



RT ENVIRONMENTAL SERVICES, INC.
Your Solution-Oriented Environmental Services Firm

PROPERTY ASSET PROTECTION INCLUDING MOTHBALLING A KEY FOCUS OF PROPERTY MANAGERS AND OWNERS

February 18, 2009

On February 4, 2009 at the Plymouth Country Club, RT Environmental Services (RT), TriState REALTORS® Commercial Alliance, Hamburg, Rubin, Mullin, Maxwell and Lupin, and the Montgomery County Industrial Development Corporation (MCIDC) held a seminar on Protecting Property Asset Value and Building Mothballing.

Vacating of tenant space and cutbacks in office, retail and industrial operations, combined with tight economic times, means that there will be difficult choices when it comes to building engineering, maintenance, and running utility systems. Unfortunately, if mothballing is not properly implemented, property asset value associated with a building can be lost if systems are not maintained in a manner such that they remain functional and can be easily restarted when perspective future use of the building becomes a possibility again.

The seminar focused on the following:

- A Property Condition Assessment as well as a Phase I Environmental Assessment, both conducted before the space is vacated, are both very important.
- Roofing systems must be inspected at intervals to minimize moisture intrusion.
- Some level of ventilation still needs to be undertaken to avoid humidity buildup, leading to mold growth.
- Temporary electric service to avoid high month to month energy costs is an option for many buildings.

Difficulties can occur in properties where hazardous materials and/or inventory which must be disposed of at high cost are left behind. These can delay reoccupancy, in addition to being costly and expensive, particularly if the current building occupant goes into bankruptcy. In some situations, the building owner is left "holding the bag" so to speak. To avoid this situation, any claims related to proper cleanup before a building occupant vacates should be made by the property manager or building owner, as soon as notice is received that a building space could or will be vacated.

Another major focus of building owners, as discussed at the seminar, is the potential for foreclosure. An estimated \$400 billion in loans on commercial properties have to be renewed in 2009, which could be hard to close, given declining rental income. There are certain critical elements that banks and those interested in distressed property opportunities need to know, when mortgage failure foreclosure possibilities arise at individual properties.

It was also discussed at the seminar that the Small Business Administration has updated its environmental due diligence requirements, and a representative of the Small Business Administration was on hand at the recent seminar to answer questions. Increasingly, during tight economic times, government agencies play a key role in helping business owners and property owners make it through distressed

economic times.

A lenders perspective is also important, and during the recent seminar, Bob Bifolco, Chief Lending Officer of Continental Bank, provided the perspective that although there are many comments from the public about "banks not making money available", the reality is that there are fewer people making applications for mortgages, given the state of the economy. Continental Bank is a successor to Progress Bank, and continues to prosper, as its officers and principals always manage the bank in an appropriate and conservative manner.

There were many important questions raised by those involved related to contaminated sites, particularly when Steven Hann, Esq. made his presentation on foreclosure issues. Mr. Hann is an attorney with the Montgomery County Law Firm Hamburg, Rubin, Mullin, Maxwell and Lupin. Overall, the seminar was well received; you can click on the links below to download copies of seminar presentations.

Principles of Protecting Property Value During Financial Downturns

Gary Brown, P.E. - RT Environmental Services, Inc.

[Click Here to Download](#)

Surveys at Time of Tenant Vacating: Mothballing Activities

Larry Bily, Associate - RT Environmental Services, Inc.

[Click Here to Download](#)

Updated Environmental Due Diligence Protocol - SBA

Larry Bily, Associate - RT Environmental Services, Inc.

[Click Here to Download](#)

What You Must Do As A Lender To Avoid Environmental Liability With Foreclosure

Steven Hann, Esq., - HRMML

[Click Here to Download](#)

TriState Realtors Alliance is planning a panel session on mothballing, so that their young real estate professional group, on **March 25, 2009** can learn more about this topic. Click on the following link to go to the TriState Webpage for more information. <http://www.tristaterca.com/tristaterca/>

- **Gary R. Brown, P.E.**
President
RT Environmental Services, Inc.
Email - gbrown@rtenv.com
Tel: 800-725-0593 Ext. 234

[Forward email](#)

✉ **SafeUnsubscribe®**

This email was sent to rwilliams@rtenv.com by rwilliams@rtenv.com.
[Update Profile/Email Address](#) | Instant removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).

Email Marketing by

