

Public Financing Strategies to Leverage Private Investment in Brownfields

Hennepin County Brownfield Program

NALGEP

Philadelphia, PA

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Hennepin County Department of Environmental services

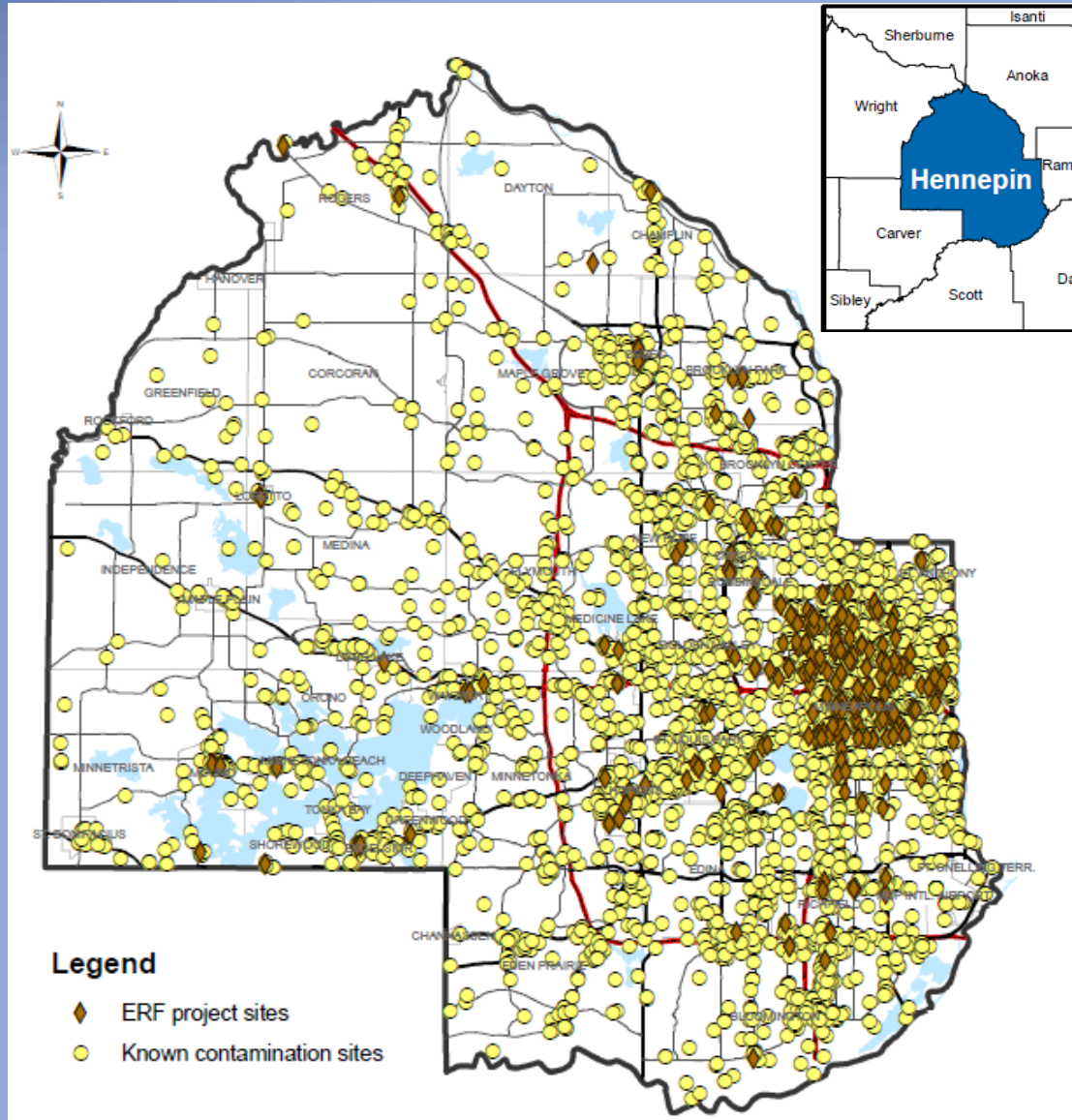
Land and Water Unit

Gilbert Gabanski



Hennepin County, MN

25% of MN contaminated sites
1,364 Voluntary Cleanup sites (41% of MN sites)
3,066 LEAK sites (19%)
20 Superfund sites (14%)
278 dump sites (8%)
4,708 sites of concern



- Hennepin County**
- Largest in population - 1.2 million
 - 22% of the state population
 - 611 sq. miles
 - 45 cities
 - One third of all state jobs



Minnesota Public Financing for Brownfields

Assessment and Cleanup Grants available from:

- **MN Department of Employment and Economic Development (DEED)**
 - Approximately \$8M/yr. 1995 - 2014
 - Granted \$142M to 450 projects
 - Private Investments - \$4.6B
- **Metropolitan Council (7 county metro area) - Tax Base Revitalization Account (TBRA)**
 - Approximately \$5M/yr. 1996 to 2014
 - Granted \$107.5M to 396 projects
 - Private Investments - \$3.5B
- **Ramsey County - Environmental Response Fund (ERF)**
 - Approximately \$0.7M/yr. 2005 to 2014
 - Granted \$7.0M to 28 projects
 - Private Investments - \$40.6M
- **Hennepin County - Environmental Response Fund (ERF)**
 - Approximately \$2M/yr. 2001 to 2014
 - Granted \$46.2M to 332 projects
 - Private Investments - \$1.76B



Hennepin County Brownfield Program

Environmental Response Fund (ERF)

Funding:

1997 State Statute 383.B.80 and 383B.81

Mortgage registry (0.0001) and deed tax (0.0001)

1/100th of 1% of property transaction amount and principal

Example: \$150,000 sale - total addn. tax = \$30

\$150,000 refinance – total addn. tax = \$15

Typical Closing costs: \$150,000 sale - \$4,888 (ERF – 0.6 %)

Generate approximately \$2.0M to \$2.4M/yr.

New sunset date: 2027



Hennepin County Brownfield Program (continued)

EPA Brownfield Cleanup Revolving Loan Fund BCRLF)

7 Loans to date \$3.6M (currently have \$1.45M)

Memorandum of Agreement (MOA) Principal/Interest

5 BCRLs (\$1.9M) – 4 of 5 paid in full

Five areas of funding including Gap Financing

Close Out Agreement (COA) Principal/Interest

1 BCRL (\$1.1M) - returns \$77K/yr. (until 2025)

Assist municipal partners on assessments

EPA Assessment Grant - \$400K awarded in 2014



ERF Program - Metrics to date

Grants by activity:

- **Cleanup - \$36.5 M (79%)**
- **Asbestos/lead paint abatement - \$5.9 M (12.8%)**
- **Assessment - \$3.8M (8.2%)**

Grants by Project type:

- **Commercial /Industrial - \$11.7M (25.3%)**
- **Mixed residential/commercial - \$7.5M (16.2%)**
- **Residential - \$16.7M (36.2%)**
- **Open Space / Infrastructure - \$10.3 M (22.3%)**



ERF Program - Metrics to date

- **Leveraged \$1.7B in private development costs**
- **\$437M increase in property values (data thru 2013)**
- **\$64M increase in property taxes (2003 – 2012)**
- **Created or retained 9,500 jobs**
- **3,500 affordable and 6,500 market rate housing units (created or renovated)**
- **\$53M in public investment from DEED, TBRA, and EPA**



Surly Brewery Co. - Destination Brewery, Mpls



Superfund Site - Redevelopment of vacant industrial land

- **Private Investment - \$20M**
- **Increase in tax base/yr. - \$193,064**
- **New jobs - 122**

Fall 2012 Grant Round

Total Environmental Budget - \$2,886,000

- **HC COA funded assessment - \$40,000**
 - **DEED cleanup grant - \$1,000,000**
 - **TBRA cleanup grant - \$500,000**
 - **ERF cleanup grant - \$450,000**
 - **HC BCRLF - \$500,000**
 - **HC TOD Loan - \$500,000**
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- **Transit-oriented Location (near bus line and Central LRT)**
 - **Reuse of demolition debris on-site**
 - **Renewable and recyclable building material**
 - **Energy efficient building finishes and appliances**
 - **Buildings to be built to a LEED standard**



Information

www.hennepin.us - search for ERF

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