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# **Assistance for Investigation and Cleanup of Potential Brownfields**

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# Purpose

- To return brownfields to productive, tax revenue generating use
  - This may involve addressing real or perceived environmental contamination of buildings or soils

# Process

- Identify
- Investigate
- Cleanup
- Redevelop

# Process

- Identify
  - At the Normal, IL brownfields conference, all participants with experience stated that they listed and prioritized properties
  - EPA encouraged listing and prioritizing
  - Tab-bit.org
    - Free application to aid in listing and prioritizing
  - IL EPA does not encourage this procedure and instead focuses on one site at a time

# Process

- Identify
  - Priority criteria
    - Vision for future uses
    - People, prosperity, planet
    - Potential partners and funding
    - Effect on comp plan

# Process

- Investigate
  - Phase 1 site assessment
    - Expire after one year
    - Before ownership transfer
      - Records review, site visit, interviews
  - Phase 2 site assessment
    - Sampling

# Process

- Investigate
  - Some grants require city to take ownership prior to receiving grant award
  - There are a variety of legal agreements that can protect the receiving entity from getting stuck with a property and no grant to reactivate the property
  - Determine city's ability to acquire property dependent on outcome of contamination assessment

# Process

- Cleanup
  - There is generally no assistance for the current owner usually considered the party responsible for the contamination
  - If remediation costs are recoverable, acquire property and apply for grants and loans to remediate and sell



# Process

- Cleanup
  - Involves risk-based cleanup strategies
    - Entomb with land use restrictions
    - Treat in place chemically
    - Excavate and treat on site biologically
    - Excavate and remove to haz waste landfill

# Process

- Cleanup
  - EPA likes to see the following identified in a grant proposal
    - Target community
    - Community need
    - Comp plan concurrence
    - Future use of site
    - Benefits of project

# Process

- Redevelopment
  - Typical planning process

# Technical Assistance

- Technical Assistance to Brownfields Communities (TAB)
  - Kansas State office serves our area
  - Helps with
    - Identifying sites
    - Finding contractors
    - Council and community engagement
    - Finding funding

# Technical Assistance

- TAB EZ
  - Free online tool to help write grant proposals
- TAB BIT
  - free on-line tool to create site inventories; submit reports such as the multiple property profile form (in excel); and to log administrative information about brownfields and other environmental programs

# Technical Assistance

- IL EPA
  - Contact is Steve Colantino (217) 785-3497
    - Advice and grants

# Chart of Financial Tools

Funding source	Purpose	Who's eligible?	How can funds be used?	How much money is available?	Other terms and conditions
<p><b>Illinois Municipal Brownfields Redevelopment Grant Program</b></p> <p>(See 35 IAC Part 885 for more details, including the complete list of eligible/ineligible costs)</p>	<p>Helps communities identify and prioritize brownfields sites; investigate and determine remediation objectives; develop remedial action plans; and funds eligible cleanup activities</p>	<p>Municipalities.</p>	<p><b>will pay for:</b> site assessments, soil and groundwater sampling, environmental consultant oversight, laboratory services, cleanup activities and participation in the Site Remediation Program (SRP).</p> <p><b>won't pay for:</b> demolition activities, costs incurred prior to execution of the grant agreement.</p>	<p>\$240,000 maximum to each municipality.</p>	<p>Municipalities must share in any grant award through a 70/30 match; grants must be spent down in 3 years.</p> <p>Municipalities need not own the brownfields site, but must document they have obtained access from the owner. Grant dollars may be used at Leaking Underground Storage Tank (LUST) sites.</p>

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Funding source	Purpose	Who's eligible?	How can funds be used?	How much money is available?	Other terms and conditions
<b>EPA Assessment Grant</b>	provide funding for a grant recipient to inventory, characterize, assess, and conduct planning and community involvement related to brownfields sites	state, local, and tribal governments, with the exception of certain Indian tribes in Alaska; general purpose units of local government, land clearance authorities, or other quasi-governmental entities; regional council or redevelopment agencies; states or legislatures; or nonprofit organizations	assess a site contaminated by hazardous substances, pollutants, or contaminants (including hazardous substances co-mingled with petroleum)	\$200,000	performance period for these grants is three years



# Chart of Financial Tools

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<b>EPA Assessment Brownfields Cleanup Grant</b>	to carry out cleanup activities at brownfield sites	state, local, and tribal governments, with the exception of certain Indian tribes in Alaska; general purpose units of local government, land clearance authorities, or other quasi-governmental entities; regional council or redevelopment agencies; states or legislatures; or nonprofit organizations	to address sites contaminated by petroleum and hazardous substances, pollutants, or contaminants (including hazardous substances commingled with petroleum).	Up to \$200,000 per site – no entity may apply for funding cleanup activities at more than five sites.  a Cleanup Grants require a 20 percent cost share, which may be in the form of a contribution of money, labor, material, or services, and must be for eligible and allowable costs.	

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Funding source	Purpose	Who's eligible?	How can funds be used?	How much money is available?	Other terms and conditions
<b>EPA Assessment Targeted Brownfields Assessment</b>	designed to help states, tribes, and municipalities—especially those without EPA Brownfields Assessment Pilots/Grants—minimize the uncertainties of contamination often associated with brownfields	state, local, and tribal governments; general purpose units of local government, land clearance authorities, or other quasi-governmental entities; regional council or redevelopment agencies; states or legislatures; or nonprofit organizations.	Phase 1 and 2 as well as cleanup recommendations	Up to \$200,000 per site – no entity may apply for funding cleanup activities at more than five sites. a Cleanup Grants require a 20 percent cost share, which may be in the form of a contribution of money, labor, material, or services, and must be for eligible and allowable costs.	The TBA program is not a grant program, but a service provided through an EPA contract in which EPA directs a contractor to conduct environmental assessment activities to address the requestor's needs

# Chart of Financial Tools

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<b>EPA Assessment Multi-Purpose Grant</b>	for both assessment and cleanup work at a specific brownfield site owned by the applicant	state, local, and tribal governments, with the exception of Indian tribes in Alaska, as well as a range of government entities, including a general purpose unit of local government or land clearance authority or other quasi-governmental entity operating under the control, supervision, or as an agent of a local government, a governmental entity or redevelopment agency created or sanctioned by a State, or a regional council of governments, are eligible.		An eligible entity may apply for up to \$550,000 to assess and cleanup one site contaminated by hazardous substances, petroleum, pollutants, or contaminants (including hazardous substances co-mingled with petroleum).	Entities that receive grants or loans to perform characterization, assessment or cleanup of a brownfields site may use a portion of their brownfields grant to purchase environmental insurance.

# Chart of Financial Tools

Funding source	Purpose	Who's eligible?	How can funds be used?	How much money is available?	Other terms and conditions
<p><b>Brownfields Cleanup Revolving Loan Fund available in 2000</b></p> <p>(Refer to the Illinois EPA's cooperative agreement with U.S. EPA for more details, including the complete list of eligible/ineligible costs)</p>	Offers low interest loans to clean up brownfields sites that have already been assessed for contamination.	Municipalities that have received a U.S. EPA demonstration pilot grant or an Illinois EPA targeted brownfields site assessment.	<p><b>will pay for:</b> cleanup of releases of hazardous substances, environmental consultant oversight services.</p> <p><b>won't pay for:</b> cleanup of petroleum contamination, any site investigation activities.</p>	\$500,000 maximum per site.	Sites must be enrolled in the SRP; borrowers must conduct community relations activities; the maximum term of the loan is 5 years; the fixed loan rate is a simple annual rate at 1/2 the market interest rate, but not less than 2.5 percent.

# Chart of Financial Tools

Funding source	Purpose	Who's eligible?	How can funds be used?	How much money is available?	Other terms and conditions
<p><b>Underground Storage Tank (UST) Fund</b></p> <p>(See 35 IAC Part 732 for more details, including the complete list of eligible/ineligible costs)</p>	<p>Helps tank owners and operators pay for cleaning up leaks from petroleum underground storage tanks under the Leaking Underground Storage Tank program.</p>	<p>UST owners and operators who have reported a petroleum release and have registered their tanks with the Office of the State Fire Marshal (OSFM).</p>	<p><b>will pay for:</b> site investigation, site cleanup, laboratory services, and engineering oversight.</p> <p><b>won't pay for:</b> planned tank removal, legal fees, tank upgrade costs, work performed prior to reporting the petroleum release.</p>	<p>\$1,000,000 maximum per occurrence, minus a deductible determined by the OSFM.</p> <p>Deductibles range from \$10,000 to \$100,000, depending on when the tanks were registered and when the release was reported.</p>	<p>The OSFM cannot register USTs that are no longer in the ground. If the USTs have been removed from the property by a previous owner, future property owners could not access the Fund to pay for cleanup of contamination caused by the removed USTs.</p>

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Funding source	Purpose	Who's eligible?	How can funds be used?	How much money is available?	Other terms and conditions
<p><b>Environmental Remediation Tax Credit</b></p> <p>(See 35 IAC Part 740 for more details)</p>	<p>Gives taxpayers who pay for brownfields cleanups under the Site Remediation Program credit towards their Illinois income tax.</p>	<p>Taxpayers who have not caused or contributed to contamination at the site.</p>	<p><b>will credit:</b> remediation costs paid for investigating and cleaning up the site under the SRP.</p> <p><b>won't credit:</b> costs incurred prior to January 1, 1998; costs incurred after the issuance of a No Further Remediation Letter; or, costs incurred more than 12 months prior to acceptance into the SRP.</p>	<p>The tax credit equals 25 percent of remediation costs in excess of \$100,000 per site unless the site is located in an enterprise zone (then there is no threshold).</p> <p>A maximum annual credit of \$40,000 per site, with a maximum total credit of \$150,000 per site.</p>	<p>The Illinois EPA must approve remediation costs for this credit, and the credit must be claimed in the same taxable year the approval is granted. If the property is sold, the credit may be transferred to the buyer. The tax credit is for money spent during the tax years ending after 12/31/97 and on or before 12/31/01.</p>

# Legal Considerations

- Seek Legal Division advice including:
  - Bona fide prospective purchaser status and/or involuntary acquisition status may limit liability
  - Need to determine what current insurance may cover
  - Potential liability for cleanup costs and third party lawsuits as well as potential success in winning grant funds for project costs should be determined prior to taking ownership of potentially contaminated property

# Legal Considerations

- Some financial assistance requires brownfield property to be owned by the city at time of application, not the time of awarding



# Funding Considerations

- There are many state and federal grants that can be layered to cover many different kinds of work
- Cleanup grants usually require a match, but it can be in-kind
- It's impossible to determine at the outset what kind of local funds may be necessary due to the great variability of potential site needs

# Staffing Considerations

- Decatur Experience
  - 25% of time from 1 FTE to prepare grant application
  - 10% of time from 1 FTE during implementation
  - This is in addition to paid consultant time
  - Expecting a 4 year process

## To Proceed the City must be prepared to:

- Allocate Legal, Public Works, and/or Community Development staff time to manage an assessment grant and potentially a cleanup grant.
- Follow certain legal procedures to limit liability
- Consider funds that may be required for grant matching and contingencies
- Accept a certain amount of uncertainty through a long and complicated process
- Consider waiting to commence until there is an interested developer for the site