



EPA Land Revitalization: Restoring Land for Communities



LAND REVITALIZATION

restoring land for America's communities

Overview

- Opportunities for Land Revitalization
- EPA Vision and Assistance
- Challenges and Successes
- Lessons Learned

Land Revitalization Opportunities

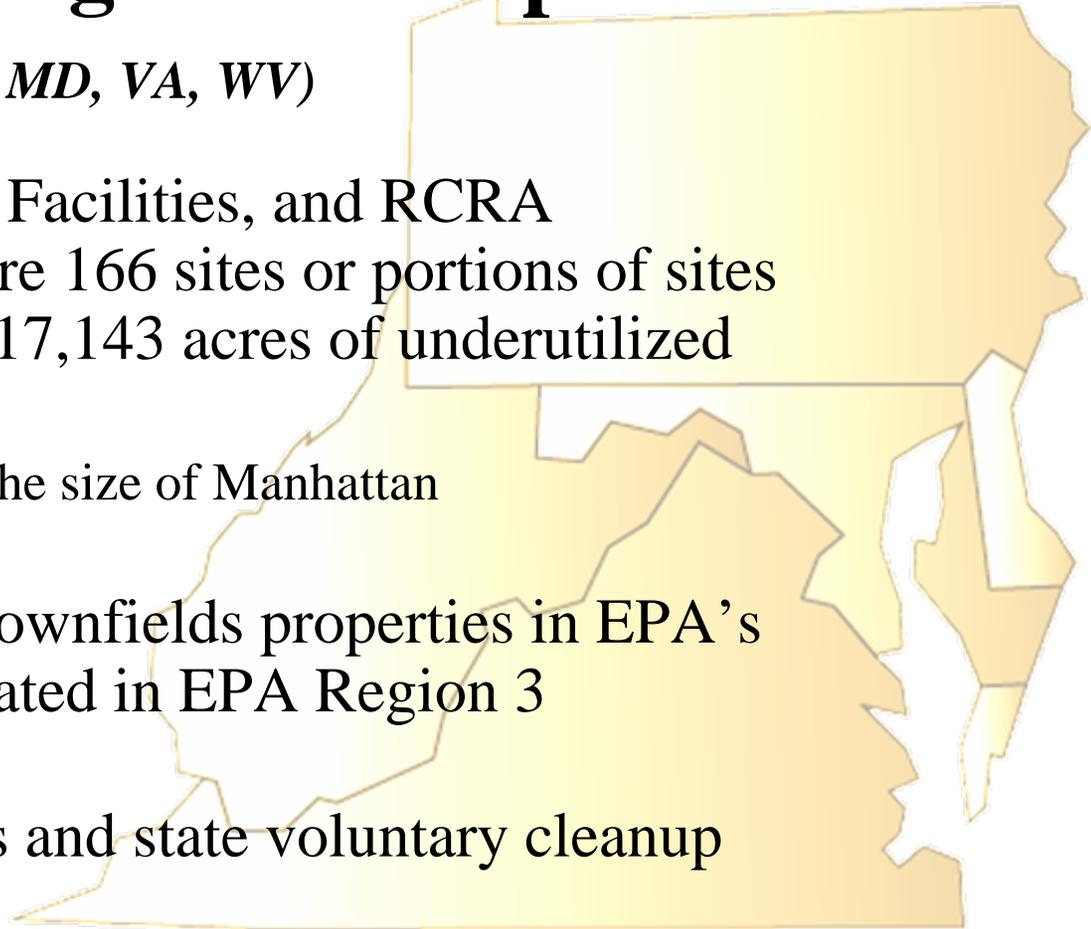
- Between 1954 and 1997, urban land area has nearly quadrupled to about 74.0 million acres in the contiguous 48 states
- From 1992–1997, the national rate of development has more than doubled and nearly 16 million acres were developed
- U.S. Census data for major metropolitan areas shows that urbanized land area has grown on average 2.65 times as fast as the population
- Over 100 billion square feet of new residential space will be needed by 2030
- Nearly 50% of what will represent existing construction in 2030 does not yet exist

Opportunity to reshape future development

Opportunities: Regional Perspective

(EPA Region 3 – DE, DC, PA, MD, VA, WV)

- For Superfund, Federal Facilities, and RCRA programs alone, there are 166 sites or portions of sites which are vacant, with 17,143 acres of underutilized properties
 - An area approximately the size of Manhattan
- 612 out of the 6,424 Brownfields properties in EPA's Grant Programs are located in EPA Region 3
- Thousands of UST sites and state voluntary cleanup program sites



Opportunities: Local Perspective

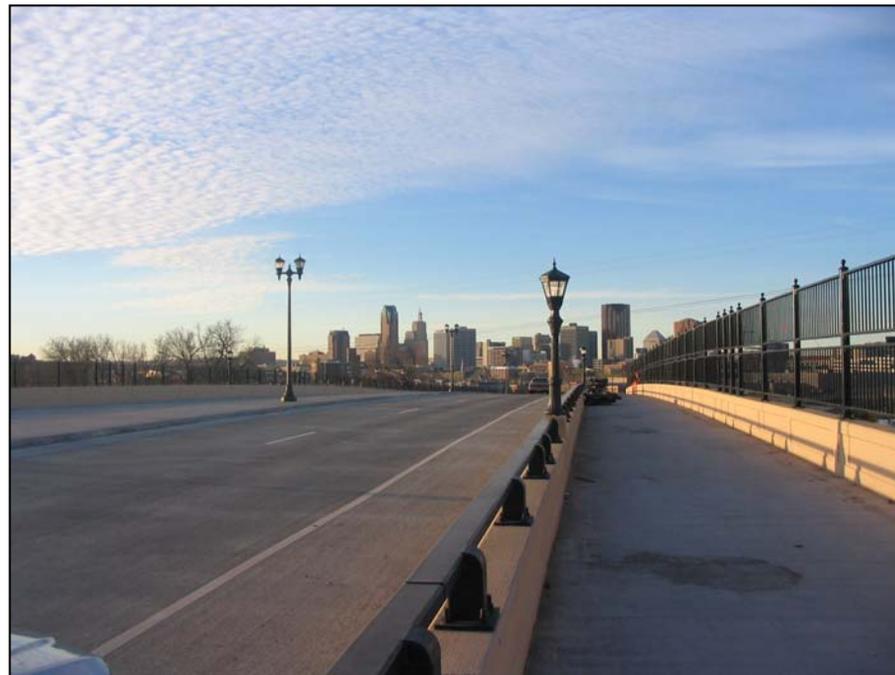
Philadelphia, PA

EPA Brownfields Assessment Grant

- Inventoried and assessed more than 170 properties in the city
 - Approximately 80% of the sites are less than 2 acres.
- Leveraged more than \$4.5 million in cleanup funding and more than \$2.2 million in redevelopment funding
- Leveraged more than 50 partnerships with other organizations

What is EPA's Vision?

- To restore the nation's contaminated land resources and enable America's communities to safely return these properties to beneficial economic, ecological, and societal uses.
- Cleanup must protect public health, welfare, and the environment.



High Priority for EPA...

- “accelerating the pace of environmental protection while maintaining our nations’ economic competitiveness...”
- “Restoring contaminated properties, including brownfields, to environmental and economic vitality”
 - Administrator’s Action Plan
 - <http://www.epa.gov/adminweb/administrator/actionplan.htm>
 - OSWER’s Action Plan
 - <http://www.epa.gov/oswer/actionplan/index.htm>
- Results-driven
 - New cross-program revitalization performance measures

EPA Cleanup Programs

- **Brownfields Program** – provides funding to assess, safely clean up, and sustainably reuse brownfields (i.e., contaminated or potentially contaminated properties), including petroleum sites.
- **Underground Storage Tank (UST) Program** – enforces regulations that require owners and operators of new tanks and tanks already in the ground to prevent, detect, and clean up releases.
- **Superfund Program** – cleans up abandoned, accidentally spilled, or illegally dumped hazardous waste that poses a current or future threat to human health or the environment.
- **Resource Conservation and Recovery Act (RCRA) Corrective Action Program** – holds owners or operators of treatment, storage or disposal (TSD) facilities responsible for cleaning up releases at or from their facilities, regardless of when the releases occurred.
- **Federal Facilities Cleanup Enforcement** – requires federal facilities to clean up environmental contamination at their facilities.

Financial and Other Assistance Available for Revitalization

- **EPA Brownfields Grants**
 - *Assessment Grants*: provide funding for assessing properties with hazardous substances and petroleum contamination
 - *Cleanup Grants*: provide funding to cleanup properties with hazardous substances and petroleum contamination
 - *Revolving Loan Fund (RLF)*: provide funding for organizations to loan at low interest rates to clean up contaminated properties
- **Targeted Brownfields Assessments (TBAs)** – assessments conducted by an EPA contractor to determine contamination and to determine cleanup options and cost estimates
- **LUST Trust Fund** – provides money for cleanup of leaking underground storage tanks at sites where the owner/operator is unknown, unwilling, or unable to respond, or which require emergency action.
- **Federal Brownfields Tax Incentive** – encourages brownfields cleanup and redevelopment by allowing taxpayers to reduce their taxable income by the cost of their eligible cleanup expenses.
- **Performance Track Land and Community Revitalization Indicator** – Encourages companies seeking EPA regulatory compliance assistance to provide financial resources for land revitalization projects.

Cleanup Program Example:

Richmond, VA – Handcraft Cleaners

- One acre former Handcraft dry cleaning facility
- RCRA Facility Assessment, contaminated soil removed, and VA DEQ issued a "comfort letter" assuring that the site was ready for redevelopment
- 1000th Pier 1 Imports store opened in Fall 2002



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Common Challenges to Land Revitalization

- Environmental risk vs. economic risk
 - High Cleanup Costs
 - Environmental Stigma
 - Liability Concerns
 - Protracted Project Timeframes
 - Long-term safety
- **REDUCE UNCERTAINTY**
 - Federal and State
 - Cleanups and assessments

Challenges to Small Site Revitalization

- Acute to small sites
 - Seller/purchaser liability concerns
 - Difficult property owners
 - Difficulty obtaining environmental insurance
 - Low property values/environmental stigma
 - Neighborhood or area-wide stigma

Liability – Seller/Purchaser

- **Seller** concerns associated with past uses of a site and potential contamination existing on a site
- **Purchaser** concerns with cleanup and future uses
- Approaches
 - Bona Fide Prospective Purchaser Agreements
 - All Appropriate Inquiry
 - Environmental Insurance

Emeryville, CA

- Mixed-use development project in an historically heavy industrial area
- \$10 million in pollution liability insurance
- Policy protected from additional cleanup costs
- Developers became the insured for 10 additional years of liability protection
- **Solution: Role of the redevelopment authority and insurance tool**



Difficult Owners

- Unwillingness to sell properties due to liability and other concerns
- Unwillingness to contribute to cleanup costs, etc.
- Bankrupt or unavailable property owners
- Approaches
 - Eminent domain, foreclosure, covenants not to sue, cleanup escrows, purchase agreements

Wilmington, DE – Hi-Tech Gas Station

- EPA Brownfields Assessment grant used to assess contamination
- State began enforcement activities and property owner became interested in selling
- Owner sold at lower cost based on cleanup estimates
- City purchased the site and placed a portion of the purchase price in escrow for cleanup



Difficulty Obtaining Insurance

- Smaller coverage amounts may not be available
 - Cleanup less than \$1 million not readily available in the market
- Cost of single-site policies is high
- Approaches
 - Municipal governments, redevelopment authorities pool sites and enter into blanket insurance program
 - Public funds used as insurance mechanism

Somerville, MA – Former Mattress Factory

- EPA Brownfields Assessment grant was used to assess contamination
- A portion of a U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant funds was used to finance \$100,000 in cleanup cost cap insurance.
- Converted into a full-service assisted living facility



Low Property Values and Environmental Stigma

- Neighborhood or community experiencing trend of disinvestment
- Properties are viewed as potential liabilities due to past use
- Lenders are reticent to finance projects with low value and potential environmental complications
- Approaches
 - Leveraging community development finance resources (e.g., New Markets Tax Credits, CDBG, etc.) to improve economics of site revitalization

Bloomington, IN

- 4-acre abandoned recycling center transformed into T.R. Thickstun Glass Company
- Federal Brownfields Tax Incentive enabled \$80,000 in cleanup costs to be expensed
- Tax incentive has been used on two additional projects in Bloomington



Neighborhood or Area-wide Stigma

- Collective impact of multiple contaminated properties places downward pressure on property values
- Approaches:
 - Improvement of vacant lots to improve surrounding values
 - Multi-property cleanup and redevelopment projects that raise area-wide property values

Philadelphia Green Program

- Vacant lots converted into green corridor under Philadelphia Green program
- Funds and support provided by Philadelphia Flower Show, foundations, corporations, government, and individuals
- Investment expected to increase nearby property values by nearly 30%



The Route 66 Initiative Continued

- The County and Municipal Tank Closure Program
 - Established in August 2004
 - UST closure at no cost to the property owner or community
 - Expedite LUST case closures
 - Establish working relationships with owners, consultants, and the community
- Target communities – Winslow, Holbrook, and Joseph City



Current Land Revitalization Staff Activities

- Reuse and Funding Options
 - Energy development
 - Reforestation for CO2 offsets
 - Migratory habitat protection
- Performance Track Community Land Revitalization Indicator
- One Cleanup Program
 - Urban Rivers Restoration Initiative
 - Long Term Stewardship
- Ready for Reuse Performance Measures

What have we learned...

- Reducing uncertainty fosters cleanup and reuse
- Create public-private and cross-governmental partnerships to foster reuse
- Instill a culture of reuse in our government workforce
- Despite obstacles, complex and costly cleanups are worth the investment in distressed areas
- Private funding

Contact Information

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