



North Carolina Department of Environment and Natural Resources
Division of Waste Management

Pat McCrory
Governor

Dexter R. Matthews
Director

John E. Skvarla, III
Secretary

March 18, 2014

Sent Via E-mail and USPS

Mr. John E. Florian
MiP Holdings, LLC
9405 Shadow Oak Way
Raleigh, NC 27615
jeflorian@floriancompanies.com

Subject: Letter of Conditional Eligibility
Florian Midrise
119 S. Bloodworth Street
Raleigh, Wake County 27601
Brownfields Project Number: 18006-14-092

Dear Mr. Florian:

The North Carolina Department of Environment and Natural Resources (DENR) has received and reviewed your February 17, 2014 Brownfields Property Application (BPA) submitted on behalf of MiP Holdings, LLC as a Prospective Developer seeking a brownfields agreement regarding the subject site, a collection of four parcels bounded by S. Bloodworth, E. Hargett, and S. East Streets in Raleigh formerly used for residential and parking lot purposes. Upon review of the application with respect to the requirements of the Brownfields Property Reuse Act of 1997, DENR has determined that this project is conditionally eligible for entry into the North Carolina Brownfields Program and for continued evaluation for a Brownfields Agreement.

As stated in the BPA MiP Holdings, LLC, an affiliate of Metropolitan Investment Partners, LLC, plans to purchase the property after being found eligible for the NC Brownfields program, and will “transfer or otherwise assign ownership to a new, to-be-formed company that will take the redevelopment forward.” We understand that this new company will also be an affiliate of Metropolitan Investment Partners. The Brownfields Program has determined the project to be eligible under the following conditions: 1) that the names of each of the individual equity partners of the future owner entity, and other information pertaining to the Prospective Developer consistent with that requested in the Brownfield Property Application be

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communicated to DENR; and 2) that it be demonstrated to DENR's satisfaction that each of the individual equity partners did not "cause or contribute to contamination" at the property.

In addition to providing the data to satisfy the conditions above, the next step in the process will involve a detailed review of available environmental and other relevant data to determine what is currently known about contamination at the site, and what, if any, information gaps may exist that may require additional assessment. We are in receipt of the following documents submitted with your BPA:

Title	Author	Date
Phase I ESA, Florian Midrise	Terra Tech	July 29, 2013
Summary of Soils Testing, Florian Midrise	Terra Tech	October 28, 2013

Please forward any additional information or data you may have or can acquire for our evaluation. This should include reports from other DENR agencies or regional offices. We will contact you regarding any additional assessment that may be necessary to establish that the property is or can be made suitable for the intended reuse, as required by statute.

According to the BPA, the intended redevelopment for the site is for a midrise rental residential apartment building. Because risk management decisions may vary depending on the nature of the redevelopment, it will be important that DENR review the locations of the various elements, and understand whether any subgrade structures such as basements or underground parking are currently contemplated at the site. Please forward any maps or drawings indicating these details, even if they are only preliminary or conceptual.

Pending execution of a Brownfields Agreement, eligibility is provisional. You do not have the protections such an agreement offers unless and until it is executed. Thus, you operate at the site pending conclusion of a Brownfields Agreement at the risk of jeopardizing your eligibility and/or becoming a party responsible for the contamination at the site if an agreement is not finalized. This makes it very much in your interest to consult closely with the Project Manager regarding any planned site activities prior to agreement finalization.

If a party other than the Prospective Developer will own the Brownfields property at the conclusion of the brownfields process, the final document (which gets recorded at the Register of Deeds' office) must be signed not only by the Prospective Developer but by that owner. Failure by the Prospective Developer to ensure, by the time Brownfields Agreement negotiations are complete, the willingness to sign of any such party, and to provide DENR the exact name, e-mail address, telephone number and U.S. mail address of the party (along with signatory/signatory's title in the case of an entity) will retard, and could prevent, the Brownfields Agreement taking effect. If the Prospective Developer does not actually buy the property for redevelopment, it loses its eligibility for the Brownfields Program. That means the Prospective Developer itself, not an affiliate or any other party.

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DENR is enthusiastic about the potential for public benefit offered by the reuse of the former parking lot/residential site for a new residential option in Raleigh, and we look forward to working with you to advance this brownfields redevelopment project. If you have questions about this correspondence or require additional information, please feel free to contact the Project Manager, Sharon Eckard by phone at 919.707.8379, or by e-mail at sharon.eckard@ncdenr.gov.

Sincerely,



Linda M. Culpepper
Deputy Director
Division of Waste Management

cc: Project File
ec: Bruce Nicholson, DENR
Sharon Eckard, DENR