QUEST SITE SOLUTIONS

Environmental Due Diligence

A site selection decision is complex and often requires a company to balance competing factors to determine the ideal location for their project. Selecting a location that can serve the long-term needs of a company requires careful consideration of the perceived risks and anticipated return. To further complicate matters, companies seek to make these decisions quickly, often relying on readily available site data to facilitate expeditious and confident location decisions. One of the most substantiative tools deployed to uncover site details are environmental due diligence reports, as they provide an enhanced understanding of the site characteristics that will impact development efforts thus allowing a company to reduce site risk with site knowledge.

KEY STUDIES AND INDUSTRY TERMINOLOGY

Environmental due diligence is a term used to describe the investigations that are completed to evaluate a property's development characteristics and impediments. While environmental due diligence may take substantial time and money to complete, the wealth of information derived from these reports allows for an in-depth understanding of a property – ranging from benign site attributes to severe site hazards that must be avoided. The following five studies are the key reports utilized to develop a comprehensive understanding of the environmental characteristics of a property:

PHASE I ESA (ENVIRONMENTAL SITE ASSESSMENT)

This assessment is used to determine existing or potential environmental contamination in relation to a specific property. A Phase I Environmental Site Assessment, commonly referred to as a Phase I ESA, is an in-depth investigation into a property's current and former uses. The purpose is to identify environmental conditions, known as Recognized Environmental Concerns (RECs), that impact the property. A Phase I ESA is important to complete as it educates the buyer about potential contamination issues prior to purchasing. Once the property is purchased, any issues could become the responsibility of the buyer if they are not properly addressed prior to the transaction. If a REC is identified, a Phase II ESA, often including soil and/or groundwater sampling, is typically recommended to fully understand the contamination and determine a path forward.

WETLANDS

Many of the aquatic features on a property, such as wetlands and streams, are protected and cannot be impacted without going through the appropriate processes. A wetlands delineation is completed to assess whether any areas of the property meet the criteria to be classified as a wetland or other waters of the United States. If an area is identified, additional surveying is completed to document the location and size. A delineation will also classify any water features identified as either jurisdictional, meaning they fall under the authority of the US Army Corps of Engineers (USACE), or are considered non-jurisdictional. The USACE can then concur with these reports through either a preliminary or approved Jurisdictional Determination (JD). If jurisdictional wetlands or waters of the United States are identified and will be impacted in the development of the property, then additional permitting steps are required to disturb land in these designated areas.

GEOTECHNICAL INVESTIGATION

A geotechnical investigation aims to understand the subsurface conditions of the ground upon which a building will be constructed. The methodology generally requires extracting soil samples, known as borings, to obtain information on groundwater levels, soil or rock types, seismic ratings, and resistivity of soils. This data helps a user understand what type of land preparation activities, such as rock blasting and other forms of earthwork, may be required. In addition, geotechnical data helps in assessing potential construction costs for required foundations and structures.

ARCHAEOLOGICAL / HISTORICAL / CULTURAL RESOURCES

Known by several names, a cultural resources survey investigates and identifies potential archeological and historical resources in relation to the project area and the surrounding area, known as the Area of Potential Effects (APE), to determine the impacts development may have on the area. One gauge of site significance evaluated during this process is a property's eligibility for or listed status in the National Register of Historic Places (NRHP). In some instances, this report will need to be submitted to the State Historic Preservation Officer (SHPO) for concurrence and/or approval.

THREATENED AND ENDANGERED SPECIES

In order to protect state and federal threatened and endangered (T&E) species, a habitat assessment should be completed to identify the presence of species or any areas within a property that are, or have the potential to be, habitat for any listed species. The United States Fish and Wildlife Service (USFWS) maintains a list of federal species, and a state's Department of Natural Resources (DNR), or equivalent agency, maintains a list of state species. Typically, a desktop study is first completed to determine if the property contains any suitable habitat for the listed species. If potential suitable habitat is identified, then additional analysis through field surveys may be required to determine the presence or absence of a specific species and the impact on potential development of the property.

Whether a property is appropriate for a project is much more complicated than simply the price and location – it requires a technical and multi-faceted investigation of which environmental due diligence is just one piece. In addition to these detailed assessments, other types of due diligence are often utilized to uncover relevant conditions that should be considered during a thorough site evaluation, such as a title opinion and researching of utility capacities.

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THE MERIT OF SITE INFORMATION

The threat of an unanticipated environmental issue during site acquisition or development cannot be understated. Thorough environmental due diligence has the potential to align and manage expectations during the site development process, reduces the risk of unanticipated impediments jeopardizing project budgets and scheduling, identifies areas for potential community support, and ensures that the location meets your specific site requirements that help facilitate your unique business. Considering all the areas of risks and opportunities before moving forward is a worthwhile site selection strategy that can ultimately save both time and money.

The adage that knowledge is power perfectly applies to a site selection search. When the stakes are as high as a company's success, every decision surrounding the location must be thoroughly evaluated and executed, which is why environmental due diligence is so important to the site evaluation process. Regardless of where the information falls on the spectrum, it empowers a company to make an informed location decision.

Taylor Brittan Dietz is a Consultant at Quest Site Solutions where she works to advance economic growth opportunities for site selection and economic development clients. Her experience includes local economic development with a focus on project management, research, and site evaluation. She holds three degrees from Georgia College & State University and is a Certified Economic Developer through IEDC.