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Brownfields Economic Redevelopment Initiative

Outreach and Special Projects Staff (5101)

Quick Reference Fact Sheet

EPA's Brownfields Economic Redevelopment Initiative is designed to empower States, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA's Brownfields Initiative strategies include funding pilot programs and other research efforts, clarifying liability issues, entering into partnerships, conducting outreach activities, developing job training programs, and addressing environmental justice concerns.

Many areas across the country that were once used for industrial and commercial purposes have been abandoned—some are contaminated. Because lenders, investors, and developers fear that involvement with these sites may make them liable for cleaning up contamination they did not create, they are more attracted to developing sites in pristine areas, called “greenfields.” The result can be blighted areas rife with abandoned industrial facilities that create safety and health risks for residents, drive up unemployment, and foster a sense of hopelessness. These areas are called “brownfields.”

OBJECTIVE

EPA's Brownfields Economic Redevelopment Initiative is designed to empower States, cities, Tribes, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields.

ACTIVITIES

EPA's Brownfields Initiative identifies and addresses barriers to cleanup and redevelopment. It recommends swift, aggressive measures for change within the context of the existing Superfund law. Four broad and overlapping activities, discussed below, serve as the cornerstones of EPA's Brownfields Initiative.

Brownfields Assessment Demonstration Pilots—To date, EPA has awarded 115 Brownfields Assessment Demonstration Pilots that are funded through cooperative agreements of up to \$200,000 each for a two-year period. Of the 115 Pilots, 64 of these are National Pilots selected and funded through EPA Headquarters. The remaining 51 are Regional Pilots selected and funded through the ten EPA Regions. The pilots are exploring innovative approaches to solving brownfields problems and providing a growing knowledge base to help direct the Brownfields Initiative. In February 1996, EPA hosted the Brownfields Pilots National Workshop to explore the successes, issues, and next steps for the Brownfields Initiative.

Clarification of Liability Issues—EPA has issued numerous guidance to address the liability concerns of lending institutions, municipalities, property owners, developers, prospective purchasers, and others. For example, EPA's policy explaining the Asset Conservation, Lender Liability, and Deposit Insurance Protection Act of 1996 clearly outlines the circumstances under which lenders and government entities are protected against enforcement actions by the U.S. government and third party contribution claims for

CERCLA liability. Most recently, EPA has issued draft guidance designed to assist EPA regional offices in negotiating agreements with State environmental agencies to specify State and EPA roles and responsibilities for the cleanup of sites generally not addressed under the Federal Superfund Program, but that might be addressed under State Voluntary Cleanup Programs. In addition, EPA has archived approximately 30,000 sites from the Superfund site inventory (CERCLIS) indicating that there is no further Federal Superfund interest, thereby removing the stigma of potential contamination and liability associated with these sites.

Partnerships and Outreach—EPA is building partnerships with Federal agencies, States, cities, and other organizations to assure a coordinated approach to addressing brownfields. In July 1996, the Interagency Working Group on Brownfields was established as a forum for Federal agencies to exchange information on brownfields-related activities and to establish a national coordinated strategy for addressing brownfields. More than twenty Federal departments and agencies are participating in the Brownfields National Partnership Action Agenda.

Workforce Development—EPA is working with community colleges and others to foster workforce development in brownfields communities through environmental education, recruitment of students from disadvantaged communities, and quality worker training.

OTHER MILESTONES

Brownfields Tax Incentive—On August 5, 1997, President Clinton signed the Taxpayer Relief Act (PL 105-34/HR 2044), which included a new tax incentive to spur the cleanup and redevelopment of brownfields in distressed urban and rural areas. Under the tax incentive, environmental cleanup costs for properties in targeted areas are fully deductible in the year in which they are incurred, rather than having to be capitalized. The tax incentive will help bring thousands of abandoned and under-used industrial sites back into productive use, providing the foundation for neighborhood revitalization, job creation, and the restoration of hope in our nation's cities and distressed rural areas.

National Partnership Action Agenda—The Clinton Administration has launched a landmark effort to improve communities by building partnerships between public and private organizations to link environmental protection with economic development and community revitalization. The Brownfields National Partnership Action Agenda includes more than 100 commitments from more than 25 organizations, including more than 15 Federal agencies. These commitments represent a \$300 million investment in brownfields communities by the Federal government and an additional \$165 million in loan guarantees.

Brownfields Cleanup Revolving Loan Fund Pilots—EPA's Brownfields Cleanup Revolving Loan Fund (BCRLF) Demonstration Pilot program is designed to enable eligible States, cities, towns, counties, U.S. Territories, and Tribes to capitalize revolving loan funds to safely clean up and sustainably reuse brownfields. Pilots will be funded from \$50,000 up to \$350,000 by EPA Headquarters. The BCRLF Pilots will lend money to parties that have not contributed to contamination at the site(s) subject to the loan and will be used for cleanup and redevelopment activities. Only the 29 entities that were awarded National or Regional Brownfields Assessment Demonstration Pilots by September 30, 1995 will be eligible to apply for fiscal year 1997 BCRLF Pilots.

Brownfields Showcase Communities—A partnership of Federal agencies with interests in brownfields redevelopment has been formed that will offer technical, financial, and other assistance to selected communities. These communities will be called Brownfields Showcase Communities and will serve as models demonstrating the benefits of collaborative activity on brownfields. The Federal partners plan to designate ten Brownfields Showcase Communities, distributed across the country, varying by size, resources, and community character.

Presidential Initiative—In August 1996, the President called for renewed support for State and local efforts to revitalize brownfields, including the expansion of grants to communities for site assessments and redevelopment planning, and support for revolving loans to finance brownfields cleanup efforts at the local level. The President also proposed additional support for State Voluntary Cleanup Programs

and workforce development and training. The proposal would require Federal legislation. An additional \$200 million in EPA funds for brownfields over four years would be provided, as follows:

- \$150 million for EPA for cooperative agreements for site assessment and capitalization of revolving loan funds for cleanup. It would expand the brownfields program to approximately 300 cities;
- \$30 million for funding State voluntary cleanup infrastructure; and
- \$20 million for brownfields-related job training (\$8 million of this is non-Superfund general appropriations).

This tax incentive proposal for brownfields also calls for an expansion of HUD's Economic Development Initiative (EDI) grants and use of HUD Section 108 loan guarantees to leverage brownfields redevelopment funds.

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For additional information on EPA's Brownfields Economic Redevelopment Initiative, contact the RCRA/Superfund Hotline at (800) 424-9346 or visit our web site at:

<http://www.epa.gov/brownfields>

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