

## HISTORIC INFRASTRUCTURE FUNDING YIELDS Extensive Opportunities for Remediation and Redevelopment

Billions of dollars are earmarked for environmental cleanup and related redevelopment projects.

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**Mary Ann Grena Manley**  
Founder & President,  
15E Communications LLC  
[magmanley@15ecomms.com](mailto:magmanley@15ecomms.com)  
Twitter: [@magmanley](https://twitter.com/magmanley)



Across the U.S., hundreds of thousands of former industrial and commercial sites, called [brownfields](#), sit idle. If cleaned up and redeveloped, these properties present vast opportunities for economic growth and community improvement.

Brownfield sites come in many forms. They can be former gas stations, empty warehouses, abandoned railroads, or any former industrial property. Thanks to a truly historic investment in environmental cleanup, billions of federal dollars are now available for redeveloping these underutilized and unused areas while addressing legacy pollution and revitalizing underserved communities.

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### \$21 Billion for Contaminated Sites

On November 15, 2021, President Biden signed the \$1.2 trillion [Infrastructure Investment and Jobs Act](#) (IIJA) ([H.R. 3684](#)), which includes an unprecedented \$21 billion for environmental cleanup and remediation. Brownfields often exist in lower-income areas, disproportionately affecting communities of color.

So not only does the infrastructure law aim to mitigate climate change, but it also seeks to [stimulate the economy](#) in historically overburdened neighborhoods and advance the Biden administration's [environmental justice \(EJ\) goals](#).

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### Accelerating Cleanup in Underserved Areas

In December 2021, EPA announced that [\\$1 billion of the infrastructure funds](#) would go toward cleaning up the backlog of 49 previously unfunded Superfund sites and accelerating cleanup at dozens of other sites across the country. There are [thousands of contaminated sites](#) nationwide, including landfills, manufacturing facilities, and mining sites, which often sit in disadvantaged communities. Approximately [60 percent](#) of the sites receiving this initial funding are in underserved areas.

More specifically, the IJA will provide:

- [\\$3.5 billion](#) (over five years) for Superfund cleanup, which includes the \$1 billion disbursement (the law also reinstates and revises the [Superfund tax](#), which is expected to generate about \$14.4 billion over the next 10 years),
- [\\$1.5 billion](#) (over five years) for brownfields redevelopment,
- [\\$11.3 billion](#) for the reclamation of abandoned mines, and
- [\\$4.7 billion](#) for capping and remediating orphaned gas wells.

While funding will be available for brownfields and Superfund site redevelopment, EPA plays a relatively limited role in deciding [how sites are reused](#). Cities and local officials do not always prioritize redevelopment in EJ neighborhoods. However, the IJA brownfields funding incentivizes redevelopment projects in disadvantaged areas by offering \$30 million in job training grants for communities, tribes, nonprofit groups, and states and \$110 million in technical assistance to eliminate barriers to sustainable property reuse and similar challenges.

### Latest Round of Brownfields Grant Recipients

The EPA recently [announced](#) that 227 communities were selected to receive 237 brownfields grant awards totaling \$147.5 million “to assess, clean up and redevelop underutilized properties while protecting public health and the environment.” An additional \$107 million in supplemental funding went to 39 existing recipients. In line with the Biden administration’s [Justice 40 Initiative](#), about 86 percent of the communities selected proposed brownfield projects in [historically underserved areas](#). IJA funding made many of these possible. A few examples are below:

- \$300,000 will go to [Camden, South Carolina](#), to redevelop vacant commercial and industrial properties, including gas stations, landfills, and dry cleaning facilities;
- [MCAmericas Realty Inc.](#) will receive \$500,000 to remediate blighted properties in El Paso, Texas, an area that was “overlooked and neglected for many years;” and
- [Clatsop County, Oregon](#), will receive \$500,000 to clean up and redevelop abandoned properties in Astoria and Seaside.

Thanks to IJA, “we are significantly ramping up our investments in communities, with the bulk of our funding going to places that have been overburdened and underserved for far too long,” said [EPA Administrator Michael S. Regan](#).

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The brownfields program is a bipartisan success story. As of March 2022, grant recipients have leveraged an additional [\\$35.23 billion in cleanup and redevelopment funding](#) since the program’s inception. The grants also have created nearly 184,000 jobs in cleanup, construction, and redevelopment.

### Investing in the Clean Energy Economy

Some of these grants, in tandem with other technical assistance programs like [EPA’s RE-Powering America’s Land Initiative](#), are also helping to build the clean energy economy. For example, both a former coal mine in [Greene County, Pennsylvania](#), and a former dump site in the [Fort Belknap Indian Community in Montana](#) will be converted into solar farms after receiving brownfields grant funding.

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In addition to renewable energy, federal and state investment in brownfields is earmarked for electric vehicle (EV) infrastructure. For example, in the 2021 round of brownfields grants, East Bay Community Energy (California) received a \$300,000 grant from the EPA to [develop brownfields into fast-charging hubs for electric vehicles](#). “Brownfields, especially ones near factories and ports, can be well-sited to provide EV fast charging for medium and heavy-duty trucks, helping accelerate adoption and cut diesel emissions.”

State governments are providing additional grant opportunities. [New York](#) Governor Kathy Hochul recently announced \$2.4 million in state grants to clean up and redevelop six contaminated sites. The state’s Environmental Restoration Program incentivizes the development of renewable energy facilities and affordable housing on these sites. It also explicitly encourages development in disadvantaged communities.

### Additional Funding for Environmental Projects

Overall, the IJA pledges billions to programs that address environmental and social issues, which makes a huge difference in private investment. With [ESG](#) (environmental, social, and governance) considerations and metrics increasingly informing investment decisions, states and local governments using IJA funds can improve their ESG profiles, potentially helping them secure additional private funds for redevelopment projects.



Other climate-related IIJA programs focus on renewable energy (like solar power), clean drinking water, and alternative fuel corridors. Like brownfields cleanup and remediation, these programs will be administered through an EJ lens. For example:

- There is \$10 billion allocated for the remediation of per- and polyfluoroalkyl (PFAS) substances (also known as “[forever chemicals](#)” because they remain in the environment, and in people, for decades) in drinking water. Studies suggest that PFAS chemicals disproportionately harm communities of color, indigenous communities, and low-income communities. The [increased investment in water infrastructure](#) will focus on these communities, specifically awarding grants to states that assist disadvantaged areas with PFAS remediation. In June, EPA announced it would be making available the [first billion \(out of \\$5 billion\) in grant funding](#) for these communities, opening up the grant application process to states and territories. Grants will address emerging contaminants, including PFAS, via technical assistance, water quality testing, contractor training, and centralized treatment technologies and systems.
- There is \$17 billion available for port infrastructure and \$25 billion for airport modernization, which will improve the supply chain while [reducing greenhouse gas emissions](#) in surrounding neighborhoods (often lower-income and communities of color).
- The law invests \$7.5 billion in building a [national network of EV chargers](#). The goal is to make it easier for families to switch from gas-powered vehicles to EVs, which will reduce air emissions, especially in urban areas. Of that investment, \$2.5 billion is set aside for state and local governments, metropolitan planning organizations, and other public-sector entities. For example, grants are available for publicly accessible alternative fuel charging infrastructure along designated [alternative fuel corridors](#). As discussed above, brownfields can be used for this purpose.

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- The IIJA provides [\\$500 million](#) for five clean energy demonstration projects that use solar, geothermal, advanced nuclear, or other clean energy technologies. Eligible projects must propose using a commercially viable

technology on a current or former mine site and explain how that technology will reduce greenhouse gas emissions, create jobs, and promote economic development. The federal government is prioritizing projects in economically distressed areas.

- There is also [\\$355 million](#) in grant funding for demonstration and pilot projects involving energy storage (like solar energy) and other climate technologies. The pilot programs will receive different portions of the funding over several years. [Brownfields](#) can be – and increasingly are – repurposed for renewable energy production, like [solar farms](#). These sites are referred to as “brightfields.” For example, in Houston, developers are building a brightfield on 240 acres that used to be a landfill and incinerator. Once operational, this [urban solar farm](#) should power up to 5,000 homes.

### Shifting Real Estate Demands and Opportunities

Keep in mind that geographic shifts in the residential, commercial, and industrial sectors could affect how and where infrastructure investments are directed. The Covid-19 pandemic forced companies to change the way that they do business. E-commerce is thriving, accelerating [brick-and-mortar retail store closures](#) and increasing demand for additional warehouse space. At the same time, the “[Great American Move](#)” sent families and businesses to new communities. These shifts, along with increased infrastructure funding, will directly affect the commercial real estate market and influence where we geographically are most likely to see CRE project opportunities.

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### Bolstering Green Infrastructure Benefits CRE

While the IIJA doesn’t explicitly mention CRE, infrastructure improvements will impact the market. Some experts estimate that better infrastructure will increase [demand for office, industrial, retail, and multifamily real estate space](#) by about 1.2% over the next five years.

That increased demand will spur private investment, creating substantial opportunities for environmental consultants assisting clients with remediation, redevelopment, and infrastructure projects. According to [CBRE’s 2022 U.S. Investor Intentions Survey](#), investors prefer

putting their money behind industrial and multifamily assets. And as mentioned above, IJA projects should attract ESG investors as well. Using IJA funds for [green infrastructure](#) projects may be especially compelling for socially conscious investors and developers, considering that green space, stormwater remediation, and other [resilience infrastructure measures boost property values](#).

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Green incentives have a direct effect on CRE investment. The [green bond market has grown](#) by more than 50% in the past five years. This explosive growth trajectory indicates that there's been a massive shift in capital toward climate solutions, like renewable energy and low carbon/green buildings. For example, in 2016, DC Water, the sewer and water management authority for Washington, DC, issued the [first-ever environmental impact bond](#) to pay to clean up excessive stormwater with green solutions like permeable pavements and rain gardens. Since then, other [local governments have used green bonds to finance infrastructure projects](#) that benefit property values and the CRE market.

### Key Takeaways for Environmental Professionals

The bipartisan infrastructure law provides numerous funding opportunities related to property assessment, remediation, and redevelopment. This public investment will leverage private capital, especially for ESG-conscious investors. Environmental professionals must consider how and where this investment will affect CRE and redevelopment activities and should prepare for a flurry

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“Environmental professionals... should **PREPARE FOR A FLURRY OF NEW PROJECTS** as infrastructure money is allocated and invested.”

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of new projects as infrastructure money is allocated and invested.

Consulting firms and developers should think creatively when called in to support grant applications, grant recipients, redevelopment projects, and the communities receiving infrastructure investment dollars. For example, could a redeveloped brownfield site's highest and best use be an EV network? Is a specific Superfund or brownfield site well-suited for a future renewable energy facility? Where will there be availability to meet the expanded demand for battery storage facilities to support the green energy transition and are there underutilized properties that can be used for this purpose?

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“Developers should **THINK CREATIVELY** when called in to support grant applications...”

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It's also clear that addressing PFAS, EJ (inextricably linked to ESG), and the transition to renewable energy are top infrastructure investment priorities. Therefore, building out relevant scopes of services is essential to ensuring your company is recognized as one that can support this work. Doing so may also give you a competitive edge as these projects and related infrastructure activities take hold. 🏗️

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