

What is a Records Search with Risk Assessment?

A Records Search with Risk Assessment (RSRA), sometimes called a Desktop Review, is one of several products that Envirologic offers to help our clients meet their specific environmental due diligence needs. Alternatives to a RSRA include a [Phase I Environmental Site Assessment \(ESA\)](#) and an [Environmental Transaction Screen](#), both of which offer different advantages.

The level of necessary due diligence for a project financed by a lending agency is often dependent on the requirements of the agency. Most agencies will require a Phase I ESA to fulfill their due diligence requirements. The purpose of a Phase I ESA is to assess the current and historical uses of a site and the surrounding properties and to determine the presence or potential presence of environmental contamination on site. Specific Phase I ESA activities include conducting reviews of available historical information such as city directories, aerial photographs, fire insurance maps, topographic maps, and plat maps; requesting/obtaining records from federal, state, and local governmental agencies (e.g., assessing, building departments, health department, public works, and government officials with knowledge of the property); and completing a reconnaissance of the property and associated structures. These various lines of evidence are utilized to form a conclusion regarding the identification of recognized environmental conditions (RECs), which represent concerns for environmental impacts to the site.

For certain projects, however, a RSRA, which is less comprehensive than a Phase I ESA, may be adequate to fulfill environmental due diligence requirements. A RSRA involves completing only select components of a Phase I ESA. While not compliant with the U.S. EPA's Brownfield guidance regarding All Appropriate Inquiry (AAI), the U.S. Small Business Administration (SBA) may accept a RSRA over a Phase I ESA if the property is not defined as an "Environmentally Sensitive Industry" by the North American Industry Classification System (NAICS). A RSRA includes a basic review of government records associated with the property and nearby properties, along with a review of available historical and physical setting information. The completion of a RSRA will conclude with one of two findings: either the property is of low environmental risk or it is of elevated environmental risk. In accordance with SBA guidance, no further assessment of the property would be recommended for a property of low environmental risk.

A RSRA may be an efficient and cost-effective way to satisfy your environmental due diligence requirements, particularly for SBA loan projects deemed to be of low environmental risk. The completion of a RSRA costs less than a traditional Phase I ESA, and it can be completed in days, rather than the weeks it takes for a Phase I ESA. Envirologic's staff approaches projects with the end in mind, implementing the appropriate scope of environmental assessment (whether that

be a RSRA, Phase I ESA, or another method of assessment) to meet the client's needs, ensure an efficient due diligence process, and support the overall project timeline.

If you have questions regarding Envirologic's [due diligence services](#) or whether a RSRA could be utilized for your site assessment project, please contact our Manager of Due Diligence Services, Erik Peterson, by phone at (800) 272-7802 or by [email](#).

