



Gov. Paterson signs Brownfield Cleanup Program reform legislation

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Governor David Paterson recently signed landmark legislation that reforms the state's Brownfield Cleanup Program to better target incentives for cleanup and redevelopment of contaminated sites. This important legislation, which will greatly benefit the upstate economy, was one of 26 agreements reached between Paterson and the state legislature during this year's session, and brings long-overdue reforms to this important program.

The Brownfield Cleanup Program was created in 2003 to encourage cleanup and redevelopment of brownfield sites across the State, using refundable tax credits as incentives for developers. A brownfield is a contaminated property where the presence of pollution has impeded redevelopment. Many such sites are abandoned throughout the state and contribute to urban blight. However, the original program did not achieve desired redevelopment in struggling areas, and provided large windfalls for some developers because tax credits were based on the amount invested by a developer on redevelopment, and has no relation to the investment made in remediation.

The reform legislation will protect the integrity of the program by capping redevelopment credits while providing better incentives for cleanup. The legislation signed today will:

- * Limit redevelopment credits for non-manufacturing projects to \$35 million or three times the cost of site cleanup, whichever is less.
- * Limit redevelopment credits for manufacturing projects to \$45 million or six times the cost of site remediation, whichever is less.
- * Increase the tax credits available for site cleanup; sites now eligible for 22 to 50% of the total cost of remediation, based on the level of cleanup.
- * Improve administration of the Brownfield Opportunity Area Program.

Project applications approved prior to June 23 will continue to be eligible for tax credits pursuant to prior law.