

Environmental Issues in Real Estate Transactions & Redevelopment

In New Jersey's complex regulatory environment, successful redevelopment and land use projects – and purchase, sale and leasing transactions – call for a thorough and strategic approach to environmental issues. Greenbaum's redevelopment and real estate practice teams are fully supported by the firm's extensive expertise in environmental laws and regulations, which enables the firm to provide comprehensive counsel on all aspects of the development process, from initial site selection and due diligence to final remediation and permitting. The firm is well established as a leading resource in the redevelopment of brownfields and other contaminated sites, providing comprehensive representation in redevelopment projects located on the footprints of former industrial and commercial facilities, factories, landfills, gas stations and other properties. Our experience includes assisting these clients in navigating the complexities of New Jersey's regulatory framework related to stormwater management and development in waterfront and coastal areas, freshwater wetlands and floodplains, and highlands and pinelands areas, including our involvement in the first area-wide Coastal Area Facility Review Act (CAFRA) permit in Long Branch.

We assist clients in evaluating the viability of each redevelopment project by identifying and balancing risks against potential gains from a business perspective. We provide skilled guidance on compliance with New Jersey's Industrial Site Recovery Act (ISRA), a critical law triggered by the transfer or cessation of operations at certain industrial establishments. Pursuant to New Jersey's Site Remediation Reform Act, we work closely with Licensed Site Remediation Professionals (LSRPs) and other consultants to manage all aspects of site cleanups, to ensure full regulatory compliance and adherence to statutory timeframes. We have deep experience in assisting clients in managing their exposure to environmental liabilities through comprehensive due diligence, sophisticated transaction structuring, and the use of statutory liability protections, and provide guidance related to the funding of cleanup and redevelopment activities through various financial assistance programs.

In the transactional context, the firm advises clients on the contractual allocation of environmental risk in leases, purchase and sale agreements. Our team employs creative solutions that enable transaction completion, and has a specialized focus related to the use of environmental insurance policies as a transactional risk management tool.

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Experience

Representative Matters

- Representing a family-owned industrial production and supply chain company and affiliated trusts and estate in connection with a proposed \$32 million sale and leaseback of a 160,000 square foot warehouse, construction of a 90,000 square foot flex facility, zoning and land use approvals, ISRA compliance, tax planning, and corporate reorganizations.
- Representing Federal Business Centers, Inc. in multiple complex acquisitions, dispositions, and financing transactions involving large-scale industrial and commercial properties throughout New Jersey, with aggregate transaction values exceeding \$140 million. The firm's counsel has included a \$49.75 million acquisition of a 12-building commercial complex structured as replacement property in a Section 1031 exchange; sales of contaminated and vacant industrial land involving ongoing remediation, post-closing access, and strict exchange timing requirements; and fixed-rate and construction financing transactions for major industrial facilities negotiated during volatile credit-market conditions. Additional work involved lease terminations, tenant estoppels and SNDAs, environmental risk allocation, demolition planning for redevelopment, resolution of pad-site and cell-tower lease issues, and coordination of lender, environmental, and insurance stakeholders.
- Advising a national media and information company on ISRA compliance and PFAS-related contamination issues at multiple New Jersey facilities, including pursuing claims against former owners and managing environmental issues in property dispositions.
- Representing a multinational climate-control manufacturer in long-running regulatory proceedings with the NJDEP, including negotiating settlements, overseeing ISRA compliance, and pursuing insurance coverage for environmental liabilities.
- Representing the country's largest ready-mix concrete supplier in environmental and ISRA compliance matters related to real estate and stock acquisitions in New Jersey, including oversight of remediation obligations for acquired properties.
- Advising a California-based national logistics and e-commerce real estate developer on environmental, land use, real estate, and insurance matters related to large-scale redevelopment projects in New Jersey, including the conversion of a former fossil-fuel power generation facility into a major distribution and logistics campus involving complex remediation, redevelopment, financing, and regulatory issues.

- Serving as New Jersey environmental counsel to a multinational specialty coatings manufacturer in connection with ISRA compliance, remediation liability allocation, operating permits, and the acquisition and disposition of environmentally complex properties.
- Represented the seller of a former trucking terminal sold for redevelopment into a self-storage facility, allocating liability for underground storage tank removal, securing environmental insurance, coordinating redevelopment approvals, and mitigating legacy environmental risk.
- Represented a national real estate company on environmental aspects of property acquisition and redevelopment, including negotiations with redevelopment agencies, for a major, multi-parcel mixed-use redevelopment project in Jersey City involving complex remediation and land use considerations.
- Represented Terreno Realty Corporation in the \$29.8 million negotiated sale of an industrial property in Newark to a governmental agency in lieu of condemnation, addressing phased takings, tenant and environmental access issues, and valuation protections tied to potential future acquisitions.
- Represented the sellers in structuring a \$98 million option-based sale of a multi-property industrial portfolio, addressing extensive title and environmental issues, allocation of remediation obligations, negotiation of environmental insurance, and recording of post-closing obligations binding future owners and lenders.
- Represented a corporation in the sale of a former chemical manufacturing facility burdened by zoning restrictions and environmental contamination, negotiating seller financing, price adjustments, and post-closing remediation agreements to facilitate a \$10 million transaction after multiple prior failed sales.
- Represented a manufacturing client in the sale of an industrial property involving ISRA-triggered environmental liabilities, negotiating a sophisticated agreement shifting remediation obligations to the buyer, requiring environmental insurance, post-closing access rights, recorded institutional controls, and collateral securing ongoing obligations.
- Served as real estate, land use, and public finance counsel to a private equity firm in its acquisition of the iPort 12 International Trade and Logistics Center in Carteret, a 1.26-million square foot logistics facility on a former brownfield and landfill site. The firm's representation included complex title and access issues, assumption and amendment of public financing secured by PILOT agreements, negotiations with multiple public entities, and coordination of a lender short sale tied to prior environmental remediation financing.
- Represented a manufacturing client in the sale of an industrial property involving ISRA-triggered environmental liabilities, negotiating a sophisticated agreement shifting remediation obligations to the buyer, requiring environmental insurance, post-closing access rights, recorded institutional controls, and collateral securing ongoing obligations.
- Provided real estate and land use support in the firm's successful representation of Des Champs Laboratories, in which the New Jersey Appellate Division struck down an unauthorized New Jersey Department of Environmental Protection (NJDEP) regulation that would have significantly expanded cleanup obligations under the Industrial Site Recovery Act (ISRA).

Insights & More

Client Alerts

NJDEP's New Site Remediation Rule Proposal Contains Controversial New Reporting Requirements

3.10.25

Publications

Condemnation: The Impact of Environmental Contamination on Property Valuation

2006

The Emerging Role of Environmental Insurance in Commercial Real Estate Transactions: Issues and Answers

2000

Seminars & Events

Advanced Topics in Commercial Leasing 2025

11.20.25

Navigating Redevelopment Law in NJ: What You Need to Know

10.28.24

Site Remediation

3.19.24

Site Remediation

3.29.23