



**CHARLOTTE™**

**City Council  
Follow-Up Report**

**June 21, 2013**

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**June 17, 2013 – Zoning Meeting**

**Appraised Value of Contaminated Property (Addendum to June 14 Staff Response)**

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During the June 10 City Council Business Meeting, Council member Howard requested staff provide information to Council about two issues pertaining to the values of contaminated property: Will the City add value to these properties when “cleaning them up” and, if so, how much value does the City add? City staff provided a response in the follow up report included in the June 14 Council-Manager memo.

During the June 17 Zoning Meeting, in response to the follow up report, Council member Howard asked whether staff could be more specific regarding cleaning costs of the contaminated land and land value from the BLE condemnation items that were on the June 10 Council meeting agenda.

The City will spend money to clean these contaminated areas far in excess of the land’s value by performing complex remediation and mitigation work. After the property is clean, the property owner will no longer be responsible or liable for cleaning up those parts of the property.

At this time, the specific costs to clean the contaminated properties are unknown and will not be known until the site is fully analyzed and the work is complete; still, it is clear that the work which the City will perform to clean a portion of the property will benefit the property owner.

For each property, the City is condemning only the portion needed for a railroad easement and, in some cases, a temporary construction easement. In order to construct the BLE, the City will clean any contaminated soil and groundwater encountered during construction in a manner acceptable to the North Carolina Department of Energy and Natural Resources (NC DENR). Cleaning will include the removal of contaminated soil, capping the soil with concrete or another impermeable material, or containing the soil with a retaining wall the City must construct within the railroad easement to support the BLE and the existing railroad lines. Cleaning will also include remediation of contaminated groundwater. Currently, the City is incurring design and permitting costs for the remediation, and specially trained contractors will be required in order to both perform the complex cleaning work and build the retaining wall to City specifications. The cost of design and permitting alone is more than \$10,000 per parcel.

Along Cullman Avenue, one business, the Detrex Corporation, is responsible for much of the contamination on neighboring properties. If properties need to be cleaned, Detrex’s neighbors have the option to bring a lawsuit against Detrex to clean the property, pay property damages, or reimburse expenditures the neighbors make

for cleanup. Additionally, if any of the property is redeveloped, the property owners will likely bear the expense of entering into a brownfields agreement with NC DENR.

The City, by dealing with the contamination it encounters in the portion of the property where it will have easements, is alleviating some of the damage caused by the contamination. The property owner benefits by not having to pay for cleanup, sue another party, or pay for the brownfields agreement on that portion of their property. The easement portion of the property is now remediated to NC DENR's satisfaction at the City's expense, leaving the entire property less contaminated than before the City's work.

The four contaminated properties authorized for condemnation on the June 10 Agenda were needed for the construction of a retaining wall to support a future freight track expansion required by the Blue Line Extension Project. The permanent railroad easements (only a small portion of the property) will be acquired on private property that is presently:

- Contaminated in the soil and groundwater with chlorinated volatile organic compounds, acetone, trichloroethylene and petroleum based solvents.
- Encumbered by an existing Norfolk Southern Lead Track Easement from 1954 with existing tracks.
- Within a flood plain.

These three factors are responsible for the appraised value of zero dollars, as determined by an independent appraiser, per condemnation rules. The property owners have recourse in the remaining portions of the condemnation process which includes multiple opportunities for property owners to negotiate with staff, through the court-ordered mediation, or a trial.