



Putting It All Together: Mixing & Matching Resources for Brownfields Success

An Outside Perspective

Economic Redevelopment of Brownfields
The Perception vs. The Reality
Effingham, Illinois April 17, 2012

Terracon

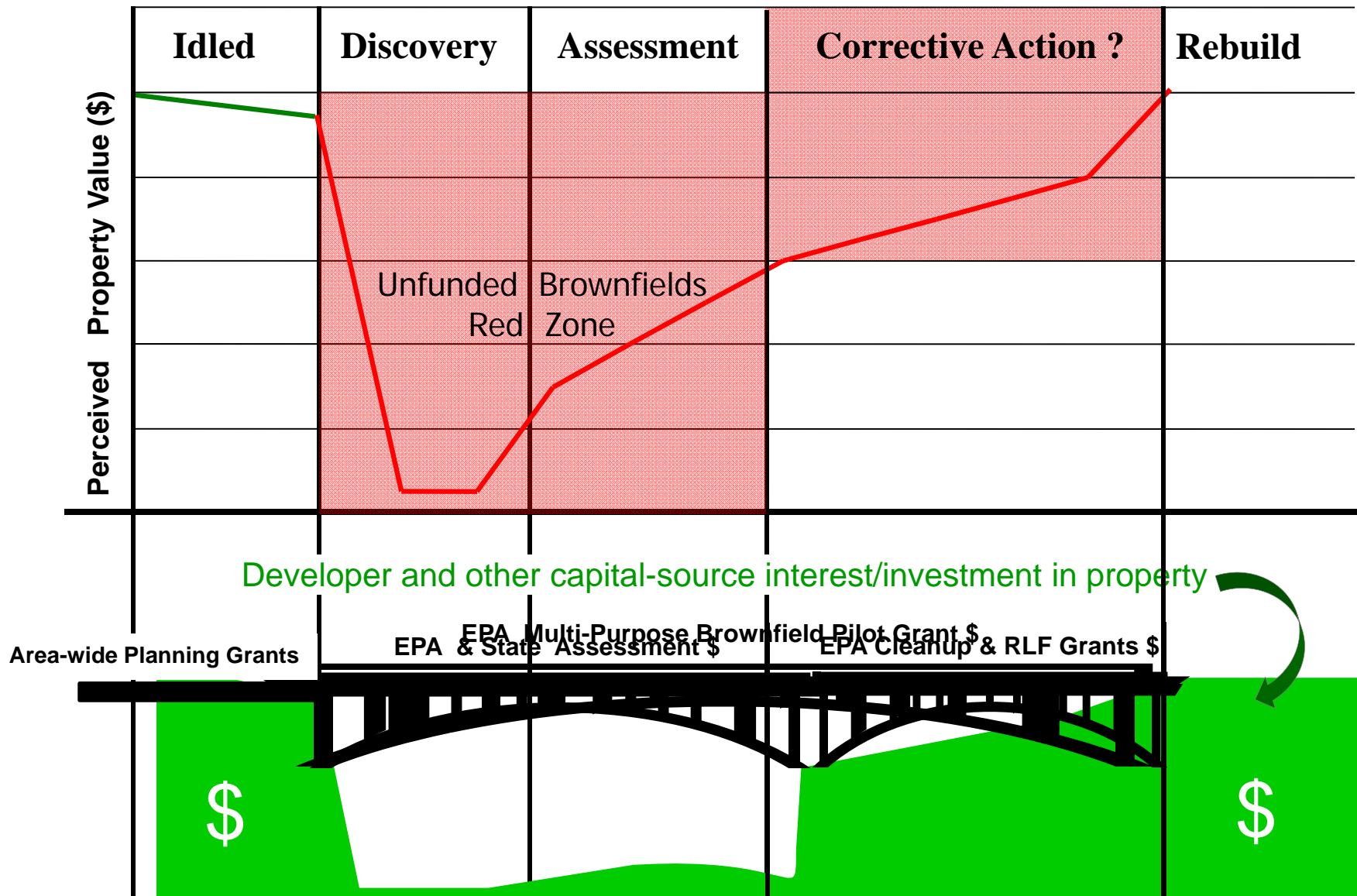
Geotechnical ■ Environmental ■ Construction Materials ■ Facilities

Today ...



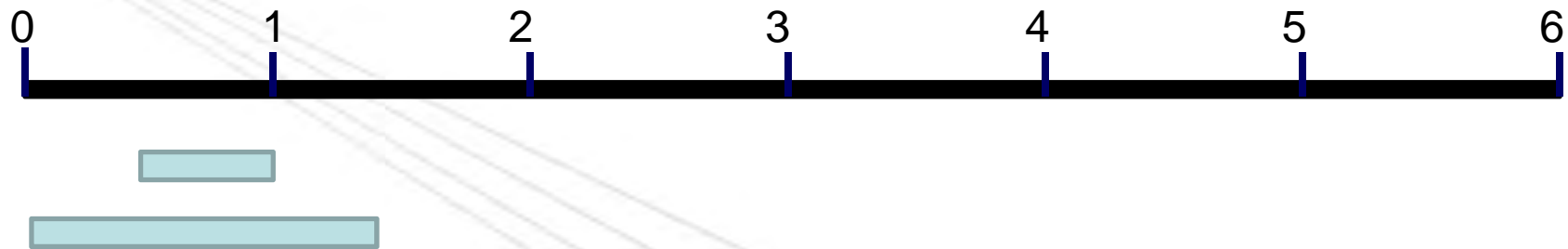
- EPA Brownfields are not intended to carry Brownfields redevelopment, only act as a bridge
- You have heard today of local examples and resources, you'll hear some regional case histories this afternoon
- Brownfield projects that cities and communities have put together to bridge to success from different 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



RECs: ASTM E1527-05 Recognized Environmental Conditions produce a stigma that affects property value whether impairment is real or not.

Timing of Funding



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





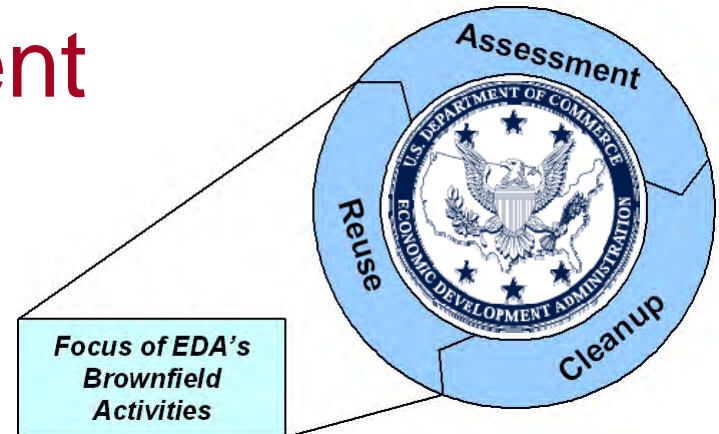
CDBG Eligible Activities

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)

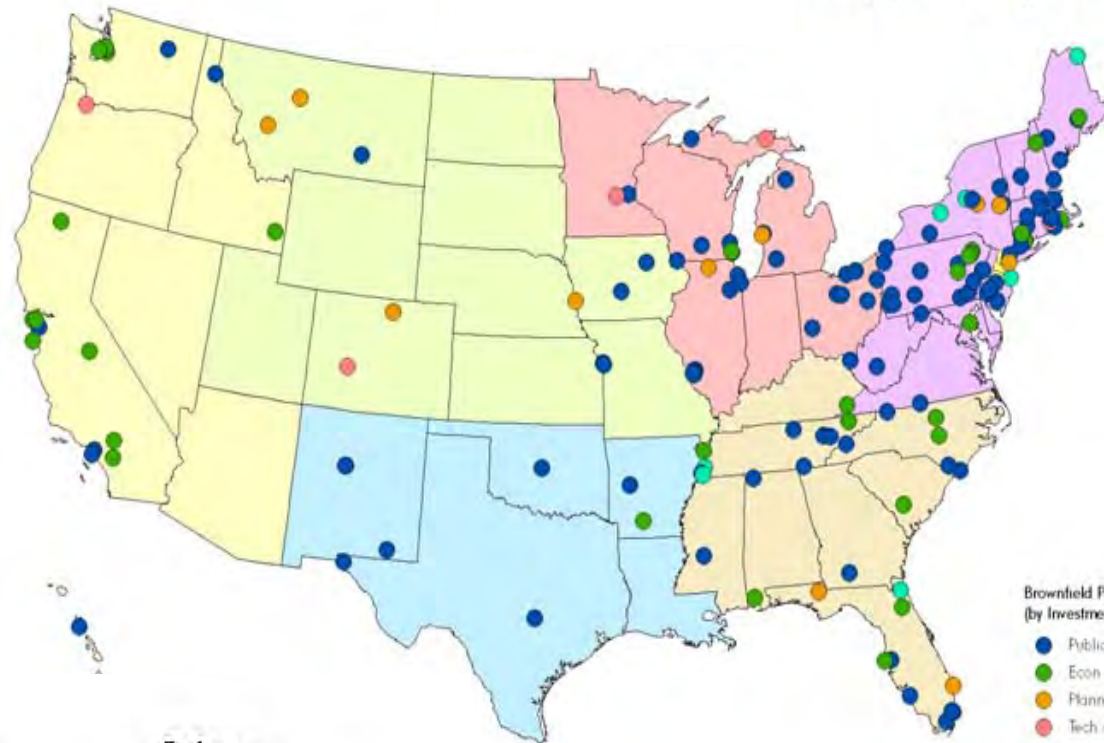
- EDA typically puts 50%+ of its resources into small/mid-sized towns and rural areas
- Key EDA investment Priorities



- **Collaborative Regional Innovation** - Initiatives that support the development and growth of innovation clusters based on existing regional competitive strengths. Initiatives must engage stakeholders; facilitate collaboration among urban, suburban, and rural (including tribal) areas; provide stability for economic development through long-term intergovernmental and public/private collaboration; and support the growth of existing and emerging industries.
- **Public/Private Partnerships** - Investments that use both public- and private-sector resources and leverage complementary investments by other government/public entities and/or nonprofits.
- **National Strategic Priorities** - Initiatives that encourage job growth and business expansion related to advanced manufacturing; information technology (e.g., broadband, smart grid) infrastructure; communities severely impacted by automotive industry restructuring; urban waters; natural disaster mitigation and resiliency; access to capital for small, medium-sized, and ethnically diverse enterprises; and innovations in science and health care.
- **Global Competitiveness** - Initiatives that support high-growth businesses and innovation-based entrepreneurs to expand and compete in global markets, especially investments that expand U.S. exports, encourage foreign direct investment, and promote the repatriation of jobs back to the U.S.
- **Environmentally-Sustainable Development** - Investments that promote job creation and economic prosperity through projects that enhance environmental quality and develop and implement green products, processes, places, and buildings as part of the green economy. This includes support for energy-efficient green technologies.
- **Economically Distressed and Underserved Communities** - Investments that strengthen diverse communities that have suffered disproportionate economic job losses and/or are rebuilding to become more competitive in the global economy.

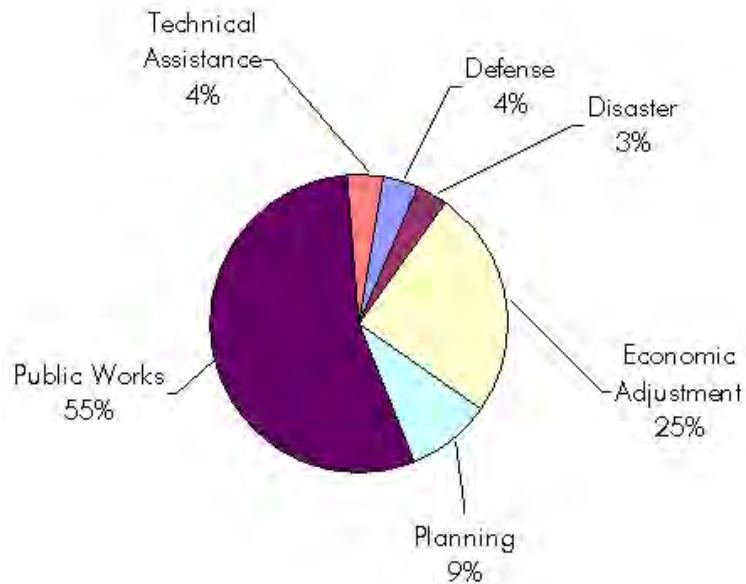


EDA Brownfield Redevelopment Projects



Brownfield Project
(by Investment Type)

- Public Works
- Econ Adjst
- Planning
- Tech Asst
- Defense
- Disaster



EDA - Regionally

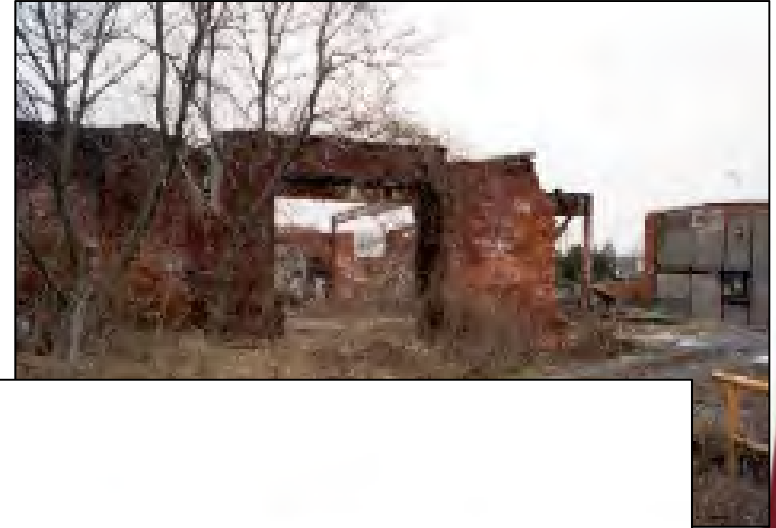
~80% as Planning Assistance
(2010 Data)

PROJECT #	GRANTEE	LOCATION	CATEGORY	EDA \$(000)	
ILLINOIS					
06830529402	BI-State Regional Comm	Rock Island	Econ Dev District Planning	10	
068305630	Blackhawk Hills RC&D	Rock Falls	Econ Dev District Planning	62	
06830547201	EDC for Central Illinois	Peoria	Econ Dev District Planning	20	
068605531	EDC for Central Illinois	Multi City	Substate Planning	100	
068305609	East Central IL EDD	Urbana	Econ Dev District Planning	64	
068305604	Greater Egypt RPDC	Carbondale	Econ Dev District Planning	200	
06830537801	Greater Wabash RPC	Albion	Econ Dev District Planning	20	
06830548001	North Central IL COG	Princeton	Econ Dev District Planning	20	
06830528802	South Central IL RPDC	Salem	Econ Dev District Planning	10	
06830543701	Southeastern IL RPDC	Harrisburg	Econ Dev District Planning	20	
06830536901	Southern Five RPDDC	Ullin	Econ Dev District Planning	20	
06830537901	Southwestern IL Metr RPC	Collinsville	Econ Dev District Planning	20	
068305641	Two Rivers Reg Cncl PO	Quincy	Econ Dev District Planning	65	
06830548101	West Central Dev Council	Carlinville	Econ Dev District Planning	20	
068305642	Western IL Reg Cncl	Macomb	Econ Dev District Planning	53	
060105633	Benton, City of	Benton	Public Works	1,808	
060105579	Pulaski, Village of	Pulaski	Public Works	520	
060605605	East Moline, City of	East Moline	Technical Assistance	50	
06660531102	Southern IL Edwardsville	Edwardsville	University Center Assistance	159	

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



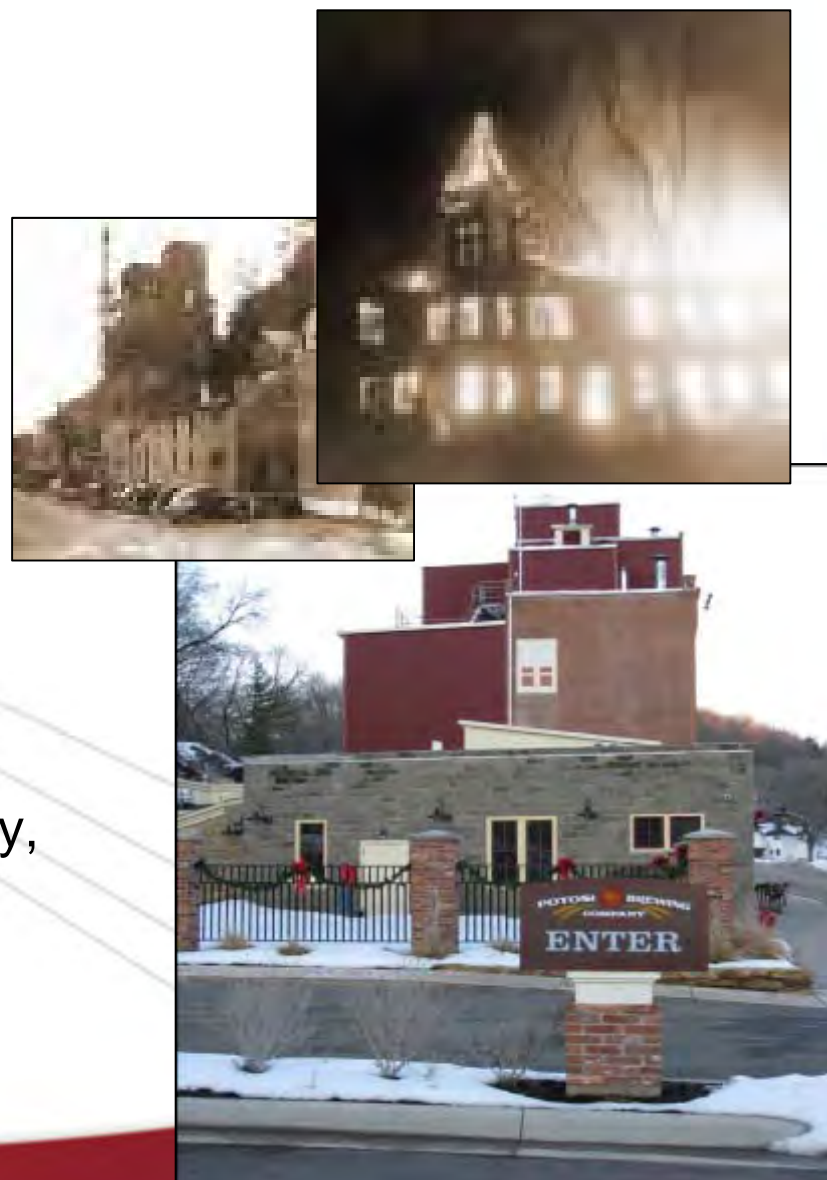
USDA-RD Funds

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

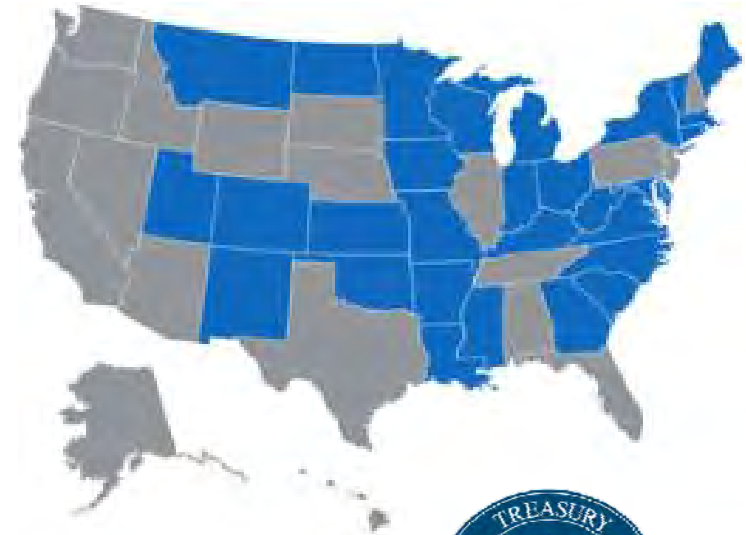


- Population ~20,000
- Brownfield Funding
 - EPA Pilot Assessment, \$200,000
 - EPA Supplemental Pilot, \$150,000
 - IEPA Brownfield Grant, \$120,000
 - IEPA Brownfield Grant, \$120,000
 - ~\$600,000 Corps of Engineers Public Assistance to States
 - **\$3.2MIL DOT roadway grant gave critical gateway 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
 - 25% State credit
 - Owners of certified historic structures located within River Edge Redevelopment Zones
 - Aurora, East St. Louis, Elgin, & Rockford
 - Used in conjunction with Federal credit
- 10% Federal credit for work on “non-historic” structures build before 1936; no certification required

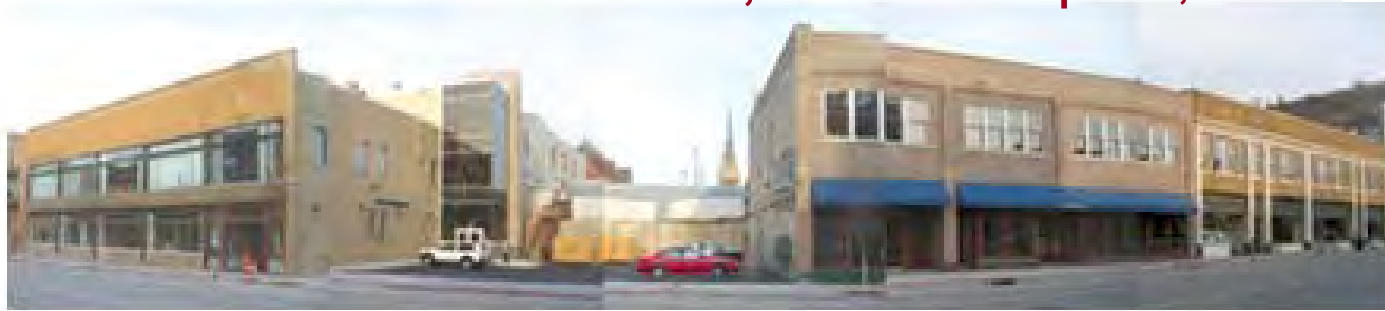


New Markets Tax Credit



- 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 for equity investments in 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.

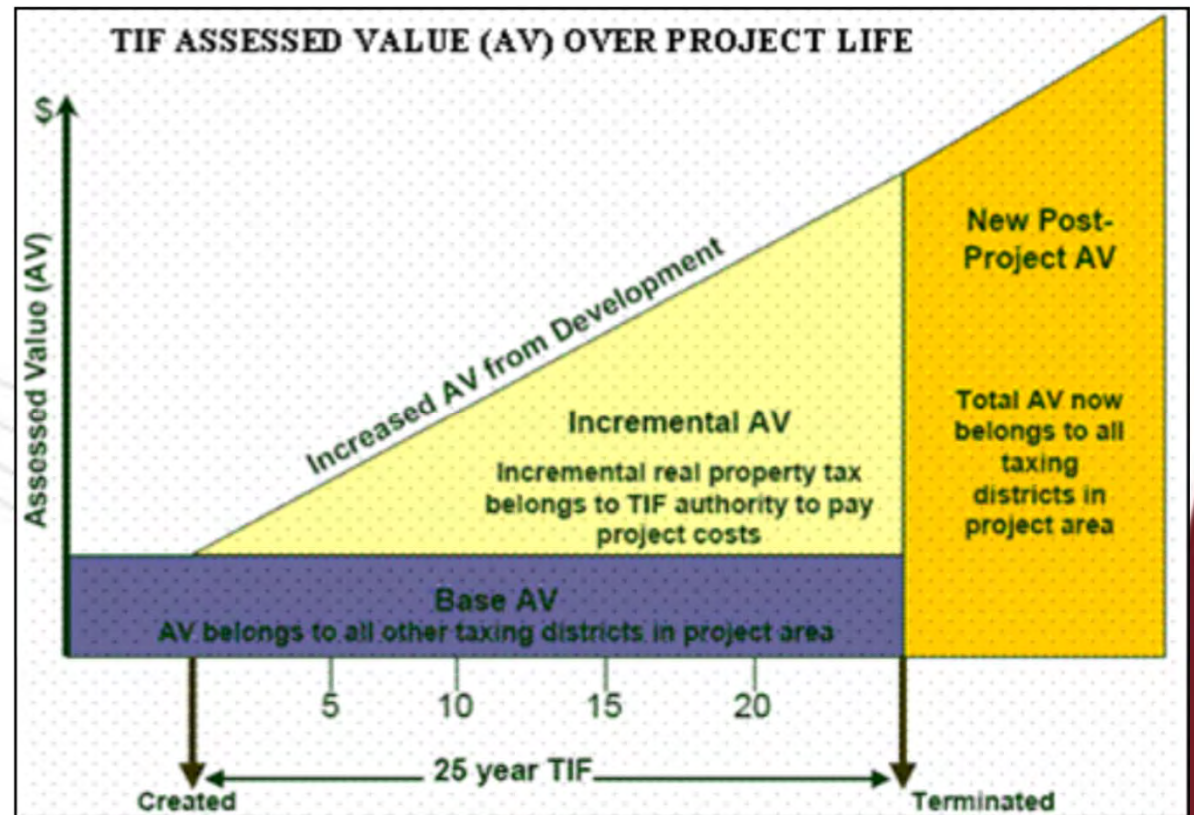
Key Elements;

- 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

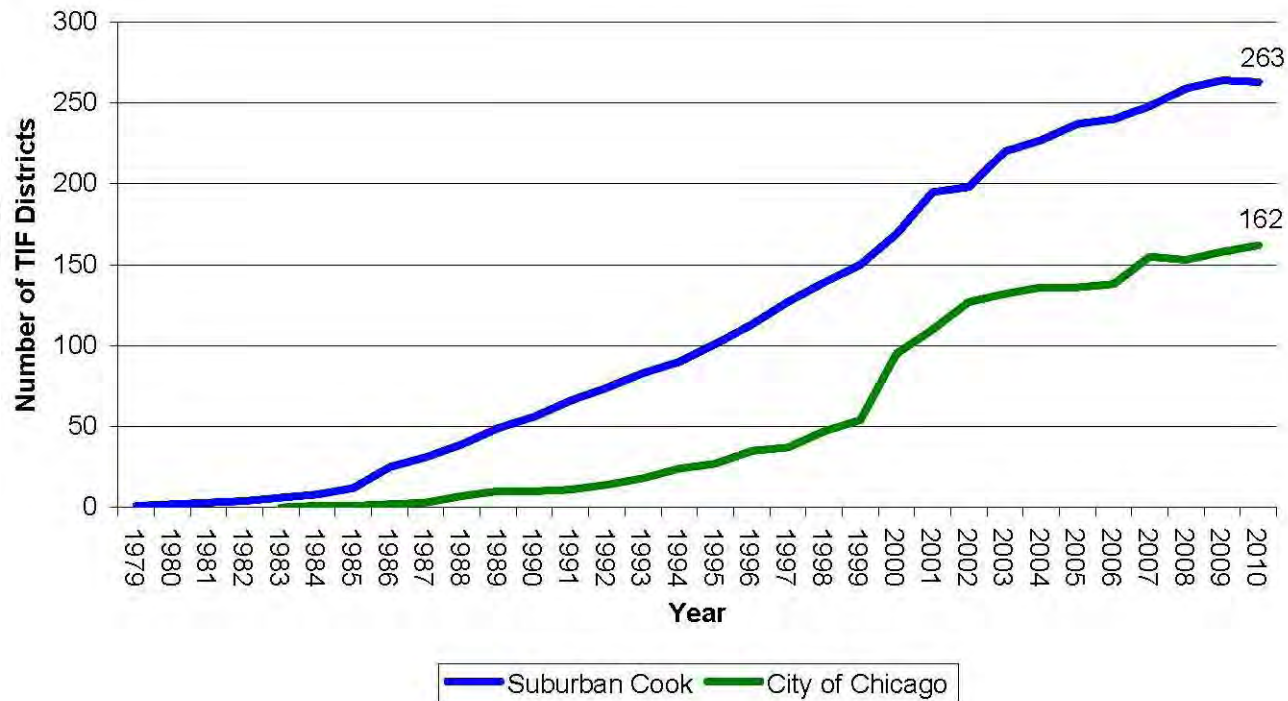
A Common, Local Initiative

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



An Economic Development tool used here ... in both large and small communities.

Number of TIF Districts by Year (1979-2010)



91 pages of Tax Increment Financing Districts (TIFs) listed with State of Illinois.

Ordinance No. 1379, continuing in 2011 as Tax Increment Financing Redevelopment Plan and Projects for the Pittsfield Tax Increment Financing District

Tax Forgiveness

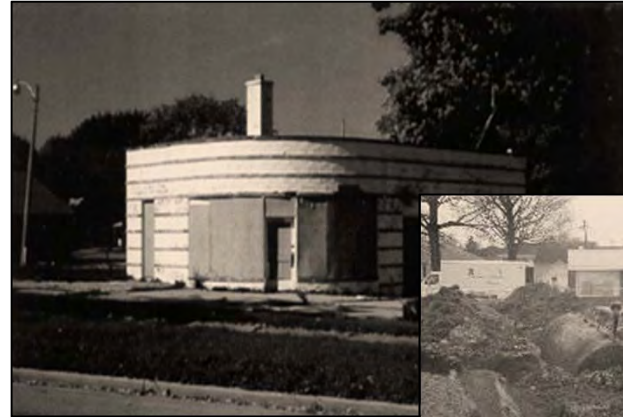
A Local Initiative



- 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 now 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”.





Of course, success may not improve the quality of the clientele ...

Midwest Example: Leveraging History

Population 16,000



**Putting pieces
together ... in a hurry**

Federal DOT Congressional Earmark - through KDOT	1,000,000.00
KDOT Transportation Enhancement Program	604,821.00
Economic Development Administration	409,100.00
Kansas Dept. of Wildlife and Parks	300,000.00
HUD EDI Special Project Congressional Earmark	281,657.00
EPA Brownfields Assessment	200,000.00
Kansas Water Office	50,000.00
	<hr/>
Total Federal and State Agencies	2,845,578.00



Never underestimate pride in community

Breakdown by Source of Funding

	<u>Dollar</u>	<u>Percent</u>	
Federal and State Agencies	2,845,578.00	68.4%	
Private Foundations	532,500.00	12.8%	←
Private Citizens	447,130.00	10.7%	←
City of Atchison	192,322.00	4.6%	
Private Businesses	143,328.00	3.4%	←
	<hr/>		
Total Injection	4,160,858.00	100.0%	



**Independence Park
& Veterans Memorial**



MGP Ingredients Corporate Office & Technical Innovation Center
Cray Business Plaza, Atchison, Kansas

Midwest Example:

Population 17,000



■ Brownfield-Related Funding;

- EPA Assessment Pilot, \$200,000
- EPA Supplemental, \$100,000
- EPA Supplemental, \$100,000
- EPA BCRLF, \$1,000,000 MIL
- \$900K Insurance Archaeology
- \$80,000 PRP Archaeology
- EPA Assessment, \$375,000
- EPA Assessment, \$380,000
- EPA Assessment, \$387,000
- EPA Assessment, \$364,000

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



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



Wet 'n' Muddy Days

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



“Green”: Taking Concept to Funding

\$4.3 million State Revolving Fund Clean Water Loan for sustainable IRL infrastructure.

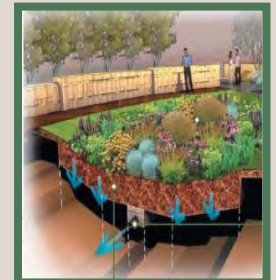
- 30% forgivable loan,
- 70% of loan at 3% interest
- Design/contract administration items are eligible

City has bid or is designing the following IRL public improvements:

- IRL Public Improvements 2011: \$5.188 million now bid with \$978,000 SRF eligible
- Quarry Road Improvements 2011: \$956,000 bid with \$100,000 SRF eligible
- Von Maur Infrastructure Improvement: Estimated at \$2.56 million with estimated \$450,000 SRF eligible

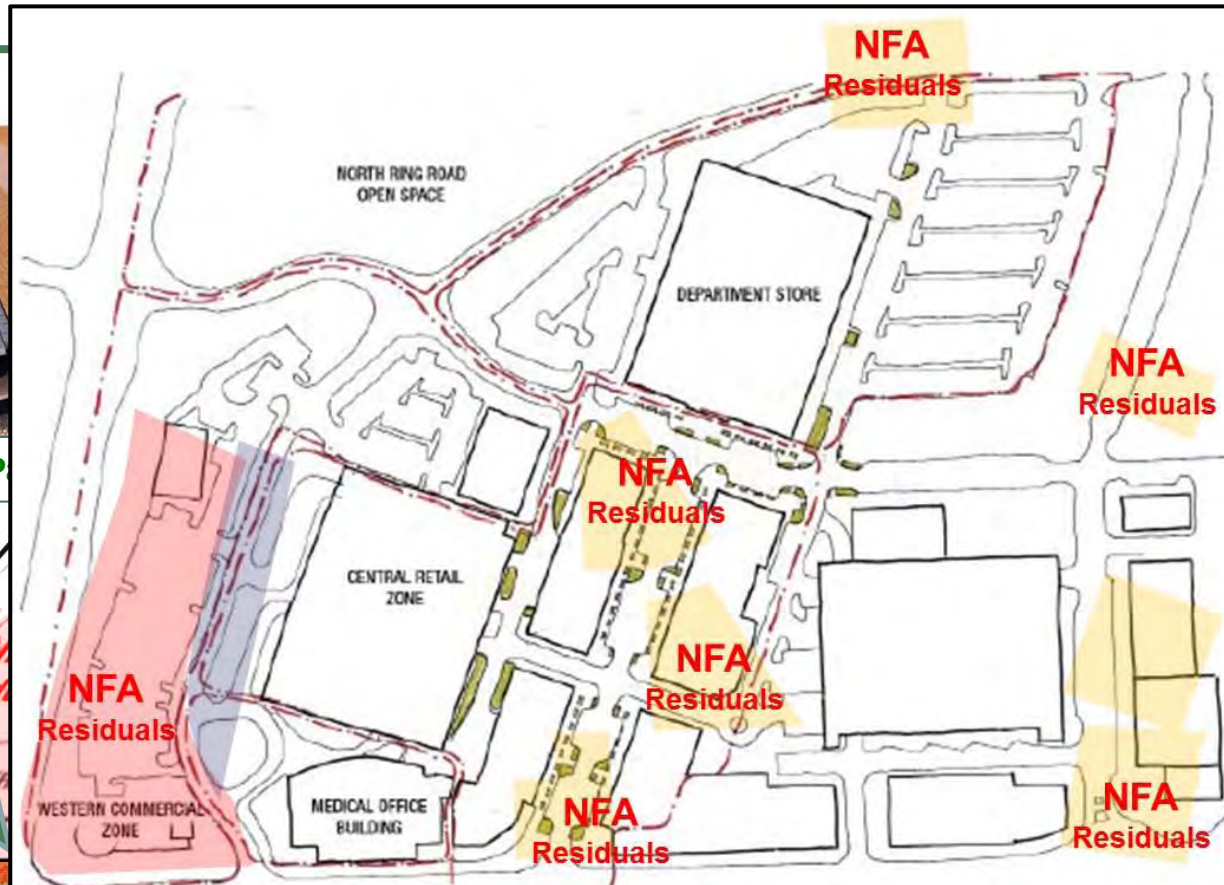
Iowa River Landing Area North of East 9th Street
Site Sustainability Evaluation

*City of Coralville, Iowa
January 2011*



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



Some Leveraged Benefits May Not Be Immediate



... 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

QUESTION & ANSWER

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