



American Risk Management Resources (ARMR) provides expert brownfield environmental risk advisory and insurance placement services. Our team has insured over 200 brownfield transactions ranging from small gas station properties to large industrial facility conversions. We assist buyers, sellers and governments in addressing the unique liability challenges associated with successful brownfield development.

BROWNFIELD DEVELOPMENT RISK ADVISORY SERVICES

Brownfields by their very definition involve properties with environmental liability risk:

A brownfield is a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. USEPA

The definition is broad and includes properties that may have contamination. It is a generally accepted principle that reusing a brownfield is preferable to developing greenspace for a host of reasons, but the top four include:

1. Brownfields tend to be in urban or developed areas where there is demand for their space;
2. Utility and access infrastructure usually already exists to support them, lowering development costs;
3. It is preferable to remediate contamination associated with them to protect human health and the environment from further injury; and
4. For land conservation reasons, it is preferable to reuse a brownfield rather than develop greenspace.

Brownfields, however, pose many challenges and most of them are associated with liability risk. Besides zoning and planning considerations, the following brownfield liability risks are directly associated with environmental contamination at brownfields:

1. Legacy liability for personal injury.
2. Personal injury arising from remediation and development activities.
3. Cost variances to address site contamination.
4. Personal injury risk for post-development property use.



These risks drive the actions and investment considerations made by the main classes of stakeholders involved in brownfield development:

1. Principle Owner/Developers

This class has a direct economic interest in the success of the development and needs to balance its total risk cost against its expected return on investment. An effective risk management program becomes an asset of the project – assuring other stakeholders that environmental risks that define brownfields have been effectively managed.

2. Government and Community

These stakeholders want to ensure that the development activities adequately address contamination and incorporate safeguards to protect community health and the environment as well as sustainable economic development.

3. Financiers

Lenders are partnered with principle owners in financial risk. They require assurances that environmental issues will not significantly impact project cashflow or impair the value of their collateral interest in the project.

4. Responsible Parties

This class wants to ensure that the brownfield project is successful and that they can successfully discharge their obligations with the “boomerang” effect of a failed redevelopment.

ARMR has advised each of these classes on all issues related to environmental risk:

- 1. Deal structure** to take advantage of statutory liability protections and public financing opportunities;
- 2. Liability transfer** between parties and financial assurances to support the full performance of the transfer;
- 3. Due diligence review** to identify and quantify both known and potential contamination risks and costs.
- 4. Remedial design and estimate review** to identify potential for overruns.
- 5. Institutional and engineering controls**, activity and use limitations, and long-term stewardship review for risk prevention efficacy and operational cost.
- 6. Insurance structure design** and placement for maximum protection of stakeholder’s interests and total risk cost minimization.

We ensure that the appropriate coverage is in place for the risks that you want to manage:

- Personal injury (bodily injury/property damage) claims;
- Remediation funding for unknown contamination;
- Reopener remediation cost protection;
- Protection for offsite waste transportation and disposal;
- Funding for expected remediation cost overruns when desired;
- Excess of indemnity coverage if the responsible party fails to remediate or cover claims as agreed;
- Funding for project delay costs caused by unknown environmental conditions when desired;
- Contractual indemnity coverage;
- Coverage for occupancy operational exposures after development.
- Coverage for relocation for impacted post-development space.

With each of these services, we deploy sound risk management protocol:

- risk identification
- analysis,
- mitigation and
- monitoring

We understand that these are economic development ventures and that risk costs must be managed and defined to effectuate a financially successful project.

For more information about these services, please contact:



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