



Joan McDonald
Commissioner



State of Connecticut
Department of Economic and
Community Development

TESTIMONY SUBMITTED TO THE COMMERCE COMMITTEE
March 9, 2010

Joan McDonald, Commissioner
Department of Economic and Community Development

HB 5436 - AN ACT CONCERNING BROWNFIELD REMEDIATION LIABILITY

HB 5439 - AN ACT CONCERNING URBAN SITE REMEDIATION

The Department of Economic and Community Development offers the following comments in **SUPPORT** of sections two and three of House *Bill 5436 AN ACT CONCERNING BROWNFIELD REMEDIATION LIABILITY*.

As you are aware remediation and reuse of brownfield sites is crucial for the sustainable growth of this state and has been one of the key elements of Governor Rell's responsible growth strategy.

In 2008 DECD awarded the first round of \$2.25 million in Municipal Brownfield Pilot funding to five communities.

Governor Rell approved the final \$2.25 million for the Municipal Brownfield Pilot Program at the October 2009 bond commission meeting. DECD received 15 applications from municipalities by the March 1st deadline for this funding round.

Governor Rell also approved \$2.5 million for the state's Targeted Brownfield Revolving Loan Fund at the October 2009 bond commission meeting. These funds will further assist communities and developers with financial resources to return derelict brownfield sites to productive uses in their communities.

DECD continues to vigorously pursue federal funding for brownfield investigation and remediation from USEPA and USHUD. This fall, DECD, WINCOG and NECOG submitted a joint application to USEPA for up to \$1 million in coalition site assessment funds to complete environmental investigations and remedial action plans on sites located in the 21 towns in the northeast corner of the state. The coalition application not only represents DECD's aggressive pursuit of federal brownfield money, but is a shining example of the ongoing state and regional cooperation on key economic development issues. This application is presently under EPA review.

Sections 2 and 3 of *House Bill 5436, AN ACT CONCERNING BROWNFIELD REMEDIATION LIABILITY*, will allow for the Special Contaminated Properties Remediation and Insurance Fund (SCPRIF) to provide financial assistance to brownfield properties seeking assistance through other state brownfield programs, namely the remedial action and redevelopment municipal grant program and the targeted brownfield loan program. This new ability will allow DECD to further streamline and consolidate its brownfield resources and direct this financing to appropriate program.

The other bill DECD offers comments on is *House Bill 5439, AN ACT CONCERNING URBAN SITE REMEDIATION*. Currently, the Urban Sites Remedial Action Program (“USRAP”), one of the state’s brownfield financing programs.

will not pay reasonable costs for a board of director’s and for liability insurance for a development corporation remediating brownfield sites. Providing this liability relief is key to encouraging development corporations to become involved reusing these sites. In the litigious environment in which we operate, we often find these organizations, typically staffed by volunteers, unwilling to assume the risk of personal liability required in remediating these sites.

Under DECD’s other assistance programs to address brownfields, these costs are eligible, therefore in order to be consistent, USRAP should also allow this project cost as an eligible expense.

Thank you for your consideration of the department’s comments.