extent of contamination at the property, Russo submitted a Remedial Action Workplan (RAW) and entered into a Memorandum of Agreement with

the New Jersey Department of Environmental Protection (NJDEP) in February 2002. They obtained NJDEP approval of the RAW in January 2003 and immediately began remediation and development of the site.

Russo's remediation at this property consisted of the excavation and removal of PCB and VOC contaminated soils and the installation of a site-wide cap consisting of a geotextile membrane, clean soil and various impervious surfaces including pavement and building foundations. During the RAW approval process, it obtained NJDEP consent for its proposed deed notice and agreed to restrict the use of the site to non-residential purposes. Future remediation will require the installation of an impermeable slurry wall around the perimeter of the property to prevent continued migration of benzene contaminated groundwater and ongoing monitoring.

The first building at Saw Mill Park, consisting of 211,000 square feet, has been completed and is fully leased to a large distributor of pharmaceutical products. Due to the thorough extent of its remediation and its ability to mitigate all environmental risks, Russo was able to successfully lease this property, despite the challenges and negative stigma associated with a brownfield site.

At the Saw Mill Park project, Russo successfully negotiated one of the first Brownfield Reimbursement Agreements

for an industrial redevelopment project with the NJDEP, Department of Treasury and the Office of Smart Growth. This agreement entitled Russo to reimbursement from the State of New Jersey for up to 75 percent of its remediation costs because of the significant amount of state and local taxes anticipated from the project.

Russo Development's Saw Mill Park is one of the most prominent industrial redevelopment projects in northern New Jersey and has served as a case study for other brownfield remediation projects in the area. Russo Development was recently selected as the winning bidder for a complicated brownfield redevelopment project on a heavily contaminated site in Carlstadt. This project will include a 320,000-square-foot industrial park on this 20-acre site, which was formerly used by Diamond Shamrock and the Cognis Corporation for a variety of chemical processing purposes. Russo's environmental responsibilities will include preparation and implementation of a remedial action workplan, relocation of an existing groundwater treatment system, construction of a multi-layer site-wide cap and institutional controls. Russo anticipates commencing construction on this project in 2007 with completion by 2009.

As long as brownfield development projects are economically feasible, developers will continue to restore brownfield

sites. This is especially true in metropolitan areas where developable land is scarce, and clean sites are offered at a significant premium. Additionally, local, state and federal government agencies offer certain economic incentives to developers to encourage this trend because these developments result in many social and economic benefits for communities by transforming eyesores into productive use. A new development is a significant capital investment that will allow the municipality to generate additional real estate taxes from currently un-utilized property. Additionally, these developments provide a significant source of new jobs for the residents of the oftentimes depressed neighborhoods that tend to be in close proximity to brownfield sites. The new developments also add aesthetic value to the municipalities by "cleaning-up" areas that are the target of illegal dumping and vandalism, and pose serious health risks.

Russo Development has completed several significant brownfield remediation projects throughout New Jersey, most notably Saw Mill Park in Kearny, New Jersey, and Meadowlands Park in Carlstadt, New Jersey.



Prior to remediation, Saw Mill Park in Kearny, New Jersey, a 25-acre brownfield site, was subjected to years of illegal dumping. This is the site in June 2002.



Russo excavated and removed PCB and VOC contaminated soils and installed a site-wide cap that consisted of a geotextile membrane, clean soil and various impervious surfaces such as pavement and building foundations.



The Saw Mill Park project, seen here in July 2004, received up to 75 percent of its remediation costs because of the significant amount of state and local taxes anticipated from the project.