

# Return on Investment of Brownfield Redevelopment Resources – Technical, Legal, Financial Assistance



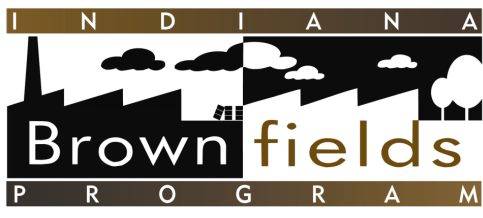
*Environmental Stewardship. Economic Development.*

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**U.S. EPA OLEM/OUST Webinar**  
**December 13, 2016**



A State that Works



## Today's Topics

- What is good to know about brownfields?
- Who needs technical, legal/liability, and/or financial assistance?
- What is the **Indiana Brownfields Program (IBP)** and how can it and/or others help?
- Why is *leveraging, leveraging, leveraging* the new "*location, location, location?*"
- What is **Return on Investment (ROI)**, why is it important, and how does IBP measure it?
- What are some redevelopment success stories in Indiana?
- What is the bottom line?





# Brownfield? Problem Property? Obstacle? Opportunity?

- Brownfields have a range of sizes/issues/reuses
- Ex: small, abandoned, petroleum UST site with redevelopment issues = brownfield



- Brownfield redevelopment is interdisciplinary

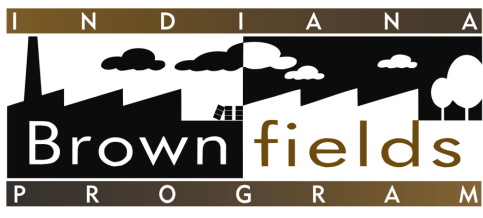




## What is a Brownfield?

- Indiana defines a brownfield site as:
  - a parcel of real estate
  - abandoned, inactive, or underutilized
  - on which expansion, redevelopment, or reuse is complicated because of the presence or potential presence of a hazardous substance, a contaminant, petroleum, or a petroleum product *that poses a risk to human health and the environment.*
- Similar to U.S. EPA definition (real property)

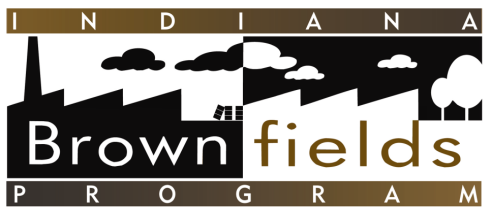




## What are Obstacles to Brownfield Redevelopment?

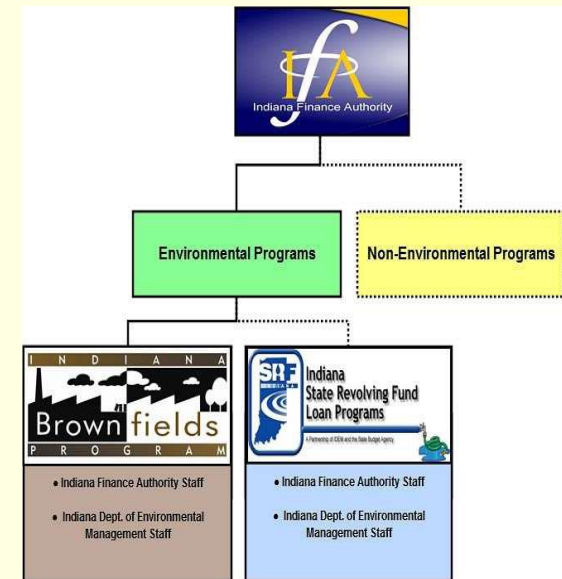
- Real or potential environmental contamination
- Liability issues for the lender, prospective purchaser, and third parties
- Assessment / Cleanup costs
- Economic development climate
- Viability of re-use plans for the site
- Lack of resources – knowledge, money, partners
- Unknowns – risks, ownership, access

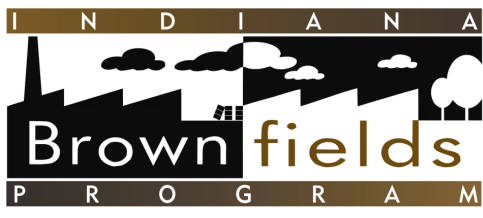




# Indiana Brownfields Program Background

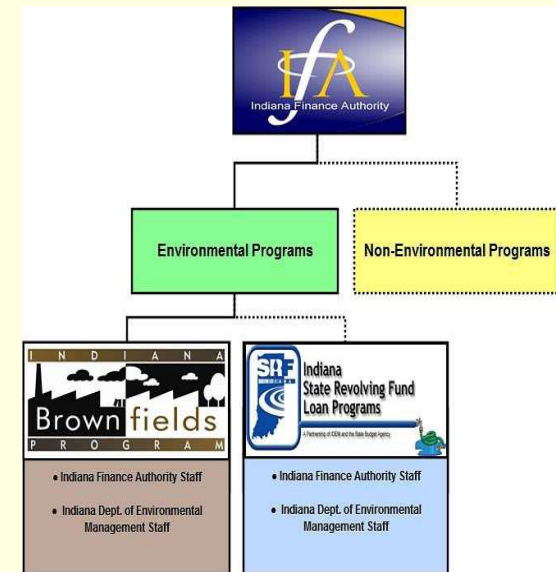
- Housed under the Indiana Finance Authority (IFA)
- Created by 2005 legislation (SEA 578); IC 13-11-2-19.3
- Funded by state appropriations & federal funds
- Provides governmental assistance to *address environmental issues* that impede brownfield redevelopment
- Works in partnership with U.S. EPA et al.





# Indiana Brownfields Program Background

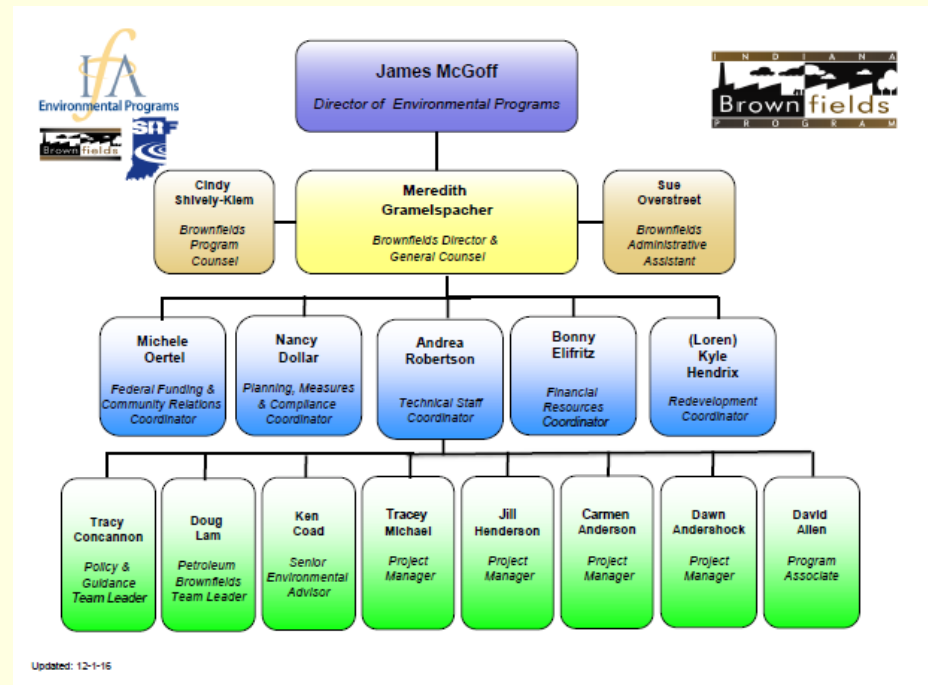
- Allows for *voluntary* participation – not enforcement
- Works typically with *communities or prospective purchasers vs. RPs*
- Relies on existing laws/regs/policies to protect human health and environment
- Has different processes for different incentives
- Uses consultants differently per incentive
- Utilizes Indiana Department of Environmental Management (IDEM) Remediation Closure Guide
- Offers closure documents



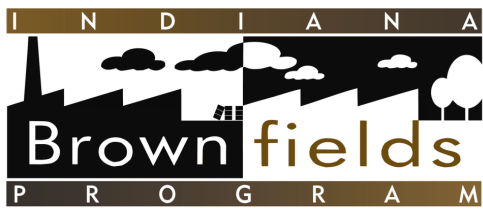


# Indiana Brownfields Program Lends a Hand

- Helps stakeholders by providing:
  - Educational Assistance
  - Financial Assistance
  - Legal Assistance
  - Technical Assistance



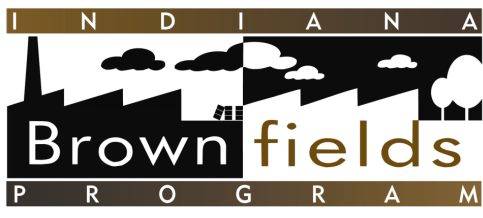




# Indiana Brownfields Program Lends a Hand: Financial Incentives

- One example: **Petroleum Orphan Sites Initiative (POSI)**
  - IBP in partnership with IDEM -- *professional services*
    - Assists/benefits political subdivisions
    - Addresses petroleum contamination on brownfield sites resulting from leaking underground storage tanks that cannot be addressed by the responsible party due to an inability-to-pay, bankruptcy, or other factors (orphan sites)
    - Includes site assessment, UST removal, and remediation
    - Also covers hazardous substances or petroleum contamination from other on-site sources (e.g., hydraulic lifts, etc.) if funding is available
    - Funding source: \$3M Excess Liability Trust Fund (ELTF) transfer to IBP for SFYs '14&'15; \$2.91M ELTF transfer for SFYs '16&'17



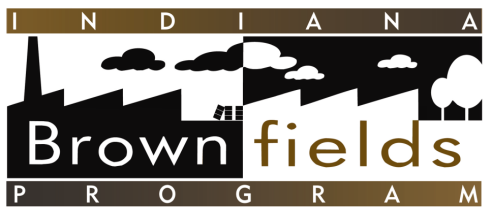


# Indiana Brownfields Program Lends a Hand: Financial Incentives

## ■ POSI Process

- No application
- Sites referred by IDEM Enforcement and LUST programs
- Petroleum Eligibility Determination (PED) if necessary
- Site awards obtain IFA Board approval
- Bids solicited from IBP-qualified consultant pool for site work
- Assigned IBP Project Manager works with stakeholders throughout process to ensure needs are met
- No Further Action (NFA) letter by IDEM is goal of IBP





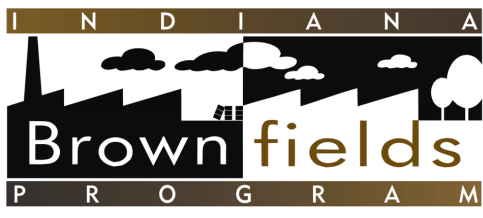
# Indiana Brownfields Program Lends a Hand

- Coordinates with other stakeholders/partners/resources:
  - U.S. EPA for financial assistance = **leveraging**
  - Other IFA programs = **leveraging**
  - IDEM programs as appropriate = **leveraging**
  - Other federal & state agencies = **leveraging**
  - Local public/private entities = **leveraging**



*Leveraging... the new "Location"*

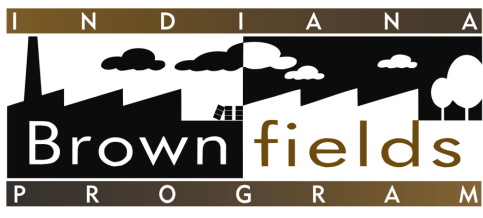




# Value of Leveraged Incentives

- Minimize environmental liability
- Subsidize assessment and remediation costs
- Increase funding opportunities

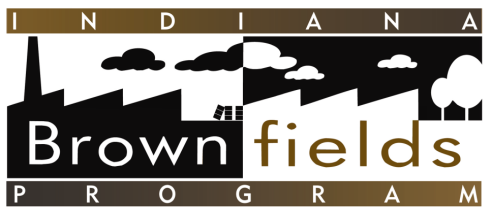




# Measured Value of Leveraged Incentives

- Quantifying benefits of brownfield investment (time/money/other resources)
  - Verbally
  - Mathematically
  - Internally
  - Externally
  
- Return on Investment (ROI) exercise
  - Capturing data
  - Conveying data





# Return on Investment (ROI)

- What – Program Benefits minus Program Costs divided by Program Costs
- Why – Purpose of ROI exercise = evaluate/justify Program
- Who – Program participants, variety of brownfield sites
- When – Annually/ongoing
- Where – In-house
- How – Multiple-page survey to one-page survey/on-line survey
- What Then – ROI spreadsheet...report





# Return on Investment (ROI) Survey



**Brownfields**  
Indiana Finance Authority

**Brownfields Project Return on Investment (ROI) Survey**  
Indiana Finance Authority

Site Name:		Brownfields Site Number:				
Address:		City:	Zip Code:			
Instructions: Use "X" to mark fields that do not require description or numerical values.						
1. Site Status		No	Yes	Date	Describe current status of Site	
a. Remediation Required?				NA		
b. Remediation Complete?						
2. Redevelopment Status		Planned	In Progress	Completed	Date that redevelopment was either completed or is anticipated to be complete	
Mark field that applies						
Size of Site (acres)						
3. Funds Leveraged		Public Sources (\$) (Non-IBP)	Description (Local, State, Federal)	Private Sources (\$)	Description (Owner Developed)	Description (Insurance Recovery)
a. Actual Amount						
b. Projected Amount						
4. Jobs		# of Jobs	5. Greenspace Development	Parks	Trails	Other (specify)
a. Permanent created			a. Created			
b. Temporary created			b. Retained			
c. Retained			c. Projected			
d. Projected			d. Total Acres/Miles			
6. Business: #/Type		# of Businesses	Commercial	Industrial	Mixed Use	Description
a. Created						
b. Retained						
c. Projected						
7. Housing Units: #/Type		# of Housing Units	Single-Family	Multi-Family	Senior-Living	Apartments
a. Created						
b. Retained						
c. Projected						
8. Green Reuse/ Sustainability		Building/ Materials Reuse	Alternative/Low Energy	Sustainable Development	Other (specify)	
Mark all fields that apply						
9. Assessed Value and Taxes		Assessed Property Valuation (\$)		Assessed Property Taxes (\$)		
a. Pre-Redevelopment Total						
b. Current Total						
c. Projected Total						
10. Community Information (Govt. Officials Only)		Estimate the # of brownfields in the community's jurisdiction:				
		Does the community maintain a brownfield inventory?				
		Yes				
11. Respondent Information		Name	Organization		Phone Number	
		Email			Date Completed	

Return this form to:  
**INDIANA BROWNFIELDS PROGRAM**  
 100 N. Senate Avenue, Room 1275  
 Indianapolis, IN 46204  
 Phone: (317) 234-6764 Fax: (317) 234-1338  
 Or email to: [ibp@ifa.in.gov](mailto:ibp@ifa.in.gov)

Rev. July 2015





# Return on Investment (ROI) Survey



## Brownfields Return on Investment (ROI) Project

### Instructions

Thank you for participating in the Indiana Brownfields Program (Program) Return on Investment (ROI) Project. Your feedback is very important to us as we continue to evaluate and improve our Program for your benefit.

As a brownfield project stakeholder, you will be asked a short series of questions about a brownfield project that received financial, legal, and/or technical assistance from the Indiana Brownfields Program. The questions include information about project status, business and employment, funding, and property valuation data (optional). We realize some projects have not yet reached the end of remediation or the redevelopment process, in which case you may skip the question or provide an estimate.

If you are completing the ROI project survey for more than one brownfield site/property/project, you will be given an option to restart the survey at the end.

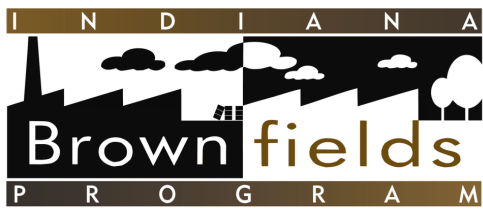
If you need to come back to the survey later, you will see an option to **"save and continue later"** at the top of the page.

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85% 








# Return on Investment (ROI) Survey

Save and continue later




## Brownfields Return on Investment (ROI) Project

### Job Information

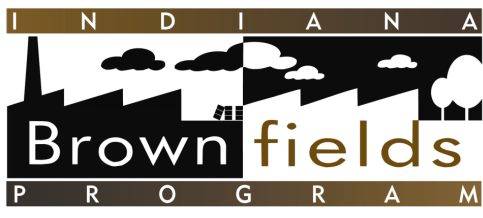
For the brownfield project, complete information relating to jobs at the site.

Jobs Permanently Created	Jobs Temporarily Created	Jobs Retained	Jobs Projected
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

[Back](#) [Next](#)

46% 





# Return on Investment (ROI) Report

- **Indiana Brownfields Program Accomplishments – 1997 through 2016:**
  - ROI surveys received: 784
  - Acres back in productive use: 1,080
  - Jobs created (177/784 sites reporting): 14,528
  - 47 tax credit housing projects creating ~2,300 new units
  - State funds awarded since 1998: ~\$59M
  - **Funds leveraged for Program-financed projects: ~ \$538M**
  - Closures & liability clarifications issued since 1998: 889
  - **Funds leveraged for all Program projects: ~ \$2.57B**



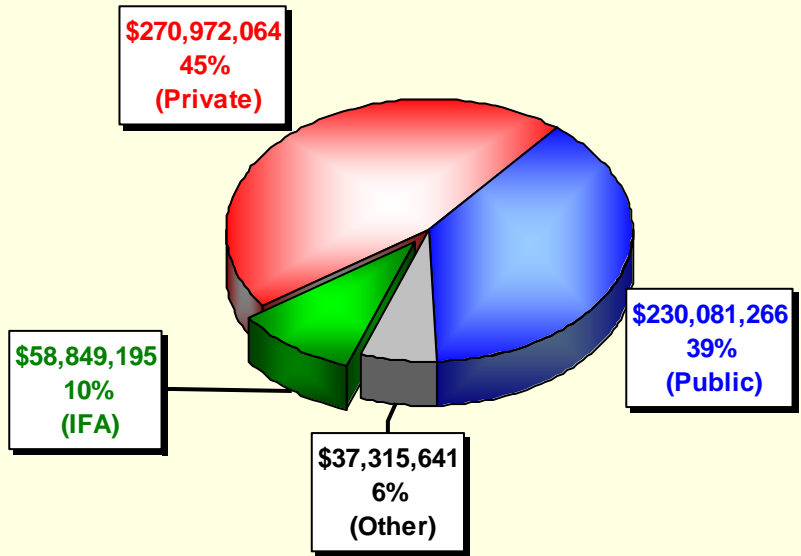


# Return on Investment (ROI) Report

## Project Funding Mix: 1997 – 2016

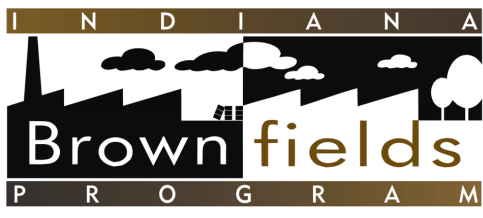
Actual Funds Leveraged for *IFA-funded Projects*

**ROI \$9:\$1**



- IFA Investment (incl. Fed BF/ARRA \$)
- Public Leveraged Funds
- Private Leveraged Funds
- Leveraged Funds Undetermined Source



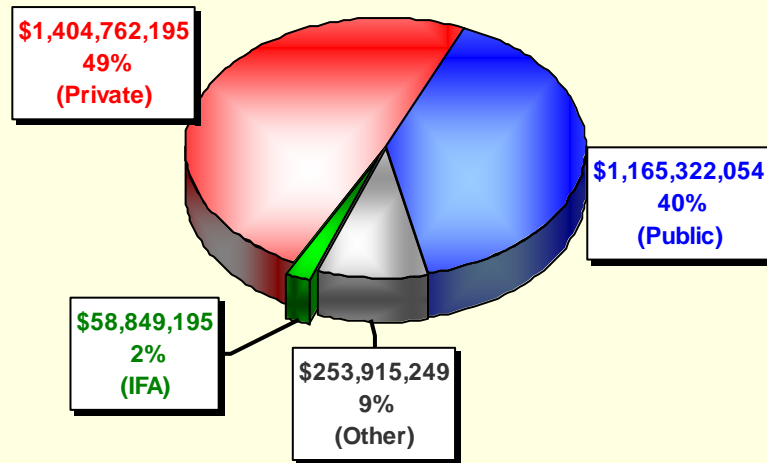


# Return on Investment (ROI) Report

## Project Funding Mix: 1997 – 2016

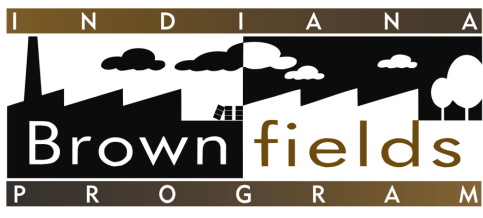
Actual Funds Leveraged for *All Projects*

**ROI \$48:\$1**



- IFA Investment (incl. Fed BF/ARRA \$)
- Private Leveraged Funds
- Public Leveraged Funds
- Leveraged Funds Undetermined Source





# Return on Investment (ROI) Report

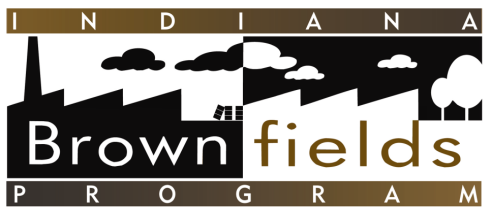
**ROI = \$9:\$1**

For every \$1 of IFA investment provided,  
an additional \$9 of investment is leveraged

**ROI = \$48:\$1**

For every \$1 of IFA investment provided  
(including technical assistance outside of financial investment),  
the ROI calculation increases to \$48 of investment leveraged



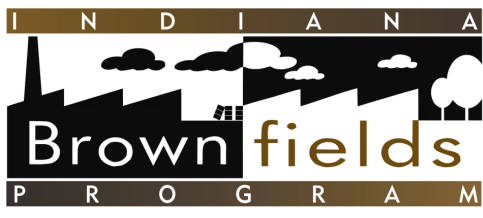


# Return on Investment (ROI) Report

## ***Brownfield Redevelopment - Additional Benefits***

- **Property values/tax revenue** (*for 73 sites that reported all info*):
  - ***Pre-development***
    - Average property value: **\$421,074**
    - Average annual property tax revenue: **\$13,589**
  - ***Post-development***
    - Average property value: **\$1,138,513**
    - Average annual property tax revenue: **\$35,670**
    - ***Increase*** in average annual property tax revenue: **\$22,081**
- **Acres back in productive use** (*for 593 sites reporting*): **1,080 acres**





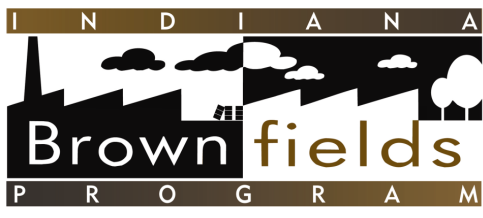
# Return on Investment (ROI) Report

## Completed Redevelopment by Land Use



**Residential: 18%**





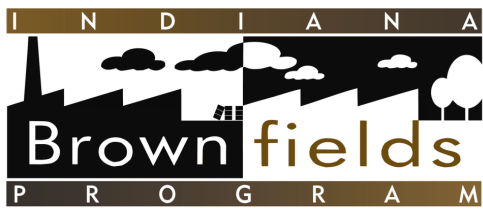
# Examples of Brownfield Reuse/Redevelopment

*Environmental Stewardship. Economic Development.*

- Industrial (single building or park complex)
- Commercial (bank)
- Retail (shopping center, grocery store)
- Residential (houses, condos, apartments)
- Public (government offices)
- Greenspace (park, soccer field, golf course, trail, greenway)
- Mixed





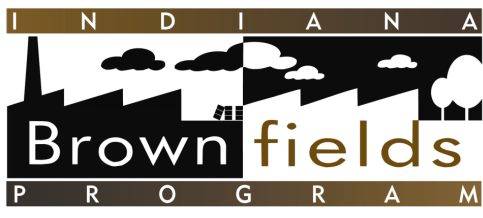


# Teamwork leads to Success!

## Jeffersonville, IN: Former BP Ellis Gas Station

- Community need: Gateway to City
- Resources: *Brownfield RLF loan funds; NFA letter*



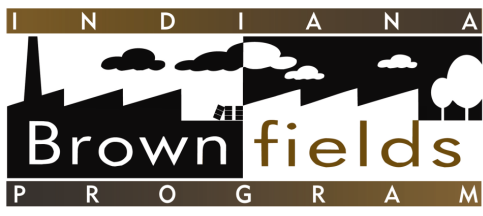


## Teamwork leads to Success!

### Gary, IN: Former Straughter Body Shop

- Community need: Cleared lot for a future park
- Leveraged resources: *American Recovery & Reinvestment Act (ARRA) Leaking Underground Storage Tank (LUST) Trust Fund; SEP funds; NFA letter*



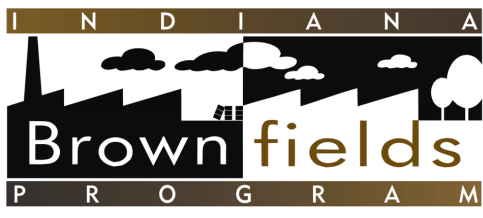


# Teamwork leads to Success!

## Fort Wayne, IN: Four small sites with USTs

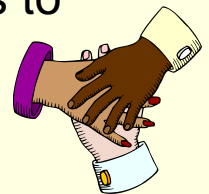
- Community need: Harrison Square Mixed Use/New Baseball Stadium
- Leveraged resources: *IBP Petroleum Remediation Grant for UST removal, etc.*
- Community need: Cleared lot for a future park
- Leveraged resources: *American Recovery & Reinvestment Act (ARRA) Leaking Underground Storage Tank (LUST) Trust Fund; SEP funds; NFA letter*





# Brownfields Bottom Line

- **Brownfields (including UST sites):** embrace opportunities to overcome obstacles/challenges!
- **The end:** begin with this in mind – reuse/revitalization...economic growth...quality of life... vs. “just” remediation
- **Success:** talk with other successful stakeholders/partners & don’t reinvent the wheel.
- **Leveraging:** explore state and/or federal assistance, among other resources.
- **Indiana Brownfields Program:** inquire about tools and access to other resources (not just money) to address environmental issues to facilitate brownfield redevelopment.
- **ROI performance data:** capture and convey to speak volumes to various ears.
- **Small sites:** remember these can lead to big success stories.





# Contact Information

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[NaDollar@ifa.IN.gov](mailto:NaDollar@ifa.IN.gov)

Check out the Indiana Brownfields Program web site at: [www.brownfields.in.gov](http://www.brownfields.in.gov)

*Environmental Stewardship. Economic Development*

