

Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund

Virginia Department of Environmental Quality
Virginia Economic Development Partnership
Webinar
September 7, 2011

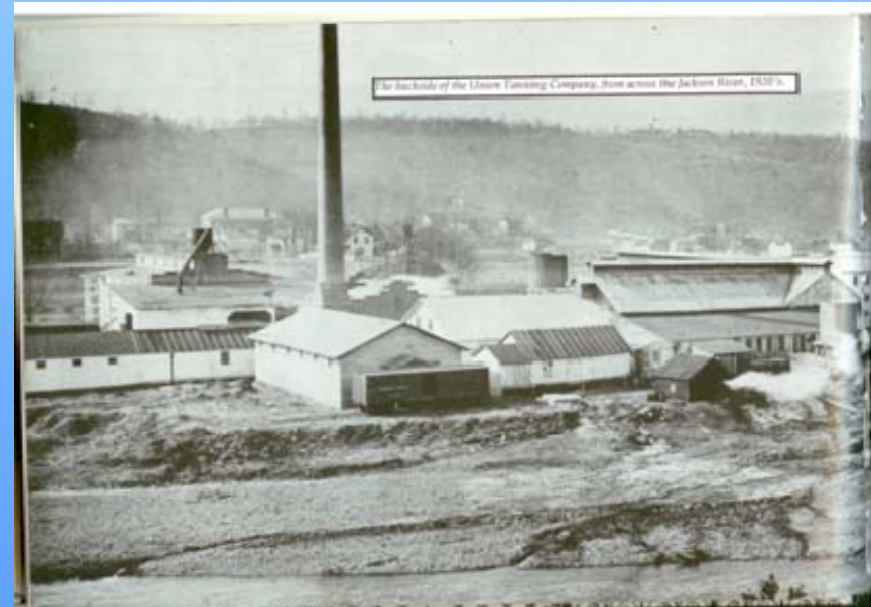


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Brownfields – the definition

- "Brownfield" means real property; the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.



§ 10.1-1231. BROWNFIELD RESTORATION AND LAND RENEWAL POLICY AND PROGRAMS

“It shall be the policy of the Commonwealth to encourage remediation and restoration of brownfields by removing barriers and providing incentives and assistance whenever possible. The Department of Environmental Quality and the Economic Development Partnership and other appropriate agencies shall establish policies and programs to implement these policies, including a Voluntary Remediation Program, the Brownfields Restoration and Redevelopment Fund, and other measures as may be appropriate.”

Brownfields Restoration Fund

- Section 10.1-1237 of the Code of Virginia
- Legislation passed in 2002
- Promoting the restoration and redevelopment of brownfield sites
- Address environmental problems or obstacles to reuse
- Expected to be grants
- Counties, cities, towns, industrial/economic development authorities and redevelopment and housing authorities are eligible
- Focused on addressing environmental issues so sites can be effectively revitalized
- Economic redevelopment potential to play a significant role for selection

Brownfields Restoration Fund

The money, the match, & the schedule

- Capitalized with \$1,000,000 for FY2012
- Maximum \$50,000 grant
- Initial award to be approximately \$500,000 in awards
- Required 1 to 1 match
- Applications due September 30, 2011
- New requests to be handled on a case by case afterward initial selection
- Complete projects by December 31, 2012

Outline of Topics

- Eligible Applicants
- Eligible Properties
- Eligible Use of Funds
- Local Match & Allowable Costs
- Fund Access (when you get the money)
- Funding Priorities
- Application Procedures & Timetable (deadlines)
- Contract Obligations
- Reporting and Feedback

Eligible Applicants

- Only political subdivisions, including counties, cities, towns, industrial/economic development authorities and redevelopment and housing authorities, may apply for VBAF grants (Applicants)

Eligible Properties

- Targeted toward projects or phases of work that can be completed
- Targeted toward projects that show “potential for redevelopment of the site”
- Demolition is de-emphasized
- Demolition activities should be directed to the VDHCD for potential funding under the Industrial Revitalization Fund/Derelict Structures Fund
- Property can be privately owned during pre-acquisition studies (ie Phase I & Phase II Environmental Site Assessments and additional characterization)
- Property must be under public ownership for actual cleanup/remediation funding (ie removing contaminated soil, etc)

Eligible Uses of Funds

- **Environmental and cultural resource site assessments**
- **Remediation of a contaminated property to remove hazardous substances, hazardous wastes, or solid wastes**
- Necessary removal of human remains, the appropriate treatment of grave sites, and the appropriate and necessary treatment of significant archaeological resources, or the stabilization or restoration of structures listed on or eligible for the Virginia Historic Landmarks Register
- Demolition and removal of existing structures, or other site work necessary to make a site or certain real property usable for new economic development
- **Development of a remediation and reuse plan**
- VBAF grant proceeds may only be used for **expenses incurred after the signing of the VBAF grant performance agreement**

Single Site or Multiple Properties

- Single site
- Can be focused toward multiple properties, if there is a linkage among properties
- Target key properties with redevelopment potential
- Single application
- Award remains capped at \$50,000

Local Match : Local Responsibility

- Applicants are required to provide a local match of at least 100 percent
- Private or public sources
- Higher local match will cause the application to be considered more favorably
- Costs incurred after July 1, 2006
- Costs incurred prior to December 31, 2012

Match : Allowable Costs

- Must be associated with the work being done with the grant proceeds
- Environmental and cultural resource site assessments
- Remediation of a contaminated property to remove hazardous substances, hazardous wastes, or solid wastes
- The necessary removal of human remains, the appropriate treatment of grave sites, and the appropriate and necessary treatment of significant archaeological resources, or the stabilization or restoration of structures listed on or eligible for the Virginia Historic Landmarks Register
- Demolition and removal of existing structures, or other site work necessary to make a site or certain real property usable for new economic development
- Development of a remediation and reuse plan
- Engineering
- Design or architectural activities as well as other costs such as public notices, permit fees and inspections costs

Match : Allowable Costs (continued)

- Environmental testing and costs associated with the purchase of the property may also be used for the match
- Local match may include federal (including EPA Brownfields Grant), local or private funds
- Applicant may count all such costs spent after July 1, 2006, on activities related to the targeted project. For local matches yet to be expended or incurred, the Applicant must reasonably expect to expend or incur such costs prior to December 31, 2012

Administrative Costs

- Recipients may use up to three percent (3%) of the VBAF grant proceeds to cover out-of-pocket administrative costs
- Recipients may use as local match an additional five percent (5%) to cover such administrative costs

Fund Access

- Performance agreement between VEDP and the Recipient outlining end products, conditions, fund disbursement and termination must be executed
- Disbursed in two payments, with fifty percent (50%) paid at the time that the VBAF grant performance agreement is signed and fifty percent (50%) paid when (a) the final report is filed; (b) project is complete or (c) an amount equal to the remaining VBAF grant proceeds has been expended or incurred
- Additional grant disbursement, in an amount up to 20% of the original grant, can be made if needed to complete a cleanup or remediation

Program Funding Priorities

- Use or reuse of existing infrastructure
- Limited ability to draw on other funding sources
- The potential for redevelopment of the site
- The economic and environmental benefits
- Extent of the perceived or real environmental contamination

Application Timetable

- First round of applications will be due by September 30, 2011
- October 31, 2011, VEDP will announce awards to be made
- Initial round will be approximately 10 awards
- Performance agreements will be negotiated and completed by the end of December, 2011, with 50% of each grant expected to be paid at that time
- After initial selection round, new applications will be accepted and evaluated on a case by case basis depending upon remaining funds

Contractual Obligations

- All performance agreements are subject to negotiation with VEDP
- The performance agreements will require each Recipient to complete its project by December 31, 2012
- Any Recipient that does not use all of its designated funds by December 31, 2012 will, to the extent applicable, be asked to repay disbursed funds that have not been used and/or will lose the remaining fund balance
- Changes to the scope of work identified after a performance agreement has been signed will be permitted if authorized by VEDP, in consultation with DEQ

Application Procedures

- The application shall consist of the FY 2012 Virginia Brownfields Assistance Fund form, and any associated documentation for the proposed project
- Completed applications are due by 4:30 p.m. EDT on Friday, September 30, 2011
- **Brevity is considered a virtue** – Please be concise yet well documented
- Prefer that application materials be sent electronically

Application

- Attached to the end of the Guidance
- Again: **Brevity is considered a virtue**
- Capped length of response (however we will not be counting words...)
- We are hoping for the application to provide a snapshot of the **site**, the **environmental conditions**, **economic benefits/low income of a community**, **potential for redevelopment**, **existing infrastructure**, **environmental conditions**, **proposed work**, **schedule**, **match**, **budget**, and whether the site is/may be enrolled in the VRP
- Application materials must be received no later than 4:30 p.m. EDT on Friday, September 30, 2011

Application Submission

VEDP and DEQ strongly prefer that application materials be sent electronically

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Guidelines and Information

- <http://www.virginiaallies.org>
- <http://www.virginiaallies.org/assets/files/BrownfieldFundGuidelines.pdf>
- <http://www.deq.virginia.gov/brownfieldweb/homepage.html>

Reporting and Feedback

- Progress reports requested by December 31, 2011 if possible in order to received some feedback prior to the next General Assembly session
- Reporting format is flexible
- Brief e-mail describing progress to date

Win / Win for All

- The funding is used as the catalyst for completing a sale/purchase of property by public or private organization
- Helps complete characterization or cleanup leading to redevelopment of the property
- Targeted focus area moves forward with revitalization
- Site with existing infrastructure revitalized

Brownfields and the Industrial Revitalization Fund

- Envisioned as complementary funds
- VBAF to resolve environmental impediments
- IRF meant to be used for revitalization of structures which are vacant or deteriorated
- Both funds are meant to assist with redevelopment and revitalization especially in areas with economic stress

Industrial Revitalization Fund

- \$3,000,000 for FY 12 to be used for the redevelopment of vacant and deteriorated industrial properties across the Commonwealth.
- The term *industrial* will be considered to mean any large-scale non-residential structure.
- Structures are no longer suited for their former purpose, and in their current deteriorated condition, stand as a significant deterrent for future economic opportunity in the surrounding area and region.
- Meant to leverage local and private resources to achieve market-driven redevelopment of these structures, creating a catalyst for long-term employment opportunities and ongoing physical and economic revitalization.
- Eligible properties and structures must be vacant and deteriorated and may be redeveloped for any market-driven purpose including mixed-use, regardless of the original use.



Funding Priorities

- Clear relationship to local or regional **strategy**
- High degree of **blight** and deterioration
- Project **readiness** with a clear end use
- Economic **impact** of end use
- High degree of economic **distress**



Schedules

- Applications accepted beginning September 9, 2011
- Continuing through December 31, 2011
- Or until all fund committed
- Review on a rolling basis



Questions

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