

Pulling all the Pieces Together: Mixing & Matching Resources for Brownfields Success

Indiana 15 Workshop
September 5, 2012

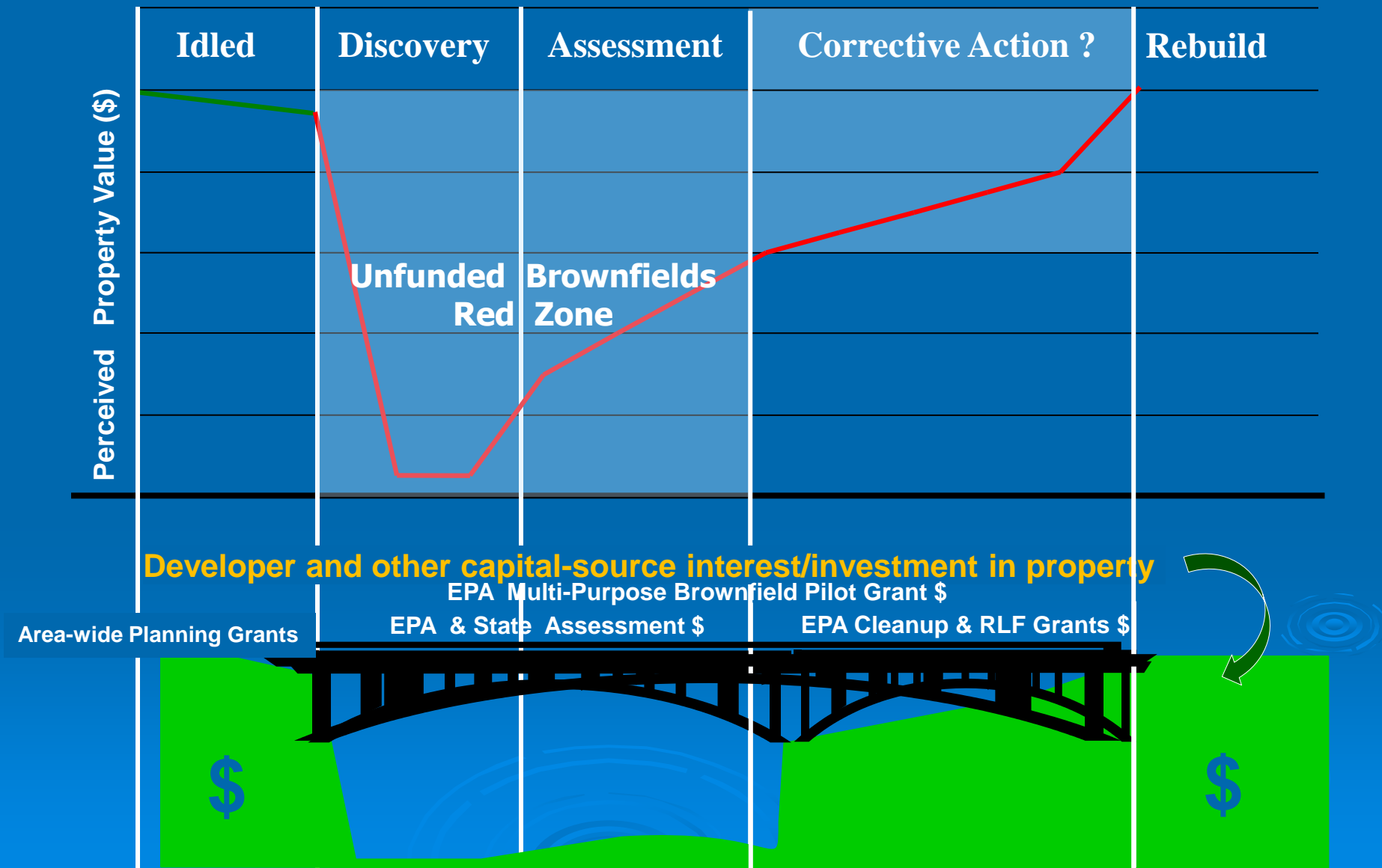


Today ...



- EPA Brownfields grants are not intended to carry Brownfields redevelopment, only act as a bridge
- You have heard today of local examples and resources, you'll hear some regional case histories this afternoon
- Brownfield projects that cities and communities have put together to bridge to success from different funding
 - Examples from within and outside this EPA Region for a little outside perspective on what others are doing
 - A few examples of diverse resources in action ... including some low cost/no cost strategies with important \$\$ impacts

Agency Brownfield Funds Are Merely A Bridge



Commonly used (non-EPA) federal resources... especially in smaller communities

- HUD – CDBG
- EDA – public works, economic dislocation
- DOT – enhancement, construction, system rehab/modernization
- USDA – rural development/community facilities loans and grants
- Tax code incentives – for housing, cleanup, structural rehabilitation



Housing and Urban Development (HUD)

Entitlement and State/Small Cities CDBG Programs

- Cities over 50,000 people get annual formula allocations
- Each state gets an annual funding allocation from HUD to meet small cities' (less than 50,000 population) community development needs
- CDBG funds must meet one of HUD's 3 broadly defined program objectives:
 - addressing the needs of low- and moderate-income people (at least 51% of funds)
 - addressing slums and blight
 - meeting an urgent community need



CDBG Eligible Activities

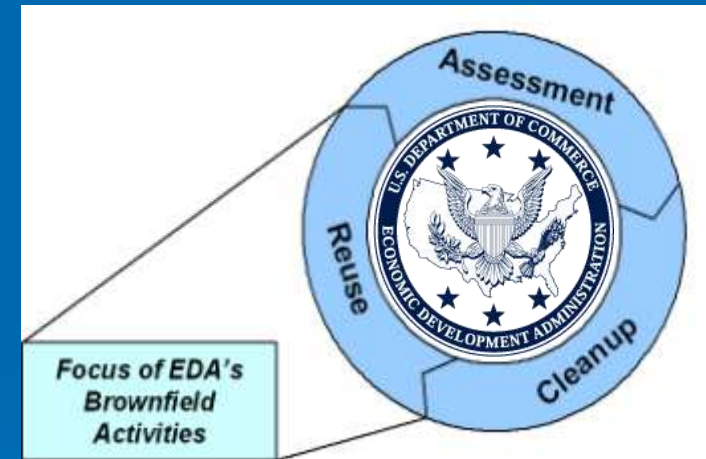
Linking to Brownfield Needs



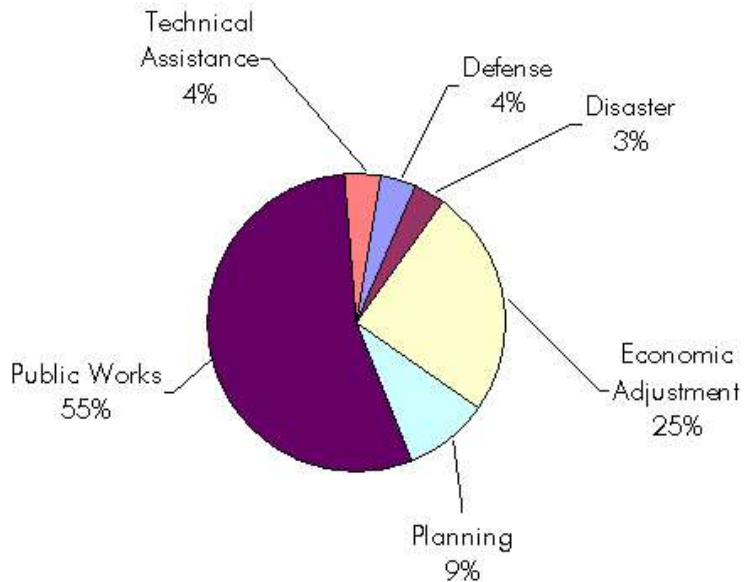
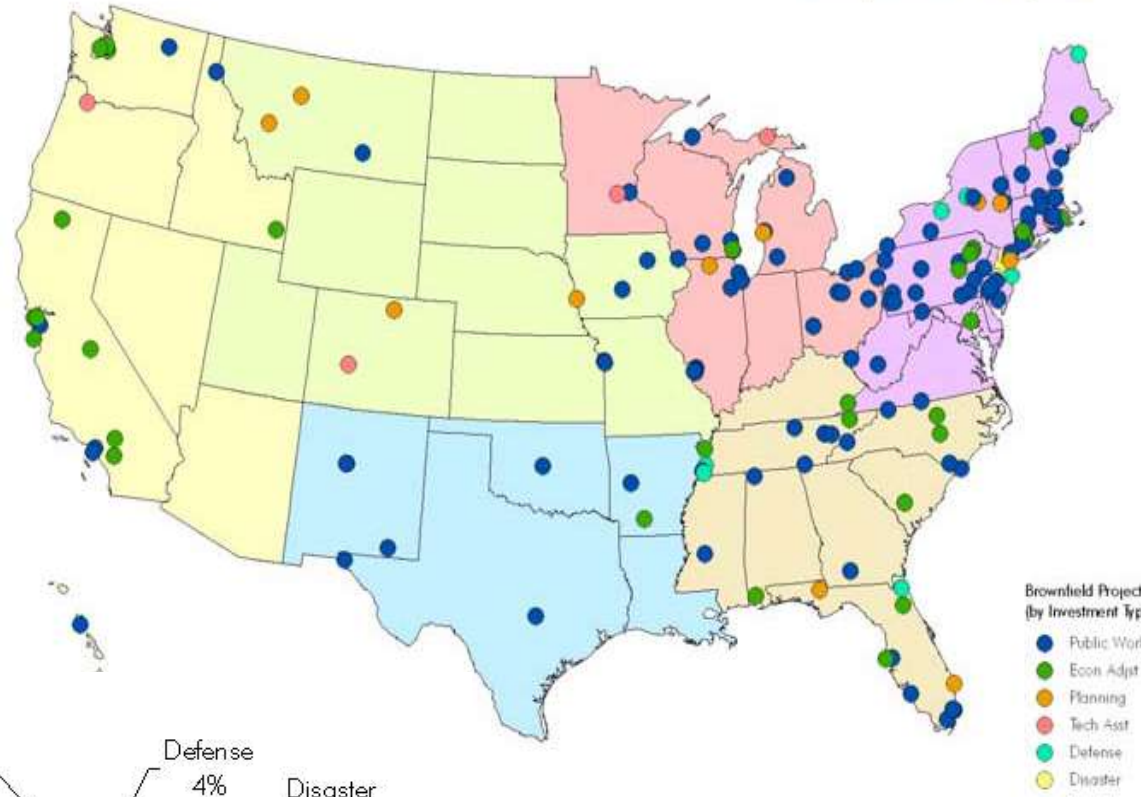
- Demolition and removal
- Rehabilitation of public and private buildings
- Planning
- Construction or reconstruction of infrastructure, neighborhood centers, recreation/public works facilities
- Can include coping with contamination as part of site preparation or infrastructure development
- Can be lent to private companies in some circumstances
- For the state/small cities program –
 - Each state sets its own project funding priorities, defines its own program requirements, within these objectives and activities

Economic Development Administration (EDA)

- EDA typically puts 50%+ of its resources into small/mid-sized towns and rural areas
- **Key EDA investment Priorities**
 - Collaborative Regional Innovation
 - Public/Private Partnerships
 - National Strategic Priorities
 - Global Competitiveness
 - Environmentally-Sustainable Development
 - Economically Distressed and Underserved Communities



EDA Brownfield Redevelopment Projects



EDA/Public Works

Plainview Steel, Plainview- AR

- Lumber/pressure treating facility, shut down in 1986 after quarter-century of operations; declared superfund site in 1999. Cleaned, redeveloped as specialty steel plant.
- \$763,000 in EDA public works funding supported site preparation, construction, infrastructure upgrading as part of \$1.1 million financing package
- Today – 25 new jobs, significant tax revenues for community



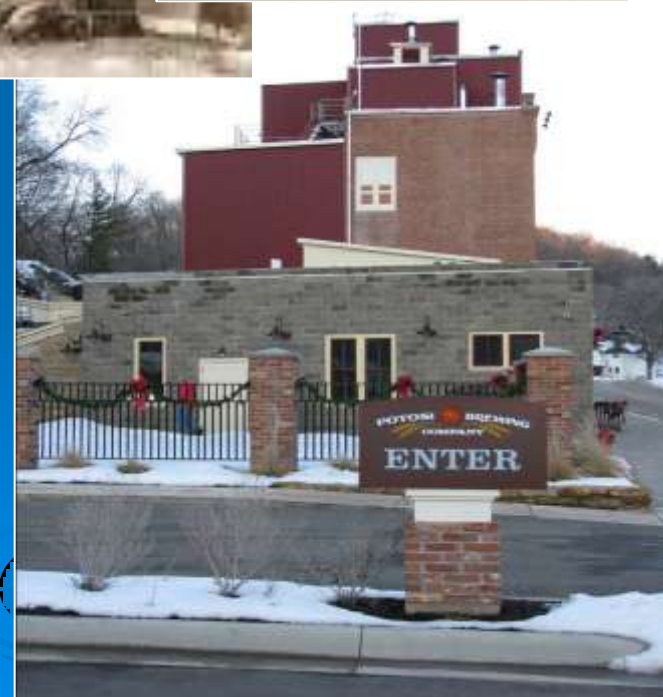
USDA-RD Funds

Supporting Brownfield Redevelopment

- Eligible activities can include:
 - Planning for redevelopment or revitalization – for businesses and community facilities (which could include brownfield projects)
 - Site clearance/preparation, including **demolition** – key brownfield reuse/redevelopment activities
 - Rehabilitation/improvement of sites or structures – which might need to include removal or remediation of contamination as part of project
 - Construction of real estate improvements
 - Installation of amenities to enhance development

Potosi Brewery, Potosi, WI

- Brewery built 1852 in Potosi (700), abandoned 1972. Asbestos, lead paint, other contaminants
- \$3.3 million guaranteed loan key to securing additional \$4.2 million in financing
- Transformed Potosi's main street; community involvement key
- Result: Refurbished as micro-brewery, brewing museum and library, opened June 2008
- 50 new jobs, 4 new beers



Transportation Programs



- In March 2009, DOT re-affirmed its brownfield policy
 - Transportation funding can be used for cleanup at sites integral to transportation system development/upgrades
- Must work through state / local transportation agencies
- DOT highway/transit construction programs can support related revitalization by:
 - helping upgrade existing facilities
 - offer transportation amenities that improve access to and marketability of Brownfield sites
 - fund facilities and structures that serve as part of the remedial solution

Arterial Access Road

The Quarter, East Moline, IL



- Population ~20,000



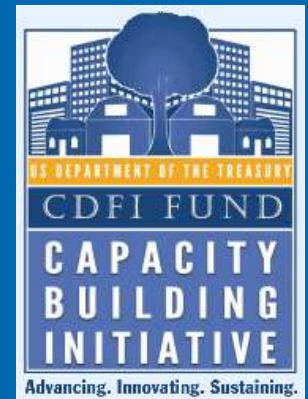
- EPA Pilot Assessment, \$200,000
- EPA Supplemental Pilot, \$150,000
- IEPA Brownfield Grant, \$120,000
- IEPA Brownfield Grant, \$120,000
- ~\$600,000 Corps of Engineers Public Assistance to States
- **\$3.2MIL DOT roadway grant gave critical gateway access**

Rehabilitation Tax Credits

- Historic Preservation Credit
 - Federal
 - Limited application State credit
- Taken the year renovated building, in service
- Credit for certified rehabilitation work done on historic structures
 - 20% Federal credit
 - 20% State credit
- 10% Federal credit for work on “non-historic” structures build before 1936; no certification required



New Markets Tax Credit



- The New Markets Tax Credit Program (NMTC Program) established in 2000 to drive investment in low-income communities
 - Individual and corporate federal tax credit against qualified equity investments in qualified Community Development Entities (CDEs)
 - 39% of investment amount claimed over seven years (5% first three years, 6% each remaining)
 - Competitive 2011 applications up 26%, highest ever
 - From 44 states and D.C.
 - To date 594 awards totaling \$29.5 billion in tax credit allocation

Avenue of the Arts, Grand Rapids, MI



- Arts-related mixed-use redevelopment project in an area largely abandoned since the 1950's
- Martineau Division-Oakes, 12,000-square-foot commercial space is occupied by the art department of Calvin College and a café
- 23 spaces for artists to live and work
- Once the project got off the ground, the city committed \$2 million improvements in the development's neighborhood.

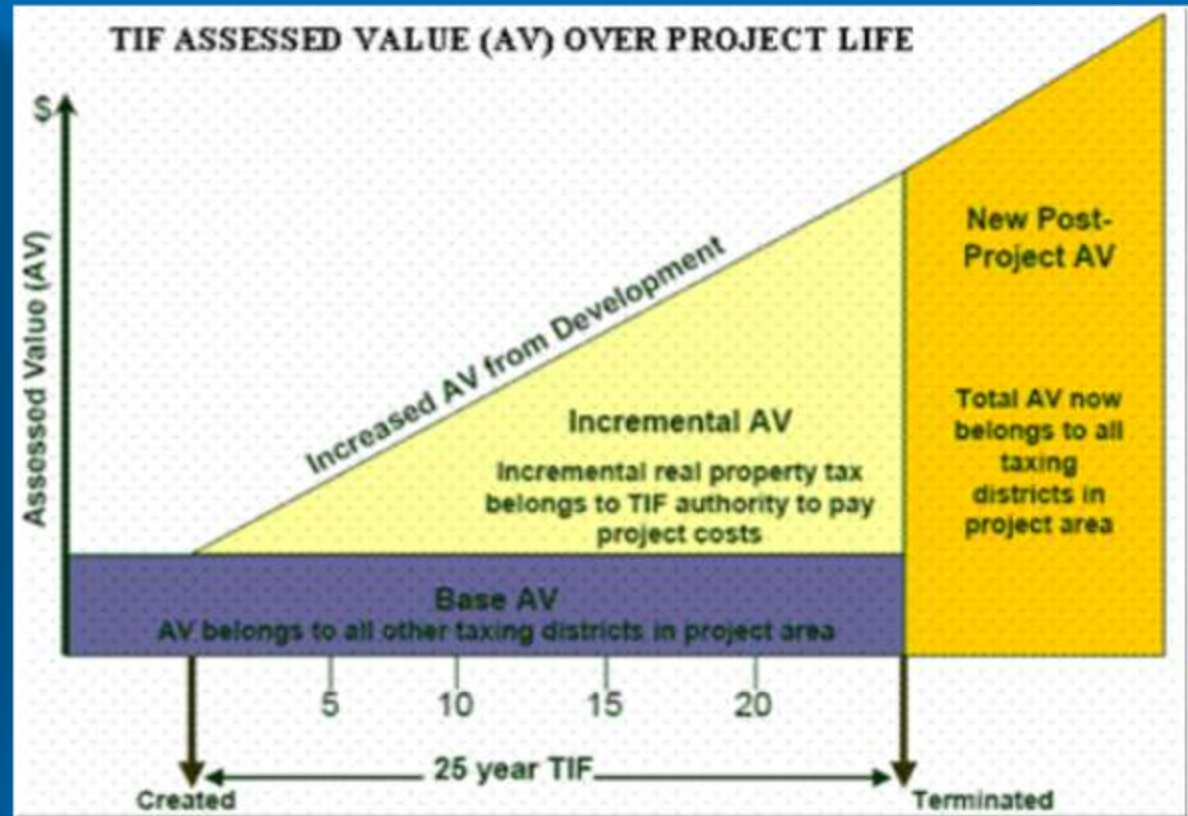
Key Elements;

- CDFI Hot Zone
 - 52% poverty rate
 - Family income 50% of area median income
- SBA Hub Zone
- NMTC \$8.7 million
- 40 construction jobs, 21 permanent jobs

Tax Increment Financing

A Common, Local Initiative

- Uses the anticipated growth in property taxes generated by a development to finance it
- Common local financing tool supporting brownfield cleanup and reuse



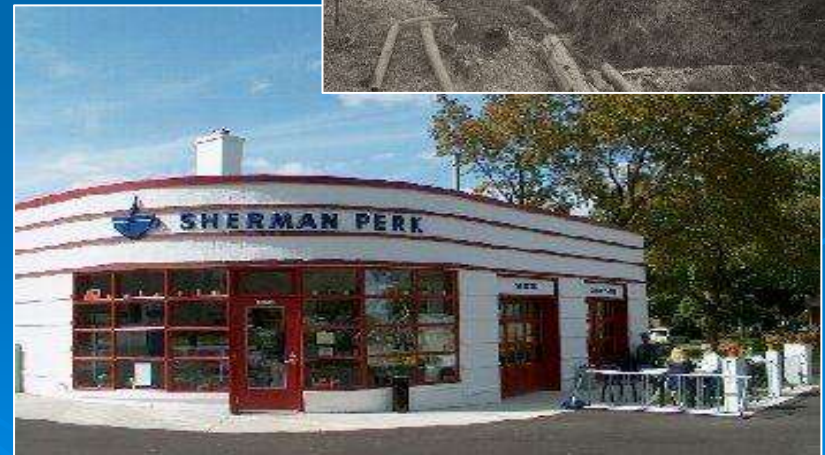
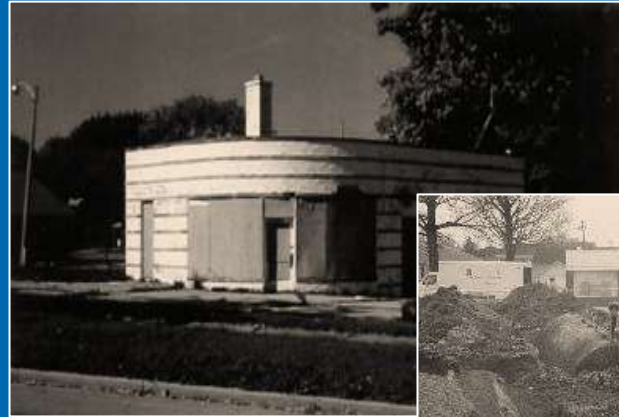
Tax Forgiveness A Local Initiative



- Authorizes local governments to forgive back taxes on delinquent properties
- In a brownfield context, these new tax forgiveness programs typically:
 - Are linked to new owners or prospective purchasers
 - Require agreement to clean up and reuse site
 - Require purchaser to enter state VCP

Sherman Perk, Wisconsin

- Abandoned gas station closed since 1989, petroleum issues
- Issues of financing/ addressing cost of petroleum contamination; 9 years tax delinquency
- Financing included state forgiveness of back taxes linked to VCP participation, rehabilitation tax credits
- Result -- reuse of historically significant building as successful neighborhood retail anchor



Sherman Perk, Wisconsin

- Joins neighborhoods on both opposite sides of the boulevard

- “The day it opened, my wife and I met a couple from 3 blocks over (the boulevard) we had never met ... we had both lived here for 20 years. See them once a week now and know them well”.
- “It was a dump waiting for a mugging, I voted to tear it down ... was I ever wrong. I gave them that sign on the wall”.



Putting the Puzzle Together

Midwest Example: Population 17,000



- Circumstances:
 - Former Truck Stop / Warehouse / Maintenance Facility
 - Low-end Retail
 - Nearby Residential
- Developed a Redevelopment Vision
 - Community Involvement Key
- Began Assessment Activities
- Refined Vision and Partnerships

Small City Partnerships & Funding



• U.S. EPA Brownfields	\$1,891,000
• U.S. Army Corps of Engineers	\$1,300,000 / \$412,000
• FEMA	\$620,000
• Iowa Department of Transportation	\$1,153,400
• Iowa Department of Natural Resources	\$950,000
• Federal Highway Administration	\$1,000,000
• Iowa Department of Economic Development	\$850,000
• Iowa Clean Water RLF Grant/Loan	\$4.3 MIL Grant/\$14 MIL

\$200 million overall investment to date:

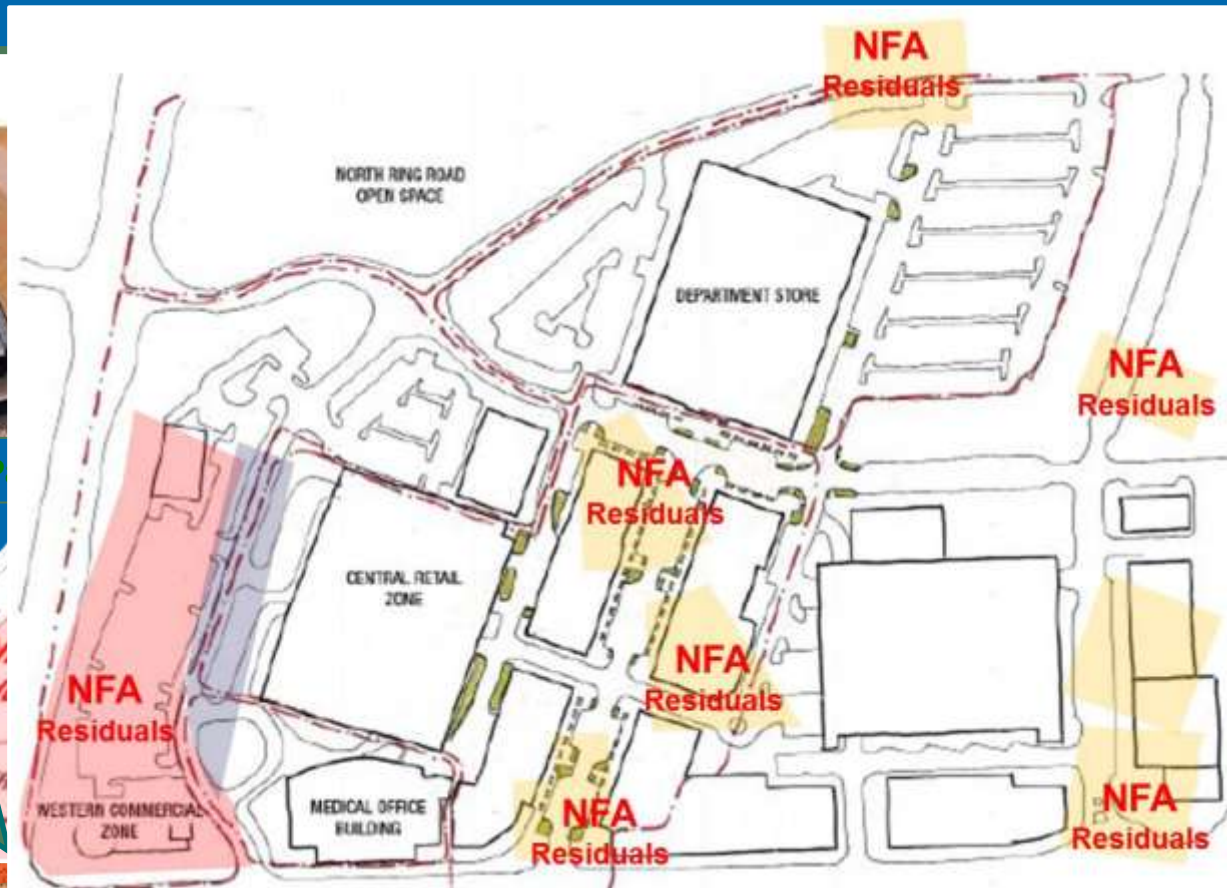
- \$70 million Marriott Hotel & Conference Center
- \$40 million property acquisition and demolition
- \$18 million of public infrastructure improvements
- \$12 million condo/commercial development privately funded
- \$40 million brewery / retail
- \$20 million UIHC Ambulatory Care Facility

SMALL CITY, BIG RESOURCE INNOVATION: PROJECT-WIDE REUSE & RECYCLING

- Complete buildings recycled (4)
- Concrete and asphalt pavements
- Recycled 80,000 cubic yards



Assessment Data & "Green" Planning

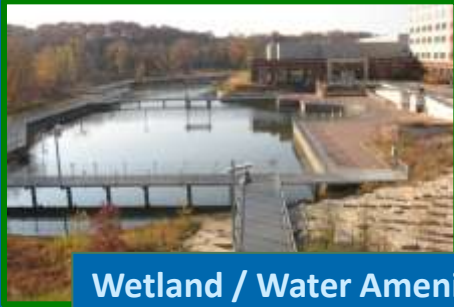


Pervious P



Parking Lot Bioswales

Translating To Green Infrastructure



Wetland / Water Amenities



Stormwater Planters



Pervious Pavements



Bioswales & Vegetative Plantings



Wetlands & Stormwater Retention



Floodable Structures



SMALL CITY, BIG RESOURCE INNOVATION:
COMMUNITY SWEAT EQUITY
“POSITIVELY EXPLOITING CHILD LABOR”



IOWA RIVER LANDING

CORALVILLE, IOWA

Wet 'n' Muddy Days

7th Grade Wetland and Iowa River Watershed education and aquatic species plantings





... and Mother Nature tests your design.



Example: Size Does Not Measure Success

Rosalia, WA Population 600

- 1923 vintage Texaco gas station, in downtown Rosalia, WA
- Abandoned 21 years; UST issues
- Site as focus of “heritage tourism” main street revitalization strategy
- Converted to “gateway” retail, craft/farmers market, visitor center for nearby Steptoe Nat’l Battlefield, national forest

Public financing sources include:

- \$33,000 USTfields pilot grant
- \$54,000 WA Dept of Ecology grant
- \$45,000 Whitman County “community development ’08” grant



Rosalia Partners

Partner donations included:

- Development grant sharing from surrounding counties
- Rosalia Lions Club
- Rosalia “Gifted Grannies”
- Retired Texaco Executives Assn.
- Pro bono legal, remedial services
- Utility incentive rates
- Community sweat equity
- First-ever partnership with a state Dept. of Corrections



“Opportunity is not recognized by most people when they meet, because it is usually dressed in overalls and looks like Work.”

(Thomas Alva Edison)



**Dave Koch, Senior Principal/Senior
Consultant
National Brownfields Program Manager
dekoch@terracon.com**