# What is a Brownfield? and.... Do I have One????

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### What is a Brownfield?

Real property of which the expansion, redevelopment, or reuse may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. (Public Law 107-118) (H.R. 2869) - "Small Business Liability Relief and Brownfields Revitalization Act" signed into law January 11, 2002)

#### Brownfields in the U.S.

Estimated 450,000 to 1 Million sites

5 million acres of abandoned industrial sites in U.S. cities – roughly the same amount of land occupied by 60 of the largest U.S. cities

U.S. Department of Housing and Urban Development

### **Brownfield Examples**

Abandoned gas stations Abandoned grain elevators Former manufacturing facilities >Abandoned properties next to rail lines Former school buildings >Abandoned residential properties next to industrial facilities Vacant residential lots



#### **Abandoned Service Station**



**Abandoned Service Station** 



Grain Storage Facilities/Coops found throughout rural areas

## **Brownfield?**



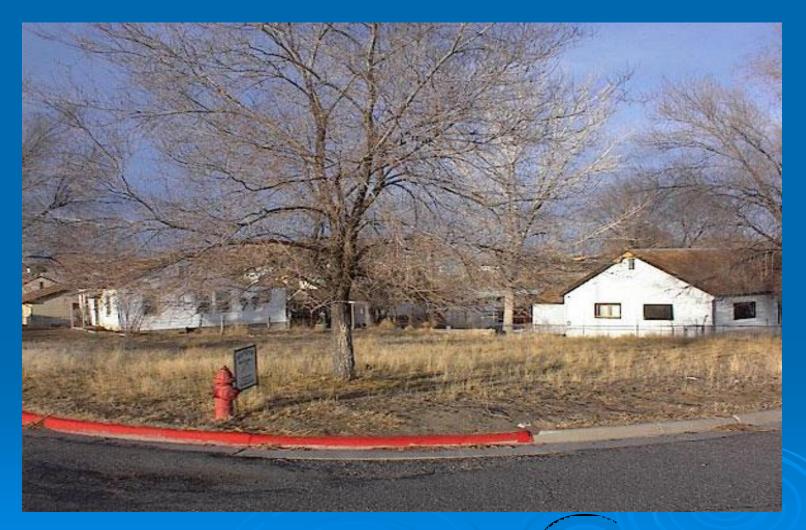
### **Brownfields on Main Street?**



## **Brownfield?**



### **Brownfield?**



Abandoned Residential Lot



Former Drive-In

#### **Brownfield?**



**Abandoned School Building** 

# **Industrial Blight**



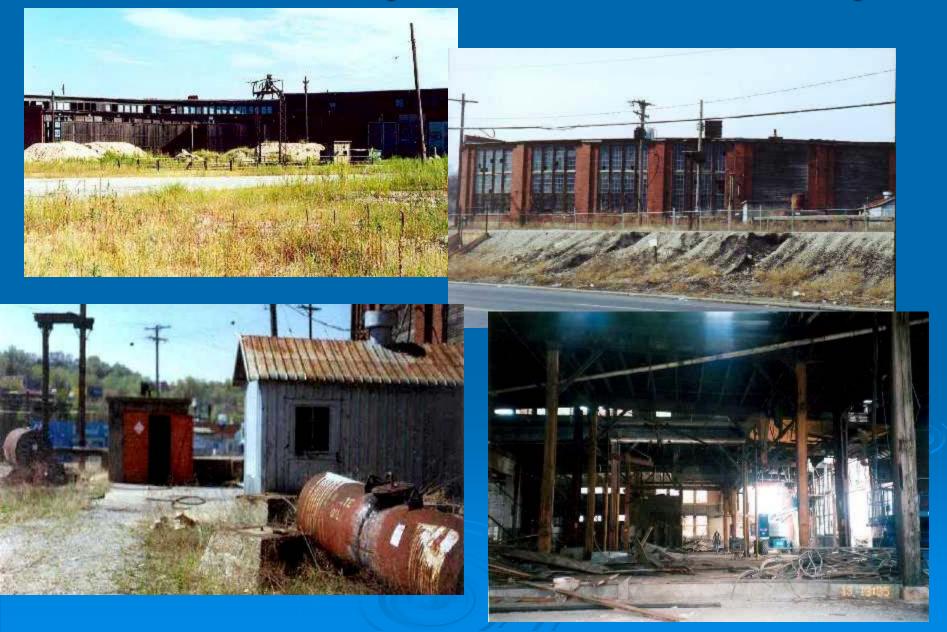


## Why Redevelop Brownfields?

- Desirable locations
- Increases local tax base
- Improves community image
- Mitigates blight
- Mitigates public health and safety concerns
- Reduce the need to develop greenfields
- Uses existing infrastructure (cost savings)



# Kansas City Terminal Railway



# Kansas City Terminal Railway







# Atchison, KS (pop.16.481)





## **Atchison Funding Breakdown**

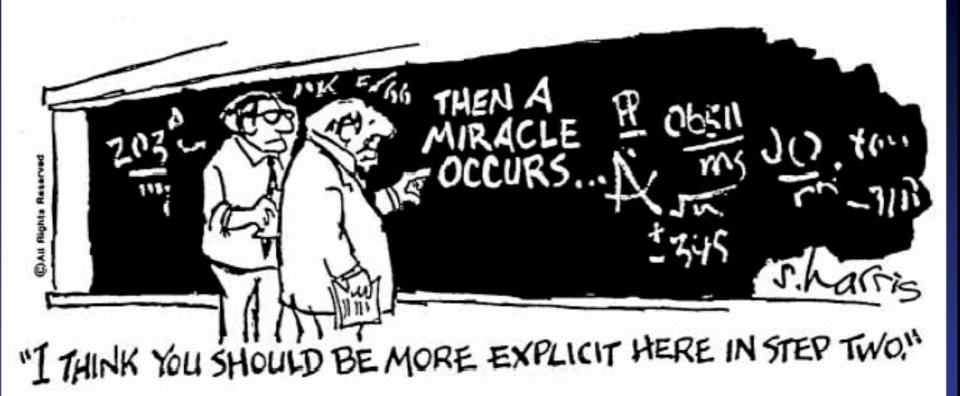
- Federal DOT Congressional Earmark, through KDOT: \$1M
- KDOT Transportation Enhancement Program: \$604,821
- Economic Development Administration: \$409.100
- KS Department of Wildlife and Parks: \$300,00
- HUD EDI Special Project Congressional Earmark: \$281,657
- EPA Brownfields Assessment grant: \$200,000
- KDHE BTAs (3): \$40,000
- Kansas Water Office: \$50,000
- Total Federal and State: \$2.8 M

Often it is the <u>PERCEPTION</u> of contamination that keeps properties from being redeveloped, not the actual presence of contamination.

Once the "stigma" is gone, properties can be returned to productive use.









#### **BF Process**

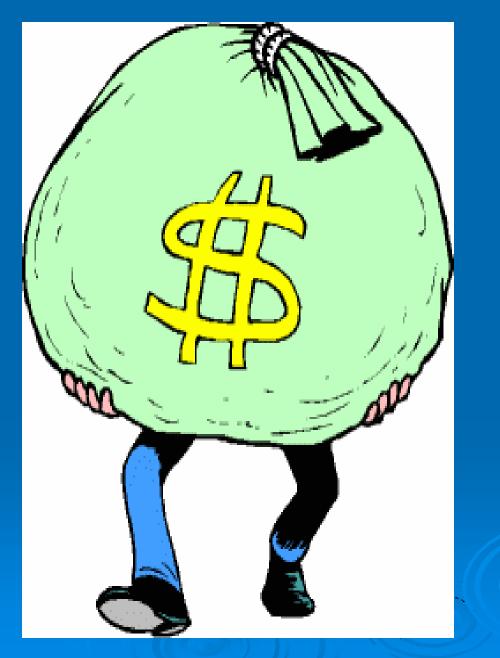
Identify the Brownfield

Investigate – Phase I/II site assessments

Clean-up, if necessary

Redevelop









#### Financing Programs: A Federal "Laundry List"

#### What's Been Used in Brownfield Reuse Financing Packages?

#### Loans

- > EDA capital for local revolving loan funds
- HUD funds for locally determined CDBG loans and "floats"
- > EPA capitalized revolving loan funds
- SBA's microloans
- SBA's Section 504 development company debentures
- EPA capitalized clean water revolving loan funds (priorities set/ programs run by each state)
- HUD's Section 108 loan guarantees
- SBA's Section 7(a) and Low-Doc programs
- USDA business, intermediary, development loans

#### Grants

- HUD's Brownfield Economic Development Initiative (BEDI)
- HUD's Community Development Block Grants (for projects locally determined)
- EPA assessment, cleanup grants
- EDA public works and economic adjustment

#### Grants (continued)

- DOT (various system construction, preservation, rehabilitation programs)
- Army Corps of Engineers (cost-shared services)
- USDA community facility, business and industry grants

#### **Equity capital**

SBA Small Business Investment Cos.

#### Tax incentives and tax-exempt financing

- > Targeted expensing of cleanup costs
- > Historic rehabilitation tax credits
- Low-income housing tax credits
- Industrial development bonds
- Energy efficiency construction credits

#### **Tax-advantaged zones**

- HUD/USDA Empowerment Zones
- HUD/USDA Enterprise Communities

#### **TAB Contact**

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