

BROWNFIELDS GUIDANCE IN ADDITION TO PREPARED MATERIALS
MAY 13, 1997

Brownfields

- * This is mostly targeting of existing FY97 funds by EPA, HUD, and other agencies. Rest is targeting of proposed FY98 funds. HUD is about 50/50 '97/'98.
- * Important to emphasize the proposed tax incentive described in paper, since it's something that was agreed to in the budget agreement, and we need to get it nailed down. It's \$2 billion over five years (but we can't say full amount was agreed to in budget agreement).

TOIV
Weinstein/DPC

**THE WHITE HOUSE
Office of the Vice President**

**Tuesday, May 13, 1997
FOR IMMEDIATE RELEASE**

Contact: (202) 456-7035

**VICE PRESIDENT GORE ANNOUNCES EXPANSION
OF BROWNFIELDS INITIATIVE**

WASHINGTON-- Vice President Al Gore today (5/13) announced that he was bringing together the resources of more than 15 Federal Agencies as part of the Clinton Administration's new "Brownfields National Partnership."

The Partnership is one part of a three-pronged strategy on Brownfields that the Vice President and senior administration officials announced today. The second part is a new round of Brownfields project grants and the third part is the Vice President's call to Congress to pass the President's Brownfields legislative package.

The Brownfields Partnership builds on the Administration's actions to empower and revitalize America's communities. This expanded effort includes commitments from across the federal government and the private sector to help thousands of communities cleanup and redevelop Brownfields -- abandoned pieces of land, usually in inner cities, that are lightly contaminated from previous industrial use.

"I now call on Congress to do its part by passing the President's Brownfields legislative proposals, including the Brownfields tax incentive," the Vice President said. "Our communities demand it. And our children deserve it."

The Brownfields Partnership -- which includes a \$300 million Federal investment in Brownfields cleanup and redevelopment from more than 15 Federal Agencies -- is expected to leverage from \$5 billion to \$28 billion in private investment, support up to 196,000 jobs, and protect up to 34,000 acres of undeveloped "greenfield" areas outside of cities.

The Vice President also announced a new round of Brownfields redevelopment pilot project grants to 34 additional communities to spur revitalization in those communities. To date, the Clinton Administration has awarded 113 such pilot projects, totaling nearly \$20 million to towns and cities across the country as a seed money to promote Brown fields redevelopment efforts.

The Administration launched the Brownfields initiative in November, 1993 with a \$200,000 grant from the Environmental Protection Agency to Cleveland, Ohio so that the state and local officials could help create a model for redeveloping these areas across the country. The Administration has since taken a series of actions, as part of its overall community empowerment

CLINTON ADMINISTRATION EXPANDS COMMITMENT TO BROWNFIELDS REDEVELOPMENT

Vice President Gore today launched an expansion of the Clinton Administration's Brownfields Redevelopment Initiative, building upon the Administration's actions to revitalize America's communities. First, a new Brownfields National Partnership brings a wide array of new federal and private sector resources to help thousands of communities clean up and redevelop brownfields. This ongoing Partnership -- which also builds on the Administration's Community Empowerment Agenda -- will support communities and provide new tools for their use. Second, the latest round of EPA's brownfields redevelopment pilot project grants brings resources to an additional 34 communities to spur revitalization. Third, the Vice President called on Congress to pass the President's brownfields legislative package, which includes a tax incentive to encourage brownfields redevelopment.

1) New Brownfields National Partnership: This new two-year effort includes more than 100 commitments from more than 25 organizations -- including more than 15 federal agencies -- to further spur cleanup and redevelopment at some 5,000 brownfields sites around the U.S. The new partnership is expected to result in:

- **A \$300 million federal investment in brownfields cleanup and redevelopment, along with an additional \$165 million in loan guarantees to advance community revitalization;**
- **Leveraging from \$5 billion up to \$28 billion in private investment to redevelop these areas and return them to productive community use;**
- **Support up to 196,000 new jobs;**
- **Protection of up to 34,000 acres of undeveloped "greenfield" areas, and quality of life improvements for up to 18 million Americans living near these communities.**

Under the new federal partnership, 15 federal agencies will provide:

- **Assessment, cleanup and job training funds (\$125 million) from EPA; additional job training support from Departments of Health and Human Services, Labor and Education;**
- **Redevelopment and housing funds (\$155 million) and loan guarantees (\$165 million) from the Department of Housing and Urban Development; redevelopment of distressed areas (\$17 million) from the Economic Development Administration; coastal community revitalization (\$900,000) from the National Oceanic and Atmospheric Administration; and surveys to speed federal property development (\$1 million) from the General Services Administration.**

In addition, HHS will work across the Administration to develop a public health policy to protect community residents near brownfields; Department of Treasury will work with Congress on the President's proposal for a \$2 billion brownfields tax incentive; and EPA, Department of Justice and the states will collaborate to establish national guidelines for state voluntary cleanups.

To provide models for successful collaboration, the Administration will select 10 Brownfields Showcase Communities to demonstrate importance of cooperation among federal agencies, state and local governments and the private sector in cleaning up and revitalizing brownfields. The Administration will select these sites through a competitive process from among brownfield and empowerment community/enterprise zone sites across the country.

2) *New Pilot Grants Provide More Communities with Seed Money to Spur Redevelopment:* Building on the Clinton Administration's efforts since November 1993 to provide seed money to communities seeking to clean up and redevelop brownfields, the Vice President today announced an additional 34 grants of up to \$200,000 to national or regional brownfields redevelopment pilot projects. To date, the Clinton Administration has awarded 113 such pilot projects totaling nearly \$20 million to communities across the nation to help them restore abandoned industrial sites to new uses that revitalize both the environment and the economy in urban centers and surrounding communities. Each pilot project is expected to serve as a model for other communities to use in removing the barriers to cleanup and redevelopment of brownfields in a variety of settings.

3) *A Call to Congress to Pass Brownfields Tax Incentive Legislation:* The Vice President called on Congress to pass the President's brownfields legislative package, which includes a tax incentive to encourage brownfields redevelopment. President Clinton's FY 1998 balanced budget plan contains a targeted tax incentive to spur the private sector to clean up and redevelop brownfields in economically distressed rural and urban areas. This \$2 billion tax incentive is expected to leverage \$10 billion in private sector investment, helping to revitalize some 30,000 brownfields sites. Under the proposal, businesses would be able to expense the costs of cleaning up these properties in the year in which the costs are incurred, rather than capitalizing such costs of the life of the property. This tax proposal will provide significant financial incentives for the private sector to revitalize these areas.

THE CLINTON ADMINISTRATION'S BROWNFIELDS REDEVELOPMENT INITIATIVE

Brownfields are abandoned pieces of land -- usually in inner city areas or surrounding communities -- that are lightly contaminated from previous industrial use. These sites do not qualify as Superfund toxic waste National Priority sites because they do not pose a serious public health risk to the community. However, because of the stigma of contamination and legal barriers to redevelopment, businesses do not buy the land and sites remain roped off, unproductive and vacant. Additionally, by redeveloping abandoned industrial property, "green" areas outside the city will be preserved.

Beginning in November 1993, the Clinton Administration has taken a series of actions to clean up and redevelop brownfields to return them to productive use in these communities:

- ***Creating a national model:*** In November 1993, EPA Administrator Browner launched the Brownfields initiative with a \$200,000 grant to Cleveland, Ohio for a pilot project with state and local officials to determine the best way to develop a national model for revitalizing these areas across the country. Since 1993, Cleveland has leveraged \$4.5 million for environmental cleanup and improvements for the property. Several new businesses have located on the site, over 180 new jobs have been created and payroll tax base improvement alone has netted over \$1 million for the local economy.
- ***Removing the barriers to development:*** Since January 1995, the Administration has removed the legal obstacles to development of brownfields sites by **taking more than 30,000 sites off the Superfund inventory**. By taking these low-priority sites off the list, we relieve potential developers of unnecessary red tape, remove the stigma of contamination, and get the sites on track for redevelopment.
- ***Providing seed money:*** The Administration has met and exceeded its original goal to provide Brownfields seed money across the country, with a total of 113 such grants of up to \$200,000 each underway. A total of nearly \$20 million has been awarded to date. The program brings together people who live near contaminated land, businesses that want to get land cleaned up, community leaders, investors, lenders and developers. Together, they seek ways to restore abandoned sites to new uses -- increasing property values, stimulating tax revenues, creating jobs and job training opportunities, and revitalizing inner-city neighborhoods.
- ***Tax Incentive and Budget Commitments:*** President Clinton's FY 1998 balanced budget plan contains a targeted tax incentive to spur the private sector to clean up and redevelop brownfields in economically distressed rural and urban areas. This \$2 billion tax incentive is expected to leverage \$10 billion in private sector investment, helping to revitalize some 30,000 brownfields sites. Under the proposal, businesses would be able to expense the costs of cleaning up these properties in the year in which the costs are incurred, rather than capitalizing such costs of the life of the property. This tax proposal will provide significant financial incentives for the private sector to revitalize these areas.

BROWNFIELD SUCCESS STORIES

DALLAS, TEXAS

The city of Dallas, with help from the United States Environmental Protection Agency, is returning brownfield properties into productive use for the community. With six sites in the cleanup and redevelopment process, \$41 million in private investment has been leveraged, along with a \$2 million public investment.

For example, the Dixon Street site is being converted from an abandoned brownfield site into a valuable recreation center for the neighborhood's children. The three and half acre site was an apartment complex until 10 years ago when it was torn down and left as vacant lot, which became a midnight dumping site with unknown contaminants. The site -- located next to a park -- collected trash and became a magnet for criminal activity. Larry Johnson, a Dallas native and New York Knicks basketball celebrity, donated \$1 million to construct the new recreation center. So far, 71 new jobs have been created from these efforts, and an estimated \$32 million per year is expected to enhance city coffers.

EMERYVILLE, CALIFORNIA

Prosperity is gradually replacing blight in Emeryville, CA, a small town located near Berkeley, Oakland, and San Francisco. EPA and Emeryville have joined forces on a Brownfields Pilot project to rejuvenate several abandoned, former-industrial sites contaminated with heavy metals, hydrocarbons, and chlorinated solvents. With the help of a \$200,000 EPA Brownfields grant, the town has leveraged \$644 million in private investment and has attracted several developers that will soon begin construction on retail, hotel and office developments. Within the next five years, the city anticipates 10,600 new jobs will be created. In addition, Chiron Corporation, the second largest biotechnology firm in the country, will construct 12 new buildings over the span of 20 years to house their biotech firm, creating over 3,000 high-paying jobs. Over one hundred acres of abandoned former industrial sites are being cleaned up and redeveloped, creating an increase of \$6.4 million in the tax base.

BRIDGEPORT, CONNECTICUT

In 1992, the City began its own brownfield redevelopment effort by working with Westinghouse Corp. to clean up and redevelop a contaminated site left vacant by the company. After Westinghouse cleaned up the site and donated it to the community, the City began redevelopment of an industrial park, and as many as 400 new jobs are anticipated.

With the help of a \$200,000 EPA Brownfields grant, the City is replicating this project at the other 29 brownfield sites in their clean up and redevelopment pipeline. The City has created a Pilot Report, an identification and ranking of the City's abandoned, contaminated sites, and has aided in attracting potential developers who may otherwise avoid properties which contain unknown environmental liabilities. So far, 120 acres are being cleaned up and redeveloped, spurring \$15 million in private investment and \$130 million in public investment. Although still in the early stages, the local tax base will get a \$250 thousand boost due to the collaboration between the city, EPA, other public and private entities and local neighborhood groups to revitalize these sites.

Clinton Administration Brownfields Economic Redevelopment Initiative
Summary of Pilot Projects - May 1997

NATIONAL PILOT PROJECTS

Bucks County, Pennsylvania - Commissioner Michael Fitzpatrick

With the help of its \$200,000 seed grant, Bucks County -- an Enterprise Zone -- will work in a three-square-mile area to identify underutilized former industrial sites for redevelopment.

Cook County/Harvey, Illinois - Mayor Nickolas F. Graves

With the help of its \$200,000 seed grant, Cook County will work with the city of Harvey to plan for redevelopment of an abandoned manufacturing facility as well as create new jobs.

Cowpens, South Carolina - Mayor William E. White

With the help of its \$200,000 seed grant, Cowpens will plan for cleanup and redevelopment of a 70-acre former textile mill, for which a potential purchaser has already been identified.

Dade County/Miami, Florida - Mayor Alex Pencelas

With the help of its \$200,000 seed grant, Dade County will focus on a 30-acre former industrial center adjacent to public housing to plan for its cleanup and create redevelopment incentives.

Elmira, New York - Mayor Howard F. Townsend

With the help of its \$200,000 seed grant, Elmira will select 4 to 6 brownfields for cleanup and redevelopment, and consider a stop-loss insurance fund to cover private cleanup costs.

Fayetteville, North Carolina - Mayor Johnny Lee Dawkins, Jr.

With the help of its \$200,000 seed grant, Fayetteville will focus on redevelopment plans for three downtown brownfields that combine residential, commercial and retail properties on 3,000 acres.

Greenfield, Massachusetts - Mayor Peter Ruggeri

With the help of its \$125,000 seed grant, Greenfield will create a cleanup plan for an abandoned machine tool plant, and determine future options for returning it to productive community use.

Hartford, Connecticut - Mayor Michael P. Peters

With the help of its \$200,000 seed grant, Hartford will target deteriorated industrial sites in three neighborhoods, with a goal of attracting new industrial and commercial development.

High Point, North Carolina - Mayor Rebecca Smothers

With the help of its \$200,000 seed grant, High Point plans to revitalize its West Macedonia area, southeast of its downtown, by planning cleanups and creating new public-private partnerships.

Jacksonville, Florida - Mayor John A. Delaney

With the help of its \$200,000 seed grant, Jacksonville will focus on revitalizing underused or vacant brownfields in the Talleyrand Redevelopment Area and East Jacksonville.

Jersey City, New Jersey - Mayor Bret Schundler

With the help of its \$200,000 seed grant, Jersey City plans to boost its tax base and create jobs by revitalizing former industrial and rail areas surrounded by residential communities.

Ketchikan Gateway Borough, Alaska - Mayor John "Jack" Shay

With the help of its \$200,000 seed grant, Ketchikan Gateway Borough will create cleanup and reuse plans for a recently closed paper mill, to avoid deterioration and boost employment.

State of Maine - Governor Angus S. King, Jr.

With the help of its \$199,017 seed grant, Maine will target 85 towns and cities statewide to assist in revitalization and job creation, using a revolving loan fund to help support cleanup assessments.

Memphis, Tennessee - Mayor W. W. Herenton

With the help of its \$200,000 seed grant, Memphis will focus on an abandoned tire plant in the North Memphis Enterprise Community, creating plans for its cleanup and productive reuse.

New Bedford, Massachusetts - Mayor Rosemary S. Tierney

With the help of its \$172,000 seed grant, New Bedford will use tax incentives and loan options for cleanups to help redevelop former mill sites into aquaculture facilities to boost its economy.

Niagara Falls, New York - Mayor James C. Galie

With the help of its \$195,250 seed grant, Niagara Falls will plan cleanups at four brownfields in its industrial core, offering tax credits and other incentives to encourage their redevelopment.

Perth Amboy, New Jersey - Mayor Joseph Vas

With the help of its \$200,000 seed grant, Perth Amboy will focus on redeveloping two formerly heavy industrial areas, and develop model insurance to remove cleanup liability issues.

Puerto Rico - Governor Pedro Rossello

With the help of its \$200,000 seed grant, the Puerto Rico Economic Development Administration will plan for 3 cleanups, including one to turn a vacant electroplating plant into a recycling center.

Santa Barbara County, California - County Administrator Michael Brown

With the help of its \$200,000 seed grant, Santa Barbara County will revitalize the Goleta Old Town area -- with some 50 possible brownfields -- through cleanup and redevelopment plans.

St. Paul, Minnesota - Mayor Norm Coleman

With the help of its \$146,000 seed grant, the St. Paul Port Authority will work with community groups to identify up to six underused or abandoned brownfields for cleanup and redevelopment.

Tallahassee, Florida - Mayor Scott Maddox

With the help of its \$191,000 seed grant, Tallahassee will examine 73 brownfields on 450 acres for potential cleanup and redevelopment, focusing on the Gaines Street/Cascade corridor.

Tucson, Arizona - Mayor George Miller

With the help of its \$200,000 seed grant, Tucson will clean up and redevelop up to 20 brownfields in an 80-acre area of warehouses, roadways and vacant industrial sites.

Wellston, Missouri - Mayor Robert L. Powell

With the help of its \$200,000 seed grant, Wellston will plan cleanups and redevelopment of a 100-acre brownfield area, with the goal of creating a new light manufacturing technology park.

Wilmington, Delaware - Mayor James H. Sills, Jr.

With the help of its \$200,000 seed grant, Wilmington will focus on 1,750 acres of former industrial sites for cleanup and redevelopment, and start a brownfields cleanup loan program.

Northwest Wisconsin - Governor Tommy G. Thompson

With the help of its \$195,510 seed grant, Northwest Wisconsin will initially target six brownfields across the region for redevelopment, including those in a waterfront area in the city of Superior.

REGIONAL PILOT PROJECTS

Baltimore County, Maryland - County Executive Charles A. Dutch Ruppertsberger

With the help of its \$200,000 seed grant, Baltimore County will focus on a revitalization strategy for vacant and underused brownfield sites in its southeast industrial corridor.

Chicago, Illinois - Mayor Richard M. Daley

With the help of its \$41,000 seed grant, Chicago will create a stakeholder participation process to facilitate community input into three ongoing brownfields redevelopment efforts.

East Palo Alto, California - Mayor R. B. Jones

With the help of its \$125,000 seed grant, East Palo Alto will focus on a 130-acre industrial area with nearly 60 properties, conducting environmental assessments to speed redevelopment.

Englewood, Colorado - Mayor Tom Burns

With the help of its \$200,000 seed grant, Englewood will create low-interest cleanup loans and identify potential developers for two former industrial sites, an iron works and a plating facility.

Gainesville, Florida - Mayor Bruce Delaney

With the help of its \$100,000 seed grant, Gainesville plans to meet an environmental need -- treating downtown stormwater runoff -- by turning a 20-acre brownfield into a stormwater park.

Lynn, Massachusetts - Mayor Patrick S. McManus

With the help of its \$200,000 seed grant, Lynn will complete cleanup and redevelopment plans for three diverse brownfields, to return them to residential, industrial and recreational use.

Ogden City, Utah - Mayor Glenn J. Mechem

With the help of its \$200,000 seed grant, Ogden City will create redevelopment plans for three central business district brownfields; a new baseball stadium is planned for a former iron works.

Tulsa, Oklahoma - Mayor M. Susan Savage

With the help of its \$200,000 seed grant, Tulsa will create cleanup and redevelopment plans for 10 brownfields in its northwest neighborhoods, and explore financing and tax incentives.

Westfield, Massachusetts - Mayor Richard Sullivan, Jr.

With the help of its \$197,000 seed grant, Westfield will target a former boiler manufacturing facility -- which closed down four years ago -- for assessment, cleanup and redevelopment.

THE WHITE HOUSE
WASHINGTON

Brownfields

DPC PRINCIPALS MEETING
Brownfields Action Agenda
March 18, 1997

AGENDA

- 1. Introduction**
Bruce Reed
- 2. Overview of Interagency Effort On Brownfields**
Administrator Browner
- 3. Discussion of Agency Commitments To Action Agenda**
- 4. Discussion of Possible Rollout of Agenda Next Month**

*You should
ask if Agency
Commitments could be
Satisfied by April*

**Briefing Paper for the Domestic Policy Council
Brownfields National Partnership Action Agenda
March 18, 1997**

BACKGROUND

- We are poised to boldly expand the Administration's Brownfields Initiative and fulfill the President's promise in the recent State of the Union Address to "restore contaminated urban land and buildings to productive use."
- A multi-agency group has developed a two-year (FY97-98) Action Agenda to implement the President's Brownfields Initiative.
- Brownfields continues to gain momentum across the Federal government, Congress, States, local governments and affected communities. The U.S. Conference of Mayors put Brownfields at the top of its priority list this year.

CURRENT STATUS

- EPA has just completed a two-year effort to show that environmental cleanup and economic redevelopment can work hand in hand. EPA has awarded 78 Brownfields pilots, removed more than 29,000 (of 40,000) sites from the Superfund inventory, issued more than a dozen new policies to clarify liability and cleanup procedures, and facilitated job training for residents in Brownfields communities.
- The President confirmed his commitment to the Brownfields Initiative in his August 28, 1996, environmental announcement in Kalamazoo, Michigan, in which he pledged to increase resources devoted Brownfields activities.
- The Brownfields National Partnership focuses the Administration's efforts to use environmental cleanup as an engine for improving Brownfields cities, building economic viability and creating job opportunities.
- With its strong focus on meeting the needs of local communities and the residents affected by Brownfields sites, the Brownfields National Partnership Action Agenda allows the Administration to address directly the mandates of Executive Order 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations."

Brownfields NATIONAL PARTNERSHIP ACTION AGENDA

- The new Brownfields Action Agenda is a two-year plan (FY97-98) including more than 100 specific commitments from 17 Federal departments and agencies and 10 stakeholder organizations.
- It features 10 Brownfields Showcase Communities which will each have a Federal coordinator and 5 or more Federal agencies working to support Brownfields-related activities in that community. We expect White House selection of communities by Summer 1997.
- EPA will set aside \$125 million to fund 125 additional Brownfields site assessment pilots, capitalize local revolving loan funds in pilot cities, fund State and tribal Voluntary Cleanup Programs, and support workforce development initiatives.
- ✓ HUD will provide \$25 million in Economic Development Initiative (EDI) grants (supporting an additional \$100 million in section 108 loan guarantees), target existing grant funds such as Community Development Block Grants (CDBG), and include Brownfields as a major grant criteria for the next EZ/EC round. *[could do up to \$250m]* *(budget request)*
- ✓ Treasury will work to ensure passage of the President's proposed \$2 billion Brownfields Tax incentive. 
- GSA will work with Federal agencies to identify Federal Brownfields land holdings and match efforts for Brownfields redevelopment.
- DOC/EDA will provide funding for Brownfields redevelopment and will give priority to EPA funded pilots for redeveloping blighted areas.
- DOC/NOAA will provide funding in coastal states for Brownfields redevelopment that supports waterfront revitalization.
- DOT will issue a new policy on Brownfields and transportation projects, and set aside \$5 million in FY98 to conduct a research pilot program to better understand the role of transportation in achieving a sustainable environment.

Howard
01-20

Dash

Dave

Frank

Ellen: CBA credit for Brownfields

- mm* • HHS will lead an Administration-wide effort to develop a public health policy for Brownfields to protect community residents.
- DOL, Education, and HHS will link workforce development, welfare-to-work and school-to-work efforts with the Brownfields initiative, putting unemployed urban residents to work in environmental careers.
- Lois S.* • EPA and DOJ will issue final guidance on State Voluntary Cleanup Program Memoranda of Agreement to add regulatory certainty to Brownfields redevelopment.

Brown B. -

Weed + Seed

ACTION ITEMS

1. Confirm Department and Agency Action Agenda commitments.
2. Examine programs to find additional items that might be linked to Brownfields.
3. Quantify the resources and program support that Departments and Agencies are dedicating to Brownfields-related activities so we can present an accurate overall picture.
4. Coordinate Inter-agency communications strategy with the White House and EPA.

Branfield



Cathy R. Mays
03/18/97 02:18:42 PM

Record Type: Record

To: Debra A. Schiff/WHO/EOP
cc:
Subject: DPC Meeting

Two additional names for the DPC meeting today at 3:00 p.m.

Dave Barram, GSA
Raymond Young, FEMA

----- Forwarded by Cathy R. Mays/OPD/EOP on 03/18/97 02:12 PM -----



Cathy R. Mays
03/18/97 12:58:57 PM

Record Type: Record

To: Debra A. Schiff/WHO/EOP
cc: Kris M Balderston/WHO/EOP
Subject: DPC Meeting

The following is a list of Participants for the DPC Meeting in the Roosevelt Room, Tuesday, March 18, 3:00 p.m.

- Carol Browner, EPA ✓
- Joshua Gotbaum, Treasury ✓
- Janice Booker, Treasury
- John Scholz, Treasury
- Sherri Goodman, DoD ✓
- John Stowers, DoD
- Lois Schiffer, Justice ✓
- Jeffrey Hunker, Commerce ✓
- Raymond Uhalde, Labor ✓
- Brian Burke, Agriculture ✓
- ~~Michael Stegman, HUD~~ *Howard Glazer*
- Ann Rosewater, HHS ✓
- Alvin Alm, Energy ✓
- Martha Crosland, Energy
- Brooke Shearer, Interior
- Frank Kruesi, Transportation ✓

Timothy Fields, EPA ✓

Ronald Matzner, SBA ✓

John Callahan, SSA ✓

Elen ~~Gene Spedding, NEC~~ ✓

Katie McGinty, CEA ✓

Jack Lew, OMB

Janet Yellen, CEA

Dr. Adger, ONDCP

Kris Balderston, Cab Affairs ✓

Bruce Reed ✓

Marsha Hale ✓

Elena Kagan ✓

Paul Weinstein ✓

Eric Lohrey ✓

Wynne White

→ CAA credit



CAROL B: 78 pilots: lesson New 167m
Fixed lender stability last yr.
25 more grants
Showcase comm (10 where ^{part-} write)
Nat. forecast of econ. benefit

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David Brown: GSLS Brownfields
- identifying fed. properties
for redevelopment

Sheri Goodman,
1 DOT: Link w/ bank closings
- flexibility to transfer property

Muzina: Link to tax incentive

KATIE M.:

CAROL B: 38 of 78 in EZs
We can do everything we need w/ legis. March 18, 1997

Kimberly: Coordinated w/ EZs, 2nd round

HUD: \$50m to Chicago, use same plan as

MEMORANDUM FOR BRUCE REED

FROM: Paul Weinstein

CC: Elena Kagan

SUBJECT: DPC Principals Meeting On Brownfields Action Agenda

Background

The purpose of this meeting is to discuss EPA's proposed Brownfields Action Agenda. As you are aware, the President has made the cleanup and redevelopment of Brownfields an Administration priority. Last year in Kalamazoo Michigan, the President reiterated his support of a Brownfield tax incentive (expensing) and an expanded site assessment, cleanup, and economic redevelopment grant program. These proposals are included in a legislative package that was included in the President's FY98 budget submission.

Over the last several months, EPA has been working with a group of 15 agencies to identify additional program dollars and other forms of assistance within the parameters of the FY97 budget. This would not require legislation. EPA would like to announce these additional commitments to the cleanup and redevelopment of Brownfields in April, along with a report on the Brownfields Action Agenda and \$25 million in new EPA grants.

Agenda

You will open the meeting by emphasizing the President's commitment to the Brownfields initiative (see attached talking points from EPA) You will then turn the meeting over to Administrator Browner. Administrator Browner will briefly give an overview of the Brownfields Initiative and the efforts of the interagency working group. She will underscore the need to finalize the commitments that have been made and the desire of the Administration to rollout the Agenda sometime in April. She will ask the agencies to work with DPC, OMB, and CEQ in resolving the details of the final proposal over the next couple of weeks and report back.

The meeting will close with a short discussion of rollout timing and possibility of a Vice Presidential event.

Concerns

Both OMB and CEQ have raised concerns about DPC having this meeting. CEQ believes they are the lead agency on Brownfields (in reality they have done very little on the issue). However, it is important that during the meeting you emphasize that CEQ is one of the "leads" on this issue and that they will help in coordinating closure of the commitments by the agencies.

OMB is concerned that the agencies not overcommit resources to this project. They want to followup with the agencies over the next couple of weeks to make certain these commitments fit into the overall FY97 budget. You should emphasize to the participants that CEQ, OMB, and DPC will be working to bring closure on these commitments over the next two to three weeks.

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**Talking Points for Bruce Reed
Brownfields National Partnership Action Agenda**

**Domestic Policy Council Meeting
March 18, 1997**

- Our cities are full of what we call brownfields -- typically, abandoned industrial properties in the inner-city that need to be cleaned up so that safe and sustainable businesses will move back, and citizens can be proud of our neighborhoods once again.
- During the campaign and in the State of the Union, the President pointed to our Brownfields Initiative as an example of the Federal government at its best -- as the catalyst for State and local efforts to revitalize communities.
- The Clinton Administration is proving that urban cores can not only be saved, but re-born into centers of commerce, livable communities, and job-creating, tax enhancing boons to this country.
- The Domestic Policy Council will be ^{working} coordinating ^{with OMB and CER} the roll out of the Brownfields National Partnership Action Agenda, which includes commitments from more than 15 departments and agencies.
- Carol Browner has taught us that good environmental policy is good for the economy -- it creates jobs and it creates a future for America, and I'm pleased to turn to her to flesh out the Brownfields National Partnership Action Agenda and the Showcase Communities proposal.

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- It features 10 Brownfields Showcase Communities which will each have a Federal coordinator and 5 or more Federal agencies working to support Brownfields-related activities in that community. We expect White House selection of communities by Summer 1997.
- EPA will set aside \$125 million to fund 125 additional Brownfields site assessment pilots, capitalize local revolving loan funds in pilot cities, fund State and tribal Voluntary Cleanup Programs, and support workforce development initiatives.
- HUD will provide \$25 million in Economic Development Initiative (EDI) grants (supporting an additional \$100 million in section 108 loan guarantees), target existing grant funds such as Community Development Block Grants (CDBG), and include Brownfields as a major grant criteria for the next EZ/EC round.
- Treasury will work to ensure passage of the President's proposed \$2 billion Brownfields Tax incentive.
- GSA will work with Federal agencies to identify Federal Brownfields land holdings and match efforts for Brownfields redevelopment.
- DOC/EDA will provide funding for Brownfields redevelopment and will give priority to EPA funded pilots for redeveloping blighted areas.
- DOC/NOAA will provide funding in coastal states for Brownfields redevelopment that supports waterfront revitalization.
- DOT will issue a new policy on Brownfields and transportation projects, and set aside \$5 million in FY98 to conduct a research pilot program to better understand the role of transportation in achieving a sustainable environment.

- HHS will lead an Administration-wide effort to develop a public health policy for Brownfields to protect community residents.
- DOL, Education, and HHS will link workforce development, welfare-to-work and school-to-work efforts with the Brownfields initiative, putting unemployed urban residents to work in environmental careers.
- EPA and DOJ will issue final guidance on State Voluntary Cleanup Program Memoranda of Agreement to add regulatory certainty to Brownfields redevelopment.

ACTION ITEMS

1. Confirm Department and Agency Action Agenda commitments.
2. Examine programs to find additional items that might be linked to Brownfields.
3. Quantify the resources and program support that Departments and Agencies are dedicating to Brownfields-related activities so we can present an accurate overall picture.
4. Coordinate Inter-agency communications strategy with the White House and EPA.

Brownfields

DRAFT

January 16, 1996

MEMORANDUM FOR BRUCE REED**FROM:****SUBJECT: "Responsible Business Owners" for State of the Union Address**

Below are EPA's recommended stories about responsible business owners for the President's State of the Union address. These business leaders have worked with EPA and their communities to clean up "brownfields" -- contaminated, abandoned urban property -- and return them to productive community use. They are helping to revitalize our cities and create good jobs that preserve the green areas outside the city.

SCOTT PETERSON MEATS, Chicago, Illinois

Scott Petersen Meats is a small meat processing business located in a decaying neighborhood in West Chicago. Although business was good and the company wanted to expand, crime and violence in the community had escalated to the point where the health and security of employees and the safety of their cars were a major concern.

A contaminated enclosed junk yard across the street from Scott Petersen Meats posed a serious health and safety risk to community residents. Working with EPA, the City of Chicago gained control the abandoned building, leveled it and transferred the property to Scott Petersen Meats, which turned it into a fenced "safe zone" for employee parking.

Leveling of the property to build secure parking for Scott Petersen employees removed a dangerous neighborhood blight, and provided a safe atmosphere for people to park their cars and get to work without fear for their personal safety.

With the prospect of improved employee safety, Scott Petersen Meats has invested \$5.2 million to expand its own facility, building a new smokehouse and making other improvements. The cleanup of this site has revitalized the neighborhood and created good jobs -- the company has hired 100 new workers in conjunction with its expansion and is now operating in a cleaner, safer neighborhood.

GEORGE GIANSANTI, GMT ELECTRONICS, Philadelphia, Pennsylvania

George Giansanti lost his job when the company he worked for went bankrupt and the site on which it was located was placed on EPA's Superfund National Priority List (NPL), a list of the nation's most severely contaminated sites. Once the site was listed on the NPL, it was not attractive to prospective buyers due to the liability the new owner would face because of past contamination. Contaminated land that sits neglected causes communities to lose business development, lose jobs, lose their tax base, and lose hope.

In order to prompt the cleanup and reuse of this site, EPA worked with George Giansanti and his newly formed company, GMT Electronics, to develop a Prospective Purchaser Agreement that exempted the company from liability for past pollution on the site. By taking this action, GMT Electronics was able to move onto the site and not be held liable for the on-going cleanup of the contaminated portion of the property.

Over 64 people are now employed at GMT Electronics. About 70% of the employees working at this site are fellow workers laid off from Mr. Giansanti's former company. Through the efforts of George Giansanti, EPA and the community, this inner-city property was returned to productive use and George Giansanti and others in the community are working again.

**WILLIAM HAUSERMAN, SUNARHAUSERMAN and
FRANK WAGNER, DEDICATED DISTRIBUTION, Cleveland, Ohio**

Located on a 20-acre contaminated site on the outskirts of Cleveland, SunarHauserman -- a company that manufactured removable wall partitions -- was unable to sell or lease its facilities. The abandoned property sat unused for five years -- it was not attractive to prospective buyers because the site was contaminated and new owners feared the risk of being held liable for this contamination.

After a number of prospective purchasers inquired about the land but decided to stay away pending resolution of these liability questions, EPA and the state of Ohio worked to encourage reuse of this site. They evaluated the level of contamination and issued a letter assuring potential buyers and lenders that EPA and the state would require no further action beyond the ongoing remediation of the site.

With the uncertainty of potential liability for past contamination resolved, SunarHauserman was able to lease its site to Dedicated Distribution, a small warehouse and trucking company. SunarHauserman now is using its leasing revenues to clean up the property over the next several years. Mr. Hauserman, the Chairman of SunarHauserman, praises EPA and the Ohio state government for working together to

make his property usable and productive again.

Dedicated Distribution, meanwhile, has employed 171 new workers and its President, Frank Wagner says he may put in a bid to buy the land once the cleanup is completed. The cleanup of this abandoned contaminated area and the opening up that land for productive community use has revitalized the neighborhood and created good jobs that preserve the green areas outside the city.



U.S. Department of Housing
and Urban Development
Office of the Secretary
Washington, DC 20410-0001



United States
Environmental Protection Agency
The Administrator
Washington, D.C. 20460

Brownfields

August 16, 1996

SUBJECT: Clinton Administration Brownfields Revitalization Initiative

FROM: Henry Cisneros Secretary, HUD Carol Browner Administrator, EPA

TO: President Clinton

Many areas across the country that were once used for industrial and commercial purposes have been abandoned, having low to moderate levels of contamination. An estimated 500,000 of these "brownfields" exist, blighting communities and robbing cities of potential jobs and revenue. EPA's Brownfields Action Agenda has begun the process of assessing, cleaning up and redeveloping brownfields, including removing 27,000 sites off the Superfund site inventory and awarding grants to 60 cities of up to \$200,000 each. HUD's economic development initiatives - EDI and EZ/EC - are pumping in needed resources to develop distressed and blighted communities where many brownfields exist. The Administration's brownfields efforts are enjoying a groundswell of interest and support from mayors, lenders, property owners, developers, communities, and the general public. This presents an excellent opportunity to join the two efforts to produce a large-scale urban job creation initiative which will link a massive brownfields cleanup effort with economic development and neighborhood revitalization.

To support this new initiative, EPA and HUD propose a coordinated grant, loan, and tax incentive program which will provide flexible funding from EPA and HUD to help cities cleanup and redevelop abandoned properties. EPA proposes a package of \$400 million in financial support, while HUD proposes a package of \$500 million in economic development incentives. EPA's package includes \$340 million to capitalize a revolving loan fund for cleanup and for site assessment grants, \$40 million to support State voluntary cleanup programs, and \$20 million for job training initiatives. HUD's package includes \$100 million for economic development grants, \$400 million in loan guarantees for brownfields cleanup and redevelopment, and \$20 million in its Youth build job training and creation program. Finally, we propose the enactment of the Administration's Brownfields tax incentive legislative proposal and voice support for liability reform legislation.

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We estimate that the Brownfields initiative would result in the cleanup and redevelopment of up to 33,000 brownfields in 300 cities across the country by the year 2000. We would improve the equality of life for up to 15 million Americans living near brownfields and generate up to 300,000 jobs, \$23 billion in private investment, \$2 billion in payroll taxes, and \$360 million in property taxes.

Attachment

ccs: Leon Panetta
Ron Klain
Harold Ickes
Don Baer
John Hilley
Laura D'Andrea Tyson
Carol Rasco
Bruce Reed
Kathleen McGinty
Kitty Higgins
T. J. Glauthier

BROWNFIELDS REVITALIZATION INITIATIVE

8/13/96

Brownfields are former industrial sites with contaminated soil or ground water, which require some level of environmental cleanup before they can safely be returned to productive use. In cities across the country, brownfields often pose risk and uncertainty, so that they remain unused, blighting the surrounding community, and robbing cities of potential jobs and tax revenues. But urban brownfields also present major opportunities -- for job creation in environmental cleanup, for reinvestment in distressed inner-city neighborhoods, and for productive reuse of abandoned or underutilized land. The total number of brownfields sites is estimated at roughly 500,000. Because of the stigma of environmental contamination and regulatory barriers to redevelopment, these sites are at a competitive disadvantage to vacant land at the urban fringe, or "greenfields."

The Clinton Administration has been aggressive in addressing many of the barriers to brownfield redevelopment. Although legislative reform of Superfund has been stalled in Congress, EPA has implemented a "Brownfields Action Agenda," which includes:

- removing two-thirds of the sites from the "CERCLIS" Superfund inventory to eliminate the specter of future federal action and liability;
- providing seed-money grants of up to \$200,000 to each of 60 communities for brownfields assessment and redevelopment strategies;
- issuing new guidance to protect purchasers of contaminated property from open-ended liability and to increase lenders' liability protection; and
- developing more predictable and cost-effective voluntary cleanup guidance.

Other Federal agencies have also taken action on urban brownfields:

- the Comptroller of the Currency issued revised regulations stating that banks can satisfy their CRA obligations through

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loans for cleanup and revitalization of brownfields in low and moderate income communities;

■ HUD is revising its CDBG regulations to clarify that costs associated with the assessment and cleanup of brownfields are eligible expenses, and to remove administrative barriers to brownfields cleanup.

HUD and EPA jointly propose that the Administration expand its brownfields redevelopment efforts in 1996, through a major legislative and funding initiative with the ultimate goal of cleaning up toxic contamination at all brownfields properties that have the potential for redevelopment. The Brownfields Revitalization Initiative would empower and assist cities to develop and implement revitalization plans for urban brownfields, in partnership with the private sector. This initiative would clean up as many as 33,000 urban brownfields sites by the year 2000 and return them to productive use. It is estimated that this cleanup would improve the quality of life for up to 15 million Americans, generate up to 300,000 jobs, \$2.25 billion in payroll taxes, \$360 million in property taxes, and \$22.8 billion in private sector investment. In addition, this initiative would protect up to 90,000 acres of greenfields from urban sprawl. The initiative would include 3 key elements:

1. Brownfields Revitalization Challenge Grants

The centerpiece of this initiative is a coordinated grant and loan program which would provide flexible funding from EPA and HUD for comprehensive, community-based cleanup and redevelopment efforts. This effort would result in the cleanup and redevelopment of 9,000 to 12,000 brownfields sites.

■ The 300 cities that have identified brownfields as a serious problem would receive planning grants of \$200,000 each from EPA for planning and site assessments.

■ These plans would describe the long-term goals of the cleanup, linkages to local economic development and neighborhood revitalization efforts, creation of cleanup jobs for low-income residents, and leveraging private and other public resources. Communities would be encouraged to integrate their brownfields

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cleanup plans with other federal planning requirements, including HUD's Consolidated Plan.

- Communities submitting brownfields cleanup plans would be eligible to compete for loans from an EPA revolving loan pool and for flexible EDI grants and Section 108 loan guarantees from HUD to make cleanup and redevelopment financially feasible. A total of \$100 million in EDI grants and \$400 million in Section 108 loan guarantees would be set aside for this purpose.

- Winning communities would receive expedited environmental reviews and approvals across federal agencies, as well as technical assistance in complying with cleanup requirements.

- Winning communities would also be eligible for federal funding to train low-income and inner-city residents for jobs in environmental cleanup and site redevelopment. A total of \$20 million in EPA job training funds and \$20 million in HUD's Youthbuild program would be available to support local job training and job creation activities.

- EPA would provide \$40 million in new funding to States to support their voluntary cleanup programs, so that the review and approval of brownfields cleanup efforts can be expedited.

2. Liability Relief

In addition to the challenge grant initiative, the Administration supports legislative reforms to address the problem of open-ended liability, which currently deters many private investors and lenders from participating in brownfields cleanup.

- This legislative reform will provide clear and reasonable liability protection for developers, investors, lenders and local governments. This would provide a statutory basis for recent EPA administrative reforms, and would enact some provisions in the proposed Superfund legislation and related brownfield legislation.

- It would also provide for lender liability relief, prospective purchaser relief, and relief for state-approved cleanup.

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3. Favorable Tax Treatment

Finally, the Brownfields Revitalization Initiative would provide direct financial incentives through the tax code to private sector developers and investors to participate in brownfields cleanup efforts.

- Allow expensing of brownfields cleanup costs, as called for in the Administration's current brownfields tax incentive proposal. The estimated cost of this provision is \$2 billion over 7 years.
- If enacted, this tax incentive would result in the cleanup and redevelopment of 12,000 to 15,000 brownfields sites.