Welcome to the Brownfield 101 Webinar

HOUSEKEEPING

- All will be muted during presentation.
- Submit questions via Q &A to “All”
- The presentation slides will be made available after the webinar.
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Regional Brownfield Program
Overview

Jesse Day, Planning Director
Piedmont Triad Regional Council
Who We Are

- Association of local governments
  - 12 counties covered

Current Program Funding
- $600,000 EPA Grant
- 3-Year Grant | Oct 2018 – Sept 2021

Program Goals & Objectives
- Brownfield Site Inventory & Prioritization
- Community Outreach & Education (Including Brokers & Developers)
- Site Assessment (Phase I & Phase II ESAs)
- Post Assessment (Site Specific Cleanup Plans)
- Support Redevelopment Efforts
Piedmont Triad Program Accomplishments

Activities to Date
• 31 Phase I Assessments
• 10 Phase II Assessments
• Spurred millions of $ of private investment

Ongoing Program Goals
• Pursue strategic investments in catalyst areas
• Stimulate redevelopment
• Improve quality of life & health
• Increase tax base
• Create jobs
• Provide housing and transportation choices
Coalition Partners – Current Grant

- Expanded to other members to provide support: Liberty, Mount Airy, Elkin, Lexington, Eden and High Point
- Identify prospective developers through community meetings, attending real estate association meetings, area and master planning efforts, etc.
- Partnerships with CDCs can also be beneficial (e.g. Waughtown Neighborhood Assoc.)
Former Textile Mill | Mayodan
Washington Mills Redevelopment Concept

Project Utilized the Technical Assistance Grant program — submitted to EPA by NCDEQ Brownfields on behalf of the Town of Mayodan

KEY FEATURES:
1. Beach access
2. River Trail
3. Camping
4. Amphitheater
5. Tot lot and playground
6. Multi-Purpose Building (Park & Café);
7. Picnic Pavillion

TOP USES:
• Special Events (3)
• Paddling & Tubing (3)
• Festivals (2)
• Farmers Market (2)
• Picnicking (1)
• Camping (1)
• Dining/Entertainment (1)
• Walking/Hiking (1)
• Volleyball (1)
• Retail (1)
• Tubing (1)
• Team Sports (1)
Take Aways

- Communities need a reminder that there are funds (loans/grants) that can support their re-development efforts.
- State Brownfield program is a key partner at every level.
- Use different strategies to get communities interested (meetings, events, opportunity zones, fliers, phone calls to Towns).
- How does re-development inform community/area master planning and vice versa.
What is a Brownfield?

Federal Definition
“A brownfield is a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.”

Commercial Real Estate Deal With an Environmental Twist
What is **NOT** a Brownfield?
What is NOT a Brownfield?

Source: Gray Construction
How many brownfield sites are there?

>500,000 in USA
Benefits

Brownfield Benefits are benefits you can S.E.E.

Social
Economic
Environment
Social

❖ Removes health and safety hazards
❖ Removes eye sore; improves community appearances
❖ Alleviates community fears and worries
❖ Reduces area crime

Create
❖ a variety of housing options
❖ recreation and open space
❖ commercial and retail space; employment options
❖ schools
Economic

- Spurs economic development
- Creates jobs
- Increases tax revenues
- Provides diverse economic base

$17.45 was leveraged for each EPA Brownfields dollar

9 jobs leveraged per $100,000 of EPA brownfields funds expended on assessment, cleanup, and revolving loan fund cooperative agreements

* Based on historical data provided by the ACRES database.

www.epa.gov/brownfields
Environment

❖ Removal of contaminants and pollutants
❖ Improved air quality, water quality, natural habitats
Steps in the Brownfield Redevelopment Process

1. Planning & Community Engagement
2. Environmental Investigation
3. Environmental Remediation
4. Redevelopment
Site Identification, Community Involvement & Planning

- Compiling a brownfield inventory
- Conducting community meetings
- Performing assets & needs study
- Form partnerships
- Develop a plan for reuse
- Target funding sources
Environmental Investigation

Always Do your Due Diligence BEFORE purchasing!!!

**Phase I**
What environmental issues could we have?

**Phase II**
Do we have contamination or environmental issues?

**Phase III**
What is the nature and extent of our contamination?

High Risk  Low Risk
Environmental Remediation

- Take ownership of the site (EPA)
- Remediate using NCDEQ standards
- Coordinate construction improvements w/remediation
Redevelopment

- Honor your continuing obligations
- Deed Restrictions / Site Control
- Obtain permits before construction
- Execute plans developed early on in the process
**Technical Assistance to Brownfield Communities (TAB)**

**TAB** is a technical assistance program created by EPA and funded through cooperative agreements with three TAB providers.

**TAB** providers serve as independent resources to: state, regional, county, tribal, and local government entities, and nonprofits attempting to cleanup and reclaim brownfields.

➤ **Assistance is free of charge!**
Need Help? Call NJIT TAB

TAB provides assistance* throughout the entire brownfields redevelopment process.

Assistance is provided through...

- Resource Center
- Educational Forums
- One-on-one Technical Assistance
NJIT Technical Assistance to Brownfield Communities (TAB)

NJIT TAB Resource Center

www.njit.edu/tab

- info on all aspects of assessing and cleaning up a brownfield site
- news and upcoming events

Resources and Tools

- Federal and state funding sources
- state brownfield programs
- state and EPA contacts
- previously recorded webinars
- downloads of workshop and seminar presentations
- PCBs brochures; GI decision tree
- how-to videos
NJIT Technical Assistance to Brownfield Communities (TAB)

NJIT TAB Educational Forums

Conferences: pre-conference workshops, learning labs, panel sessions, office hours

Workshops: 2 to 4 hour interactive sessions on brownfield related topics

Seminars: deeper dive into specific brownfield related topics

Brownfield Boot Camps: 4 to 7 hour more intensive, deep dive into specific brownfield related topics

Webinars: range from introducing the TAB program to specific brownfield topics

All-Grantee Meetings: work with state agencies & EPA
NJIT TAB

NJIT TAB helped communities win $12.5 million in EPA grant funding through our:
  - Direct technical assistance
  - Grant writing workshops
  - Educational Forums
Types and Amounts of EPA Brownfields Grants

Presented by Cindy Nolan, EPA Region 4 Atlanta, GA
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup (MARC) Grants

- **Multi-Purpose**
- **Assessment**
- **Revolving Loan Fund (RLF)**
- **Cleanup**

- Grant types listed above commonly referred to as **MARC** Grants
Multi-Purpose Grants – 5 year grant

- Combines assessment and cleanup grants in one
  - Up to $800,000
  - 70% must be spent on site-specific activities
  - At least $200,000 must be spent on cleanup activities
  - $40,000 cost share
  - 5 years
An applicant applying for an assessment grant can do the following options for assessing sites (phase I – All Appropriate Inquiry); phase II (site sampling); and/or site specific redevelopment planning – including some area wide planning tasks such as market options development. NO COST SHARE

<table>
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<tr>
<th>Community Wide</th>
<th>Site Specific</th>
<th>Coalitions</th>
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<td>Up to 300,000 for hazardous substances and/or for petroleum sites.</td>
<td>Up to $200,000 for petroleum or hazardous substances</td>
<td>Up to $600,000 per coalition.</td>
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<tr>
<td>May request a waiver for up to $350,000</td>
<td>May also apply for a site-specific grant; may not apply as a coalition member</td>
<td>Minimum of 3 partners &amp; 5 sites</td>
</tr>
<tr>
<td>May also apply for Community Wide; may not apply as a coalition member</td>
<td></td>
<td>May not apply for the other assessment grants.</td>
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To carry out cleanup activities at brownfield sites
Up to $500,000 per property
Hazardous substances or petroleum contamination; one site or multiple sites
Cost share requirement of 20%
Community Notification (Threshold Criteria Only) & phase II data and draft ABCA required
Must have FEE SIMPLE TITLE by date of application
Revolving Loan Fund – max 15 year grant

- Provides fund to capitalize a revolving loan and to make loans and subgrants to carry out cleanup activities at Brownfield sites. Up to $1,000,000
  - Makes loans or subgrants
  - Cleanup grant limitations generally apply
  - 40/60 or 50/50 grants to loans
  - 5-15 years, plus tracking until all funds used up
  - High performing funds can request supplemental funds annually.
Other EPA Brownfields Programs

Brownfields Job Training Grant Program
  •  www.epa.gov/brownfields/job.htm

Targeted Brownfields Assessment (TBA) Program*
  •  www.epa.gov/brownfields/tba.htm

*non-grant program that provides direct EPA assessment assistance to communities
EPA Brownfields ARC grants are very competitive. Applicants should be prepared to put time and effort into constructing a winning proposal.
So You Want a Brownfields Grant….

- Are you “ready”?
  - Do you have a brownfields champion?
  - Do you have a diverse support team?
  - Is there political support?
  - Do you have a target area?
  - Have you engaged the community yet?
  - Have you done any redevelopment planning?
  - Do you know where you are going and how to get there?
For More Information

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Brownfields & Redevelopment Section Chief
U. S. EPA Region 4
Nolan.Cindyj@epa.gov
404-562-8425
epa.gov/brownfields/region4
May 13, 2020

Department of Environmental Quality
Brownfields Program Introduction
Hayley Irick and Jordan Thompson
What is a Brownfields Property?

NC DEQ retains standard definition: “Abandoned, idled, or underused property where redevelopment is hindered by real or perceived environmental contamination.”

As a voluntary program, Perspective Developers (PDs) must apply into the program

• Sites can be made safe for reuse – Land Recycling
• Reuse brings public benefit – Jobs and Local Tax Base
• Can compete with “greenfields” – Reduces Sprawl
Federal & State Brownfields Roles

**Federal Role**
- Funding to States:
  - NC Brownfields Program - $750K (2017-2018)
  - Moving to 5-Year Grant Cycle
  - Competitive Funding to Local/Regional Gov’t
  - $3,395,000 to NC 2018/+Job Training Grant

**State Role**
- Liability Protection to PD – Covenant Not to Sue
- Guidance for Safe Redevelopment
- Brownfields redevelopment/public benefits
- Deed recordation – runs with land
- Tax Incentives to PD
NC DEQ Brownfields Agreements

- Does not affect State’s ability to enforce against responsible party
- Available ONLY to those who:
  - Did not cause or contribute to site contamination
  - Follow the Brownfields Agreement to make the site suitable for reuse and protect public health and the environment
- Can be completed in anticipation of redevelopment/sale to third party developer
- As of 1/1/2020, 548 recorded agreements across the state
Components of a Brownfields Agreement

- **Work to be performed**
  - As required to protect public health
  - Completed by Prospective Developer (PD)
  - Can be funded using EPA Assessment/Cleanup Grants

- **Land Use Restrictions**
  - Determined based on site specific risk assessment
  - Apply to all future owners
  - Allows for greater municipal control of end land use

- **Liability Protection – Great Attraction for Developers**

- **Statutory Reopeners**
  - Violation of a land use restriction
  - Accurate information was not given to Program
  - New information raises risk to unacceptable levels

*Department of Environmental Quality*
Before and After – Shops on Innes
Brownfields Project # 20029-16-080

Department of Environmental Quality
DEQ Community Outreach Contacts

Additional Resources

Project Tracking
https://ncdenr.maps.arcgis.com/apps/webappviewer/index.html?id=7dd59be2750b40bebebfa49fc383f688

How to Apply
https://deq.nc.gov/about/divisions/waste-management/brownfields-program/how-apply-entry
Brownfields & Opportunity Zones
The oral discussion and documents presented during this Opportunity Zone Finance Educational Keynote (or directly accessible from) e-mail or web pages hosted by presenters may contain forward-looking statements. These statements relate to future events or future financial performance. Any statements that are not statements of historical fact (including without limitation statements to the effect that the presenters or the presenters’ organizations "believe", "expect", "anticipate", "plan" (and similar expressions) should be considered forward looking statements. There are a number of important factors that could cause actual activities and results to differ materially from those indicated by the forward looking statements. The presenters and their representative organizations disclaim any obligation to update any forward looking statement. This presentation nor the oral conversation do not provide financial or legal advice - each party should consult their own professional legal and accounting advisors before entering into any agreements.

We are neither lawyers nor accountants.
The Basics

- Qualified Opportunity Zones are tied to **census tracts** and added to the Internal Revenue Code by the 2017 Tax Cuts and Jobs Act.
  - There are 252 QOZs in North Carolina
    - There are 43 QOZs in the Piedmont Triad
- The **goal** is to encourage long-term investments in communities
- Three core principles of the Opportunity Zone Incentive Program:
  1. **Deferral**: Investors may defer capital gains taxes until **December 31, 2026** by utilizing Qualified Opportunity Zone Funds (QOF) as an investment tool.
  2. **Reduction**: If an investor utilizes a QOF for 5 years, 10% of the original gain is excluded; if the investment is for 7 years, an additional 5% (15%) will be excluded.
  3. **Exclusion**: If an investor utilizes a QOF for 10 years, any capital gains made on investments through the Fund accrue **tax-free**.
Qualified Opportunity Zone Funds

- Qualified Opportunity Zone Funds (QOF) are the instruments of investment
- A QOF is a corporation or partnership organized for the purpose of investing in QOZs and hold at least 90% of its investment asset in the Zone
  - This will be audited **twice a year** for compliance
- Must **self-certify** to the IRS
- Many shapes and sizes
  - National; Local; Few investors; Many investors; Asset class; Desired Project; Etc.
- Carried Interest does **not** qualify for Opportunity Zone benefits
- Taxpayers **can** make equity investments in a QOF by contributing property in a non-recognition transaction
The “Must Know”

Types of Investment

- **Stock:**
  - Holding stock of a qualified opportunity zone corporation. (Qualified Opportunity Zone Business)

- **Interest:**
  - Interest in a qualified opportunity zone partnership (QOZB)

- **Tangible Property:**
  - Property used in the QOZ (Qualified Opportunity Zone Property)

Opportunity Zone Dates

- **12/31/2019**
  - Investments must be made for 15% reduction to capital gains

- **12/31/2021**
  - Investments must be made for 10% reduction to capital gains

- **12/31/2026**
  - Deferred gain must be recognized by

- **12/31/2028**
  - QOZ expire; no more investments

- **12/31/2047**
  - Sale of QOZ Investment type must be made
The “Must Know” Continued

**Timing**

- Funds have six (6) months to invest the capital received from investors.
  - cash, cash equivalents, or debt with terms of 18 months or less.
- Twelve (12) months to reinvest in new opportunity zone properties if previous investment does not sustain
- Debt financed distributions within the first two (2) years of Fund investment is ‘disguised sale’ and triggers deferred gain.
Brownfields & QOZs

Final IRS Regulations include provisions to support QOF investments in brownfields assessments, cleanup, and redevelopment. [LINK]

- QOF investment in a brownfield or in a property that was involuntarily transferred to local government can satisfy the IRS requirement for commencing an “original use.” (i.e. bypassing time constraints of “substantial improvement”)

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<th>Site condition</th>
<th>Satisfies &quot;original use&quot; requirement</th>
<th>Must “substantially improve” property</th>
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<tr>
<td>Site is bare land (including land purchased with buildings to be demolished for new development)</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Brownfield site (including the land and structures thereon) if within a reasonable period the owner makes investments to ensure that the site meets basic safety standards for both human health and the environment</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Site is vacant prior to and on the date of publication of the OZ designation and was vacant for at least 1 year prior to purchase of site</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Site not vacant at the time of the OZ designation but later became vacant and remained vacant for at least 3 years</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Non-brownfield site that does not meet vacancy requirements</td>
<td>X</td>
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Brownfields & QOZs Continued

- Expenses for site assessment and remediation qualify as eligible costs that demonstrate “substantial improvement” at an QOZ property (if improved in 30-months).
- Permitting delays caused by the government that would otherwise cause the QOF to fail the IRS requirement to deploy QOF capital within 31 months will be tolled [delayed/suspended/held-off] for a duration equal to the permitting delay.

EPA Opportunity Zone Landing Page
IRS Opportunity Zone Landing Page
PTRC Opportunity Zone Landing Page
**Census Tract 37081014300**
- Guilford County - SW High Point
- Population: 3,155
- Median Household Income: 23,359
- Households in Poverty: 46%
- Total Jobs: 4,996
- Total Businesses: 309

**Community Development**
- Developers are align federal programs like US EPA Brownfields with the OZ to attract investors.
- Coordinating workforce development and small-scale manufacturing placemaking planning
- Focusing on: synergy and balance, social equity, impact investing, partnerships, and transparency

**More Information**
- Proximity to transportation resources
- Proximity to major metro areas
Scarito Park
Brad Buschur, Groundwork Lawrence
Groundwork Lawrence - Mission

- To bring about the sustained regeneration, improvement and management of the physical environment
- by developing community-based partnerships which
- empower people, businesses and organizations to
- promote environmental, economic and social well-being
- Family Events
- Community Cleanups
- Healthy Living Workshops
- Community Planning

- Parks & Playgrounds
- Rivers & Canals
- Tree Canopy
- Trails & Greenways
- Stewardship

- Green Jobs
- Service Learning
- Youth Employment
- Schoolyard Gardens
- Environmental Educ.
- STEM Education

- Active Spaces
- Community Gardens
- Urban Farming
- Farmers Markets
- Veggie Rx & Incentives

Changing Places
Changing Lives
Lawrence, MA
Lawrence, Massachusetts

- 74% Latino
- 38% foreign born
- 29% under 18 years old
- 29% below poverty line
- 30% homeownership
- $32,851 median household income
Brownfields as Catalysts
Brownfields as Catalysts

Open Space Per Capita

Population Density of Youth Under the Age of 18
Scarito Park Context

• 2.7 acre site was the largest contiguous parcel of open space in the neighborhood.

• Site located adjacent to densely-packed multi-family housing.

• Few lots in the neighborhood can accommodate more than the dwelling footprint; no yards means kids played in the streets.

• Site was vacant and “mothballed” by private owner for nearly 20 years.
Scarito Park in 1888 & 1956

1888: Mill with raceway for power

1956: Two Laundries, raceway replaced with housing
The Spicket River at Scarito Park: a hidden natural resource
Sarito Park History

- **1986:** $1.8 million in back taxes owed on the property.

- **1990:** Owner begins assessment and cleanup

- **2000:** Site identified as priority for redevelopment by neighborhood residents and a CDC, Lawrence CommintyWorks.
Transformational Strategy: Community Engagement

2002: First annual Groundwork Spicket River Cleanup; 15 tons of trash removed from riverbanks by hundreds of local volunteers.
Transformational Strategy: Neighborhood Planning

2002-2003: Groundwork and project team works with neighborhood residents to create a concept plan for a new riverfront park on the site.
Transformational Strategy:
Park Concept
Transformational Strategy: Park Concept
Path to Transformation

• 2003: Owner settles back taxes through the Mayor’s Tax Amnesty Program

• 2004: Bank of America acquires the site through a corporate merger

  • 2004: Significant community advocacy leads Bank of America pledges to donate the land for the park.

• 2004: final assessment and remediation.

• 2004: Groundwork leads development of city’s open space plan (first in 20 years).
Path to Transformation

• 2005: State awards City a grant to transform the brownfield into a park (25% local match required)

• 2005: Coalition works one-on-one with City Councilors to build political support to accept the grant and protect the site in perpetuity

• 2006: State and Bank of America sign covenant not to sue

• 2006: City Council votes to accept the land for the park

• 2006: Ribbon Cutting
Lessons learned: Challenges are Opportunities

Challenges
- Negative Mentality
- Brownfields
- Vacant lots
- Illegal dumping
- Low capacity at City Hall
- Inequitable distribution of resources

Opportunities
- Neighborhood Leadership
- Emerging nonprofit capacity
- Mapping and Planning
- Relationship building
- Changing the narrative
- Improved Public Health
Changing Places
Changing Lives

Community
- Family Events
- Community Cleanups
- Healthy Living Workshops
- Community Planning

Open Space Environment
- Parks & Playgrounds
- Rivers & Canals
- Tree Canopy
- Trails & Greenways
- Stewardship

Education & Job Training
- Green Jobs
- Service Learning
- Youth Employment
- Schoolyard Gardens
- Environmental Education
- STEM Education

Fresh Food Healthy Living
- Active Spaces
- Community Gardens
- Urban Farming
- Farmers Markets
- Veggie Rx & Incentives
Thank You

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THANK YOU FOR ATTENDING THE WEBINAR!

How can NJIT TAB assist you?

Hotline: 973-642-4165
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www.njit.edu/tab
Follow Us @NJITTAB

Informal Process for assistance – just call or email us – there is no contract to sign. All assistance is free to eligible entities.
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