

Overview of NJ Brownfields Redevelopment Incentive Program

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Community Development/Brownfields and Sustainable Systems

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What is the Brownfields Redevelopment Incentive Program?



Provides tax credits to incentivize **brownfields redevelopment** throughout New Jersey.



Program is **well funded with \$300MM**; Round 1 applications **due September 21, 2023**



Provides incentives on all phases of brownfields redevelopment **from investigation through remediation**.



Also includes demolition and disposal of structures, asbestos abatement, contaminated paint and wood removal, and infrastructure remediation.



Allows for the **redevelopment** project to be a **remediation-only** project.



Potential to stack with other funding **programs**, including Aspire and Historic.



Tax credits are **transferable** (can be sold).



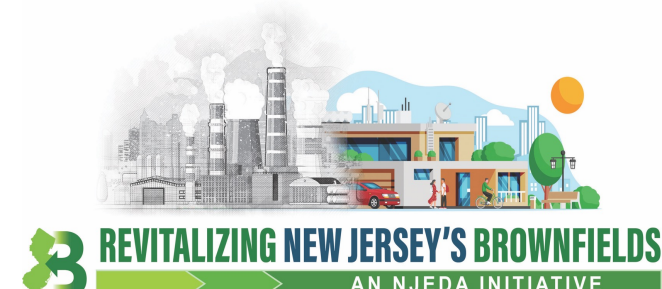
Higher incentives in special areas of the state.

Perks of the Brownfields Redevelopment Incentive Program



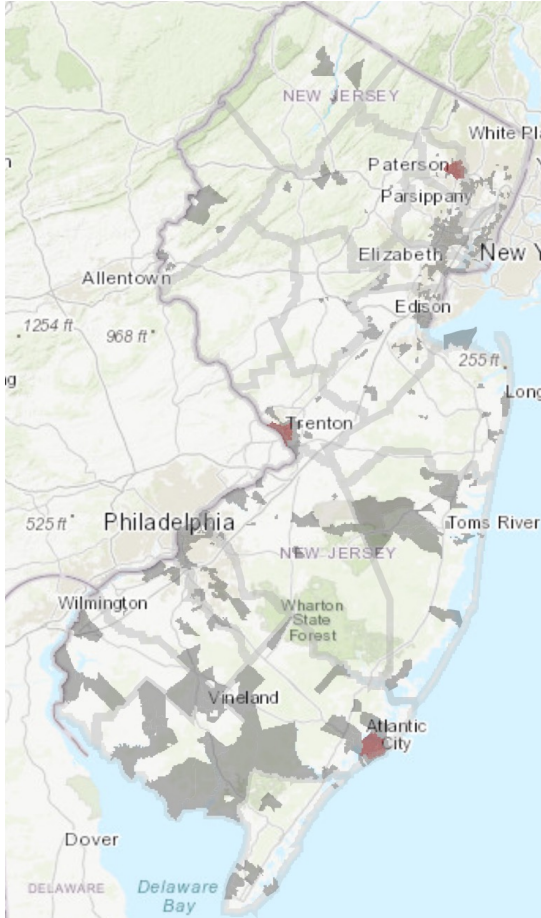
- ▶ Up to \$8MM for remediation, depending on location
- ▶ Includes demolition on brownfield sites
- ▶ Tax credit may be sold
- ▶ Closes the finance gap on upside down properties

<https://www.njeda.com/brownfield-redevelopment-incentive/>



Award Size

TAX CREDITS



50% up to \$4MM

Redevelopment projects **NOT** located within a qualified incentive tract or a government-restricted municipality:

- **50 percent** of eligible remediation costs up to a maximum of **\$4 million**
- **Equity contribution** is **20%** of remediation costs

60% up to \$8MM

Redevelopment projects located within a **qualified incentive tract** or a **government-restricted municipality (Atlantic City, Paterson, Trenton)**

- **60 percent** of the cost of eligible remediation up to a maximum of **\$8 million**,
- **Equity contribution** is **10%** of remediation costs.



Key Features of BRIP

Eligibility Wizard <https://www.njeda.com/bri-eligibility-assessment-tool/>

- ▶ Who is eligible: Eligible entities include for-profit and non-profit developers, and municipalities / redevelopment agencies.
- ▶ What sites are eligible: Eligible properties must be a brownfield site, and the applicant must not be in any way “liable” or “responsible” for the contamination at the site. Brownfield sites throughout the state are eligible for the program. You do **not** need to own the site.
- ▶ What activities are eligible: Remediation activities are eligible.
- ▶ Tax Credits are awarded via **competitive** application process; tax credit is a one-time tax credit issued in the year of completion of remediation.
- ▶ **Prevailing wage** applies to entire site
 - ▶ **Construction PW** for 2 years following issuance of tax credit
 - ▶ **Building Services PW** for 10 years following project completion



Eligible Activities

- ▶ Soil and groundwater investigation
- ▶ Site remediation
- ▶ Hazardous materials assessment and survey
- ▶ Hazardous materials or waste disposal
- ▶ Prior environmental assessments and investigations within 24 months of application submission
- ▶ NJDEP site remediation and permit fees
- ▶ Planning activities that are brownfield related, such as conceptual reuse designs, Remedial Action Workplans
- ▶ Building and structural issues, including:
 - Demolition
 - Asbestos abatement
 - PCB removal
 - Contaminated wood or paint removal
 - Other infrastructure remedial activities



Ideal Project for the Brownfields Redevelopment Incentive Program

- ▶ Larger scale remediation and/or demolition
- ▶ **NOT** an owner of the site, unless it is owned by a public entity (due to the ownership liabilities under the NJ Spill Act) - some exemptions apply
 - ▶ Solutions: Lease the site; Enter in a Pre-Purchase ACO w/ DEP; structure the deal so to delay closing on the site until approved by EDA and redevelopment agreement is executed.
- ▶ Well defined areas of concern in order to propose remediation costs that are reasonable and appropriate since the tax credit cap cannot be increased after award
- ▶ Use of prevailing wage
- ▶ Project financing gap exists



Visit the BRIP website for additional tools and resources

- ▶ Resources already available at <https://www.njeda.com/brownfield-redevelopment-incentive/>
- Eligibility Self Assessment Tool <https://www.njeda.com/bri-eligibility-assessment-tool/>
- Mapping Assistant Tool
- Program Scoring Criteria
- Green Remediation Requirements
- Program Rules
- Program Flyer
- FAQs
- Application Materials-Sample Application, Application Checklist, and Forms



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BROWNFIELD REDEVELOPMENT INCENTIVE

The Brownfields Redevelopment Incentive is a \$50 million per year competitive, project-based tax credit. The program provides a one-time transferrable tax credit to incentivize environmental remediation, abatement, and demolition activities that will allow for the redevelopment of brownfields sites for commercial, retail, or mixed-use development or expansion.

PROGRAM GUIDE

- Eligibility
- Award Size
- Fiscal and Resident Protections
- Fees

[BEFORE YOU APPLY](#)



[Eligibility Self-Assessment Tool](#)



Next Steps



- ▶ Please share this webinar information with your contacts that have an interest in brownfield assessment, remediation, and redevelopment through emails, meetings, presentations, social media
- ▶ Use BFSS flyers: [BRIP Launch](#) and [Brownfield Programs](#)
- ▶ Understand the basics
 - Identify brownfield sites in your community for redevelopment
 - Applicant does not need to own the site for any of these programs
 - While we do offer funding for assessment and investigation services in many cases, we generally do not fund cleanups on sites where the owner is considered liable for the contamination.
- ▶ Send referrals to us – we have a dedicated email address: bftaxcredit@njeda.gov
- ▶ Tell us how can we help you? Through the webinar chat or email



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