

Brownfields: Current Trends and Recent Innovations

Charlie Bartsch

Vice President/Senior Fellow – ICF International

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Passion. Expertise. Results.



Current National Trends in Brownfields

Financing

- **State efforts evolving, creativity increasing**
- **Small projects becoming more viable, and small project successes more common**
- **Federal incentives increasingly connected with state and local incentives to maximize leverage**

Technical/process

- **State VCP role growing, becoming more prominent**
- **ICs, risk-based cleanups used to reduce project cost**
- **Innovative technologies more widely integrated**

Overall --

- **Brownfield process is being enhanced as technical and economic development strategies become more complimentary**

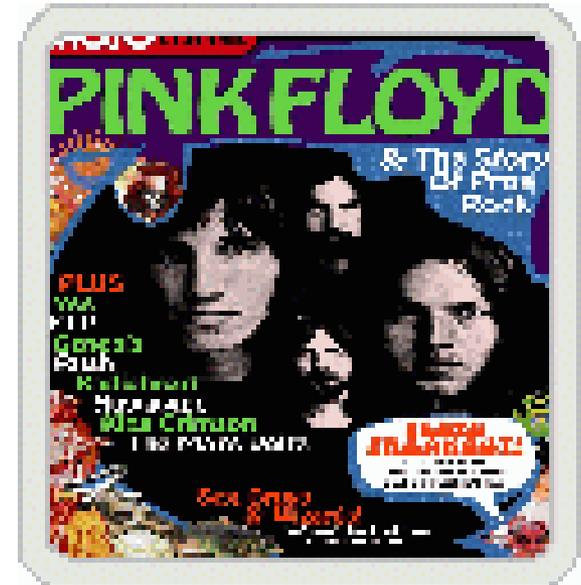
Financing – state efforts evolving, more states promoting the Pink Floyd strategy

**Money, it's a crime.
Share it fairly but don't
take a slice of my pie.**

B'F Translation – It's all about leveraging...

Creatively using development and environmental programs to meet the range of site redevelopment needs, attract private financing for –

- assessment, clean up, demolition, renovation, ICs, marketing, upgrades, preparation, etc.



Animals, 1977

Tax Credits, Abatements, Incentives

Offered by 22 states, including –

- **deferral of increased property taxes — *Connecticut and Texas***
- **remediation tax credits – *Illinois and Wisconsin***
- **cancellation of back taxes — *Wisconsin and Massachusetts***
- **rebates of sales taxes to offset cleanup costs – *New Jersey***
- **tax incentive “menu” -- *Missouri***
- **environmental insurance tax credit – *New York***

Targeted Financial Assistance

Offered in 19 states, including –

- ***Indiana's* forgivable remediation loans, newly expanded to petroleum sites**
- ***Florida's* tax “bonus refund” pegged to job creation**
- ***Florida's* low-interest loans for contractor/tax lien purchases**
- ***Massachusetts, Wisconsin's* insurance subsidies**
- ***Michigan's* Brownfield Redevelopment Authorities**
- ***Kansas's* focus on agricultural-related contaminants**

Direct Financing Assistance

Offered in 13 states, including –

- **low interest cleanup loans — *Delaware, Indiana, and Wisconsin***
- **remediation grant funds — *New Jersey, Minnesota***
- **state revolving loan or redevelopment funds — *Indiana, Michigan, Wisconsin, and Massachusetts***
- **‘just in time’ Phase II site assessment program – *Indiana***
- **targeting state clean water RLF to brownfield site cleanup – *Maine, New Mexico, New York, Ohio***

Mechanisms to break the process log-jam

- **Florida offers low-interest loans to redevelopment agencies and non-profit corporations to purchase contractor liens, tax certificates, and similar claims, to move properties, expedite reuse**
- *Abandoned factory to call center -- Clearwater*



Tax incentives to attract private capital

- **Wisconsin allows new owners, working thru VCP, to have back taxes waived, expedite transfer of tax delinquent properties, to level the playing field and attract new investors**
- *Gas station to coffee shop -- Milwaukee*



Assignable, transferable, marketable tax credits to encourage cleanup and reuse

- **Massachusetts' Brownfield Credit for Rehabilitation of Contaminated Property; up to 50% credit against cost of environmental response and removal; can be combined with other state brownfield programs**
- *Wire fabricator to printing/graphics plant --
Dorchester*



Filling time-sensitive financing gaps

- **Delaware's Phase II site assessment matching grants, offering \$100,000 grants to expedite economic development or mixed-use projects**
- *Riverfront warehouse/chemical/industrial dump site into residential/commercial complex – Wilmington*



Revamping traditional development entities to focus on brownfield reuse

- Michigan has created a special category of development authority
- Cities, towns and counties can establish “*brownfield redevelopment authorities*”
- Exercise traditional development authority powers: expedited title clearance, TIF and bond financing; eligible applicants for other federal programs



Missouri's Incentive "Diner" – Going a la carte for the full cleanup "meal"

- **Missouri Brownfield Redevelopment Program**
 - Offers loans, loan guarantees, for properties abandoned or underused for at least 3 years
 - Menu of jobs, investment, and property tax credits, up to entire amount of cleanup
- ***Abandoned rail roundhouse complex to office park and small business incubator***



State Financing Innovations – Highlights of Emerging Initiatives: 2007

- Expanded tax incentives for affordable housing on brownfield sites (FL)
- Brownfield TIF guarantees (PA)
- Remediation assistance for current owners of contaminated properties (CT)
- Assignable/transferable remediation/rehabilitation tax credits (MA, MI)
- Remediation tax credits in new “Rivers Edge Redevelopment Zones” (IL)
- Advantageous taxation of brownfield property improvements (NC)

From the Technical/Process Side: Increasingly, VCPs a Key Redevelopment Facilitator

- **VCP process certainty brings comfort and closure – to owners and lenders**
- **VCP assurances increase willingness of developers to consider contaminated sites, innovative technologies, and institutional controls -- all of which encourage them to go forward with re-development**
- **VCPs foster state and local redevelopment partnerships**

Technical and economic development strategies are becoming become more complementary

- **By promoting the use of cost-cutting innovative cleanup technologies**
- **By helping site owners initiate institutional or engineering controls that reduce site prep costs**
- **By providing specific tools and an overall climate that allows for better management of risk**

Downtown retail, Williamsport, PA

Innovative technologies

- former airplane engine factory, abandoned nearly 50 years, with groundwater contamination that proved too costly to treat by conventional means
- **state VCP** worked with developer to identify **innovative cleanup technology – molasses injection** -- that would work within standards of VCP
- *Now...* retail complex and parking facility



California Speedway – Fontana, CA

Institutional controls

- Speedway on a portion of 23-acre former Kaiser Steel Mill site (from 1942 to 1983)
- Work with state **DTSC**, raceway, interior facilities used as an **environmental cap**, saving \$ hundreds of thousands in cleanup costs – plus greenfields
- *Now...* California Speedway
- In 2006, Speedway generated \$12.5 million in economic activity, \$2.5 million in new tax revenues and supported 1,200 jobs



Victor Building – Camden, NJ

Cost saving technical assistance and project support

- Abandoned former RCA Victor Building on Camden’s waterfront, with pervasive PCBs
- Site intended for residential re-use; challenge was keeping \$7 million cleanup manageable
- NJDEP provided t.a. to developer – on remedial and monitoring applications, ICs, entombment of residual PCBs – **strategies that allowed cleanup and redevelopment to go forward concurrently**, with big cost savings
- *Now...* \$60 million private investment in 341 units, 1st market rate housing built in Camden in 40 years, landmark “Nipper Tower” saved



Visitor Center – Rosalia, WA

Unconventional public-private partnerships can stimulate site reuse how and where you'd least expect it...

- 1923 vintage Texaco gas station, in downtown Rosalia, WA (pop. 600) converted to “gateway” retail and visitor center
- First-ever partnership with a state Dept. of Corrections





Thank
you!

If you have questions...
If you need additional information....
If you want just the facts...

Charlie Bartsch
cbartsch@icfi.com

(202) 862-1134

and starting Monday...



Starting May 5...



www.icfi.com/brownfields



*Thoughts and guidance on the
environmental, financial, legal, and social
aspects of brownfield revitalization from
ICF International*

*Coordinated by Charlie Bartsch, ICF's
brownfield expert*