

GE's cleanup plans to cost millions in lost tax revenue



Fenced and contaminated, this GE property along Redmond Circle remains closed to development.

Two things are buried in the PCB contaminated soil at GE's 236-acre manufacturing site and 24 acres of adjacent commercial property on Redmond Circle: pounds and pounds of toxic substances and more than \$1 million in lost tax revenues.

If all of the contaminated properties could be fully redeveloped the combined tax bill on the properties could put more than \$1 million each year into local tax coffers, according to Floyd County's chief tax

appraiser, Bill McWhorter. Over the lifetime of the clean up, this could mean millions in lost revenue for Rome and Floyd County.

GE's clean up plans for its site and adjacent commercial property call for containment of contamination in perpetuity and would render almost half of the 253 acres in question unavailable for development forever.

Based on the value of nearby commercial property, if the 236-acre GE site was fully rid of contaminants and redeveloped, the property could be worth more than \$77 million and bring in an estimated \$1 million in yearly tax revenues at current tax rates, McWhorter said. In 2002, GE paid \$236,460 in property taxes. Since 1996 when the facility was still in operation, GE's tax liability at the site has decreased 35 percent due to removal of equipment and non-use of the site.

The county and city have already lost \$27,800 in tax revenue on 24 acres of adjacent commercial properties since 2001. The yearly tax bill at the former Lowe's Home Improvement Warehouse site, a 6-acre parcel on the west side of Redmond Circle, dropped to \$600 from \$13,400 after Lowe's appealed the assessment in 2001 because of PCB contamination. Since the reassessment GE has acquired the property and is now paying the reduced tax bill.

GE purchased a 7-acre contaminated lot referred to the Trust Company Property in February 1996 and in May 2002 bought an 8-acre contaminated lot known as the General Wholesale property. The yearly combined tax bill on those properties along Redmond Circle has remained unchanged at \$10,620.

On Dr. Richard Muller's 3-acre parcel adjacent to these properties, the county lost \$1100 in both 2001 and 2002 after reassessment due to PCB contamination.

Factor in the potential tax revenue from the 24 acres as developed commercial property and the county and city may have lost \$133,688 since 2001.

In 1994, Lowe's planned to expand its Redmond Circle store, but when PCBs were found, those plans were abandoned and the store soon closed.

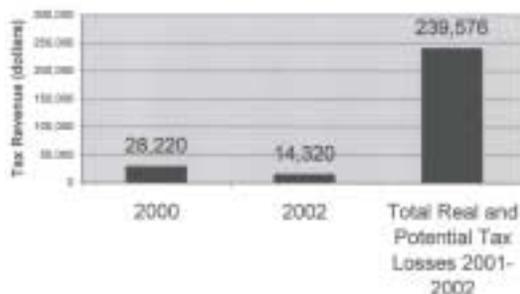
In 2002, the home improvement retailer opened a new facility on Shorter Ave. less than a mile from its Redmond Circle site. Lowe's 2002 tax bill for its 17-acre facility there was \$75,000. In 2002, the 23-acres of contaminated property on Redmond Circle brought in just \$14,320.

Georgia's Environmental Protection Division approved a plan to open some 129 acres of the former GE site for redevelopment for light industrial or commercial activities, but the remaining 107 acres which includes three former landfills and 39 other spots requiring extensive remediation will take decades to reclaim and will likely be unavailable into the next generation.

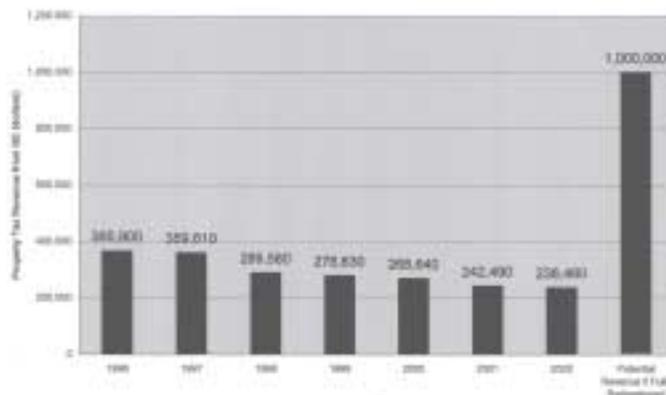
"The plant site itself—we're talking years or maybe never," said Jim Ussery of EPD's hazardous waste management branch. "That's not in anybody's future that's alive that the site could be returned to productive use." County and city officials remain frustrated by GE's plans to "be here forever" containing contaminants rather than removing them and allowing the property to be put to use.

Said county commissioner Chuck Hufstetler: "We do want to make good use of that land. The commission has never supported the idea of a perpetual (hazardous waste) site. We want to see that land reclaimed."

Tax Revenue from 23-acre Contaminated Commercial Property on Redmond Circle. Source: Floyd County



Tax Revenue/Potential Tax Revenue from 236-acre GE site



PCB Q&A

What are PCBs?

Polychlorinated biphenyls are a group of 209 synthetic organic compounds. They are not natural compounds. They are synthetically produced as either an oily liquid or a solid. They are colorless to yellow in color and have no smell or taste.

Where did they come from?

PCBs were first introduced in 1929. Engineers created them in the laboratory by adding chlorine atoms to a molecule with two joined hexagonal benzene rings known as a biphenyl. They were produced first in the United States at the Swan Chemical Company in Anniston, AL which was bought by Monsanto Chemical Co. in 1935.

How were they used?

PCBs were used primarily in the electrical equipment manufacturing industry with General Electric and Westinghouse being the largest users. PCBs were used in consumer products like fluorescent lights and electrical devices built before 1979 and were added to paints, varnishes, inks and pesticides. PCBs were also put to use as lubricants, hydraulic fluids, cutting oils and liquid seals.

In Rome, PCBs were part of an oily mixture called Pyranol which included trichlorobenzenes, tetrachlorobenzene and trace amounts of dibenzofurans. Pyranol was used as an insulating fluid in the medium transformers that General Electric built in Rome. Transformers are used to carry electricity in industrial and commercial applications.

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