

Brownfields Assistance For Illinois Municipalities

Pekin Brownfields Workshop

August 2, 2011

Steve Colantino

Illinois EPA

Office of Brownfields Assistance



Illinois EPA and USEPA have a long and successful history of working together to provide assistance to both the private and public sectors to cleanup and redevelop brownfields across Illinois

In the early 90's Illinois EPA and Region 5 began developing strategies to promote the remediation and redevelopment of "Brownfield" sites. Both agencies recognize that a key factor to the Brownfields program in Illinois is for both agencies to exercise their authorities and use their resources in ways that are mutually complementary and are not duplicative.

What is a Brownfield?

- Brownfields are abandoned or underutilized industrial or commercial properties, or a portion of such properties, that have actual or perceived contamination and an active potential for redevelopment.
- Common *misconceptions* are Brownfields:
 - are only vacant or abandoned properties
 - conform to “size” restrictions or past use history
 - are grossly contaminated
 - are liability quicksand guaranteed to swallow up anyone involved



shirt
service

MARTINIZING





09 06 2001 09:30





12 05 2001 12:24

Community Benefit to Brownfields Cleanup and Redevelopment

- Remove blight and reduce service demands
- Increase local employment opportunities and local tax revenues
- Revitalize business districts and neighborhoods
- Improve quality of life for residents
- Protect public health and the environment

Illinois Promotes Cleanup and Redevelopment of Brownfields Using Five Fundamental Tools:

- Financial Incentives
- Risk-Based Cleanups
- Voluntary Cleanup Program
- Liability Protection
- Technical Assistance

Financial Incentive: Illinois Municipal Brownfields Redevelopment Grant (MBRG)

- Available only to municipalities (incorporated city, village or town)
- Grants are worth a maximum of \$240,000 and municipalities are required to share in any grant award through a 70/30 match
- Funds can be used at any former or current commercial or industrial site, facility, or complex (including LUST sites)

MBRG Program (continued)

- Funding provided for:
 - environmental site assessments (Phase I & Phase II activities)
 - development of cleanup objectives
 - preparation of cleanup plan(s)
 - corrective action (remediation)
 - enrollment into the Site Remediation Program (SRP) and oversight costs
- Does not fund:
 - demolition activities
 - asbestos or lead-based paint abatement

MBRG Program (continued)

- Sites do not have to be municipally owned for assessment activities, but must be municipally owned for corrective action activities
- MBRG Program is a reimbursement program – municipalities will be reimbursed for eligible or approved costs up to the specified grant amount
- Grantee has three (3) years to spend down the grant funds

▪ *Since 2006, program has had annual appropriation, but no funding mechanism on State level to support appropriation*



Illinois
Environmental
Protection Agency

Bureau of Land
1021 N. Grand Ave. E.
Springfield, IL 62794-9276

June 2005

MUNICIPAL BROWNFIELDS
REDEVELOPMENT
GRANT PROGRAM
APPLICATION PACKAGE

- I. Introduction
- II. Program Requirements
- III. Application Instructions
- APPENDIX A
- APPENDIX B
- APPENDIX C

<http://www.epa.state.il.us/land/brownfields/grants/>

Financial Incentives:

Illinois Revolving Loan Fund (RLF) Program

- Federally capitalized loan program (ARC Grant)
- Provides loan(s) up to \$1,000,000 per borrower
- Funds used for activities directly related to and including site cleanup
- Available only to municipalities and none profits, and borrower must own site
- Property must have potential for revenue generation (activities or sale) to pay back the loan amount

RLF Program (continued)

- Site(s) must be enrolled in Illinois EPA's Site Remediation Program (SRP) and have an SRP-approved Remedial Action Plan (RAP), and a redevelopment strategy
- Loan engaged via an Intergovernmental Agreement (IGA)
- IGA engaged for two years (length of cleanup period)
- Terms of payment – zero percent interest - up to 15 year repayment period

RLF Program (continued)

- Recent Loan Awards:

- July 2011 / Rock Island GROWTH - \$300,000
- July 2011 / Bedford Park - \$246,221
- May 2011 / United Neighborhood Organization - \$1,000,000
- May 2011 / Galesburg - \$330,000
- June 2010 / Sterling - \$1,000,000

- Loans Currently Being Underwritten:

- City of Chicago - \$500,000 (expected to be awarded 9/1/11)
- Warrenville - \$150,000

- Older Loans:

- Rock Falls, Metropolis, Brookfield, Lacon, Lancing, Canton #1, Canton #2, Monticello

Illinois Revolving Loan Fund

ILLINOIS BROWNFIELD REVOLVING LOAN FUND

SUMMARY

LOAN CRITERIA

- Only awarded to municipalities or non-profits
- Can only be used for activities directly related to (and including) site cleanup
- Must have Site Remediation Program (SRP) approved Remedial Objectives Report/Remedial Action Plan (ROR/RAP), except in the case of asbestos mitigation and/or cleanup
- Municipality (or non-profit) must own target loan site for the duration of the cleanup
- CERCLA liability protection assertion (AAI prior to purchase)
- Site must be enrolled in SRP
- A Community Relations Plan must be prepared and executed
- Borrower must have scope of work, schedule & budget approved by Illinois EPA , Office of Brownfields Assistance
- Property must have potential for revenue generation (activities, sale, TIF)
- Project must include prevailing wage

KEY THRESHOLD ELIGIBILITY CRITERIA

- Target loan site(s) must meet definition of a brownfield
- Borrower must demonstrate no potential liability under CERCLA for cleanup costs
- Borrower must be municipality or Non-Profit Organization, own the site and have controlled windfall profit during acquisition
- No active or pending enforcement activities pertaining for the target loan site(s)

LOAN ENGAGEMENT AND PERIOD

Borrower must execute an Intergovernmental Agreement (IGA) with Illinois EPA. The IGA is awarded for 730-days [24 months]. All approved corrective action activities shall be completed within 12-months following commencement of the activity.

TERMS OF PAYBACK TO IEPA

Payback up to 100% of loan amount, over 15 years, at 0% interest. Actual amount of loan repayment will be negotiated between borrower and Illinois EPA, and will depend, in part, upon revenue realized from sale, lease, trade or development of target site, and/or terms and conditions of some other repayment method approved by Illinois EPA.

Risk-Based Cleanups:

Tiered Approach to Corrective Action Objectives (TACO)

- Illinois EPA method for determining how-clean-is-clean
- Takes into account site conditions and land use
- Allows institutional controls (soil and groundwater use restrictions) and engineered barriers (asphalt, concrete, “clean” soil, etc.)
- Gives more control to site owners and developers regarding cleanup approaches and associated costs
- Works in conjunction with existing remediation programs

Voluntary Cleanup Program: Site Remediation Program (SRP)

- Facilitate property transactions across the state by providing technical review and assistance on cleanup design and implementation and no further remediation determination
- A party or entity must serve as the “Remediation Applicant” (RA) and voluntarily enroll site into the SRP program
- RA does not have to be property owner and must defines “site” by a legal description
- Results of site assessments and TACO evaluations (prepared by an environmental consultant) submitted to IEPA for review and oversight

Liability Protection

State

- July 1, 1996 Illinois adopted Proportional Share Liability Protection, which replaced the CERCLA Joint Liability Scheme to provide liability protection to non-responsible parties dealing with contaminated real estate and brownfields.

Federal

- Exemption for Involuntary Acquisitions by Local Governments: federal law provides an exemption from liability claims for a property that has been involuntarily acquired by a local government
- All Appropriate Inquiry and Bona Fide Prospective Purchaser

Partnerships:

Office of Brownfields Assistance

Office of Brownfields Assistance staff, known as brownfields representatives, will:

- travel to communities statewide to evaluate brownfields cleanup potential and for eligibility for funding sources
- help locate additional resources, explain regulatory program requirements, and assist in the grant and loan application process
- assist the community in navigating through the cleanup process

Partnerships:

Targeted Brownfields Assessments

- Office of Site Evaluation - at the community's request & as time/resources allow, OSE will conduct targeted brownfield assessments at no charge to the municipality
- May assist in on-going investigations or conduct investigations at new sites
- OSE performs approximately six TBAs per year

Partnerships with Local Governments (continued)

- Federally funded TBA- OBA Brownfield Representative, on behalf of a municipality, can request federal services for the performance of a TBA (Phase I & II)
- May assist a on-going investigations or conduct investigations at new sites
- Like OSE TBA, no cost to municipality



07 10 2006 10:35

For more information about Brownfield assistance in Illinois, please visit our website at:

www.epa.state.il.us

(Land>Cleanup Programs>Brownfields Assistance)

OR

Call us at (217) 785-3497