

March 31, 2016

Shirley Liggins and Bruce Nicholson  
NC Brownfields Program  
North Carolina Department of Environmental Quality  
Division of Waste Management  
1646 Mail Service Center  
Raleigh, NC 27699-1646

Subject: Smokey Hollow Brownfields Redevelopment

Dear Ms. Liggins and Mr. Nicholson:

On behalf of WK Smokey Hollow, LLC, please find enclosed the completed *Brownfields Property Application* for the redevelopment of the Smokey Hollow site located just off of Capital Boulevard at the intersection of Peace Street and West Street in Raleigh. In addition to the application form, we plan to provide you with some of the attachments, particularly the large-format environmental reports, via email or a file sharing link. We are extremely excited about the project and the contribution it will make to downtown Raleigh's revitalization and vibrancy.

Provided below is a brief overview of the project and information on WK Smokey Hollow, LLC, the prospective developer we have established to take the redevelopment forward.

**The Project**

The approximately four-acre site is currently underutilized and now home to 1970s-era, one-story commercial buildings. The property is also impacted by a highly polluted DSCA dry cleaning site located next door, and potentially other off-site UST releases and contaminant sources.

The planned mixed-use redevelopment will involve approximately \$120 million of capital investment, and it will become a key component of the Capital Boulevard corridor revitalization. We are working closely with the City of Raleigh on planning, and among other benefits, the project will provide a mixed-use anchor consistent with Raleigh's new Unified Development Ordinance (UDO), housing opportunities and retail services that are currently lacking in the area, and approximately 50 permanent retail-related jobs, as well as hundreds of construction jobs during redevelopment. This project will also provide stimulus for nearby "secondary" development and employment, such as retail, office, restaurants, etc. during construction and when the property is completed and operating.

In addition, our work is being closely coordinated with the DOT's and the City's plan for the Capital Boulevard improvements and Harrington Street realignment, and other multimillion dollar infrastructure capital improvements in and around the Capital Boulevard and Peace Street interchange. It is likely we will be actively participating with the DOT and the City on the roadway work – including adding a Johnson Street extension between Harrington Street and West Street as part of our redevelopment.

**The Prospective Developer**

The prospective developer, WK Smokey Hollow, LLC, is a North Carolina company established solely for the project. WK Smokey Hollow, LLC currently has two members: Kane Smokey Hollow, LLC and Williams Smokey Hollow, LLC. Neither the PD or the two current members have had a prior direct ownership

interest in the property, or an ownership or operating interest in the businesses which have leased space there.

Further, our management team is in discussions with equity investors about their potential participation in the redevelopment effort. One or more of these prospective investors will have a majority, controlling interest – becoming effectively the project “owner.” As such, Kane Smokey Hollow, LLC and Williams Smokey Hollow, LLC will be minority members with somewhere around a combined 20% ownership interest in the redevelopment effort.

We would like to point out that parties related to Williams Smokey Hollow, LLC have had a prior interest in the redevelopment site; however, we believe this should not preclude Williams Smokey Hollow, LLC from participating as a non-controlling, minority member going forward. Clearly, this is an important matter for us, so provided below is some further information.

The Crossland Company (an affiliate of Williams Smokey Hollow, LLC) and Chaucer Investments, LLC (Williams Smokey Hollow, LLC's parent company) currently own four parcels at the property, which the PD intends to acquire in the fall of 2016. The parcels were originally purchased from the Raleigh Development Commission in the late 1960s by Williams Realty & Building Company (also an affiliate of Williams Smokey Hollow, LLC), and subsequently developed with the current improvements in the early 1970s. Over the next 45 years, Chaucer Investments and The Crossland Company, as well as other related parties, owned portions of the redevelopment site and leased space to a variety of commercial tenants.

However, none of these parties had an ownership interest in the businesses which leased space, or participated in the operations of those businesses. Moreover, there are no known on-site releases, spills or other open environmental incidents or violations associated with the development site itself or the business that lease space at the property. (A leaking UST incident at a former service station at the property operated by a third party was cleaned up and unconditionally closed by the NC DENR in July 2011.) Operations by the lessees have and continue to be consistent with good commercial standards and practices.

In summary, there are currently no known actionable incidents or releases which originated on-site. The only known impacts are related to the off-site dry cleaner discussed above and potentially other off-site sources. Throughout the ownership by Williams-related parties, none of these parties have been deemed liable, named as a responsible party, or in any way been involved in an environmental matter. Further, there is no indication that the Williams, solely as the owners of a portion of the redevelopment site, have in any way caused or contributed to a contamination problem.

In closing, if you have any questions on the application, please feel free to contact Warner Kuppin directly at 919. 719.5471. And on behalf of our entire team, we are looking forward to working with you on the Smokey Hollow development.

Sincerely,



John M. Kane  
Manager  
WK Smokey Hollow, LLC

cc: Tony Duque, DEQ  
John Gallagher, Aptus Management, PLLC

**Brownfields Property Application**  
North Carolina Brownfields Program  
[www.ncbrownfields.org](http://www.ncbrownfields.org)

**I. PROSPECTIVE DEVELOPER (PD) INFORMATION {USE TAB KEY TO GET TO NEXT DATA ENTRY LINE – DO NOT USE THE RETURN KEY}**

A. PD information:

Entity name	WK Smokey Hollow, LLC
Principal Officer	John Kane
Representative	Manager
Mailing Address	c/o Kane Realty Corporation 4321 Lassiter at North Hills, Suite 250 Raleigh, NC 27609
E-mail address	John Kane (jkane@kanerealtycorp.com)
Phone No.	919.833.7755
Fax No.	919.833.2473
Web site	<a href="http://kanerealtycorp.com/">http://kanerealtycorp.com/</a>

B. PD contact person information (i.e., individual who will serve as the NCBP's point of contact if different than above):

Name	Warner Kuppin
Company	Kane Realty Corporation
Mailing Address	4321 Lassiter at North Hills Avenue Raleigh, NC 27509
E-Mail Address	<a href="mailto:wkuppin@kanerealtycorp.com">wkuppin@kanerealtycorp.com</a>
Phone No.	919-719-5471
Fax No.	919-833-2473

C. Information regarding all parent companies, subsidiaries or other affiliates of PD (attach separate sheet(s) if necessary):

**(Use for LLCs)**

Member-managed or manager-managed? **Answer:** [Manager-Managed](#)

If manager-managed, provide name of manager and percent of ownership:

Name

Ownership (%)

Mailing Address

E-Mail Address

Phone No.

Fax No.

For all LLCs, list all members of the LLC and provide their percent of ownership:

Name Kane Smokey Hollow, LLC

Ownership (%) 8%

Mailing Address 4321 Lassiter at North Hills, Suite 250  
Raleigh, NC 27609

E-Mail Address John Kane (jkane@kanerealtycorp.com)

Phone No. 919.833.7755

Fax No. 919.833.2473

Name Williams Smokey Hollow, LLC

Ownership (%) 12%

Mailing Address 3111 Glenwood Avenue  
Raleigh, NC 27612

E-Mail Address Owen D. Williams (owen.williams@wrbc.com)

Phone No. 919.781.7107

Fax No. 919.787.2316

Name TBD -- Majority Owner, Equity Investor

Ownership (%) 80%

Mailing Address

E-Mail Address

Phone No.

Fax No.

Managers of manager-managed LLCs are required to execute all brownfield documents for the LLC; as to member-managed LLCs, state name of member who will sign these documents.

John Kane

List all parent companies, subsidiaries and other affiliates:

For Kane: Kane Realty Corporation (affiliate)

For Williams: Chaucer Investments, LLC (parent), The Crossland Company (affiliate), and Williams Realty & Building Company, LLC (affiliate)

**(Use for Partnerships)**

Check one:  General Partnership  Limited Partnership

List all partners and percent of ownership:

Name

Ownership (%)

Mailing Address

E-Mail Address

Phone No.

Fax No.

Is this person a general or limited partner?

Name

Ownership (%)

Mailing Address

E-Mail Address

Phone No.

Fax No.

Is this person a general or limited partner?

List all parent companies, subsidiaries and other affiliates:

**(Use for corporations other than LLCs)**

*(If information is the same as shown in 1.A., please indicate "same as 1.A." below.)*

Name

Mailing Address

E-Mail Address

Phone No.

Fax No.

List all parent companies, subsidiaries and other affiliates:

**(Use for individuals)**

*(If individual is the same as shown in 1.A., -please indicate "same as 1.A." above.)*

Name

Mailing Address

E-Mail Address

Phone No.

Fax No.

- D. Does PD have or can it obtain the financial means to fully implement a brownfields agreement and assure the safe reuse of the property? *(Attach supporting documentation such as letters of credit, financial statements, etc.)*

Answer      Yes

Explanation    Kane Realty Corporation ("Kane") was founded by John Kane in 1978. Kane has developed sustainable mixed-use communities, regional malls, neighborhood and community centers, retail outparcels, and office buildings. The Kane team has been responsible for over \$1 billion of real estate development in greater Raleigh, including the award-winning North Hills located at Six Forks Road and I-440.

Kane, as well as Willaims' companies, have been able to raise capital for similarly scaled projects and development efforts, including the redevelopment of brownfields sites. The project team is in early discussions with third-party equity capital sources which will become the majority owner and controlling entity in the development effort.

- E. Does PD have or can it obtain the managerial means to fully implement a brownfields agreement and assure the safe use of the property?

Answer Yes

Explanation Kane has developed or redeveloped over four million square feet of retail space, malls, and community/neighborhood centers. In 1999, Kane purchased the first of numerous properties in Raleigh's North Hills and embarked on a massive \$1 billion redevelopment of 130 acres. In addition to North Hills, Kane's management team was responsible for the development of Stanhope Center 2, a mixed use development with residential, commercial and retail components located at a brownfields property along Hillsborough Street in Raleigh, and is currently redeveloping a former Dillon Supply Company site, which will be home to a new mixed-use redevelopment in Raleigh's historic Warehouse District.

Williams Smokey Hollow's affilitate, the Williams Realty & Building Company, LLC, will support the project. Their team is experienced in all aspects of real estate development, from conception to purchase, through design, construction and property management. The company was founded in 1954 by John C. Williams, with a plan to build the first residential subdivision north of Crabtree Creek, through decades of growth and expansion into commercial construction, development and property management throughout the Triangle area.

- F. Does PD have or can it obtain the technical means to fully implement a brownfields agreement and assure the safe use of the property?

Answer Yes

Explanation The development team has contracted with Aptus Management, PLLC to serve as a technical resource for development and completion of the Brownfields Agreement. Aptus is a specialty environmental management company, which John Gallagher established

in 2009. John and his team have been responsible for a number of brownfields agreements recently in North Carolina.

Before launching Aptus, he was the President of Cherokee Investment Services and a general partner of Cherokee Investment Partners, a leading private equity firm, based in Raleigh, that focused on brownfields redevelopment. His background also includes consulting to Fortune 500 companies, financial institutions, real estate developers, government service with the U.S. EPA Superfund program, and industrial experience with Eastman Kodak Company.

In addition to Aptus, as needed, Kane will retain other licensed, high-quality environmental consultants and contractors to support the technical aspects of the redevelopment effort.

G. Does PD commit that it will comply (and has complied, if PD has had a prior project in the NCBP) with all applicable procedural requirements of the NCBP, including prompt payment of all statutorily required fees?

Answer Yes - Kane affiliate companies are involved in two other NCBP projects

*(List all NCBP project name(s) and NCBP project ID numbers where PD or any parent company, subsidiary and other affiliate of PD has been a party to.)*

Stanhope Center, Stanhope 2013, LLC, NCBP Project I.D. 17034-13-092

Dillon Station, Dillon Station, LLC, NCBP Project I.D. 18056-14-092

H. Does PD currently own the property?

Answer Yes - partially

The PD, WK Smokey Hollow, LLC, now owns one of the parcels (Tract 7). Chaucer Investments, LLC, the parent company of Williams Smokey Hollow, LLC, owns three others, and The Crossland Company, an affiliate of Williams Smokey Hollow, LLC, owns one parcel. These four parcels will be acquired by or otherwise transferred to the PD in the fall of 2016.

The remaining two parcels of the development site assemblage are under contract to be purchased in 2016 from nonaffiliated third-party owners.

If yes, when did PD purchase the property and from whom? *(Provide name, address, telephone number and email address of the contact person for the current property owner.)*

Owned by WK Smokey Hollow, LLC  
Tract 7 1704512665 600 N West St  
Purchased from: BWB West LLC  
3055 GRANVILLE DR  
RALEIGH NC 27609-6917

Purchase Date: February 12, 2016

If no, provide the name, address, telephone number and e-mail address of the contact person for the current property owner

The two parcels under contract are as follows:

Tract 1     1704522047                      435 W Peace St  
Owner: Richard Gardner  
1112 COUNTRY RIDGE DR  
RALEIGH NC 27609-5423

Contract Date: October 21, 2015    Expected Closing: October 2016

Tract 2     1704523046                      421 W Peace St  
Owner: Margaret Mann Davis Trustee  
5809 CHELSEA PL  
RALEIGH NC 27612-2703

Contract Date: December 18, 2015    Expected Closing: April 2016

The four parcels owned by Williams entities are as follows:

Tract 3     1704524035                      417 W Peace St.  
Tract 4     1704525033                      413 W Peace St.  
Tract 6     1704514878                      512 N. Harrington St.  
Owner: Chaucer Investments, LLC  
c/o CROSS WILLIAMS  
3111 GLENWOOD AVE  
RALEIGH NC 27612-5006

Tract 5     1704512991                      620 N West St.  
Owner: The Crossland Company  
c/o CROSS WILLIAMS  
3111 GLENWOOD AVE  
RALEIGH NC 27612-5006

I. If PD does not currently own the property, does PD have the property under contract to purchase?

Answer            See the explanation above

If yes, provide date of contract.    See above

If no, when does the PD intend to purchase the property (e.g., after the project is determined to be eligible for participation in the NCBP, after PD receives a draft BFA, after the conclusion of the brownfields process)?

- J. Describe all activities that have taken place on the property since PD or PD's parents, subsidiaries and/or other affiliates, and/or lessees or sublessees of PD, took ownership of or operated at the property (e.g., industrial, manufacturing or commercial activities, etc.). *(Include a list of all regulated substances as defined at NCGS § 130A-310.31(b)(11) that have been used, stored on, or otherwise present at the property while those activities were conducted, and explain how they were used.)*

The prospective developer, WK Smokey Hollow, LLC. is a North Carolina company and a single purpose entity established to acquire and redevelop the property. WK Smokey Hollow, LLC currently owns one of the seven parcels which are being assembled for redevelopment: Parcel No. 1704512665, 600 N West St. It acquired the parcel on February 12, 2016. It is improved with a warehouse that continues to be leased to four commercial tenants.

WK Smokey Hollow, LLC currently has two members: Kane Smokey Hollow, LLC and Williams Smokey Hollow, LLC. Besides the two existing members, WK Smokey Hollow, LLC is in discussions with potential equity investors about their participation in the redevelopment effort. One or more investors will have a majority, controlling interest in the redevelopment project.

Kane Smokey Hollow, LLC and Williams Smokey Hollow, LLC. are newly established North Carolina companies, which will be minority owners in the redevelopment. Neither entity has had any prior ownership interest in the property, or an ownership or operating interest in the businesses which have leased space there. Moreover, no other Kane-affiliated companies or entities have had any ownership or operating interest in the site whatsoever.

Please note that various affiliated entities and related parties to Williams Smokey Hollow, LLC have had a ownership interest in the property dating to the late 1960s. Currently, The Crossland Company (an affiliate of Williams Smokey Hollow, LLC) and Chaucer Investments, LLC (Williams Smokey Hollow, LLC's parent company) own four parcels at the property. They were acquired from the Raleigh Development Commission in the late 1960s by Williams Realty & Building Company (an affiliate of Williams Smokey Hollow, LLC), and subsequently developed with the current improvements by The Crossland Company in the early 1970s. Over the next 45 years, Chaucer Investments and The Crossland Company, as well as a number of other related parties, have owned the parcels and leased space to a variety of commercial tenants.

However, none of the Williams-controlled entities or related parties have had an ownership interest in the commercial businesses which have leased space at the property or participated in the operations of those businesses. Some of the lessees have and continue to use petroleum products and other types of regulated substances in their operations. Among other materials, this included gasoline stored in USTs at the former service station located at 417 West Peace Street. These tanks were reportedly registered to Texaco, USA. They were removed and cleaned up in 1999, and an unconditional NFA was issued in July 2011. Other businesses that lease space at the property, which may continue to use regulated substances, include Peace Camera, Capital Quick Lube, the Gentle Touch Car Wash and the JW Photo Lab. We do not, however, have an inventory of the materials these and other prior tenants may have used.

It should be noted that the use of regulated materials in and of itself does not give rise to liability. Moreover, there are no known, unaddressed releases, spills or other environmental incidents or violations associated with the on-site business that have and continue to lease space from the

Williams. Operations by the lessees have and continue to be consistent with good commercial or customary standards and practices.

The one known incident currently impacting the property is the off-site release of dry cleaning solvents originating from the Rollins Dry Cleaning facility, located directly east of the subject site at 407 West Peace Street. That incident is participating in the NC Dry-cleaning Solvent Cleanup Act (DCSA) program.

In summary, there are currently no known actionable incidents or releases which originated on-site. The only known impacts are related to the off-site dry cleaner discussed above. Throughout the ownership by Williams-related parties, none of these parties have been deemed liable or in any way involved in an environmental matter, including the UST cleanup. Further, there is no indication that the Williams, solely as the owners of a portion of the redevelopment site, have in any way caused or contributed to a contamination problem.

In consideration of this and the recent change to the Brownfields Property Reuse Act of 1997 [NCGS 130A310.30 et seq.] that allows existing owners to participate in the program, we believe that Williams Smokey Hollow, LLC's relationship to entities and related parties which have had an ownership interested in the property should not adversely impact the DEQ's eligibility determination.

## II. SITE INFORMATION

### A. Information regarding the proposed brownfields property:

Proposed project name	Smokey Hollow		
acreage	4.12	County	Wake
street address(es)	413, 417, 421 and 435 W Peace Street; 600 and 620 N West Street; and 512 N. Harrington Street (7 parcels in total)		
city	Raleigh	zip	27603
tax ID(s) or PIN(s)	1704522047, 1704523046, 1704524035, 1704525033, 1704512991, 1704514878, and 1704512665		
past use(s)	The site is located in an area of Raleigh that has historically been developed with commercial and light industrial uses since the 1940's. Complete redevelopment of the site in the 1960's and 1970's with construction of the buildings now found at the property. On-site activities have included offices, commercial businesses, car washes, a service station and vehicle repair facility. (See Phase I ESAs for details)		
current use(s)	Commercial and light industrial, including a comedy club, offices, a camera store, printer, car washes, an oil change business, and vacant space. (See Phase I ESAs for details)		
cause(s)/source(s) of contamination:			

**known** There is an abutting dry cleaner site (Rollins Dry Cleaning) located at 407 W Peace St. with known releases that have impacted the property - the dry cleaner is in the DCSA program (DSCA ID DC920043).

A leaking tank incident associated with a former service station located on-site was cleaned up and the incident was closed in July 2011. Otherwise, there are no other known incidents, releases or contaminant sources on-site, and there have been no other regulatory actions associated with the leased space and businesses.

**suspected** There are a relatively large number of incidents and releases at off-site locations within a one-mile radius of the development site, including nearby properties that were home to service stations, bulk petroleum storage and other similar operations. There is some likelihood that these off-site contaminant sources have contributed to area-wide groundwater impacts.

Besides the UST release mentioned above, which received an unconditional NFA in 2011, there are no other known on-site releases or incidents associated with any of the businesses that have leased space at the development site. During demolition and preparation for redevelopment of the site, we anticipate some decommissioning operations associated with the operations and businesses that have leased space and operated at the site.

- B. Regulatory Agency Involvement: List the site names and all identifying numbers (ID No.) previously or currently assigned by any federal, state or local environmental regulatory agencies for the property. The ID No's may include CERCLIS numbers, RCRA generator numbers for past and present operations, UST database, Division of Water Quality's incident management database, and/or Inactive Hazardous Sites Branch inventory numbers. *(In many instances, the PD will need to actively seek out this information by reading environmental site assessment reports, reviewing government files, contacting government officials, and through the use of government databases, many of which may be available over the internet.)*

Agency Name/ID No: Leaking Tank Incident Number: 21464 Facility ID 0-029543 - Express Car Wash - associated with a former Texico service station located on-site. A NFA was issued for this incident on July 13, 2011.

Agency Name/ID No:

- C. In what way(s) is the property is abandoned, idled, or underused?

Redevelopment in this area of downtown Raleigh has been progressing steadily from industrial, warehousing, and manufacturing to larger scale mix use with residential, commercial, retail, and office use. The subject property is located centrally in this

redevelopment area and is a key location for uses similar to those mentioned. The property is currently underused with low-density single-story commercial development.

In accordance with Raleigh's recently adopted Unified Development Ordinance, the area in and around the development site has been rezoned as DX-12 - Downtown Mixed Use with up to 12-story development. This is significantly different than the present underused low-density commercial development of the site.

In addition, the redevelopment site is a key component of the larger effort aimed at revitalizing the Capital Blvd corridor in Raleigh, and the realignment of Peace Street. The City's has recognized that the area is underutilized and their plan is to promote redevelopment that includes efforts to catalyze millions of dollars in new development, associated tax revenue, create jobs. In addition, the City is seeking to promote a variety of housing options accessible by transit, and create unique destinations for the city and region. Capital Boulevard is considered the premier location within the city to advance the City's Comprehensive Plan and to transform the corridor into a vibrant mixed-used area.

There is also widespread agreement that the environmental conditions and impacts found in the Capital Boulevard corridor are hindering redevelopment of the area.

**D. In what way(s) is the actual or possible contamination at the property a hindrance to development or redevelopment of the property (attach any supporting documentation such as letters from lending institutions)?**

Given the long history of commercial and industrial operations around the development site, and the large number of known environmental incidents in the surrounding Capital Boulevard corridor area, a Brownfields Agreement will be needed to attract investors and to eventually secure necessary construction financing for the project. The PD also believes that the liability protection provided by the Brownfields Agreement, along with the NCDEQ's concurrence that the property is safe for the proposed use, will be vital in order to secure the tenants necessary to make this project viable.

There is also widespread agreement that the environmental conditions and impacts found in the Capital Boulevard corridor are creating a barrier to redevelopment and revitalization.

**E. In what way(s) is the redevelopment of the property difficult or impossible without a brownfields agreement (attach any supporting documentation such as letters form lending institutions)?**

See D. above

**F. What are the planned use(s) of the redeveloped brownfields property to which the PD will commit? Be as specific as specific as possible.**

The planned use for the site is consistent with the City of Raleigh's recently adopted zoning and land use planning ordinance (UDO), and will consist of 450,000 sq ft of total developed space, including a projected 400,000 sq ft of residential space (400 units) , and 50,000 sq ft of retail space

**G. Current tax value of brownfields property: \$8.7 million**

H. Estimated capital investment in redevelopment project: \$120 million

I. List and describe the public benefits that will result from the property's redevelopment. Be as specific as possible. *(Examples of public benefits for brownfields projects include job creation, tax base increases, revitalization of blighted areas, preserved green space, preserved historic places, improving disadvantaged neighborhood quality-of-life related retail shopping opportunities, affordable housing, environmental cleanup activities or set asides that have community or environmental benefits. In gauging public benefit, NCBP places great value upon letters of support from community groups and local government that describe anticipated improvements in quality of life for neighboring communities that the project will bring about. The inclusion of such support letters with this application is recommended and encouraged.)*

The proposed redevelopment will be a key and critical component of Raleigh's Capital Boulevard corridor improvement plan and the City's plans for Peace Street area revitalization - projects that will help anchor Downtown's northern perimeter, and serve as a Gateway linking Downtown Raleigh and Capital Boulevard.

This project will provide a mixed-use anchor consistent with Raleigh's new UDO, and housing opportunities and retail services that are currently lacking in the area, approximately 50 permanent retail-related jobs, as well as hundreds of construction jobs during redevelopment activities. This project will also provide stimulus for nearby "secondary" development and employment, such as retail, restaurants, etc. during construction and when the property is in use.

The project will also revitalize an underutilized, environmentally impaired area, and will help to increase vitality and safety in the urban core of Raleigh. The development will promote a less car-dependent style of living by way of its location near bus and train terminals, and by location of residences within walking distance of offices, retail and recreational facilities in downtown Raleigh, including the nearby Glenwood South area.

In addition, the development will be closely coordinated with the City's plan for the Harrington Street realignment and other multimillion dollar infrastructure capital improvements in and around the Capital Blvd and Peace Street interchange

According to the City of Raleigh: "Capital Boulevard, from the I-440 beltline to downtown, is one of the most visible and important transportation corridors in Raleigh. Not only is it the primary gateway to the city's core, but it offers compelling opportunities for redevelopment, environmental restoration, open space creation, and mobility enhancement. By connecting downtown with an expanding "midtown" growth center, the successful re-imagining of Capital Boulevard could catalyze millions of dollars in new development and associated tax revenue, create jobs, offer a variety of housing options accessible by transit, and create unique destinations for the city and region. Capital Boulevard is perhaps the premier location within the city to advance the City's Comprehensive Plan and to transform the corridor into a vibrant mixed-used area that reflects the direction of a 21st century city."

Special Note: Please describe all environment-friendly technologies and designs PD plans to utilize in its redevelopment strategy. For example, environment friendly redevelopment plans could include: Leadership in Energy and Environmental Design (LEED) Certification, green building materials; green landscaping techniques such as using drought resistant

plants; energy efficient designs, materials, appliances, machinery, etc.; renewable sources of energy, and/or recycling/reuse of old building materials such as brick or wood.

We are still in the conceptual phase, but the project will incorporate green design elements, although specifics are yet to be determined. In addition, the vibrant mixed used development planned for the site will be inherently sustainable.

- J. Who will own the brownfields property when the Notice of Brownfields Property is filed with the register of deeds at the conclusion of the brownfields process? (If information is the same as 1.A. above, please indicate.)

Name WK Smokey Hollow, LLC

Mailing Address c/o Warner Kuppin  
Kane Realty Corporation

4321 Lassiter at North Hills, Suite 250  
Raleigh, NC 27609

E-Mail Address wkuppin@kanerealtycorp.com

Phone No. 919-719-5471

Fax No. 919.833.2473

### III. OTHER REQUIRED INFORMATION

- A. Brownfields Affidavit: PD must provide its certification, in the form of a signed and notarized original of the unmodified model brownfields affidavit provided by NCBP, that it did not cause or contribute to contamination at the property and that it meets all other statutory eligibility requirements. *(Note: The form to use for this affidavit is attached to this application. An original hard copy of this affidavit must be filled out, signed, notarized and submitted with this application.)*

Is the required affidavit, as described above, included with this application?

Answer Yes

- B. Proposed Brownfields Agreement Form: PD must provide the completed form Proposed Brownfields Agreement. *(Note: The form to use for this document is attached to this application. It must be filled out, initialed, and attached on your submittal.)*

Is the required Proposed Brownfields Agreement, as described above, included with this application?

Answer Attached

- C. Location Map: PD must provide a copy of the relevant portion of the 1:24,000 scale [U.S.G.S. topographic quadrangle map](#) that shows the location of the property, clearly plotted, and that measures at least an 8 ½ by 11 inches. *(Note: these maps can be*

*purchased through the above link, or often through retail outdoor recreation stores that can print out the relevant map. Often environmental reports have location maps that use this type of map format as the base for its location map.)*

Is the required location map included with this application?

Answer            Yes

D. **Survey Plat:** PD must provide a preliminary survey plat of the brownfields property with the property boundaries clearly identified, and a metes and bounds legal description that matches the property description on the plat. At this stage of the brownfields process, one or more existing survey plats from a previous property conveyance will suffice. *(Before the brownfields project enters the public comment phase of the brownfields process, the PD will be required to submit a final brownfields survey plat which includes the information listed in the brownfields [survey plat guidance](#).)*

Is the required preliminary survey plat included with this application?

Answer            See attached site layout sketch. A survey plat is not yet available, but is in process.

E. **Site Photographs:** PD must provide at least one pre-redevelopment photograph of the property, in either hard copy or electronic format, that shows existing facilities and structures. **Please note that the NCBP prefers to have electronic photos instead of or in addition to hard copies. Electronic copies of photographs should be emailed to: [Shirley.Liggins@ncdenr.gov](mailto:Shirley.Liggins@ncdenr.gov) with a clear indication as to which Brownfields Application they apply to.**

Are photographs of the property included with this application?

Answer            Yes (see Phase I ESA)

Have electronic copies of the photographs been emailed to NCBP?

Answer            Yes

F. **Environmental Reports/Data:** If it makes an affirmative eligibility determination, the NCBP will request that PD provide any and all existing environmental reports and data for the property on **CD only**. The brownfields process may be expedited if PD submits such reports/data with this application.

Are any environmental reports/data being submitted with this application?

Answer            Yes - submitted electronically via a Drop Box link

If environmental reports/data are being submitted with this application, please provide the title, date and author of each item being submitted:

**Phase I Environmental Site Assessment, 600-614 N. West Street, Raleigh, North Carolina GeoTechnologies, December 2015.**

**Phase I Environmental Site Assessment, Smokey Hollow Prperty, Raleigh, NC, WithersRavenel, February 4, 2016.**

Provided for informational purposes:

Capital Boulevard Corridor Study, Raleigh Urban Design Center, June 2012

PEACE STREET CORRIDOR • VISIONING STUDY MARCH 2011 | RALEIGH, NC, JDavis Architects, March 2011

#### **IV. ADDITIONAL REQUIRED FORMS**

**The following forms are to be filled out and submitted with the application including the Responsibility and Compliance Affidavit and the Proposed Brownfields Agreement. Submittal of the Affidavit requires signature and notarization, and the Proposed Brownfields Application requires an initial.**

NORTH CAROLINA DEPARTMENT OF ENVIRONMENTAL QUALITY

NORTH CAROLINA BROWNFIELDS PROGRAM

IN THE MATTER OF: Smokey Hollow Development

UNDER THE AUTHORITY OF ) AFFIDAVIT
NORTH CAROLINA GENERAL ) RE: RESPONSIBILITY
STATUTES 130A-310.30, et. seq. ) AND COMPLIANCE

John Kane, being duly sworn, hereby deposes and says:

- 1. I am <<Manager>> of WK Smokey Hollow, LLC.
2. [if signatory is not President, add this paragraph: "I am fully authorized to make the declarations contained herein and to legally bind WK Smokey Hollow, LLC."]
3. WK Smokey Hollow, LLC is applying for a Brownfields Agreement with the North Carolina Department of Environmental Quality, pursuant to N.C.G.S. 130A, Article 9, Part 5 (Brownfields Act), in relation to the following 1704522047, 1704523046, 1704524035, 1704525033, 1704512991, 1704514878 and 1704512665 parcel(s) in Raleigh, Wake , County, North Carolina: 413, 417, 421 and 435 W Peace Street; 600 and 620 N West Street; and 512 N. Harrington Street.
4. I hereby certify, under the pains and penalties of perjury and of the Brownfields Act, that WK Smokey Hollow, LLC, and any parent, subsidiary or other affiliate meets the eligibility requirements of N.C.G.S. 130A-310.31(b)(10), in that it has a bona fide, demonstrable desire to develop or redevelop, and did not cause or contribute to the contamination at, the parcel(s) cited in the preceding paragraph.
5. I hereby certify, under the pains and penalties of perjury and of the Brownfields Act, that WK Smokey Hollow, LLC meets the eligibility requirement of N.C.G.S. 130A-310.32(a)(1) in that it and any parent, subsidiary or other affiliate have substantially complied with:
a. the terms of any brownfields or similar agreement to which it or any parent, subsidiary or other affiliate has been a party;
b. the requirements applicable to any remediation in which it or any parent, subsidiary or other affiliate has previously engaged;
c. federal and state laws, regulations and rules for the protection of the environment.

Affiant further saith not.

Signature/Printed Name John M. Kane, Manager

Date

Sworn to and subscribed before me this 31 day of March, 2014.

Shelly O. Kangas Notary Public



My commission expires: 5.6.17

(SEAL)

# Preliminary Proposed Brownfields Agreement

## I. Property Facts

a. Property Address(es): 413, 417, 421 and 435 W Peace Street; 600 and 620 N West Street; and 512 N. Harrington Street (7 parcels in total)

b. Property Seller: Richard Gardner, Margaret Mann Davis Trust, Chaucer Investments, LLC, and The Crossland Company

c. Property Buyer: WK Smokey Hollow, LLC

d. Brief Property Usage History: The site is located in an area of Raleigh that has historically been developed with commercial and light industrial uses since the 1940's. Complete redevelopment of the site in the 1960's and 19070's with construction of the buildings now found at the property. On-site activities have included offices, and commercial businesses. (See Phase I ESAs for details)

e. The planned reuse will potentially involve the following use classification(s) (check all that apply):

- School/childcare/senior care
- Residential
- Commercial, retail (specify) Retail
- Other commercial (specify) Retail
- Office
- Light industrial
- Heavy industrial
- Recreational
- Open space
- Other (specify) Parking

## II. Contaminant Information

a. The contaminant situation at the property is best described by the following (check all that apply):

- Contaminants are from an on-property source(s)
- Contaminants are from an off-property source(s)
- Contaminants are from an unknown source(s)
- Contaminants have not yet been documented on the property

b. Contaminated Media Table. (If known, check appropriate boxes below)

Contaminant Types	Soil		Groundwater and/or Surface Water		Private Wells		Vapor Intrusion		
	known	Suspected	known	Suspected	known	suspected	known	suspected	
o r g a n i c s	Chlorinate d Solvents (list):	X		X					X
	Petroleum: ASTs <input type="checkbox"/> USTs <input checked="" type="checkbox"/> Other <input checked="" type="checkbox"/>				X				X
	Other (list):								
i n o r g a n i c s	Metals (list):								
	Other (list):								

**III. Protective Measures**

I am prepared to take steps necessary to make the property suitable for its planned uses while fully protecting public health and the environment. I propose that NCBP consider a brownfields agreement that will make the property suitable for the planned use(s) through the following mechanism(s) (check all that apply):

- Contaminant remediation to risk-based levels.
- Engineered Controls (e.g., low permeability caps, vapor mitigation systems, etc)
- Land use restrictions that run with the land that will restrict or prohibit uses that are unacceptable from a risk assessment/management perspective. (*Important Note: In any*

*final brownfields agreement generated by the NCBP, land use restrictions will ultimately come with the continuing obligation to submit an annual certification that the Land Use Restrictions are being complied with and remain recorded at the applicable register of deeds office.)*

#### IV. Fees

In connection with a brownfields agreement, the Act requires that the developer pay fees to offset the cost to the Department of Environmental Quality and the Department of Justice. In satisfaction of the Act, the following fees apply to a brownfields agreement that is developed for this project under the standard program, subject to negotiation of the brownfields agreement:

- a. A \$2,000 initial fee will be due from the applicant PD when **both** of the following occur:
  - 1) NCBP receives this application, the affidavit and proposed brownfields agreement, AND
  - 2) NCBP notifies the applicant in writing that the applicant PD and the project are eligible for participation in the NCBP and continued negotiation of a brownfields agreement.
- b. A second fee of \$6,000 will be due from the PD prior to execution of the brownfields agreement. Should the prospective developer choose to negotiate changes to the agreement that necessitate evaluation by the Department of Justice, additional fees shall apply.
- c. Any addendum/modifications to the BFA or NBP after they are in effect will result in an additional fee of at least \$1,000.
- d. In the unexpected event that the environmental conditions at the property are unusually complex, such that NCBP's costs will clearly exceed the above amounts, NCBP and PD will negotiate additional fees.
- e. Additional fees are charged for the Ready for Reuse and Redevelopment Now programs.

    *JS*     Please check this box and initial in space provided to indicate your acknowledgement of the standard brownfields fee structure.

    *o*     Please check this box and initial in space provided to indicate your interest in the Ready for Reuse or the Redevelopment Now programs, and your acknowledgement of the alternate fee structure as outlined in the Ready for Reuse or the Redevelopment Now Fee Consent Document (under separate cover).

Date of Submittal:     *March 31, 2016*