Case Study: “Brownacre”

Our client, Urban Infiller LLC, is an Atlanta-based developer that specializes in adaptive reuse of underutilized urban property. They have under contract a 20-acre parcel of property in Nashville, in a historically industrial section of town. The site has been used since the early 1900s for various industrial purposes, including the manufacture of fins for bombs in the 1940s, metal appliances in the 1950s and 1960s, and wooden furniture in the 1970s. Several buildings remain on site, including large sheds that housed materials loading, as well as manufacturing buildings and an office building. The site has not been in active use since 1980, but trespassers have broken a number of windows in the buildings.
Case Study: “Brownacre”

Urban Infiller intends to repurpose the existing buildings for a mixed-use development, including restaurant/retail, offices, and apartments. Some space in the old manufacturing building will be used for multi-level indoor parking.

Three parts of the property will be subdivided and sold to third parties for future development. One of the purchasers will be a new single-asset LLC created by the seller to hold a parcel.
Case Study: “Brownacre”

Urban Infiller has hired CSNY Consultants to assist with due diligence on the property. CSNY performed a Phase I in December 2018, and several iterations of soil and groundwater sampling. In short, soil sampling reveals several PAHs at levels exceeding EPA’s residential Regional Screening Levels across the site, and arsenic at levels from 7 to 22 ppm. Investigations near a disused UST (formerly used to hold waste solvent used in cleaning metal parts) revealed TCE in soil at levels up to 10,000 ppm, and TCE in a groundwater plume at levels up to 100 ppb extending across the site and under several buildings.

Urban Infiller has hired you to “fix” the environmental issues Brownacre to facilitate getting approval from their lender to close the purchase. Discuss.