Brownfields Redevelopment

Department of Environmental Quality
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What is a Brownfield?

- A brownfield is an abandoned, idled, or underutilized industrial or commercial property where expansion or redevelopment is complicated by real or perceived environmental contamination.
Key Brownfield Concepts

• Brownfield projects are real estate transactions with an environmental component
• Creating equity between greenfields and brownfields is key (level the playing field)
• Economic development is typically the motivation for redeveloping brownfield sites
• DEQ plays an integral role in facilitating brownfield redevelopment successes
What Are Typical Concerns to Prospective Participants?

- Unknown liability
  - (State, Federal, 3rd party)
- Unknown costs
- Unknown regulatory process
- Additional/undiscovered contamination
- Difficulty getting a bank loan
- Possible civil action by neighboring property owners
Virginia’s Brownfield Program

• Limitations on liability for individuals not responsible for the contamination
  – bona-fide prospective purchasers
  – innocent land owners
  – local governments with involuntary acquisition
  – lenders

• Amnesty from civil penalties for self-disclosure

• Voluntary Remediation Program
Virginia’s Brownfield Program, cont’d.

- Site assessment assistance (federal grant)
- Federal grants to localities for redevelopment projects
- Low-interest loans for remediation costs
  - Virginia Wastewater Treatment Revolving Loan Fund
  - Virginia Brownfields Restoration and Land Renewal Fund
- Tax incentives
  - Federal income tax deduction for clean up costs
  - Local property tax reductions for VRP sites (local option)
Success of program

• Virginia has realized:
  – An increased interest in redevelopment
  – 122 sites with successful cleanups under VRP
  – 40 Brownfields projects underway
  – Estimated benefits
    • over $700M in capital reinvestment
    • over 700 full time jobs created
    • 500 jobs saved
    • over 2,500 part time jobs created
    • 1,700 acres cleaned up
Localities are interested in the program

- Applicants for federal Brownfield grants:
  - Bristol, Danville, Poplar Gap, Roanoke, Hampton, Richmond, Norfolk, Suffolk, Lynchburg, South Boston, Lake Anna, Bedford
  - Hampton and Richmond received $200k each
Community Benefits

- Cleaner environment
- Restoration of abandoned sites
- Reduced pressure for development of open spaces
- Stimulation of local economies
- Increased tax base
- Increased employment opportunities
What Do Developers Seek?

- location location location
- reduced liability
- reduced up front costs
- program predictability & certainty
- ability to comfort future owners/tenants
Residential Brownfields

• DEQ takes a more conservative approach based on (exposure) risk factors
• Higher levels of cleanup may be required
  – compared to commercial use
• Certain kinds of sites don’t make for good residential reuse
  – sanitary landfills
    • many new owners, less control
    • landfill gas
Residential Success Stories

• Clarendon Triangle
  – Arlington VA
  – High end
  – Mixed use
    • residential (apartments)
    • retail
  – $45M investment
  – Petroleum cleanup

• Rocketts Landing
  – Richmond VA
  – High end
  – Mixed use
    • residential (condos)
    • retail
  – $250M investment
  – Multi site cleanup
Success Story

CLARENDON TRIANGLE PROJECT IN ARLINGTON, VA

BEFORE

DURING

AFTER
Success Story

Proposed Street Grid

Rocketts Landing, Richmond, VA
Virginia’s Land Renewal/Brownfield and Voluntary Remediation Programs

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