



Thursday, September 23, 2010

Members of the House Committee on New Economy & Quality of Life
Representative Ed Clemente, Chair

Members of the Committee:

On behalf of the Detroit Regional Chamber, I am writing to express our support bipartisan legislation to reform the part 201 environmental cleanup program. This includes **House Bills 6358-63 & 6416-17** and **Senate Bills 437, 1345-49**. The success of our region depends upon a rededication to our urban core, including a massive effort to clean, redevelop, and repurpose properties.

Contaminated, orphan share, and tax reverted sites are a reflection of our past, visible in the form of industrial and residential land use patterns that shape the modern perception of regional Detroit across the country, and even within Michigan's state lines. Our future, however, relies on our ability to focus investment and innovation toward the renewal of decaying, blighted, and contaminated land.

In his State of the City address, Detroit Mayor Dave Bing introduced a plan to demolish approximately 10,000 dangerous structures and prepare the land for future use. With every parcel that is cleaned up and returned to new use, whether in a redevelopment project or as parks and green space, Detroit takes another step in the process of re-inventing a more livable modern city. This means a city designed to provide a higher quality of life and scaled toward modern population estimates.

Part 201 reform legislation is a key component that would assist Detroit and other urban communities across the region with their transformative vision for more sustainable communities. Therefore, we strongly support the package.

Specifically, part 201 reform legislation will accomplish the following:

- Produce an effective process that will lead to site closure in order to encourage investment at complex urban sites
- Provide relief to DNRE and increase the pace of cleanups by targeting staff resources on reviewing cleanup work instead of cumbersome plan approvals
- Allow for the most updated environmental monitoring techniques not envisioned when the law was originally passed
- Work with local units of government to incentivize creative strategies for the re-use of orphan share sites and tax reverted land- not penalize them with expanded obligations

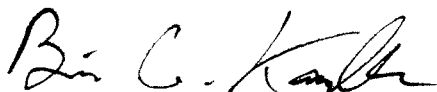
Reforms to the part 201 process must recognize that Michigan's move to a causation based liability system in the mid 1990's pushed us to the forefront nationwide for encouraging investment in urban areas. Prior to this change, built out communities were at an almost impossible disadvantage to those who could offer so called "Greenfield" sites for development. It is economically and environmentally impossible to sustain perpetual expansion of municipal and other public infrastructure, however, the near-term cost savings were the driver of this development trend for decades. Alongside numerous brownfield redevelopment incentives and improved transit and logistics capabilities, a successful part 201 program is essential to combat patterns of urban sprawl and aging infrastructure by refocusing on the urban core.

Without forgetting past successes, it is equally important to highlight contemporary challenges to our ability to breathe new life into neglected and contaminated land. Out of concern for the health of Michigan's residents and ecosystems, the Department of Natural Resources and Environment has been tasked with assuring plans for environmental cleanups protect us against any and all conceivable exposure to harmful substances, often before allowing work to proceed on a site. With fewer available resources than ever, this task has monopolized staff attention, delaying the achievement of the real goal- getting the cleanup work done. New self-implementation provisions encourage action by focusing our precious state resources on the most important question- "Has the site been cleaned?" The timelines laid out for the process provide further assurance to prospective investors that they will not waste money getting caught in the process, as Michigan's program will be designed to progress to site closure. As environmental science has evolved over the years, allowing the most cutting-edge techniques in environmental monitoring can also lead to more cost-effective approaches to getting the job done.

Considering Mayor Bing's bold plan for the city of Detroit, we must recognize the burdens that will be placed on government as we step toward the region's future. Re-using the land beneath the 10,000 demolished structures in Detroit will only be a fraction of the City's journey, and let's not forget other urban areas vital to the region who wish to follow the same path to benefit their communities. Just as the State has fewer resources dedicated to this work, municipalities do not have the resources to afford being punished with large new obligations as they manage orphaned and tax reverted parcels. This would be unfair and counterproductive. We need resources focused on creative strategies to re-integrate these parcels back into the land use that most suits the future character of each neighborhood and community.

We are encouraged by the large commitment of time, consideration, and patience exhibited by those involved in crafting the legislation. **We ask for your support of the 201 reform package.**

Sincerely,



Brian A. Kandler
Director, Government Relations