

Life After the Grant, Phase II

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The Northeast-Midwest Institute is a Washington-based, private, nonprofit, nonpartisan research organization dedicated to economic vitality, environmental quality, and regional equity for Northeast and Midwest states. It fulfills its mission by conducting research and analysis, developing and advancing innovative policy, evaluating key federal programs, disseminating information, and highlighting sound economic and environmental technologies and practices.

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Life After the Grant, Phase II

Through its Brownfields Assessment Pilot and Brownfields Cleanup Revolving Loan Fund grants, the U.S. Environmental Protection Agency (EPA) has helped seed dozens of community-based brownfield programs. These grants have spurred towns, cities, counties, and regional entities to identify and assess abandoned and underused properties, laying the groundwork for redeveloping brownfields and revitalizing blighted communities. In the process, many local brownfield programs grow, building technical and administrative capacity while leveraging other public and private resources.

This report examines the impact of brownfield grants administered by EPA Region 2 in New Jersey and New York, and describes the successes and challenges of the local brownfield programs these grants support. Its findings and conclusions are based on responses to a detailed questionnaire distributed by the Northeast-Midwest Institute to contacts in 53 communities – 47 with Brownfields Assessment Pilot grants and 6 with Brownfields Cleanup Revolving Loan Fund grants. Contacts in 17 communities responded. The report also relies on more comprehensive case studies of brownfield redevelopment in Trenton, New Jersey, and Buffalo, New York, included in an appendix.

These findings follow on *Life After the Grant*, a 1998 report on the results of brownfield pilot projects in New Jersey and New York. The first report identified seven major components for sustaining brownfield programs: community vision; community involvement; public-private partnerships; institutionalization of brownfield strategies; reuse incentives; technical expertise; and federal and state program participation.

Defining Success

The Institute questionnaire asked respondents to comment on a definition of success in brownfield redevelopment that is based on the findings of *Life After the Grant*.

SUCCESS = The establishment of an ongoing program that results in site cleanup, redevelopment, and reuse in a way that maximizes the economic and social benefits to the community by:

- eliciting ongoing community involvement in shaping a vision for redevelopment and participating in its implementation;
- establishing a climate that invites private-sector resources;
- providing financial incentives and technical assistance for redeveloping brownfield properties;
- linking local efforts to federal and state programs, especially state voluntary cleanup programs; and
- making reuse-focused site preparation and cleanup a routine way of doing economic and community development.

Most respondents agree that this definition encompasses the primary elements of a successful brownfield program, but some respondents would add an educational component. They note that informing local decisionmakers – such as elected officials, lenders, and realtors – can pay huge dividends over the long term, especially in clarifying the distinctions between slightly contaminated brownfields and major sources of contamination. One respondent also would include providing assistance for site acquisition in the program elements.

Some respondents do not agree that linkage with state voluntary cleanup programs is necessary to program success. In fact, they say it can be difficult to link local efforts to a state voluntary cleanup program because many of the potential volunteers still fear liability and believe low property values do not warrant the expense of site investigation and possible cleanup.

Measuring Results

Brownfield programs use both quantitative and qualitative measures to gauge results. For those that have completed site identification, investigation, preparation for reuse, and even redevelopment, an obvious measure is a simple total of sites reaching each phase of the process. One of these programs also compares the conditions at sites where investigation and cleanup have been initiated with the conditions at sites where no work has been done. Several programs also use economic indicators: the number of jobs created and sites returned to active tax rolls through brownfield redevelopment efforts. One program also measures the amount of direct funding, through grants and revolving loan funds, that the program has obtained and/or used.

These well-developed programs use qualitative measures as well, based on general improvements in quality of life and customer satisfaction. As one respondent explains, “We have chosen our projects to advance the individual visions of the participating cities as well as to support and advance areawide visions/planning. Our goal is to have maximum impact on the revitalization of neighborhoods. This does not necessarily lend itself to a quantitative assessment. For example, one small site in an inner-city neighborhood can have tremendous impact on that neighborhood. The site itself, to an outsider, would seem fairly inconsequential, but to residents and business around it, it can have a tremendous impact.”

For the most advanced programs, qualitative measures may include how well the program contributes to other local projects, such as economic development or housing efforts. Such programs also may assess their ability to provide information and assistance to other regional, state, and national brownfield programs, and participate in state and national brownfield policy development.

Programs that are still in the early stages of implementation are more likely to use quantitative measures that are based on progress made in the process itself. For example, a program might count the number of completed Phase I or Phase II site investigations or other steps in moving the cleanup and redevelopment process along. Qualitative measures in these communities may consider capacity-building. One respondent reports: “The most important results have been in the education and technical expertise gained by the county staff that they can pass on. They are continually learning about legal and assessment issues, which helps in translating the information for communities and various specific populations.” Programs also

may try to gauge the increased interest generated among developers in taking on brownfield projects.

Program Achievements and Disappointments

Because brownfield programs are at various stages of development, their results cover a broad spectrum. Some respondents are still in a long process of getting their programs underway, while others have completed brownfield inventories and completed cleanup at several sites.

Both mature and developing programs have achieved significant results. Responses describing relatively advanced programs note the completion of site inventories, the identification of priority sites, and the characterization and assessment of at least one brownfield property. Several report progress in the programs themselves, whether in completing a request for proposals process or hiring environmental staff and consultants. Some programs also have fostered interagency cooperation to “fast-track” site investigations, or forged regional collaboration through brownfield teams that concentrate attention and resources on specific sites.

Brownfield program activities also have successfully built community support. For example, one respondent notes that after a program redeveloped a brownfield into a tot lot, “The community and municipalities saw that we were actually making visible change and supported our mission.” Another program generated community support even before any site work commenced by hosting a major conference on brownfield redevelopment.

The greatest disappointment for most programs stems from frustrated efforts to enlist participation. Several respondents are discouraged by resistance from the private sector – either developers who fear liability and stigma, or landowners who do not see the value in assessment and redevelopment efforts. Some programs have difficulty winning the cooperation of local governments, including towns that are reluctant to commit municipally-owned sites to a project and cities that show no leadership in identifying and addressing brownfields.

Some frustrations are the result of ordinary challenges in program development, such as delays resulting from staff turnover and missteps caused by the reliance on ill-informed consulting. One respondent notes that consultants initially “led them astray,” but now the program has built up institutional knowledge that enables staff to make more informed decisions. Programs also may suffer the effects of external forces beyond their control. For example, a slow economy can limit market support for site redevelopment, or the onset of a project may be held up if it depends on the completion of adjacent land development or infrastructure construction that falls behind schedule.

Reusing Property

Program officials describe every type of site reuse, from residential to industrial, with open space and parks the most popular – in part because the densely developed communities served by the brownfield programs place a premium on green space. Only one response mentions redeveloping brownfields for transportation infrastructure, such as roads, railroad facilities, bus and truck terminals, and airports.

Many respondents have found the most difficulty in reusing brownfields for housing. One notes that there are fewer financing programs for cleaning up prospective residential sites than for sites slated for commercial uses. In addition, it can be difficult and more expensive to clean up residential sites to the required unrestricted use standards, which eliminate engineering and institutional controls from the list of remedial options.

Although many programs redevelop sites for industrial or office use, some cannot because local economic conditions and high vacancy rates preclude it. The size of brownfield sites also can limit industrial redevelopment options. As one respondent says, “Although we have had success in commercial and industrial redevelopments, redevelopment projects that create a large number of jobs have been elusive, primarily due to the lack of significant acreage for large-scale industrial or commercial projects.”

Adjusting to Provisions of the 2002 Brownfields Law

The Brownfields Revitalization Act of 2002 opened up federal programs in several ways – for example, by making resources available for petroleum sites, expanding eligibility to nonprofit and development organizations, and streamlining procedures for implementing revolving loan funds (RLF). Most respondents are enthusiastic about eventually taking advantage of the law’s provisions, but only a few have benefitted so far, mainly by obtaining assessment grants for petroleum-contaminated sites.

Several programs expect to address petroleum-contaminated sites under the new law. One respondent is looking forward to operating under the new RLF procedures following three years of working to launch an RLF program under the old rules. Another notes that the new liability provisions will make it easier for programs to work with private landowners to gain site access. According to the respondent, “In past efforts, owners have been unwilling to even talk with the county about brownfields because they are fearful of the liability associated with it. In addition, the county has been hesitant to foreclose on tax-delinquent properties because of this liability. The new law should make it easier for the county to remove several vacant and/or underutilized properties and restore them to the tax rolls and productive use.”

Despite these benefits, the new law also limits the ability of brownfield programs to use EPA funding for work on properties that local governments acquired prior to January 11, 2002, or to cover administrative costs. Most respondents anticipate some difficulty from these provisions, either because they have sites that were acquired before the cut-off date, or they will need to identify new funding to cover their administrative costs. In fact, in order to continue receiving funding to cover administrative costs, one program plans to manage its RLF under the old procedures instead of the new, streamlined process. The new brownfield funding requirements also can preclude entities without a track record in active property from participating; the requirement that the applicant own the site made it impossible for one regional program to apply for fiscal 2004 funding.

Incorporating Brownfields into a Community Vision

Brownfield programs do not exist in a vacuum; all are connected to some degree to a broader redevelopment plan or vision. Most respondents say their community has some type of

plan or vision that is complemented by the brownfields program, adding that the brownfield program has not changed the vision, but the vision definitely has enhanced brownfield efforts. In fact, many programs do not operate under a specific brownfield/Superfund redevelopment plan, but instead rely on the broader revitalization plan.

Several of the brownfield programs have been formally incorporated into full-blown city or county master plans, and plans that emphasize economic revitalization and downtown redevelopment strongly influence brownfield programs. Sometimes the plan and the program have been developed in concert, with the mutual goal of facilitating the reuse of abandoned and underused industrial and commercial properties. One redevelopment plan actually details site uses that the brownfield program will consider and provides informal guidance for writing requests for proposals to solicit developer interest.

Respondents also note that brownfield programs leverage other federal, state, and local revitalization efforts. For example, a program targeting older industrial neighborhoods may take advantage of ongoing work in such areas through state-designated economic development zones and U.S. Department of Housing and Urban Development (HUD) Enterprise Communities. One program uses New York State waterfront revitalization funding for planning. Programs also may leverage local initiatives focusing on specific development needs such as school construction, or encouraging strategically redeveloping “clusters” of contiguous public and private properties.

Fostering Communication and Outreach

Most brownfield programs rely on tried and true communication and outreach methods, such as community meetings, conferences, newsletters, and interagency relationships, but Geographic Information Systems (GIS) also provide a widely used communication tool.

The most popular means of outreach is sponsoring meetings, including special events such as a program kick-off with stakeholders and high-level officials. For example, one city created a major event at the installation of the new state brownfield association’s first president. Several communities convene regular meetings focused on specific brownfield projects or area-wide brownfield redevelopment initiatives. These meetings may involve state as well as local officials and stakeholders, including landowners affected by the redevelopment effort.

Many brownfield programs use community-based task forces, both formal and informal, to galvanize support, engage local communities, and pool resources. These entities may include elected officials, community leaders, business representatives, and local citizens in a process of creating a redevelopment vision and setting priorities for action. For example, the city of Trenton has institutionalized public meetings through the Better Environmental Solutions for Trenton (BEST) Committee, composed of federal, state, private-sector (consulting, engineering, legal), academic, nonprofit, community, and local stakeholders. BEST meets monthly to discuss the status of brownfield projects; funding availability; brainstorming and problem-solving; and federal, state, and local initiatives.

Most EPA brownfield grantees participate in EPA Region 2’s quarterly intergovernmental meetings, highly praised by one respondent, which bring together local players to meet with representatives of a number of federal agencies with an interest in

promoting site revitalization. The meetings enable local practitioners to obtain federal agency input and suggestions for resources without having to meet with various agencies individually. The meetings also give the towns a higher profile and enable town leaders to make connections with state and federal agencies so that they can work with them more directly and productively.

Most respondents also use Geographic Information Systems (GIS) – a geographic database with mapping capability – to show the distribution of brownfield properties throughout a city or county and link it to other geographic features, such as targeted economic development zones. As one respondent notes, GIS-based maps and aerial photos can describe brownfield activities and land-use patterns and are useful in discussions about site reuse and redevelopment. Several brownfield programs present GIS information on their web pages or are working on interactive GIS maps that will display the brownfields inventory on a web site. This is particularly challenging for programs operating at a regional level, because it can be difficult to tie county GIS information together on a regional web page.

Despite its value as a communication tool, GIS may have limitations. As one respondent points out, “The county had a GIS mapping system at the beginning, and it was useful for illustrating the scope of the problem and getting attention, and even showing that most of the sites were near waterfronts. But it didn’t help identify priorities. Some towns wanted to address sites that weren’t even on the map, for reasons of development potential, political will, or other factors that weren’t considered in the GIS.”

The results of brownfield program communication and outreach efforts have been mixed. Most respondents believe community involvement has helped identify program priorities and shape the goals of individual brownfield projects. Citizens have pointed not only to specific sites that need immediate attention, but also to broader community needs, such as increased open space or a watershed-based strategy. In addition, community involvement increases local comfort with brownfields in general and reduces resistance to redevelopment plans. However, outreach requires sustained effort. One respondent says community interest dissipated in the months following a program kick-off event, and several note the increasing work required to engage community members – especially in the absence of established organizations dedicated to brownfields.

Enlisting Private Participation

Nearly all brownfield programs have partnered with the private sector – mainly developers and academic institutions. For general program direction, private entities can be instrumental in forging a vision. Several communities work closely with the private sector in directing and managing the brownfield program, engaging both developers and academic institutions in regular meetings on program implementation and problem solving. In some cases a single person, such as a local land-development attorney, can make a critical contribution to a program’s success.

While some programs in the early stages of identifying and assessing sites do not plan to engage the private sector until they reach the redevelopment phase, some have enlisted private companies to finance public meetings and program events. Respondents also point to the importance of the ongoing brownfield education provided by local universities. Banking and

insurance representatives also can offer valuable presentations and information on particular brownfield issues that affect their industries.

Many programs focus public-private partnerships on individual sites. In one program, the city serves as the funding source and regulatory agency while the landowner and developer conduct cleanup and redevelopment. Other brownfield programs rely heavily on private developers to share costs, engaging them early to conduct site assessments with the developer's end use in mind. One program receives private-sector in-kind contributions of time and expertise to advance brownfield projects. Another program actively solicits private investment, and has succeeded in convincing firms to launch multi-million dollar redevelopment projects.

To spur private-sector investment and participation, it is important to convey the shared goals and mutual benefits of brownfield redevelopment. One respondent emphasizes these shared goals in asking local partners to be part of local solutions: "One has to identify a win-win situation for both partners. Otherwise, further incentives may be required." For example, professional partners can be invited to participate in tasks that can provide marketing opportunities for them; academic organizations can get a chance to study urban problems and solutions.

However, for some programs this "win-win" message can be hindered by the pervasive brownfield stigma and the slow pace of achieving program successes to dispel it. In addition, economic conditions can slow private investment in brownfields, especially where greenfield sites are readily available for prospective developers. As one respondent notes, "Without some economic growth or momentum occurring within the community, developers and property owners may not have much interest in participating in the brownfields program solely based on the financial assistance offered through the program. We have found that if there is some initial interest in a property, but the potential threat of contamination is the biggest problem to moving forward with reuse, the tools provided by the city through its brownfields program can be the key to resolving those problems and getting projects to move forward. Otherwise, the city's brownfields program can be helpful to encourage reuse and redevelopment, but it won't make it happen entirely by itself."

Obtaining Technical Expertise

Most brownfield programs have used private consultants for technical expertise, but they have received significantly variable levels of assistance from state agencies and EPA. Some respondents assert that their programs have received no technical assistance from government agencies, while others count EPA Region 2 staff and their state agencies as a primary and readily accessible source of information. State environment officials serve on several of the programs' advisory groups, and both New Jersey and New York State sponsor quarterly meetings for EPA brownfield grant recipients that foster highly praised information exchange. According to one respondent, "For pilots, it's easy to get assistance because they constantly receive notices, information, literature – the state seeks them out."

One respondent suggests that overall, technical assistance to pilot communities would improve by providing at the outset of the grant a basic course with comprehensive information on brownfield redevelopment, such as what EPA has done through its "kick-off" workshops.

This type of course could benefit even experienced communities, because many of them have had to obtain information on a piece-meal basis.

For the largest brownfield programs, technical expertise can be developed in house. One program has regulatory, investigative, and remedial experience that enables the program to devise the most cost-effective and efficient solutions to environmental challenges. Program staff work directly with regulators to develop technical scopes of work, which both precludes the need to hire an oversight consultant and ensures control of the project scope, schedule, and costs. They also write grant proposals and manage existing grants and revolving loan funds. These staff are supported by EPA revolving loan fund grants, augmented by funds from the Urban Enterprise Zone state tax-incentive program.

Employing Innovative Technologies and Institutional Controls

Few respondents have considered using innovative technologies, either because their projects have not reached the cleanup phase or they feel that their state does not encourage using such technologies. However, most of the programs expect to evaluate innovative technologies and compare them with conventional technology for use in brownfield projects.

According to one respondent whose program has completed remediation at some sites, “Due to time constraints, typical contaminants of concern encountered, and general small size of lots, many innovative technologies are not feasible. However, we continue to consider innovative technologies if the above-referenced constraints can be managed. We don’t employ innovative technologies for the sake of doing it. It has to be effective, efficient, and justified.” In fact, at one site where the early use of phytoremediation has been touted as an example of successful innovation, the approved remedy is now excavation and disposal.

Nor have most programs reached the phase of their projects to use institutional controls, but they are very comfortable with the concept and find no resistance from local communities. One respondent “expects that the use of institutional and/or engineering controls will be an integral part of the remediation strategies utilized under its brownfields program.” For others in New Jersey, the final determination will be made by the state.

A representative of one of the few responding programs that has reached the remediation phase explains, “When based on the end use of the property, many times it was less expensive to use institutional or engineering controls than to clean up to pristine conditions. When conducted properly these measures will still protect human health and the environment.” Another says that in some cases institutional controls are the only viable alternative. However, for one program, such controls are disallowed at subsidized housing projects where management of the controls would be transferred to future homeowners; such developments must have a permanent remedy to non-restricted use standards. Several respondents suggested that institutional controls could be more widely used if local governments received further education on their proper use and potential benefits.

Financing Brownfield Programs

Brownfield programs use a wide array of federal and state programs to fill funding gaps, but several respondents complain that the available funding still is “not enough.” Moreover, even though EPA grants have helped brownfield programs build capacity, those that do not obtain continued funding awards can founder without that support. A few programs need more resources and assistance for marketing brownfield redevelopment opportunities and cleaning up sites that cannot promise large financial returns.

In addition to EPA grants, which have been critically important to accomplishing site assessment and investigation, brownfield programs have used U.S. Economic Development Administration funds and HUD Community Development Block Grants. In New York State, they can leverage funds from the state bond act, the New York State Empire Zone program. New Jersey’s Hazardous Discharge Site Remediation Fund also provides cleanup grants.

Some respondents suggest that these programs need to provide maximum flexibility to local governments for brownfield projects because each site’s environmental, ownership, and other circumstances vary considerably. As one respondent notes, “Each brownfield project comes with its own specific funding requirements and development challenges, and funding for these projects must often be packaged individually and involve multiple public and private financing sources to make each project work.”

Local financing and incentives are less commonly available and used than federal and state incentives. However, as a large city, Trenton is able to provide resources for cleanup and infrastructure development at commercial/industrial sites through its Urban Enterprise Zone Revolving Loan Fund. Some communities also offer tax increment financing, economic development loans, microenterprise business loans, and local property tax abatements. These local incentives are not necessarily linked to federal and state programs, but rather function as part of a large array of incentives from which the program can find the right mix to attract businesses and redevelop existing properties.

Institutionalizing the Brownfield Program

Brownfield programs have become increasingly institutionalized through standing advisory committees, hired coordinators and experts, capacity-building among existing staff, and contracts with consultants to perform discreet tasks.

Most programs have some sort of advisory committee or task force that meets regularly on brownfield issues. Several programs have long-standing working groups, some under larger environmental management entities or regional forums, which spur and guide brownfield redevelopment. Others are in the process of establishing such task forces that make recommendations on redevelopment, planning issues, and legislative policy. They also can help develop site inventories and publicize program developments. These groups meet at least quarterly and often on a monthly basis, providing a forum for the full range of stakeholders and eliciting valuable information. For example, state officials on one task force were able to facilitate access to the Hazardous Discharge Site Remediation Fund, and representatives of the real estate and development sectors provided insights for selecting sites.

In some cases, the success of task forces may depend on the size and focus of the group. For example, one program disbanded a working group of 26 towns that proved to be too large and diverse. The program opted instead to work with each town individually.

Training and consulting services can enable some programs to function with current environmental or economic development staff. Some agencies have obtained environmental training by attending EPA-sponsored brownfield roundtables and conferences, while others have learned from experience. In one county, the EPA grant enabled staff to develop expertise so that they can manage much of the redevelopment themselves instead of relying on consultants and city contractors. Others contract out for services, such as project coordination and engineering work, which are specifically related to EPA-funded activities.

Almost all of the brownfield programs operate under laws and zoning regulations that predate the program; only one respondent noted efforts to implement rezoning through an urban renewal plan to avoid having to rezone brownfield projects individually. All of the other respondents work with existing laws and regulations. According to one program official, “The city believes that its existing land-use regulations are well-suited to promote the redevelopment of brownfield properties. The local brownfields program helps in generating interest in properties where little interest existed previously. This gets projects to the point where they can be reviewed consistently under the conventional land-use regulatory system.” A few programs also benefit from redevelopment plans that supercede zoning restrictions, often relieving developers of the need to obtain zoning variances.

Conclusions

The strongest message from the 17 questionnaire responses is that success breeds success. Brownfield activities performed under one grant increase the likelihood of obtaining additional funding, based on program results. Program management builds capacity and expertise that improve efficiency and increase accomplishments. Collaboration with other programs and communities produces outcomes that encourage more collaboration and information exchange. And perhaps most important, successful cleanup and redevelopment generates interest among landowners, developers, and financiers – as well as public support.

Despite their successes, however, many brownfield programs face a surprising amount of resistance to redevelopment efforts. Members of the public may not understand the difference between a slightly contaminated brownfield and a severely contaminated Superfund site, perpetuating an unwarranted stigma on abandoned and underused property. Landowners and developers may fear liability for the unknown contamination they might find if they take a shovel to a site. Even if they don't fear liability, they may not see the potential economic return on redeveloping their property. Brownfield programs need continued help with public outreach and strategies for marketing the benefits they offer.

Appendix I: Trenton, New Jersey Case Study

The Trenton, New Jersey, brownfield program has met with extraordinary success, in large part by assembling a wide array of federal, state, and local resources and developing the in-house staff expertise needed to use them to greatest advantage. Trenton's Department of Housing and Economic Development coordinates the brownfield program, integrating cleanup and redevelopment with the city's overall development strategy. According to Trenton brownfields coordinator J.R. Capasso, "Having the staff precludes external management of the program and maximizes resources for investigation and cleanup." He modestly says the program's biggest accomplishments may be yet to come, including the redevelopment of the former Magic Marker site and creation of the Assunpink industrial park and greenway.

To date the city has created an inventory of 61 brownfield sites, conducting partial or complete assessments at 35 and initiating or completing redevelopment at 25. Three brownfield projects in Trenton have received Phoenix Awards – announced each year at the EPA brownfields conference, after an independently judged national competition, in recognition of outstanding and innovative brownfield projects. (See box, next page.)

Ongoing Projects

Since Trenton assumed its ownership in 1989, the 7.5-acre Magic Marker brownfield site has played a key role in plans to revitalize the surrounding Canal Banks neighborhood. The site was incorporated into the Canal Banks Redevelopment Plan, as well as the city's 1998 HUD Homeownership Zone Plan, 1999 Land Use Plan, and 2002 Community-Based Schools Master Plan. Cleanup at the site began in 1998, including the innovative use of mustard plants to extract lead and heavy metals from the soil through phytoremediation, and the demolition and removal of the factory structure. Using funding from U.S. EPA and several state sources, Trenton is now completing site remediation to accommodate residential development and open space.

At Trenton's Assunpink Creek, the city is working to turn a 25-mile brownfield waterway into a recreational asset. The creek flows through many residential neighborhoods, past underused industrial parks and abandoned properties where impermeable surfaces contribute to flooding and nonpoint source pollution. Previous efforts to control the flooding problems along the creek have failed. As part of its creek-area brownfield restoration, the city is planning a 99-acre urban park and greenway that will include several baseball and soccer fields, playgrounds, picnic areas, an expanded pool facility, tennis and basketball courts, and a naturalized wetland. The project will help restore the creek's natural floodplain while improving access to historical sites, including a 19th-century blacksmith shop and an African-American cemetery dating back to the 1700s.

State Programs at Work in Trenton

Hazardous Discharge Site Remediation Fund (HDSRF). Under Senate Bill 696, in 2003 New Jersey provided \$40 million to replenish the Hazardous Discharge Site Remediation Fund (HDSRF), which provides grants and loans for municipalities and businesses to perform environmental investigation and cleanup at brownfield sites. The New Jersey Department of Environmental Protection (NJDEP) and Economic Development Authority (NJEDA) partner to

Trenton's Award-Winning Projects

Trenton has received three Phoenix Awards for innovative, yet practical, brownfield projects. The first, awarded in 1999, recognized the U.S. Steel/Roebling project, an effort led by the Mercer County Improvement Authority to transform a 31-acre former steel manufacturing facility on prime waterfront property into a ballpark and anchor for neighborhood revitalization. Trenton helped facilitate the partnership between Mercer County and the New Jersey Department of Environmental Protection (NJDEP), which spent \$7.6 million over 11 years to clean up contamination and construct the new entertainment site, creating 400 permanent and 1100 part-time jobs.

Two years later, Trenton received a second Phoenix "Community Impact" Award for the former Crane Pottery Factory site, an 11-acre, abandoned property that stood vacant for 30 years as a blight on the community. A \$200,000-Brownfields Assessment Pilot grant awarded by the U.S. Environmental Protection Agency (USEPA) in 1995 spurred the redevelopment project, which then partnered with a local nonprofit community development corporation called Isles, Inc. Together they held community-wide meetings, conducted monthly meetings with neighborhood representatives, and produced a quarterly newsletter and fact sheets to keep area residents informed of redevelopment activities. These community awareness efforts, combined with the results of an environmental assessment performed by the pilot, generated interest in the site. The pilot funds leveraged an additional \$30,601 grant from the New Jersey Hazardous Discharge Site Remediation Fund.

Once the assessment defined areas of contamination, a local developer purchased an uncontaminated 1.5-acre parcel of the site and built a 10,800 square-foot, \$300,000 candle-making facility that now employs 15 people. In 1997, the same developer built a second, 9,800 square-foot facility that is now home to a fish wholesaling company. Eventually the developer purchased the entire 11 acres for an industrial park, which today houses eight businesses that created 110 construction, retail, and manufacturing jobs.

Trenton received its most recent Phoenix Award in 2002 for the Trenton Marriott at Lafayette Yard, a three-acre, former parking lot that was remediated through a strong partnership with NJDEP under its voluntary cleanup program. The remedy included continued groundwater monitoring, well restrictions, deed restrictions, and capping of contaminated soil. The hotel development replaced the impervious asphalt parking area adjacent to a creek with a building and attractive landscaping, which benefits the environment while providing public access to the creek via a walkway that connects to the upstream Mill Hill park. The city financed the \$54.3-million project entirely through public funds, including a guarantee of \$31 million on bonds. Other support came from monetization of the New Jersey Brownfields Redeveloper's Agreement, state agency loans, Urban Enterprise Zone funds, and financing from the Trenton Parking Authority.

The full-service hotel and conference center with an attached parking structure opened in April 2002, adjacent to a newly renovated War Memorial. Together, the two buildings offer 20,000 square feet of meeting space. In addition to its environmental benefits, the project created jobs and economic activity. During hotel construction, an average of 150 tradesmen worked each day, and nearly \$2 million in business went directly to local companies through the environmental, construction, and decoration of the structure. Today the hotel employs 123 associates, including 80 Trenton residents.

administer the funding program and provide environmental and financial review of remediation projects. In 2002, NJEDA closed on 156 loans and grants totaling more than \$15 million, and an additional 200 funding requests were under review in 2003. Since its inception in 1993, HDSRF has provided \$95 million to reclaim polluted sites.

Brownfields Development Area Initiative (BDA). The neighborhood surrounding Trenton's Magic Marker site has been selected as a Brownfields Development Area (BDA), under NJDEP's BDA initiative. BDA enables the state to work with selected communities affected by multiple brownfields to design and implement coordinated remediation and reuse plans for these properties simultaneously. BDA invites all stakeholders – site owners, potentially responsible parties, developers, community groups, technical experts, and area residents – to participate in this cleanup and revitalization approach, and also involves other state agencies, such as the economic development department. BDA provides a decision-making framework, targeted resources, and coordinated agency assistance to empower affected neighborhoods, and in no way limits the use or application of the state's other brownfield programs at properties within a BDA. Nor does BDA impose any additional regulatory or approval requirements on properties within the BDA. The initiative is particularly useful in urban areas, where some sites have not attracted adequate private funding for cleanup or redevelopment because of their location, contamination levels, or size.

Once a community is designated a BDA, its steering committee forms a partnership with the municipality and NJDEP, governed by a memorandum of understanding (MOU). The MOU sets forth the steps of the BDA Initiative process and the commitments of all parties. The steps include:

- Obtaining baseline environmental and ownership information on brownfields within the BDA.
- Convening a preliminary planning meeting.
- Identifying baseline resources potentially available for remediation and reuse of brownfields within the BDA.
- Creating a BDA remediation and reuse plan.
- Creating a path to success through a strategic plan meeting and subsequent meetings.

A BDA project manager and staff from other key NJDEP programs assist the steering committee in procuring and using the identified resources and coordinating with other entities in carrying out the BDA remediation and reuse plan.

With the support of NJDEP, Trenton's BDA steering committee has provided resources to conduct assessments and investigations of properties near the Magic Marker site, fostering area-wide instead of piece-meal redevelopment. The committee works closely with the City of Trenton to coordinate redevelopment efforts with site remediation.

Urban Coordinating Council Zone. The New Jersey Urban Redevelopment Act created the Urban Coordinating Council (UCC) and the New Jersey Redevelopment Authority in 1996. Trenton is among 68 municipalities that are eligible for the UCC's Empowerment Neighborhood Designation and receive priority access to state resources and assistance through the Redevelopment Authority. The UCC further ensures that the state departments and agencies coordinate responses and provide assistance to projects and programs outlined in neighborhood empowerment plans for designated communities.

Trenton's planning in the UCC area, known as Canal Banks, began in 1992 with the establishment of a participatory process for decision-making – from the community up rather

than the administration down. The Canal Banks Advisory Committee initiated monthly meetings to discuss key issues such as the maintaining vacant lots, providing public safety, improving housing, and creating a neighborhood commercial center for business development.

NJ Urban Enterprise Zone Program. New Jersey's 1983 Urban Enterprise Zones Act authorizes tax incentives and other benefits to businesses in targeted zones located in economically distressed cities. Trenton is one of 29 municipalities with 27 Urban Enterprise Zones (UEZs) (two are joint zones). Most of Trenton's commercial and industrial districts are in the UEZ, and a UEZ coordinator and staff assist the more than 180 businesses that participate in the program. Qualifying program participants receive incentives that reduce the cost of operating in the UEZ, such as:

- 100 percent sales tax exemptions on the purchase of building materials and equipment.
- Tax credits for hiring new employees
- Unemployment tax rebates
- Authorization for qualified retailers to charge just half of the 6-percent New Jersey sales tax on "in person" purchases

The 3 percent sales tax offered through Trenton's UEZ is a key element of the city's small business support. Moreover, the 3 percent sales tax that is collected by UEZ retailers is deposited in the Zone Assistance Fund (ZAF), which returns revenues to each UEZ in proportion to total sales tax revenues collected by qualified businesses in that zone. These ZAF revenues are used to assist qualifying municipalities where UEZs are located in making public improvements and upgrading municipal services.

Federal Assistance

Under the 2002 Small Business Liability Relief and Brownfields Revitalization Act, U.S. EPA provides financial assistance to eligible applicants through four competitive grant programs: assessment grants, revolving loan fund grants, cleanup grants, and job training grants. Trenton has received two brownfield assessment grants – \$200,000 for hazardous substances and \$200,000 for petroleum – and three brownfield cleanup grants totaling \$600,000.

Brownfields Pilot Assessment Grants. Trenton's Brownfields Assessment Demonstration Pilot has helped leverage more than \$1.4 million in cleanup and redevelopment funding and create more than 300 jobs. Through the pilot project, Trenton formed a partnership with a private, nonprofit community redevelopment organization called Isles, Inc., and established working relationships with NJDEP, the New Jersey Institute of Technology, Rutgers University, and local community development corporations. The pilot also called for establishment of the Brownfields Environmental Solutions for Trenton (BEST) Advisory Council, composed of federal and state officials; private-sector environmental, legal, and engineering professionals; academicians; and nonprofit and community stakeholders. The BEST committee will evaluate the program and meets monthly for brainstorming and problem solving, as well as to discuss the status of brownfield projects, funding availability, and federal, state, and local initiatives.

The pilot's activities have included:

- Conducting an inventory 61 brownfield sites and using pilot funds to perform assessments at 14 of them.
- Performing intensive community outreach in neighborhoods affected by brownfields, using in-home presentations and holding education workshops at Rutgers University.
- Establishing an ongoing advisory committee that provides the city with regularly updated action plan recommendations for a strong brownfield program.

Brownfields Cleanup Revolving Loan Fund. Trenton was awarded a Brownfields Cleanup Revolving Loan Fund (BCRLF) Pilot grant of \$350,000 in 1997, and an additional \$150,000 in 1999 and \$500,000 in 2000. Together with an additional \$150,000 from the New Jersey Urban Enterprise Zone Assistance Fund, the \$1 million in BCRLF funds capitalized two loans for the cleanup of publicly owned properties in the designated redevelopment area.

Trenton is lending the funds to its own designated redevelopment entity, as authorized by the New Jersey Redevelopment Act. Following cleanup, the fund will be reimbursed through the sale of the property to a private developer or other entity, or through a Payment in Lieu of Taxes agreement with the developer after the completion of redevelopment. If the property cannot be sold within five years of the completion of cleanup, then the city will have to repay the loan through budget appropriations. In either case, repayment of the loan will occur not later than 15 years from the completion of the cleanup. The City Council authorizes loans from the BCRLF to the redevelopment entity and guarantees the loans by committing the city to repayment if the property does not sell.

Trenton's first loan of \$150,000 cleaned up the 1.4-acre Warren-Balderston Site. Vacant since 1973, the site contained historic fill contaminated with heavy metals and organic compounds, as well as several underground storage tanks. The BCRLF loan enabled the city to remove the soil and prepare it for redevelopment. Today 35 units of mixed-income housing are under construction at the site. The city's next loan of \$275,000 is supporting cleanup of the Kramer site, a 6.5-acre industrial property, which the city acquired through foreclosure in 1997. The BCRLF funds will be used to remediate soil contamination at the site, with alternate funding sources addressing groundwater issues.

Brownfields Showcase Community. Trenton has undertaken 60 brownfield projects, including the Assunpink Creek greenway, as a Brownfields Showcase Community. Showcase communities are selected by the Brownfields National Partnership to demonstrate that through cooperation, federal, state, local, and private efforts can be concentrated around brownfields to restore these sites, stimulate economic development, and revitalize communities. Each showcase community receives a \$200,000 grant from EPA and works with at least five federal agencies. Through the initiative, the federal partners place Intergovernmental Personnel Assignments (IPAs) in local communities, who coordinate and streamline federal efforts and provide a consistent point of contact for the federal agencies involved in the community brownfield projects.

Trenton's federal partners include the U.S. Army Corps of Engineers; U.S. Economic Development Administration; USEPA; and the Federal Emergency Management Agency. Other

showcase community partners include NJDEP, NJEDA, New Jersey Institute of Technology, Mercer County, engineering and planning firms, planning authorities, and community groups such as the Northwest Community Improvement Association.

Appendix II: Buffalo, New York, Case Study

Buffalo, New York's brownfield program has tapped a variety of federal and state programs to make brownfield redevelopment a key component of the city's revitalization efforts. Based in the city's Office of Strategic Planning, the program aims to create "shovel-ready" sites for development that generates and maintains jobs. By leveraging federal and state support, Buffalo has established an inventory of brownfield sites, conducted assessments at brownfields with redevelopment potential, and staffed an environment department.

Outstanding Brownfield Projects

Union Ship Canal. The largest of Buffalo's successful brownfield projects focuses on the Union Ship Canal – 114 acres of underused or abandoned industrial land, divided into four distinct parcels. If the project is fully developed as planned, it will cover more than 200 acres and become Buffalo's largest business park.

The site is in a New York State "Empire Zone" within a few miles of the Canadian border, near major highways, waterways, and railroads. The cities of Buffalo and Lackawanna, Erie County, the Erie County Industrial Development Agency, and private development interests are collaborating on the area redevelopment, with the support of several state and federal agencies. The project includes improvements to public infrastructure, such as surrounding roadways, sidewalks, waterfront access, and canal bulkheads.

The first phase of the redevelopment plan, undertaken with the New York State Department of Environmental Control (DEC), includes the voluntary cleanup of the 40 acres in Parcel One, consisting of a clean soil cover and soils management plan. Parcel Two – 37 acres owned by the city – was designated as one of two sites in the state's Re-Build Now pilot program, which facilitates the redevelopment of economically valuable brownfields. Re-Build Now provided consultants to conduct an on-site investigation and negotiated a state voluntary cleanup agreement with the DEC. The city also owns Parcel Three, 22 acres surrounding the canal that will be dedicated to public parkland with waterfront access. The U.S. Army Corps of Engineers has retained a consultant to prepare a plan for the site. On Parcel Four, the U.S. Environmental Protection Agency (EPA) has completed preliminary testing.

As of April 2002, city, county, state, and private sources had combined with EPA brownfield pilot funds to provide \$622,000 for Phase I and Phase II site assessment. The Buffalo Economic Renaissance Corporation (BERC), Re-Build Now, the State Clean Air/Clean Water Bond Fund, Erie County, and the U.S. Army Corps of Engineers contributed to site investigation and the development of remedial work plans for three of the Union Canal parcels. State agencies had committed \$10 million over five years for infrastructure improvements.

During October 2003, the project was renamed Buffalo Lakeside Commerce Park, and a company called CertainTeed broke ground for the first new facility on the 114-acre site. The company will invest \$13.5 million in a 250,000-square-foot plant on 25 acres, bringing in 160 jobs from its Cheektowaga facility and planning to add more after the plant comes on line. CertainTeed will receive about \$3.8 million in Empire Zone investment and capital tax credits and a \$350,000-grant from Empire State Development Corporation.

Graphic Controls. The City of Buffalo and the Buffalo Urban Renewal Agency have acquired the Graphic Controls Site, a former railyard composed of nine contiguous, separately owned properties. With assistance from an EPA brownfield pilot grant, the city completed Phase 1 assessment of the site in 1997 and 1998, and conducted Phase II assessments and limited due diligence sampling at several of the site's parcels. In July 1998, the New York State Department of Transportation awarded Buffalo \$500,000 from the state's Industrial Access Program to improve roadways in the city's Central Business District. The improvements enabled Graphic Controls to build a \$12-million, 235,000-square-foot manufacturing facility and spend an estimated \$9 million to expand its administrative building on the Buffalo waterfront. Graphic Controls employs 630 people.

William Gaiter Parkway. State and federal funds helped build the William Gaiter Parkway as a vital commercial route for American Axle & Manufacturing and a host of other businesses and residences in Buffalo's Kensington District – part of the original New York State Empire Zone. Built over an abandoned rail line, the road runs three-tenths of a mile from the American Axle plant to Kensington Avenue and to the Kensington Expressway. With the assistance of the Erie County Industrial Development Agency, in 1999 the city's development agency constructed a business incubator called the William Gaiter Business Center near the parkway.

The U.S. Department of Housing and Urban Development and Economic Development Administration helped fund the business center – a single-story industrial building of about 26,000 square feet. It provides leasing opportunities for undercapitalized minority businesses, offering 5,000 square feet or less of Class B office space, light industrial, or warehousing space. Adjacent to the facility, Rural Metro Ambulance invested \$1.5 million to refurbish a building for its headquarters, retaining 215 jobs and adding another 30 in its first year.

State Programs at Work in Buffalo

Clean Air/Clean Water Bond Fund. Enacted with overwhelming voter approval in 1996, New York's \$1.75-billion Clean Water/Clean Air Bond Act provides funding for projects to protect and restore the environment. The bond act supports projects to manage major water resources, upgrade drinking water facilities, manage solid waste, invest in clean air technologies, and clean up brownfields. The act as amended in 2003 authorized \$200 million to pay up to 90 percent of the cost of investigating and cleaning up municipally owned brownfield sites, which the municipality may then market for redevelopment or use for industrial, commercial, or public purposes.

Empire Zones. Throughout New York State, certified businesses in 72 designated Empire Zones receive tax credits and benefits as an incentive for economic development, business investment, and job creation. Zone-based businesses that create new jobs can enjoy an essentially tax-free business environment for up to ten years through tax reduction credits, real property tax credits, sales tax exemptions, wage tax credits, and utility rate reductions, among others.

Re-Build Now. Launched in May 2000, Re-Build Now seeks to add viable sites to New York's inventory of shovel-ready properties by developing remediation plans for former industrial sites. The program provides a management team to complete environmental site investigation, design a

remedial plan, and negotiation of a voluntary cleanup agreement with the New York Department of Environmental Conservation.

Federal Assistance

Buffalo's brownfield program benefits from a variety of federal initiatives, including the competitive grant programs authorized by the 2002 Small Business Liability Relief and Brownfields Revitalization Act.

Brownfields Pilot Assessment Grant. Buffalo's EPA Brownfields Assessment Demonstration Pilot grant has supported the development of a city-wide master list of potential brownfield properties; assessing and ranking 10 to 20 sites from a preliminary inventory of 100; creating a GIS database of site information; and preparing a brownfields redevelopment manual, community outreach plan, developer workshop/showcase, and a redevelopment plan for South Buffalo. As of 2003, 170 sites have been identified and screened, and Phase I assessments were completed at ten sites. Supplemental grants of \$200,000 in 1998 and \$150,000 in 2000 aimed to retain Buffalo's brownfields manager and provide technical assistance and support during the environmental assessment phase of planning and development projects.

Brownfields Cleanup Grant. EPA selected Development Downtown, Inc., a city development agency, for a \$200,000-brownfields cleanup grant to clean up petroleum at Parcel Two of the Union Ship Canal property, where an assessment found 1,388 cubic yards of petroleum-contaminated soils. Once cleaned up, the parcel will be incorporated into the Union Ship Canal Redevelopment project, which is expected to dramatically stimulate economic development in the City of Buffalo.

Brownfields Job Training Partnership Grant. The Center for Integrated Waste Management, State University of New York at Buffalo (SUNY-Buffalo) received an EPA Brownfields Job Training and Development Demonstration Pilot grant to serve residents living in Niagara County neighborhoods affected by brownfields. Western New York's industrial base has moved away from steel production, chemical production, and other manufacturing industries as older manufacturing facilities closed their operations and moved to greenfields in other parts of the country. The region's environmental industry is growing in response to demand for environmental assessment and remediation of its many brownfields. The Center planned to train up to 50 participants, achieve a 90 percent placement rate, and support career placement of graduates for one year after the training was completed. The Center's training efforts were supported by the University of Buffalo Educational Opportunity Center, Niagara County Employment and Training Department, Niagara County Community College, Ecology and Environment, Inc., SJB Services, Inc., and Hazardous Materials Research Center.

Brownfields Showcase Community. The Brownfields National Partnership has selected New York's Niagara Region – encompassing Niagara Falls, Buffalo, and Niagara and Erie Counties – as a Brownfields Showcase Community. The Niagara Region's objective as a showcase community is to serve as a model to link brownfields restoration to the economic, social, and ecological restoration of the Niagara River, Buffalo River, and Eighteen Mile Creek watersheds.

The showcase community designation helps to focus redevelopment efforts on yielding the greatest benefit to the region's long-term economic and environmental sustainability. The coalition has identified and used tax incentives, low-interest loans, and other financing tools for businesses and developers. For example, the local governments have initiated 13 projects that have brownfield cleanup funding from the New York State Clean Air/Clean Water Bond Act. The coalition has formed partnerships with federal, state, and local entities to address brownfield issues.

HUD Renewal Community. In 2002, the U.S. Department of Housing and Urban Development designated Buffalo as a Renewal Community, enabling businesses to obtain a zero-percent capital gains rate, employment credits, commercial revitalization deduction, an expense credit, and a work opportunity tax credit.

Local Partnerships

Buffalo Economic Renaissance Corporation. In 1978, the city established the Buffalo Economic Renaissance Corporation (BERC) as a local nonprofit development corporation, which qualifies for HUD and Economic Development Administration funding and meets Small Business Administration funding requirements. Designed to involve the private sector in Buffalo's economic development initiatives, BERC aims to retain existing companies; help create new land-development opportunities; offer the nation's best business development services; offer flexible lending products to Buffalo's businesses; and support and assist small and emerging companies.

Buffalo Niagara Partnership - Brownfields Taskforce. Formed in 1993, the Buffalo Niagara Partnership represents more than 3,500 member firms with nearly a quarter million employees in a marketplace that covers eight Western New York counties and the Niagara Peninsula of Ontario. The partnership is dedicated to increasing private-sector jobs and investments and plays a central role in improving the region's quality of life and making the regional economy as competitive as possible. In addition to serving as an advocate for business development, the partnership brings private-sector expertise to aid governments and not-for-profit organizations in promoting economic growth in a rapidly changing marketplace. The partnership's mission is to facilitate the creation of shovel-ready, developable sites through public or private entities.

Buffalo Niagara Enterprise. Buffalo Niagara Enterprise (BNE) serves as the business gateway to Western New York State and Ontario's Niagara Peninsula. As the single entry point for business inquiries, BNE provides quick and accurate answers to questions about everything from available properties and facilities to tax incentives and workforce development programs. BNE was formed in 1999 with \$27 million in both public and private funds. It promotes the region for business investment and growth through a comprehensive public relations and advertising campaign; provides market data and other information for business location decisions; offers professional account-management services for potential investors; and works with economic development professionals, board members, and other BNE investors to build regional support for economic development and marketing.

Buffalo Brownfields Task Force. The Buffalo Brownfields Task Force, chartered by the mayor, guided the implementation of the city's EPA brownfields assessment grant. It included

county and city department officials; regional state regulatory agency officials; a member of the Interagency Working Group on Environmental Justice; representatives from the city's official Buffalo Environmental Management Commission; members of the banking, legal, real estate, business, and university communities; and the general public. Although it has fulfilled its mission, the task force remains available to lend support for the brownfield program as needed.