



THE CITY OF NEW YORK
INDEPENDENT BUDGET OFFICE

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October 20, 2006

Mr. Joshua Klainberg
Deputy Director & Political Director
New York League of Conservation Voters
30 Broad Street - 30th Floor
New York, NY 10004

Dear Mr. Klainberg:

In response to the League of Conservation Voters' request, please find attached a review of recent city funding and spending on brownfields-related projects.

Although the original request was for city spending in city fiscal year 2005, we have provided additional information covering a multi-year period, to provide a more complete overview of brownfields projects.

We hope this information is helpful to you. If we can provide additional information on this or other topics, we would be happy to do so.

Sincerely,

C. Preston Niblack

Attachment as noted.

c: R. Kulikowski, New York City Office of Environmental Coordination

Review of Recent Brownfields Grant-Funded Spending in New York City

October 20, 2006

The following outlines funding and spending for New York City brownfields projects. Although the request was specifically for the amount of city spending in 2005, our review covers projects funded in whole or in part with federal and state grants awarded since 1996. Since brownfields projects typically span multiple years and often several phases, from assessment to actual remediation, a multiyear presentation gives a more complete picture of the status of current brownfields-related work.

To our knowledge, most city spending has been to meet matching requirements of federal and state grants. New York City receives a variety of federal and state grants to reimburse the city's cost on brownfields projects. If a project is not fully funded by the grant, the city is responsible for matching the non-reimbursed portions from either public or private sources. If project costs exceed the grant limit, the city may become responsible for the excess expenses—effectively reducing the reimbursement rate.

The NY State Environmental Restoration Program (ERP) grants reimburse up to 90 percent of on-site costs of investigation and cleanup of a brownfields site. Since the award in 1998, the city has received \$27.3 million from the state under this program and the city has provided \$3.1 million in matching funds. Total spending to date (as of August 2006) from all sources is \$5.4 million.

The NY State Response Grant for the Bronxcheseter Urban Renewal Area is a state grant from federal Environmental Protection Agency (EPA) funds to cover environmental assessment and investigation costs. The \$145,000 grant was matched with \$40,000 of city funds. The City will provide additional environmental investigation and a supplemental report to the NYS Department of Environmental Conservation, at a projected cost of \$35,000.

Grants from the federal *Environmental Protection Agency* generally reimburse 100 percent of city spending. Exceptions include the NY Metro Brownfields project, a regional initiative for which the city's Department of Environmental Protection is providing \$150,000. The Mariners Marsh and High Line cleanup projects are expected to receive \$40,000 each in city contributions, with the former receiving its city match in in-kind services. Since 1996, the EPA has awarded the city over \$2.6 million with the city providing approximately \$230,000 in additional funds. Total spending to date is \$417,000.

Table 1 presents project detail by grant program, including the initial award year, estimated total project cost (where available), award amount, city contribution, and spending as of August 2006. The table also shows which city agency received the grant and whether it was spent in the agency's expense or capital budget.

Table 2 presents brownfields grants awarded to community-based organizations under the Brownfield Opportunity Area program, created by the New York State Brownfield Law in 2003. These grants fund up to 90 percent of costs for eligible planning studies, implementation strategy development and assessment activities in areas that have multiple brownfields. The grants do not pay for actual remediation. The “sponsoring” organizations are the groups receiving and administering the grant. Recipients are either community-based organizations (CBOs) or partnerships between one or more CBOs and the city.

A total of \$1.85 million has been awarded to New York City-based recipients. No spending or commitments have been made yet on these grants.

Table 1**Brownfields Redevelopment Grants Awarded (1996-2006)***Dollars in thousands*

Project	Initial Award Year	Agency	Expense or Capital	Total Cost of Project	Award Amount	City Portion	Total Committed to date
<u>NY State Environmental Restoration Program (ERP)</u>							
Bush Terminal	1998	EDC	expense	\$883	\$795	\$88	\$883
Bush Terminal	2006	EDC	capital	19,778	17,800	1,978	2,000
Barretto Point	1998	DEP/DPR	capital	361	267	94	361
Barretto Point ¹	2004	DEP/DPR	capital	8,543	7,689	854	1,654
Maspeth Railroad Place	2000	DEP	capital	453	413	40	125
Melrose Site 32	2005	HPD	capital	350	315	35	350
				<u>\$30,368</u>	<u>\$27,279</u>	<u>\$3,089</u>	<u>\$5,373</u>
<u>NY State Response</u>							
Bronxchester Urban Renewal	2005	HPD	capital	\$185	\$145	\$40	\$145
<u>Federal Environmental Protection Agency</u>							
Policy research (Pilot grant): Barretto Point, Bushwick Housing, Public Place, Mariners Marsh, Vernam Barbadoes.	1996	OEC	expense	\$200	\$200	-	\$200
NY Metro Brownfields Redevelopment Fund (revolving loan fund).	2003	OEC/DEP	expense	900	750	150	-
Broadway Triangle and Atlantic Terminal Urban Renewal Area.	2003	HPD	expense	400	400	-	2
Mariners Marsh	2004	DPR	expense	270	270	-	215
Hazardous Substance Assessment	2005	tbd	-	tbd	200	-	-
Hazardous Substance Assessment	2006	tbd	-	tbd	200	-	-
Petroleum Assessment	2006	tbd	-	tbd	200	-	-
Mariners Marsh (clean-up) ²	2006	DPR	expense	240	200	40	-
High Line (clean-up)	2006	EDC/DPR	expense	240	200	40	-
				<u>\$2,250</u>	<u>\$2,620</u>	<u>\$230</u>	<u>\$417</u>

SOURCES: IBO; NYC Office of Environmental Coordination (OEC); Economic Development Corporation (EDC); Department of Environmental Protection (DEP); Department of Parks and Recreation (DPR); Department of Housing Preservation and Development (HPD).

NOTES: Award Amount column are final amounts as of August 2006. The difference between the Award column and Total Project Cost column is city funded. Total Committed column is the amount that has been signed into contracts to date according to information from agency project managers, but is not necessarily yet reflected in the City's financial management system. ¹DPR has completed its portion of the remediation work at Barretto Point with a budget of \$1.654 million. DEP will begin its phase of the project in fiscal year 2008. ²City's share will be provided in in-kind services.

Table 2			
Brownfield Opportunity Area Grants			
<i>in dollars</i>			
Project	Borough	Award amount	Sponsoring organization(s)
Sherman Creek	Manhattan	\$400,000	City of New York and Audubon Partnership for Economic Development
East Williamsburg	Brooklyn	63,450	City of New York, St. Nicholas Neighborhood Preservation Corp./ East Williamsburg Valley Industrial Development Corp.
Harlem River	Bronx	98,890	Bronx Council for Environmental Quality, Bronx Borough President's Office, Riverkeeper, New York City Soil and Water Conservation District
Port Morris	Bronx	208,250	South Bronx Overall Economic Development Corporation
South Bronx Waterfront	Bronx	349,360	Youth Ministries for Peace & Justice, Pratt Institute Center for Community & Environmental Development, Bronx Overall Economic Develop. Corp, The Point, Sustainable South Bronx
East New York	Brooklyn	117,084	Local Development Corporation of East New York
Red Hook/ Gowanus	Brooklyn	45,000	Carroll Gardens Association
Sunset Park	Brooklyn	93,480	United Puerto Rican Organization of Sunset Park
Jamaica	Queens	420,000	Greater Jamaica Development Corporation
West Brighton	Staten Island	50,000	West Brighton Community Local Development Corporation
Total		\$1,845,514	
SOURCE: Office of Environmental Coordination.			
NOTE: Awards received as of August 2006.			