

CARROT AND A STICK

City of Cleveland

Ohio Brownfield Conference

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CITY OF CLEVELAND
Mayor Frank G. Jackson



City of Cleveland Approach

- The ultimate goal of the City of Cleveland's Brownfield Program is to bring brownfields into productive use.
- To bring brownfields back to productive use often requires moving the property from a Responsible Party to a Party with Clean Hands



What does each party want?

- Property Owner
 - Freedom from Liability
 - Profit on the Property
- Redeveloper
 - Freedom from Liability
 - Property for Redevelopment
 - Minimal Purchase Price



Why can't we reach a deal?

- Purchase Price
- Allocation of Remediation Costs
- Timing of Assessments
- Indemnification for Existing Contamination



Assessments

- The City provides Phase I Assessments for most developers with Clean Hands
 - Basis for evaluation of the project
 - Comfort for Financing Entities
 - Minimal Exposure for Owners “Who Don’t Want to Know”



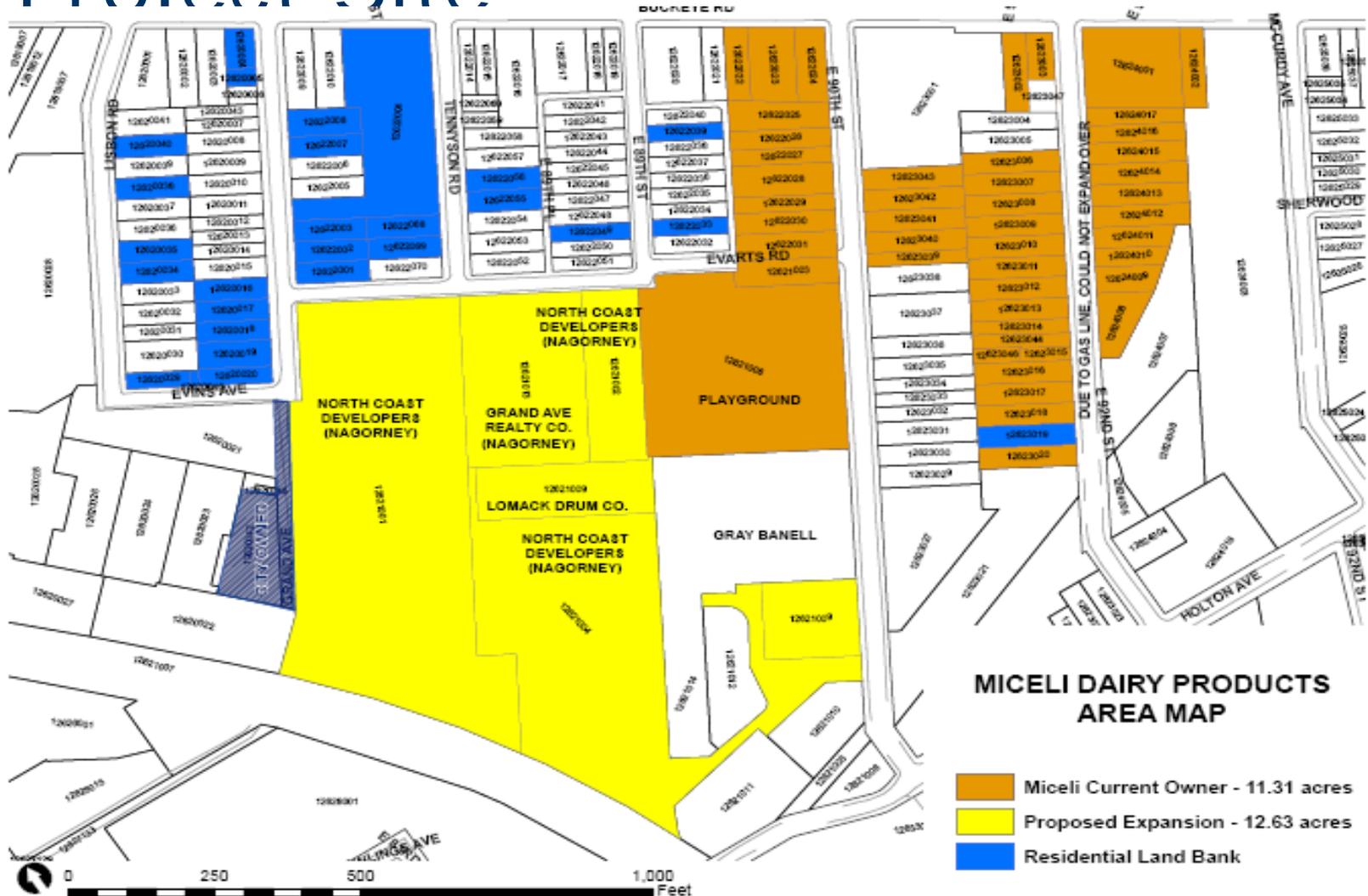
Miceli's Dairy Project

USING CARROTS & STICKS TO HELP A
LOCAL ANCHOR EXPAND



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Project Site





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Redevelopment Strategy

■ Issues:

- Contamination – How extensive?
- Cost – How do we pay for it?
- Timing – Can we meet everyone's needs?

■ Proposal:

- Site Assessment – Evaluatory Phase II
 - Use City, County & COAF Funds to perform Phase II
 - GO/NO GO
- Remediation & Demolition
 - Seek additional funding to demolish & address contamination.



Sticks

- USEPA Liens
 - Current Owner (PRP) is responsible for USEPA Enforcement Costs
- Attorney General's Office
 - North Coast/Grand Ave. Parcels – Enforcement
 - Grey Barrel Parcels – Hazardous Operations



Carrots

- Local Assessment \$\$
 - Use local funding for preliminary assessment
- Clean Ohio Fund
 - COAF for more extensive assessment
 - Possible CORF for remediation



Tactics

- Sticks can provide an incentive for the Owner to act.
 - Developer can take on some of the costs
 - Government can address some of the sticks
- Carrots can bring the Developer to the table
 - Write-down development costs
 - Define the risks inherent in development



Conclusion

Your local brownfield program can identify a variety of carrots and sticks to leverage reluctant participants to redevelop brownfield sites.



City of Cleveland

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