



BROWNFIELDS

The Environmental Benefits of the Brownfield Cleanup Program (BCP)

The Brownfield Cleanup Program (BCP) is a New York program established to encourage the cleanup and redevelopment of contaminated properties, known as Brownfields. Over the past two decades, the program has had a significant positive impact on the environment in New York, particularly in urban and historically industrialized areas of the state.

What is a Brownfield?

A Brownfield site is a piece of property contaminated by hazardous substances or pollutants that may pose a risk to human health or the environment. Common examples of Brownfield sites include abandoned factories, gas stations, or landfills. Brownfield sites are often abandoned or underutilized due to concerns about their contamination and how expensive and complex it is to clean them up.

However, in many cases, Brownfield sites can be redeveloped for productive residential, commercial, and industrial purposes, after the contaminated areas have been remediated to meet strict environmental standards.

To encourage the expensive cleanup and redevelopment of Brownfield sites, the BCP offers tax incentives intended to offset the costs of cleaning up Brownfield properties, making them attractive opportunities for developers.

Environmental Benefits to the Brownfield Cleanup Program

Reducing Contamination

One of the key benefits of the BCP has been the removal of hazardous substances and other contaminants from Brownfield sites. Many of these sites were contaminated with toxic chemicals, heavy metals, and other pollutants that posed a risk to public health and the environment. By cleaning up these sites and removing these contaminants, the BCP has reduced the risk of exposure to these harmful substances and improved the quality of air, soil, and water in affected areas.



To obtain the BCP tax credits, developers must ensure their Brownfield site has been cleaned to the rigorous standards of the Department of Conservation (DEC). Only after the site has been removed of all toxins will the state allow the land to be redeveloped.

Promote Sustainability

Brownfield redevelopment can often involve the use of sustainable building practices and technologies, such as green roofs and solar panels, which can help to reduce greenhouse gas emissions and combat climate change. With the recent release of new guidelines for the Inflation Reduction Act of 2022, developers are able to combine the tax credits given from both programs to develop green energy facilities on remediated Brownfield sites.

Revitalize Communities

In addition to improving environmental health, the BCP has also had significant economic impacts. By supporting the cleanup and redevelopment of Brownfields, the program has created jobs, generated economic activity, and increased property values in affected communities according to an assessment from the United States Environmental Protection Agency in 2020.

The BCP encourages the development of affordable housing developments as well as the redevelopment of Brownfield sites in low-income areas. According to a 2021 study by the NYU SPS Schack Institute of Real Estate, the BCP has supported development of 20,000 residential units in New York City alone, 32% of which are affordable housing units.

Furthermore, the BCP has helped to revitalize urban areas that were previously neglected or blighted due to the presence of Brownfields. By facilitating the cleanup and redevelopment of contaminated properties, the program has helped to transform formerly abandoned and underutilized areas into thriving neighborhoods with new homes, businesses, and community spaces.



Success in Upstate New York

Amount of New York Brownfield Cleanup Program (BCP) Projects by Region

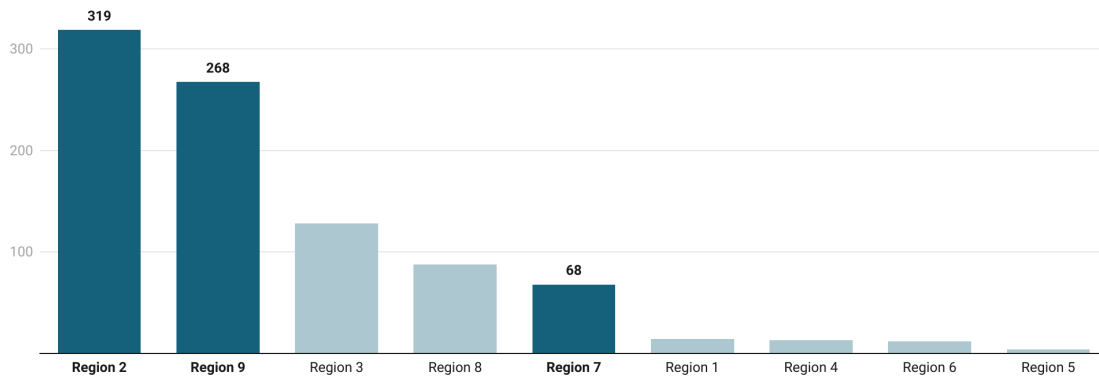


Chart: Bousquet Holstein PLLC • Source: 2021 Study from NYU SPS Schack Institute of Real Estate • Created with Datawrapper

The majority of Brownfield Cleanup Program projects are in Region 2 (New York City), followed by Region 9, which includes the greater Buffalo region. Region 7, highlighted above, includes Onondaga and Tompkins Counties. Data as of 2021.

While the majority of Brownfield projects are in New York City, there have been BCP projects in every region across New York State.

The Hudson River

One example of the incredible impact the BCP program has had in Upstate New York can be seen in the Hudson River. The Hudson River was once a major industrial hub, with factories and other industrial facilities lining its banks. The industrialization along the river polluted the water with extremely destructive substances including polychlorinated biphenyls (PCBs), which were commonly used before being banned in 1977.

Since then, the federal government has progressively attempted to remove the PCBs from the Hudson River and its banks. However, the cleanup effort has been complicated by the numerous Brownfield sites along the river, which continue to contribute to the river's contamination.

Since the program's inception in 2003, there have been more than 40 BCP projects along the Hudson River, helping to contribute to the ongoing improvement of the river's water quality.



Central New York

Central New York's cities and towns have deep roots in manufacturing and industry, resulting in a significant number of Brownfield sites in the region. In Region 7, which includes Onondaga and Tompkins counties, there have been over 68 BCP projects, including the successful cleanup of the Former Breneman site.

With Micron Technology's planned \$100 billion computer chip plant coming to Central New York, the demand for housing and commercial development sites will dramatically increase. Revitalizing the many Brownfield sites in the area will be essential to meet this demand, and we will likely see more developers utilizing the program in Central New York.

Just last month, Generation Bridge, LLC announced plans to remediate another site in Oswego. The South Oswego Terminal cleanup project will involve removing several oil storage tanks from the site, with plans to transform the property into a solar energy facility.

Summary

New York's extensive history of industrialization along the Erie Canal, Hudson River, and in New York City, has riddled the state with hazardous Brownfield sites. Without the implementation of the BCP, these Brownfield sites were never likely to be remediated due to the complexity and high expense of the cleanup process.

As a result of the BCP, New York has cleaned up over 550 Brownfield sites across the state – removing dangerous toxins and improving the ground, water, and air quality in those areas. Additionally, BCP projects have the ability to revitalize a community – bringing jobs, affordable housing, and new business to the area.

The BCP program has only increased throughout the years, including in 2020 at the height of the COVID-19 pandemic. According to a 2023 press release from the DEC, Governor Kathy Hochul reauthorized the program for another 10 years and expanded incentives for cleanups in disadvantaged communities and the development of additional affordable housing units.

Bousquet Holstein's Brownfield Practice Group is proud to help the continued growth of the Brownfield Cleanup Program and the positive changes it brings to the environment and communities. Since the enactment of the program, our firm has worked on more than 50% of the state's largest BCP claims, assisting our clients with calculating and claiming BCP tax credits and obtaining certificates of completion.