

SOUTHEAST DIRECTIONS

FOR THE SOUTHEAST REGIONAL DIRECTORS INSTITUTE *SUMMER/FALL 2007*



Official Newsletter of the SouthEast Regional Directors Institute

2007-2008 Council of Peers

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SERDI Proves to Provide Networking and Support

REGIONAL LEADER SPOTLIGHTS

By Tiffany McGowan, SERDI Student Assistant

After conducting interviews with two current SERDI members and one potential member, two underlying themes became clear; the organization provides endless learning opportunities and a large, valuable support network that is essential in promoting regionalism.

I first spoke with Mr. Robert Wilson, a potential SERDI member who directs the George Washington Regional Commission containing four counties and one city in Virginia. Working in professional development and intertwining with other organizations were some of the benefits



Bob Wilson

that Mr. Wilson stated he sees as benefits of SERDI. Embracing other benefits such as the opportunity to work with other regional directors, establishing relationships, and learning from other states were also resources he said he knew he would gain from SERDI.

Mr. Wayne Strickland, a SERDI and NADO member, as well as the director of the Roanoke Valley - Alleghany Regional Commission in Roanoke, Virginia, also cited establishing relationships and learning from other states as a major benefit. The opportunity to establish relationships with hundreds of regional councils has been imperative



Wayne Strickland

for him. He said that SERDI assures him that he is not alone and enables him to connect with people facing similar problems. Mr. Strickland pointed to SERDI as the common thread that unites these regional councils and puts them on a familiar ground.

The idea of SERDI providing a support network and learning opportunities remained consistent in my interview with Ms. Carolyn Dekle, the director of the South Florida Regional Planning Council, consisting of 4.3 million people within two counties in Florida. She noted that she gains benefits from SERDI such as the ability to turn to SERDI staff for advice and the opportunity to learn new skills through the organization. Ms. Dekle also specifically listed SERDI as a support network that she can refer to.



Carolyn Dekle

Even with the successes of each interviewee, they were all humble and specifically mentioned not only that they could learn more, but also how exceptional the people they work with are. Each stated that SERDI is not only a resource for learning from multiple states, but also a valuable tool in networking at a regional level.

Some of the resources SERDI provides for learning include the SERDI Strategic Assessment Program, which was designed and developed to assist a regional council in assessing its position in the region with its owners, partners, and potential partners. Membership Initiatives also provide learning opportunities, like the SERDI Regional leadership and Executive Development Program, a committee that was developed to enhance regional councils by developing strategies to enhance the capacity of regional councils, raise the professional credibility and capability of their executive directors and the regional council executive director profession, and to enhance the position of regional councils individually and as a statewide network to make them more relevant in the future. The Annual Professional Development is a learning tool for members where they share experiences and ideas with each other to improve their councils at a local and regional level. These are just a few of the learning resources SERDI has to offer.

To learn about more resources and SERDI visit
www.fanning.uga.edu/SERDI

FEATURE INTERVIEWS

2007 CONFERENCE IN REVIEW

by Paul Hardy and Danny Bivins

CONFERENCE REVIEW

We had the first omen that the conference was going to be a success shortly after setting up the registration area. A group of administrative officials from Fort Valley State College were meeting in the room next to us. When they saw the handsome, SERDI red beach towels, a number of the of the Fort Valley State administrators stopped by to ask who or what we were and how they might get one of the towels. It was easy to identify SERDI participants because of the number of red SERDI beach towels on the beach and around the pool. The singular input we, SERDI staff, have received is that the 20th Annual Professional Development Conference was the most beneficial and educational one of all previous conferences.

According to Richard Cavendar, executive director at the Meramec Regional Planning Council in St. James Missouri, long time national leader in the field of regionalism, and presenter at the conference, "SERDI is the envy of regional councils throughout the country."

Council of Peers. At the meeting of SERDI's policy board, the discussion concentrated on how the organization could be strengthened. The primary focus of the discussion dealt with the need to increase the number of regional councils in the Southeast that were members of SERDI. A common statement was that it was the responsibility of the members, particularly the members of the Council of Peers, to expound on the benefits of membership and encourage those executive directors in their states who are not members to become a part of SERDI. As expressed by Mike Norton, Chair of SERDI's Council of Peers, "it was not SERDI staff but the membership that had dropped the ball on encouraging new membership." Others stated that each member of the council of peers should focus on getting all executive directors in their respective states to become members of SERDI. According to Jim Youngquist,

Director of SERDI, "Our (SERDI staff) interest is not having more members, it is providing the membership what it needs and wants from the organization." Staff was urged to "improve the telling of SERDI's story," and to reinsitute the training institutes for new and potential executive directors it used to develop and hold prior to the commencement of annual conferences. The New Directors Institutes were viewed as effective ways to prepare both new directors, assistant directors, and other regional council officers for service as an executive director. Several members of the Council of Peers pointed out that they had attended a New Director's Institute prior to or shortly after becoming executive directors and had benefited from such participation.

The consensus from the meeting was that even though there are ways to improve itself, SERDI is a significant organization in providing assistance to regional councils in the Southeast. It should be noted that approximately 95% of the members of the Council of Peers were in attendance; all 11 SERDI states were well represented at the meeting. This is not something that can be said of many policy boards.

Conference Program

In order to convey a glimmer of the information provided members and the breadth of the subject matter dealt with at SERDI's 2007 Annual Conference, a brief summary of the program follows. Because the agenda for the 2007 Conference, like all SERDI Annual Conferences, dealt with both internal and external issues, this summary of the sessions is grouped accordingly. The difficulty with such summaries is that as with efforts to cover the depth and content of the programs, it is almost impossible to convey the level of interest and energy at the conference that purposely recognizes the importance of both the program's content and the informal interactions between members, presenters, and staff. (Continued on the following pages)



King & Prince Resort - St. Simon's Island, Georgia (Aerial view, poolside)



External Issues:

*Coastal Georgia's History and Future – Vernon Martin,
Executive Director Coastal Georgia RDC*

A natural place to start was with Vernon Martin, the Executive Director Coastal Georgia RDC. The future of Coastal Georgia is not one particularly unique from that facing other coastal regions in the country, particularly in the Southeast. It is predicted that by 2015 up to 80% of the nation's population will live in coastal areas. Such population growth is going to outpace many governmental services and put significant pressures on all aspects of life in the coastal areas. In addition, this rapid growth is going to result in shortages of affordable housing which will force essential labor to move out of the traditional coastal counties into peripheral ones, thereby expanding the stresses on adjacent inland counties.

Regionalism is a key to dealing with such stresses, and it is going to have to involve not just governments but also private persons and organizations. Regional applications to problems caused by the rapid and large population increases can only be addressed by locally driven regional efforts and approaches.

*The Alabama Insurance Captive – Russ Wimberly,
Executive Director of the South Alabama RPC;
Timothy Russell, chairman of the SARPC board; and
Ken Johnson, V.P. of Captive Management Services*

After the devastation of hurricanes Katrina and Rita, one of the most significant problems facing the region is that many of the old businesses are not returning to the region or are returning on a reduced scale. This places financial burdens on the damaged areas in that employment opportunities are reduced and there is less revenue for the governments in the affected region. A primary cause of this problem is the exorbitant cost of insurance, if there is even any insurance available, for returning entities,

The Alabama legislature has authorized the creation of insurance captives which are basically groups of similar entities that come together to underwrite their own property insurance. Generally, insurance captives have only consisted of private concerns, but the South Alabama Regional Planning Commission developed the concept that such captives could be used by a

local government or governments as a means to make affordable insurance available to encourage the return of businesses and development to the region. The basis of such captives is the local governmental creation of tax improvement districts to sell bonds with the proceeds to be used to provide a for-profit company with start up money for the company to address the commercial insurance needs in the region.

The concept of governmental insurance captives is unique and is currently being tested in one county in Alabama with state officials and other local governments throughout the state and region watching. The SARPC will be responsible for managing the captive(s) in the region. The creation of local government insurance captives is a prime example of a regional council being pro-active in recognizing a problem and then developing a novel approach to addressing the problem.

*Brownfields Mobile Workshop –
Mayor Brian Thompson, City of Brunswick*

The basic definition of Brownfields is “real property, the redevelopment or reuse of which is complicated or precluded by the presence or potential presence of hazardous substances, pollutants, or contaminants.” Property that suffers from some degree of contamination is basically unusable until the environmental



Mayor Brian Thompson

concerns at the site have been mitigated. The purpose of Brownfield grants from EPA is to assist in the assessment of the contamination and the clean up of the property so that it can be converted into a community asset.

With the mayor of Brunswick as guide, conference participants along with EPA's Regions 4 and 6 Brownfield Coordinators and the Georgia Brownfield Coordinator boarded two buses to go into the city of Brunswick and visit four Brownfield sites. The purpose of the mobile workshop was to illustrate exactly what

might constitute a Brownfield site and the types of development that might arise from property that would otherwise be unusable or of limited use. Brownfields range in size from small to large, and they exist in any and all size communities.

The concept of going out on the road was a new method for providing attendees information and examples of opportunities for action. A panel discussion lead by Courtney Tobin of the Fanning Institute directly following the morning mobile workshop.



Brownfields Panel

Brownfields Panel Discussion – Courtney Tobin, the Fanning Institute; Tim Goist, Premier Environmental; Madeleine Kellam, Georgia Brownfields Coordinator; Michael Norman, EPA Region 4 Brownfields Coordinator; Amber Perry, EPA Region 6 Brownfields Coordinator; and Gene Stancack, J. Holden & Company

Amber Perry let it be known that Federal Region 4 has been successful in the very competitive process of getting Brownfield environmental assessment and cleanup grants, and two regional grants have been granted to SERDI states and will continue to provide assistance to communities in the SERDI states. Furthermore, EPA does not attempt to identify Brownfield opportunities. The receipt of such grants requires their active pursuit, and this is an area that offers regional councils an ideal vehicle for providing valuable services to their members. An additional plus for regional councils is that the receipt of Brownfield assessment and redevelopment grants is that such efforts generally require cooperation among governments, and regional councils are in the best position take full advantage of such opportunity. It is critical that communities be educated on the fact that a Brownfield site can become an asset. As stated by a member of the panel, the rallying cry should be “Go brown to get green.”

Internal Issues:

Organizational Culture: Being a Regional Leader – Richard Cavender, Executive Director of the Meramec RPC

This session was one that the Council of Peers specifically requested and was one of the most comprehensive and well received sessions that has been part of any of SERDI’s annual conferences. Because an effort to summarize the session would likely result in omissions and/or misstatements of significant points of the session, some of the major points of the presentation are listed below.

Regional councils should:

- *Have an open, flexible, and adaptable organizational culture*
- *Have a participatory leadership style*
- *Remember that it is a public organization and that its officers and staff are public employees who must maintain the public trust*
- *Keep the board involved in the operations of the council*
- *Not be afraid to make decisions, but not fall into the trap of making hasty, poorly reasoned ones*
- *Acknowledge the existence of and provide assistance to the weak links (underperforming councils in the state) and the lone rangers (councils that act on their own with little or no regard for the other councils in the state). A failure to do so will result in all of the councils in the state being dragged down*
- *Have fun (e.g. cookouts, staff outings, and bringing in programs of interest to staff)*

Keeping Your Region Informed – Lenny Stoltz, Executive Director, Bluegrass ADD; Dee Freeman, Executive Director, Triangle J COG; Bruce Reynolds, Staff Director, Mississippi PDDs; Cameron Moore, Executive Director, NARC; and Matt Chase, Executive Director, NADO

Communication is the life-blood of any organization, and regional councils have continuously struggled in maintaining effective communications with their policy board, their member governments, and local and state officials about their work.

It is critical to the well being of regional councils that they regularly provide information about

20th Annual Professional Development Conference

St. Simons Island, Georgia - May 19-21, 2007

themselves to local and state elected and appointed officials and the general public. In order to enhance its status in the region, one regional council has taken on the role of communicating not only information about the council but also anything of community interest (historic ceremonies, erection of monuments, pageants, etc). Other members of the panel said that they concentrate their efforts on communications with elected and appointed governmental officials that detail the projects and successes of the council.

There was general acceptance of the fact that even though electronic communications are the most effective means to provide timely information, there were governments and individuals who did not have access to electronic communications. Regional councils must communicate in electronic, paper, audio, video, and any other form to maximize the telling of their story. Since a council's primary clients are local governments, it is critical that each member see something the council has done for them in the council's newsletter and annual report.

Councils should be willing to go to local media with their stories; the media is not going to come to them. It is more effective if communications from regional councils talk about people, those receiving and rendering the services, rather than just programs. Councils were advised to develop and prepare anything from a notebook to a power point presentation that board members can use to talk about the role of the council and council programs and contributions the council has made to the local governments in the region.

Internal Financial Management – Mack Shealy, CPA Finance Director of the C.S.R.A RDC; Barry Blank, CPA, Erlanger, Kentucky

A regular issue we are asked to address at the annual conferences concerns internal financial management issues and challenges. This session dealt with the issues of fraud, recognizing and controlling it.

Executive directors must know what fraud is, its many forms, its costs, who commits or might commit it, why is it committed, and how it can be prevented. Internal controls can serve to prevent fraud by removing opportunities for innocent mistakes and intentional acts to commit harm. Management and the board are responsible for developing and implementing internal controls which include such things as the physical control of assets, segregation of duties, adequate documentation, and independent performance reviews. It is essential that internal controls contain a clear system of communication between

management and employees and a system of monitoring the organization's daily activities.

Breakfast Speech

At the Monday breakfast, Mike Beatty, Commissioner of the Georgia Department of Community Affairs made a presentation on his ongoing understanding and appreciation of the value of RDCs in Georgia. He recognized that because of how complex and competitive economic development has become, states needed to take advantage of all of its resources and that regional councils are an additional tool in a state's economic development toolbox.

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Celebrating 40 Years of Progress, Partnerships and Promise (August 2007)

By Matthew Chase, NADO Executive Director

As we commemorate the 40th anniversary of the founding of the National Association of Development Organizations (NADO) this year, the regional councils of the Southeast region and association members across the nation have much to celebrate. Our collective achievements in the past two years, and throughout our distinguished four decade history, are directly attributable to the long-standing leadership, partnerships and results of our members, staff and funding partners.

By working as a team, we have achieved the highest membership totals in the association's history. In fact, we are extremely proud to have five of 11 SERDI states with 100 percent membership in NADO and more than 90 percent coverage in the remaining six states. Of our 39 past presidents, 19 individuals hailed from a SERDI state, including our current President Dan Bollinger of Georgia. This means that regional councils play an important role regionally, but also play a major part in shaping national policies, priorities and programs.

With the generous support of SERDI states and others, we have built a solid financial foundation for our future. We have expanded our professional development, research and peer exchange services, all of which are aimed at improving the effectiveness of regional councils, both individually and collectively. In fact, we have used the governance model, program offerings and mission of SERDI to help other regions of the nation.

We continue to reach new heights in our federal advocacy efforts, which remain the cornerstone of our association. While policy and funding issues involving the U.S. Economic Development Administration (EDA) remain at the forefront, we have strategically expanded our policy agenda to be more closely aligned with the

membership's increasingly diversified program portfolios, as well as to pursue new opportunities and fill existing gaps in local services and needs.

Building on our philosophy of preserving our member's core funding programs while pursuing new opportunities, NADO has taken a national leadership role on rural transportation planning and development issues. We have helped put regional development organizations in a stronger position to assist state and local first responders with their homeland security and emergency preparedness and planning efforts.

We serve as a key advisor and resource to members of Congress and state officials on the design, functions and purpose of federal-state regional commissions, with a keen focus on securing new resources for regional development organizations. As part of the 2007 Farm Bill debate, we have launched an aggressive campaign to secure new money and policies to support regional strategies, local cooperation and project development within USDA Rural Development.

Most importantly, we have held true to our mission of promoting public policies that strengthen local governments, communities and economies through the regional strategies, coordination efforts and program expertise of the national network of regional development organizations / regional councils, ultimately improving the economic conditions and quality of life across the nation. We greatly appreciate the leadership, dedication and results of the SERDI membership, staff and organization.

To download a copy of the 2006-2007 NADO Biennial Report, please visit www.nado.org.

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"Caveat Emptor": Buyer Beware, Not Buyer Be Scared

by Courtney Tobin, at the Fanning Institute

A real estate transaction involving the sale of environmentally contaminated property is still just a real estate transaction...or so the saying goes. However, when a city, county, development authority or other public entity is the purchaser, elected and appointed officials face a higher degree of scrutiny on the transaction than if the property was acquired by a private developer. Nearly every public official can recount horror stories about a city that acquired a piece of property for little or no cost (or was even given the property) where the result was years of liability, litigation and unanticipated cost due to unknown contamination. While the existence of contamination on a site necessitates certain precautions and steps to mitigate risk, it is not a reason to completely disregard an otherwise attractive site. Each site is unique; if a site has redevelopment potential, potential buyers should explore options for reducing both known and unknown risks for liability on the site. This article highlights several proactive steps communities can take when faced with a contaminated site – also known as a 'brownfield'.

The term 'brownfield' describes former industrial and commercial sites that have some degree of hazardous substance or petroleum contamination, and under federal law it also includes sites where contamination is perceived to be present. Due to the presence or perceived presence of contamination, redevelopment on the site is difficult. Risk reduction tools such as environmental insurance may remove some of the uncertainty involved in a transaction while protecting financial and other resources of a public entity. While each risk reduction tool has advantages and disadvantages, the key is combining the tools necessary for each unique site to reduce the risk of liability to an acceptable point for both parties.

Why is there so much risk attached to contaminated sites? Under CERCLA (the federal Comprehensive Environmental Response, Compensation and Liability Act, also known as "Superfund"), any owner or operator of a contaminated site may be jointly and severally liable for all contamination on the site. This means that a party that inadvertently purchases contaminated property may be held liable for all contamination on the site, even if they did not cause it. Congress and most states have

enacted legislation to try and protect innocent purchasers (potential buyers who did not cause or contribute to the contamination) of brownfield sites. However, innocent purchasers must follow carefully proscribed procedures to take advantage of the liability protections. In Georgia, for example, an innocent purchaser of a brownfield property must enter the state's brownfields program prior to taking title to the property. If they assume title without participating in the state's program, they are forever ineligible to seek liability protection under the state statute on that site.

How can a community reduce the risk of liability and excessive cost in a real estate transaction involving environmental contamination, either for itself or for a private developer interested in reusing the site?

1. Due Diligence – State and Federal Statutes:

A good understanding of how state and federal statutes and programs work to protect innocent purchasers is critical. In many cases, the purchaser must do certain things BEFORE TAKING TITLE to the property. Even if the property is given to the public entity free of charge, once title passes, liability attaches unless a state or federal statute provides otherwise and the purchaser has complied with the requirements of those statutes.



Brownfield site currently in development
Liberty Harbor, Brunswick, Georgia

"Caveat Emptor"...(continued)

2. **Due Diligence – Environmental Contamination:** *Understanding the nature and extent of the contamination is essential. While Phase I (involving the history and background uses of a site) and Phase II (sampling for certain constituents) assessments can be costly, they provide critical information and are often required by lenders as part of a loan package. Moreover, each state maintains a record of reported releases of contaminants (over a certain threshold) on specific sites. This is public information and a relatively easy way to obtain initial information on a site. Environmental consultants can help communities investigate sites to determine how much assessment will be necessary, based on the prior uses of the site.*
3. **Contractual Covenants –** *The seller of the property can make certain representations and provide indemnity to the purchaser in the event contamination is discovered or is greater than previously known. This risk reduction strategy necessarily depends on the financial strength of the seller or guarantor and is often paired with other strategies.*
4. **Environmental Insurance –** *Environmental insurance is a tool used to quantify and transfer risks related to brownfields cleanup costs and liability from project stakeholders to an insurance company. The most common types of environmental insurance policies available for brownfields include:*
 - a. **Cleanup/Cost Cap –** *This type of policy provides the purchaser with protection against the possibility that actual cleanup costs exceed the original estimates.*
 - b. **Pollution Liability Protection –** *This coverage continues after the redevelopment phase and remains in place after a new use of the property begins. It provides purchasers of the property who are long-term owners with coverage (up to specified amounts) for users of the property who make claims based on continuing pollution conditions.*
 - c. **Secured Lender Policy –** *If a borrower defaults on a loan on a brownfields site, or if the value of the collateral (the property) decreases in value due to the existence of pollution, this coverage protects the secured lender and provides guaranteed loan repayment.*



A Southeast Success: Atlantic Station - Atlanta, GA

Several US Environmental Protection Agency 'success stories' highlight how these products have worked in the past:

****In Somerville, Massachusetts, the City and a health care provider were interested in redeveloping a former mattress factory into an assisted living facility. The health care provider was very concerned that cleanup costs might exceed the \$225,000 estimate for lead, petroleum, and barium contamination remediation. The City of Somerville used a portion of its U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant funds to finance \$100,000 in Cleanup Cost Cap environmental insurance coverage. With confidence that cleanup costs would not escalate beyond the original estimate, the health care provider proceeded with redevelopment plans, making a substantial investment in the community. This \$14 million redevelopment project, which opened in 2000, brought more than 45 new jobs to the City.**

****In Emeryville, California, near San Francisco, demands for housing are high. The City's South Bayfront area, once the location of a paint factory, pesticide production facility, and drum reconditioning factory in the 1920s, became the planned site of a 350-unit residential, 250-room hotel, and 400,000-square-foot retail development in 1999. With a history of chemical production and a future of overnight accommodations and long-term residences, developers and the Emeryville**

SERDI NEWS

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Redevelopment Agency needed to feel comfortable investing in the project. A pollution liability protection policy protected the redevelopment agency during remediation from certain additional cleanup costs and bodily harm to workers. When cleanup was completed, the developers became the primary insured and acquired up to \$10 million in liability protection for a 10-year period. The protection includes physical harm to residents or occupants if they are adversely affected by the project. (<http://www.epa.gov/brownfields/success/insurance.pdf>)

These are just a few examples of how communities have successfully managed risk and encouraged private development on vacant or underutilized properties. For additional information on ways to help control risk and move brownfield redevelopment transactions forward, please see <http://www.epa.gov/brownfields/insurebf.htm>. For information on the cost and availability of specific environmental insurance policies, visit the websites for some of the more common carriers, including AIG Environmental (www.aigenvironmental.com); Marsh (www.global.marsh.com); Zurich (www.zurichna.com); and XL Environmental, Inc. (www.xlenvironmental.com).

The SERDI Council of Peers will meet September 21st in Nashville for the annual Fall Planning and Board Meeting. The annual Fall Planning and Board Meeting main purpose is to develop the agenda topics for the Annual Professional Development Conference that will be held in 2008 in Naples, Florida May 17-19. Secondly, the annual staffing contract for SERDI is considered at the meeting.

In addition to development of the 2008 conference agenda and considering the staffing contract for the fiscal year, the planning and board meeting will consider the further development of the SERDI Regional Leadership and Executive Development Program, and, the SERDI Promotional and Participation Strategy Development.

If you have any topics that you would like to have considered by the Council for the 2008 annual conference, and/or marketing strategies for membership or for the leadership program, please pass those along to your state council members or send them to the staff prior to the 14th of September.

**SERDI Council of Peers
Fall Planning and Board Meeting
September 21, 2007**
*Holiday Inn Select Opryland/Airport
Nashville, Tennessee*

NOT TO LATE for 2008

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