

Recapitalize the Brownfields Redevelopment Fund

Since 1998, the Fund Has Catalyzed Redevelopment Statewide

- ❖ Since its establishment in 1998, more than \$65 million has been made available through 566 individual awards for assessment or remediation of brownfields sites in 106 Massachusetts cities and towns.
- ❖ Brownfields sites are located across the Commonwealth: 19% of awards were made in the West, 16% in the Central, 22% in the Northeast, 12% in the Southeast, and 31% in Greater Boston.
- ❖ Over the past five years, the Fund supported the creation of 2,551 homes (2/3 of these affordable), 2,242 construction jobs, and an additional 2,191 jobs expected to be created by borrowers.
- ❖ Most sites are in critical locations near transit and other infrastructure. Redeveloping them serves to: 1) Advance the state's desire to promote smart, sustainable development patterns, 2) Revitalize distressed markets, and 3) Reduce toxic hazards in our communities.

The Fund Uses a Proven Model for Leveraging Public Dollars Effectively

MassDevelopment is responsible for operating the Fund. They have developed operating procedures that enable the state to unlock the economic potential of contaminated sites while ensuring the effective use of public dollars.

- ❖ MassDevelopment can provide up to \$100,000 for site assessments, which must be overseen by Licensed Site Professionals.
- ❖ MassDevelopment can provide up to \$500,000 to clean a site, or up to \$2 million if a site is declared a high priority site. Local governments are required to contribute to projects that receive large awards.
- ❖ Whenever possible, MassDevelopment ensures that the party responsible for the pollution pays for the clean-up and seeks to leverage federal dollars.
- ❖ Each project is carefully underwritten to ensure that public funding is essential and, when possible, developers are required to repay the funds as part of a loan agreement.
- ❖ In 2008, the Administration created the Brownfields Support Team (BST) Initiative, a multi-agency effort to concentrate technical, financial, and legal assistance to cities and towns undertaking complex brownfields cleanup and redevelopment projects.
- ❖ Once a site is cleaned up, developers use a combination of public and private financing to build residential and commercial developments that create homes and jobs.

The Fund Is Depleted as of June 2013

The Fund is essential for assessing, cleaning up and redeveloping contaminated properties, and demand for it has increased over the last 18 months. MassDevelopment attributes this to the progress made by the Brownfields Support Teams, as well as increased outreach to municipalities, particularly Gateway Cities, to redevelop municipally-owned sites. Also, with the economy starting to recover, the number of development projects underway has increased significantly.

MassDevelopment has a pipeline for projects that will receive funding only if the Fund is recapitalized. As of April 30, 2013, there were already 26 projects across the state (requesting a total of \$8 million) that will likely stall without brownfields support.

The Fund was initially capitalized with \$30 million in 1998 and it received another \$30 million in 2006. As the Brownfields Redevelopment Fund approaches its 15th Anniversary, we encourage the Legislature to work with the Administration and MassDevelopment to recapitalize the Fund.

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