

US EPA ARCHIVE DOCUMENT



About the NBA

- Founded in 1999 as an IL 501 (c) (3) non-profit educational organization. Goal- to promote the responsible redevelopment of brownfields
 - Provision of informational material
 - *Brownfield News* magazine
 - White Papers
 - Educational programs
 - Workshops
 - USEPA Training Grants
 - Events
 - Brownfield Leadership Summit, June 23, DC
 - State Chapter Meetings



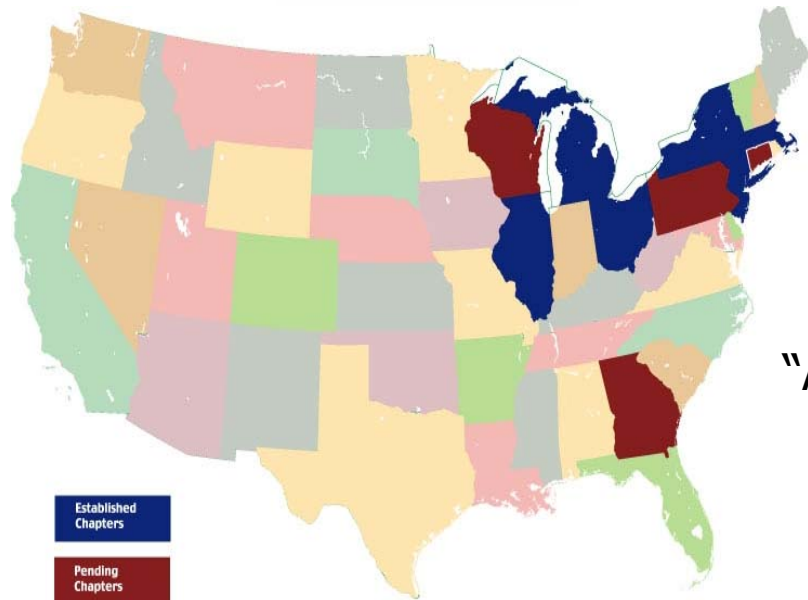


About State Chapters

- Create a local forum where members could meet, exchange ideas and advance the local brownfield market.
- Provide input for legislation, policy, incentives, technology and best practices.



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“All development is local”



Market Size

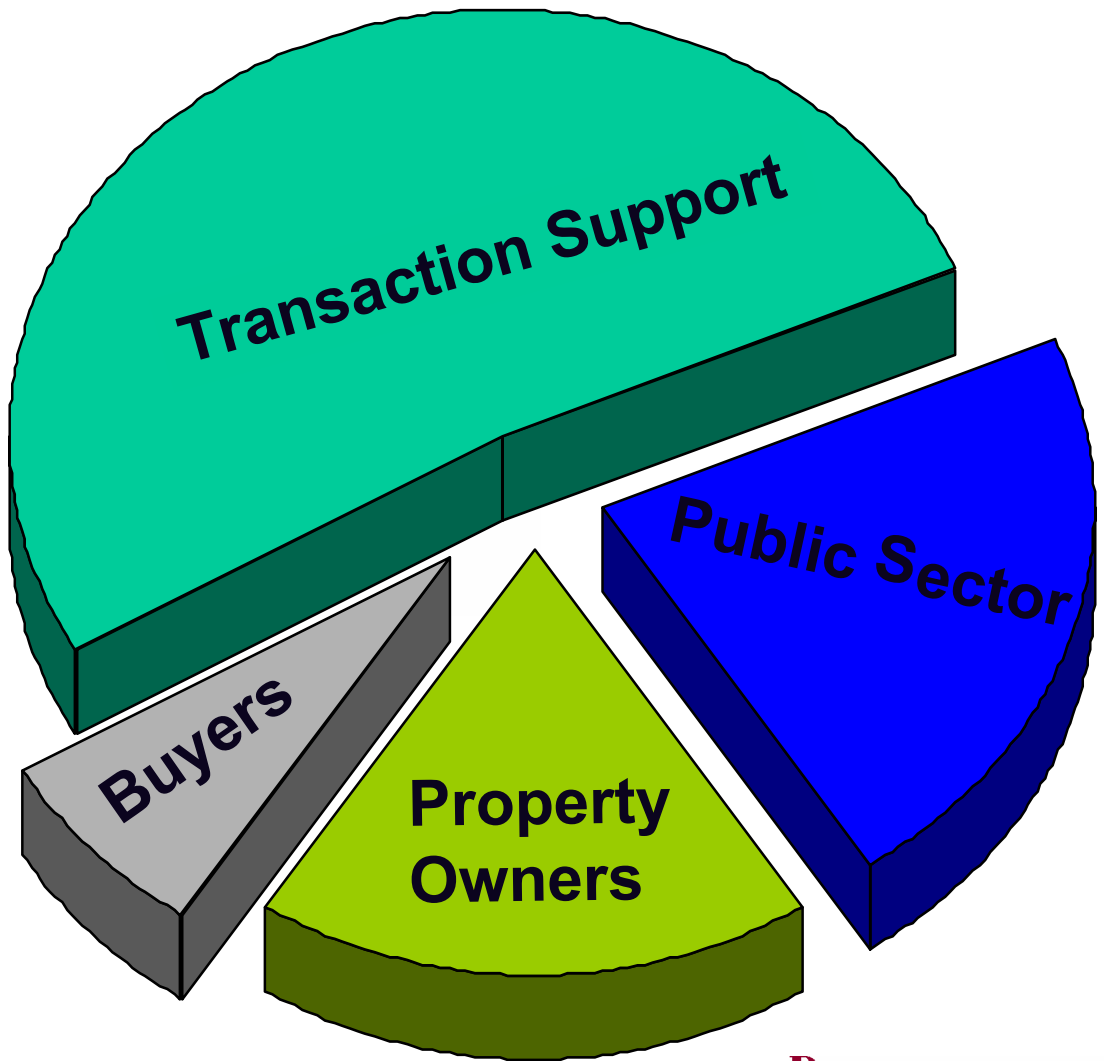
- \$2 Trillion of real estate is estimated to be devalued due to the presence of environmental hazards
 - USEPA estimates that up to 1 million properties are considered a “brownfield site” as defined in HR 2869
 - We estimate that between 5,000-10,000 individuals make their livelihood in the US Brownfield market



Market Sectors



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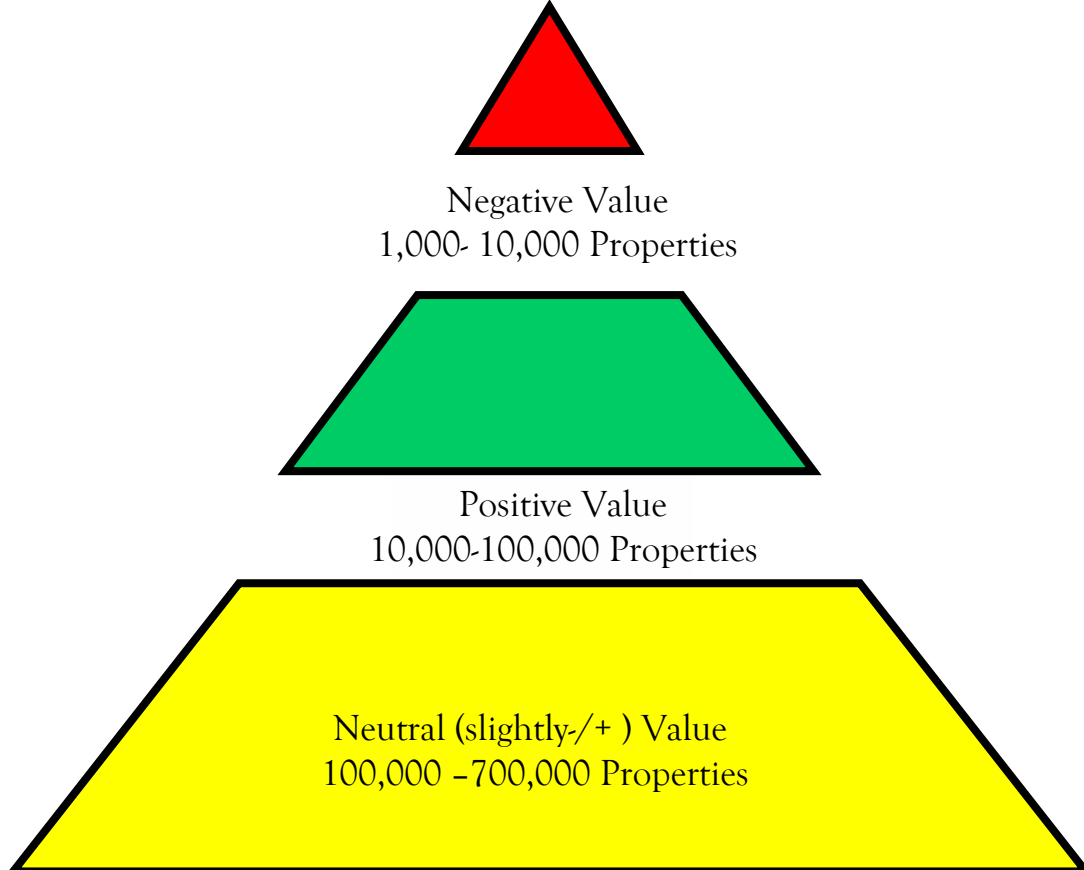


National Brownfield Association

Stratification of Value

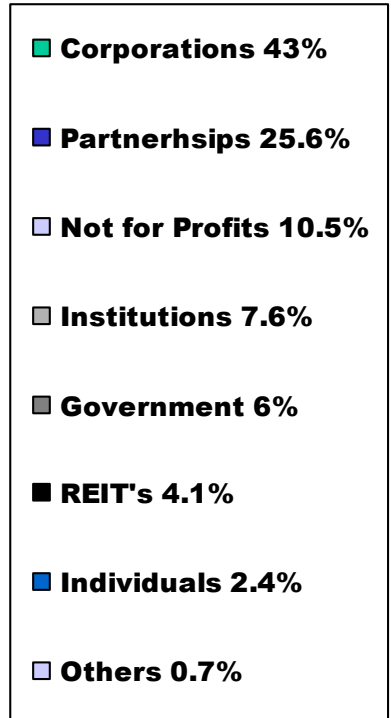
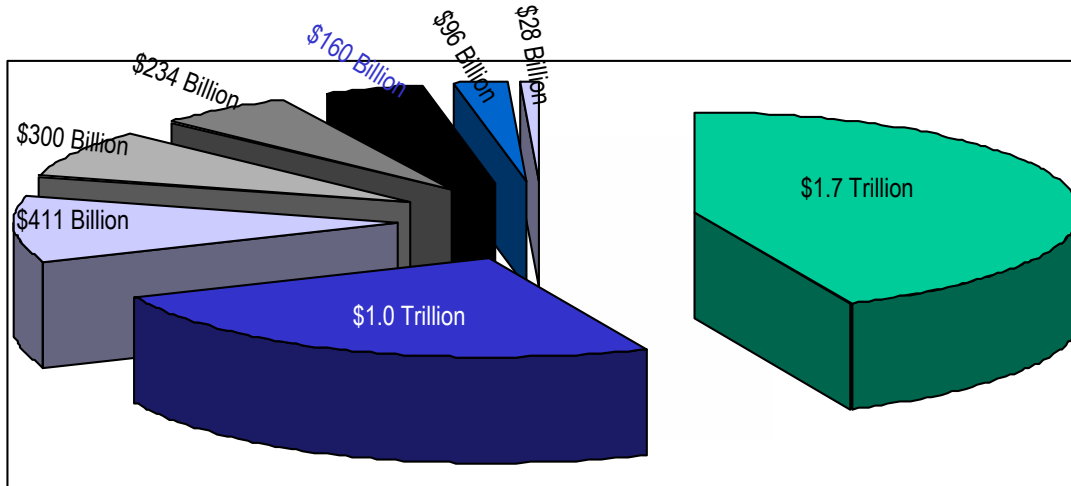


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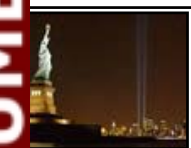
Who owns commercial real estate?

US Commercial real estate is valued at approximately \$4 trillion



We estimate that environmental hazards are present at 20-50% of all commercial real estate and create a perceived or real decrease in property value.

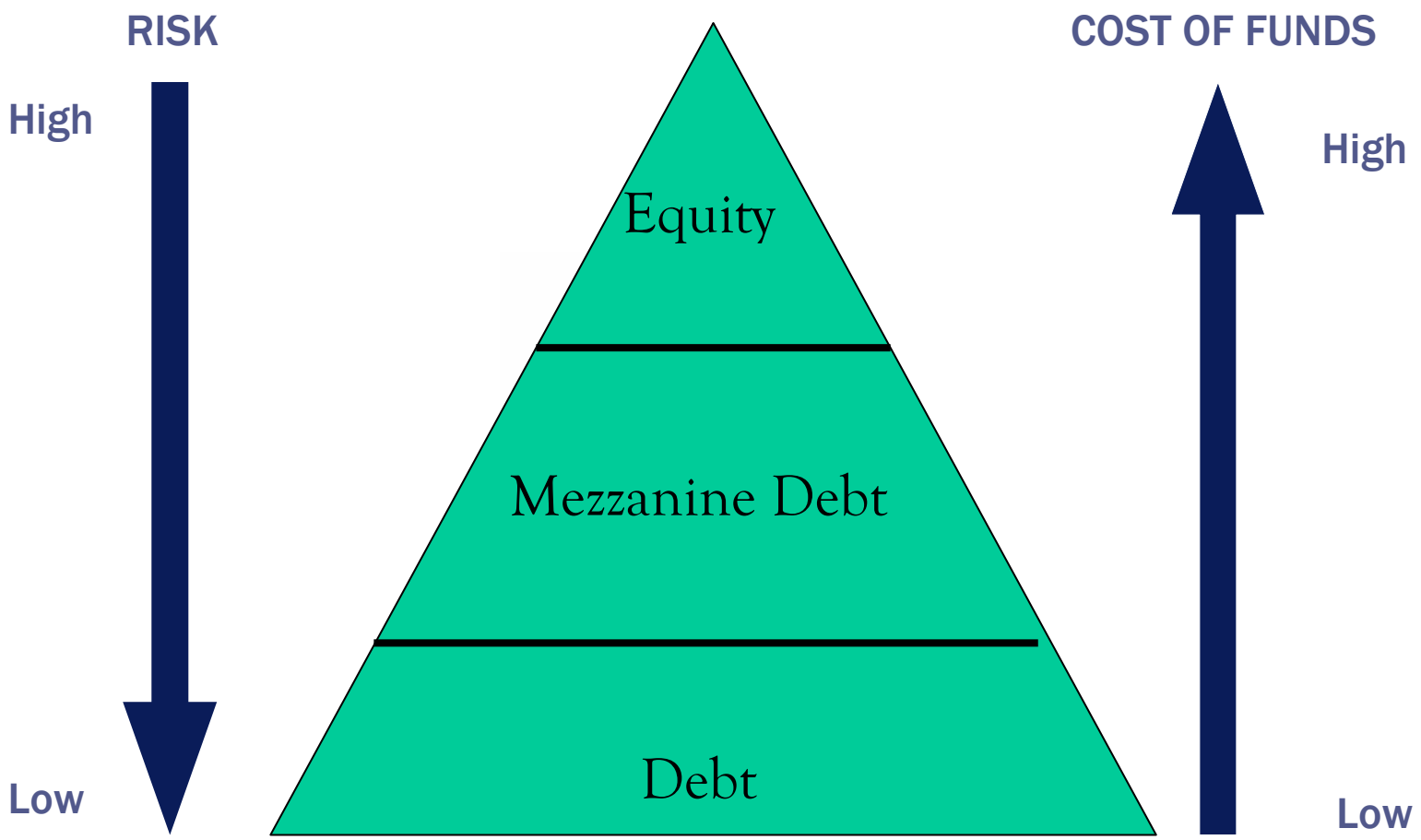
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The Private Capital Pyramid

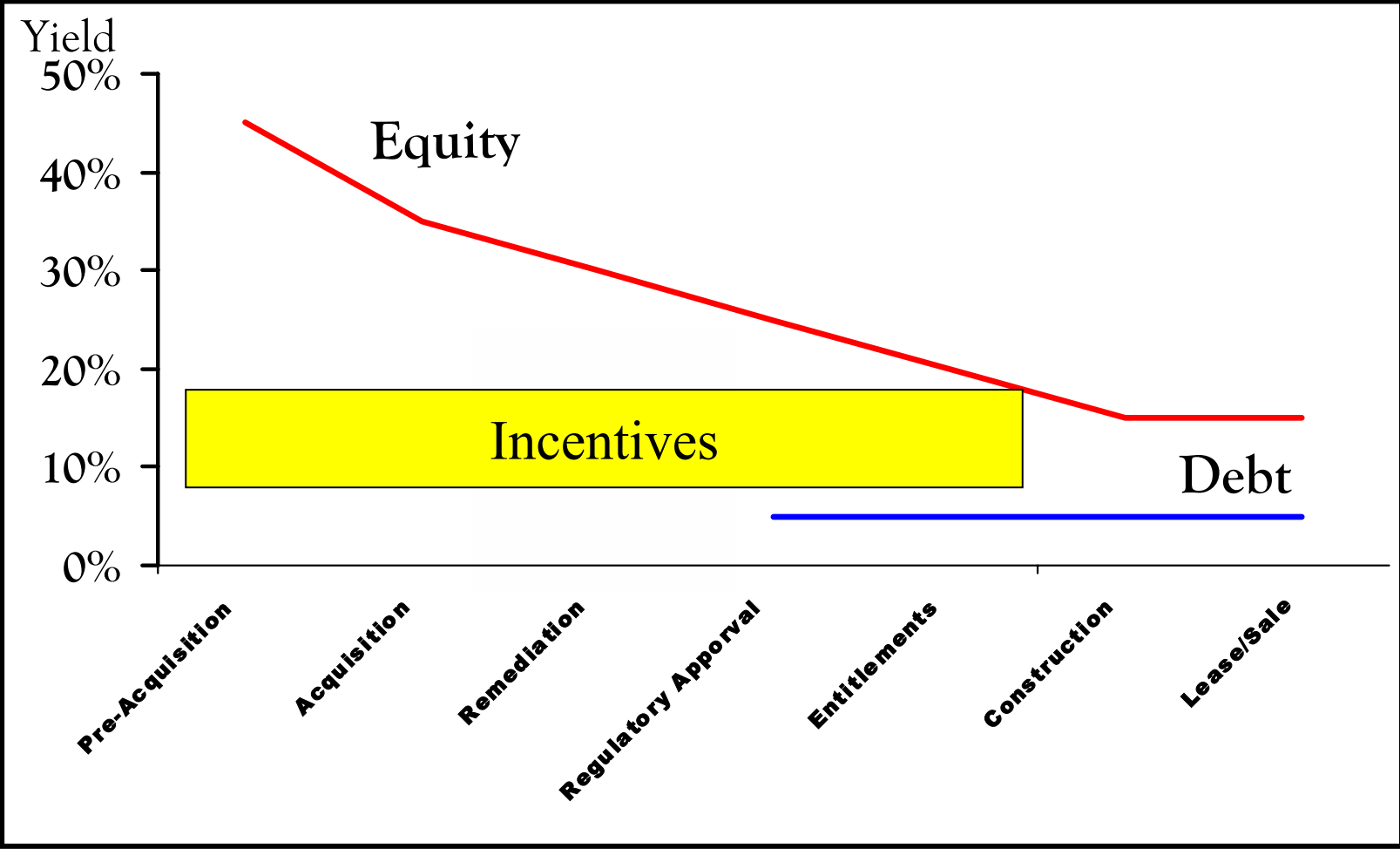


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Structuring Brownfield Finance

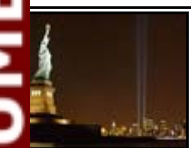


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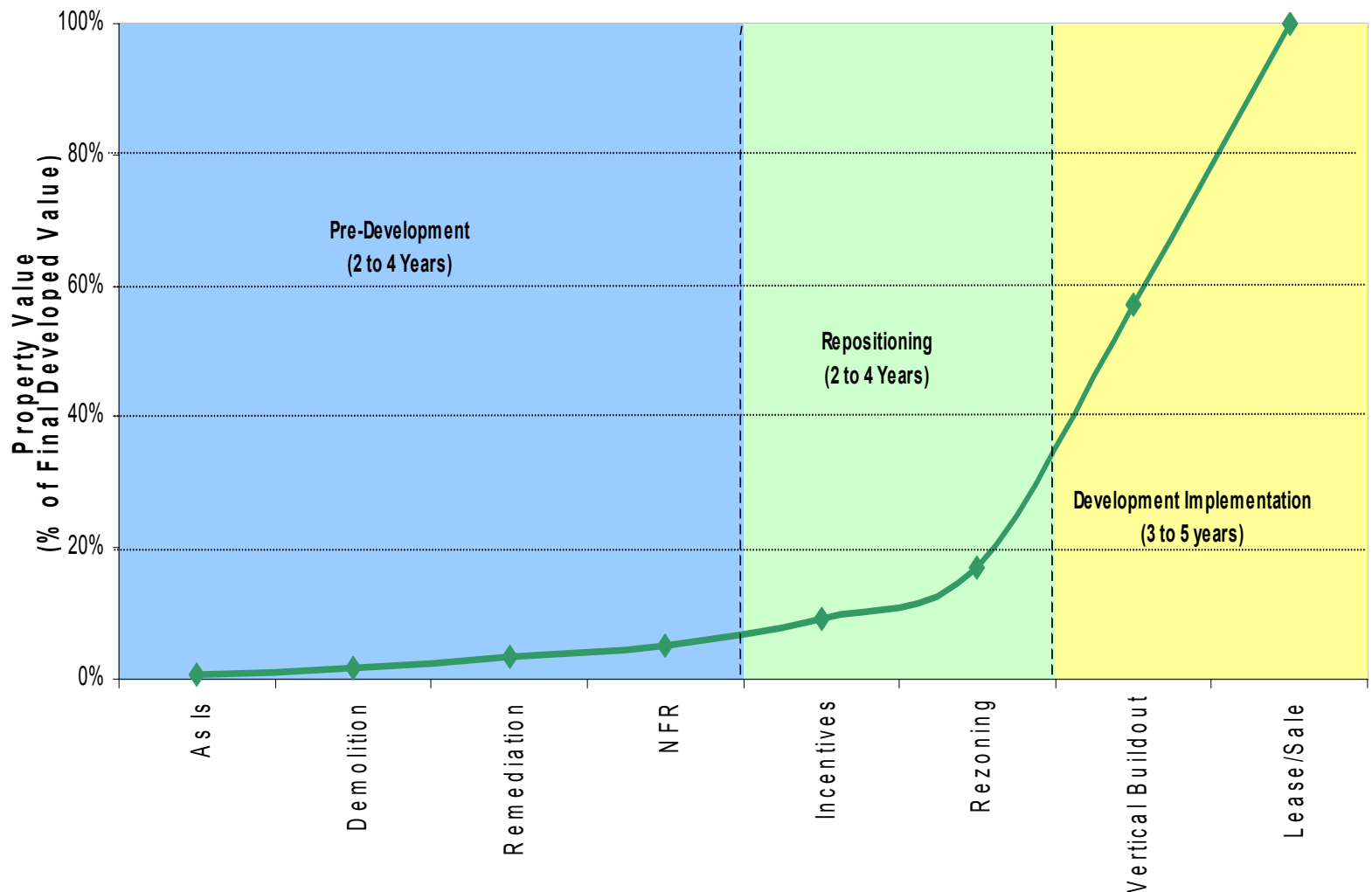
Environmental Insurance

- \$300 – 400 million in premiums were paid for environmental insurance at brownfield sites
- Environmental insurance brings comfort to the capital markets.
- Two insurance types are used in more than 80% of the transactions:
 - Cleanup Cost Cap (CCC)
 - Covers Remediation Cost Overruns for
 - Pollution Legal Liability (PLL)
 - Covers pre-existing and new conditions



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Brownfield Site Development Valuation vs. Development Process



Key Elements of the Brownfield Development Process

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The Deal Process

- Property Owner/Seller
- Buyer
 - Developer
 - Owner Operat
 - Investor
- Everyone else
 - Professional Service Providers
 - Insurance
 - Capital
 - Government



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QUESTIONS

- Property Owner Perspective
Dave Kalet, Remediation Manager
Atlantic Richfield Company
- Developer Perspective
Brian M. Goray,
Cherokee Investment Partners
- Insurance Perspective
Kevin Matthews, Director of
Governmental Relations, AIG
Environmental



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