



Brownfields Competitive Round 19

**Walk in Session #1 – What's new in Round 19
and Remediation/Limited Assessment Grant
and Loan Program Highlights**

January 17, 2024

Brownfields Competitive Round # 19

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Office of Brownfield Remediation & Development

*Connecticut Department of Economic
& Community Development*

January 17, 2024



Meeting announcements

- **Please keep yourself muted. As you join, please note your name and organization in the chat feature.**
- **Raise your hands if you have a question when we get to the Question-Answer section. You may also type in your question using the chat feature. Names will be called on a first come –first serve basis.**
- **We will be recording this meeting. The recording will be posted on our Website.**
- **If we are not able to answer a particular question, please provide your contact info (email or phone) and we will get back to you with a response.**
- **All general questions/responses not included in the current FAQ Document will be added and posted on Friday, February 2, 2024.**
- **If you have a project/site specific question you want to discuss in a private and confidential setting, please let us know and we can arrange for a separate meeting.**
- **We will start with a general presentation on the special topic and then handle questions. Your name will be called out in the order you raise your hand or include in chat.**

Summary of Funding Availability

- TOTAL AVAILABILITY - \$25 million**

PROGRAM	MAX per application	MIN per application	Notes
Grant – Remediation/Limited Assessment	\$4 million	\$200,000	Note: Max is \$4 million
Grant – Assessment-only (Land Banks/COGs)	\$500,000	\$100,000	Can apply for multiple projects/sites. Maximum per project - \$200K
Grant – Assessment-only (Others)	\$200,000	\$100,000	
Loan – Remediation/Limited Assessment	\$4 million	\$500,000	Min. is \$500K
BAR Planning Grant	\$200,000	Min. not specified	

Schedule

Presentations and Walk-in Teams Meetings	
<u>Wed, Jan 17, 2024 (9 - 10AM)</u>	Topic: What's new in Round 19 - Remediation/Limited Assessment Grant & Loan Program Highlights
<u>Wed, Jan 24, 2024 (9 - 10AM)</u>	Topic: What's new in Round 19 – Assessment-Only Grant Program Highlights
<u>Wed, Jan 31, 2024 (9 – 10 AM)</u>	Topic: BAR Planning Round 4 Program Highlights
<u>Wed, Feb 7, 2024 (9 – 10:30 AM)</u>	Topic: Building your Redevelopment Project Capital Stack (a presentation from other public funding programs)
Questions on the NOFA	
Wed, Jan 31, 2024	Deadline for questions to DECD on this NOFA
Friday, Feb 2, 2024	Posting of FAQ Addendum (if any) on OBRD's Website
Application Deadline	
Wed, Feb 28, 2024 @ noon	Request for SharePoint folder
Friday, March 1, 2024 @ noon	Deadline to submit or upload Application Package
Round 19 Award Announcement	
May/June 2024	Award Announcements (tentative)

What's New in Round 19?

What's new in Round 19?

1. Remediation Grant & Loan Application Forms Updated

(DO NOT USE OLDER FORMS – WILL NOT BE ACCEPTED)

- **The Remediation Grant & Loan Application Forms have three sub-parts**
 - 0A. Main Application Form
 - 0B. Budget & Return on Investment Table
 - 0C. Certification of Applicant
- Please make sure to submit all three forms
- **The Budget/ROI Table is now in a convenient excel format**
- **New requirement to submit site photos**

What's new in Round 19?

2. Announcement also includes the BAR Planning Grant Program

- Special presentation on Jan 31

Note - Round 19 does not include the DEEP CERCLA 128 (a) grant offering but the next round may include it.

Important Changes from Round16/17

- DECD Affordable Housing Policy compliance
- Environmental Justice
- Green energy
- Climate change, resiliency, sustainability

Submission Deadline and other requests/reminders

- **Friday, March 1, 2024 at Noon**
- **PLEASE!!! Submit request to DECD Staff for a SharePoint folder by noon on Wed, Feb 28, 2024**
 - Please include applicant name, project name and Program Code in Email Subject (e.g.; City of Gotham_Batman Mill_RG)
 - RG – Remediation Grant
 - RL – Remediation Loan
 - AO – Assessment Only
- **Attachments – please number and label as per checklist at end of each Application Form**
- **Assessment – only for Multiple Projects proposed by COGs/Land Banks (please use Cover Sheet)**

Remediation/Limited Assessment Grant and Loan Program Summaries

Remediation Programs (Grant and Loan)

- **Primary mission - bringing brownfields to economic productivity. OBRD has been set up as a one stop resource for brownfield redevelopment**
- **Competitive process**
- **Multi-dimensional scoring**
 - Shovel Readiness – remediation plan, assembly of financing, redevelopment plan completeness
 - Economic & Community Development Impact
 - Financing/Local – Private Leverage; (developer equity; loan to value ratio)
 - Applicant Experience
- **Grant projects with a developer and a proposed end use/redevelopment plan are more cost efficient and have a better success rate – also have a higher chance of receiving an award**

Eligible Uses

- **Limited investigation, assessment, planning, environmental consultancy**
- **Soil and groundwater remediation**
- **Abatement; hazardous materials or waste disposal; demolition activities**
- **Groundwater monitoring; institutional/engineered controls**
- **Attorneys' fees (not DECD-contract related tasks)**

Loan Specifics

- **Eligible entities - Potential brownfield purchasers and current brownfield owners including, but not limited to, for-profit and non-profit entities, municipalities, Connecticut brownfield land banks, economic development agencies or regional councils of governments.**
- **Minimum Developer Equity – 10% of total project cost (redevelopment + remediation project)**
- **No loan forgiveness**
- **Duration – up to 30 years (should match the private debt financing terms)**
- **Rate – 3%**
- **Debt Service Coverage Ratio – 1.15**
- **Loan deferral can be negotiated; balloon payment plans will not be approved; amortization over the larger portion of the repayment period.**
- **Permanent Refinancing - The loan will have to be fully repaid on permanent refinancing (does not apply to initial conversion from construction to permanent debt).**

Threshold Requirements

- **Threshold requirements:**
 - **Site is a brownfield as per C.G. S. Sec. 32-760**
 - **Applicant and potential development partners have no direct or related liability for the conditions of the brownfield.**
 - **Applicant has access or will have access to the property, site control or path to site control (for loans - Applicant is the property owner, a potential purchaser)**
 - **Potential development partner is registered to do business in the State of CT and is in good standing – no pending lawsuits, liens filed and tax arrears.**

Brownfield Definition

- **As per C.G.S Section 32-760, “Brownfield” means any abandoned or underutilized site where redevelopment, reuse or expansion has not occurred due to the presence or potential presence of pollution in the buildings, soil or groundwater that requires investigation or remediation before or in conjunction with the redevelopment, reuse or expansion of the property.**
- **Please see Question #20 in the Grant FAQ and #17 in the Loan FAQ documents, respectively for examples.**

Collateral and Security Requirements - Grant

- **Completion guarantee or mortgage lien on property**
- **To be provided by either Applicant or the development partner**
- **Will be held until redevelopment project is completed**
- **If plan is to transfer the site to a private developer after remediation, the collateral will have to be assumed by the developer upon transfer.**
- **Negative Pledge placed on property – Approval from DECD Commissioner to sell, lease, transfer, assign or in any way encumber the property (10 years)**
- **Use Restriction placed on property – Covenant placed on property that it will be used for purposes described in Application (10 years)**
- **Negative Pledge and Use Restriction is placed on the land records**

Collateral and Security Requirements - Loan

- **Completion guarantee and mortgage lien on property**
- **Will be held until redevelopment project is completed**
- **The full value of the loan will be recouped if the redevelopment project is not completed.**
- **Negative Pledge placed on property – Approval from DECD Commissioner to sell, lease, transfer, assign or in any way encumber the property (10 years)**
- **Use Restriction placed on property – Covenant placed on property that it will be used for purposes described in Application (10 years)**
- **Negative Pledge and Use Restriction is placed on the land records**

Prevailing Wage Rule

- **All projects will have to be consistent with the requirements of C.G.S. Section 31-53c and C.G.S. Section 31-53.**
- **The applicability of prevailing wage as per the statutes is dependent on various factors including, but not limited to,**
 - the amount of cumulative DECD funding
 - the entity entering into the grant contract with DECD,
 - the funding sources for the overall project,
 - the entity that will be holding the construction contract (primary recipient versus a private entity),
 - the nature of the improvements (public versus private),
 - and the nature of the end uses (public versus private).
- **Please see Grant FAQ #s 25 & 26 and Loan FAQ #s 21 & 22**
- **DOL Contact (Mary Toner), Wage Enforcement Agent, Public Contract Compliance, DOL - mary.toner@ct.gov; 860.263.6606**

Affordable Housing Policy

- **Effective July 20, 2022 (from Round 16)**
 - May apply to conditional redevelopment initiatives from previous rounds (where scope was not negotiated)
- **Threshold requirement – Part A of Application**
- **Covers grant and loan remediation programs when the proposed redevelopment project includes 10 or more units**
- **A portion of those units must be deed-restricted for below market rates for 30 years**
- **Either A. 10% affordable to households making 50% of AMI (Area Median Income) OR B. 20% affordable to households making 80% of AMI.**
- **Amount spent on housing costs may not exceed 30% of criteria AMI (50% or 80% AMI as per option chosen).**
- **Units – sizes, finishes, bedroom counts, distribution similar to and blended with market rate units**
- **All projects have to comply – unless requested and approved by DECD Commissioner**

Commitment to Environmental Justice

- New scoring criteria and question

3. **Explain how the proposed project is committed to achieving Environmental Justice* goals by 1. providing the same degree of protection from environmental and health hazards to all; and 2. To provide everyone equal access to the decision-making process to have a healthy environment in which to live, learn, and work. Provide examples.** *The U.S. EPA defines Environmental Justice as the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies.

Renewable energy and clean Hydrogen production

- Renewable energy and clean Hydrogen production
 - fuel cell installation
 - energy storage
 - New scoring criteria and question

7. Is the redevelopment project or proposed end use directly related to the following industrial sectors identified in DECD's economic development strategy (Advanced Manufacturing; Aerospace & Defense; Bioscience & Healthcare; Film, TV, Digital Media; Financial Services; Green Energy; Insurance; Technology & Innovation)? **Describe:** *(example: The former mill will be repurposed to support advance manufacturing. The ACT company manufactures automated guided vehicles and is a major supplier worldwide.)*

8. If the redevelopment project or proposed end use is primarily related to the Green Energy sector, please provide more details. What specific type of Green Energy (wind, solar, hydro power, geothermal, biomass/biofuel etc.) will be produced? Is clean Hydrogen manufacturing, fuel cell installation or energy storage part of the technology or redevelopment plans? *Please write N/A if one of the primary end uses is not related to the Green Energy sector.*

Climate change, resiliency, sustainability

- **Climate change, resiliency, sustainability**

- **green building design**

- **resiliency features**

- **New scoring criteria and question**

9. Does the proposed redevelopment project design go above and beyond to incorporate environmental sustainability and resiliency features that addresses climate change and reduction of the carbon footprint? Explain and describe specific project features that further the following:

a. Resiliency measures including low impact development, storm resiliency measures, flood control infrastructure.

b. Green building design including net-zero building, geothermal, solar panels, green roofs, sustainable materials, energy star windows and equipment etc.

Question & Answer Session

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Public Private Partnership (PPP)

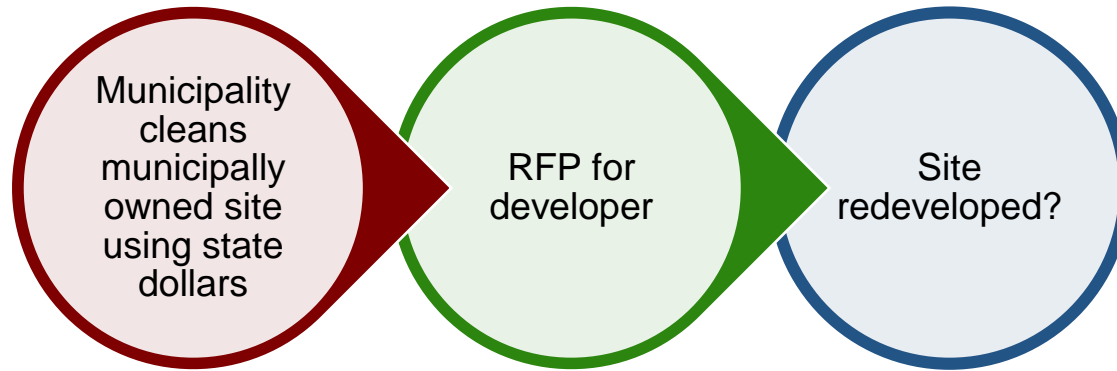
What is PPP under this Program?

The municipality or other public-entity partners with a private entity to undertake a brownfield redevelopment project

Need for PPP

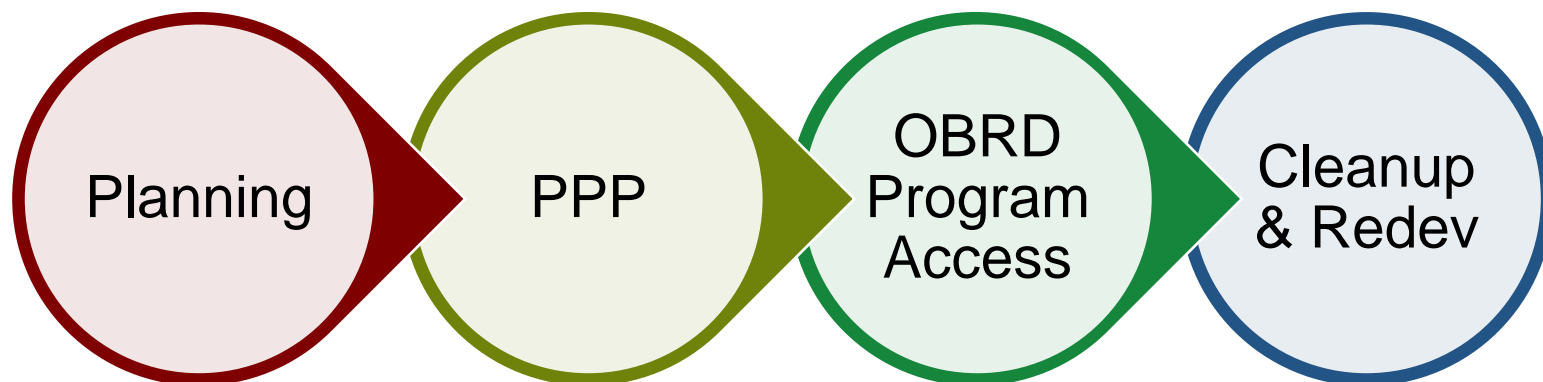
- ❑ **Brownfields are not always an attractive option for private developers**
- ❑ **Higher costs compared to greenfields (untouched lands)**
- ❑ **Burden of regulations and permits and liability risk with brownfield redevelopment**
- ❑ **Brownfield sites are usually in the best locations – downtowns, near transit, regional hubs, work centers etc.**
- ❑ **Brownfield sites usually have an already established infrastructure system**
- ❑ **The public entity can access the state/OBRD brownfield program (especially the grant program)**
- ❑ **The private entity can utilize private capital**
- ❑ **Brownfield cleanup strategies developed in tandem with the redevelopment/construction design are more cost effective**

Previous model (typical)



- **Cleanup cost much higher**
- **Reduces redevelopment options for the site**
- **The “clean-up-to” standards – residential vs industrial/commercial pre-decided before end use is formalized**
- **May not be based on market demand – highest and best end use**
- **Changing markets**
- **Gambling on a developer coming to a cleaned-up site**
- **Community “not in my backyard” issues**

Model being encouraged by OBRD



- **Cleanup costs significantly lower**
- **Smart cleanup strategies while being safe for public**
- **Results driven – DECD and OBRD’s mission will be achieved**
- **Better success rate of project delivery**
- **Will not be impacted by market fluctuations**
- **Better chance that developer stays**
- **Community sign-in assured**

Advantages for Private Entity to participate in a PPP

Opens up the grant funding option

Support of municipality to move project forward

State/Local help to tackle regulatory issues

Helps with cleanup costs

Helps choice of brownfields vs greenfield

How is OBRD Enabling PPPs

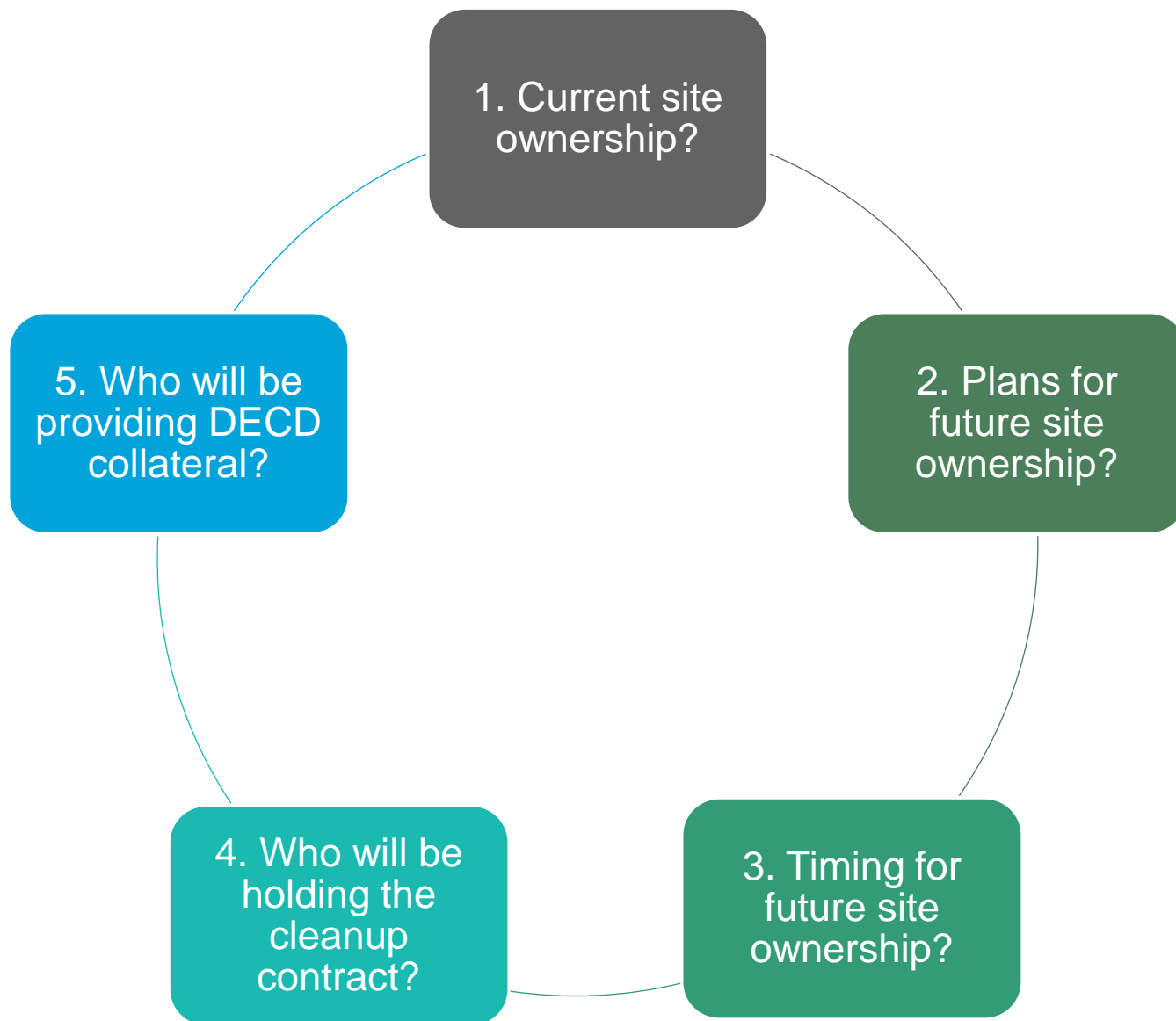
Allowing grant pass-throughs to a private entity

Offering options for different types of site ownership

Working with client team to match solutions to type of situation

Allowing grant receiving entity to make decisions on the type of pass-through

Factors Affecting the PPP Structure

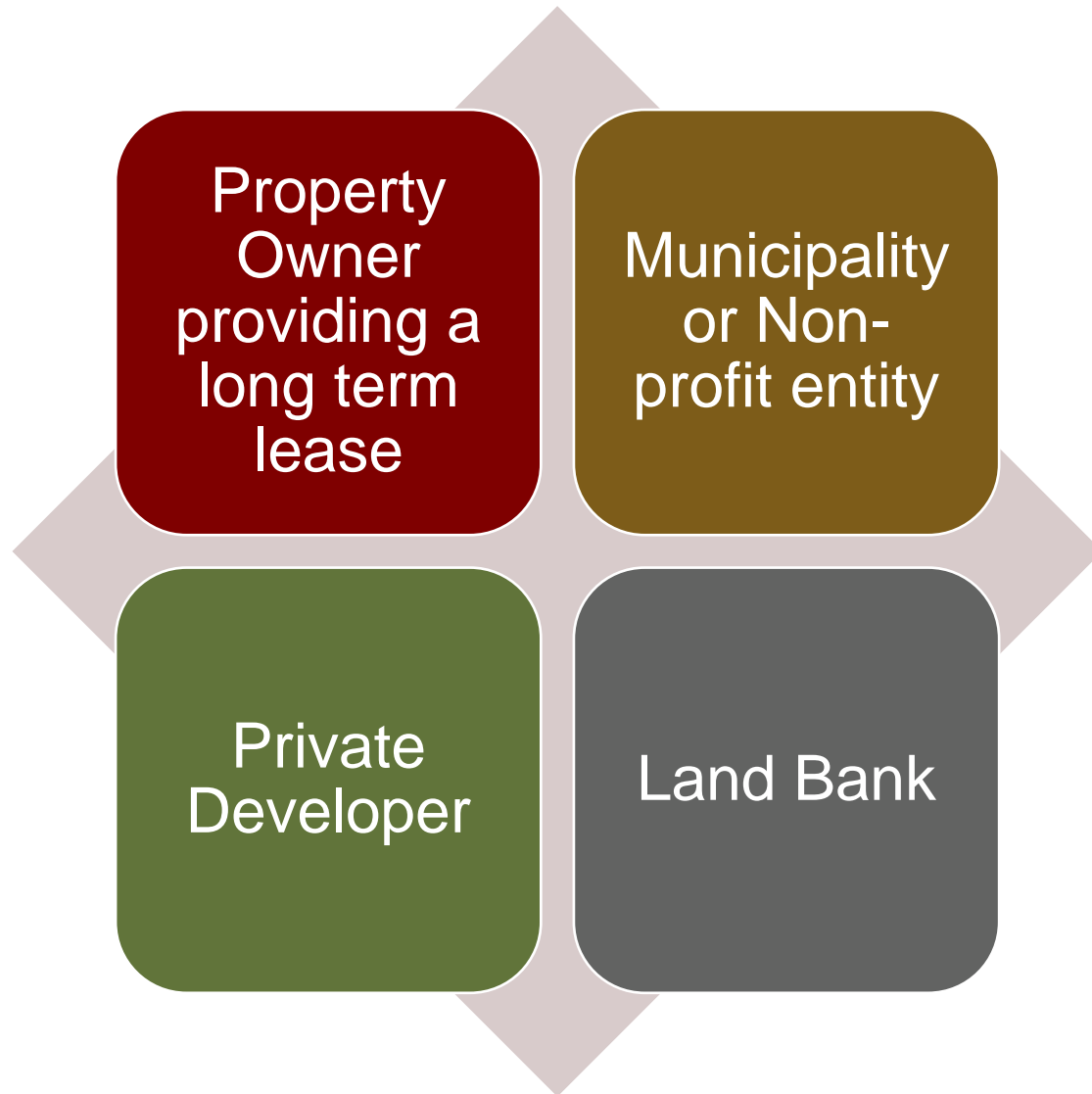


1. Current Site Ownership

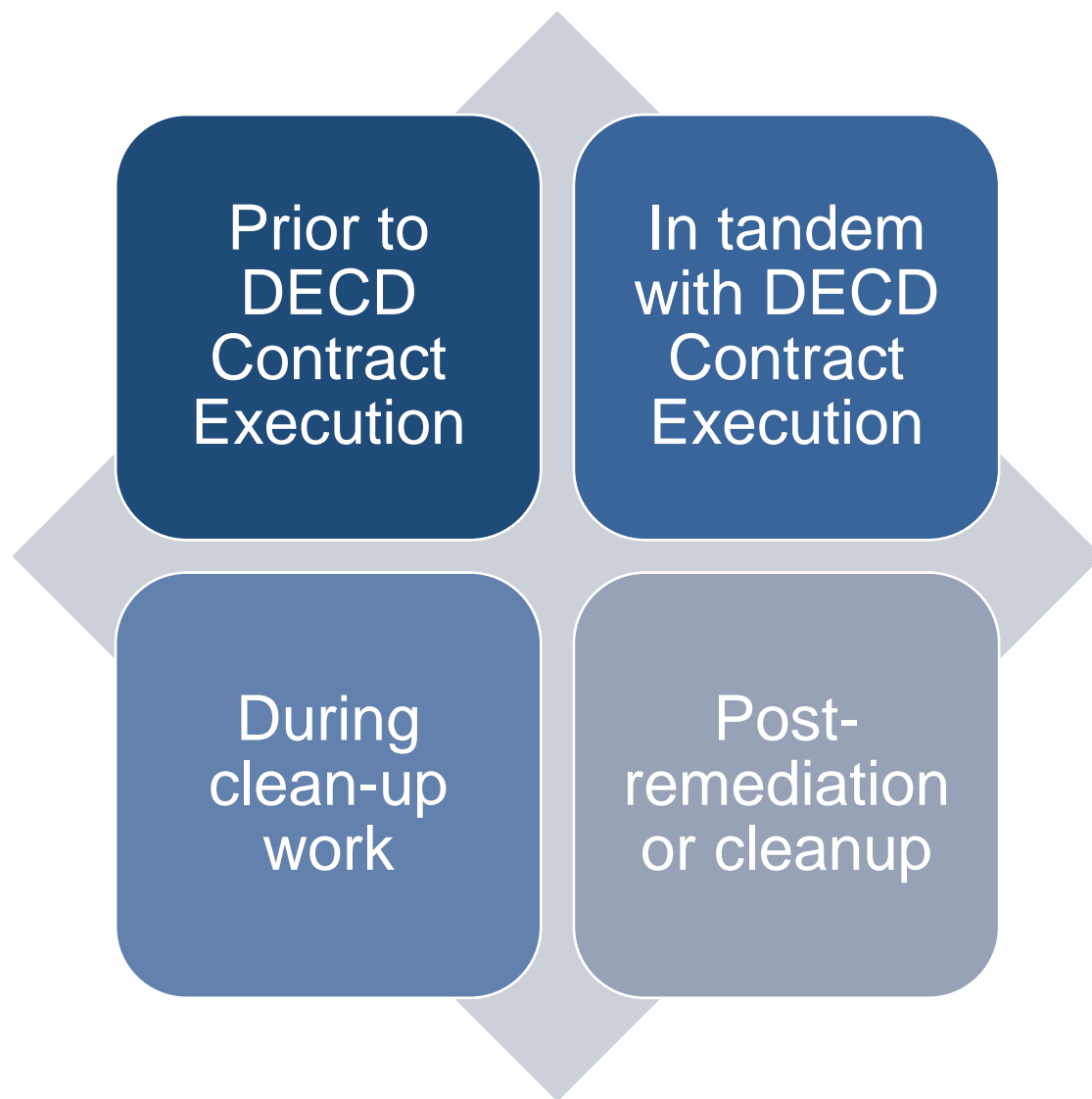
* Purchase &
Sales Agreement



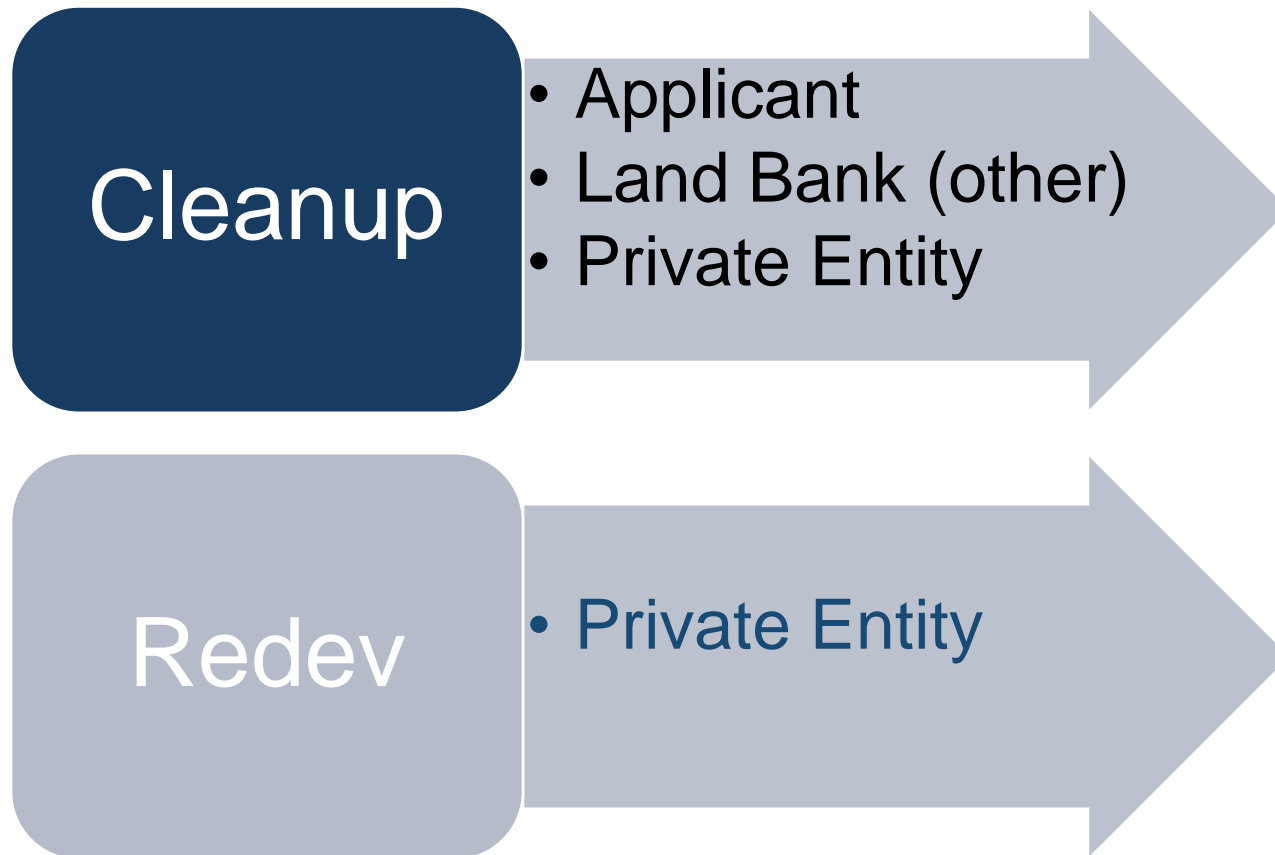
2. Future Site Ownership



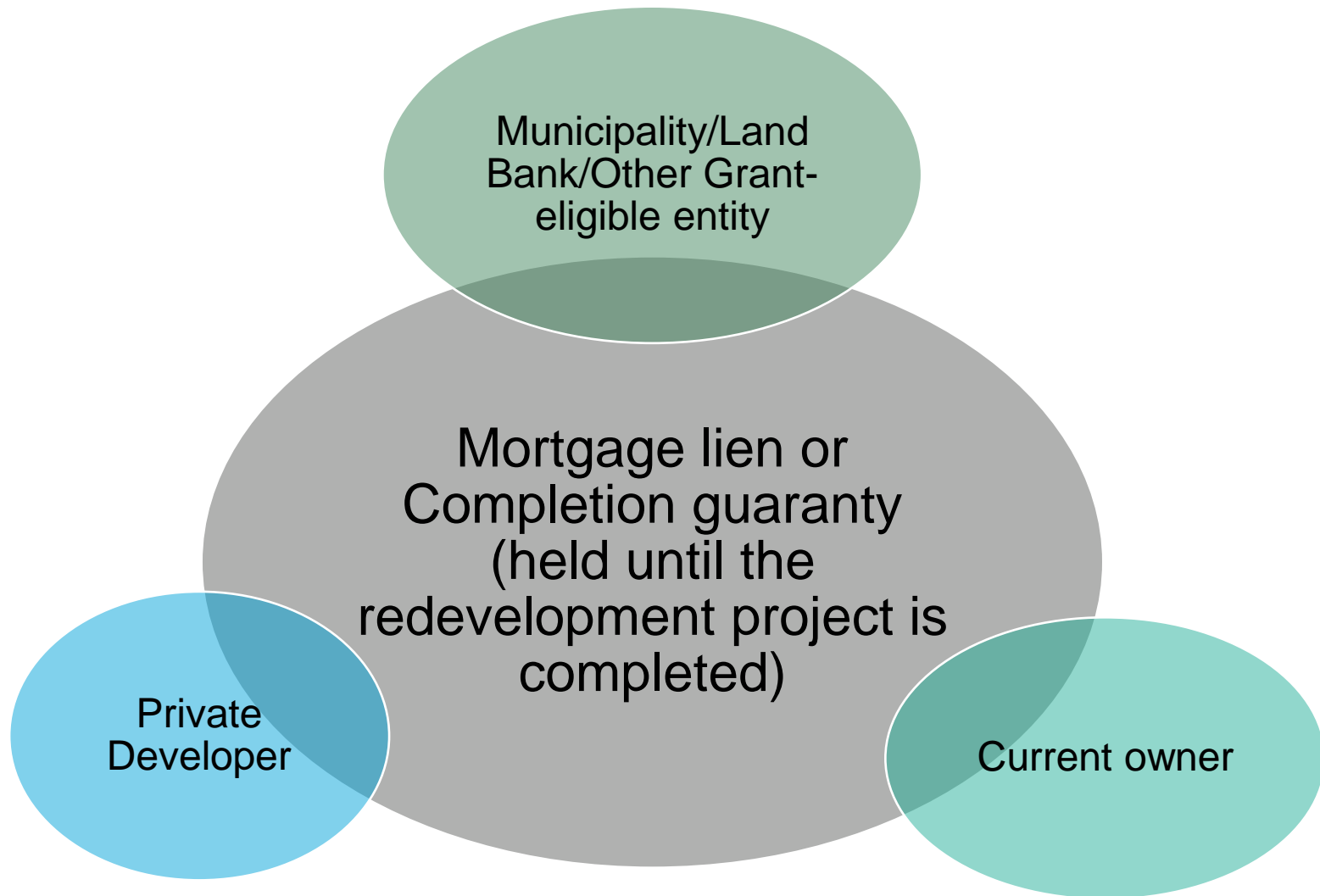
3. Timing of Site Ownership



4. Who is going to handle the work contracts?



5. Who is going to provide DECD collateral?



PPP Examples

Example #1 - Factors

Site owned by Municipality

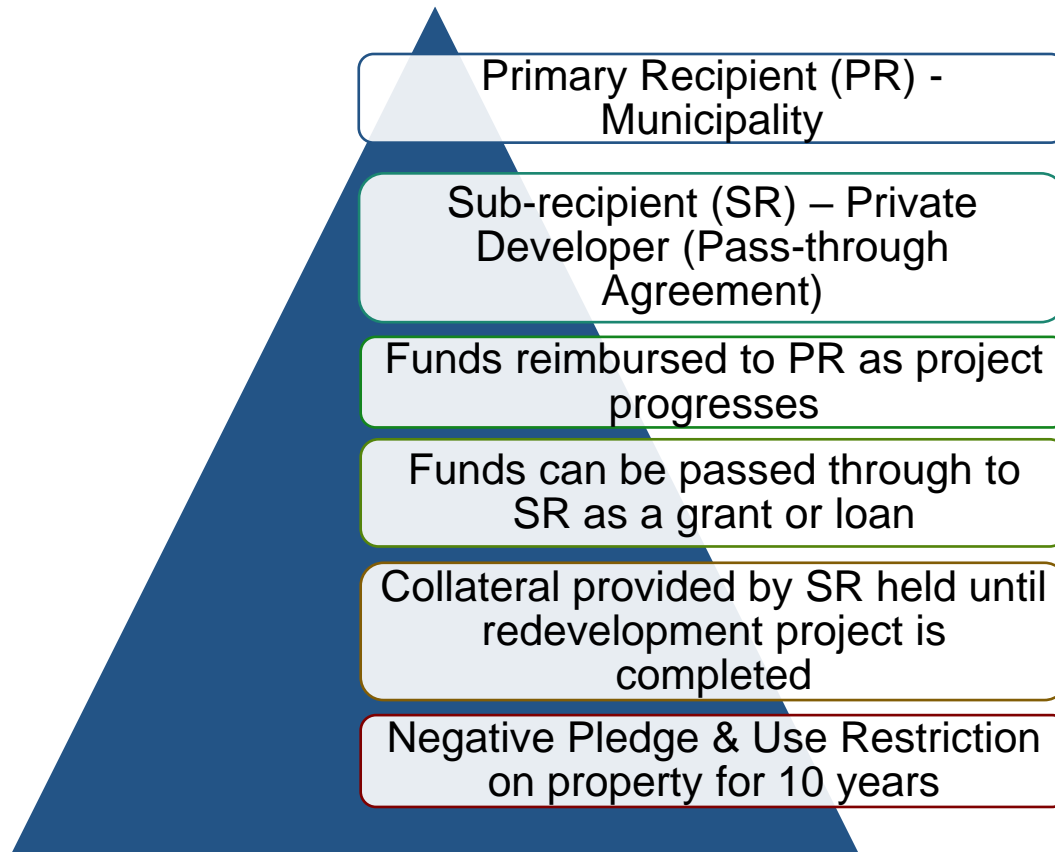
Purchase & Sales Agreement with Developer

Site Transfer at DECD Contract Closing

Cleanup & Redev Contract held by Developer

Developer providing mortgage lien as collateral

Example #1 – DECD Contract



Example #2 - Factors

Site owned by Municipality

Purchase & Sales Agreement with Developer

Site Transfer post-cleanup

Cleanup Contract held by Municipality

Mortgage provided by municipality with expectation that developer will assume mortgage upon transfer **OR** Developer or Municipality providing a completion guaranty

Example #2 – DECD Contract

Primary Recipient (PR) - Municipality

Private partner (PP) – Will be party to the DECD Contract

Collateral either provided by PR or PP (completion guaranty) and held until redevelopment project is completed

If collateral provide by PR, PP acknowledges the collateral assumption obligation once site is cleaned up and transferred

If PP provides completion guaranty, conversion to mortgage lien during property transfer also an option.

Negative Pledge & Use Restriction on property for 10 years; will have to be assumed by PP upon transfer

Example #3 - Factors

Site owned by Unrelated Seller

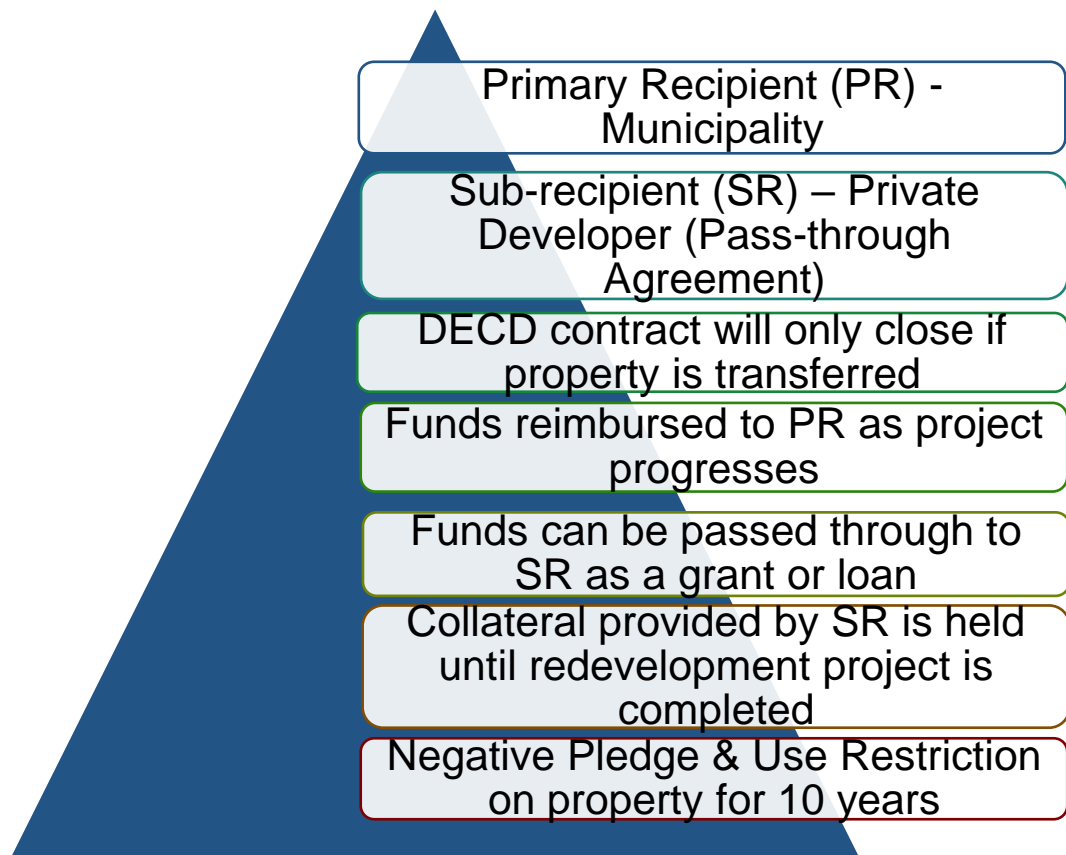
Purchase & Sales Agreement between seller and developer

Site Transfer at DECD Contract Closing

Cleanup & Redev Contract held by Developer

Developer providing mortgage lien as collateral

Example #3 – DECD Contract



Example #4 - Factors

Site owned by private owner (who is willing for long-term lease of property and is not responsible for the contamination)

Lease Agreement between owner and developer

Lease Contract executed at DECD Contract Closing

Cleanup & Redev Contract held by Developer

Developer providing completion guaranty as collateral

Example #4 – DECD Contract

Primary Recipient (PR) – Grant-eligible entity

Sub-recipient (SR) – Private Developer/Lessee (Pass-through Agreement)

Lease Agreement will have to permit SR to undertake project.

Property Owner will have to be party to the DECD Contract*

Collateral provided by SR is held until redevelopment project is completed

*Negative Pledge & Use Restriction on property for 10 years

Example #5 - Factors

Site owned by Tax Delinquent Owner

Municipality plans to take property by foreclosure and convey to a Land Bank by a Land Banking Agreement

Site Transfer to Developer after Property is cleaned up

Cleanup Contract held by Land Bank

Mortgage provided by Land Bank with expectation that developer will assume mortgage upon transfer OR Developer, Land Bank or Municipality providing a completion guaranty

Example #5 – DECD Contract

Primary Recipient (PR) – Land Bank

Private partner (PP) – Will be party to the DECD Contract

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If PP provides completion guaranty, conversion to mortgage lien during property transfer also an option.

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Thank you!

For additional questions:

Please send email to brownfields@ct.gov (preferred) or Contact the dedicated OBRD hotline number at 1.860.500.2395

Visit the OBRD Website to access the Application material:

www.ctbrownfields.gov



Thank you!

OBRD Team:

Gregory Ambros

Mark Burno

Shawntay Nelson

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Jennifer Schneider

William Wallach

Mike Wieliczka &

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