



Wanted: A Brownfield Redevelopment Program That Works

SUCCESSFUL PROJECTS CAN SPUR FURTHER COMMUNITY DEVELOPMENT

By ELIZABETH BARTON

The economic downturn, and now the economic recovery, remind us of the undeniable and yet ultimately desirable link between a robust real estate market and success in returning Connecticut's brownfields to productive reuse. Brownfields are properties that are underutilized, at least in part because of the presence or potential presence of contamination typically due to on-site historical activities.

There is no shortage of brownfields, large and small, in Connecticut. To get at least its fair share of a revitalized real estate market, now is the time for Connecticut to better its position to assure the readiness of these properties and the availability of an expanding universe of motivated buyers, sellers and developers. With this share of the market will come jobs, tax revenues and the more intangible, but still valuable, contribution to an overall positive outlook for Connecticut. But Connecticut must prioritize and focus.

All About Real Estate

At the most fundamental level, brownfields are real estate. Admittedly real estate with a twist, but still real estate. And, with very limited exceptions, we are not creating any more real estate, so we must accept what we have and put it to its best use.

Because of their challenges, many brownfield properties, particularly when viewed in isolation from a geographically broader redevelopment plan, are "upside-down." The cost to investigate and remediate the actual and potential contamination exceeds the real estate and development value of

the property once it complies with Connecticut's Remediation Standard Regulations and other environmental laws.

And even where these site-specific economics are more promising, there are other impediments to successful redevelopment, which are unique to brownfields. The reality is that the overall reuse plan and implementation process has to make sense for these projects to proceed to conclusion.

Brownfield Deal-Making

Financial incentives to redevelop brownfields have been, and continue to be, important. A look at brownfield success stories within and outside Connecticut readily demonstrates that funding for these successes typically involves an assembling of multiple funding sources that may include grants, tax credits, tax increment financing, a series of smaller loans, and other community economic incentives in addition to



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private and in-kind investment.

As they grapple with budget deficits, states, including Connecticut, revisit and re-examine the availability and allocation of public monies for already inadequate and, if only because the monies can disappear, unreliable funding programs. Against this backdrop, the success of efforts which have as their goal the elimination or minimization of the other impediments to brownfield redevelopment is now more critical than ever.

Brownfield deal-making is an art. And fundamental to this art is teamwork. While the myriad of public and private stakeholders characteristic of any brownfield project may represent differing constituencies and each stakeholder likely does have a somewhat different role in the process, they must all be on board with, and believe in, the same goal. That goal is the productive and sustainable reuse of the brownfield. By definition, this reuse will include investigation and remediation adequate to protect against future adverse impacts to public health and the environment because of any conditions that may remain at the brownfield property following redevelopment.

But attaining that goal requires hard, persistent work and unwavering, uniform commitment. And the evaluation and re-evaluation of actions taken, and to be taken, to confirm each action is consistent

Elizabeth Barton is a partner at Day Pitney in Hartford, where her practice includes environmental and land use consultation, permitting, and litigation at the federal, state, and local levels. Her work involves substantial contact with the U.S. Environmental Protection Agency, the Army Corps of Engineers and the Connecticut Department of Environmental Protection.

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with, and will further progress toward, this goal, are essential. While each team member, public and private, is accountable and there must be assurance that all are pulling their weight, success along the path will be delayed and maybe even thwarted if the interaction becomes adversarial or confrontational or there is deviation from the goal.

Making Connecticut Attractive

Owners and developers of brownfield properties consistently emphasize the importance of expediency, predictability, consistency, flexibility, and finality to the success of their redevelopment efforts. As a general rule, uncertainty in either procedures or requirements equates with diminished pursuit of a brownfield redevelopment property or project.

Reflecting the fact that brownfield redevelopment is simply a subset of real estate development, time is money and the inability to predict and then meet a schedule is unworkable and thus a clear impediment. The viability and success of the project depends upon implementation that meets the inherent commitments to investors and end users as well communities and regulators. And finality includes the need for an endpoint and an acceptance that not all liability considerations need be or can be resolved as a condition to the advancement of the brownfield project if the project is to retain its viability and the schedule for implementation is to be met.

There have been initiatives — formal and informal — at the state agency level that should benefit brownfield redevelopment, including initiatives at the Connecticut De-

partment of Environmental Protection, the Department of Economic and Community Development and its Office of Brownfield Remediation and Development, and the Connecticut Development Authority and its Connecticut Brownfields Redevelopment Authority.

Among examples are DEP's written commitment to reassess its existing regulatory programs, the creation of DEP's Remediation Roundtable, and DEP's continuing commitment to LEAN in its permitting and other program activities. An anticipated announcement by DEP of the availability of a presumptive remedy approach, which recognizes at the outset a relationship between a planned reuse and the appropriate level of site characterization and evaluation of remedial alternatives, should result in less costly investigation and expedited remediation at some brownfield sites.

But there is the opportunity and a pressing, time-sensitive need to do more. Such an opportunity is presented in Raised Bill No. 6526, An Act Concerning Brownfield Remediation and Development as an Economic Driver, which is before the General Assembly. The brownfield program set forth in Section 17 is about looking forward. It is an effort to respond to the general agreement among public and private stakeholders and potential stakeholders that the interest of property owners, developers and lenders and the inventory of Connecticut's brownfield success stories must increase.

Since many brownfield properties are located in urban settings, in seeking to put to the side, but not eliminate, certain

existing liabilities, the proposed program recognizes that a successful brownfield project can be the catalyst for more expansive community redevelopment. As this proposal moves ahead, since it pointedly does not include financial incentives for the eligible project proponent, it is important that it remain sensitive to the economic challenges facing brownfield redevelopment and not create a cost for participation in the program that will be a new disincentive to participate.

'Open for Business'

Concerns — real or imagined — about predictability and expediency push sustainable development to greenfields and away from brownfields and, even more importantly, Connecticut. Reinvigorating Connecticut's brownfields redevelopment and reuse program with the intent to dispel these concerns, while still assuring properties are remediated in a manner protective of the public and the environment, is critical to Connecticut's economic revitalization and recovery.

There is the opportunity to be creative, linking a reinvigorated brownfields program with the furthering of sustainable growth, including, for example, renewable energy, transit-oriented development, public-private partnerships, and urban agriculture. The oft-repeated message of Connecticut's new administration is that Connecticut is open for business. Initiatives such as Section 17 of Raised Bill No. 6526 recognize that this business includes the business of brownfield redevelopment. ■