Kansas Brownfields News

KDHE's Brownfields News is published to share brownfields success stories throughout the state of Kansas.

KDHE partners with Central Prairie Resource Conservation and Development to Receive $200,000 Petroleum Assessment Grant from EPA

The Kansas Department of Health and Environment (KDHE), partnering with the Central Prairie Resource Conservation and Development (RC&D), was selected to receive a brownfields assessment grant. KDHE is targeting eight counties (combined population 154,283) in rural central Kansas for assessments. Grant funds will be used to inventory brownfields and conduct 16 to 20 Phase I and five to six Phase II environmental site assessments. As the interstate highway system developed in the United States, traffic along the region's original single-lane highways declined. Gas stations that depended on business from

cross-country travelers along U.S. Highways 56 and 281 began to feel the financial impacts of the shift to the newer interstate system. As these stations closed, many rural Kansas communities were left with abandoned properties. These communities struggle to survive as populations continue to decline and the number of underused properties in downtown areas increase. KDHE database has identified 769 underground storage tanks in the region. Brownfields assessment is expected to help the targeted counties gain information about environmental

conditions at these sites, and begin planning for cleanup and redevelopment activities. Grant funds will also be used to support community outreach activities.

KDHE is currently working with the Central Prairie RC&D to create a site inventory of potential brownfield sites that the local communities would like to see assessed and redeveloped. Once these brownfield sites are assessed it is the Central Prairie RC&D's goal to turn the abandoned and underutilized properties into parks, community centers, and/or youth recreational facilities.

For further information, including specific grant contacts, additional grant information, brownfields news and events, and publications and links, visit the EPA Brownfields web site at:

www.epa.gov/brownfields

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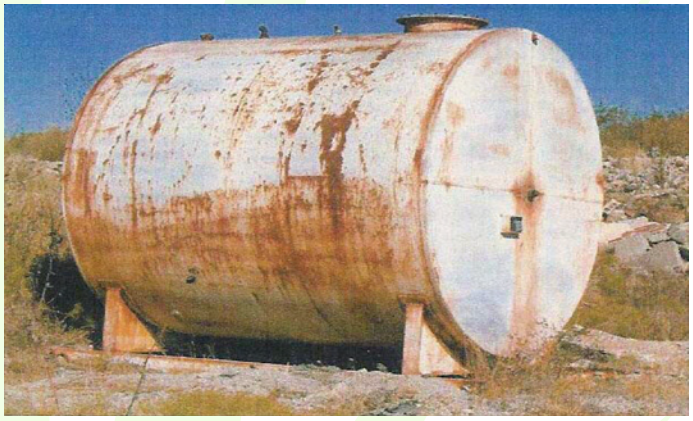
El Dorado Industrial Sites, El Dorado
Application Date: August 2006
Status: Redeveloped; Redevelopment in progress

The City of El Dorado proposed redeveloping an active oil recovery field into an industrial park. The City applied to the Brownfields program in order to evaluate any environmental impacts caused by the oil exploration and extraction activities. The Phase II BTAs tested samples for petroleum hydrocarbons and heavy metals. No significant environmental contamination was found.

Most properties within the new industrial park are under development at the current time. The remaining two properties are being actively marketed to potential tenants. Several facilities are currently occupied. The tenant for Parcel #5, MG Concrete Accessories, employs up to 225 workers.



Left: BG Products, Inc., is a new entity in El Dorado, and is typical of the new development in the industrial park.

Above: The BTA site included active oil wells, an abandoned AST, and evidence of illegal dumping.

Property for Sale? List it on the RedevelopKS Web site!

www.redevelopks.org

The RedevelopKS Initiative has been developed to assist Kansas communities market potential brownfields properties for sale in their communities.

Tax Incentive for Cleanup Costs Extended

The Emergency Economic Stabilization Act of 2008 (HR 1424), signed into law by President Bush October 3, 2008, renews for the fifth time a brownfields tax incentive that allows developers to use the "expensing" method for reporting and deducting costs of remedial work at brownfield sites.

Using that method, developers can fully deduct the costs of environmental cleanup in the year the costs were incurred. Without the special incentive, brownfields developers would have to use the "capitalizing" method, which delays and potentially decreases the total benefit of the deduction by extending it over several years.

Orginally enacted as part of the Taxpayer Relief Act of 1997, the provision was most recently extended in 2006. It expired December 31, 2007. The incentive enacted as part of the financial rescue bill extends the brownfields tax incentive through December 31, 2009. It applies to expenses incurred in tax years 2008 and 2009.

Tax Incentive Not Widely Used

by Janice Valverde

According to a 2007 Congressional Research Service report, the brownfield tax incentive, contained in Section 198 of the IRS Code, is not widely used. One reason is its "stop and start" nature, this is, its history of expiration and renewal every one or two years, the report said.

Greg Rogers, an attorney who heads Advanced Environmental Dimensions, a Dallas firm specializing in issues related to site remediation, told BNA another reason the incentive is not widely used is simply because accountants are not aware of it.

The IRS introduced a new tax form in 2004 to track use of the brownfields tax incentive. Data from 2004, reported by the IRS in 2007, show that Section 198 environmental remediation costs of $295 million were reported by 110 corporations out of a population of more than 5.5 million corporate tax returns.

The brownfields provision is part of a package of $71 billion in tax incentives and economic stimulus measures in HR 1424. According to a Senate Finance Committee summary of the legislation, the estimated cost of the brownfields provision is $357 million over 10 years, compared to a total net cost for all tax provisions in the new law of about $107 billion over 10 years.

Brownfields Listserv

KDHE has developed a listserv to provide regular updates to the public of new brownfields developments in the state as well as provide current updates of the federal brownfields program.

To sign up for the listserv, visit https://www.accesskansas.org/mailman/listinfo/brownsfields_program

KDHE 2008 Workshop Updates

Reclaiming Our Communities, April 2008, Statewide: The Kansas Department of Health and Environment (KDHE) conducted a series of statewide brownfields workshops during the month of April, 2008. The brownfields workshops were designed to provide attendees with basic knowledge regarding the Kansas Brownfields Program, including property eligibility criteria, the Voluntary Cleanup Program, and various funding sources to address brownfield properties. The workshops also provided "hands-on" opportunities to utilize software developed to assist communities in brownfields redevelopment. Approximately 53 participants attended the workshops, representing municipalites, economic development agencies, certifed development companies, and others with an interest in the redevelopment and reuse of underultilized properties throughout Kansas.

Brown to Green: Sustainability Summit, September 2008, Manhattan, KS: The Brown to Green Sustainable Redevelopment of Contaminated Properties Workshop was held at the K-State Student Union September 9-11, 2008. This workshop, which came to Manhattan after being conducted in Chicago, the Quad Cities, and Springfield, Mo., included expert speakers on sustainable design and redevelopment. The workshop included a bus tour of potential brownfield redevelopment sites in Manhattan and Junction City, as well as interactive design sessions where workshop participants learned to apply the principles of sustainable design and redevelopment to the sites visited on the tour.

The workshop was sponsored by the U.S. Environmental Protection Agency's Region 7, KDHE, K-State, the cities of Manhattan and Junction City, the Northeast Midwest Institute, and the U.S. Army Corps of Engineers. It was geared toward local government officials, not-for-profit organizations, consultants, developers, attorneys, and community members who are interested in understanding, promoting and utilizing sustainable redevelopment techniques.

2008 Kansas Brownfields Program Update

With the everpresent need for economic growth and redevelopment, the Brownfields Program offers communities an excellent opportunity to return underutilized properties to productive use. The department has been awarded funding from EPA to conduct and support brownfields activities in the State of Kansas. The agency conducts assessments of property for local municipalities to allow redevelopment of underutilized properties. The assessments determine the environmental condition of the property at no cost to the local government. Assessments can be performed before new owners take title to the property. In 2008 a total of 46 assessments were completed totaling over 690 acres that now have the potential to be redeveloped throughout the state. Cities participating in the program include Coffeyville, El Dorado, Ellis, Ft. Scott, Glasco, Marysville, Neodesha, Parsons, Wichita, and Wilson. By investigating and redeveloping brownfields properties, communities can produce new jobs, increase the local tax base, and preserve undeveloped land.

For more information on the Kansas Brownfields Program contact:

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