

NJIT

Funding, Financing and Redeveloping Brownfields Redevelopment

*New Jersey Environmental
Infrastructure Trust*

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Redevelopment Financing



New Jersey Environmental Infrastructure Financing Program

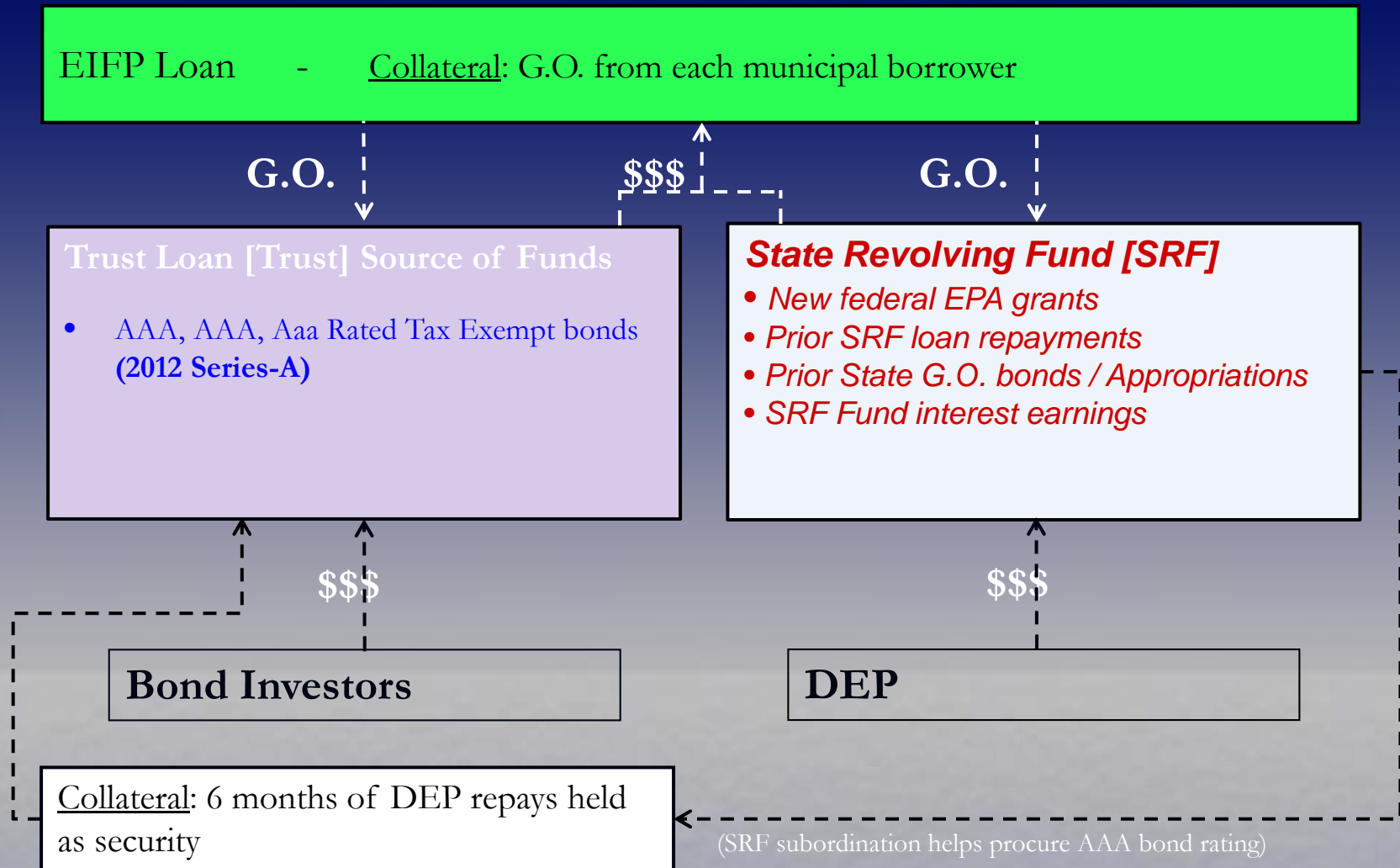


NJEIT / NJDEP Partnership

NJEIT

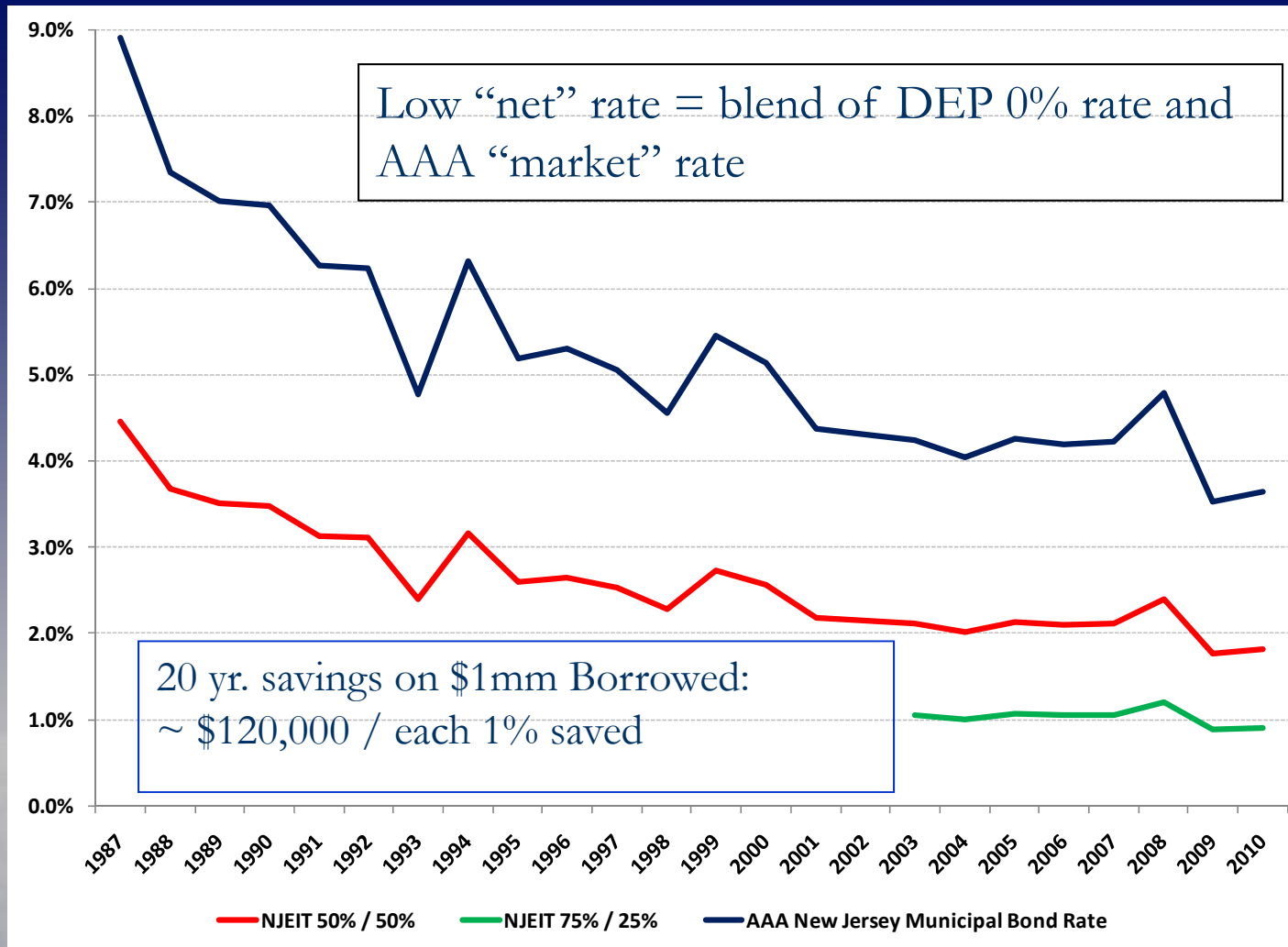
- ▶ State Independent Authority
- ▶ Infrastructure Projects
- ▶ \$5.4 Billion Loans (87 – 2009)
- ▶ \$385+ mil. Redevelop. Loans (past 6 yrs)
- ▶ \$2.1 Billion: Borrower Savings

NJEIFP Loan Structure

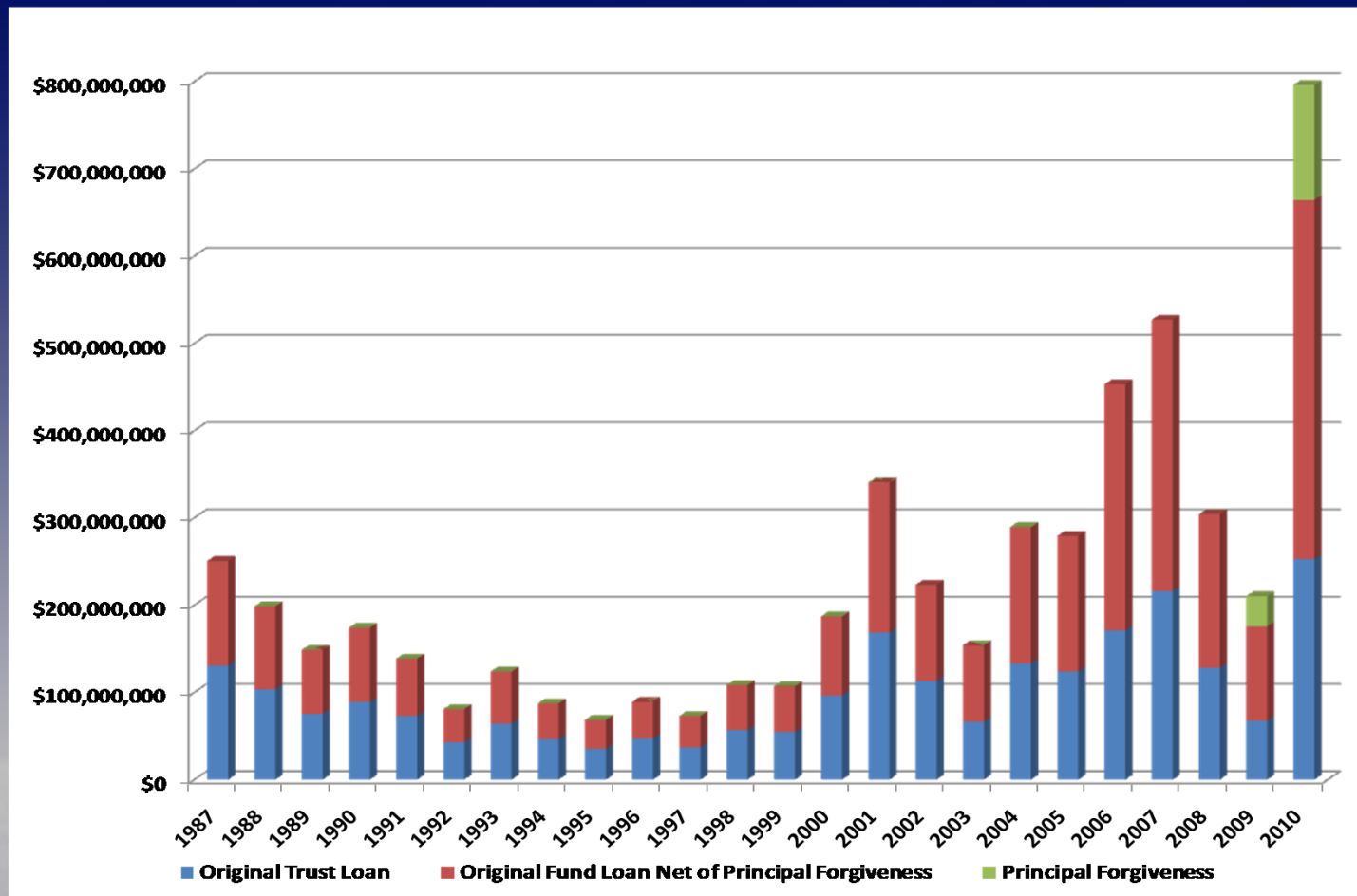


Why Borrow Through NJEIT?

AAA / Aaa Loan Rate Comparisons



NJ EIFP Program Summary 1987 - 2010



* Assumes borrowers are able to issue bonds independently at Trust's low AAA rate, and does not include savings to borrowers from shared pro-rata issuance costs

Redevelopment Financing

- ▶ Project Eligibility
- ▶ Loan Eligibility

Project Eligibility

- ▶ Permitting
- ▶ Prevailing Wage / SED
- ▶ Public Notice ~ hearing
- ▶ Cultural Resources
- ▶ Funded Activity

Funded Activity Criteria

- ▶ Water Quality Benefit
- ▶ Non-Vertical Development Activities

Funded Activities

- ▶ Traditional Program Funding
 - ▶ Wastewater
 - ▶ Land
 - ▶ Drinking water
- ▶ Remediation
- ▶ Green Technology

Traditional Wastewater Projects

- ▶ Secondary and Advanced Wastewater Treatment Facilities
- ▶ Sludge Handling Facilities
- ▶ Infiltration and Inflow Corrections
- ▶ Correction of Combined Sewer Overflows
- ▶ Interceptors, Pumping Stations, Force Mains, Collection Systems

Wastewater (cont'd)

- ▶ Major Sewer System Rehabilitation
- ▶ Landfill Closures
- ▶ Landfill Construction
- ▶ Land Acquisition (Water Quality Justified)

Traditional Drinking Water Projects

- ▶ Treatment (Install or upgrade)
- ▶ Distribution, Transmission, and Pumping Stations
- ▶ Source Rehabilitation or Development
- ▶ System Consolidation

Remediation

- ▶ Planning
- ▶ Demolition
 - ▶ Subsurface
 - ▶ Surface*
- ▶ Sheeting
- ▶ Cap
- ▶ Surcharge*
- ▶ Eng. Controls*
- ▶ Fees*
 - ▶ Permitting
 - ▶ Applications
 - ▶ Engineering
 - ▶ Legal

Loan Eligibility

- ▶ Local Political Will
- ▶ Borrower's Corporate Form
- ▶ Loan Guarantee (*credit worthiness*)
- ▶ Bonding Capacity
- ▶ State approval (LFB)
- ▶ Official Approval (Bond ordinance)

Corporate Form

Local Government Unit or Conduit

- ▶ **Security**

- ▶ GO Bonds
- ▶ Letter of Credit/ other?

**Credit worthiness
standards**

- ▶ **Cash Flow**

- ▶ Revenue Bonds
- ▶ Rabs/TIFF

**What's the
cash flow for
repayment**

Program Incentives

- ▶ Traditional Blended Rates (50:50 / 75:25)
- ▶ Pooled Cost of Issuance
- ▶ Capitalized interest (during construction)
- ▶ Natural AAA rating
- ▶ 20 year term
- ▶ Level Debt Repayment
- ▶ No Arbitrage concerns

Project Management

- Trust staff tracks project thru NJDEP
- Project Shepherd w/ NJDEP
- Update borrower /consultants as to status (email)
- Responsive to borrower questions / concerns / unique circumstances

State and Trust Fees

- **State origination fee: 2%**
- **Trust closing fee**
- **Trust administration fee**

Steps to Financing



SFY2013 Financing Program Schedule

11/4/2011: Letters of Intent
Planning Documents

March, 2012

- NJDEP Application
- Design Documents
- Financial Addendum Form (FAF)
- All Permit applications submitted / (raw received).

Forms are available online at
www.njeit.org/forms

Spring / Summer Milestones

- State Federal SRF Compliance
- Permitting approval
- Environmental Decision Documents
- Preaward Approval

Winter Milestones

- Preaward Approval
- LFB Approval
- Project Certification
- Closing Document approval

CASE STUDY *Carteret Redevelopment*



Carteret Redevelopment The Site

- *Middlesex County*
- *113 acres*
- *Closed landfills (1981)*

Carteret Redevelopment

NJEIFP Loan: \$40 mil

- *Landfill Cap*
- *Leachate Collection System*
- *Preliminary onsite treatment*
- *Onsite Pumping Station*
- *Gas collection system*

Carteret Redevelopment: The End Result

- *\$150 Million investment*
- *Distribution, manufacturing, import/export facilities*
- *Tax ratables*
- *Remove major source of water quality contamination to wetlands, surface water and groundwater*





Questions?

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