Study cites added value of 'brownfield' cleanup

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A state program that subsidizes redevelopment of contaminated land and idle industrial sites sharply increased the property’s value, returning an average $17.50 on the dollar, according to a newly released University of Delaware study.

In New Castle County, property values for “brownfield” redevelopment rose at 10 times the rate of other nearby properties, the report for Delaware’s Department of Natural Resources and Environmental Control said. Much of the gain was seen at redeveloped properties along Wilmington’s Christina riverfront.

DNREC’s Brownfield Program provides grants of up to $225,000 to assist private developers with environmental remedies on land that would otherwise be considered a low priority for environmental cleanup, DNREC acting Air and Waste Management Director Marjorie A. Crofts said. Non-profit groups and municipal governments are eligible for up to $1 million per project.

“Redeveloping contaminated sites makes sense for the economy and the environment,” Gov. Jack Markell said in a written statement. “By focusing on cleaning up industrial sites, we strengthen local communities and create new economic opportunities for innovative companies like Fisker Automotive looking to invest in Delaware.”

Fisker plans to build plug-in hybrid electric vehicles at the shuttered General Motors Boxwood Road plant after a cleanup and retooling.

The university received approval for up to $1 million to help convert Chrysler’s shut-down Newark plant into a multi-use educational and research complex.

DNREC sets aside about $5 million yearly for brownfield grants from the state’s Hazardous Substance Cleanup Act fund, which is supported by a wholesale tax on petroleum products.

The university’s Center for Applied Demography and Survey Research concluded that the program produced 700 jobs and added $394 million to the state’s gross domestic product between 1998 and 2008.

DNREC Secretary Collin P. O’Mara said the investments help steer growth and development to areas that already have roads, sewer lines and other basics, reducing pressure to clear forests and farm fields.

DNREC brownfield administrator manager James Poling said the state had never previously weighed the benefit of Delaware’s program.

“If it came up that we were taking a loss, we’d have to change gears,” Poling said.