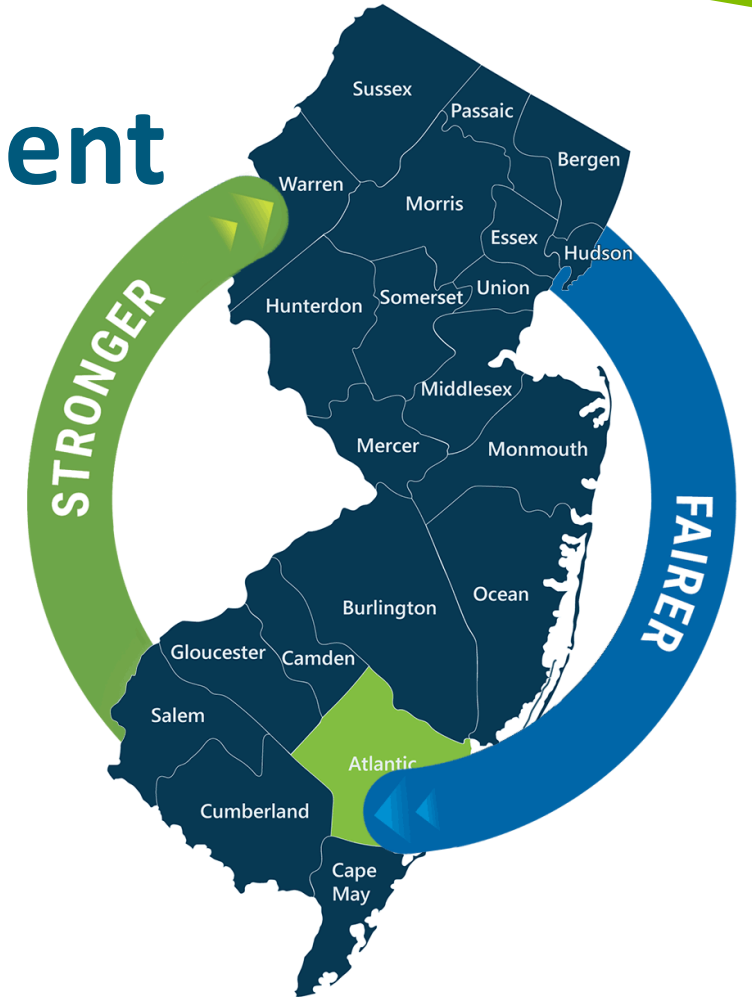


NJEDA Brownfields Redevelopment Incentive Program (BRIP)



What is Brownfields Redevelopment Incentive Program (BRIP) and Eligibility Criteria

- ▶ **What is it?**
 - ▶ **Tax Credit (not a grant)**
 - ▶ Designed to incentivize brownfields remediation
 - ▶ Focuses exclusively on funding remediation (**not vertical construction**)
- ▶ **Who is eligible?**
 - ▶ For-profit and non-profit developers
 - ▶ Municipalities / redevelopment agencies
- ▶ **What sites are eligible?**
 - ▶ Must be a brownfield site
 - ▶ Applicant must not be the discharger
 - ▶ Property owners are eligible for the program, but ownership is not required for program eligibility

BRIP Eligibility Criteria (cont'd) and Key Features

▶ What activities are eligible?

- ▶ Remediation activities from investigation through remedial action
- ▶ Includes demolition and disposal of structures, asbestos abatement, contaminated paint and wood removal, and infrastructure remediation

▶ Other Key Features and Considerations

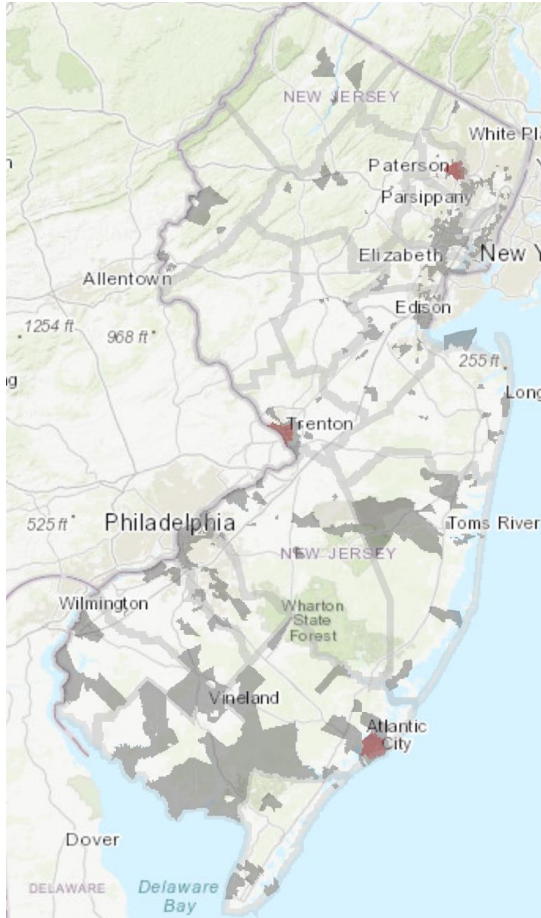
- ▶ Reasonable costs / Contingency permitted
- ▶ Redevelopment Project can be a remediation-only project
- ▶ Tax Credit is a **one-time tax credit** issued in the year of completion of remediation. Tax credits are **transferable** (can be sold) (floor of 85% of their value; 75% for LIHTC projects)

▶ Prevailing wage applies to entire site

- ▶ **Construction PW** continues for 2 years following issuance of tax credit
- ▶ **Building Services PW** continues for 10 years following project completion

Award Size

TAX CREDITS



60% up to \$8M

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

- ▶ **60 percent** of eligible remediation costs up to a maximum of **\$8 million**
- ▶ **Equity contribution** is **20%** of remediation costs

100% up to the same caps for solar on landfills

80% up to \$12M

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

- ▶ **80 percent** of the cost of eligible remediation up to a maximum of **\$12 million**,
- ▶ **Equity contribution** is **10%** of remediation costs.



New Legislative Changes to BRIP

- ▶ **Legislation – 9/4/24** Provides tax credits to incentivize brownfields remediation (only funds remediation, not vertical construction)
- ▶ **Timing:** Changes do not take effect until rule amendments are filed (Special Adoption)
 - ▶ NJEDA is in the process of drafting new rules
 - ▶ The program is not accepting new applications until the new rules are filed. Application will be rolling.

Key Changes and Improvements to BRIP

Eligibility Changes

1. Expands Eligibility

- Includes developers that did not discharge, allowing applicants to own the site.

2. Broadens Definition of Brownfield Site

- Now includes all real property, rather than just commercial/industrial.

3. Adds Limited Exception for Projects that Have Started Before Application

- Applicant may start remediation prior to application ordered by a government official with jurisdiction over the brownfield site or certified by a LSRP to correct or prevent the spread of a health, safety, or other hazard.

“Brownfield site” refers to any real property in this State that is currently vacant or underutilized and on which there has been, or there is suspected to have been, a discharge of a contaminant or on which there is contaminated building material.



Key Changes and Improvements to BRIP

Award Amount Increases

- 4. Increases Award Amounts for Non-Landfill/Solar Sites**
 - Previously: 50% or 60% up to \$4 million or \$8 million.
 - Now: 60% or 80% up to \$8 million or \$12 million.

New Category

- 5. Adds Solar on Landfills**
 - Remediation definition now includes "improvement and capping of landfills."
 - **Award of 100% of remediation costs** up to \$8 million or \$12 million (depending on location) for solar projects on closed sanitary landfills.



Key Changes and Improvements to BRIP

Application Process Changes

6. Change from Competitive to Rolling

- Applications will be processed on a rolling basis unless oversubscribed.
 - Can apply any time, once application is open.



Project Financing Gap Changes

7. Project Financing Gap

- No longer requires a project financing gap for Government-Restricted Municipalities (GRM).
- No longer requires a project financing gap for projects with remediation costs less than \$5 million.
- If applicable, when proposing a new project, the project financing gap shall consider the cost of the full project, but the award will be sized based on remediation costs.

Key Changes and Improvements to BRIP

Redevelopment Start Requirement Changes

8. **Removes the requirement for immediate redevelopment.**
 - Removes the requirement that the Developer intends to immediately redevelop the site upon approval of the tax credit, but still retains the requirement for immediate remediation upon approval of the tax credit.
 - This means the site must be cleaned up right away, although redevelopment can be planned for a later time.

Prevailing Wage Requirement

9. **No Changes to Prevailing Wage**
 - Prevailing wage requirements remain unchanged.



Eligible Activities

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

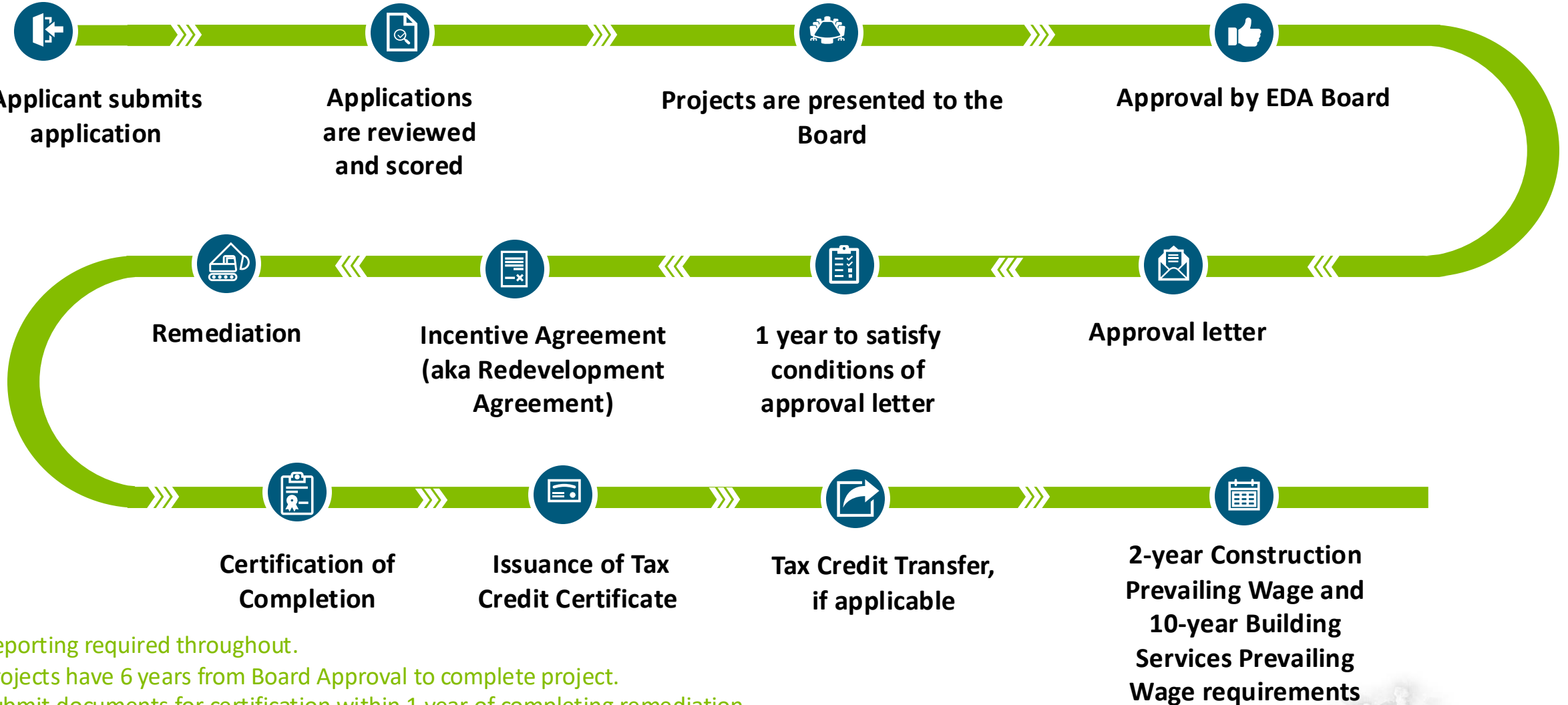


Ineligible Activities

- ▶ **Non-remediation construction**
 - ▶ This program does not pay for vertical construction which is not part of the remediation
- ▶ Property acquisition
- ▶ Financing fees
- ▶ Legal fees
- ▶ Incentive consultant fees (however, environmental consultant fees are eligible)
- ▶ NJEDA fees
- ▶ Remedial action (Clean up) costs prior to application
- ▶ Prior environmental studies and surveys incurred more than 24 months from submission of application



Basic Program Project Timetable Brownfields



Reporting required throughout.

Projects have 6 years from Board Approval to complete project.

Submit documents for certification within 1 year of completing remediation.

Ideal Project for the Brownfields Redevelopment Incentive Program

- ▶ Larger scale remediation and/or demolition
- ▶ 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
- ▶ Support from local government

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

Scan here for more information!





Visit njeda.gov or email
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