

EHS concerns related to Property Transactions and Site Decommissioning

2016 EHSCP Symposium
Covering the Bases

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EHS concerns related to various property transactions and site decommissioning

- ▶ What is the condition of the site?
- ▶ What was site used for?
- ▶ What will site be used for?
- ▶ What's happening on neighboring properties?
- ▶ What "stuff" comes with the property?
- ▶ What "stuff" are you leaving behind?
- ▶ What "stuff" do you need to remove?
- ▶ Who is responsible for the "stuff" now?
- ▶ Who will be responsible for the "stuff" in the future?



Why should you care?

- ▶ Surprises are not a good thing and can be the gift that keeps on giving



Why should you care?

► Surprises to avoid

□ CERCLA type liability

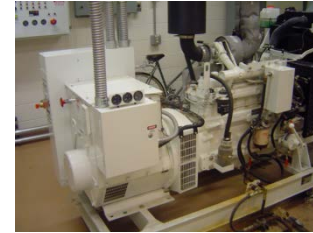
- Landowner defenses
- All Appropriate Inquiry

□ Compliance obligations

- Regulated equipment &/or building materials
- Regulated discharges or emissions
- Notifications, registrations, permits, licenses

□ Asset Management

- Inventory records must be updated
- Are valuable assets being overlooked or forgotten?





What do you need to know?

▶ Specific site details:

- ❑ Where is the site?
- ❑ What is planned outcome of facility and each component/equipment at the facility



▶ What will be involved?

- ❑ Transfer of ownership and/or operational control or will site be dismantled/decommissioned?
- ❑ Is the entire site involved or just pieces of equipment, or a footprint within the site?

▶ What happens to all the inventory or materials?

- ❑ Relocated/Reused, Sold, Recycled or Disposed

▶ What EHS paperwork needs to be completed?

When do you need to know?

- ▶ When a Business Unit (BU) is considering any of the following real estate transactions:
 - ❑ Purchase of Property
 - ❑ Lease of Building and/or Land
 - ❑ Termination of Lease for Building, Tower, and/or Land
 - ❑ Sale of Property
 - ❑ Sale/Leaseback of owned site
 - ❑ Obtaining or Terminating Right-of-Way (ROW) and Easements
 - ❑ Donation of Property

Who do you need to talk to?

▶ Whoever is:

- ❑ Causing the transaction?
- ❑ Making decisions about equipment/assets on site or planned for the site?
- ❑ Making decisions about ownership transfer - property and other assets?
- ❑ Responsible for signoff within each Business Unit (BU) involved
- ❑ Responsible for final signoff once BU and EH&S concerns are addressed.

How can you avoid surprises?

- ▶ How can you get the information you need?
 - ❑ Be aware of transaction activity, preferably in planning stages
 - ❑ Talk to the right people
 - ❑ Ask the right questions
 - ❑ If you are not driving the transaction, don't rely on people plugging into your process - get plugged into theirs
 - ❑ Checklists are good but never cover everything
 - Someone has to put eyes on the property
 - ❑ Plan for safety
 - Appropriate PPE
 - Lone worker/remote worker protocols
 - Know where you are going and assess before entering



Sample Checklist

Location Information		
Facility Name/Type: _____		
Property Street Address: _____		
City: _____	State: _____	Zip: _____
1. What is the transaction type? <input type="checkbox"/> Purchase of Property <input type="checkbox"/> Lease of Building/Land <input type="checkbox"/> Sale <input type="checkbox"/> Donation <input type="checkbox"/> Sale/Lease-back <input type="checkbox"/> Lease Termination <input type="checkbox"/> Sublease/Outlease <input type="checkbox"/> ROW/Easement Acquisition/Termination		
2. Site Contact Information:	Name: _____	Phone: _____
	Company: _____	Email: _____
Questions	Check Box	Details
3. Is there a building on site? If yes, please indicate year of construction if known.	Yes No ? <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Age of Building: _____ Year of Construction: _____
4. Neighboring Properties – Do adjacent properties conduct activities that may pose potential environmental risks to the subject property? If yes, describe.	Yes No ? <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
5. Has a Phase I ESA been completed for the subject property? If yes, does it indicate concerns?	Yes No ? <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
6. Are there any subleases? (including out-leases and Third Party Leases) If yes, please describe.	Yes No ? <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
7. If transaction is a Sale/Lease-back, explain who controls any hazardous materials and/or equipment?		
8. Are/were there underground or aboveground storage tanks (including belly tanks)? If yes, please describe. Who is the owner of the tanks, if leased property, is it the building owner or occupant (telecom)?	Yes No ? <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
9. Does potential buyer wish to keep any equipment that is on site? If yes, provide details in final Question below.	Yes No ? <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
10. Are there any materials at the site which are labeled positive for asbestos or lead-based paint? If yes, please identify and indicate whether material(s) appear friable.	Yes No ? <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

EHS concerns related to Property Transactions and Site Decommissioning

- ▶ Questions?
- ▶ Lessons Learned

