Brownfield Basics

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Areas in Need of Attention

Brownfield Characteristics
• Past industrial or commercial use
• Known or perceived environmental contamination
• Currently unused, underused, abandoned
• Owner is bankrupt, insolvent, unreachable, unresponsive, an estate, a large corporation that takes no action to transfer property, etc.
Common Brownfields

- Former factories
- Other manufacturing, tanning, milling, and plating facilities
- Old gas/service stations and drycleaners
- Former salvage and lumber yards
- Railroad yards

Brownfields in your Community

Brownfield vs. Redeveloped

- Key Differences
  - Local real estate market conditions
  - Property ownership situation
  - Local government involvement
  - Someone is willing to pay for the initial environmental assessment work
State Spill Law

- Wis. Stat. § 292.11(3) (since 1978)
- Requires anyone who causes, possess or controls a hazardous substance discharge to land, water and air to take appropriate action
- All known discharges must be immediately reported to DNR
- Emergency spills receive immediate attention

Land Recycling Law

- Passed in 1994; enhanced in following years
- Established environmental liability exemptions for local governments, lenders, and off-site property owners
- Created a grant program to help municipalities
- Provided a new outlook on property reuse

New Law – New Program

- Remediation and Redevelopment Program created in 1995 at DNR
- Dual focus: cleanup and reuse
- Priority on partnerships and customer service
NR 700 Rule Series

• A road map from discovery to closure
• Consolidates state and federal investigation and cleanup requirements into one program
• Professional expertise and equipment needed to carry out these activities
• Goal is protection of public health and the environment (land, air, water)

Basic Process Steps

• Phase I ESA
• Phase II ESA
• Discovery and Reporting
• Site Investigation
• Cleanup
• Closure
• Continuing Obligations

Spill Law Exemptions

• State law provides liability exemptions to:
  – Local governments
  – Lenders
  – Legal representatives
  – Off-site property owners
  – Voluntary parties that complete cleanups
• Exempt from requirements to investigate and cleanup pre-existing contamination
Local Gov. Exemption

- Wis. Stat. § 292.11(9)(e)
- Local Gov. not responsible for pre-existing environmental contamination if:
  - Property acquired per statute: e.g. tax foreclosure condemnation; bankruptcy, for blight elimination,
  - No new spills/discharges occur
  - DNR directions to make property safe for next use are followed

Additional Protections

Local governments can also get:

- 292.23 – solid waste exemption
- 292.24 – hazardous waste
- 292.26 – civil immunity
- 292.33 – cost recovery authority

DNR/RR Program Role

- Oversee environmental investigation and cleanup work; review requests for closure
- Provide assistance to responsible parties, consultants, local governments and others
- Maintain database of documents and reports
DNR/RR Program Role cont.

• Assist local governments (1,000+ Green Team meetings)
• Distribute grant and loan funds ($ millions)
• Prepare liability and technical clarification letters (1,780 delivered)
• Respond to abandoned containers (310 times)
• 30,942 spill incidents addressed with no additional action needed

Redevelopment is Possible

• Activities in all 72 counties
• Activities in 96% of all cities, villages, towns
• 28,856 cases closed
• 25,130 acres returned for reuse
• 203 VPLE certificates issued with NO reopeners

Redevelopment is Profitable

• $1 of state brownfields funding leverages $24 of private sector investment.
  Average reused property adds $3.4 million to assessable base.
  Post-reuse values exceed pre-reuse values 3.5 to 1.
  $3,000 leverages 1 job.
14-fold ROI for State
$88.5 Million Local Government Gain in Annual Tax Revenue

Why Acquire a Brownfield

• Property access and site control
• Local government ownership gives potential purchasers marketable title and a credible entity to work with
• Tax foreclosure clears title, removes liens, stops build-up of back taxes
• Often the only realistic way to get a property back on the tax rolls

Other Ownership Benefits

• Brownfield properties are unattractive to private sector actors in current condition; something extra is needed
• Easier to investigate buildings and subsurface conditions, collect and share data with potential purchasers and market property
• Access to state and federal financial assistance
The Costs of Inaction

- Continued health and safety risks
- Lost potential tax revenue
- No new investment
- Nearby property values decline
- Negative impact on other potential reinvestment due to perception of decline

Local Government Options

- Prevent brownfields from happening
- Take no action for existing brownfields
- Assist property owner to improve site
- Enact and enforce vacant and/or blighted property ordinances
- Offer incentives to promote redevelopment
- Acquire property for short, medium or long-term ownership

Tools and Assistance

- Public Database and Map
- Grant and Loan Programs
- Green Team Meetings
- Cleanup Agreements
- Technical Assistance
- Model Ordinances
- RR Report News Feed
WAM Awards
- Assessment contractor services awards
  - Phase I and II reports; some SI possible
- No-cost to awardee; DNR administers
- Local governments are eligible for awards
- Site must be an industrial brownfield less than 10 acres
- Legal permission to access property needed

Ready for Reuse $
- For cleanup work, following SI
- Local governments are eligible
- Property must be a brownfield
- 0% loans over $250k with flexible payback
- Grants up to $200k possible
- 22% applicant match
Access DNR Data Everywhere

State Grants and Loans

- **Assessment**
  - WEDC Site Assessment Grant
  - DNR Wisconsin Assessment Monies

- **Cleanup**
  - DNR Ready for Reuse Grant and Revolving Loan Fund
  - WEDC Brownfield Redevelopment Grant
Good Things Can Happen

- Assessment $
  - WEDC SAG
  - DNR WAM
- Cleanup $
  - WEDC Brownfield Grant
  - DNR Ready for Reuse Loan
Green Team Meetings

Contact Us, We Can Help