

# BUY LEASE BUILD<sup>®</sup>

## INDIANA EDITION

OFFICE INDUSTRIAL RETAIL INVESTMENT

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*L to R: David Valinetz, Mr. and Mrs. James Shaffer,  
Marsha Gray*

*Inset: Shaffer nest egg property*

*Photo by: Carroll County Comet*

# SESCO Team Turns Two Liabilities into Valuable Assets

## ***Environmental Contamination Doesn't Have to Be the End of a Real Estate Deal***

James Shaffer of Delphi was ready to turn the service station he and his wife had owned for many years into a nest egg for retirement. Ecstatic when they found a buyer, their hope turned to horror when inspectors found environmental contamination on the property.

The Shaffers feared they'd lose their home trying to pay for correcting the damage - or be forced to leave the problem to their children.

David Valinetz, president and CEO of SESCO in Indianapolis, knew better.

"A real estate deal doesn't have to fall apart just because there's contamination," said Valinetz. "We asked the Shaffers to gather their historical records on the property, then our team went to work."

Restorical Research, an insurance archaeology company and sister company of SESCO, discovered historic insurance policies that would cover much of the costs of cleaning up the environmental damage. SESCO Project Manager Matt Alspaugh and his team helped the Shaffers qualify for the Excess Liability Trust Fund, which reimburses owners for a portion of the costs of cleaning up petroleum released from underground storage tanks.

The combination of these two funding sources meant the Shaffers had no out-of-pocket expenses. Seven fuel storage tanks and 3,000 tons of contaminated soil later, the property has been remediated, sold and converted into a used-car lot.

Secure in their home, James Shaffer and his wife are enjoying their retirement.

"They just wouldn't have had the knowledge or the means to do this themselves," Alspaugh said. "We're so happy they called us. They're good people."

About 125 miles south, city officials in Greensburg thought they had a similar problem. The vacant senior citizens center sat on property that had once been a full-service gas station. Underground storage tanks, fuel contamination, environmental damage ... They were afraid to know what lurked beneath the topsoil.

Through the Indiana Finance Authority, a state agency that provides grant and low-interest loans to municipalities, funding was obtained to determine whether the property was contaminated - but not to clean it up.

Mayor Frank Manus and his team turned to SESCO for help. SESCO's experts found soil and groundwater contamination and discovered seven decaying fuel storage tanks underground. Then, Restorical Research reconstructed the city's historic general liability coverage that would fund the necessary cleanup.

*"SESCO saved our small city nearly half a million dollars in remediation costs, and we didn't have to lower our selling price for the property because of environmental concerns,"*

*– Mayor Frank Manus, Greensburg*

Now, the contamination has been remediated at no cost to the city, and the property has been sold to a local businessman. Soon, a meat market will operate at this great location just off the town square.

"SESCO saved our small city nearly half a million dollars in remediation costs, and we didn't have to lower our selling price for the property because of environmental concerns," said Mayor Manus. "What we once considered a liability has now become a very marketable asset."

Too often, individuals, organizations and even municipalities fear a large liability that in reality can become a huge asset. If you have a client who might be in a similar predicament, SESCO wants to share their expertise with you.



**SESCO Group**  
1426 West 29th Street  
Indianapolis, IN 46208  
(888) 872-1307

Contact David Valinetz, President/CEO [dave@sescogroup.com](mailto:dave@sescogroup.com)  
Marsha Gray, VP, Sales & Marketing [marsha@sescogroup.com](mailto:marsha@sescogroup.com)