

## **Business park on former-brownfield renews environmental insurance**

*By Tony Dobrowolski, Berkshire Eagle Staff Berkshire Eagle*

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PITTSFIELD -- The Pittsfield Economic Development Authority has retained environmental insurance for the William Stanley Business Park of the Berkshires, with approval coming just days before the previous 10-year policy ran out.

Executive Director Cory Thurston said PEDA's Finance Committee approved the new policy at the end of last week. The old policy expired on Tuesday.

"It went down to the wire because we were exploring a lot of options with the insurance company," said Thurston, noting that PEDA also switched insurance carriers.

PEDA is the quasi-public agency charged with developing the 52-acre Stanley Business Park that is located on the site of General Electric's former power transformer facility.

Founded 14 years ago, PEDA was originally required to purchase environmental insurance in the Definitive Economic Development Agreement with GE that gave the agency the ability to develop the business park parcel, which is a former brownfield.

"When PEDA started, there were a lot of unknowns," Thurston said. "It was a way to do something for indemnification if something was discovered [on the site] other than PCBs."

GE was required to clean each park parcel of chemical contamination before turning its ownership over to PEDA. But PEDA didn't obtain control of the entire 52 acres until February, so Thurston said the board still believed it needed environmental insurance for protection if something unforeseen occurs during the current stage of the park's development.

"The board still felt there were some risks, and to have something in place in case something happens," he said.

The recently expired policy provided PEDA with \$100 million of environmental insurance, including \$50 million per occurrence. The new policy is for only five years, and provides \$10 million both in the aggregate and for each occurrence. The deductible has been reduced from \$125,000 to \$25,000.

"I think the board wanted a shorter term," Thurston said. "If things continue to change the liability and risk factors will continue to drop."

The board had discussed the need for renewing the park's environmental insurance policy when it met earlier this month, with debate centered around the need, the term and the cost. PEDA voted to give its Finance Committee the ability to act on the board's behalf.

The cost of PEDA's original environmental insurance policy was split between the state and MassDevelopment, but that provision no longer exists, Thurston said.

The cost of the new policy was paid for through funding that GE has provided to PEDA since the agency's inception. Although the park received \$10 million of environmental insurance over five years, Thurston said PEDA was only required to pay \$137,000 to purchase the premium. PEDA has some \$6 million in available funds, Thurston said.

To reach Tony Dobrowolski:  
tdobrowolski@berkshireeagle.com,  
or (413) 496-6224.  
On Twitter: @tonydobrow