



Textile Mill Redevelopment Guide





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Background

Derelict and abandoned textile mills are located in many communities across South Carolina with a significant concentration in the Upstate—and more specifically the Catawba Region. These properties are vacant due to shifts in the global economy stemming from foreign competition. These former mill properties are generally considered brownfields sites based on the United States Environmental Protection Agency’s (EPA) definition of a “brownfield” as “real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.”

A significant number of the brownfields sites in the Catawba Region are relatively large (10 acres or more) and centrally located among surrounding residential areas. These textile mills and adjoining mill villages are found in both urban and rural areas. As these former mill properties sit idle, they are quickly becoming sources of blight for their adjoining mill villages. Redevelopment opportunities are often dismissed due to the specter of contamination of soil and water on these sites. Limited state and federal programs are available to assist, but these are disconnected and often difficult for local leaders to navigate.

Many of these mill sites pose serious health and safety risks due to the neglected conditions of the buildings and grounds, not to mention the potential for serious environmental issues on-site and off-site resulting from hazardous substances often found to be associated with textile mills sites. The substances include: friable asbestos, Polycyclic Aromatic Hydrocarbons (PAHs) and Volatile Organic Compounds (VOCs), lead and other heavy metals. These vacant properties could have significant cumulative public health and safety impacts and costs that include illegal dumping, increased costs for demolition and nuisance cleanups, crime, and vagrancy.

Since 2006, three vacant mills in the Catawba Region have burned. These fires have placed additional financial pressure on strained local government budgets that are responsible for providing emergency services to fight fires, caring for victims and prosecuting perpetrators. Fire is a very real and destructive threat that also poses serious health risks to the surrounding communities.

In South Carolina, textile mill production and employment peaked in the 1970s and declined rapidly throughout the 1980s and 1990s. The impact of global economic forces has been widespread and particularly hard-felt in the Carolina Upstate. In particular, the smallest and mostly rural communities of the Catawba Region have yet to recover fully from the loss of textile mill production and employment—even 20 or more years later.

If you are reading this guidebook, you probably have a textile mill in your community that once served as a major source of economic activity. Most of the town’s residents benefitted from the jobs and amenities that the mill provided – houses, churches, schools, parks, etc. As we enter the second decade of the 21st Century, there is little optimism that the textile industry will return to these communities. Many have already fallen into disrepair or been stripped of valuable materials by salvage companies, leaving only piles of debris. The sheer size of the mill buildings and grounds adds to the potential for blight. To complicate the situation further, local governments are facing dire financial times due to the national recession and high rates of unemployment and home foreclosures. With these added pressures, what is to become of these properties?

Approach

Catawba Regional Council of Governments (COG) has been involved in the successful redevelopment of multiple textile/brownfields projects that have leveraged federal, state and local funds. These projects produced positive changes on blighted, textile/brownfield properties. Since 2000, Catawba Regional has managed 17 textile related projects for localities in the region that were funded through state and federal agencies and funding sources, including the South Carolina Department of Commerce, Housing and Urban Development (HUD), the EPA and the South Carolina Department of Health & Environmental Control (DHEC).

Local officials in South Carolina can use the techniques and resources compiled in this easy-to-read resource for addressing brownfields redevelopment options specific to textile mills. Through the support of the South Carolina Department of Commerce, Catawba Regional received Community Development Block Grant (CDBG) funding in December 2010 to prepare

this Textile Mill Redevelopment Guide. The guide will provide a resource for the clean-up and redevelopment of these textile-related brownfields sites in the Catawba region and throughout the state to improve economic viability in low and moderate income areas.

Tool Box

Catawba Regional and its consultants developed the following series of tools that can be used independently or together to help local officials leverage available financial resources to assess, cleanup and redevelop former textile mill sites throughout the region and the state.

- **Redevelopment flowchart** for redeveloping textile mill sites with South Carolina-specific policies, programs and incentives.
- **Hypothetical case studies** that detail lessons learned from comparable projects to maximize success and minimize delays.
- **Community involvement** guide to promote local participation and ensure consistency with local plans and applicable regulations.
- **Phase I environmental site assessments** of targeted properties to help jump-start redevelopment and increase the likelihood of receiving additional support.
- **Sample documents and templates** that can be easily modified for local use.
- **Inventory of former textile mill sites in the region**, including ownership and site details.
- **Financial resources** available at the local, state and federal levels.

Please note that this Guide and Toolbox are resources to assist in redevelopment evaluation and should not be taken as legal or consulting advice. For such advice, please contact a legal or consulting advisor.

Commonly Used Acronyms

Provided by CTC Public Benefit Corporation

Textile mill redevelopment, like most complex endeavors, has its own terminology. Therefore, understanding the language is an essential part of the process. The following comprehensive listing provides key terms used by government regulators, environmental consultants, commercial developers and lenders. Many of these acronyms are also used throughout this guide to provide a fuller explanation of important concepts and activities.

AAI	All Appropriate Inquiry
ABCA	Analysis of Brownfield Cleanup Alternatives
ACM	Asbestos Containing Material
AST	Aboveground Storage Tank
ASTM	American Society for Testing & Materials
BFPP	Bona Fide Prospective Purchaser
BLS	Below Land Surface
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
CERCLIS	Comprehensive Environmental Response, Compensation and Liability Information System
DHEC	Department of Health and Environmental Control
EP	Environmental Professional
ERNS	Emergency Response Notification System
EPA	Environmental Protection Agency
ESA	Environmental Site Assessment
ESI	Expanded Site Inspection
FOIA	Freedom of Information Act
FIRM	Flood Insurance Rate Map
GEN	Generator
IC	Institutional Controls
LBP	Lead-Based Paint

LUST	Leaking Underground Storage Tank
MSL	Mean Sea Level
NFRAP	No Further Remedial Action Plan
NPL	National Priority List
NRL	No Longer Regulated
NRP	Non-Responsible Party
PA/SI	Preliminary Assessment/Site Inspection
PAH	Polynuclear Aromatic Hydrocarbon
PCB	Polychlorinated Biphenyl
PPB	Parts Per Billion
PPM	Parts Per Million
PRG	Preliminary Remediation Goal
RACM	Regulated Asbestos Containing Material
RBC	Risk Based Concentrations
RBSL	Risk Based Screening Level
RCRA	Resource Conservation and Recovery Act
RCRA COR ACT	RCRA Information Systems
RCRA GEN	RCRA System Generators
RCRA TSD	RCRA Treatment, Storage, and Disposal Facilities
REC	Recognized Environmental Condition
RP	Responsible Party
SCGS	South Carolina Geologic Survey
SHWS	State Hazardous Waste Site
SVOC	Semi-volatile Organic Compound
SWL	Solid Waste Facilities List
TAL	Target Analyte List
TMS	Tax Map Serial
USGS	United States Geological Survey
UST	Underground Storage Tank

VCC	Voluntary Cleanup Contract
VCP	Voluntary Cleanup Program
VOC	Volatile Organic Compound

Frequently Asked Questions (FAQs)

Sources: EPA, DHEC, ASTSWMO & Catawba COG

Why is redevelopment of mill properties important?

Mill properties are often abandoned, with owners no longer maintaining the property or paying taxes. Abandoned properties can quickly become eyesores, and may attract vandalism and illegal dumping, which degrade the environment, depress local communities, and potentially put citizens' health at risk. Productively reusing such properties reduces urban sprawl, increases the tax base, cleans up the environment, encourages urban revitalization and creates jobs for the community and surrounding communities. Redeveloping these properties links economic vitality with environmental protection.

What often happens when salvage companies acquire properties?

Many former textile mill sites across South Carolina are owned by salvage companies that purchased the properties when the mills ceased operations. The primary focus of these new owners is to maximize their investment by salvaging the old brick, wooden floorboards and structural steel, without regard for the impact these activities have on the local community or the environment. More often than not, salvage company operations stop without notice and local governments are left to contend with sites that are littered with debris and pose environmental health risks to the nearby residents.

What would be the advantage of having a revitalization plan for contaminated properties in my community?

Establishing a community-led revitalization plan aids in removing environmental hazards from communities, eliminates the need to develop pristine open space and farmland, revitalizes communities by creating jobs, and returns property to productive use and to local tax rolls. An

additional advantage of a community-based approach is that community members have a direct role in determining how impacted properties in their communities can be cleaned up and redeveloped to best facilitate the community's future development plans.

What is an environmental site assessment?

Environmental site assessments are typically conducted in phases and are used to determine whether a site is or could be contaminated. A Phase I environmental assessment is a review of the records and historical knowledge associated with the property to determine if there is a potential presence of contamination. If the Phase I indicates there is potential contamination, then the assessment of the site proceeds to the next phase. A Phase II involves sampling (debris, soil and/or groundwater) in targeted areas of the site and will help determine the extent of contamination, the types and probable sources of contamination, the level of risk to human health and the environment associated with the contamination, and whether the contamination needs to be cleaned up. A Phase II typically addresses certain targeted constituents or areas of the property. There could be a series of Phase II-type assessments on a single property. Upon completion of the phased environmental assessment, cleanup activities can begin, if necessary.

What is meant by “All Appropriate Inquiry”?

AAI is an environmental site assessment that meets the requirements of EPA's AAI rule (40 CFR Part 312). Following the requirements of the AAI rule in a pre-acquisition environmental site assessment gives a prospective purchaser protection from CERCLA (aka Superfund) liability for those environmental issues that are identified by the AAI assessment. Prospective property owners who were never involved in any practices that might have contaminated the property (aka innocent landowners) as well as owners of contiguous properties are eligible for protection from CERCLA if an AAI assessment is conducted prior to acquiring a property. In addition, to maintain protection from CERCLA liability, property owners must comply with certain “continuing obligations” provided in the statute. For more information on the AAI rule, go to: www.epa.gov/swerosps/bf/regneg.htm.

What are “Continuing Obligations?”

After acquiring a property, to maintain the liability protections, landowners must comply with “continuing obligations” during their property ownership. The continuing obligations include:

- Provide all legally required notices with respect to the discovery or release of a hazardous substance.
- Exercise appropriate care with respect to the hazardous substances by taking reasonable steps to stop or prevent continuing or threatened future releases and exposures, and prevent or limit human and environmental exposure to previous releases.
- Provide full cooperation, assistance, and access to persons authorized to conduct response actions or natural resource restoration.
- Comply with land use restrictions and not impede the effectiveness of institutional controls.
- Comply with information requests and subpoenas.

Will an environmental assessment performed several years ago meet the new AAI rule requirements?

No. Information from older Phase I reports may be used as a resource, but the 2002 Federal Brownfields Act requires that a Phase I assessment used to meet the requirements of the AAI rule must be completed **within a year** prior to taking ownership of the property. This is to ensure that the current environmental status of the property is known at the time the property is transferred. In addition, certain aspects of the AAI assessment must be completed **within 180 days** prior to the property transfer (i.e., the on-site investigation, the records search, the interviews, and the search for environmental cleanup liens). This protects the buyer from inadvertently accepting liability for contamination that may have occurred between the time the initial assessment was conducted and the time the property actually transfers. DHEC’s VCP also has restrictions on the use of older Phase I environmental site assessments to become eligible for a VCC.

Why should you conduct an environmental site assessment?

As with any significant investment, a buyer will want to know what kind of additional costs will be incurred before purchasing the property. In the case of a brownfields site, you want to find out if the site is contaminated and, if so, how much it is likely to cost to clean up before you acquire it. This phased environmental site assessment approach can accomplish that task and, if it meets the requirements of the All Appropriate Inquiry (AAI) rules under CERCLA, limit your liability under the federal Superfund law. In addition, DHEC also provides for a similar release of liability under its VCP.

Who performs the environmental site assessment?

Environmental site assessments are typically conducted by environmental consultants trained and experienced in the areas of environmental investigation and cleanup. Federal regulations require that AAI investigations be carried out by qualified environmental professionals who meet certain minimum requirements. For more information on hiring an environmental consultant, go to: www.epa.gov/brownfields/aai/HiringEP_Addendum_factsheet.pdf.

Environmental Consultants must follow uniform standards when conducting environmental site assessments developed by the American Society of Testing and Materials.

Who pays for the assessment?

Assessment costs are typically paid by the bona fide prospective purchaser (BFPP) acquiring the property. However, under certain circumstances, EPA or DHEC may be able to conduct these assessments at no cost to the BFPP under their Targeted Brownfields Assessment Program.

Can you conduct an environmental site assessment before you own the property?

Yes, if you have permission and access rights from the owner of the property. Local governments and developers often give access rights and permission to conduct an environmental assessment as part of their pre-purchase agreement with a property owner.

How do you know when a property needs to be cleaned up?

If, after conducting environmental assessments, your sampling results exceed EPA's Regional Screening Levels for Superfund Sites (DHEC's cleanup goals) or the risk assessment indicates that a potential risk to human health or the environment exists, some form of cleanup may be necessary.

Who can help with cleaning up the site?

If you have not done so already, you should hire an environmental consultant to work with you to develop and implement a plan to address the contamination at your site. Additionally, it may be necessary to hire an environmental attorney who is familiar with state and federal laws to assist you in dealing with the legal issues relative to the cleanup process. Finally, you should also contact DHEC and ensure that any cleanup work you are planning to conduct will fulfill state requirements.

How much will the cleanup cost?

The more information you have about the types and amount of contamination on the property, the easier it will be to estimate the cost to clean it up to meet the VCC requirements for a Certificate of Completion. In addition, determining the future intended use of the property may allow you to tailor the cleanup and reduce the costs. Incorporating cleanup activities into the general construction process or using innovative architectural designs can help reduce costs.

For example, it may be possible to reduce the amount of contaminated soil to be excavated and disposed of by constructing buildings over less-contaminated areas and/or paving areas of higher contamination to reduce exposure. In addition, cost-effective remediation techniques designed to address contamination under buildings and in groundwater have been developed and may be appropriate for your project. Contact a consultant or DHEC for more information regarding these remediation techniques.

What types of cleanup might be necessary at brownfields sites?

Soil, sediment, groundwater and indoor air may need to be cleaned up at a contaminated site. Techniques have been developed to address contamination in each of these media. The type of cleanup selected is based on situation-specific considerations such as type of contamination, amount of contamination, depth to groundwater, the extent of risk to human health or the environment, and the intended reuse of the property. Additional cleanup might be necessary during the demolition phase to address issues such as asbestos or lead-based paint.

What are institutional controls?

In cases where the cleanup does not remove all of the contamination at the property to meet the most stringent of standards (e.g., for residential or unrestricted use), Institutional Controls (ICs) may be required as part of the cleanup. ICs are legally enforceable restrictions, conditions, or controls that limit or prevent the use of the property, groundwater, or surface water so that future exposure to contamination can be prevented or minimized.

ICs are intended to reside in the property chain of title records so that they will be disclosed when property ownership changes. By making future owners and others aware of the location of contamination, a less stringent cleanup option may be implemented that is just as protective of humans and the environment as a more “complete” cleanup. Some examples of ICs include easements, activity and use limitations, restrictive covenants, well drilling prohibitions, deed restrictions, zoning restrictions, special building permit requirements, and areas restricted by fencing or privacy.

If the property has an institutional control incorporated into the environmental risk management plan, how will this impact the marketing and redevelopment of the site?

If the site is safe for reuse but has a deed restriction, developers and occupants will need to be made aware that in certain areas, some uses are either prohibited (i.e., a child-care facility may not be appropriate but a manufacturing facility would be) or require special consideration (i.e.

excavation below 6 feet requires a soil management plan).

Developers will need this information to formulate the best plan for reuse of the property. Potential owners or occupants need this information so that they can safely use the property and so they can fulfill any ongoing obligations associated with the deed restriction. These obligations are site-specific and may include periodic review and reporting of site conditions, operation of a remediation system, or payment of an annual fee. DHEC staff will determine whether any such ongoing obligations apply to the site.

What is the purpose of DHEC's Brownfields Voluntary Cleanup Program?

The purpose of the Voluntary Cleanup Program (VCP) is to:

- Protect human health and the environment;
- Return to use idled or underused industrial facilities where redevelopment has been hindered by either real or perceived environmental contamination;
- Provide an incentive to have a site cleaned up by giving Responsible Parties (RPs) a covenant not to sue for work performed;
- Provide an incentive for Non-Responsible Parties (NRPs) wanting to purchase brownfields sites; DHEC will give state Comprehensive Environmental Response Compensation and Liability Act (CERCLA) liability protection to such NRPs unless there is a release caused by the negligence of the NRPs;
- Provide reimbursement to DHEC for oversight costs.

How does the VCP benefit the State of South Carolina?

Allowing private parties to come forward to investigate and clean up a site provides a cost savings to the state, because it allows abandoned sites to be returned more quickly to the tax base and it enhances the environment by remediating contaminated sites.

What sites are eligible?

The following types of site are eligible:

- Any abandoned site that an individual, company, municipality, county, etc. is interested in purchasing, investigating and cleaning up.
- Any site known or thought to have hazardous substances **unless** the site is listed or proposed for listing on the EPA's National Priorities List (NPL), aka "Superfund" sites.
- A party already under a DHEC order or permit for assessment and/or remediation is **not eligible** to participate.

What steps are taken to enter into the VCP?

- After notifying DHEC of a site, DHEC and the parties will work together to agree on the assessment and cleanup appropriate for the site.
- The parties will enter into the VCP by signing a Voluntary Cleanup Contract (VCC). Consent Agreements are also used to administer a Voluntary Cleanup for RPs, when appropriate.
- After signing a VCC, the RP or NRP will prepare and submit the appropriate work plan to DHEC; then, upon approval, the work plan is implemented.

Hiring an experienced environmental consultant to assist you during the VCC process will be well worth the investment and will show DHEC that you are serious about redeveloping the site.

What if you are the Responsible Party?

- A VCC executed on behalf of an RP will inure to its signatories, successors and subsidiaries.
- Generally, RPs **will be required** to undertake significant cleanup work including groundwater remediation to be eligible for an RP VCC.
- The RP **will receive** DHEC's covenant not to sue for work performed satisfactorily.

- The RP **will not receive** third-party liability protection.

What if you are the Non-Responsible Party?

- **Prior to entering into a VCC**, the NRP must submit to DHEC a proposed scope of work along with a form certifying that it is not an RP at the site, that it will not contribute to existing contamination on the site, that it is financially viable, what the proposed future land use will be and that DHEC will have irrevocable right of access to the site unless a Certificate of Completion is issued by DHEC without land use restrictions.
- Generally, NRPs **will be required** to conduct some investigation and/or cleanup at the site but not to the extent required by RPs. For example, NRPs typically **are not required** to address groundwater contamination as part of their obligations under the NRP VCC.
- A VCC executed on behalf of an NRP must provide a measurable benefit to the State, community or DHEC.
- The NRP **will receive state CERCLA liability protection** from DHEC for existing contamination at the site, as well as **third-party liability protection** and **contribution protection**. These provisions limit the risk of the new property owner regarding financial obligations for damage claims due to environmental contamination related to the site.

Will the public have an opportunity to participate?

- The public will have an opportunity to comment on NRP VCCs.
- Notification of the NRP's proposed VCC will be placed in a local newspaper for a 30-day comment period, and a public meeting may be held, upon request.
- The NRP must post a sign, in clear view from the main entrance to the site, stating the name, address, and telephone number of a contact person for information describing the site's response action and reuse.
- Public participation of and RP VCC or Consent Agreement may follow the National Contingency Plan set forth under CERCLA.

Once the cleanup has taken place...

- If DHEC decides that a party has successfully and fully complied with the VCC, DHEC will certify that the action has been completed by issuing the party a Certificate of Completion.
- The Certificate of Completion will acknowledge the covenant not to sue (for RPs) or liability protections (for NRPs), the proposed future land use and any institutional controls (e.g. restrictive covenant on land use).

What are the Pros and Cons of public versus private ownership?

- Ideally, public ownership of a textile mill property occurs after a non-responsible party VCC has been executed. In this case, federal and state resources (e.g. EPA, CDBG) are available to help with the cleanup and to prepare the property for redevelopment. Also, DHEC does not typically require that groundwater contamination is addressed, which reduces the scope and cost of the cleanup. Public projects, however, tend to take more time to complete due to funding availability and the bureaucratic process.
- Generally, private ownership results in a more streamlined cleanup process that does not include DHEC oversight. While these projects do not use public funding or invite public participation, they are eligible for a variety of tax credits that help offset the cost of cleanup.

How is property acquired for public ownership?

There are several paths for public acquisition of former textile mill properties:

- Donation to the local government so that the land owner doesn't have to continue to pay property taxes.
- Abandoned properties often revert to the local forfeited land commission and can be acquired by satisfying tax payments that are in arrears.
- Conventional purchase.

The redevelopment flowchart in the following section provides a step-by-step acquisition process that emphasizes **securing a NRP VCC prior to acquisition**.

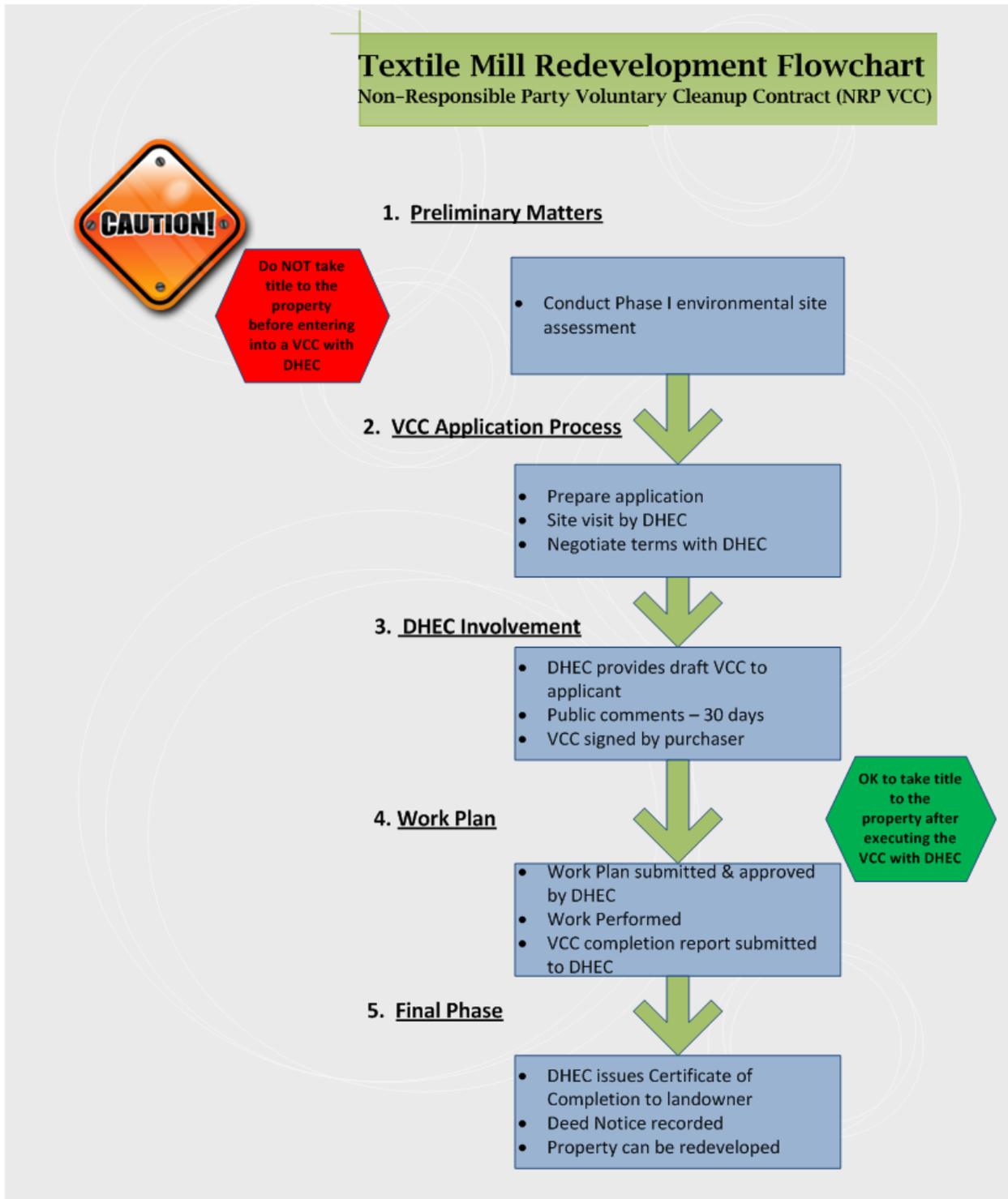
Textile Mill Redevelopment Flowchart

Provided by Parker Poe

The following flowchart was developed to provide a visual representation of the major steps a property owner or bona fide prospective purchaser must take to enter DHEC's voluntary cleanup program (VCP) as a non-responsible party (NRP). This is the preferred method for acquiring sites, particularly for local governments, because:

- DHEC is a more willing partner with NRPs and generally gives them more latitude than RPs regarding environmental investigation and/or cleanup at the site.
- NRPs typically are not required to address groundwater contamination as part of their obligations under the NRP VCC.
- NRPs receive state CERCLA liability protection from DHEC for existing contamination at the site.
- NRPs receive third-party liability protection and contribution protection from DHEC.
- Eligibility for federal and state funding is satisfied with NRP status for the following:
 - DHEC's Brownfields Cleanup Revolving Loan Fund (BCRLF)
 - EPA Brownfields cleanup grant
 - Community Development Block Grants administered by SC Department of Commerce, but property must be owned by the local government.

A more detailed version of the flowchart with action steps and timeframes is located in Appendix C.



Hypothetical Case Studies

The textile mills in these case studies are based on actual textile mills in the Catawba region of South Carolina, but the names have been changed and certain facts altered for this Guide to illustrate benefits associated with mill redevelopment.

Case Study #1

Project Name: American Textile (redeveloped into affordable multi-family housing)

Background: The American Textile mill operated from the late 1880s to 1995 on a 20 acre site. The mill was once the local community's principal employer. The mill site is located in the center of the community and is surrounded by a traditional mill village that was built for the workers. The mill burned in 1998 destroying the main section of the mill and many of the outbuildings. The mill lay idle for approximately 10 years and became blighted and an eyesore in the community.



Local Government Acquisition:

In 2002, the City Council passed a resolution designating the site as a slum and blighted area based on concerns regarding the site's potential environmental contamination and the visual blight on the entire area. The City applied for and received an EPA Brownfields Assessment Pilot Grant of \$50,000 to conduct an initial environmental assessment on the mill property. In 2003, the City's consultant conducted that assessment and determined that the property was contaminated with trichloroethene, halogenated VOCs and PAHs. Also in 2003, the City Council entered into a brownfields agreement (NRP VCC) with DHEC,

before the City took title to the property. The City then acquired the property in 2003 for \$350,000 with City funds.

Public

Involvement:

The City Council held a needs assessment public hearing at which citizen input was received and cleanup of the mill site was set as the top priority.

Redevelopment:

In 2005, a portion of the property was redeveloped into a 5 acre, 40-unit apartment complex to provide affordable housing for local residents. Other portions of the property remained contaminated and require additional environmental cleanup activity. In 2006, the City received a \$400,000 South Carolina Opportunity grant to remove debris from the site and repair the outfall structure of a pond on the property. Future plans include a 3 acre green space/water feature, 7 additional future green space acres, and a 5 acre office/residential mixed use component planned for the remaining portion of the property.

Future Environmental

Cleanup Activity:

Additional environmental cleanup activity is planned, including contaminated soil removal, grading and installation of a pond liner. Once the cleanup activity is complete, DHEC will issue the City a Certificate of Completion and redevelopment can begin on the remainder of the mill property.



Financial Tools:

The property was redeveloped using a series of redevelopment tools:

- *EPA Brownfields Assessment Grant* – The City received a \$50,000 grant to conduct an initial environmental assessment on the property. A Phase I ESA is required before a brownfields agreement can be negotiated with DHEC.

- *South Carolina Opportunity Grant** – The City received a \$350,000 grant to remove debris from the site and repair the mill pond’s outfall structure.
- *Community Development Block Grant* – The City received a CDBG grant of \$500,000 for site cleanup and administration from the South Carolina Department of Commerce.
- *City funds* – The City paid \$350,000 to purchase the property and contributed \$80,000 to match grant funds used for cleanup of the property.
- *Brownfields Cleanup Revolving Loan Fund (BCRLF)* – The City obtained a \$370,000 loan from the BCRLF. The loan contained a 30% grant component such that the final loan amount was \$259,000 to be paid over a 10 year period at 1% interest. The semi-annual payment is \$13,641.

SITE CLEANUP BUDGET

Phases I & II environmental site assessments	\$50,000
Voluntary Cleanup Contract	\$2,500
Analysis of Brownfields Cleanup Alternatives (ABCA) / Corrective Measures Plan	\$25,000
Land Acquisition	\$350,000
Debris Removal	\$350,000
Remediation Activities	\$850,000
<u>Engineering / Program Development</u>	<u>\$100,000</u>
TOTAL	\$1,727,500

Note: **South Carolina Opportunity Grant is no longer an active grant program.*

Case Study #2

Project Name: Carolina Textile Mill (redeveloped into affordable senior housing)

Background: Built in 1889, the textile mill was the heart of this Piedmont village and primary employer in community. The mill operated until 1971 when it was shuttered and abandoned. The mill sat idle for over 20 years and became blighted and dangerous.

Private Developer

Acquisition: In 1999, a private developer entered into a brownfields agreement with DHEC **before the developer took title to the property**. The developer then acquired the property in 2001 with a \$650,000 loan from the City.

Public

Involvement: An existing neighborhood group was invited to participate in the redevelopment plan by having representation on an advisory committee. Positive community relations contributed to achieving City Council approval for zoning changes that were needed to facilitate the project.

Redevelopment: Through an innovative partnership, a limited liability company was created to convert the mill into 116 affordable senior housing units. The one and two bedroom apartments rent for \$610 to \$670 a month and residents must be 62 or older. The units are all electric and have energy efficient appliances, high ceilings and hardwood floors. The County Council on Aging participated in the redevelopment, resulting in a renovated complex that includes a senior services center and an industrial kitchen to provide meals to seniors throughout the County. The County's housing authority provides management and maintenance for the new complex, and a private developer provides tax guidance and regulatory oversight. The mill is on the National Register of Historic Places.

In addition to housing, the federal Department of Housing and Urban

Development, which also assisted in the redevelopment of the mill, offers four supportive service programs that assist elderly residents.

Environmental Cleanup Activity:

No additional environmental cleanup activity is planned and DHEC issued a Certificate of Completion with limited institutional controls.

Financial Tools:

The property was redeveloped using a series of redevelopment tools, including:

- *Low-Income Housing and Historic Property Tax Credits* – Because the project revitalized historic mill structures for low-income seniors, the developer was able to secure both \$599,000 in historic property tax credits and \$1,288,000 in low-income housing tax credits.
- *EPA Brownfields Cleanup Grant* – The partnership secured a \$150,000 Brownfields Cleanup Grant over a three-year period with a 20% match required.
- *Loan from City* – The developer received a low-interest loan of \$650,000 from the City to purchase the property once the requirements of the VCC were fulfilled.
- *South Carolina Mill Revitalization Tax Credit* – The developer obtained an income tax credit of \$200,000 for expenses paid for cleanup of the site.

SITE CLEANUP BUDGET

Phases I & II environmental site assessments	\$85,000
Voluntary Cleanup Contract	\$4,000
Analysis of Brownfields Cleanup Alternatives (ABCA) / Corrective Measures Plan	\$67,000
Land Acquisition	\$650,000
Debris Removal	\$280,000
Remediation Activities	\$1,050,000
<u>Engineering / Program Development</u>	<u>\$300,000</u>
TOTAL	\$2,436,000

Community Involvement

Community involvement is a key component in promoting local participation and ensuring consistency with local plans for projects with funding or participation at the federal, state and local levels.

EPA – Public Involvement Plan

A good place to start at the federal level is by preparing a Public Involvement Plan based on EPA’s model format (see Appendix). This tool is the basis for promoting public awareness and access to information for a textile mill redevelopment project. The core components of a Public Involvement Plan include:

Outreach

- Information Repository – physical location where documents can be accessed.
- Designated Spokesperson – primary contact for the public, leaders and media.

Project Updates

- Fact Sheet – plain language information sheet on the project.
- Website – internet access point for project information.
- Translation or Interpretation Needs – identification of language barriers, if any.

Community Involvement

- Requests for Information – process for handling requests.
- Mailing List – method for distributing information to interested parties.
- Response to Comments – process for handling feedback on reuse options, prioritization of site activities, etc.
- Public Meetings – schedule for community meetings, public hearings, etc.

DHEC – VCC Process

Public participation at the State level is also an important part of the DHEC Brownfields/VCP for NRPs. To provide notice to the community and an opportunity for community involvement, the following components are included in DHEC’s formal public participation process:

- Notify citizens of proposed contract by placing a notice of DHEC’s decision to enter into a VCC in the local newspaper.

- Hold a 30-day public comment period on the contract that would begin on the date the notice is in newspaper.
- Hold a public meeting, if requested or deemed necessary.
- NRP must post a sign on the site stating:
 - Contact name
 - Address
 - Telephone number

Catawba Regional – Public Engagement Process

Catawba Regional staff use the previous tools, as determined by the specific project, along with the following components to develop a comprehensive approach to community engagement.

Needs Assessment Public Hearing

- A required, formal step to ensure eligibility for CDBG funding.
- Raises awareness at city/county council level so that long-term budgeting and staff support commitments can be discussed.
- Conducted at least annually to meet CDBG program guidelines.

Comprehensive Plan/Code Compliance

- Review the local comprehensive plan to ensure that proposed project is consistent or spell out steps to create consistency.
- Ensures compliance with local codes (nuisance, building, zoning, historic, etc.).

Advisory Committee (up to 7 members)

- Involve area residents, businesses and institutions to form an advisory committee to validate the planning process; include local elected officials.
- If there is a local stakeholders group, then include representation on the advisory committee.
- An informal group of local/state/COG staff will provide technical support to this committee.

Community Workshops/Meetings

- Provide opportunities for meaningful public input and feedback through facilitated discussion, hands-on activities, voting/prioritization activities and other techniques.

Regional Projects Assisted

As noted earlier, this Guide is intended to help local government officials address the challenging task of redeveloping abandoned or demolished former textile mills in their communities. Because the primary focus area for this project is the Catawba region, two local sites were selected for additional study. The project team's environmental consultant, CTC Public Benefit Corporation, prepared Phase I environmental site assessment reports for the Republic #1 Mill in Great Falls and the Lancaster Mill in Lancaster. Both of these properties are landmark sites in their respective communities and have high potential for redevelopment.

Republic Mill #1 - Great Falls, Chester County

The property is located along Dearborn Street in the Town of Great Falls, SC (see image below). According to Chester County tax records, the subject property consists of two parcels of land totaling approximately 12.2 acres. The parcels comprising the subject property are not contiguous and are separated by Dearborn Street, which bisects the subject property in a generally north-south direction. The owner of the subject property is currently identified as C&S Demolition, LLC.

The site was previously developed as the Republic Mill #1 textile mill complex. Duke Power originally developed the site for use as a textile mill in approximately 1910. Prior to development, the subject property reportedly consisted of undeveloped land. The property was purchased by J.P. Stevens in 1946 and continued to operate as a textile mill until approximately 1979 when



operations ceased. The site was purchased by the current property owner, C&S Demolition, LLC, in May 2005. C&S Demolition began demolishing the mill structures to reclaim salvageable materials in approximately 2005-2006.

The subject property is currently vacant and sits in various stages of demolition. The southern half of the parcel is covered by an asphalt paved parking lot while the remainder of the tract is wooded or grass-covered. Part of the parcel that was formerly developed as the Republic Mill #1 facility is covered with building remnants, primarily portions of foundations and walls, asphalt paving, and a significant amount of building debris. The eastern portion of the parcel is covered in dense vegetation.

Following are examples of Recognized Environmental Conditions (RECs) revealed during the site assessment:

- Based on the historical utilization of the subject property as a textile facility from approximately 1910 until 1979, there is a potential for environmental impacts to have occurred due to the use of unknown raw materials, the use of hazardous chemicals or petroleum products during the day-to-day operations at the site, and/or the presence or generation of hazardous wastes at the facility. The subject property is included in the CERCLIS database due to the observation of SVOCs in sediment samples obtained from a reservoir in close proximity to the subject property.
- The subject property is included in the RCRA NLR database because the subject property was formerly occupied by a waste generator. As a result, there is a potential for wastes once generated on the subject property to have impacted site groundwater or soils.



- According to Sanborn Fire Insurance Maps dated 1926 and 1938, a Transformer House was formerly located on the subject property. This structure was razed during demolition/salvage operations conducted on-site; therefore, no evidence of the condition, number, or type of transformers that may have been present in the Transformer House could be observed during the site reconnaissance. Given the time period that the transformer house was in existence (at least 1926 through 1938), it is possible that the transformers utilized PCBs. In addition, the mill facility utilized coal as a fuel source, and a coal trestle was present on-site. Mill facilities that utilized coal typically stored coal on-site and often disposed of waste products on-site. Therefore, the potential for contamination associated with coal and coal waste products to impact soils and groundwater on the subject property exists.
- During the site reconnaissance, several 55-gallon drums of unknown origin and content were observed on the northeastern portion of the subject property. The drums were unmarked or illegible and in poor condition. The drums could have contained raw materials and/or hazardous substances that had been used, stored, and/or generated on-site, or may have been illegally disposed of on the subject property.
- A review of the previous Phase I ESA conducted by URS in April 2007 revealed that former mill employees had indicated to URS that the southeast portion of the subject property had historically been utilized for the dumping of mill generated waste and that the other former Republic Mills in the area (Mills #2 and #3) may have also dumped waste material on this portion of the subject property. Although debris was observed on the southeastern portion of the subject property during the site reconnaissance, the area was heavily overgrown, severely limiting access and inhibiting visual observations. The potential for the southeast portion of the subject property to have been utilized for the dumping of mill generated wastes is considered a REC.

Next Steps

The Great Falls Community Master Plan was prepared in 2007 and identified the site of the Republic Mill #1 as a catalyst project because it “is located at one of the most important



locations in town. It overlooks the Catawba River, and is the current terminus to Main/S. Dearborn Streets.” The Town Council has previously expressed interest in this vision and has charged the Great Falls Hometown Association with various implementation activities centered on its nature-based tourism initiative. The Republic Mill #1 site is a key piece in the town’s redevelopment efforts.

With the updated Phase I site assessment prepared through this project, the Great Falls Town Council could be able to:

- Enter DHEC’s VCP as a NRP.
- Negotiate with the current property owner to acquire the site.
- Seek CDBG funds to complete demolition activities and clear the site, once the Town is the property owner.

- Seek DHEC, EPA and other financial resources to conduct a Phase II assessment and prepare an ABCA to help determine future use.
- Secure eligibility for brownfields cleanup funding from EPA grants or the DHEC BCRLF.

Though the public funding sources (other than the BCRLF) are not available to a private investor, the Phase I ESA could be used to enter into a VCC as an NRP with DHEC and negotiate with the current property owner to acquire the property.

Lancaster Mill – Lancaster, Lancaster County

The former Lancaster Mill property is located on Midway Street in Lancaster, Lancaster County, SC. According to Lancaster County tax records, the subject property consists of ten parcels totaling approximately 30.12 acres and is currently owned by KMAC.

Many of the structures that once occupied the subject property have been demolished; however, several structures remain on site. The former medical center, guard house, air conditioning equipment facility, cooling tower area, and office and lab area remain standing on the northern portion of the subject property. The former incinerator and a transformer



area are located on the southern portion of the subject property. A small tin structure located adjacent to a former aboveground storage tank (AST) containment area is located on the southwestern portion of the subject property. Two asphalt paved parking areas are located on the subject property, one on the northern portion of the subject property and one on the southern portion of the subject property. An active east-west running rail line also crosses the northern portion of the subject property. Rail companies have historically used herbicides to

control vegetation growing along rail lines. The potential for these herbicides to impact the subject property is considered a REC to the subject property.

Following are additional examples of RECs revealed during the site assessment:

On-site

- The subject property is included in the RCRA GEN database as a small quantity generator of mercury and halogenated solvents. There is also a documented violation associated with these wastes.
- Polychlorinated Biphenyl (PCB) containing pad and pole-mounted transformers were once present on the subject property. Releases have occurred from these transformers, and Phase II assessment activities have confirmed that soils and groundwater have been impacted by PCBs.
- The mill facilities utilized coal as a fuel source. Mill facilities that utilize coal typically store coal on-site and often dispose of waste products on-site. Contamination associated with coal and coal waste products may have impacted soils and groundwater on the subject property. Elevated PAHs were detected in Phase II assessment activities and may be associated with this coal use.
- The former use of the subject property as an industrial facility included various structures such as underground storage tanks (USTs)/ASTs, boilers, transformers, oil houses, machine shops, chemical storage areas, vehicle repair and fueling areas, and an ice plant with an ammonia storage tank. Floor drains were observed in many of these areas. Debris and a 55-gallon drum of unknown content was observed in the tributary to Bear Creek. Soil and groundwater assessment activities have determined that soils and groundwater on site have been impacted by various hazardous substances and petroleum products.
- An incinerator used to dispose of mill waste was present on the subject property.

Off-site

- Mr. G's Food Store is a documented leaking underground storage tank (LUST) site, located 0.32 miles northeast (upgradient) of the subject property. A release (petroleum leak) from this site has been confirmed.

Next Steps

The Lancaster Mill site has been partially redeveloped by the City of Lancaster, but due to its status as an RP under DHEC/EPA rules, the availability of financial resources is limited. Lancaster County Council has been involved with redeveloping the Brooklyn Avenue neighborhood (surrounding the subject site) since it commissioned a neighborhood study in 2006. Two CDBG grants have been successfully implemented to address housing, infrastructure and community facilities in the area. The mill site is the geographic and historic center of the Brooklyn neighborhood and it has high economic development potential due to its proximity to the Lancaster & Chester Railway less than ½ mile to the east.

With the Phase I site assessment prepared through this project; Lancaster County Council could be able to:

- Enter DHEC's voluntary cleanup program as an NRP.
- Negotiate with the current property owner to acquire the site.
- Seek CDBG funds to complete demolition activities and clear the site, once the property is owned by the County.
- Seek DHEC, EPA and other financial resources to conduct a Phase II assessment and prepare an ABCA to help determine future use.
- Secure eligibility for brownfields cleanup funding from EPA grants or the DHEC BCRLF for remediation activities.

Though the public funding sources (other than the BCRLF) are not available to a private investor, the Phase I ESA could be used to enter into a VCC as an NRP with DHEC and negotiate with the current property owner to acquire the property.

Financial Resources

Land redevelopment is a time-consuming and expensive proposition. The addition of environmental issues to this process increases the amount of resources—time, staffing and funding—needed to complete the project. An organized and flexible schedule can be created to manage time. Staffing can be temporarily assigned or contracted to meet the schedule. Financial resources must then be secured to move the project from vision to reality. Because brownfields projects have a unique set of challenges, federal and state programs have been established to assist with environmental assessment and cleanup activities. Local governments have the ability to re-orient traditional financial tools to assist brownfields sites as redevelopment and in-fill projects become more viable in the growing green economy.

Federal Government

EPA Brownfields Program

www.epa.gov/brownfields/grant_info/index.htm

EPA Region 4 Contact: Philip Vorsatz
Brownfields Coordinator
404.562.8789
vorsatz.philip@epa.gov

EPA's Brownfields Program provides direct funding for brownfields assessment, cleanup, revolving loans, and environmental job training. To facilitate the leveraging of public resources, EPA's Brownfields Program collaborates with other EPA programs, other federal partners, and state agencies to identify and make available resources that can be used for brownfields activities. In addition to direct brownfields funding, EPA also provides technical information on brownfields financing matters.

For FY2012, competitive opportunities for funding through the EPA Brownfields Assessment, Revolving Loan Fund and Cleanup Grants include:

- Brownfields Assessment Grant – up to \$200,000 over three years and coalitions are funded up to \$1,000,000 over three years; no match required.
- Brownfields Cleanup Grants – up to \$200,000 over three years; 20% match required.
- Brownfields Revolving Loan Fund Grant – up to \$1,000,000 over five years; 20% match required. Note: DHEC has a BCRLF Grant, and Catawba Regional is serving as the state-wide Fund Manager; therefore, it is not necessary for a local government to undertake the administrative work necessary to apply for and establish a BCRLF.

Federal Brownfields Tax Incentive

<http://www.epa.gov/region4/brownfieldstoolkit/funding/brownfieldstaxincentives.pdf>

Under the Brownfields Tax Incentive, environmental cleanup costs are fully deductible in the year they are incurred, rather than having to be capitalized. This results in the removal of many of the financial disincentives preventing the cleanup and reuse of blighted property. The Brownfields Tax Incentive encourages brownfields redevelopment by allowing taxpayers to reduce their taxable income immediately by the cost of their eligible cleanup expenses. This incentive creates an immediate tax advantage from these expenses, helping to offset short-term cleanup costs. The Brownfields Tax Incentive was initially applicable to properties that met specific land use, geographic, and contamination requirements. The geographic requirements were removed on December 21, 2000, leaving only land use and contamination qualifications for expenditures on or after December 21, 2000. To satisfy the land use requirement, the property must be held by the taxpayer incurring the eligible expenses for use in a trade or business or for the production of income or the property must be properly included in the taxpayer's inventory. To satisfy the contamination requirement, hazardous substances must be present or potentially present on the property. In addition, taxpayers must obtain a statement from a designated state agency verifying eligibility for the tax incentive (see DHEC contact information in following section).

**Sites listed, or proposed for listing, on EPA's National Priorities List
(i.e. Superfund Sites) are NOT ELIGIBLE for the tax incentive.**

Department of Housing and Urban Development

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/108

HUD State Contact: Bradley S. Evatt
Field Office Director (Acting)
Columbia Field Office
803.765.5564
bradley.s.evatt@hud.gov

Section 108 Loan Guarantee Program - The loan guarantee provision of the federal (CDBG) program, Section 108, provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. This makes it one of the most potent and important public investment tools that HUD offers to local governments. It allows them to transform a small portion of their CDBG funds into federally guaranteed loans large enough to pursue physical and economic revitalization projects that can renew entire neighborhoods. Such public investment is often needed to inspire private economic activity, providing the initial resources or simply the confidence that private firms and individuals may need to invest in distressed areas. Section 108 loans are not risk-free, however; local governments borrowing funds guaranteed by Section 108 must pledge their current and future CDBG allocations to cover the loan amount as security for the loan. Loan commitments are often paired with Brownfields Economic Development Initiative (BEDI) grants, which can be used to pay predevelopment costs of a Section 108-funded project. They can also be used as a loan loss reserve (in lieu of CDBG funds), to write-down interest rates, or to establish a debt service reserve.

Eligible applicants in South Carolina include the following public entities:

- Metropolitan cities and urban counties (Aiken, Anderson, Charleston, Charleston County, Sumter County, Columbia, Florence, Greenville, Greenville County, Lexington County, Myrtle Beach, Richland County, Rock Hill, Spartanburg, Spartanburg County and Sumter); and

Maximum Commitment Amount

Entitlement public entities. An entitlement public entity may apply for up to five times the public entity's latest approved CDBG entitlement amount, minus any outstanding Section 108 commitments and/or principal balances of Section 108 loans.

Brownfields Economic Development Initiative Grant

<http://hud.gov/offices/cpd/economicdevelopment/programs/bedi/bedifacts.cfm>

BEDI Program Contact: David Kaminsky
Office of Economic Development
202.402.4612
david.kaminsky@hud.gov

HUD intends for BEDI and Section 108 funds to finance projects and activities that will provide near-term results and measurable economic benefits, such as job creation and increases in the local tax base. BEDI funds can support a wide variety of activities. For example, a local government may use BEDI funds to address site remediation costs, or a local government may use a combination of Section 108 and BEDI funds to acquire a brownfields property and convey the site to a private sector party at a discounted purchase price. The redevelopment focus for BEDI-assisted projects is prompted by the need to provide additional security for the Section 108 loan guarantee beyond the pledge of CDBG funds.

HUD encourages local communities to integrate projects proposed for assistance under its BEDI and Section 108 program with other federal, state and local brownfields redevelopment efforts.

Annual federal funding for BEDI is NOT GUARANTEED.

There are certain limitations on the use of BEDI grants and Section 108 funds. BEDI funds may not immediately repay the principal of a loan guaranteed under Section 108. BEDI funds also may not be used to provide public or private sector entities with funding to remediate contamination caused by their actions. Applicants may not propose sites listed or proposed for listing on EPA's NPL, sites subject to unilateral administrative orders, court orders, or

administrative consent or judicial consent decrees issued or entered under CERCLA, and facilities that are subject to the jurisdiction, custody or control of the federal government. Further, applicants are cautioned against proposing projects on sites where the nature and degree of environmental contamination are not well-quantified or are the subject of on-going litigation or environmental enforcement action.

State of South Carolina

DHEC Brownfields Program

www.scdhec.gov/environment/lwm/html/brownfields.htm

Site Specific Assessment — up to \$50,000 for Phase I & II site assessments; no grant match required. This is an excellent program for smaller communities with limited staff and/or local governments that are new to brownfields redevelopment. Upon approval, the project is managed solely by DHEC staff with coordination at the local level. This is a turn-key approach where DHEC contracts with a private sector consultant to prepare the environmental site assessment. Once completed, the report is provided to the applicant (local government) with an optional project de-briefing by the consultant and DHEC staff.

DHEC Contact: Robert Hodges
 Brownfields Program
 803.896.4069
 hodgesrf@dhec.sc.gov

DHEC Brownfields Cleanup Revolving Loan Fund

<http://catawbacog.org/economic-development-lending/brownfields-program>

Remediation Activities — \$100,000 to \$1 million for cleanup activities; 25% match required, includes potential partial loan forgiveness for local governments.

- Only available to NRPs.
- Eligible for hazardous materials and petroleum contamination.

The BCRLF is available to finance environmental cleanup and removal activities at brownfields sites across South Carolina. For non-profit and governmental borrowers, up to 30% of a loan may be forgiven to a maximum of \$200,000. For-profit borrowers may be eligible to receive loans at below market interest rates. The BCRLF is funded by a grant from the EPA to DHEC. The Catawba Regional COG is the fund manager for the program. The brownfields team at Catawba Regional is available to assist your community in exploring the use of loan funds specifically targeted at the redevelopment of brownfields.

BCRLF Contact: Robby Moody
Catawba Regional COG
803.327.9041
rmood@catawbacog.org

SC Department of Commerce — Community Development Block Grant (CDBG) program

scommerce.com/about-south-carolina/community-development-block-grant-program

Each activity must address at least one National Objectives of the CDBG program:

- Redevelopment projects must benefit low and moderate income (LMI) persons.
- Cleanup projects must aid in the prevention or elimination of slums and blight.

The South Carolina CDBG Program has been designed to give maximum priority to activities that will benefit LMI persons. Households with family incomes of 80% or less than the median income of the county are considered LMI. In order to satisfy the low- and moderate-income national objective, at least 51% of the persons benefitting from a project must be LMI.

Eligible Activities

Examples of the types of activities that are eligible for CDBG funding are as follows: acquisition of real property; construction of, or improvements to, public works and facilities; rehabilitation of public and private property; code enforcement in deteriorating areas where other public improvements and services are expected to arrest the decline of an area; lead-based paint hazard evaluation and reduction; assistance to facilitate and expand home ownership for low and moderate income persons; provision of public services; housing services; assistance to neighborhood-based non-profit organizations, local development corporations or other similar

entities to carry out community revitalization or economic development activities; demolition and clearance; removal of architectural barriers; relocation payments and assistance for displaced individuals and businesses; provision of appropriate assistance to private, for-profit entities to carry out economic development projects; assistance to micro enterprises; and CDBG eligible planning and administration.

CDBG Contact SC Department of Commerce
 Grants Administration
 803.734.0429
 sc-cdbg@sccommerce.com

SC Department of Revenue — State Tax Credits

www.sctax.org/Forms+and+Instructions/taxCredits/default.htm

The credit is for expenses paid or accrued by a corporation or individual in cleaning up a site pursuant to a NRP VCC. The credit can be up to 50% of the cost of cleanup with a maximum of \$50,000 in a taxable year. Any unused credit, up to a total of \$100,000, may be carried forward five years. The taxpayer is allowed an additional ten percent of the total cleanup costs, not to exceed \$50,000, in the final year of clean up as evidenced by receiving a certificate of completion for the site.

Department of Revenue Contact: Bob Thomas
 Tax Credit Program
 803.898.5786
 taxcredit@sctax.org

Jobs Tax Credit

Taxpayers that otherwise qualify for the job tax credit where qualifying jobs are located on property and where a certificate of completion has been issued for a NRP VCC are allowed an additional one thousand dollar credit for each new full-time job created. This additional credit is permitted for five years beginning in the taxable year following the creation of the job. (SC Code Section 12-6-3360).

Brownfields Voluntary Cleanup Program Tax Credits (SC SCH TC 20)

<http://www.sctax.org/NR/rdonlyres/5A9F1B8D-ED46-43A3-85C4-4C3C4768E385/0/TC20.pdf>

Code Section 12-6-3550 provides a corporate or individual income tax credit for costs of voluntary cleanup activity by an NRP under the Brownfields Voluntary Cleanup Program (Title 44, Chapter 56, Article 7). The credit is limited to 50% of expenses paid or accrued or contributions made for cleanup of a single site during the taxable year. The taxpayer may use no more than \$50,000 of the credit in any taxable year. Any unused credit up to \$100,000 may be carried forward five years. Multiple taxpayers working jointly to clean up a single site are allowed the credit in the same proportion as their contribution to payment of cleanup costs.

Tax Credit for Textiles Rehabilitation (SC SCH TC 23)

<http://www.sctax.org/NR/rdonlyres/46E8C39D-5F35-424E-9670-40C44D2E1021/0/TC23.pdf>

A taxpayer that qualifies for the credit revitalizing an abandoned textile facility placed in service after December 31, 2007 may claim either Option A or B:

- A) A credit against real property taxes levied by local taxing entities; or
- B) A credit against corporate or individual income tax, bank tax, corporate license fees, and/or insurance premium tax.

Local governments CAN TRANSFER this tax credit to private individuals or corporations if there is a tenant-landlord relationship.

If the taxpayer chooses Option B:

- 1) The credit is equal to 25% of the actual rehabilitation expenses made at the textile site.
- 2) If the taxpayer acquired the textile mill site after December 31, 2007 (note that transfers between affiliated taxpayers of phases of any textile mill site are deemed to not be an acquisition for this purpose):
 - a) The taxpayer must file a Notice of Intent to Rehabilitate (Notice) with the

Department of Revenue (Department) **prior to receiving the building permits** for rehabilitating the textile mill site or phase of the site. Failure to provide the Notice before receiving the building permits will result in disqualifying all rehabilitation expenses incurred before the notice was provided; and

- b) If actual rehabilitation expenses exceed 125% of the estimated expenses set forth in the Notice, the credit will be based on 125% of the estimated expenses as opposed to the actual expenses incurred.
- 3) The entire credit is earned in the taxable year in which the applicable phase or portion of the textile mill site is placed in service but must be taken in equal installments over a 5-year period beginning with the tax year in which the applicable phase or portion of the textile mill site is placed in service.
- 4) Unused credit may be carried forward for the succeeding five years.
- 5) A taxpayer claiming this credit may be able to qualify for and claim the TC-21 Certified Historic Structure Credit.
- 6) The credit is limited in use to 50% of the taxpayer's tax liability for the tax year with respect to each type of tax against which the credit is claimed.
- 7) A taxpayer that leases all or part of the textile mill site may transfer any applicable remaining credit associated with the rehabilitation expenses incurred with respect to that part of the site to the lessee of the site. A taxpayer that sells all or any phase or portion of the textile mill site may transfer all or part of the remaining credit that is associated with the rehabilitation expenses incurred with respect to that phase or portion of the site transferred to the purchaser. The taxpayer must notify the Department in a manner prescribed by the Department for the transfer to be effective.
- 8) A taxpayer that is a partnership or a limited liability company taxed as a partnership may pass through the credit to its partners or members and may allocate the credit among any of its partners or members on an annual basis, including an unlimited allocation of

the entire credit to any partner or member who was a partner or member at any time during the year in which the credit is allocated. This provision also applies when the partner or member is a lessee.

- 9) A taxpayer is not eligible for the credit if the facility has previously received textile mill credits or if the taxpayer owned the otherwise eligible textile mill site when the site was operational and immediately prior to its abandonment.

The area of the site is limited to the land located within the boundaries where the textile manufacturing facility structure is located and does not include land located outside the boundaries of the structure. The provisions of South Carolina Code Chapter 31, Title 6 apply to this credit, except for the requirements of Section 6-31-40.

Tax Credit for a Certified Historic Structure (SC SCH TC 21)

<http://www.sctax.org/NR/rdonlyres/2EA8FF91-5CC9-4E5F-B409-36CFB0BD536C/0/TC21.pdf>

The certified historic structure credit is available against income tax or corporate license tax for "qualified rehabilitation expenditures" to a "certified historic structure," as those terms are defined in IRC Section 47 and applicable treasury regulations. The credit is available if the expenditures are incurred in taxable years beginning after 2002 and if the property is placed in service after June 30, 2003. A rehabilitation project must meet all requirements for the federal 20% income tax credit under IRC Section 47. For a period of up to five years, additional work conducted by the taxpayer must be consistent with the Secretary of the Interior's Standards for Rehabilitation. The State Historic Preservation Officer may review additional work and has the right to inspect. Additional work that the State Historic Preservation Officer deems inconsistent with the Standards for Rehabilitation will result in forfeiture of any unused credit amount, including any amounts carried forward.

Tax credits may be STACKED, or used in combination with one another to maximize private investment.

Local Government

Fee in Lieu of Tax

http://www.sumteredge.com/index.php/fee_in_lieu_of_tax

The Fee-in-Lieu of Property Tax (FILOT) is a valuable incentive that can be offered by local governments. It allows the city/county and the manufacturer to negotiate a decrease in its tax assessment ratio, which is 10.5% before incentives. The assessment ratio can be reduced down to as low as 6%, and generally depends on the level of investment. If the manufacturer has completed a VCC and received a Certificate of Completion as an NRP, the minimum level of investment may include the amounts expended pursuant to the NRP VCC, and the minimum level of investment is reduced to \$1 million (SC Code Section 4-12-10). The FILOT not only offers substantial tax savings for new investment but also offers eligible companies built-in tax predictability. The FILOT is offered both to new companies and existing industries investing capital in the community. The minimal investment threshold is \$2.5 million, and the incentive can be awarded for up to 20 years. All aspects of the FILOT remain at the discretion of the city/county council.

FILOT generally allows a company to REDUCE its local property tax burden by 30-45%.

General Exemption from Taxes

This exemption from ad valorem taxation is for five years from receipt of Certificate of Completion for a NRP contract. This exemption applies beginning with the taxable year in which the Certificate of Completion is issued. This exemption shall not include exemptions from school taxes or municipal taxes but shall include only county taxes. This exemption is subject to the approval by resolution of the county governing body. (SC Code Section 12-37-220).

Tax Abatement

<http://www.ycedb.com/BusinessAdvantages/Incentives/tabid/59/Default.aspx>

Any manufacturing company that invests in land, building, machinery and equipment with a sum of \$50,000 or greater is eligible to abate the county operating tax. A distribution company may be eligible for abatement if the project creates 75 or more new jobs. The abatement stands for five years and does not affect the depreciation value of the property. The abatement must be filed with the South Carolina Department of Revenue in the same tax year as the purchase was made. Former textile mills that can be re-used for a new manufacturing use or retrofitted to accommodate a distribution center would be eligible for this incentive.

Tax Increment Financing

<http://www.cdphe.state.co.us/hm/bfhandbook/resources.pdf>

One approach to financing the cleanup and redevelopment of contaminated properties is the creation of a tax increment financing (TIF) district. TIF is a financing technique wherein bonds are issued to fund redevelopment and the bondholders are repaid through the new or incremental tax revenues generated by new construction/development. This tool is available to municipalities pursuant to Chapter 6, Title 31 of the SC Code of Laws.

Example: Suppose a municipality creates a TIF district to facilitate redevelopment of several adjacent properties, including an abandoned textile mill. Once the properties within the TIF district are redeveloped, it is anticipated that property values will increase, which results in increased tax revenues. Property tax revenues from the TIF district are divided into two revenue streams:

1. The first stream (base) is equal to the “as-is” property tax revenues without redevelopment and goes to the same city, county, school district, and other taxing entities (the base is allowed to increase with the market over time).

2. The second stream (increment) is the net increase in property taxes resulting solely from new development. The increment can be used to fund the redevelopment through TIF, which diverts the increment revenues to pay for annual debt service on construction bonds.

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Sample Documents, Templates & Forms

An integral part of brownfields redevelopment is following prescribed processes established by state and federal agencies. The following library of sample documents, templates and forms has been assembled as a resource to help local leaders and to ensure compliance. Electronic versions of each document are included on the accompanying reference DVD.

Doc #	Filename	When to Use	Pages
1	ABCA Public Notice - sample	For cleanup planning only	2
2	Access Agreement - form	When site is owned by others	3
3	BF Info Sheet - template	Public/marketing information	2
4	BF Info Sheet for City Council - sample	To provide public information	3
5	BF Property Marketing Sheet - sample	Public/marketing information	2
6	BF Property Marketing Sheet2 - sample	Public/marketing information	1
7	Council Resolution - template	When Council action is needed	1
8	Council Resolution - sample	When Council action is needed	1
9	Demolition Ordinance - sample	When Council action is needed	3
10	Demolition Ordinance2 - sample	When Council action is needed	1
11	Monitoring Well Application - DHEC form	When DHEC requires on-site well	3
12	Press Release - sample	To provide public information	2
13	Press Release - template	To provide public information	1
14	Public Involvement Plan - sample	When EPA funding is used	4
15	Public Notice - sample	To provide public information	1
16	Public Participation Guide - DHEC	For Superfund sites, reference only	20
17	SC Tax Credit 20 - DOR form	For private tax credits	2
18	SC Tax Credit 21 - DOR form	For private tax credits	2
19	SC Tax Credit 23 - DOR form	For private tax credits	4
20	Site Eligibility Determination - EPA form	EPA funding eligibility form	8
21	Site Eligibility Determination - EPA sample	EPA funding eligibility form	9
22	TBA Application - EPA form	Funding request to EPA	2
23	TBA Application - EPA sample	Funding request to EPA	3
24	VCC Agreement for NRP - DHEC sample	Ensures DHEC oversight of cleanup	31
25	VCC Agreement for NRP - DHEC sample	Ensures DHEC oversight of cleanup	36
26	VCC Agreement for RP - DHEC sample	Ensures DHEC oversight of cleanup	13
27	VCC Application for NRP - DHEC form	Before site acquisition	7
28	VCC Application for NRP - DHEC sample	Before site acquisition	5
29	VCC Restrictive Covenant - DHEC template	As required by DHEC	5
30	VCC Restrictive Covenant - sample	As required by DHEC	6

Inventory of Regional Sites

To say that the Catawba Region has its share of former textile mills is an understatement. The 20 mill sites included in the regional inventory do not take into consideration the properties that have been redeveloped or are still in use. Due to hard-copy format restrictions, the following table provides snapshot data regarding each site. A more robust inventory is included on the accompanying reference DVD.

Site Name	Location	Ownership	Comments	PH I	PH II	ABCA
Republic #1 Mill	Great Falls	Private	Demolition halted due to abandonment	■	□	□
Republic #2 Mill	Great Falls	Public	Fire reported in 2009	■	■	❖
Republic #3 Mill	Great Falls	Private	Fire reported in 2006	❖	❖	❖
Eureka Mill	Chester	Private	Demolition halted due to abandonment	❖	❖	❖
Springsteen Mill	Chester	Public	Clearance completed	■	■	■
Gayle Mill	Chester	Public	Demolished, partial redevelopment	■	■	❖
Catherine Plant	Chester County	Private	Vacant	❖	❖	❖
Lancaster Mill	Lancaster	Mixed	Demolished, partial redevelopment	■	■	□
Grace Bleachery	Lancaster	Private	Vacant	❖	❖	❖
Kershaw Mill	Kershaw	Private	Vacant	❖	❖	❖
Union Mill	Union	Public	Demolished, partial redevelopment	■	■	■
Jonesville Mill	Jonesville	Public	Site abandoned by previous owner	■	■	□
Buffalo Mill	Buffalo	Private	Site abandoned by previous owner	❖	❖	❖
Ottaray Mill	Union County	Private	Demolished	❖	❖	❖
Monarch Mill	Union County	Private	Vacant	❖	❖	❖
Lockhart Mill	Lockhart	Private	Demolished	❖	❖	❖
Arcade Mill	Rock Hill	Private	Demolished, partial redevelopment	■	■	■
Rock Hill Bleachery	Rock Hill	Private	Fire reported in 2009	■	■	■
American Thread	Clover	Private	Vacant	❖	❖	❖

Legend: ■ = Yes □ = No ❖ = Unknown

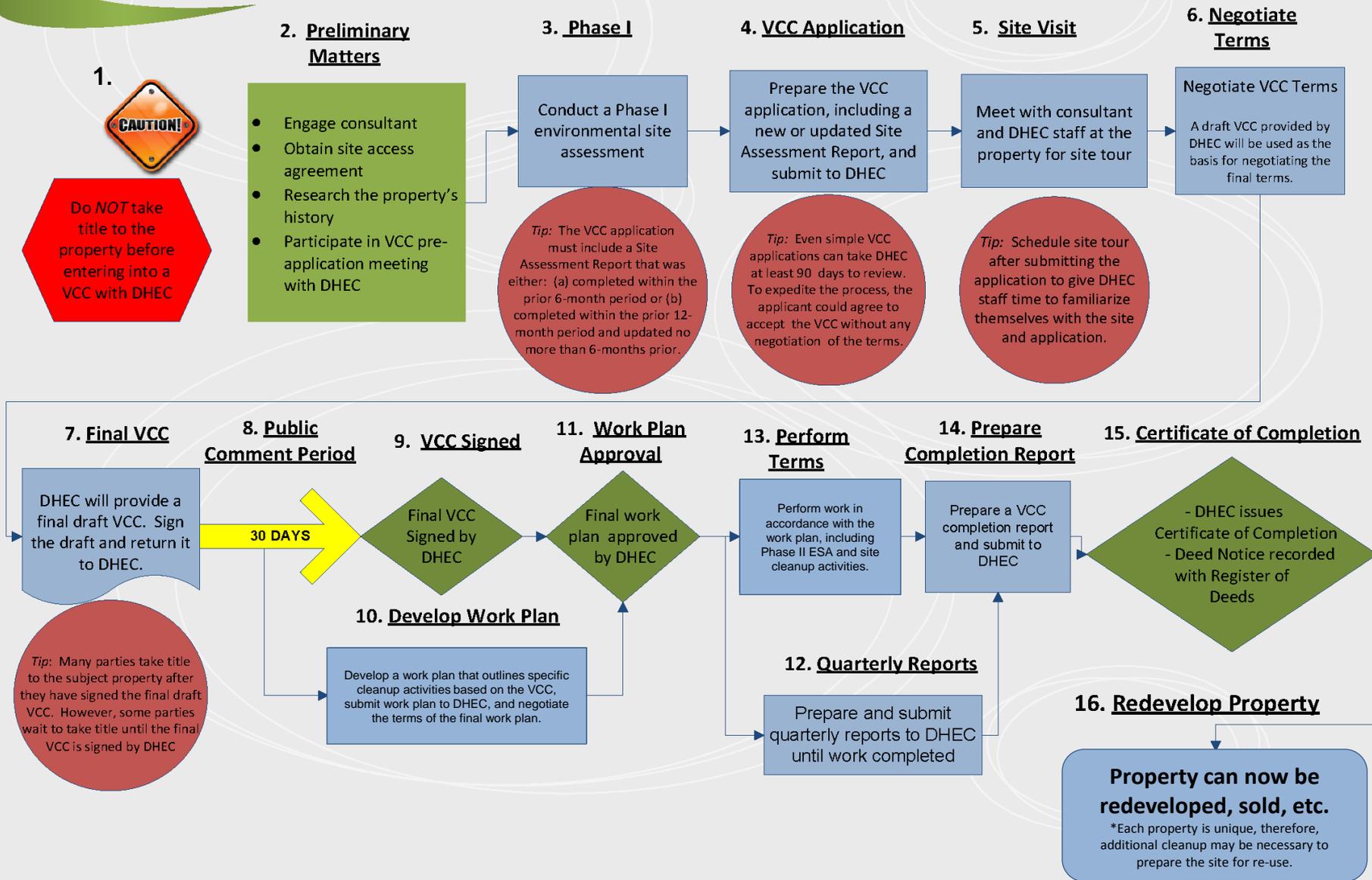


Appendices

- Appendix A** **Redevelopment Flowchart – detailed version**
- Appendix B** **Inventory of Regional Sites – detailed version**
- Appendix C** **Sample Documents, Templates & Forms**
- Appendix D** **Phase I – Republic Mill #1, Great Falls**
- Appendix E** **Phase I – Lancaster Mill, Lancaster**
- Appendix F** **Brownfields Resource Materials**

Catawba Regional COG

Textile Mill Redevelopment Flowchart Non-Responsible Party Voluntary Cleanup Contract (NRP VCC)



Appendix B

Catawba Regional Council of Governments Inventory of Regional Sites – detailed version

ID	Site Name	Location	Ownership	Comments	PH I	PH II	ABCA	Current Land Use	Site Acreage	# of Buildings
CH1	Republic #1 Mill	Great Falls	Private	Demolition halted due to abandonment	■	□	□	Vacant	10.9	1
CH2	Republic #2 Mill	Great Falls	Public	Fire reported in 2009	■	■	❖	Industrial	6.1	1
CH3	Republic #3 Mill	Great Falls	Private	Fire reported in 2006	❖	❖	❖	Industrial	14.8	3
CH4	Eureka Mill	Chester	Private	Demolition halted due to abandonment	❖	❖	❖	Vacant	29.4	1
CH5	Springsteen Mill	Chester	Public	Clearance completed	■	■	■	Vacant	9.8	1
CH6	Gayle Mill	Chester	Public	Demolished, partial redevelopment	■	■	❖	Vacant	4.6	1
CH7	Catherine Plant	Chester County	Private	Vacant	❖	❖	❖	Industrial	123.9	2
LC1	Lancaster Mill	Lancaster	Mixed	Demolished, partial redevelopment	■	■	□	1/2 city offices, vacant	13.7	2
LC2	Grace Bleachery	Lancaster	Private	Vacant	❖	❖	❖	Industrial	376.0	5
LC3	Kershaw Mill	Kershaw	Private	Vacant	❖	❖	❖	Industrial	9.1	2
UN1	Union Mill	Union	Public	Demolished, partial redevelopment	■	■	■	Apartments, vacant	18.0	0
UN2	Jonesville Mill	Jonesville	Public	Site abandoned by previous owner	■	■	□	Vacant	15.0	0
UN3	Buffalo Mill	Buffalo	Private	Site abandoned by previous owner	❖	❖	❖	Vacant	5.4	2
UN4	Ottaray Mill	Union County	Private	Demolished	❖	❖	❖	Vacant	5.2	0
UN5	Monarch Mill	Union County	Private	Vacant	❖	❖	❖	Industrial	18.2	1+
UN6	Lockhart Mill	Lockhart	Private	Demolished	❖	❖	❖	Vacant		0
YK1	Arcade Mill	Rock Hill	Private	Demolished, partial redevelopment	■	■	■	Residential	13.1	0
YK2	Rock Hill Bleachery	Rock Hill	Private	Fire reported in 2009	■	■	■	Vacant, industrial	23.0	3+
YK3	American Thread	Clover	Private	Vacant	❖	❖	❖	Industrial	16.0	2

Legend:

- = Yes
- = No
- ❖ = Unknown

ID	Site Name	Environmental Clean-up Status	Ownership	Surrounding Land Uses	Potential Redevelopment Option
CH1	Republic #1 Mill	Debris on site preventing phase II work	C & S Demolition, LLC	Downtown, Catawba River	Mixed use - commercial, residential, recreation
CH2	Republic #2 Mill	None required	Chester County FLC	Residential	Residential, assisted living center
CH3	Republic #3 Mill	None	John Tibbs, Mike Katagounis	Residential	Commercial
CH4	Eureka Mill	Demolition underway, cleanup pending	Spartan Fibers, Inc.	Residential, commercial	Mixed use - commercial, residential, recreation
CH5	Springsteen Mill	Demolition completed, cleanup pending	City of Chester	Residential, railroad, downtown	Mixed use - commercial, residential, recreation
CH6	Gayle Mill	Partial debris removal	Spartan Fibers, Inc.	Residential	Residential, recreation
CH7	Catherine Plant	None	Springland, Inc.	SC Hwy 9	Residential, recreation
LC1	Lancaster Mill	Mill Structure has been partially renovated	City of Lancaster	Residential, railroad	Recreation
LC2	Grace Bleachery	None	Springs Industries, Inc.	Residential, Catawba River	Industrial, commercial
LC3	Kershaw Mill	None	USA Enterprises of Myrtle Beach	Residential, commercial, industrial, railroad	Industrial, commercial
UN1	Union Mill	Demolition & cleanup completed	City of Union and others	Residential	Mixed use - commercial, residential, recreation
UN2	Jonesville Mill	Demolition completed, cleanup pending	Town of Jonesville	Residential	Mixed use - commercial, residential, recreation
UN3	Buffalo Mill	Debris on site preventing phase II work	Johnson family	Residential	Residential, recreation
UN4	Ottaray Mill	Demolition completed	Miliken & Company	Residential, commercial	Residential, recreation
UN5	Monarch Mill	None	Miliken & Company	Residential, railroad, downtown	Industrial, commercial
UN6	Lockhart Mill	Unknown	Miliken & Company	Residential, Broad River	Residential, recreation
YK1	Arcade Mill	Demolition & cleanup completed	City of Rock Hill	Residential, recreation	Residential, recreation
YK2	Rock Hill Bleachery	Demolition completed, cleanup underway	City of Rock Hill	Residential, city cemetery, comm.	Mixed use - commercial, residential, recreation
YK3	American Thread	Debris removed, unknown environmental	Southern Industries of Clover	Residential, commercial	Mixed use - commercial, residential, recreation

Appendix C

Sample Documents, Templates Forms

Doc #	Filename	When to Use	Pages	Format	Type
1	ABCA Public Notice - sample	For cleanup planning only	2	.doc	Editable
2	Access Agreement - form	When site is owned by others	3	.doc	Editable
3	BF Info Sheet - template	Public/marketing information	2	.doc	Editable
4	BF Info Sheet for City Council - sample	To provide public information	3	.doc	Editable
5	BF Property Marketing Sheet - sample	Public/marketing information	2	.doc	Editable
6	BF Property Marketing Sheet2 - sample	Public/marketing information	1	.pdf	Reference only
7	Council Resolution - template	When Council action is needed	1	.doc	Editable
8	Council Resolution - sample	When Council action is needed	1	.pdf	Reference only
9	Demolition Ordinance - sample	When Council action is needed	3	.doc	Editable
10	Demolition Ordinance2 - sample	When Council action is needed	1	.doc	Editable
11	Monitoring Well Application - DHEC form	When DHEC requires on-site well	3	.pdf	Fillable fields
12	Press Release - sample	To provide public information	2	.doc	Editable
13	Press Release - template	To provide public information	1	.doc	Editable
14	Public Involvement Plan - sample	When EPA funding is used	4	.doc	Editable
15	Public Notice - sample	To provide public information	1	.doc	Editable
16	Public Participation Guide - DHEC	For Superfund sites, reference only	20	.pdf	Reference only
17	SC Tax Credit 20 - DOR form	For private tax credits	2	.pdf	Reference only
18	SC Tax Credit 21 - DOR form	For private tax credits	2	.pdf	Reference only
19	SC Tax Credit 23 - DOR form	For private tax credits	4	.pdf	Reference only
20	Site Eligibility Determination - EPA form	EPA funding eligibility form	8	.doc	Editable
21	Site Eligibility Determination - EPA sample	EPA funding eligibility form	9	.doc	Reference only
22	TBA Application - EPA form	Funding request to EPA	2	.doc	Editable
23	TBA Application - EPA sample	Funding request to EPA	3	.doc	Reference only
24	VCC Agreement for NRP - DHEC sample	Ensures DHEC oversight of cleanup	31	.doc	Editable
25	VCC Agreement for NRP - DHEC sample	Ensures DHEC oversight of cleanup	36	.pdf	Reference only
26	VCC Agreement for RP - DHEC sample	Ensures DHEC oversight of cleanup	13	.pdf	Reference only
27	VCC Application for NRP - DHEC form	Before site acquisition	7	.pdf	Fillable fields
28	VCC Application for NRP - DHEC sample	Before site acquisition	5	.pdf	Reference only
29	VCC Restrictive Covenant - DHEC template	As required by DHEC	5	.doc	Editable
30	VCC Restrictive Covenant - sample	As required by DHEC	6	.pdf	Reference only

Appendix D

Phase I – Republic Mill #1, Great Falls



Former Republic Mill #1

Phase I Environmental Site Assessment (ESA)
Great Falls, Chester County, South Carolina

October 14, 2011

Submitted By:
CTC Public Benefit Corporation
1233 Washington Street, Suite 1000
Columbia, South Carolina 29201
1-800-846-6001

CTC PBC Project No. P9066.01.100

Appendix E

Phase I – Lancaster Mill, Lancaster



Former Lancaster Mill

Phase I Environmental Site Assessment (ESA)
Lancaster, Lancaster County, South Carolina

September 30, 2011

Submitted By:
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1233 Washington Street, Suite 1000
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CTC PBC Project No. PB066.01.100

Appendix F

Brownfields Resource Materials

