



Via Email

December 6, 2023

Washington D.C. Office
2312 Rayburn House Office Building
Washington, DC 20515
Honorable Congresswoman Nanette Diaz Barragan (CA-44)

RE: Request to Support and Cosponsor H.R. 6438 (Brownfields Redevelopment Tax Incentive Reauthorization Act of 2023)

Dear Honorable Congresswoman Barragan,

In response to the restoration of the brownfields tax incentive introduced by Representatives Sherrill (NJ-11) and Turner (OH-10), we respectfully request you to support and cosponsor the bipartisan bill H.R. 6438, a bill designed to aid developers and landowners with the costs of cleanup in contaminated sites. Restoring this vital tax incentive revitalizes our communities, will greatly benefit the City of Carson, and is long overdue.

Brownfields are vacant or undeveloped areas, typically former industrial sites, where reuse is complicated by environmental contamination concerns. As you are aware, this has been an ongoing challenge as it relates to development in Carson. This incentive allows developers to fully deduct the cleanup expenses of contaminated property in the year the costs were incurred. The tax deduction reduces their effective development costs and ushers in the economic gains that flow from new capital investment in communities across the country. This provision would also reduce environmental contamination and restore fairness in communities across the country by allowing brownfield volunteers, not just polluters, to benefit from expensing remediation costs rather than spreading them over ten years.

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EXHIBIT NO. 1

City of Carson's Request to Support and Cosponsor H.R.6438 (Brownfields Redevelopment Tax Incentive Reauthorization Act of 2023)

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As you are aware, Carson is a community of nearly 100,000 residents and is considered to be a vulnerable and underserved community with a history of environmental justice issues. Environmental justice and public health concerns, including pollution and compounded health risks stemming from the concentration of landfill, refineries, port related activities, and other industrial activities in and nearby the city, have a long history in Carson that predates its incorporation as an independent city in 1968. We are surrounded and bordered by many other CA-44 District communities that historically share these same environmental justice issues including Long Beach, San Pedro, Wilmington and other unincorporated parts of Los Angeles County.

Even today, Carson continues to face environmental justice issues with the majority of areas in the city being designated CalEnviroScreen 4.0 Tracts within the 75% percentile or more. And despite being located in one of the largest metropolitan areas in the country (where land value is very high) and surrounded by cities that are practically fully built, many sites in Carson remain undeveloped because of contaminated land.

It has also been well established by local residents and the Carson community that the need to address brownfields is of highest priority in our community. Over the past two years alone, several plans and policies were adopted to highlight this importance including, but not limited to, the following:

- **Resolution No. 22-068** - This resolution declared the City's intention to formally prioritize the remediation and development of vacant, environmentally challenged properties in the City and develop a comprehensive economic development ordinance to facilitate remediation and development of contaminated properties.
- **Carson 2040 General Plan Community Health & Environmental Justice Element, Policy CHE-G-6** – This policy states the following: "Explore opportunities and seek funding to remediate and redevelop brownfields as sites to spur economic development, expand natural open spaces and parks, community gardens, and other similar health-promoting community revitalization activities, particularly in underserved neighborhoods."
- **2023 Economic Development Strategic Plan, Strategy 6.E** – This strategy provides the following: "Partner with property owners to assess, investigate, and clean-up contaminated sites, establishing Carson as a "national best-practices leader" in brownfield remediation and redevelopment."

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While policies and plans reflect the desires and aspirations of our community, without the funding and resources needed, these visions may never be realized. The tax incentives under H.R. 6438 would revitalize our communities by encouraging private sector investment in contaminated and underutilized sites to transform Carson and many other CA-44 District communities.

To that end, it is our desire that your office support and cosponsor the Brownfields Redevelopment Tax Incentive Reauthorization Act of 2023) to restore brownfield lands in our community to green field equivalents. Should you have any questions, please contact the City Manager's Office at 310-952-1728.

Sincerely,

Carson City Council

Enclosure: [National Brownfields Coalition Fact Sheet \(Brownfields Redevelopment Tax Incentive Reauthorization Act of 2023\)](#)

Nov 2023

Brownfields Redevelopment Tax Incentive Reauthorization Act of 2023

The National Brownfields Coalition is pleased to share that Rep. Mikie Sherrill (NJ) and Rep. Michael Turner (OH) have reintroduced the Brownfields Redevelopment Tax Incentive Reauthorization Act, which will allow taxpayers to fully deduct the cleanup costs of contaminated property in the year the costs were incurred.

Restoring this vital tax incentive to revitalize our communities is long overdue. **The Coalition encourages you to reach out to your Representatives and urge them to cosponsor this bill.**

The federal Brownfield Tax Incentive was first passed in 1997 to allow parties who voluntarily investigated and remediated contaminated properties to deduct all cleanup costs on their federal income tax return in the year they spent the money on cleanup. By allowing for expensing rather than requiring remediation deductions to be spread out over ten years, the tax incentive was a powerful driver of private investment in the economic revitalization of brownfields.

Before it expired in 2012, this deduction was used more than 625 times in more than 40 states and was gaining momentum. Developers used the cash savings from this incentive to invest in their next brownfield project, exactly the behavior needed to accelerate cleanup of the nation's contaminated sites. Our 2015 report* showed that this deduction dramatically reduced the remediation costs — the largest single expense of taking on a brownfield — by one-third to one-half, depending on the combined income tax bracket (fed, state, local) of the party conducting the cleanup.

Why we need the Bipartisan Brownfields Tax Incentive Bill of 2023

The brownfield tax incentive is an investment in economic development, community health, and communities marginalized by historic land use patterns and hazardous land uses. Brownfield clean-up and development are powerful tools to advance environmental justice by seeking to reduce exposure to environmental hazards and promote healthier, vibrant communities in areas that may have been disadvantaged by the presence of brownfield sites.

The redevelopment of brownfields generates increased tax revenue for local, state, and federal governments from formerly idle, non-income-producing property. [Our study showed](#) seven NYC sites that enrolled in the NYC Voluntary Cleanup Program enjoyed average, per-site tax savings of \$105,000, a significant incentive for the developer. Even greater though were the per-project tax revenue gains to city and state government from these projects of \$10 million (calculated on a 30-year, NPV basis). Looking at these city sites, the financial benefit of the brownfield tax deduction is 100 times greater than its cost. The report features 17 case studies, describing the jobs and other local benefits of redevelopment in places like Detroit, MI; Cincinnati, OH; Liberty, TX, and Salt Lake City, UT.

The deduction provides a critical source of capital that can fund a project's cleanup costs in markets where lenders are wary of financing cleanups, particularly for smaller developments.

The deduction encourages developers to take on seriously contaminated brownfields whose otherwise high cleanup costs lead developers to search for simpler projects. By expensing remediation costs, the deduction makes contaminated sites far more competitive to develop. The lower effective cost of cleanup ushers in the economic gains that flow from new capital investment in communities across the country. New development brings both construction and permanent jobs, as well as housing, community facilities, retail, and office space that revitalizes communities.

Further, the brownfields tax incentive improved equity between polluters and those remediating pollution on a voluntary basis in the tax treatment of cleanup costs. Currently, those who caused the pollution or are otherwise liable to conduct a cleanup are able to expense their cleanup costs. Restoring this incentive will again allow volunteers to do the same.

As a tax deduction rather than a grant, the brownfields incentive is extremely simple to use: volunteer investigates and cleans the site, obtains a letter confirming contamination from their state environmental agency, and can then deduct the cost of cleanup on their return.

* [The Federal Brownfields Tax Incentive: Case Studies and Analysis of Impacts](#), September 2015. Redevelopment Economics; NYC Office of Environmental Remediation; International Council of Shopping Centers; Smart Growth America.

The National Brownfields Coalition is a unique, non-partisan alliance that advocates for policy change and funding to responsibly clean up and reuse underutilized or environmentally-impacted land. We educate, advocate, and convene stakeholders nationally to advance brownfields redevelopment and thriving communities.

More information about the National Brownfields Coalition can be found [here](#). If you have any questions about the Coalition, please contact Franklin Thornton at ftornton@smargrowthamerica.org or Jean Hamerman at jean.hamerman@cclr.org.