

Comprehensive proposal to reauthorize the U.S. EPA Brownfields Program

Produce jobs, grow responsibly, and revitalize the economies of existing communities

Demonstrated success but challenges remain

Brownfields investments are working. These investments are replacing lost jobs and tax revenue with vibrant new uses on sites where closed industrial plants have left a legacy of blight and contamination. Brownfields investments are the perfect example of the principle that environmental improvements can also be good for the economy, generate jobs, and spur community revitalization. In a report that compiled results from ten studies, the Northeast-Midwest Institute (NEMW) concluded that, on average, \$1 of public investments in brownfields leverages \$8 in total investment.¹

Efficient jobs producer

Brownfields investments produce jobs in three rounds: first, in cleaning up the land; second, in vertical construction; and third, by producing permanent reuse jobs. The NEMW report analyzed jobs leveraged and concluded that it takes only \$10,000 to \$13,000 in public investment in brownfields site improvements to produce one permanent job; the federal standard for several job creation programs is \$35,000 per job. The latest U.S. Conference of Mayor's (USCM) brownfields survey indicates that 230,223 new jobs could be created just on the brownfields sites in 106 respondent cities. Fifty-four cities said that 161,880 jobs have already been created through the redevelopment of 2,118 sites, with 64,730 jobs in the pre-development/remediation stage and 97,150 permanent jobs.² Meanwhile, the U.S. Environmental Protection Agency's (EPA) Brownfields program reports that their investments in site assessments and cleanups have produced 66,500 jobs since the program's inception.³

Environmental benefits

Brownfields investments produce direct benefits by cleaning up contaminated land and thereby improving public health. EPA data also indicate that there are indirect benefits of brownfields redevelopment.⁴ These benefits include:

- *Saving land from destructive sprawl development.* One acre of redeveloped brownfields equates to 4.5 acres of "saved" greenfields (or more than 45,000 acres in the cities surveyed).
- *Contribution to air quality objectives.* EPA studies have concluded that brownfields redevelopment saves 32 to 57 percent Vehicle Miles Traveled (VMT's) relative to comparable greenfields sites.

1 Northeast-Midwest Institute. "The Environmental and Economic Impacts of Brownfields Redevelopment," July 2008. Available at <http://www.nemw.org/images/stories/documents/EnvironEconImpactsBFRedev.pdf>

2 See: <http://www.usmayors.org/pressreleases/uploads/November2010BFreport.pdf>

3 See: http://epa.gov/brownfields/overview/brownfields_benefits_postcard.pdf

4 *Ibid.*

- *Contribution to water quality objectives.* EPA data also indicate that brownfield redevelopment produces an estimated 47 to 62 percent reduction in stormwater runoff relative to greenfields development.

Unmet needs: vast reservoir of brownfields sites

Cities and towns are still struggling to overcome contamination-related impediments on an estimated 450,000 to one million sites.⁵

NEMW's impact report concluded that the pace of cleanups is addressing, at best, 1.4 percent of the sites annually. The previously cited USCM survey also reflects on the vast potential for brownfields sites to restore fiscal health to cities – 75 respondent cities indicated that redeveloping their brownfields sites would add up to \$1.66 billion to local government coffers. Local governments consistently rank “lack of cleanup funds” as the number one impediment to brownfields redevelopment.

Do brownfields investments make sense in a recession?

A recession is actually good timing for brownfields investments. Public expenditures in site assessments and cleanups are far-sighted investments in future responsible growth – more brownfields sites will be “development-ready,” and future growth can be steered to land where infrastructure is in place, existing communities can be revitalized, and the negative externalities associated with sprawl can be avoided.

Reauthorize the U.S. EPA Brownfields Program

The original authorization of the EPA Brownfields Program expired at the end of 2006. The need to reauthorize the program is an opportunity for Congress to include provisions which would strengthen the program by providing additional tools and resources for communities working to redevelop their brownfields, including:

Funding that meets America's brownfields needs

1. Increase total funding got Brownfield Grant Program

Congress should increase overall EPA funding for brownfields grants. While funding levels of at least \$600 million annually are needed and easily justified, the Coalition can support modest funding increases based on inflation adjustment of the 2002 authorization level (\$250 million), which translates to \$330 million in FY 2012. Then levels should rise 3 percent annually to \$361 million in FY 2016.

2. Increase Cleanup Grant amounts

Congress should recognize the complexity of the cleanup process at larger or more complicated sites by increasing the funding ceiling for cleanup grants to \$1 million. Under special circumstances, EPA could waive the limit and go up to \$2 million per site.

Making brownfields grants more productive at the local level

1. Establish multi-purpose brownfield grants

Congress should allow eligible entities to have the option to apply for multi-purpose grants that can be used for the full range of brownfield-funded activities (assessment, cleanup,

5 U.S. General Accounting Office, “Brownfield Redevelopment, Stakeholders Report...,” December, 2004

reuse planning, etc.) on an area-wide or community-wide basis. Such multi-purpose grants should be available in grant amounts of up to \$1.5 million. Applicants would be required to demonstrate a plan and the capacity for using this multi-purpose funding within a set timeline.

2. **Establish pilots for sustainable reuse and alternative energy on brownfields**

Congress should authorize \$30 million for pilots that demonstrate sustainable reuse, green buildings, and alternative energy. Pilots should allow use of funds for site assessments, cleanup, site and area-wide planning, feasibility analysis, and engineering studies related to environmentally beneficial site improvements, such as, high performance/green buildings, green infrastructure, ecosystem restoration, and/or renewable energy production.

3. **Facilitate petroleum/UST brownfield cleanups**

Grantees that seek to use assessment, cleanup or multi-purpose grants on sites with petroleum contamination or underground storage tanks (USTs) should not be required to make the difficult demonstrations that the site is “low risk” and that there is “no viable responsible party” connected with the site. Replace the “No Viable Responsible Party” language with a PRP prohibition that on using funds to pay for cleanup costs at a brownfields site for which the recipient of the grant is potentially liable under the petroleum statutes (parallels the language for non-petroleum brownfields sites).

4. **Clarify eligibility of publicly owned sites acquired before 2002**

Congress should allow local government applicants to obtain funding at publicly owned sites acquired prior to the January 11, 2002 enactment of the Brownfields Revitalization Act, provided that the applicant did not cause or contribute to the contamination. For these sites, applicants would not have to demonstrate that they performed all appropriate inquiry.

5. **Clarify that non-profits are eligible for assessment and RLF grants**

Congress should clarify that non-profits and related community development entities are eligible to receive brownfields assessment, cleanup, revolving loan fund, and job training grants. Currently non-profits are only eligible for cleanup and job training grants.

6. **Allow funding for reasonable administrative costs for local brownfields programs**

Brownfield grant recipients should be allowed to use a small portion of their grant to cover reasonable administrative costs such as rent, utilities and other costs necessary to carry out a brownfields project.

Improving tools for local governments to address mothballed brownfield sites and long-term vacant properties

1. **Expand CERCLA exemption for brownfield acquisitions by innocent local and state governments**

Congress should exempt local and state government from CERCLA liability if the government unit (a) owns a brownfields site as defined by section 101(39); (b) did not cause or contribute to contamination on the property; and (c) exercises due care with regard to any known contamination at the site.

Offering assistance and reducing barriers to brownfields redevelopment in disadvantaged communities, small communities, and rural communities

1. Capacity-building for disadvantaged communities, small communities, and rural communities

Congress should authorize EPA to use existing authorities, including technical assistance, training, loaned federal employees (under the Intergovernmental Personnel Act), and the retired volunteers (under the Senior Environmental Employment Program) to provide capacity-building for small, disadvantaged, and rural communities that need support to cleanup and revitalize brownfields.

2. Allow funding for reasonable administrative costs for local brownfields programs

Brownfield grant recipients should be allowed to use a small portion of their grant to cover reasonable administrative costs such as rent, utilities and other costs necessary to carry out a brownfields project. This would lower the administrative burden for financially strapped disadvantaged and rural communities.

Additional Long-Term Objectives

Improve liability protections for innocent parties

- Extend Bona Fide Prospective Purchaser Protections to other enforcement authorities, including RCRA and TSCA.
- Improve liability protections for Good Samaritans who may be assisting cleanup but are not purchasing or leasing the property.
- Clarify that developers who are leasing brownfields are eligible for Bona Fide Prospective Purchaser Protections.

Conclusion

These recommendations will maximize the role brownfields redevelopment can play in promoting job creation, smart growth, sustainable development, and community revitalization. We urge you to adopt these recommendations.

Sincerely,

National, Regional, and State Organizations

U.S. Conference of Mayors
National League of Cities
Smart Growth America
Trust for Public Land
NAIOP, the Commercial Real Estate Development Association
NADO (National Association of Development Organizations)
National Brownfields Association

Local Organizations

New York City
City of Milwaukee
City of Rochester
St. Paul Port Authority
Land of the Sky Regional Council of Governments
City of La Crosse WI
City of West Allis WI
Fond du Lac County WI

LOCUS: Responsible Real Estate Developers
and Investors
NALGEP (National Association of Local
Government Environmental Professionals)
Environmental Bankers Association
Local Initiatives Support Corporation
Groundwork USA
Center for Creative Land re-Cycling
Brownfields Coalition of the Northeast
Florida Brownfields Association
Minnesota Brownfields
Colorado Brownfields Foundation
1,000 Friends of Wisconsin

Private Partners

Terracon
Cardno-TBE
O'Neill Properties
Brownfields Redevelopment Solutions
Sustainable Strategies 2050
Godfrey & Kahn, Milwaukee
The Environmental Management Company
Vandewalle & Associates
Ayres Associates