

Risky Business

Overcoming Challenges and Attracting Investment at Brownfields Sites

**EPA RE-Development
Academy**

October 15, 2021



Today's Objectives

We'll discuss actions your community can take to manage risks and liabilities and attract investment for sites in economically distressed areas.

- Various ways to address risks and liabilities related to a brownfield property.
- How to develop and use a brownfield investment package
 - What is it?
 - How can it help attract interest and potential investment?



Webinar Instructors



Jim Rocco, is an environmental and transactional risk consultant. He brings over 40 years of experience in the management, communication, and resolution of environmental and transactional risks and liabilities related to brownfield and other environmentally impacted properties. His focus includes the accessibility, presentation, and dissemination of information through the use of geographic information systems (GIS) and tabular databases.



Patrick Rowe is a public finance and real estate development professional with over 15 years of experience. He works with communities around the country, helping match public and private finance to make redevelopment projects work. He is an expert in opportunity zones tax credits, municipal, state and federal funding programs and creating public/ private partnerships using local incentives to get deals done.



Will Warren, is an Economic Development Consultant with Vita Nuova and a Certified Economic Developer (CECD) through the International Economic Development Council (IEDC). He brings over a decade of development experience to the Vita Nuova Team. His past development experience has allowed him to work in the public and non-profits sectors at the local, regional, state and federal level, creating economic and community development opportunities resulting in increased job growth and the creation of business investment.



Agenda

Removing Barriers – Recap (5-min)

Overcoming Challenges (10-min)

Questions (5-min)

Market Viability and Project Economics (15-min)

Questions (5-min)

Sustainable Disposition Strategy (10-min)

Attracting Investment (20-min)

Questions/Wrap up (15-min)



Removing the Barriers

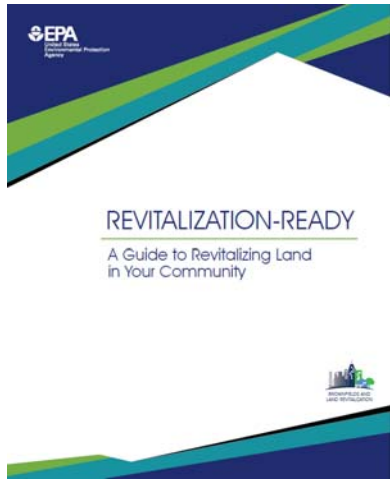


Repositioning Brownfield Sites for Success



Source: Revitalization-Ready Guide





Revitalization-Ready

EPA's Guide to Revitalizing Land in Your Community

- Understand needs
- Compile information
- Evaluate opportunities
- Understand constraints
- Define a path forward
- Make the reuse vision a reality

Removing the Barriers

Objective

Give communities a foundational understanding of the land revitalization process, including key questions to ask when decision-makers want to identify where expert assistance might be needed and improve communication with those experts.

A	B	C
Property size	200 acres	
Developable acreage	162 acres	One or more constraints affect
Maximum allowable lot coverage	No data	
Floor to area ratio (FAR)	No data	
Maximum building height	No data	
Number of buildings/structures onsite	4	One or more buildings will r
Total square footage of buildings/structures onsite	No data	
Are asbestos containing materials in any structures?	Yes	Asbestos will need to be inv
Has a Phase I Environmental Assessment	No	A Phase I Environmental st
Have All Appropriate Inquiries been conducted	No data	An All Appropriate Inquiries
Has the property been assessed?	Yes: Investigations in process	Completing a property asse
Is there known contamination?	Yes	The environmental conditio
Has remedial action been conducted	Remedial Action Plan Approved	Remedial Action May be Re
Will investigation or remedial action be required after development or property transfer?	Yes	Responsibility for environm
Estimated remediation cost	\$2,160,000	
Is there public water onsite?	No	May be a constraint for dev
Is there sanitary sewer onsite?	No	May be a constraint for dev
Current zoning	No data	
Are access roads in good condition?	No	May be a constraint for dev





Due Diligence Process

- Due Diligence is the process of identifying attributes and characteristics of the property.
 - Environmental Due Diligence – Assessing the environmental condition and regulatory issues affecting the use of the property.
 - Conducted to meet the requirements for all appropriate inquiries
 - Real Estate Due Diligence – Identifying available infrastructure, accessibility, easements, zoning and other characteristics to support reuse of the property.
 - Conducted to identify attributes and characteristics about a property that affect the ability to transfer or reuse a property



Site Reuse Assessment

- Identifies and evaluates key attributes and strengths/weaknesses about a property
 - site documentation
 - market data
 - environmental conditions
- Findings can
 - be used to identify possible funding sources and support grant applications
 - help potential developers or buyers evaluate the property

A Site Reuse Assessment helps communities understand the challenges associated with brownfields, set realistic expectations and prepare proactive redevelopment strategies.



Opportunities and Constraints Analysis

This analysis looks at the information gathered in the Site Reuse Assessment and determines how redevelopment will be supported or constrained based on these four key components:

- *Site Characteristics Analysis*: documents the property features, such as landscape (e.g. wetlands, floodplain, surface water, steep slopes); buildings and structures; and deeded rights (e.g. legal easements, restricted uses, water rights)
- *Environmental Analysis*: determines the impact of environment conditions on property reuse
- *Land Use Assessment*: identifies land use options consistent with land characteristics and local land use regulations
- *Infrastructure Assessment*: identifies current conditions (e.g. utilities, access) that may present potential opportunities or constraints on future uses



Overcoming Challenges



Site Description



Site Description

Various manufacturing operations from early 1900's to 2000;
abandoned since 2000

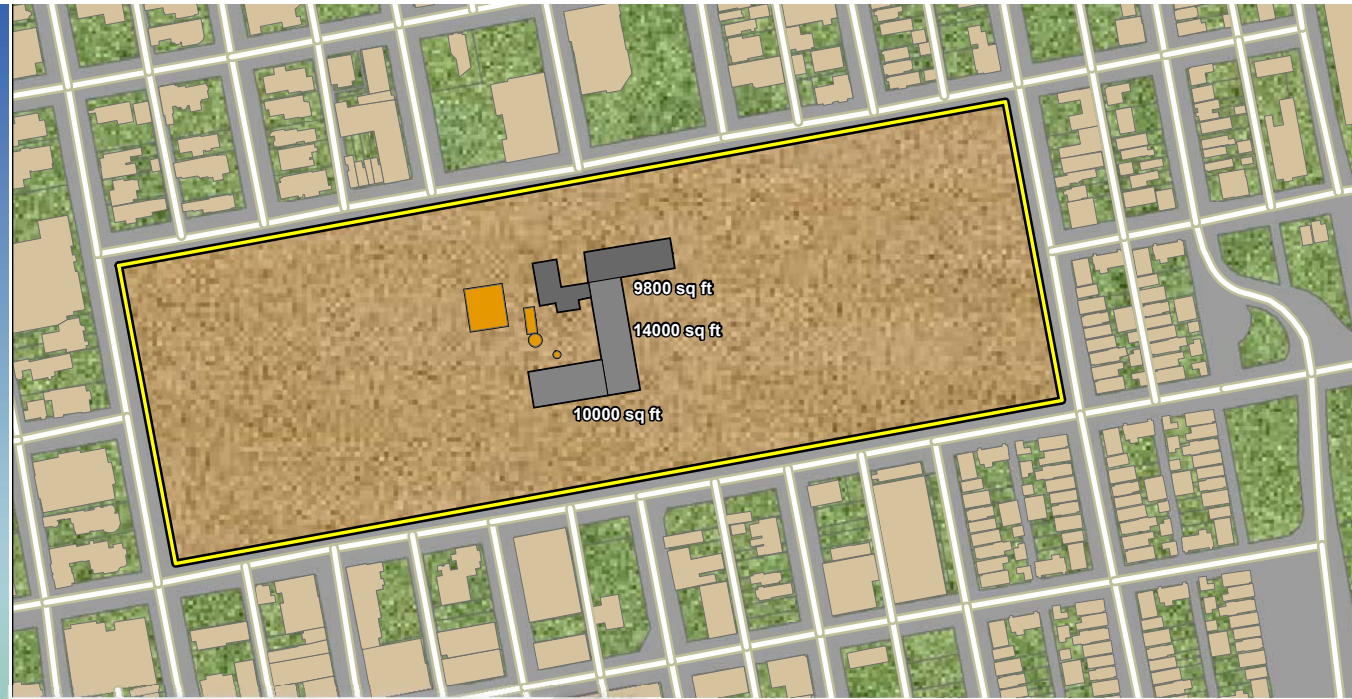
Town acquired site

Approximately 10+ acres

\$1,000,000 Appraised Value

Buildings remain

National Register of Historic Places



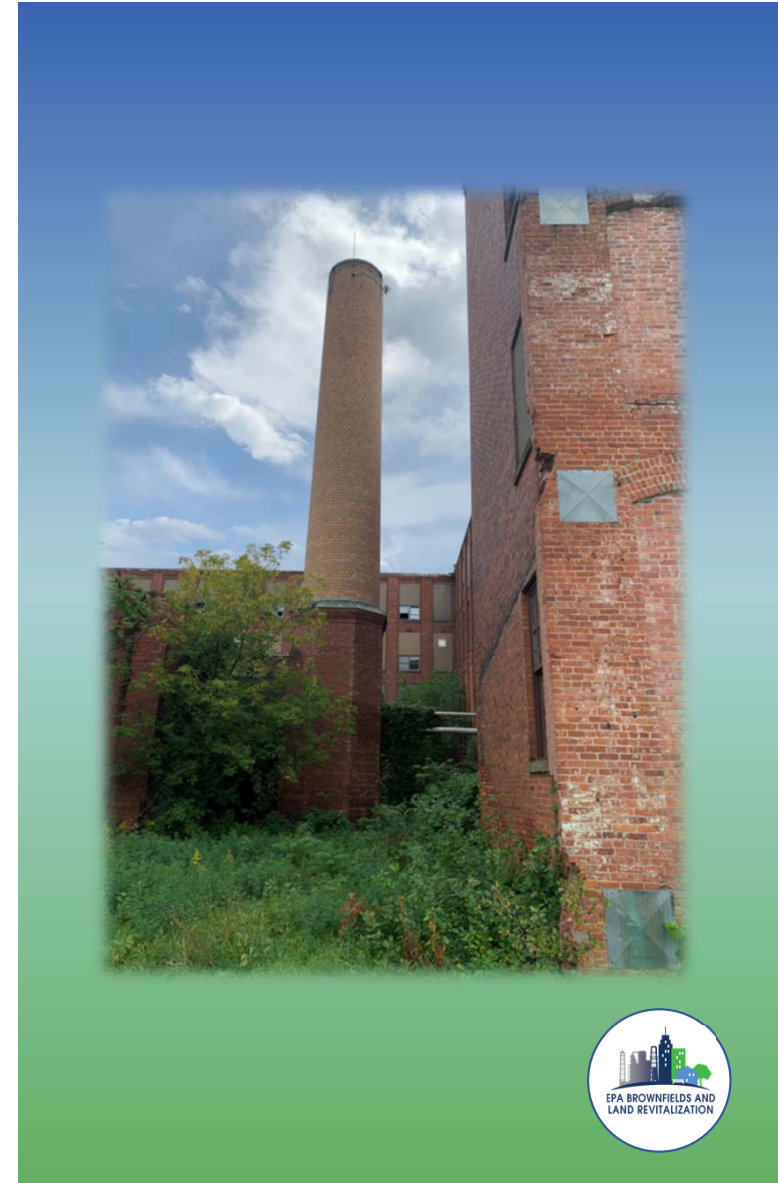
Opportunities Identified

- South of state highway with approximately 5,500 average annual daily trips (AADT) combined for both directions
- Less than 2.5 miles from the nearest exit on Interstate
- Buildings
 - Office/Manufacturing Buildings - 4-stories & basement, 135,000 sq ft
 - Boiler House – 1-story & basement, 6,100 sq ft
 - Storage – 1-story & basement, 5,900 sq ft
- Utilities
 - Served by municipal water and municipal power at low rates
 - Natural gas
 - Access to redundant high-speed fiber internet
- Zoning – Planned District Special
 - Allows for significant development flexibility for uses, setbacks, parking ratios, and building heights, which are set by the Planning Board



Constraints Identified

- Environmental
 - Groundwater – PCE & degradation products; petroleum hydrocarbons
 - Natural attenuation appears to be occurring
 - Soil Gas – Eastern half of site
 - Vapor to indoor air; PCE, degradation products, BTEX
 - Metals in soil
 - Most surface soil samples exceed unrestricted use standards
 - Hotspots where the soil concentrations exceed state standards
- Buildings
 - Structurally sound but...
 - Asbestos
 - Lead-based paints
- 100-year flood zone



Overcoming Challenges



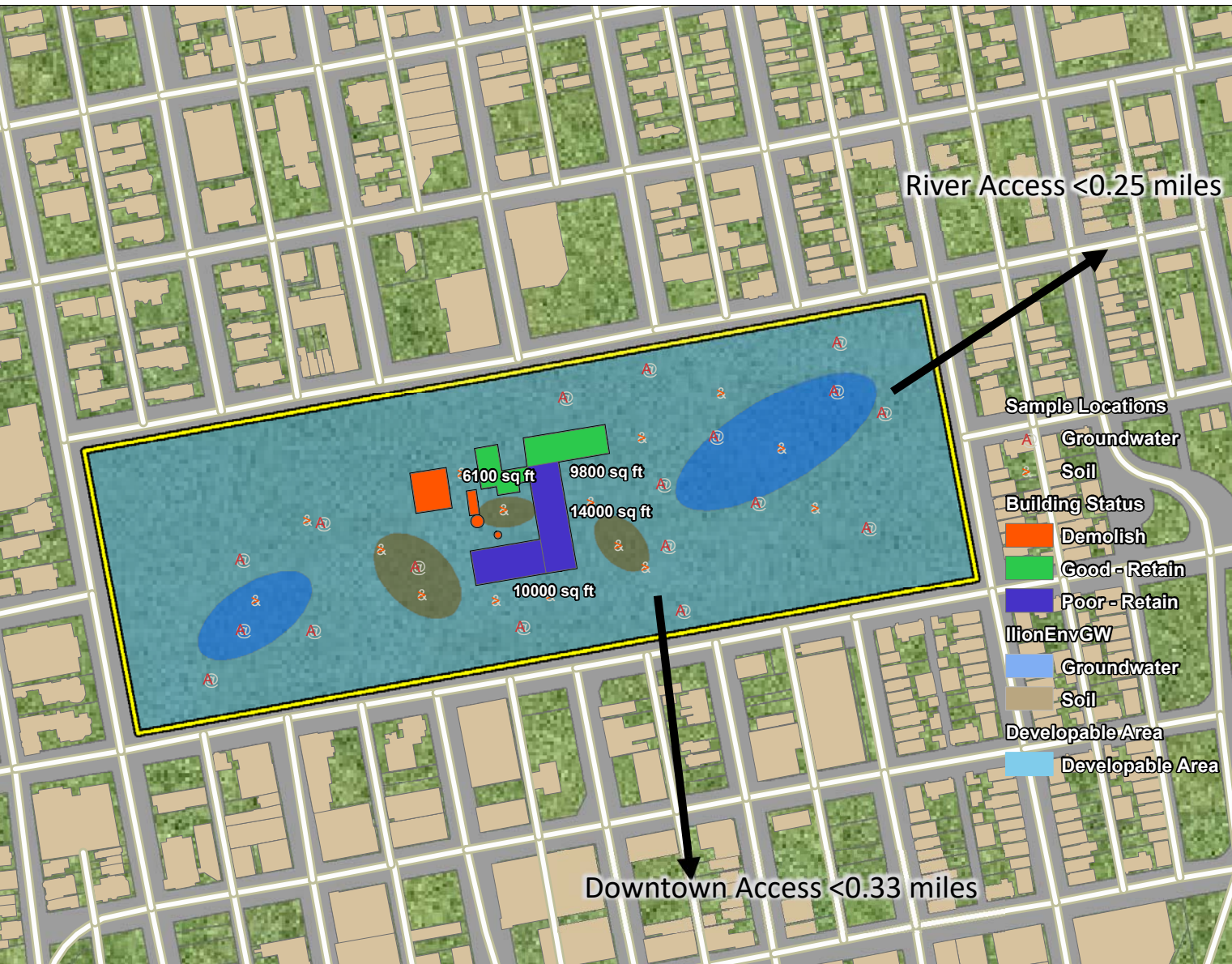
Reuse Planning



Reuse Plan

- Mapping and visualization
- Developable Area
- Developing a reuse vision
- Identifying and managing risks and liabilities
- Market viability
- Financial analysis and project economics
- Feasibility
- Disposition strategies





Mapping and Visualization

Using maps to show the property and results of the reuse assessment is important during the visioning process

Developable Area

The area that can be used

Buildings, other structures

Parking and other activities not requiring a structure



Reuse Vision

Construct one or more reuse scenarios

Stakeholder involvement

The community needs and concerns

Environmental condition analysis

Land use assessment

Infrastructure assessment

Available area that can be developed

Scenario 1 – Repurpose Residential/Retail Mixed Use/Warehouse

- Reuse existing buildings
- Available labor/workforce
- Low-cost utilities
- Access to recreation and downtown
- Access to redundant high-speed fiber internet
- Flexible zoning

Scenario 2 – New Construction Residential/Retail Mixed Use/Warehouse

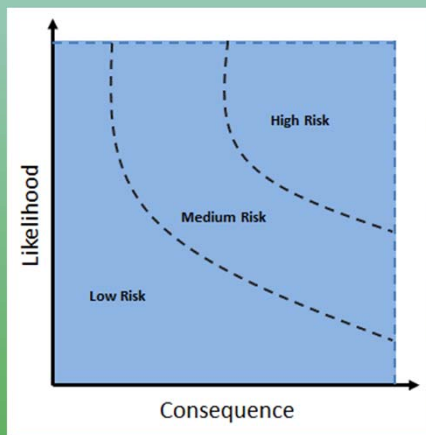
- Flexibility in development design
- Available labor/workforce
- Low-cost utilities
- Access to Recreation and downtown
- Access to redundant high-speed fiber internet
- Flexible zoning



Risk and Liabilities

Generally associated with the project constraints

Responsibilities that a local government or another entity may become legally obligated or accountable for



Environmental Liability

- No responsible party identified
- Soil/Groundwater impacts
- Asbestos in buildings



Financial Liability

- Soil/Groundwater Remedial Action
- Building demolition
- Asbestos removal
- Old foundation removal
- Market risk



Community Issues

- Safety/health hazards
- Neighborhood opposition to industrial uses



Managing Risks and Liability

Understand and Quantify Risk

- Property

Control Risk

- Property
- State/Federal Statutory Protection
- Transactional

Transfer Risk

- Transactional
- Insurance

Environmental Liability

- Integrate remedy with development
- Parking area pavement cap over groundwater impacted area
- Groundwater monitored natural attenuation
- Soil hot spot removal
- Asbestos removal in buildings

Financial Liability

- Liability Transfer
 - Environmental Remedial Action
 - Old foundation removal
- Retain liability
 - Environmental Remedial Action
 - Building demolition
 - Asbestos removal

Community Issues

- Demolition of buildings
- Reuse/Refurbishment of buildings
- Residential/Retail mixed use



QUESTIONS

Market Viability and Project Economics



Market Viability

- Overall (area) market climate
 - Slow growth, residential demand
- Potential viable land use options
 - Mixed use – residential/retail
- Building demand/vacancy
 - Local demand for residential/senior housing
- Lease rates/rents
 - No local comparable
 - Extrapolated from regional data
- Building costs (per square foot)
 - No local comparable
 - Extrapolated from regional data

Refurbish Construction Costs (\$/SF)

Residential	\$250.00
Retail	\$175.00
Office	\$175.00
Warehouse	NA

New Construction Costs (\$/SF)

Residential	\$285.00
Retail	\$200.00
Office	\$200.00
Warehouse	\$ 55.00

Lease Rates (Monthly)

Residential	\$1,350
Commercial/Retail	\$1,013
Office	\$1,050
Warehouse	\$ 525



Financial Analysis and Project Economics

Understanding project economics from the perspective of a developer-investor is crucial to understanding what it takes for a project to be viable

- Pro forma
 - Financial analysis used to project financial returns for a particular project
 - Used to evaluate potential return on investment and overall viability of the project
 - Various return metrics may be used and the financial model can range from fairly simple to very complex



Development Scenario 1 Pro Forma Assumptions

Property Attributes			
Property Size (gross)		AC	10.7
Property Size (gross)		SF	444,312
Property Size (developable)		AC	10.7
Property Size (developable)		SF	444,312
Existing Buildings			
	Former Office and Manufacturing Building	SF	135,000
	Boiler House	SF	6,100
	Garage	SF	5,900
			147,000
Proforma Reuse Assumptions			
Garage not suitable for adaptive reuse due to structural issues		SF	5,000
Adaptive Reuse of Former Office and Manufacturing Building and Boiler House	Units		
	High Density Residential	75	SF 90,000
	Retail	1	SF 10,000
	Office/Business Incubator	1	SF 30,000
			130,000
New Construction			
	Building Size-Warehouse	1	SF 65,000
TOTAL DEVELOPED		SF	195,000



Development Scenario 1 - Pro Forma Revenue

REVENUES					
NOI	Annual Lease Revenue ¹		Rent/Mont h	\$/SF	
		Residential (\$/SF) Annual	\$ 1,350	\$18.00	\$ 1,620,000
Commercial/Retail (\$/SF) Annual NNN	\$ 1,013	\$13.50	\$ 135,000		
Warehouse (\$/SF) Annual NNN	\$ 525	\$7.00	\$ 455,000		
Office (\$/SF) Annual NNN	\$ 1,050	\$14.00	\$ 420,000		
			\$ 2,630,000		
	Residential Annual Operating Expense (% of annual rent)	30%	\$5.40	\$ (486,000)	
			Total Revenue \$	2,144,000	



Development Scenario 1 - Pro Forma Expenses

EXPENSES			
LAND BASIS	Purchase Price		\$ 1,000,000
	Asbestos Abatement		\$ 500,000
	Demolition-Garage		\$ 50,000
	Building Structural Support		\$ 750,000
	Remediation		\$ 1,612,500
Total Land Basis			\$ 3,912,500
Construction Costs			
CONSTRUCTION COSTS		\$/SF	
	Hard Costs Site Improvements ² (\$/SF Land)	\$3.00	\$ 1,332,936
	Building Construction/Repurposing (\$/SF)		
	Residential	\$250.00	\$ 22,500,000
	Retail	\$175.00	\$ 1,750,000
	Office	\$175.00	\$ 5,250,000
	Warehouse	\$55.00	\$ 3,575,000
	Vapor Intrusion Mitigation Engineering Control		\$ 420,000
	Total Hard Costs		\$ 34,827,936
	Soft costs ³ Percent of Hard Costs	20%	\$ 6,965,587
Contingency Percent of Soft and Hard Costs	10%	\$ 4,179,352	
Total Construction Costs		\$ 47,305,812	
Total Project Costs (Before Tax Credits)			\$ 51,218,312



Development Scenario 1 - Pro Forma Project Value

PROJECT VALUE AND RETURNS			
Project Value	Cap Rate ⁴	7.0%	\$ 30,628,571
Profit			\$(20,589,740)
Profit as % of Total Project Costs			-40.20%

Without incentives and subsidies, project would not be viable for a developer.



Financial Analysis

Fill the Gap

- Identify potential sources of funding that can be used to offset an expenditure
 - Tax incentives
 - Grants and other sources of funding available to the community
 - EPA Brownfields grants for assessment, cleanup
 - Revolving loan fund
 - State Brownfield matching grants
 - HUD Community Development Block Grant (CDBG) Funds



Development Scenario 1 – Refurbish Pro Forma

		Tax Credits	
Credits		Total Project Costs (Before Tax Credits)	\$ 51,218,312
	HPTC Tax Credits		\$ 11,502,509
	Tax Abatement Credit		\$ 11,320,916
		Total Public Incentives/Credits	\$ 22,823,425
		Total Project Costs After Tax Credits	\$ 28,394,886
PROJECT VALUE AND RETURNS			
PROJECT ECONOMICS	Project Value	Cap Rate ⁴	7.0% \$ 30,628,571
	Profit		\$ 2,233,685
	Profit as % of Total Project Costs		4.36%
PROJECT FINANCIAL GAP ANALYSIS			
PROJECT ECONOMICS	Project Value	Cap Rate ⁴	7.0% \$ 30,628,571
	Subsidy Required to Achieve 15% Profit		\$ 2,750,000
	Project Value with Subsidy		\$ 33,378,571
	Profit		\$ 4,983,685
	Profit as % of Total Project Costs		15%

Adding tax incentives has significant impact on the viability of the project for a developer. Other subsidies may be needed.



Development Scenario 2 – New Construction Pro Forma

		Tax Credits		
Credits		Total Project Costs (Before Tax Credits)		\$ 57,246,312
	HPTC Tax Credits			\$ -
	Tax Abatement Credit			\$ 11,320,916
		Total Public Incentives/Credits		\$ 11,320,916
		Total Project Costs After Tax Credits		\$ 45,925,395
PROJECT VALUE AND RETURNS				
PROJECT ECONOMICS	Project Value	Cap Rate ⁴	7.0%	\$ 30,628,571
	Profit			\$(15,296,824)
	Profit as % of Total Project Costs			-26.72%
PROJECT FINANCIAL GAP ANALYSIS				
PROJECT ECONOMICS	Project Value	Cap Rate ⁴	7.0%	\$ 30,628,571
	Subsidy Required to Achieve 15% Profit			\$ 23,500,000
	Project Value with Subsidy			\$ 54,128,571
	Profit			\$ 8,203,176
	Profit as % of Total Project Costs			15%

Without historic preservation tax credits, Scenario 2 would require significant subsidies to be viable.



Financial Modeling – Key Takeaways

- For purposes of evaluating feasibility, keep it high-level...don't get stuck in the weeds
- Use the proforma to help understand challenges and their magnitude
- Financial incentives can be significant – don't underestimate their value
- De-risking a project and/or providing a roadmap for a project can add significant value



Feasibility

- Identify key assets and opportunities to attract investment
 - Community need for residential
 - Access to state highway and interstate
 - Structurally sound historic buildings
 - Access to utilities
 - Flexible zoning
 - Tax incentives
- The presence of constraints, risks or liabilities is not necessarily a reason to eliminate a reuse scenario
- Mitigate the constraints, risks and liabilities that would make the implementation of a reuse scenario impossible (or extremely difficult) to implement
 - Environmental
 - Retained liability - federal/state funding
 - Asbestos/Lead paint
 - Retained liability - federal/state funding



QUESTIONS

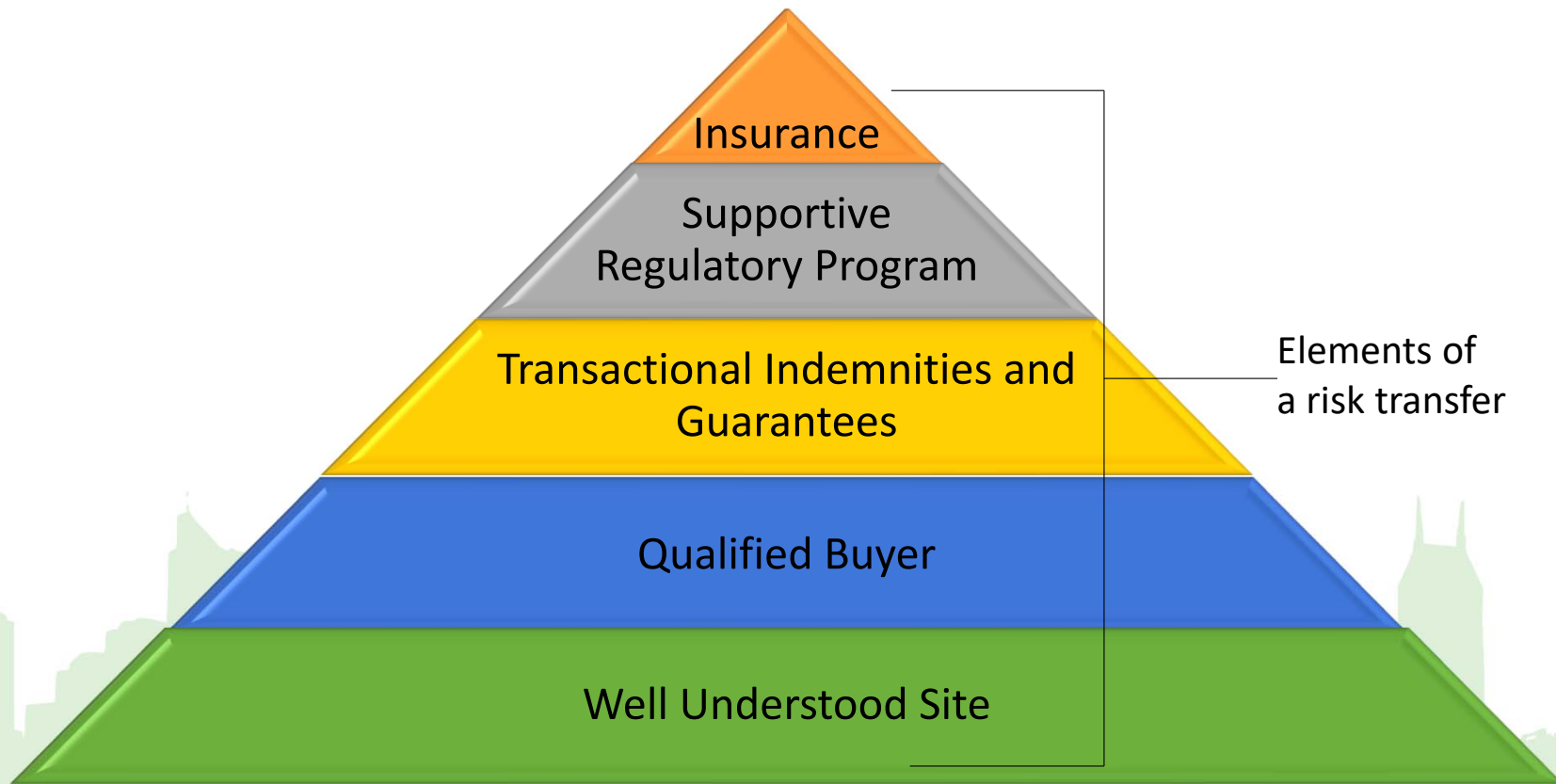
Sustainable Disposition Strategy



Build a transaction for the long-term



Building a Sustainable Disposition Process



Key Components of Sustainable Disposition Strategy

- Well Understood Site
 - Community needs and concerns
 - Reuse assessment
 - Reuse plan
- Qualified Purchaser or Leasee
 - Reputation and reliable track record
 - Creates value from the transaction
 - Strong team with plans to promote productive reuse
 - Community acceptance
 - Capable of assuming short-term and long-term responsibilities and liabilities



Key Components of Sustainable Disposition Strategy

- Indemnities
 - Purchaser or Leasee indemnity for assumed liability
 - Remedy implementation
 - Operation, maintenance and monitoring
 - Soil and groundwater management
 - Activity and use limitations
 - Seller/buyer indemnity for retained liability
- Performance Guarantee
 - Financial responsibility requirements of regulatory agency
 - Financial capability to perform liability assumptions
 - Pollution Legal Liability Insurance



Key Components of Sustainable Disposition Strategy

- State voluntary action programs
 - Cleanup can be conducted by a Purchaser
 - Liability protection to Purchaser
 - Provided cleanup conducted in accordance with program requirements
 - Land use-based endpoints



Insurance

- A realistic insurance program that covers both buyer and seller
 - New or previously undiscovered condition (Buyer and Seller)
 - Cleanup
 - Third party bodily injury and property damage
 - Pre-existing condition excess of Seller's release, indemnity and assumption of liability (Buyer)
 - Cleanup
 - Third party bodily injury and property damage
 - Other
 - Non-owned disposal site (Buyer)
 - Business Interruption (Buyer)





Site Disposition Strategy

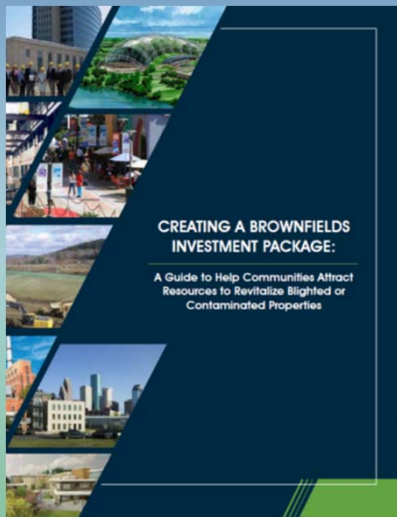
- Address retained liabilities
 - Complete environmental investigation and hot spot removal and obtain no further action determination
 - Complete asbestos removal
 - Demolition of garage
- Transfer the site to a viable developer with similar vision for the property. Buyer to assume:
 - Remaining environmental obligations
 - Implement soil and groundwater management plan
 - Indemnify town from further liability related to environmental condition of the property



Attracting Investment



Attracting Investment



An investor's perspective of a downtown may differ from the perspective of your community

Main Goal: To attract resources to your community, you need to understand and identify the specific assets and attributes that will attract or diminish interest from investors

1) Reuse Assessment - Analyze and Prepare

- Conduct a Reuse Assessment of your site area
- Develop Redevelopment Plan/Reuse vision
- Identify and track resources

2) Reuse Plan - Demonstrate the Investment Potential

- Assess potential and risks
- Understand viability and feasibility

3) Investment Package - Create an Investment Package

- Promote a viable investment opportunity based on your community's specific goals and vision
- Help organize stakeholders around a unified vision and make decisions driven by market realities and potential



Investment Package

- Includes site information and materials that inform your community, developers, and potential investors of assets, advantages, and financial information
- Explains the overall market traction and potential in a way that attracts local, regional, and national capital and resources

It also helps communities organize their stakeholders around a unified vision and make decisions driven by market realities and site potential.

- Transforms the information you gathered and analyzed into a compelling story for your community and the investment community. Use the package to celebrate the unique character and assets of your community.



Investment Package – Key Elements

1. Economic Context
 - Economically-speaking, a community exists within a broader area and regional economic ecosystem
 - Ensure that the package represents the brownfield redevelopment area at varying economic levels based on market potential.
2. Governance Context
 - The package should act as an introduction to city governance by providing an overview of government structure and leadership
3. Local Information
 - After setting the larger context, present a granular assessment of the community's competitive position and prospects
4. Project Specific Information
 - Describe the range of opportunities specific to the redevelopment area.



Investment Package - Content

- Use the package to set the stage for different types of investors - public, private, and civic – allow potential investors to quickly familiarize themselves with the community and the development opportunity
 - ✓ Purpose
 - ✓ Regional introduction and local governance
 - ✓ Market assessment
 - ✓ Area overview
 - ✓ Area assets
 - ✓ Specific property overview
 - ✓ Development potential



❖ Purpose

- Short, articulate, and visual description of the goals:
 - Describe your community's assets to have maximum economic and social impact
 - Present a unified vision of inclusive growth to stakeholders and potential investors
 - Reach potential investors

Investment Package: Purpose

Help Market the site for optimal redevelopment to potential investors

Help to organize assets and advantages to have maximum economic impact

Help to organize stakeholders around a unified vision



❖ Regional Introduction and Local Governance

- Orient investors to the community’s contextual features, including socioeconomic data points, local trends, and economic incentives or tools that may be available to support redevelopment
- Include key contacts at the city or non-governmental organizations involved with economic development activities

Regional Overview and Contacts

In 2019, area had a population of 7.81k people with a median age of 37.3 and a median household income of \$54,397. Between 2018 and 2019 the population declined from 7,852 to 7,812, however, income rose. In 2019, the homeownership rate was 62%, with an average commute time of 19.4 minutes.

2019 POVERTY RATE	2019 MEDIAN HOUSEHOLD INCOME	2019 MEDIAN PROPERTY VALUE	2019 EMPLOYED POPULATION
17.6%	\$54,397	\$81,900	3,388
6.62% 1-YEAR INCREASE	11.1% 1-YEAR GROWTH	2.89% 1-YEAR GROWTH	1.99% 1-YEAR GROWTH

AVAILABLE INCENTIVES

- NYS Brownfield Tax Credit
- New Market Tax Credit
- County IDA PILOT
- Qualified HUBZONE
- Qualified HUBZONE
- Historical Tax Credit
- 10-YR Property Tax Free

DIRECT CONTACTS

Mayor – “PHONE”; EMAIL
County Industrial Development Agency – “PHONE”; EMAIL



❖ Market Assessment

Market Overview

In lieu of a highest and best use analysis, market data was analyzed for office, residential and retail property types. Overall the research did not indicate significant local demand for a specific new project.

Priority Use- Call Center/Data

- Call Center/Data Heavy
- National Marketing Opportunity
- Available workforce, inexpensive electricity, connectivity, and welcoming community

Alternative Uses – Housing/Mixed-Use

- Housing/Mixed-Use
- Building A could house approximately 125 residential units on the top three floors plus half of the first floor
- Ground level space could be used for amenities for the units and retail tenants.

Retail/Office

- "Destination" – brewery /distillery /restaurant, bank, childcare, salon, gym, and/or a coffee shop
- Office - insurance agents, tax preparation, or tutoring
- Traditional office could be developed in a new building on the west end of site

- Introduce the market assessment findings
- At a minimum, give a general overview of market trends, labor force, and any retail or industrial/commercial analysis
- Provide enough information to demonstrate the market realities of the area and alleviate any key uncertainties

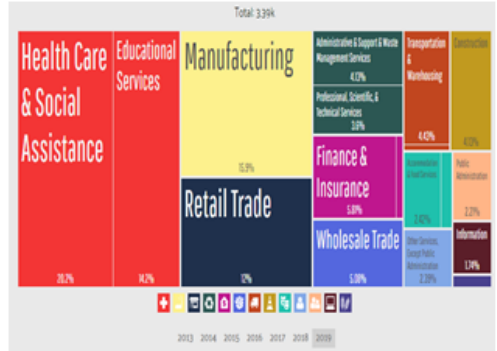
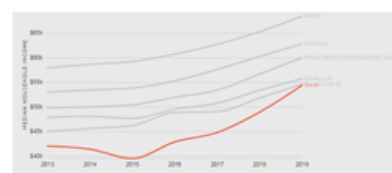
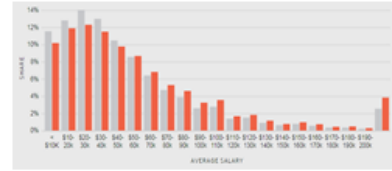


❖ Area Overview

- Use quantitative information to illustrate your community's strengths and assets and the economic assets and contributions of the surrounding region
- Include
 - Economic Indicators
 - Employment Industry Profiles
 - Employer Statistics
 - Accolades
 - Awards
 - Recognition

By The Numbers: Key 11.1% Increase in Income

In 2019, the area had a population of 7.81k people and its median household income grew from \$48,963 to \$54,397, a 11.1% increase. From 2018 to 2019, employment grew at a rate of 1.99%, from 3.32k employees to 3.39k employees. The most common employment sectors are Health Care & Social Assistance, Manufacturing, and Educational Services.



❖ Area Assets

- Include specific information on area assets that demonstrate market momentum or potential:
 - Highlight the specific strengths and advantages
 - Leading industries, retail establishments or amenities – highlight a sector or company that could be a catalyst for growth and investment
 - Location of anchor or destination places – illustrate the connections between these resources
 - Entrepreneurial activity – highlight information on areas of market momentum

Key Advantages



Location: The location for distribution sets this site apart as it is centrally located for same day ground access to major population centers of the U.S. and Canada. It's 2.5 miles from the NYS thruway and adjacent to Mohawk River/Erie Canal Corridor.



Industry Specialization: The most common industries are Health Care & Social Assistance, Manufacturing and Educational Services. Compared to other places, however, it has an unusually high concentration of Wholesale Trade, Manufacturing and Educational Services industries.



Industry Safety and Ease of Concern: The area is not affected by many natural disasters, i.e. hurricanes, tornadoes or floods. communities. Little to no disruption to potential distribution services.



Environmental Justice Area: Efforts focus on improving the environment in communities, specifically minority and low-income communities, and addressing disproportionate adverse environmental impacts that may exist in those communities.

❖ Specific Property Overview

- Highlight the site location, opportunities, and assets, and provide information to further alleviate uncertainties and suspected risks.
- Provide a general overview of the assets and include these four elements:
 - Site Orientation
 - Area Map
 - Site Access
 - Environmental Conditions

Redevelopment Overview: Site Orientation

Economy	
① In civilian labor force, total, percent of population age 16 years+ 2010-2019	81.4%
② In civilian labor force, female, percent of population age 16 years+ 2010-2019	58.4%
③ Total accommodation and food services sales, 2012 (\$1,000) (1)	4,261
④ Total health care and social assistance receipts/revenue, 2012 (\$1,000) (1)	18,521
⑤ Total manufacturers shipments, 2012 (\$1,000) (1)	0
⑥ Total retail sales, 2012 (\$1,000) (1)	53,875
⑦ Total retail sales per capita, 2012 (1)	\$8,724

The site location is a prime development area with great potential for mass distribution to major cities throughout the U.S.

Redevelopment Overview: Area Map



- The site is 10.7 Acres, 6 acres of flat, developable land adjacent to the buildings.
- Two brick buildings: Building A: 135,000 square feet, four stories; Building B: 6,100 square feet, one story; Maintenance Garage.
- Inexpensive Municipal Power
- Redundant High-Speed Fiber
- Space for additional development opportunities
- Planned District Special Zoning

Redevelopment Overview: Site Access



The redevelopment site has easy access to both the River and Downtown. The Site is located just south of State Route, a state highway with approximately 5,500 average annual daily trips (AADT) combined for both directions. The Site is also less than 2.5 miles from the nearest exit on the Interstate, which has over 26,600 combined AADT passing the Site.

Redevelopment Overview: Environmental Conditions



- Groundwater – PCE and degradation products; petroleum hydrocarbons
- Soil Gas – Eastern half
- Metals in Soil
- Phase I site assessment completed
- Some environmental remediation under way
- State Environmental Justice Area
- Site cleanup overseen by State Environmental Agency

❖ Development Potential and Feasibility



❖ Development Potential and Feasibility – Scenario 1 Repurposing Mixed Use

Property Type (sqft)	Price/sqft	Total
Residential	\$275.00	\$444,125
Retail	\$175.00	\$444,125
Office	\$175.00	\$444,125
Warehouse	\$55.00	\$444,125

Property Type (sqft)	Price/sqft	Total
Residential	\$285.00	\$454,125
Retail	\$285.00	\$454,125
Office	\$285.00	\$454,125
Warehouse	\$55.00	\$444,125

❖ Development Potential and Feasibility – Scenario 1 Repurposing Mixed Use

Category	Amount
Expenses	\$ 1,000,000
Land Costs	\$ 1,332,936
Construction Costs	\$ 2,350,000
Soft Costs	\$ 750,000
Contingency	\$ 1,812,000
Total Construction Costs	\$ 6,244,936

❖ Development Potential and Feasibility – Scenario 1

Category	Amount
Expenses	\$ 1,000,000
Land Costs	\$ 1,332,936
Construction Costs	\$ 2,350,000
Soft Costs	\$ 750,000
Contingency	\$ 1,812,000
Total Construction Costs	\$ 6,244,936

❖ Development Potential

- Use this final section of your brownfields investment package to illustrate the best use scenario(s) for the redevelopment area; if applicable include:
 - Conceptual Use Plan - on a map that shows the developable area and potential uses;
 - Financial Feasibility Analysis - share overall summary of financial viability for the best-use scenario(s) described in the conceptual use plan(s); demonstrate:
 - assumptions represented in the proforma analysis ;
 - any additional government funding needed ;
 - overall financial viability and return on investment;
 - feasibility from both public and private perspectives.

Promote Your Redevelopment Potential

Use the package to guide investment toward your community's strengths and priorities and bring the community together around a specific vision

Start with your stakeholders and your community:

- Help to become ambassadors
- Familiarize them with the package and coach them on how to use it
- Develop and share elevator pitch/consistent message
- Keep everyone up to date and celebrate milestones

Develop and implement an outreach plan to investors:

- Direct mail a copy of the investment package to prioritized potential investors
- Make cold calls, send emails, and use follow-up requests to meet in-person
- Invite potential developers and investors to downtown properties.
- Host an investor's roundtable in your downtown.
- Present the investment package at public and private events.

QUESTIONS



Upcoming Webinars and Workshops:

Show Me How: Brownfields Redevelopment in Economically Distressed Areas - Nov 19

Everyone loves a success story, but the real story is in the details. This webinar will focus on three successful brownfield redevelopments in economically distressed areas.

POSTPONED UNTIL 2022

Brownfields University Workshop, National Brownfields Training Conference Reposition and Redevelop Tough Sites: How Communities Can Succeed in Attracting Private Investment - Dec 8 | Oklahoma City, Oklahoma

Enter the world of high stakes brownfield redevelopment through a collaborative and interactive workshop! This four-hour workshop places participants in the role of the community and owner of a contaminated and otherwise complex property. Participants work through the process of creating value and positioning the property for redevelopment.