

## 1. **PROJECT AREA DESCRIPTION AND PLANS FOR REVITALIZATION**

### a. **Target Area and Brownfields**

i. **Background and Description of Target Area:** The State of New Jersey is the geographic jurisdiction of the New Jersey Economic Development Authority (NJEDA). NJ has one of the highest concentrations of brownfield sites in the country, due to our long history of industrialization. NJ industry began in the early 1800s as new factories sprang up in the northern and central sections of the state. Early industry such as Paterson's textiles and Trenton's china, iron and steel were made possible by access to water power and robust population centers. Farming communities in the south began to develop strong industrial economies between 1900 and 1930, when the state's population doubled, fueling a \$4 billion manufacturing base throughout the State. During World War II, manufacturing boomed as electronics, chemical, and petrochemical facilities began large-scale operations both in the northern and, on a smaller scale, in the southern portion of the state. Post 1960s urban decline from in cities like Newark and Paterson and the general decline of manufacturing in all areas of the state created a preponderance of brownfield sites, large and small, throughout New Jersey.

While the RLF funding would be able to be used throughout the State, NJEDA's RLF program will target the 12 Community Collaborative Initiative (CCI) communities which have high instances of brownfields, poverty, health disparities and need for revitalization. The CCI program was developed by the New Jersey Department of Environmental Protection (NJDEP) to embed NJDEP staff within communities to advance locally established environmental priorities. By targeting communities where multiple environmental stressors exist, especially brownfields, the CCI assists communities by providing a dedicated state employee as an ombudsman to resolve complex obstacles to successful remediation and redevelopment of contaminated sites. The CCI pilot program initially targeted Bayonne, Camden, Trenton, and Perth Amboy, and was expanded in 2019 to include additional communities struggling with brownfields: Bridgeton, Jersey City, Millville, Newark, Paterson, Paulsboro, Salem City, and Vineland.

ii. **Description of the Priority Brownfield Site(s):** NJ's highest concentration of contaminated sites occur in waterfront communities in the northeast (Paterson, Newark, Jersey City, Bayonne, and Perth Amboy) and in the central west (Camden, Trenton, and Paulsboro). Less densely populated southern CCI communities (Salem, Bridgeton, Vineland, and Millville) contain substantial contaminated sites given their small size and surrounding agricultural lands.

CCI Community	Number of KCS	KCS Rank in NJ	Waterfront Community	Opportunity Zone
Bayonne	137	13	Yes	Yes
Bridgeton	34	106	Yes	Yes
Camden	212	5	Yes	Yes
Jersey City	644	2	Yes	Yes
Millville	46	70	Yes	Yes
Newark	771	1	Yes	Yes
Paterson	239	4	Yes	Yes
Paulsboro	16	217	Yes	No
Perth Amboy	87	24	Yes	Yes
Salem City	12	275	Yes	Yes
Trenton	160	10	Yes	Yes
Vineland	97	20	No	Yes

KCS – Known Contaminated Sites List data from NJDEP November 2019

Ranking represents position out of New Jersey's 564 municipalities

While we intend to provide access to RLF funding in all of the CCI communities and sites throughout our jurisdiction, two examples of the types of sites we plan to target are:

**Hinchliffe Stadium Site, Paterson**

**Owner: City of Paterson School District**

**Reuse: Public stadium / community recreational asset**

**RLF Funding: Subgrant and Loan (Hazardous Substances and Petroleum)**

Hinchliffe Stadium is a historic, 10,000-seat stadium built in 1932 and designated a National Historic Landmark in 2013. Having hosted the likes of Jackie Robinson, the stadium, once the home of the New York Black Yankees, is one of the few remaining locations of Negro League Baseball. It is a source of civic pride and, as such, is a priority site not only for the municipality, but also for the NJEDA. Sited in an area whose industrial history dates to the 1700s, assessment work indicates historic fill from facility expansion; a 2,000 gallon heating oil tank; and chemical storage areas among other areas of concern, requiring hot spot excavation and disposal and site-wide engineering and institutional controls. Abandoned for decades and in deteriorating condition, residents voted overwhelmingly to refurbish the stadium in a local ballot referendum. Clearing the environmental issues associated with the site would pave the way for its new life as a multiplex sports facility, making it a companion community asset to the adjacent Great Falls National Park.

**Roebing Block 2 Site, Trenton**

**Owner: City of Trenton**

**Reuse: Commercial or light manufacturing**

**RLF Funding: Loan (Hazardous Substances)**

Roebing Block 2 was once part of a much larger manufacturing facility hemmed in by worker row homes. Development of adjacent portions of the former Roebing complex include both affordable and market rate housing, a commercial center anchored by a grocery store, light rail stop, and state office space. This nearly seven acre lot is all that remains of the original 55 acre wire rope manufacturing complex. As such, this portion of the facility is a priority development node for the City of Trenton. The site is contaminated with lead and other heavy metals, PAHs, and PCBs requiring hot spot excavation and disposal and site-wide engineering and institutional controls. The City was negotiating with a private developer to locate a fiber production facility to just one of the several large industrial buildings sitting vacant on the property, which would bring 40 high wage jobs. While this project did not proceed, it is indicative of the type of development the iconic site could attract, if low cost funding is available to address environmental issues.

**b. Revitalization of the Target Area**

i. Reuse Strategy and Alignment with Revitalization Plans: Tasked with serving as the State's principal agency for driving economic growth, NJEDA establishes community revitalization initiatives that integrate into other State plans. The New Jersey State Development and Redevelopment Plan guides state investments by establishing a vision for the state's future land use. A guiding principle is to drive development to the state's urban centers, which include all 12 CCI communities. In addition, Governor Murphy's October 2018 NJ "State of Innovation Plan" specifically lists **brownfields redevelopment and revitalization of distressed communities as priorities**. EPA RLF will support these objectives, as NJEDA vets compatibility with these plans when evaluating funding applications. In addition, as per State law, NJ's municipalities each adopt Municipal Land Use Plans. All projects must be in conformance with local plans to obtain required permits, and as part of the application process, sites for the RLF funding will be required to

demonstrate that the project adheres to such community approved plans. For example, Hinchliffe Stadium's inclusion in Paterson's First Ward Redevelopment Plan calls for the restoration and reuse of the stadium as a public use district. Likewise, Roebling Block 2 is the last underdeveloped tract in Trenton's Roebling Complex Redevelopment Area Plan. This plan calls for adaptive reuse of the complex, allowing for mixed use that permits light industrial reuses environmentally compatible with surrounding areas as determined by the Trenton Planning Board.

ii. **Outcomes and Benefits of Reuse Strategy:** Investment in the CCI communities will directly support the Opportunity Zone (OZ) initiative. Eleven of the 12 CCI communities contain a total of 58 OZs. Success of the State's OZ initiative will be measured against the established OZ goals, to be achieved by 2025: add 300,000 new jobs; increase annual median wage by \$1,500; 40,000 new minority and women in STEM fields; close the racial and gender wage and employment gaps; and reduce urban poverty rates to today's statewide average. Focusing remediation resources in the CCI communities will help to meet these goals. The sample sites described above provide an example of how this would work, as both sites are located within OZs. Facilitating cleanup of Paterson's Hinchliffe Stadium will allow for the refurbishment of six acres. Redevelopment of this historic landmark, located proximate to the Paterson Great Falls National Historic Park, will help to make Paterson a destination city, and result in significant economic development spillover effects. The cleanup and reuse of Trenton's Roebling site would allow for the remediation of nearly seven acres of brownfield property and the projected creation of close to 300 living wage jobs within a block of a regional commuter light rail stop; the station for Amtrak, NJ Transit, and Philadelphia's SEPTA; and a Greyhound and NJ Transit bus route. In addition, existing NJEDA funding instruments provide weighted award criteria for projects demonstrating energy efficiency and/or green energy. The EPA RLF will likewise be structured to incentivize energy efficiency.

**c. Strategy for Leveraging Resources**

i. **Resources Needed for Site Reuse:** The EPA RLF will leverage several significant incentives planned for a 2020 rollout by NJEDA. This includes a \$15 million competitive State Brownfield Loan that will serve as a companion program to the EPA RLF funding: it can be used for assessment, cleanup, and demolition activities. Given the annual cap, this program is NOT designed to fully fund priority brownfield cleanups, so the EPA RLF will serve as a needed low interest loan fund. Also planned for 2020 rollout is a competitive Brownfield Tax Credit program with an annual cap of \$20 million for one-time tax credits. Award criteria for these competitive programs will be driven by the community's economic distress and local benefits of reuse. Private developers will be required to demonstrate the financial wherewithal to construct their projects upon completion of the remediation, thus leveraging private funding. Other NJEDA financing programs that are planned to come on line in 2020 are aimed at job creation and encouraging development in OZs. The NJ Forward program will provide cash incentives for newly created and retained jobs for new projects in OZs. The NJ Aspire program is a competitive program capped at \$100 million / year to provide gap financing for up to 24% of construction costs in targeted areas such as downtowns near transit infrastructure and market rate housing in distressed areas.

NJEDA also serves as the bank for the State Hazardous Discharge Site Remediation Fund (HDSRF) grant/loan program. This provides municipalities with grants to cover 100% of costs of environmental assessment; 75% of the costs for remediating sites for open space/conservation reuse; and 50% of the costs for remediating sites for affordable housing. Such grant funding is not available to the private sector. The EPA funding will serve as a much needed resource as it can be paired with the HDSRF remediation grants to cover requisite match, and can fill the gap in low

cost financing for private sector developers. Moreover, HDSRF remediation grant funding is NOT able to be used for cleaning up sites targeted for commercial or industrial reuses, such as the Roebling Block 2 site. Here, the EPA funding may be the only public sector remediation funding.

Perhaps equally important is the ability of local governments to navigate their way through the state's complex regulatory approvals. As part of an effort to improve government services to brownfield saddled communities, NJEDA has made an investment of \$1million to fund six additional NJDEP employees to serve as CCI Liaisons in the eight new CCI municipalities. This technical assistance in the form of embedded NJDEP employees serving as state ombudsmen is an additional resource strictly for the RLF program targeted CCI communities.

ii. Use of Existing Infrastructure: Given that the RLF grant will be targeting communities in the State's urban centers, reuse of existing infrastructure at all project sites is critical to the success of this program and it is expected that all projects will take advantage of existing infrastructure from roads, to utilities (gas, water, power, sewer, internet) and transit, etc. The six most populated CCI communities all host either a passenger rail or light rail stop(s), or both. As NJEDA's economic development priorities include supporting transit oriented development, extra consideration in existing and future funding programs like the EPA RLF is given to those projects that promote or support redevelopment around existing or proposed passenger transit stops, such as the Roebling project. Similarly, with both the Roebling and Hinchliffe Stadium examples, NJEDA's RLF program will promote the adaptive reuse of existing structures as both projects seek to refurbish the historic structures. The key infrastructure is already in place for these projects.

## **2. COMMUNITY NEED AND COMMUNITY ENGAGEMENT**

The State of New Jersey has a state GDP of \$626.8 billion (US Bureau of Economic Analysis, 2Q2018). It has a population of almost 9 million; with over 1,195 people per square mile, it is by far the most densely populated state in the US (US Census Bureau, 2010). Statewide per capita income is \$64,537, the fourth highest in the country (US Bureau of Economic Analysis, US Bureau of Economic Analysis, 2017). Yet, with all of this prosperity, there are pockets of endemic poverty and sensitive populations throughout New Jersey, as described below for the 12 CCI communities. As described above, these communities have among the greatest preponderance of brownfield sites (see the Description of the Priority Brownfield Site(s) subsection above).

### **a. Community Need**

- i. The Community's Need for Funding: The 12 CCI communities are larger urban, post-industrial cities in north and central NJ, and smaller regional cities in rural south Jersey. However, these communities share common characteristics that demonstrate their need for funding:
1. The CCI communities are low-income and economically distressed municipalities, which limits the communities' ability to draw on other sources of funding to carry out brownfield assessment, remediation and reuse. The household median income and per capita income for these communities ranges from less than a half to less than a third of the state and national averages, with a significant number of families (12%-45% depending on the community) living in poverty compared to the state and national levels of 7.9% and 10.5% respectively.
  2. New Jersey has one of the highest cost of living rates in the Country, combined with high concentrations of poverty, crime, and struggling schools. These factors, combined with the narrow margins and high risk involved in developing in these communities, make it difficult to attract investors to brownfield sites without a low cost remediation funding source.

3. The sheer number of brownfields has stymied overall community revitalization efforts for decades. Brownfield sites, even ones with excellent locations and access to infrastructure, remained underutilized because of substantial environmental issues. Without public sector support for site assessment and remediation, private sector investment to create new open space, improved housing stock, and new employment opportunities is not taking place.
4. Limited State funding for brownfield work, as described above (see the Resources Needed for Site Reuse subsection), is not available to private sector developers, and remediation funds are only available to public sector applicants for open space and affordable housing reuses. Thus there is a critical gap in funding for developers seeking to remediate brownfield sites.

ii. Threats to Sensitive Populations

(1) Health or Welfare of Sensitive Populations: Exposure to harmful substances, such as those at brownfields sites, is one of many risk factors for disease and adverse health effects. The CCI communities are home to economically disadvantaged populations with higher levels of sensitive populations, including children, minorities and low-income persons, as described below.

- Children: The CCI communities have a larger percentage of young people compared to the state and country. According to 2013-2017 ACS data, 31.7% of households in NJ and 33.4% of households in the US have children. Meanwhile, in CCI communities like Camden, Perth Amboy and Paterson, these numbers exceed 40% and in Bridgeton is over 50%. According to the World Health Organization, children are more vulnerable than adults to environmental risks such as air pollution and chemical hazards, as their bodies are still developing.
- Minority Populations: CCI communities are comprised primarily of minority residents. Whereas the minority population of the US and NJ populations is 38.5% and 43.9% respectively, CCI communities have a minority population ranging upwards of 94.1% (Camden), according to 2013-2017 ACS data. EPA, the National Resources Defense Council and others have documented that high polluting and contaminated sites tend to be located in minority-dominated areas, and that a disproportionate number of minority communities contain highways, airports, landfills, incinerators, and other potentially toxic sites.
- Low-income Persons: Data from the U.S. Census Bureau shows that residents of the targeted CCI communities have high indicators of poverty. In our CCI communities, poverty rates are double, triple and even quadruple the state poverty rate of 10.7%. A striking example of this is the southern NJ city of Salem, which is located in an otherwise rural county. In Salem, the percentage of individuals below poverty is 46.2% (quadruple the state rate) with 43.5% of households receiving SNAP benefits, 70% of families headed by a single mom in poverty and a whopping 66.9% of families headed by grandparents responsible for grandchildren. Poverty has been persistent and increasing in these communities over several decades.

By facilitating the remediation of brownfield sites in the most vulnerable areas of the state, RLF loans will help reduce health and welfare threats to sensitive populations. For example, Hinchliffe Stadium is located directly across the street from Paterson Public School #5. When remediated, a source of contamination located steps from a K through 5<sup>th</sup> grade facility will be removed and replaced with a recreational asset for not just the almost 700 young students, but also for the balance of the socio-economically disadvantaged community.

(2) Greater Than Normal Incidence of Disease and Adverse Health Conditions: The 12 CCI communities suffer from a greater-than-normal incidence of diseases associated with exposure to hazardous substances, pollutants and contaminants, most notably, asthma and lead poisoning.

- Asthma: The Center for Disease Control (CDC) and EPA's EJScreen indicators report that the CCI communities are notable for their proximity to major highways and prevalence of traffic-related air pollution. Traffic, air pollution and air particulates are strongly tied to asthma. According to the CDC's National Center for Environmental Health, residents of the target CCI communities have higher than normal prevalence of asthma. For example in Mercer County, Trenton residents accounted for nearly 78% of all County visits to the Emergency Department (ED) for asthma in 2014, even though the city contains only 22% of the County's population. An analysis of asthma-related ED visits by municipality from 2008–2012 showed that the CCI communities of Bridgeton, Millville and Vineland had rates more than 1.5 times the state average and accounted for 94% of Cumberland County's asthma ED visits while only constituting 72% of the county's population (NJDOH, 2014 County Asthma Profiles).
- Lead poisoning: Lead poisoning is a very serious issue for many of the CCI communities, particularly Newark and Trenton, who are in the top five large municipalities in NJ with the highest percent children with elevated blood lead level (EBLL) at or above 5 ug/dL in 2018. Lead is found in a variety of sources, including lead-based paint and lead-contaminated dust from older homes built before 1978. According to 2013-2017 ACS data, 50-90% of homes in the CCI communities were constructed prior to 1980. In five of these communities, more than 80% of homes were constructed during this period, thereby increasing exposure to lead poisoning. Children are especially vulnerable to lead poisoning, which can cause severe negative health outcomes, learning disabilities and behavioral problems.

By facilitating the remediation of brownfield sites in the state, the use of RLF loans will contribute to a reduction in the incidence of disease and adverse health conditions. For example, remediation of the Roebling facility will address its high concentrations of lead and other contaminated dust in this open air property. Removal of a neighborhood source of contaminated particulate matter will benefit those in the surrounding community that suffer from asthma and lead poisoning.

(3) Disproportionately Impacted Populations: Residents of the 12 CCI communities contend with significant environmental justice (EJ) issues from current and historic industrial and commercial uses. In the EPA EJSCREEN Report, nine out of 12 CCI communities scored in the 90<sup>th</sup> percentile for superfund proximity and lead paint indicators in both the State and USA comparisons. The remaining three communities are in the 80<sup>th</sup> percentile. Further, seven out of 12 CCI communities scored in the 90<sup>th</sup> percentile for NATA Cancer Risk and Traffic Proximity in both the State and USA comparisons. The CCI communities also collectively contain nearly 2,500 sites on NJDEP's Known Contaminated Sites List, a registry of active brownfield sites. In sum, the targeted communities for the NJEDA RLF grant experience high rates of negative environmental impacts and contain large numbers of contaminated sites. By facilitating the remediation of brownfield sites in the state, its use in CCI communities will help reduce the impact of EJ issues. NJEDA will take in account the alleviation of EJ concerns in its award of loans for the EPA RLF, as per a 2018 Executive Order requiring State agencies to address EJ concerns.

#### **b. Community Engagement**

i. Program Partners: NJEDA's primary program partners for the EPA RLF grant will be the 12 CCI communities and the NJDEP. Representatives from the CCI communities will be the CCI local government points of contact as presented below. Other program partners include statewide nonprofit advocacy groups: Commerce and Industry Association of NJ (CIANJ) and NJ Business and Industry Association (NJBIA); NJ Builders Association; Brownfield Coalition of the Northeast (BCONE); and Licensed Site Remediation Professional Association (LSRPA).

Entity	Name	Title	Phone	Email
NJDEP	Frank McLaughlin	Manager, CCI Program	609-633-8227	<a href="mailto:Frank.mclaughlin@dep.nj.gov">Frank.mclaughlin@dep.nj.gov</a>
Bayonne	Rosemarie Martinez	Chief of Staff	551-358-3493	<a href="mailto:rmartinez@baynj.org">rmartinez@baynj.org</a>
Bridgeton	Kevin Rabago, Sr.	Special Assistant to Mayor	856-451-3407	<a href="mailto:rabagok@cityofbridgeton.com">rabagok@cityofbridgeton.com</a>
Camden	James Harveson	Dir. of Economic Dev., Camden Redev. Agency	856-757-7600	<a href="mailto:jaharves@ci.camden.nj.us">jaharves@ci.camden.nj.us</a>
Jersey City	1. Lindsey Sigmund 2. Kate Lawrence	1. Environmental Planner 2. Sustainability Director	1. 201-547-5010 2. 201-547-4632	1. <a href="mailto:lsigmund@jcnj.org">lsigmund@jcnj.org</a> 2. <a href="mailto:klawrence@jcnj.org">klawrence@jcnj.org</a>
Millville	Samantha Silvers	Supervising Planner	856-825-7000 x7341	<a href="mailto:samantha.silvers@millvillenj.gov">samantha.silvers@millvillenj.gov</a>
Newark	Natasha Rogers	Chief Operating Officer	973-432-9930	<a href="mailto:rogersn@ci.newark.nj.us">rogersn@ci.newark.nj.us</a>
Paterson	Mike Powell	Dir. of Economic Dev.	973-321-1220	<a href="mailto:mpowell@patersonnj.gov">mpowell@patersonnj.gov</a>
Paulsboro	1. Gary Stevenson 2. Susan Jacobucci	1. Mayor 2. Administrator	1. 856-423-4097 2. 856-423-1500	1. <a href="mailto:gstevenson@paulsboronj.org">gstevenson@paulsboronj.org</a> 2. <a href="mailto:sjacobucci@paulsboronj.org">sjacobucci@paulsboronj.org</a>
Perth Amboy	William Kurzenberger	Project Planner	973-318-4173	<a href="mailto:w.kurzenberger@topology.is">w.kurzenberger@topology.is</a>
Salem	1. Charles Washington 2. Ben Agelli 3. David Crescenzi	1. Mayor 2. City Administrator 3. Chief Financial Officer	1. 856-935-0372 2. 609-774-6498 3. 856-935-0361	1. <a href="mailto:mayor@cityofsalemnj.gov">mayor@cityofsalemnj.gov</a> 2. <a href="mailto:cityadmin@cityofsalemnj.gov">cityadmin@cityofsalemnj.gov</a> 3. <a href="mailto:salemco@comcast.net">salemco@comcast.net</a>
Trenton	J.R. Capasso	Brownfields Coordinator	609-989-3501	<a href="mailto:icapasso@trentonnj.org">icapasso@trentonnj.org</a>
Vineland	Sandra Forosisky	Dir. of Economic Dev.	856-794-4100	<a href="mailto:sforososky@vinelandcity.org">sforososky@vinelandcity.org</a>
CIANJ	Anthony Russo	CEO	201-368-2100	<a href="mailto:arusso@cianj.org">arusso@cianj.org</a>
NJBIA	Wayne Staub	Chief, Business Relations	609-858-9477	<a href="mailto:wstaub@njbia.org">wstaub@njbia.org</a>
NJ Builders Assoc.	Grant Lucking	VP of Environmental Affairs	609-570-2157	<a href="mailto:grant@njba.org">grant@njba.org</a>
BCONE	Sue Boyle	Executive Director	856-291-5650	<a href="mailto:sboyle@geiconsultants.com">sboyle@geiconsultants.com</a>
LSRPA	Caryn Barnes	President	215-845-8911	<a href="mailto:cbarnes@Langan.com">cbarnes@Langan.com</a>

ii. **Program Partner Roles:** NJDEP CCI Liaisons typically interface with the CCI communities on a weekly basis, and will support the RLF by facilitating communications between NJEDA and the 12 communities. They are in a position to connect NJEDA with priority projects in need of remediation funding and will work to identify local community members and solicit their input in site redevelopment decisions, including reuse. The CCI program partners are representatives from the local municipalities that are responsible for establishing brownfield redevelopment priorities in their communities. They will pass along information for projects in need of funding; coordinate with local stakeholders impacted by the priority projects; and assist with marketing the program to developers. Other partners can assist with marketing as they are liaisons to the developer and remediation communities: CIANJ, NJBIA, NJ Builders Assoc, BCONE, and LSRPA.

iii. **Incorporating Community Input:** As part of the application process, any recipient of RLF funding will be required to show local support for the project. A local project sponsor must be identified and a support letter must be provided. Prior to closing, a community outreach plan must be prepared and implemented. At a minimum, a community meeting will be held to discuss the planned cleanup activities, schedule, and provide contact information for the remediation contractor/consultant and for the NJEDA program manager. NJEDA will use input from these outreach efforts to negotiate modification(s) to the development prior to loan/subgrant closing.

### 3. TASK DESCRIPTIONS, COST ESTIMATES, AND MEASURING PROGRESS

#### a. Program Description and Marketing Strategy

i. **Program Management:** NJEDA is the state entity tasked with encouraging economic development and job creation in New Jersey. Established in 1974, NJEDA fulfills its mission by

providing financial assistance, real estate development support, and other related activities. Over the past 10 years, NJEDA has provided 17,751 loans, grants, and loan guarantees: \$6,549,888,609 in loans/grants and \$71,636,803 in guarantees. **All resources needed to manage and operate the financial component of the EPA RLF already exist ‘in-house.’** This includes a cross departmental approach to staffing and administering the various functions of the EPA RLF, including the Credit Underwriting and Closing Services departments, who will review loan requests to ensure they meet the NJEDA’s credit and underwriting requirements, and preparation of the loan closing documents. Within the NJEDA is also the Post-Closing Financial Services Division; responsible for monitoring all loans and subgrants over their term to ensure post-closing obligations are met, including loan repayment and reporting.

Projects will be competitively evaluated for RLF funding by the NJEDA. It is envisioned that the EPA RLF program will have a structure for selecting recipients that is parallel to the two other brownfield financial incentives NJEDA slated for 2020 rollout. Pending demand, it is expected that at least two competitive funding rounds will be awarded. Applications for EPA funded loans and subgrants will be evaluated on a variety of community impact criteria to include: level of distress and environmental issues at the project location; proximity to public transportation; alignment of the project to local redevelopment plans; the amount of projected new tax revenues; the need for financing to the viability of the project; and public health and environmental benefits.

Loans will be structured with a 10-year term, with principal and interest deferred for Years 1-2, interest only for Years 2-4, then amortizing for the balance of the term (no balloon). Loan interest will be 3%. Interest rate reductions will be used to incentivize achievement of NJEDA OZ state policy goals: mixed-use residential development with an affordable housing component, food delivery sources in urban food deserts, primary health care services, tourism destination project, electric vehicle charging stations, smart growth parking (convertible to commercial space), and the development of incubators and collaborative workspaces. Financial underwriting will be facilitated per existing NJEDA requirements. NJEDA has staff within the Underwriting and Closing division whose responsibility it is to vet a borrower’s adherence to credit policies and ensure that the project has an acceptable level of risk. Prospective borrowers will be subjected to NJEDA’s credit and financial analysis to ensure that they meet the minimum credit worthiness level, the project proforma meets an acceptable debt service coverage ratio, and the project benefits align with the RLF program’s objectives. Non-profit applicants will be required to provide information that would allow NJEDA to vet their capacity to access and manage the EPA funding (be it loan or subgrant) and have requisite funding leverage to complete the proposed project.

ii. Revolution of the RLF Program: We currently operate five revolving loan funds, one that has been revolving since 1976. Initially capitalized at \$21,374,606 these revolving loan funds have provided 838 loans totaling \$203,495,590. Established standard operating procedures have minimized the loss rates, allowing us to increase the value of our revolving pool by an order of magnitude. In addition to keeping the loan pool revolving by minimizing losses via employment of sound lending practices, the EPA RLF program will be structured to ensure that funds revolve. There will be no penalty for prepayment to encourage a faster repayment and allow the loan to revolve more quickly. Typical financing terms for real estate development align with the useful lifespan of the improvements, generally 15 to 30 years. However, NJEDA’s term will be a maximum of 10 years; a shorter repayment period directly equates to a faster revolving loan.



NJEDA commits to long-term involvement and tracking of outcome / output data for both the OZ program as well as the EPA RLF. We include in our standard terms and conditions that borrowers/subgrantees are required to submit metric projections at the time of application as well as provide annual reports until the repayment of the loan is complete or the subgrant project has been constructed. Such compliance is part of post-closing monitoring, thus ensuring information will be tracked as the fund revolves beyond the initial cooperative agreement period.

iii. Marketing Strategy: The NJEDA RLF will target brownfield priority projects in the 12 CCI communities. The nature and types of brownfield projects deemed local priorities by the CCI municipalities will vary, but the types of CCI projects are likely to be divided into two post-redevelopment categories: those that will be owned by the public (or non-profit) sector, such as Hinchliffe Stadium, and those that will be owned by the private sector, such as Roebling Block 2. The public/non-profit developments are likely to need some form of subsidy for remediation. It is these projects which will likely be accessing the state HDSRF remediation funding grants to cover partial brownfield cleanup costs for affordable housing projects and conservation/open space projects. As the state HDSRF will not cover 100% of the remediation costs, such public/non-profit developments will be considered for RLF loan forgiveness and/or have an RLF subgrant.

Private sector developments will have two types of borrowers: local government entities and private developers. Local government entities in New Jersey often undertake remediation prior to soliciting a private developer for redevelopment of a brownfield. As state HDSRF remediation grants are NOT able to be used on property to be redeveloped for commercial or industrial reuses, the EPA RLF loan provides a valuable alternative to fund such site cleanup. The repayment of such loans would come via the sale of the property to the private developer. Private developers are likewise prospective borrowers of the EPA RLF loans, especially if they can be paired with one of the new NJEDA brownfields financial products: the state loan program and the state tax credit program. Since NJEDA's state loan program will cover much more than just remediation (assessment, demolition, etc.), it is expected that additional funding will be needed for remediation.

The Governor's Office has already had press events for the two NJEDA brownfields financial products to be rolled out in 2020. NJEDA staff have been marketing these programs at state conferences, trade meetings, etc. and advertising on our website. The NJEDA marketing efforts will be expanded to include the EPA RLF. Moreover, we have built in marketing in the form of the NJDEP CCI Liaisons who meet routinely with the local CCI communities. We expect the interactions between NJDEP Liaisons and the CCI communities to provide a direct project pipeline. Many of our partners will serve as marketing clearing houses for private developers. Entities such as CIANJ, NJ Builder's Association, BCONE, and the LSRPA have committed to assisting with such marketing. Informal feedback points to the \$15 million state loan program as potentially being underfunded. Given the almost 2,500 contaminated sites just within the 12 CCI communities, we are confident that there will be demand for the EPA RLF.

## **b. Description of Tasks / Activities and Outputs**

### ***Task 1 Program Management:***

i. Implementation: Activities are those necessary for implementation and management of the grant for priority and non-priority sites, including vetting borrower/sub-grantee and site eligibility with EPA, fulfilling reporting requirements, procurement for contractors when needed and reviewing expenditure eligibility. Travel is to attend EPA and state conferences/workshops relative to

brownfields cleanup financing. Non-EPA Grant resources will include in-kind contributions in the form of NJEDA personnel performing programmatic oversight of the RLF.

ii. Schedule: Duration of cooperative agreement performance period.

iii. Tasks/Activity Lead: Reporting/Grant programmatic requirements will be fulfilled by a combination of NJEDA and a grant manager. Travel is for NJEDA Program Manager.

iv. Outputs: conferences/workshops; ACRES; quarterly reports; MBE/WBE; Financial Reports.

***Task 2 Marketing:***

i. Implementation: NJEDA will provide outreach to the CCI local governments, non-profit entities, developers and others to publicize the benefits and availability of the RLF program for both priority and non-priority sites. The majority of the marketing will be conducted in conjunction with the robust marketing efforts currently underway for our existing brownfields financing programs. Non-EPA Grant resources will include in-kind contributions in the form of NJEDA personnel and other stakeholders performing marketing for the RLF program.

ii. Schedule: Concentrated Marketing in Years 1 and 2, with lesser efforts in Years 3 to 4.

iii. Tasks/Activity Lead: NJEDA with assistance from the Project Partners.

iv. Outputs: Meetings attended; brochures/handouts produced; and other meeting materials

***Task 3 Fund Management:***

i. Implementation: Fund manager activities include underwriting activities such as vetting the fiscal viability of project proformas and community benefits; developing and executing the loan/sub-grant agreements; working with the borrower/sub-grantee to ensure compliance with loan and sub-grant terms; servicing the loans; and processing disbursements. Non-EPA Grant resources include in-kind contributions of NJEDA personnel serving as Fund Manager for the RLF program.

ii. Schedule: Development of loan documents - Year 1. Loan underwriting - latter part of Year 1 to Year 5. Loan servicing - Year 2 to beyond the grant performance period.

iii. Tasks/Activity Lead: Fund Management will be conducted entirely by NJEDA.

iv. Outputs: Loan/sub-grant applications received and processed, loan/sub-grant applications recommended for NJEDA Board approval, loan/sub-grant awarded and closed, and loans serviced.

***Task 4 On-Scene Coordinator (OSC):***

i. Implementation: OSC activities will include the oversight of the borrower/subgrantee cleanup activities; outreach to the local community stakeholders associated with each site funded; development of ABCAs/Decision Memos; Davis Bacon Act compliance; and compliance with applicable state cleanup requirements to obtain a Remedial Action Outcome (RAO), the administrative endpoints for site cleanups in NJ. Non-EPA Grant resources will include in-kind contributions in the form of NJEDA QEP personnel performing OSC duties for the RLF program.

ii. Schedule: End of Year 1 to Year 5.

iii. Tasks/Activity Lead: NJEDA's RLF Program Manager (Year 1), assisted by a procured QEP in Years 2, 3, and 4 when multiple cleanups are occurring simultaneously.

iv. Outputs: ABCAs, Decision Memos, Administrative Records, community meetings, RAOs

***Task 5 Loans or Sub-grants:***

i. Implementation: Loans / sub-grants will be issued to applicants approved for funding for primarily priority sites and potentially non-priority sites. Given the nature and size of our typical sites, it is anticipated that \$817,000 in loans comprised of four loans at an estimated \$204,250/site (\$186,250 in hazardous substance funding plus \$18,000 in petroleum funding to address USTs) will be made from the first generation funds. It is anticipated that \$300,000 in sub-grants comprised

of two subgrants of \$150,000 each (\$132,000 in hazardous substance funding plus \$18,000 in petroleum funding to address USTs) will be made.

ii. Schedule: Loan/sub-grants: end of Year 1 to 3. Cleanups to be completed by Year 5.

iii. Tasks/Activity Lead: NJEDA

iv. Outputs: Amount of funding loaned, number of loans, amount of sub-grants issued, number of sub-grants issued, and acres of land remediated

### c. Cost Estimate

<b>Task 1 Programmatic Expenses:</b>		
Contractual: Management Consultant 5 years est. @\$6,000/year		\$30,000
Travel: 4 EPA conferences or workshops @ \$1,500/event		\$6,000
<i>Task 1 Subtotal</i>		\$36,000
<b>Task 2 Marketing &amp; Outreach:</b>		
Supplies: 5 years est. @\$400/year		\$2,000
<i>Task 2 Subtotal</i>		\$2,000
<b>Task 3 Fund Management:</b> No EPA funding to be used.		
<b>Task 4 On-Scene Coordinator:</b>		
Contractual: 3 years est. @\$15,000/year		\$45,000
<i>Task 4 Subtotal</i>		\$45,000
<b>Task 5 Loans / Sub-grants:</b>		
Other: est. 4 loans @\$204,250/site (\$186,250 Haz Sub + \$18,000 Petro)		\$817,000
Other: est. 2 subgrants @\$150,00/site (\$132,000 Haz Sub + \$18,000 Petro)		\$300,000
<i>Task 5 Subtotal</i>		\$1,117,000

The project budget table is presented below:

Budget Categories	Funding	Project Tasks					
	Type	Task 1	Task 2	Task 3	Task 4	Task 5	Total
	Allocation	Programmatic Expenses	Marketing	Fund Management	On-Scene Coordinator	Loans / Subgrants	
Personnel							\$0
Fringe Benefits							\$0
Travel	Haz Sub	\$3,000					\$3,000
	Petroleum	\$3,000					\$3,000
Supplies	Haz Sub		\$1,000				\$1,000
	Petroleum		\$1,000				\$1,000
Contractual	Haz Sub	\$15,000			\$22,500		\$37,500
	Petroleum	\$15,000			\$22,500		\$37,500
Other: Loans	Haz Sub					\$745,000	\$745,000
	Petroleum					\$72,000	\$72,000
Other: Subgrants	Haz Sub					\$264,000	\$264,000
	Petroleum					\$36,000	\$36,000
Total Direct Costs		\$36,000	\$2,000	\$0	\$45,000	\$1,117,000	\$1,200,000
Total Indirect Costs							
Total EPA	Haz Sub	\$18,000	\$1,000	\$0	\$22,500	\$834,000	\$875,500
	Petroleum	\$18,000	\$1,000	\$0	\$22,500	\$83,000	\$124,500
Cost Share						\$200,000	\$200,000
<b>BUDGET TOTAL</b>		<b>\$36,000</b>	<b>\$2,000</b>	<b>\$0</b>	<b>\$45,000</b>	<b>\$1,117,000</b>	<b>\$1,200,000</b>

#### **d. Measuring Environmental Results**

As previously mentioned (see Revolution of the RLF Program subsection), NJEDA will be collecting EPA RLF outcome/output data for the metrics described above via annual reports until the repayment of the loan has been complete or the subgrant project has been constructed. Post-closing obligations will include metrics reporting; once this information is collected, it will be entered into ACRES. NJEDA uses Microsoft CRM software to track financial metrics. We also have a project management platform to track program metrics. We will expand these applications to include EPA RLF tracking. We will also host quarterly meetings with our EPA Project Officer to ensure the project stays on track.

### **4. PROGRAMMATIC CAPABILITY AND PAST PERFORMANCE**

#### **a. Programmatic Capability**

i. Organizational Structure and ii. Description of Key Staff: With a staff of over 200, NJEDA has the in house structure and capacity to implement the EPA RLF. Over the past 10 years, NJEDA has provided 17,751 loans, grants, and loan guarantees: \$6,549,888,609 in loans/grants and \$71,636,803 in guarantees. The financial aspect will be overseen by David Lawyer, NJEDA Director of Credit and Real Estate Underwriting. With NJEDA since 2006, Mr. Lawyer, a former commercial lender, and his staff are responsible for the analysis and approval of commercial loans, guarantees, and incentives to businesses. Mr. Lawyer's formal education includes a Business Administration degree from Glassboro State College and an MBA from Rutgers. Elizabeth Limbrick, NJEDA Senior Brownfields Advisor, will serve as the EPA RLF Program Manager, ensuring compliance with the cooperative agreement and oversight of the cleanups. A recent hire by NJEDA, with 25 years of environmental consulting, state regulatory, and EPA TAB program provider experience, she brings a unique skill set to the EPA RLF program. She is a Licensed Professional Geologist (NY) and a Licensed Site Remediation Professional (NJ). Ms. Limbrick's has a BS in Environmental Science from Susquehanna University.

iii. Acquiring Additional Resources: NJEDA will publish a request for proposals in accordance with applicable Federal and State requirements to procure experienced contractors that may be necessary to implement the EPA RLF program including an outsourced grant manager and additional QEP resources as needed to expand NJEDA's capacity to monitor and oversee cleanups.

#### **b. Past Performance and Accomplishments**

ii. Has Not Received an EPA Brownfields Grant but has Received Other Assistance Agreements

(1) Purpose and Accomplishments: The state of New Jersey received and managed federal funding for the State Small Business Credit Initiative (SSBCI). NJEDA was designated by the State to receive and administer the SSBCI funds under the State's Allocation Agreement with Treasury. The SSBCI was a \$1.5 billion US Department of Treasury initiative to strengthen capital access programs that in turn provided financial assistance to small businesses and manufacturers. In 2011, \$33,760,698 was awarded to New Jersey. NJEDA used the funding award to make 44 loans, seven loan guarantees, and other investments totaling over \$38million to small businesses.

(2) Compliance with Grant Requirements: In a 2013 US Department of the Treasury, Office of the Inspector General Audit Report, it was determined the NJEDA complied with all program requirements (inclusive of timely reporting). Moreover, the success in ensuring full compliance was attributed by the Office of the Inspector General to several best practices that NJEDA employed to enhance its program oversight.