



## **How a Phase I ESA can identify the potential presence of any RECs**

October 26, 2010 - Green Buildings

When purchasing a distressed property the environmental quality of the site is an important factor to consider. First of all, in NYS once a property is purchased the new owner will be responsible for any environmental issues it may have. Secondly, environmental issues can impact upon future development and allow for negotiations before the property is purchased.

The performance of a Phase I Environmental Site Assessment (ESA) will help identify the potential presence of any Recognized Environmental Conditions (RECs). Additional benefits to a Phase I ESA include qualifying for the innocent landowner defense under CERCLA liability and having recourse against the environmental consultant and their insurance company if environmental conditions not identified during the Phase I ESA (and should have been during the Phase I ESA process) are uncovered in the future. Since a Phase I ESA is relatively inexpensive and can be completed in a short time it is recommended that it always be performed during your due diligence.

If any RECs are identified during the Phase I ESA, then a Phase II ESA will be recommended. The Phase II ESA usually includes the collection of soil and groundwater samples. The Phase II ESA will allow you to put the environmental issues in perspective. A main impediment to the development of contaminated land (or Brownfields) is the uncertainty with regard to the nature and extent of contamination and the level of cleanup that is needed to prepare the property for reuse. The performance of the Phase II ESA will help define the environmental issues so you can properly manage them.

The perceived impacts or site-related risks are commonly greater than the actual impacts or risks. In many cases, remediation costs can be significantly reduced because remedial efforts can be performed during development. Additionally, the capping of low levels of contaminants has become an approved remedial technique by local, state and federal agencies including the U.S. Department of Housing and Urban Development (HUD). Additionally, there are many grants available for the investigation and remediation of contaminated lands.

To put your environmental issues into perspective and learn about grants you may qualify for contact Hydro Tech Environmental today at (631) 462-5866.

Rachel Ataman, LEED AP, is VP of technical services for Hydro Tech, Commack, N.Y.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540