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Brownfield Cleanup and Development in Buffalo, New York

Abstract
Brownfields are abandoned or underutilized properties for which expansion, development, or reuse may be complicated by environmental contamination, such as the presence of a hazardous substance or pollutant. Examples of brownfields include the former sites of factories, mills, rail yards, gas stations, and dry cleaners.

Keywords
Buffalo, Environment, Land Use, Economic Development, Fact Sheet, PPG, PDF

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Brownfield Cleanup and Development in Buffalo, New York  
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What is a brownfield?  
Brownfields are abandoned or underutilized properties for which expansion, development, or reuse may be complicated by environmental contamination, such as the presence of a hazardous substance or pollutant. Examples of brownfields include the former sites of factories, mills, rail yards, gas stations, and dry cleaners.

What signs might indicate that a property is a brownfield?  
Indicators of contamination include:  
- Discolored soil or water;  
- The presence of old buildings;  
- Old storage tanks;  
- Minimal or complete absence of vegetation;  
- Strange odors;  
- Garbage and debris;  
- Old equipment.

What is a Superfund site?  
Superfund sites are brownfields that have been formally designated under the National Priorities List (Superfund) program of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). Superfund sites are generally managed by the federal government. Other brownfields may also pose a significant threat to human health and the environment but they are managed through state and local programs, rather than a single federal program.

Why are brownfields a big problem in Buffalo?  
In the first half of the 20th century, Buffalo was a manufacturing and industrial center. Buffalo had a population of almost 600,000 people. However, Buffalo’s prosperity began to decline in the wake of World War II and with the opening of the St. Lawrence Seaway. Many of the city’s industrial and manufacturing facilities were shuttered. People moved away from the city and Buffalo’s population declined.
dramatically. Today, Buffalo is one of the poorest cities in the nation.iv

Buffalo’s industrial past and former prosperity left an ugly legacy: brownfields. The crumbling of industry in Buffalo, in particular the closing of many steel plants, led to the abandonment of several square miles of property. A significant number of these properties are located along Buffalo’s waterfront, an area that has great potential for development. Lingering on many of these sites are environmental contaminants.v

The City of Buffalo has 56 brownfield sites that are over 5 acres in size. These 56 sites range in size, up to 160 acres, and encompass almost 1,500 acres of the city’s land. vi

If brownfield sites are contaminated, can the land be used again? Yes. Brownfields can be “cleaned” (decontaminated to a level that some sort of human activity is safe) and redeveloped. For example, the Wegmans supermarket in Buffalo is located on a former brownfield site.vii

Why are the cleanup and development of brownfields important to Buffalo’s future? Brownfields can injure a local economy by deterring investment and development. In Buffalo, brownfield sites occupy a significant portion of the city’s prime property for redevelopment. If investors are unwilling to undertake the risks and costs associated with brownfield cleanup and development, it seems unlikely that they will place their projects in the City of Buffalo. In fact, many investors find development on untouched lands, in the city’s suburbs or elsewhere, to be less risky and more affordable than Buffalo brownfield projects. Such a pattern of investment contributes to sprawl, imposes devastating environmental consequences, and hinders Buffalo’s economy.viii

The City of Buffalo has been criticized for a lack of “shovel-ready” or development-ready land. Many observers have lamented the movement of office and commercial tenants from Buffalo to the suburbs. A key factor in the decision-making for moving companies has been the lack of shovel-ready property in Buffalo. The cleaning of brownfields is an important step in the process of creating shovel-ready land.ix

What are some of the obstacles to brownfield remediation and development?

- **Economics.** Investors may be wary of the large costs associated with brownfield cleanup. In areas with low property values, such as Buffalo, the cost of cleaning up a brownfield can be greater than the value of the property.

- **Time.** Brownfield remediation projects may take longer than the average real estate development.

- **Financing.** Lenders may be unwilling to provide loans for contaminated properties.
• **Liability Concerns.** Investors may fear that ownership of a brownfield site will leave them liable for contamination that they did not produce.

• **Public Perception.** People may be skeptical that a contaminated site can be safe in the future.²

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**What are the benefits of brownfield rehabilitation to the surrounding community?**

- Reducing public health risks posed by contaminants on brownfields;
- Diminishing urban blight;
- Instilling a sense of pride in the surrounding community;
- Increasing public safety with the elimination of properties which may attract crime, vandalism, and illegal dumping;
- Increasing the tax revenue of the local area by returning abandoned properties to the tax base and boosting the value of underused properties;
- Reducing sprawl by reusing land and leaving open space pristine and undeveloped;
- Returning property to productive use creates jobs and fosters urban revitalization.³

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**What are the benefits of brownfield rehabilitation to the brownfield site owner?**

- Avoiding potential environmental enforcement actions by government agencies;
- Tax incentives for brownfield site cleanup and development;
- Fostering a sense of good will in the local area;
- Reducing potential legal liability by preventing further contamination;
- Increased value of the rehabilitated property.⁴

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**Does New York State have programs for the cleanup and development of brownfield sites?**

Yes. New York State has several programs promoting brownfield cleanup:

- **Environmental Restoration Program.** Under this program, the state provides grants to municipalities for brownfield site investigation and remediation measures. The municipality must own the property and must not have caused the contamination. Funding may include the cost of cleanup of soil and groundwater, building demolition, and asbestos removal. Upon completion of a successful remediation program, the municipality and all future owners are released from liability for contaminants on the property before they took ownership. The Outer Harbor, a former brownfield site owned
by the Niagara Frontier Transportation Authority, was accepted into this program in 2002; a large portion of the property was opened to the public as a multi-use trail and greenspace (see below). The New York State Department of Environmental Conservation (DEC) administers this program.

- **Brownfield Opportunity Areas Program (BOA).** This program provides technical and financial assistance to *municipalities* and *community based organizations* for development and implementation of a community based program for the revitalization of brownfields. An example of a Buffalo site involved in this program is the South Buffalo Brownfield Opportunity Area. Proposed uses for this property include a mix of commercial, light industrial, residential, and recreational space. This program is administered jointly by the DEC and the New York State Department of State (DOS).

- **Brownfield Cleanup Program** (BCP). Established by state legislation in 2003, this program aims to encourage *private sector* cleanup and redevelopment of brownfield sites. The BCP established a system of state funding and tax credits for the cleanup of brownfields. In addition, landowners who receive a certification of completion for the cleanup a brownfield site are released from liability to the state for any cause of action arising out of the presence of contaminants on the brownfield. This provision provides an important incentive to developers interested in cleaning up contaminated land, but concerned about legal liability. The downtown Buffalo HealthNow Headquarters project, pictured above, participated in this program. Currently, the BCP is run by the DEC.

**What is the process for participation in the BCP?**

- First, the DEC strongly recommends that BCP applicants arrange a pre-application meeting with DEC staff. At this meeting, DEC staff will describe the benefits, requirements, and procedures for participation in the BCP.
- Next, a site owner must submit an application to the DEC. This application must explain why the proposed site is eligible for participation in the BCP and describe the current and future uses for the site. Within 45 days, including a 30-day public notification and comment period, the DEC will inform the site owner whether the site has been accepted or rejected for BCP participation.
- If accepted into the BCP, a site owner must complete a Brownfield Cleanup Agreement (BCA). In the BCA, the site owner sets forth a description of the brownfield and agrees to take remedial actions under the supervision of the DEC. There are two kinds of applicants to the BCP. A Participant is the “Potentially Responsible Party (PRP). A
Volunteer is a site owner whose liability is the result of ownership or operation after the contamination.xx

- A Remedial Investigation must be conducted. This investigation establishes the nature and extent of the site contamination and includes specific data regarding potential threats to humans or wildlife. This information will provide the basis for a Remedial Work Plan. This is a formal plan describing how the site will be cleaned, a schedule for the cleanup, organization of the project, and health and safety plans.xxxi
- At the conclusion of the project, the site owner must submit a Final Engineering Report to the DEC. If the DEC is satisfied that the remediation requirements have been achieved or will be achieved, a Certification of Completion (also known as a Remediation Certificate) will be issued to the site owner. Upon issuance of the Certification of Completion, the site owner is eligible for the tax credits and liability incentives described above.xxxii

A complete description of the procedures involved in participation in the BCP is available on the DEC’s website: http://www.dec.ny.gov/chemical/8648.html. In addition, interested parties may contact a representative from the DEC, Department of Environmental Remediation. The contact information for DEC Region 9 (Counties: Allegany, Cattaraugus, Chautauqua, Niagara, and Wyoming) is: 270 Michigan Avenue, Buffalo, NY 14203, (716) 851-7220.

How was the 2003 legislation that established the BCP criticized?

- In the original law, there was no limit on how much money could be attained per project through brownfield tax credits, which threatened to cost the state millions of dollars in unnecessary credits.
- The formula by which the 2003 BCP calculated tax credits was based largely on the cost of preparing the brownfield site and constructing a new building, without attention to the cost of cleaning up the contamination. This loophole allowed some developers to receive a large amount of tax credits for a project where the cleanup costs were minimal. For example, at one brownfield site in White Plains, New York, where the total cost of the project was $500 million and the cost of site cleanup was $1.5 million, the estimated state tax credits were $110 million.xxxiii
- Critics asserted that the BCP was not helping the economically depressed communities of upstate New York that needed the funding the most, but was instead lining the pockets of downstate developers who would have proceeded with their projects without BCP funding. Downstate areas attract more expensive, large-scale development projects than upstate. Thus, it is more difficult for upstate developers to recoup their losses from large cleanup projects than it is for developers downstate, where remediation costs account for a smaller proportion of the total value of the project.xxxiv
How has recent state legislation addressed these criticisms?
On July 23, 2008 Governor David Patterson signed into law a bill that restructures the formula for calculating tax credits for the cleanup and development of brownfields. The amendments to the 2003 legislation:

- Increase tax credits for brownfield site cleanup. The legislation potentially doubles the current tax incentives for site preparation, cleanup, and on-site groundwater cleanup. BCP projects now may qualify for credits ranging from 22-50% of cleanup costs; the prior legislation provided up to 22% of cleanup costs.
- Limit the tax credits available for redevelopment. State tax credits no longer will cover all redevelopment costs. For nonmanufacturing projects, the redevelopment tax credits will be limited to $35 million, or three times the cost of site cleanup, whichever is less. For manufacturing projects, the redevelopment tax credits will be limited to $45 million or six times the cost of cleanup, whichever is less.
- The amended law also created a New York State Brownfields Advisory Board. The Board is responsible for monitoring and evaluating the State’s administration of the BCP and the BOA. The Board reports to the Governor and Legislature once a year. In addition, the recent amendments transferred the administration of the Brownfield Opportunity Area Program from the DEC to the DOS.

How have environmental groups criticized the BCP?
Environmental groups claim that the BCP’s cleanup standards are weak and that it does not sufficiently protect public health and environmental resources. In 2007, a coalition consisting of four environmental groups, Sierra Club, New York Public Interest Research Group, Environmental Advocates of New York, and Citizen’s Environmental Coalition, brought suit against the DEC. Several issues were involved in the lawsuit:

- Claims that the DEC’s standards for brownfield site cleanups are too weak. The environmental organizations argued that the DEC standards for allowable levels of contaminants are lower than EPA benchmarks for those same elements. For example, the DEC will permit 3,900 parts per million of lead to remain in the soil of a rehabilitated brownfield, while the EPA limits the allowable level of lead to 800 parts per million. In addition, the environmental groups claimed that the DEC’s standards for contaminants are significantly lower than those of other states. For example, while New York allows...
the contaminant vinyl chloride to remain on rehabilitated brownfield sites at the level of 27 parts per million, the environmental groups pointed out that six other states, including neighboring Connecticut and New Jersey, limit the concentration of that substance to .04 to 9 parts per million. The DEC claims that the environmental groups have confused the numbers used for screening purposes in deciding whether further investigation of contamination is needed, with the standards for cleanup.\textsuperscript{xxix}

- Allegations that the DEC’s Brownfield Cleanup Program arbitrarily excludes all brownfield property polluted by off-site sources. The environmental groups asserted that although the legislation that established the BCP broadly defines “brownfield site” the DEC’s regulations include a requirement that that contamination emanate from an on-site source. The environmental groups pointed out that this restriction does not appear in the state legislation underlying the BCP and argued that this restriction could leave many brownfield sites ineligible for the BCP.\textsuperscript{xxx}

- Assertions that the DEC has refused to require that brownfield sites be rehabilitated to a stage that protects surface water, fish and aquatic ecological resources, and indoor air. The environmental organizations criticize the BCP for focusing only on soil contamination levels and contend that a higher level of cleanup is required by the 2003 legislation.\textsuperscript{xxxi}

On February 22, 2008, the Albany Supreme Court ruled in favor of the DEC, holding that the BCP is reasonable and in accordance with the state legislation. However, the environmental groups won a partial victory; the court ordered the DEC abolish a provision of the BCP permitting less stringent cleanup standards in polluted neighborhoods. Until this ruling, the DEC required rehabilitated brownfields to be left only as clean as the “background” of the surrounding areas. This posed a danger where the areas adjacent to a brownfield site were heavily polluted.\textsuperscript{xxxii}

An appeal of the Albany Supreme Court ruling is pending. For more information on the case, see www.earthjustice.org, the website of Earthjustice, the nonprofit law firm representing the coalition of environmental groups.

**Does the City of Buffalo have a plan for brownfield remediation?**

The Buffalo Comprehensive Plan includes goals for brownfield remediation. The cleanup of brownfield sites is an important part of the Comprehensive Plan and “central to the investment corridor strategy.” In the Comprehensive Plan, a “detailed survey and analysis” of brownfield sites is proposed, with the goal of formulating specific recommendations for individual brownfield sites in Buffalo. In addition, in the plan, the city sets forth its goal of bringing 50
acres of decontaminated brownfield land on the market each year for the next 30 years. 
Currently, the City of Buffalo has rehabilitated more than 400 acres of former brownfield property into shovel-ready land prime for development.

What local organizations are involved in brownfield remediation in Buffalo?

- While the Erie County Industrial Development Agency (ECIDA) does not have specific programs for brownfield development, many of its general economic development programs can be used for brownfield remediation. For example, the ECIDA provides referrals, counseling and the coordination of economic development programs with other government entities. The ECIDA can also provide financial assistance, tax exemptions and bonds. The ECIDA can also help a developer coordinate incentives from other agencies, including New York State Empire Zone Benefits and New York State Brownfield Cleanup Program Incentives.

- The Buffalo Urban Development Corporation (BUDC), a corporation affiliated with the ECIDA, is active in brownfield development in Western New York. The BUDC fosters private investment in the City of Buffalo by acquiring land, preparing sites, and providing financial incentives. The BUDC serves as a liaison between public and private development organizations. Specifically, the BUDC encourages development on brownfield land by purchasing it after it has been cleaned and marketing it as a shovel-ready site, such as the former site of the Buffalo Forge Plant located at 490 Broadway in Buffalo. Most notably, the BUDC orchestrated the development of the Buffalo Lakeside Commerce Park, described below.

- The Buffalo Economic Renaissance Corporation (BERC). BERC offers general grants and economic development incentive programs, such as New York State Empire Zones and Federal Renewal Communities.

- The Erie County, Department of Environment and Planning, Office of Economic Development (OED), offers technical assistance and general financing tools for the redevelopment of brownfield sites in Erie County. The OED also acts as a liaison between brownfield redevelopers and environmental agencies.

What are some examples of successful brownfield rehabilitation projects in Buffalo?

- The Greenway Nature Trail in the City of Buffalo’s Outer Harbor. The Niagara Frontier Transportation Authority and the DEC worked together to turn a contaminated, former dumping ground into clean greenspace with boardwalks, bike and walking paths, and fishing piers. The project also involved ecological improvements, such as the stabilization of the shoreline to prevent erosion and the construction of a fish habitat. The total cost of the project was $13.5 million: it received $12.1 in funds from the DEC.
• The HealthNow New York headquarters in the City of Buffalo. This project, which was built on a former coal-processing site, incorporated the façade of the existing Buffalo Gas Light Company into the new building. The HealthNow headquarters is a “green” building and it received certification from the U.S. Green Building Council’s Leadership in Energy & Environmental Design (LEED) program. Approximately 1,200 HealthNow employees work in the Buffalo headquarters. The total cost of this project was $110 million and it received $28 million in funding from New York State.¹⁺⁻¹

• Buffalo Lakeside Commerce Park. This 225 acre “smart growth urban commerce park” is located on Buffalo’s waterfront, on the site of the former Hanna Steel plant. In 1997, this property was acquired by the Buffalo Urban Development Corporation. Current tenants include CertainTweed, a manufacturer of vinyl and PVC building materials, and Sonwil, a company that provides warehousing services. In addition, last year, the BUDC purchased 185 acres of former brownfield land abutting the Lakeside Commerce Park in the hopes of creating an even greater reservoir of shovel ready land nearby. The success of the Lakeside Commerce Park was indicated recently when the BUDC increased the price of land in the development from $30,000 to $45,000 per acre to $40,000 to $55,000 per acre. New York State, Erie County, and the City of Buffalo invested $10 million into site preparation and construction for this project.²⁻²⁻¹

• The Steel Winds Farm in Lackawanna (see above). Located on the site of a former Bethlehem Steel plant, this property was administered by the E.P.A. under its Superfund program before it was deemed clean enough to be transferred to the NYDEC for management as a brownfield. State and federal assistance totaling approximately $300,000 was used for research and an environmental impact statement. Each windmill cost $4.5 million. The project as created approximately 25 new jobs in construction, operations, and maintenance.²⁻²⁻²⁻¹

Where can I find out more information about brownfield remediation?

• The website of the NYS Department of Conservation: http://www.dec.ny.gov/chemical/brownfields.html

• The website of the NYS Department of State, Division of Coastal Resources: http://www.nyswaterfronts.com/grantopps_BOA.asp

• The Queen City in the 21st Century: the Buffalo Comprehensive Plan: http://www.city-buffalo.com/files/1_2_1/Mayor/COB_Comprehensive_Plan


The Queen City in the 21st Century: the Buffalo Comprehensive Plan, §2.4.8 available at [http://www.city-buffalo.com/files/1_2_1/Mayor/COB_Comprehensive_Plan/chapter_91.html](http://www.city-buffalo.com/files/1_2_1/Mayor/COB_Comprehensive_Plan/chapter_91.html).


For more information on this program visit the website of the DEC: [http://www.dec.ny.gov/chemical/8444.html](http://www.dec.ny.gov/chemical/8444.html).


ECL § 27-1421.

More information on the BCP is available at: [http://www.dec.ny.gov/chemical/8450.html](http://www.dec.ny.gov/chemical/8450.html).

New York State Department of Environmental Conservation, Division of Environmental Remediation, Draft Brownfield Cleanup Program Guide (May 2004) 7.

ECL §27-1407.
xxi New York State Department of Environmental Conservation, Division of Environmental Remediation, Draft Brownfield Cleanup Program Guide (May 2004) 16-25.
xxii New York State Department of Environmental Conservation, Division of Environmental Remediation, Draft Brownfield Cleanup Program Guide (May 2004) 73.
xxvii Citizens Environmental Coalition v. NYS Department of Environmental Conservation, Supreme Court, Albany County Index No. 2505/07 (Sup. Ct. Albany Co. Feb. 22, 2008).
xxxii The Queen City in the 21st Century: the Buffalo Comprehensive Plan, §2.4.8 available at http://www.city-buffalo.com/files/1_2_1/Mayor/COB_Comprehensive_Plan/chapter_91.html.
xxxiv For more information see: http://www.ecidany.com/about_us.asp.
xxxv For more information see: http://budc.ecidany.com/governance.asp#roles.
xxxvi For more information: http://www.berc.org/incentiveprograms.php.
xxxviii For more information see the website of the OED:


