

September 1, 2016

CDFA BROWNFIELDS TECHNICAL ASSISTANCE PROGRAM

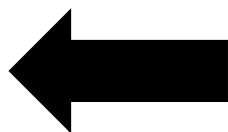
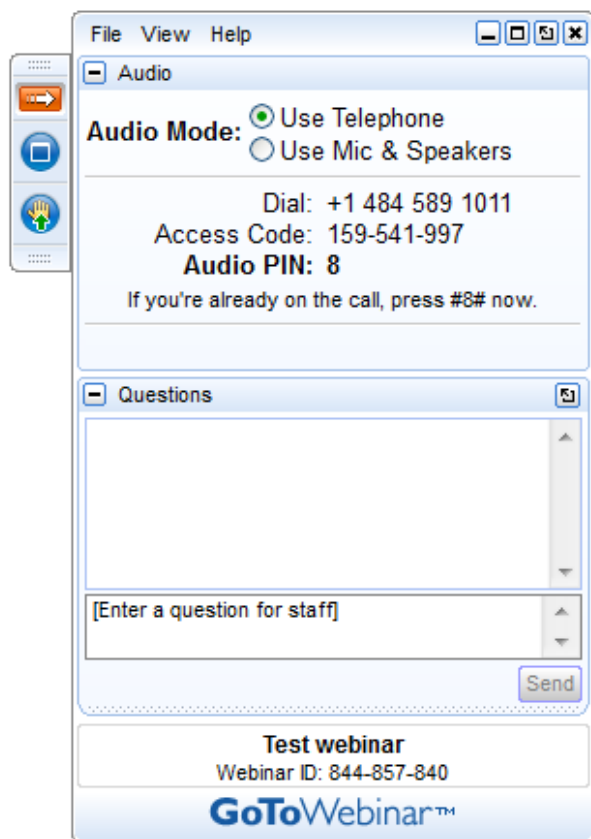
*Brownfields Financing
Webinar Series*



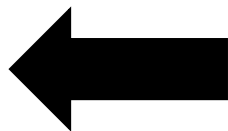
THE BROADCAST WILL BEGIN AT 2:00PM Eastern

- ▶ Submit your questions in advance using the GoToWebinar control panel
- ▶ View previous webcast recordings online at www.cdfa.net

Welcome & Overview



Using your telephone will give you better audio quality.



Submit your questions to the panelists here.

Join the Conversation

Technical Questions?

Contact CDFA at 614-705-1303



CDFA connects the public and private development finance sectors.

CDFA's 5 Focus Areas:

- *Education*
- *Advocacy*
- *Research*
- *Resources*
- *Networking*





CDFFA Training Institute

Training Courses:

- Fundamentals of Economic Development Finance Course
- Bond Finance (Intro and Advanced)
- Tax Increment Financing (Intro and Advanced)
- Intro Tax Credit Finance Course
- Intro Revolving Loan Fund Course
- Intro Energy Finance Course
- Intro Public-Private Partnership (P3) Finance Course
- Intro EB-5 Finance Course
- Intro Food Systems Finance Course
- Seed & Venture Capital Course
- Intro Brownfield Finance Course

***December 14-15 (Online)**



CDFA Online Resource Database

The CDFA Online Resource Database (ORD) is the nation's only electronic resource collection dedicated exclusively to development finance.

- CDFA Online Resource Database – 5,000 categorized resources
- Federal Financing Clearinghouse – 150+ federal program overviews
- Resource Centers – Bond, TIF, RLF
- Development Finance Review Weekly – newsletter to 20K+ subscribers
- 5 Targeted Newsletters – Tax Increment Finance Update, Bond Finance Update, Clean Energy + Bond Finance Initiative, Legislative Front Update, State Small Business Credit Initiative Update
- Targeted State Finance Newsletters
- Daily Headlines



CDFA BROWNFIELDS TECHNICAL ASSISTANCE PROGRAM



**Financing
Toolkit**



**Webinar
Series**



**Project
Marketplace**

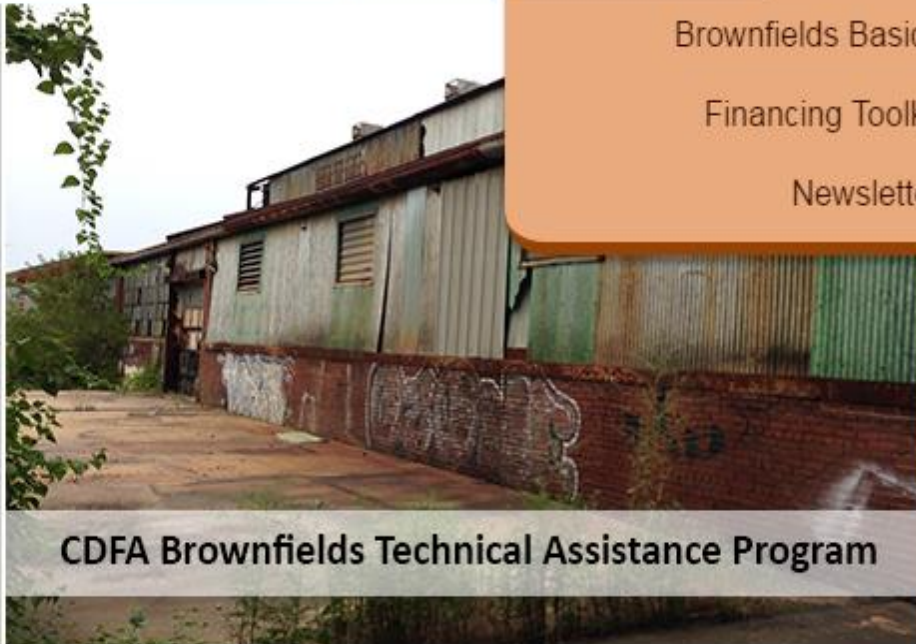


**Project
Response Teams**

CDFA BROWNFIELDS TECHNICAL ASSISTANCE PROGRAM



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[Brownfields Basics](#)

[Financing Toolkit](#)

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**Free Financing
Technical Assistance to
Local, State, and Tribal
Brownfield Efforts**

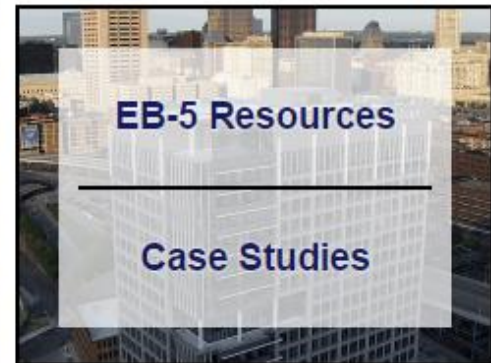
CDFA Brownfields Technical Assistance Program



**Intro Brownfields
Finance WebCourse**



Brownfields Financing Toolkit





Brownfield Financing Webinar Series

Register >>>

Last Webinar

Brownfields Redevelopment Financing Webinar Series: Reaching Your Redevelopment Goals with Brownfields Revolving Loan Funds

from CDFA

April 21, 2016

**CDFA BROWNFIELDS
TECHNICAL ASSISTANCE
PROGRAM**

*Brownfields Financing
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1:28:01

HD vimeo

CDFA Brownfields Technical Assistance Program — www.cdfa.net



Brownfields Project Marketplace

What is the Marketplace?

- Forum that connects communities looking to finance brownfield redevelopment projects with development financiers and brownfield project experts.
- Communities are asked to prepare a brief presentation on their redevelopment project and present it to our technical assistance partners in exchange for financing recommendations specific to the project.





Brownfields Project Marketplace

Community Benefits:

- Discover financial resources
- Direct access to financial advisors and brownfield experts
- Develop a better understanding of how to move your project forward
- 30 minutes dedicated to promoting your project





CDFA Project Response Teams

Opportunities available in 2016!



Previous Recipients:

- Texarkana, TX
- Tulsa, OK
- Kalispell, MT
- Josephine County, OR
- Longmont, CO
- New Bern, NC
- Englewood, IL
- Bedford Heights, OH

Kalispell Core Area and Glacier Rail Park Roadmap to Redevelopment

Recommendations

Part I: Financing Glacier Rail Park and Relocation of Businesses

These recommendations focus specifically on relocating the CHS businesses and establishing the new rail park.

- Secure Redevelopment Agreements or Letters of Intent from all parties involved in relocating to the new Glacier Rail Park.

The property owners, along with the railroad, have a significant stake and influence over the future of the Core Area and the success of the new Glacier Rail Park. Although many positive conversations have evolved over the years about the redevelopment opportunity, the City or Flathead County Economic Development Authority should have binding agreements in place with the participating property owners. The agreements will not only ensure that all parties understand precisely the terms of the relocation, but should also expedite the process of relocation once the City and FCEDA are ready to move forward.

- Continue supporting the Tax Increment Financing (TIF) District

In light of recent changes to the property tax assessments in Montana, the City's TIF District is now \$1.5 million below the base value of the TIF District. The City should continue to collect revenue from the TIF District until the balance is paid and revenues can once again be banked to use for District improvements, or pay toward the pledged TIGER grant match. Additionally, TIF districts often authorize use of development tools including development incentives and land assembly that may benefit the Glacier Rail Project. These TIF rights should be explored.

Despite substantial reductions in assessed property values as a result of state legislative changes, the City should not terminate the existing TIF District or take other actions that would put the TIF District's access to entitlement revenues at risk. The existing TIF District produces almost \$250,000 per year in incremental revenue, in addition to existing collected revenues. There is tremendous value in retaining this stable revenue source and retaining a mechanism to capture the value of future development. The TIF District should be allowed to continue operating as intended.

CDFA BROWNFIELDS TECHNICAL ASSISTANCE PROGRAM

Upcoming Events



Brownfields Project Marketplace:

October 13
Phoenix, AZ

November 2-4
CDFA National Development Finance Summit
New Orleans, LA

Rolling Online Marketplace
Contact CDFA for Scheduling

Contact:

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Senior Project Manager

PGAV Planners

Andy Struckhoff

Associate Director

PGAV Planners

Brownfields and TIF

Crestwood Mall and NW Plaza Mall Case Studies

Brownfields and TIF – Things to Remember

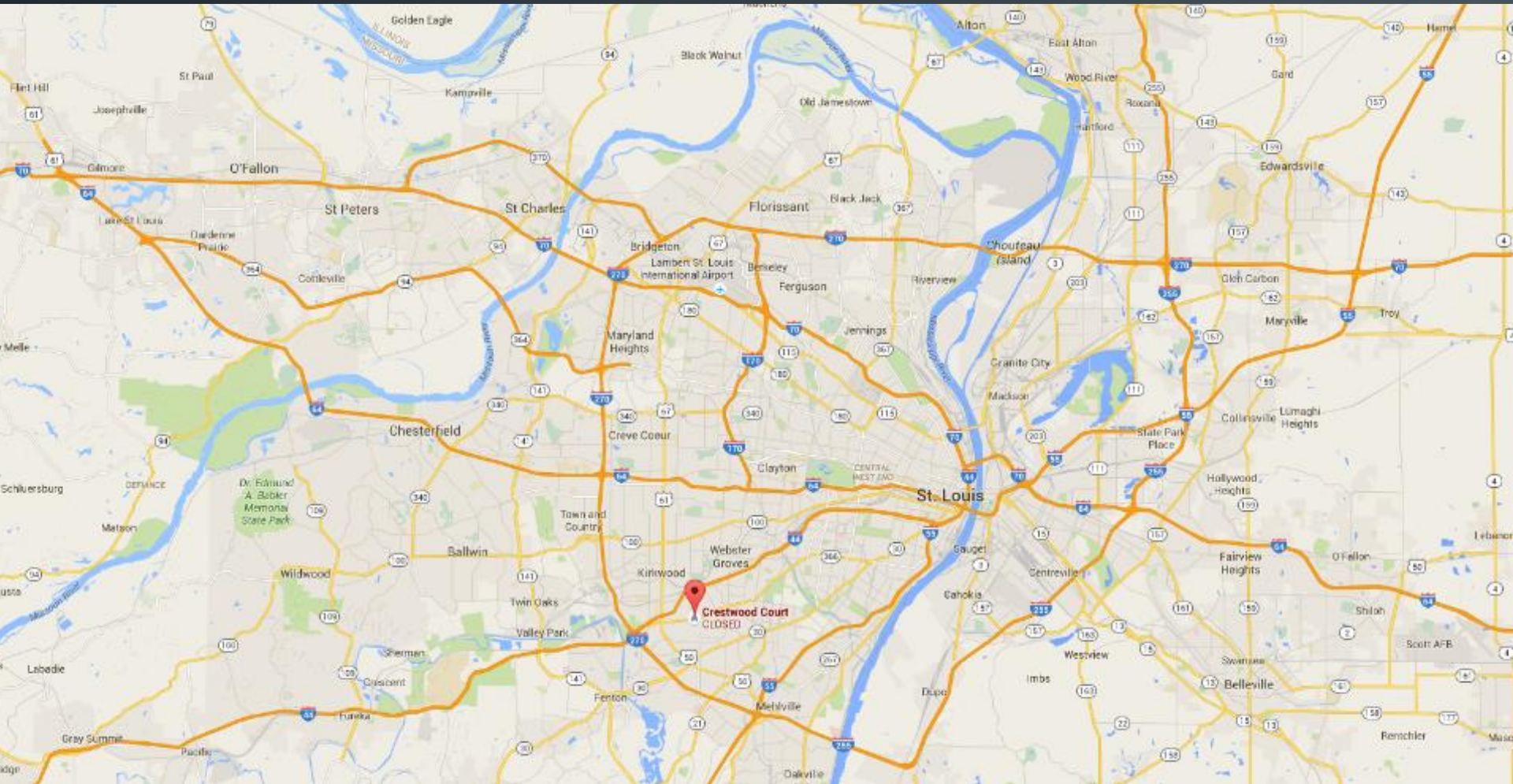
- Blighting criteria
 - Environmental Phase I and II
- Power of financial mechanism “stacking”
- Tax Credits – Impact on “but for” test
 - Timing
 - Requested amount
- Phasing of projects



Crestwood Mall – Site Summary

- Located in South St. Louis County, south of I-44
- Constructed, primarily as an outdoor shopping center in 1957
- Excellent surrounding demographics for retail
- Not located on an Interstate, but along Watson Road, a major corridor (part of Historic Route 66)
- Major topographic change on the site (50 feet)

Location in St. Louis Metro Area



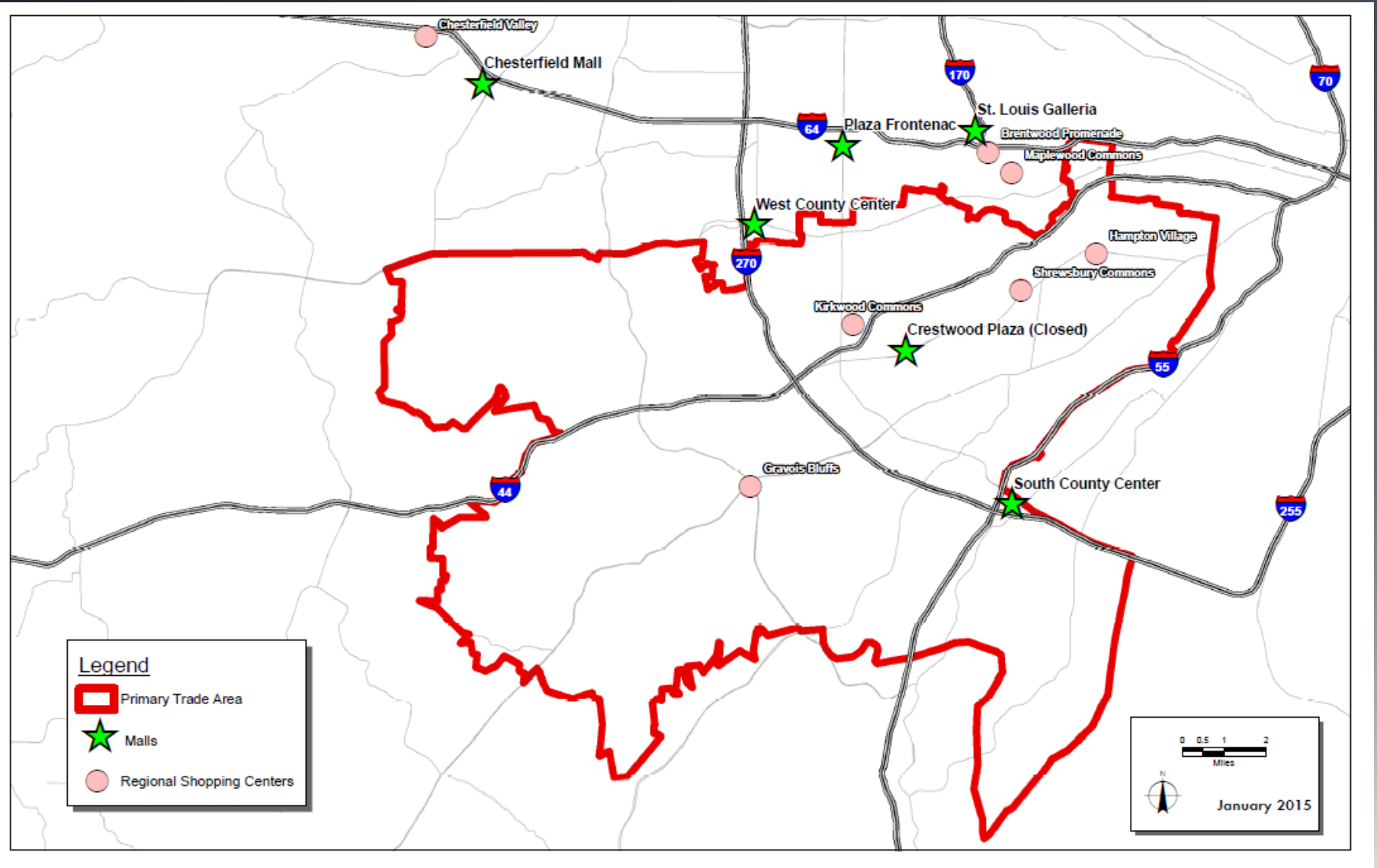
Watson Road Corridor - 1982



Watson Road Corridor – 1981 - 1998

- Crestwood Plaza was redeveloped in 1983-85
- Watson Road Corridor was redeveloped
- Crestwood Plaza was the place to shop
- Westfield acquired the property in 1998 for \$118 Million

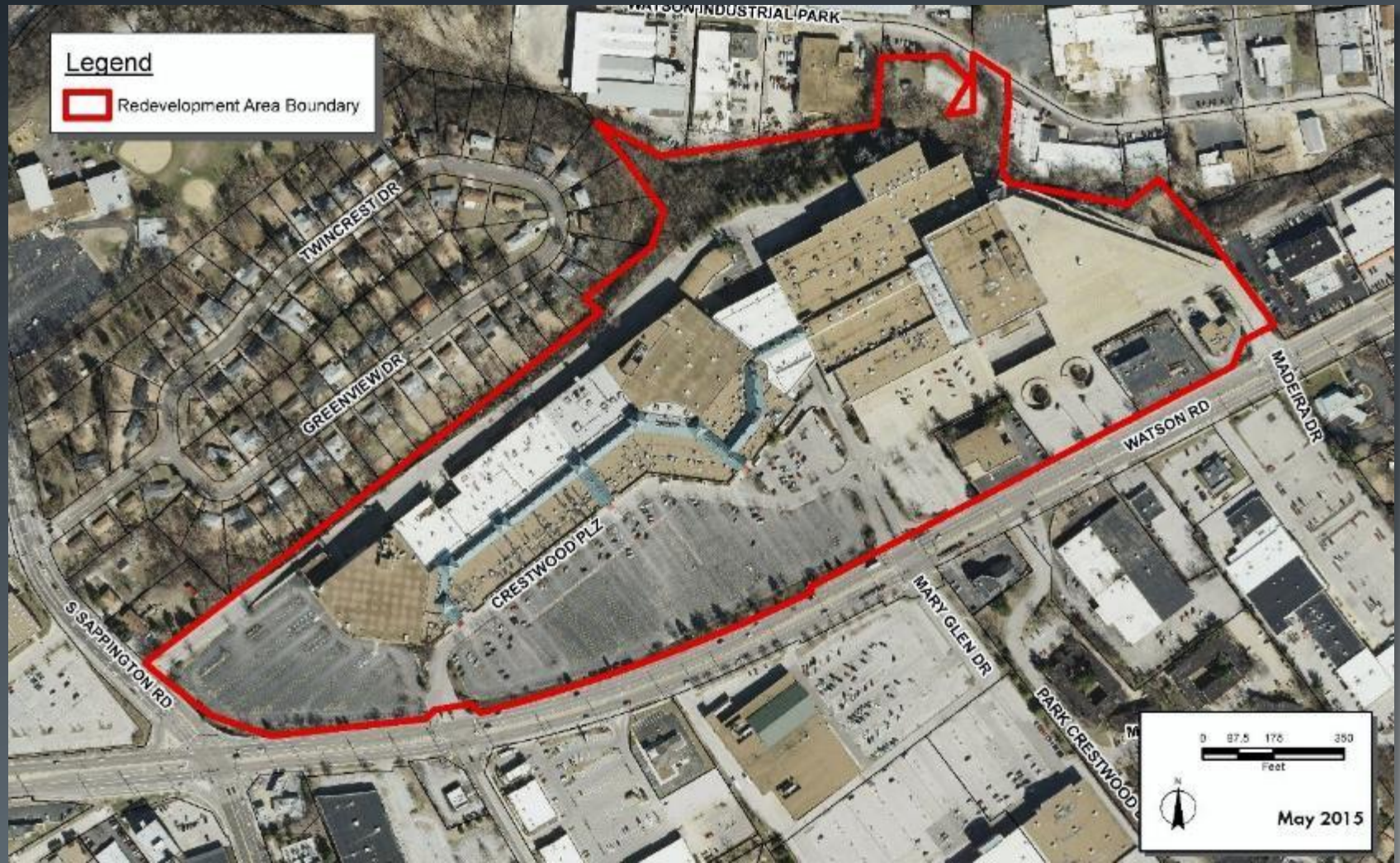
Trade Area



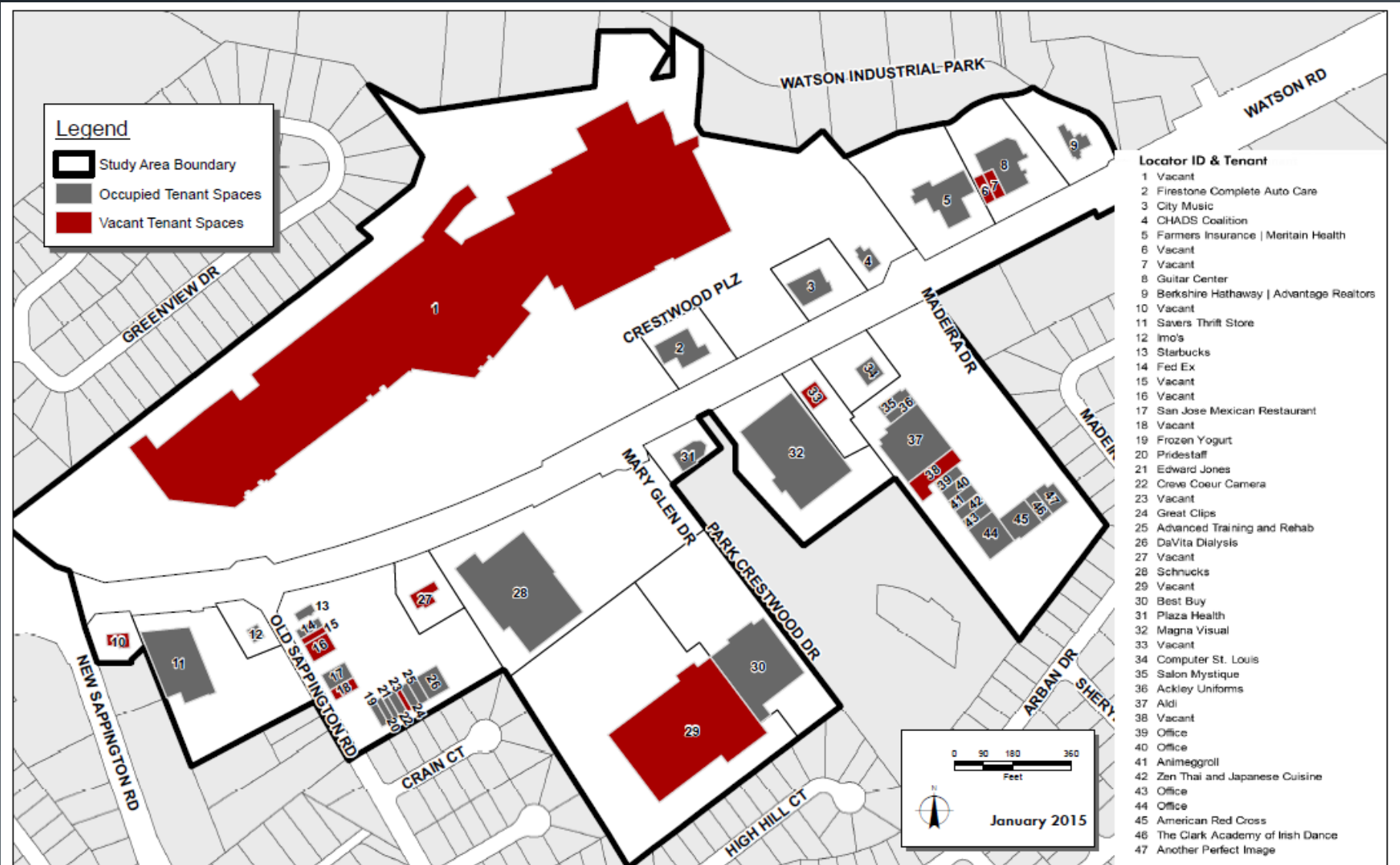
Decline of the Mall

- Lack of investment in buildings
- Several redevelopment proposals that did not start
- It was sold again in 2007 for \$18 Million to a partnership of Centrum Partners and Angelo Gordon and renamed Crestwood Court
- After a long but ultimately unsuccessful redevelopment process, it was sold at auction for \$2.5 Million to UrbanStreet
- \$750,000 worth of asbestos removal required

Crestwood Plaza Today



75% Corridor Vacancy (2015)



Crestwood Plaza Today



Summary of Redevelopment Tools Used

- Tax Increment Financing (TIF)
- Community Improvement District (CID)
- Transportation Development District (TDD)
- State and Federal Brownfield Tax Credits
- Chapter 353 Tax Property Tax Abatement and Sales Tax Rebate (as a back-up)

Proposed Crestwood Plaza

PROJECT DATA

SITE AREA 15,463 SQ. FT.

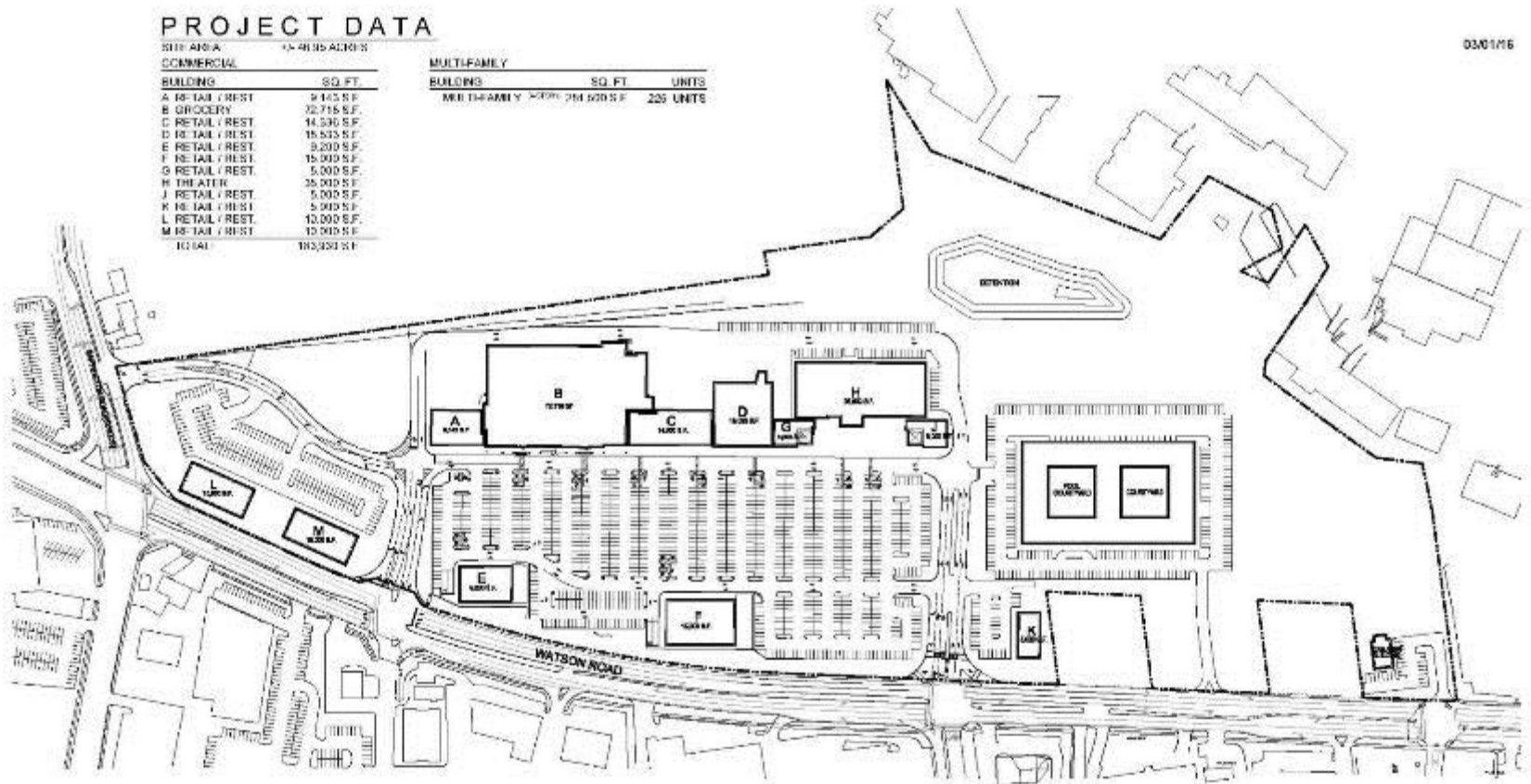
COMMERCIAL

BUILDING	SQ. FT.
A RETAIL / REST	9,143 S.F.
B GROCERY	32,715 S.F.
C RETAIL / REST	14,530 S.F.
D RETAIL / REST	15,533 S.F.
E RETAIL / REST	9,200 S.F.
F RETAIL / REST	15,000 S.F.
G RETAIL / REST	5,000 S.F.
H THEATER	35,000 S.F.
J RETAIL / REST	5,000 S.F.
K RETAIL / REST	5,000 S.F.
L RETAIL / REST	12,000 S.F.
M RETAIL / REST	10,000 S.F.
TOTAL	182,321 S.F.

MULTIFAMILY

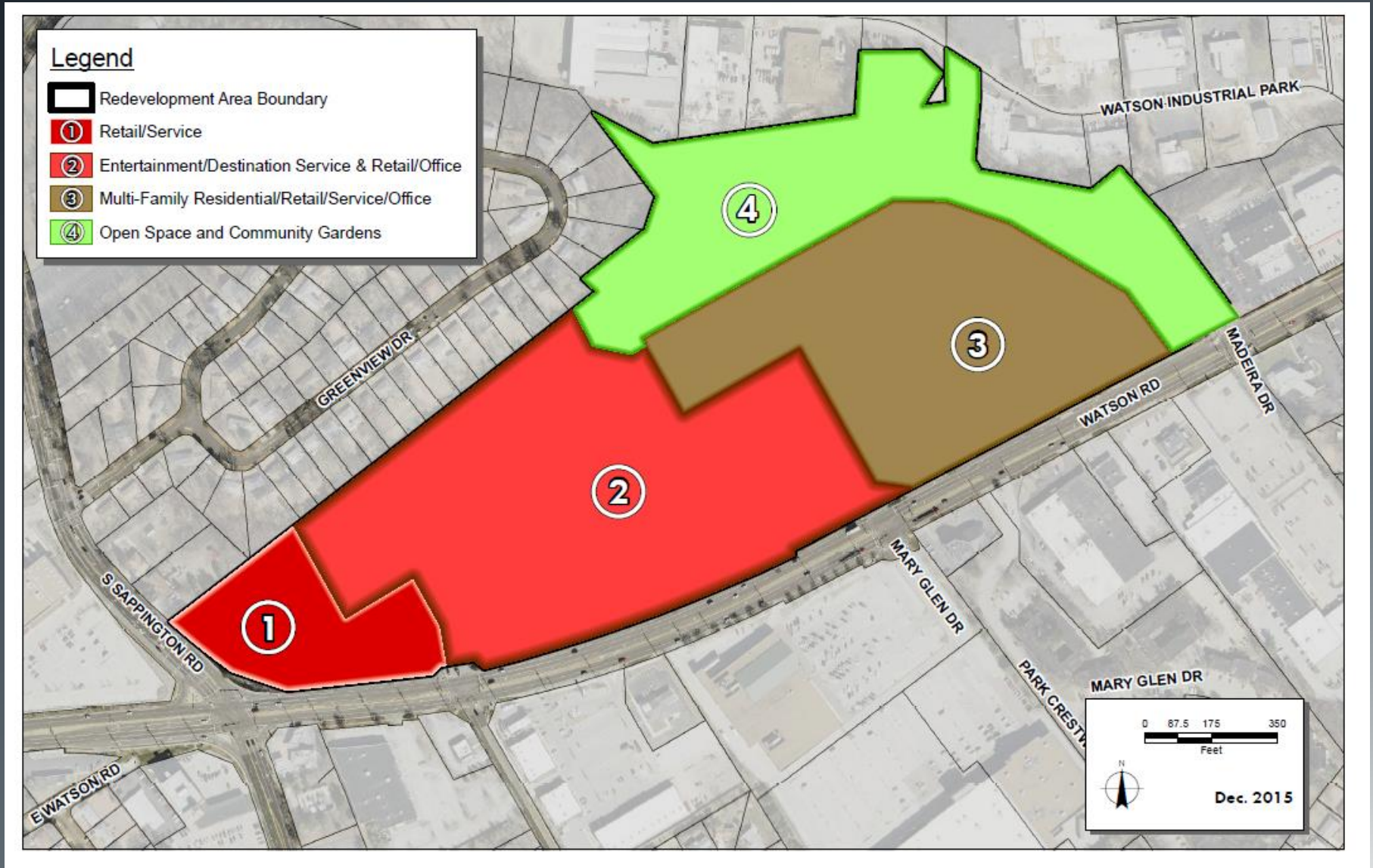
BUILDING	SQ. FT.	UNITS
MULTIFAMILY	261,500 S.F.	225 UNITS

03/01/16



PRELIMINARY SITE PLAN
SCALE: 1" = 100'-0"
0 25 50 100 200

Proposed Crestwood Plaza



Northwest Plaza

- Located in North St. Louis County, near the airport
- Constructed, primarily as an outdoor shopping center in the mid-1960s
- Excellent surrounding demographics for retail in a growing suburban location.
- Located at intersection of two major state highways.
- Grew from 1.3M to more than 1.5M square feet in its lifetime.

NW Plaza – Mid-90s



NW Plaza – Late 80s

- Mall enclosed, adding 200,000 leasable space.
- Total GLA exceeds 1.7M square feet.
- Mall doing very well, until early 2000s; began slow decline; creeping vacancy
- Several redevelopment efforts, but nothing caught on.
- Current ownership bought the property in 2012 for \$5 million.

Summary of Redevelopment Financing

- Total Project Cost: \$106.2M
- Tax Increment Financing (TIF): \$33.3M
- Community Improvement District (CID) Additional 1% Sales Tax: \$5.6M
- State and Federal Brownfield Tax Credits: \$6.3M
 - \$8.3M in environmental remediation costs, related to asbestos-containing materials used in insulation, floor tiles and ceiling tiles.
 - 800,000 square feet of flooring materials contained asbestos
- NMTC: \$3M
- Financing (Debt/Equity): \$45.9M
- Tenant Contribution: \$15M

Redevelopment Financing – With/Without TIF

Northwest Plaza IRR

IRR Without TIF	Construction	2014	2015	2016	2017	2018	2019	2020	2021
<i>Investment / Residual Value</i>	\$(51,293,725)	\$(16,612,500)	\$(26,287,500)	\$(11,987,500)					
<i>Net Operating Income</i>		\$ 776,200	\$ 1,194,004	\$ 3,436,464	\$ 3,504,773	\$ 3,584,649	\$ 3,656,342	\$ 3,729,469	
<i>Brownfield Tax Credit Equity</i>		\$ 6,302,792							
<i>Property Sale</i>		\$ 2,000,000	\$ 4,000,000	\$ 6,000,000					\$ 42,820,168
<i>Tenant Contribution</i>	\$ 15,000,000								
<i>Tax Increment Financing</i>									
<i>CID</i>						\$ 5,676,597			
<i>NMTC Benefit</i>		\$ 3,000,000							
<i>Total Cash Flow</i>	\$(36,293,725)	\$(4,533,508)	\$(21,093,496)	\$(2,551,036)	\$ 3,504,773	\$ 9,261,245	\$ 3,656,342	\$ 3,729,469	\$ 42,820,168
IRR w/o TIF	-0.37%								

IRR With TIF	Construction	2014	2015	2016	2017	2018	2019	2020	2021
<i>Investment / Residual Value</i>	\$(51,293,725)	\$(16,612,500)	\$(26,287,500)	\$(11,987,500)					
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<i>Tenant Contribution</i>	\$ 15,000,000								
<i>Tax Increment Financing</i>				\$13,085,926	\$4,683,093	\$15,565,274			
<i>CID</i>						\$5,676,597			
<i>NMTC Benefit</i>		\$ 3,000,000							
<i>Total Cash Flow</i>	\$(36,293,725)	\$(4,533,508)	\$(21,093,496)	10,534,890	\$ 8,187,866	\$ 24,826,520	\$ 3,656,342	\$ 3,729,469	\$ 42,820,168
IRR w/ TIF	8.11%								

Residual Value Assumptions

Pre-tax NOI	\$ 5,010,871
Cap Rate	11.00%
Gross Sale Price	\$ 45,553,370
Sale Expenses	\$ 2,733,202
Net Sales Price	\$ 42,820,168

NW Plaza 2016



Mark Barbash

Senior Strategic Advisor

Council of Development Finance Agencies



Gowdy Field Columbus, Ohio

Gowdy Field: Part One

- Stranded property from highway construction
- Previously baseball fields used by the community
- Unregulated landfill
- History:
 - 1900s: Community Gardens
 - 1940's: Baseball Field with 22 diamonds (Gowdy Field)
 - 1964: Became a landfill to handle construction debris from the construction of a major freeway



Gowdy Field: Part Two

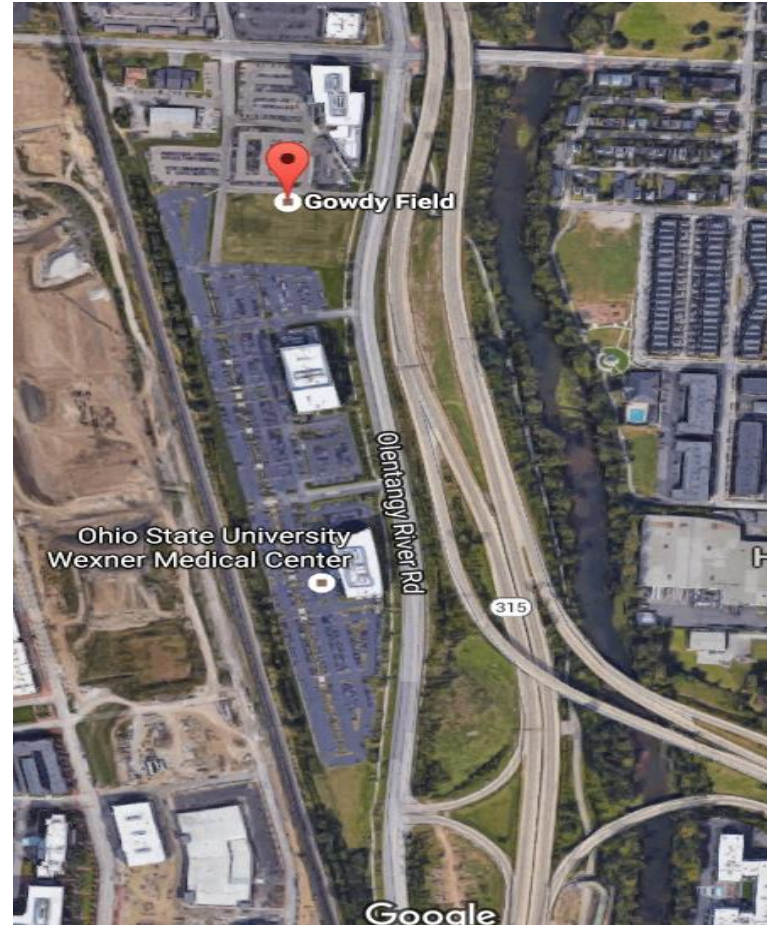
- 2005: Interest in the site by developers and the city
- Great highway access, proximity to residential, commercial and The Ohio State University
- Control ceded from Recreation and Parks to a nonprofit real estate development corporation (Columbus Urban Growth Corporation)
- Request for Proposal issued for remediation and redevelopment of the site
- Developer selected based upon experience with brownfield remediation and urban revitalization: Wagenbrenner
- Redevelopment potential uncertain

Gowdy Field: Part Three



- Subsurface contaminated with VOCs, metals and pesticides.
- Buried material contained hydrogen sulfide and methane gas
- 2005: Ohio brownfield program provided grant of \$3 million for remediation of the site
- Placement of an engineered cover over waste, membranes under development site, and extraction and treatment of landfill gases, and treatment of contaminated water on site
- Received Covenant Not to Sue from Ohio EPA through their voluntary action program

- \$3 million in Clean Ohio Revitalization
- Two Years to Remediate
- \$3 million City of Columbus infrastructure
- Cash Flow TIF
- Additional \$3 million for adjacent site development
- 10 year, 75%



Gowdy Field: Part Four

- Master Plan development with Wagenbrenner Development
- Redevelopment of Gowdy Field commenced with the relocation and expansion of a **Time Warner** customer and service building
 - 600-700 jobs
 - \$28.5 Million payroll
- OSU James Care and Medical Center facilities
 - Two additional Buildings
 - Additional 600-700 jobs
 - \$75 million investment



Gowdy Field Tax Increment Financing District

• TIF District Number 34 out of 54



Gregory Daniels

Partner

Squire Patton Boggs



CDFA BROWNFIELDS TECHNICAL ASSISTANCE PROGRAM

Brownfields Financing Webinar Series

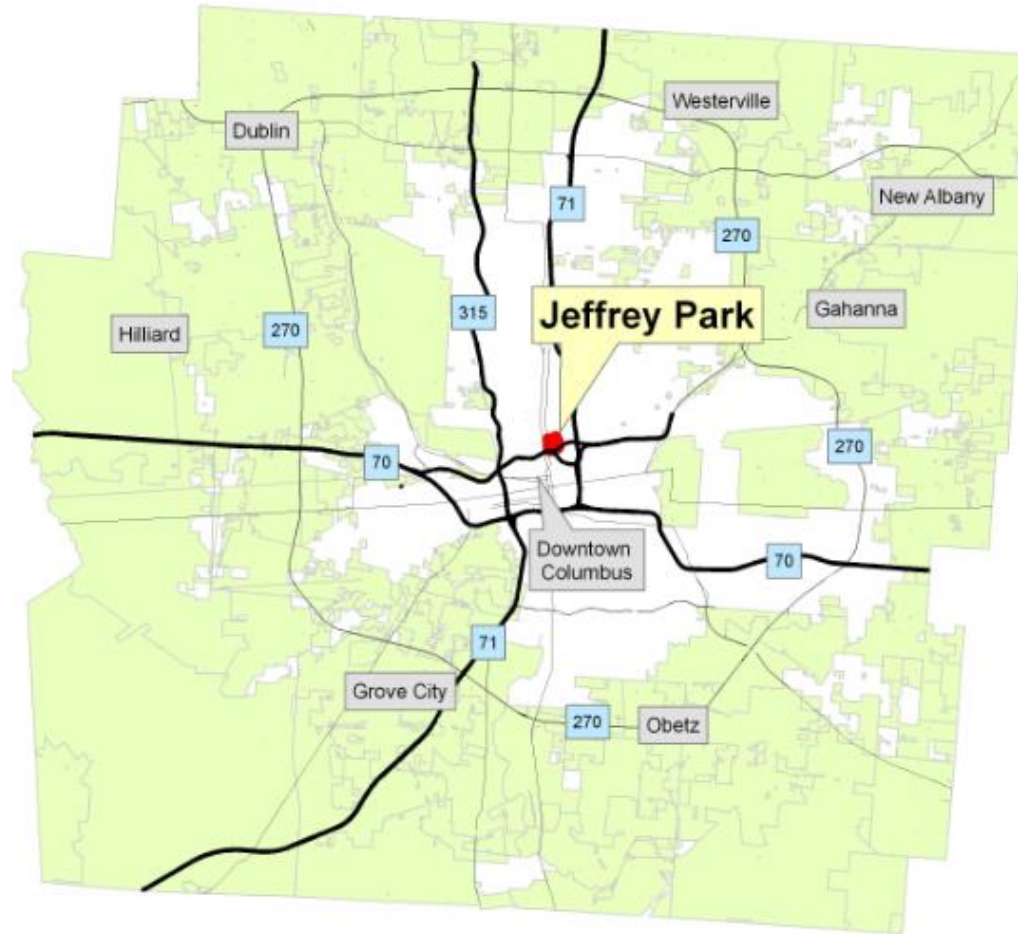
Strategic TIF Structuring for Brownfields Redevelopment

Greg Daniels
Partner

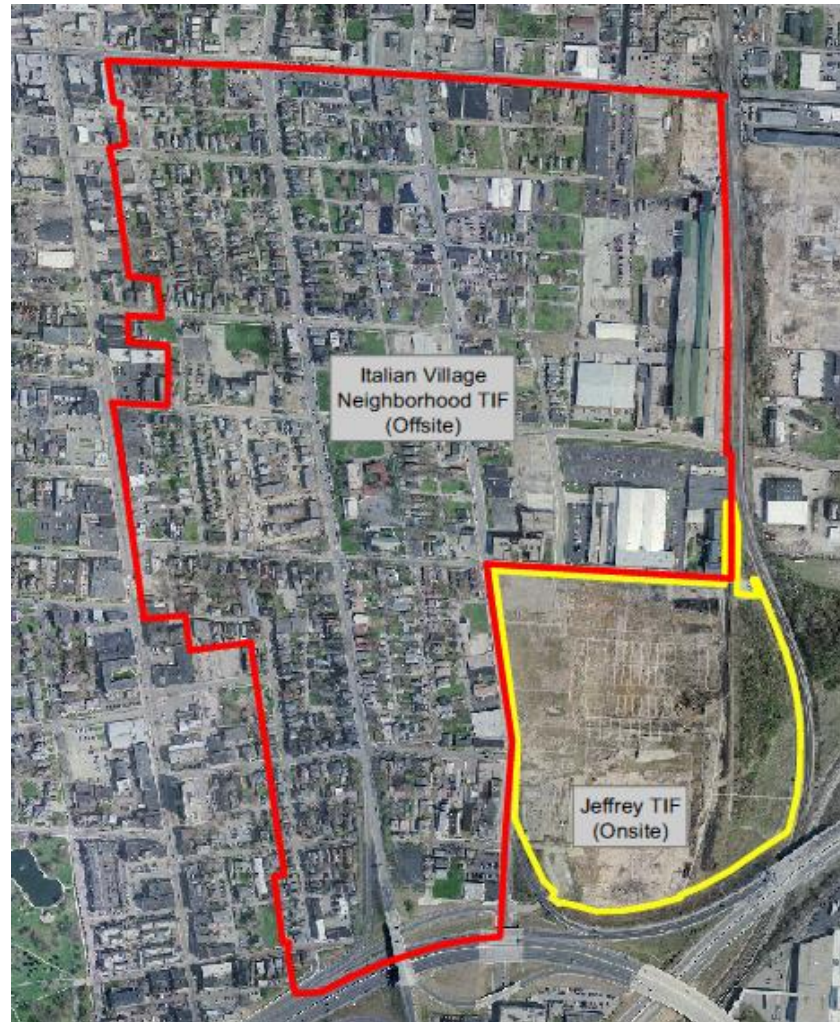
Squire Patton Boggs (US) LLP



Jeffrey Park Development Area



Italian Village TIF and Jeffrey Park TIF

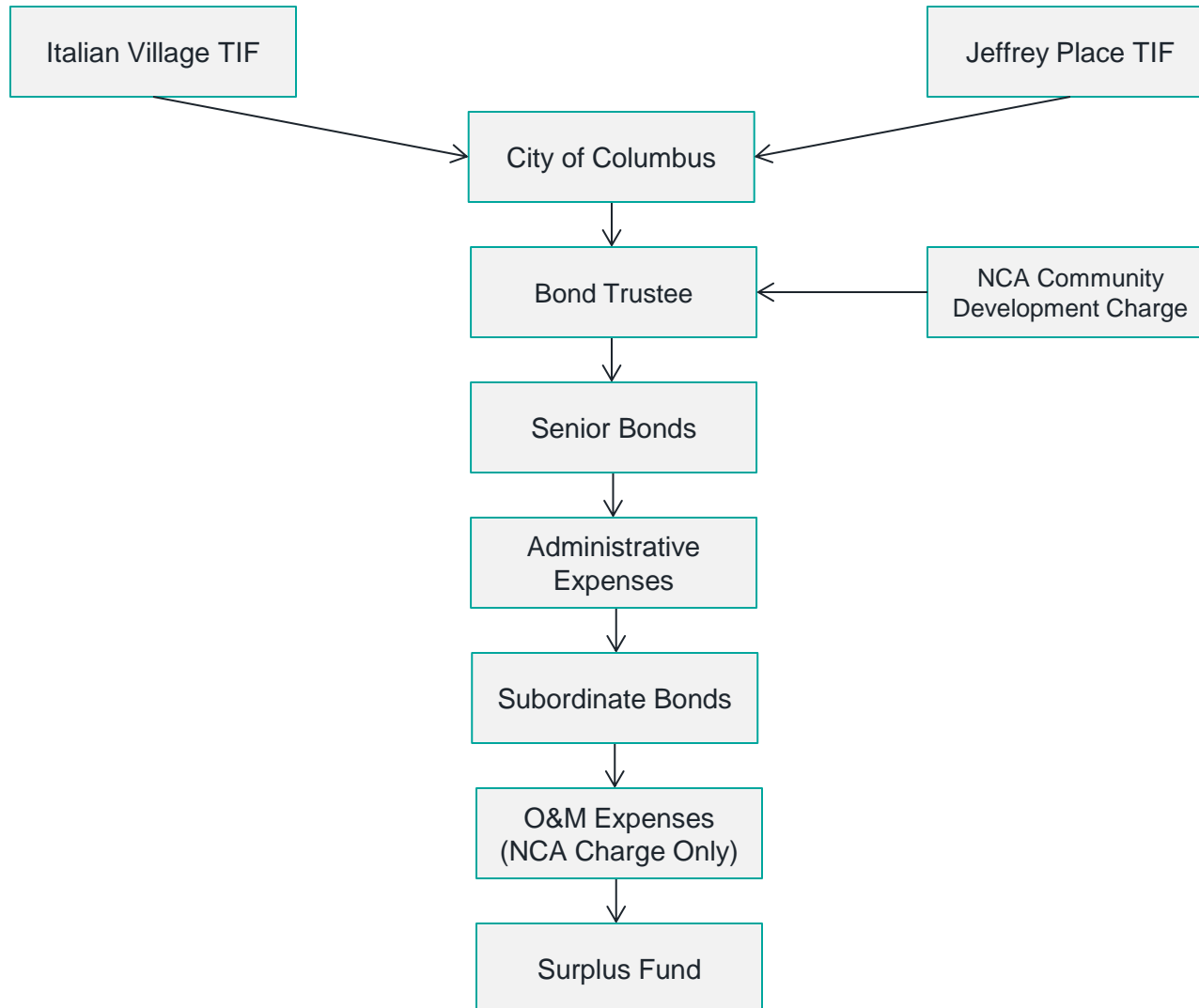


- City and State Grants: In 2002, the City of Columbus and State of Ohio provided \$3,800,000 in grants and loans to assist with the Development, including a \$3,000,000 pass-through grant from the State of Ohio for environmental remediation of the Development site, a \$500,000 grant from the State of Ohio and a \$300,000 grant from the City of Columbus for infrastructure improvements.
- Community Reinvestment Area (CRA) Designation: The City of Columbus approved a 15 year 100% real property tax abatement
- Tax Increment Financing: The City of Columbus approved two 30 year, 100% tax increment financing areas – the Village TIF and the Jeffrey Park TIF. Columbus City Schools are held harmless.
- New Community Authority (NCA): The City of Columbus formed the Jeffrey Place New Community Authority.
 - NCA levies a property charge equal to 50% of abated property taxes
 - NCA issues bonds backed by property charge and TIF
 - NCA owns public improvements such as a community center, parks and parking

New Community Authority Bond Issues

- 2006 Series A Bonds: \$6,955,000 in principal amount of senior bonds issued to fund roadway, water and sewer improvements
- 2013 Series A Bonds: \$8,755,000 in principal amount of senior bonds issued to fund roadway, water, sewer, park and parking improvements
- 2013 Series B Bonds: \$3,700,000 in principal amount of subordinate bonds issued to fund community center (paid from onsite revenues only – no Italian Village TIF revenues pledged)
- All bond issues were unrated limited offerings or private placements

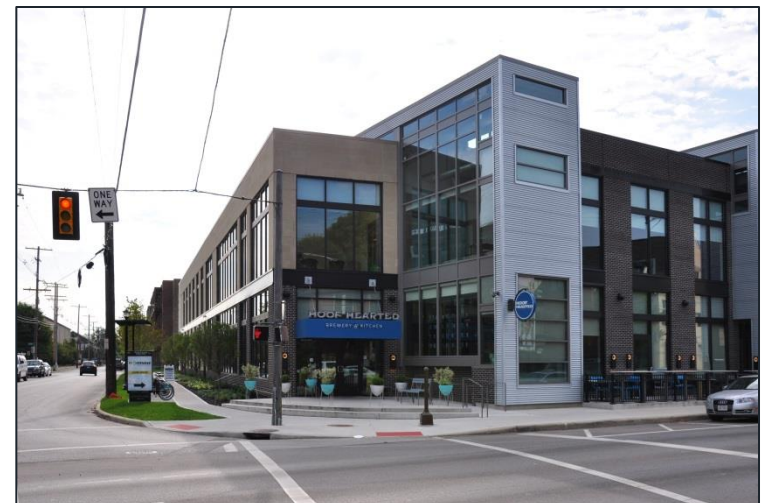
Flow of Funds for NCA Bonds



Jeffrey Park Development Progress



Jeffrey Park Development Progress



Emily Pomeroy

Attorney

Center for Economic Development Law

CDFA Webinar

September 1, 2016

Strategic TIF Structuring for Brownfields Redevelopment

Emily K. Pomeroy

Center for Economic Development Law

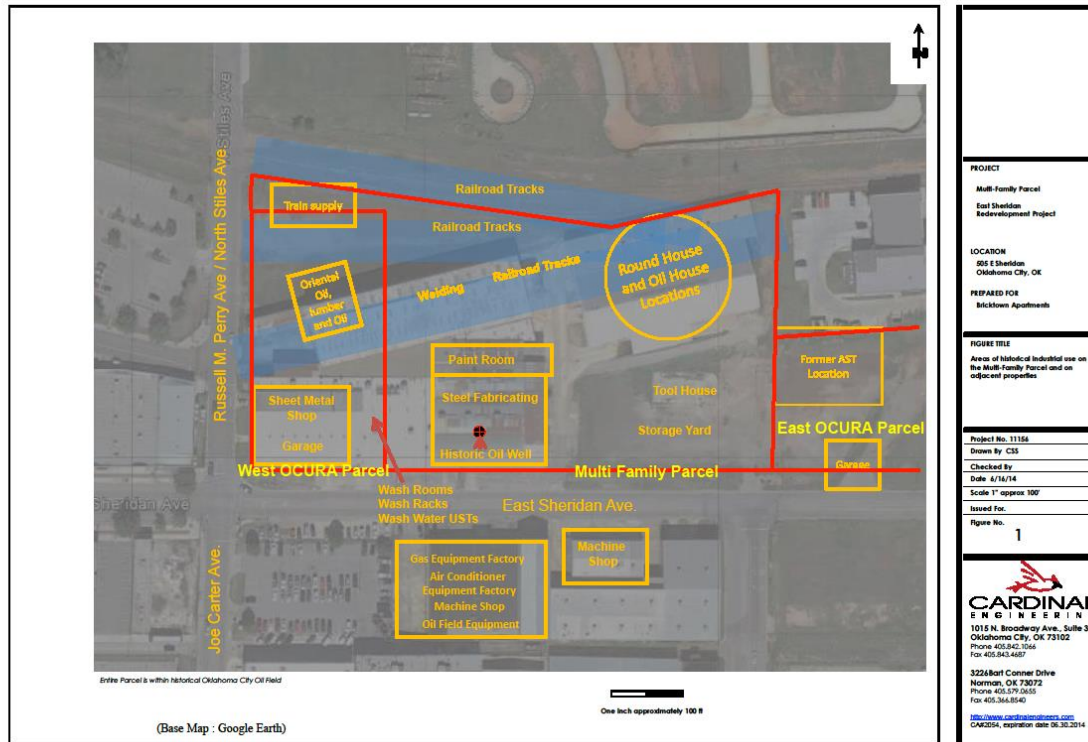
Oklahoma City, Oklahoma

The Steelyard

- Undeveloped site in Bricktown, east of downtown Oklahoma City
- Significant environmental contamination
 - 10,000 cubic yards of dirt removed
 - Multi-phase extraction
 - Brownfields Certificate of No Further Action Necessary issued
- 250 residential units
- 17,500 square feet mixed use
- 2 hotels – AC (135 rooms) and Hyatt Place (125 rooms)



The Steelyard



PROJECT
 Multi Family Parcel
 East Sheridan
 Redevelopment Project

LOCATION
 803 E Sheridan
 Oklahoma City, OK

PREPARED FOR
 Bicklow Apartments

FIGURE TITLE
 Areas of historical industrial use on
 the Multi-Family Parcel and on
 adjacent properties

Project No. 11156
 Drawn By: CJS
 Checked By:
 Date: 6/16/14
 Scale: 1" approx 100'
 Issued For:
 Figure No. 1

CARDINAL
 ENGINEERING
 1015 N. Broadway Ave., Suite 300
 Oklahoma City, OK 73102
 Phone: 405.843.1066
 Fax: 405.843.4687
 3224 1/2 Corbett Drive
 Norman, OK 73072
 Phone: 405.579.0800
 Fax: 405.366.8540
<http://www.cardinalengineers.com>
 CME2504, expiration date 05.30.2014

The Steelyard

Financing:

- \$1,000,000 loan from City's Brownfields revolving loan fund program
- \$350,000 from DEQ for cleanup
- \$90,000 from OCC to cap well
- \$4,000,000 in assistance from existing Increment District No. 2
 - TIF geographic area: Central Business District + other outer lying areas
 - TIF created in 2000 with a budget of \$121,000,000
 - As of 2015, \$89,000,000 increment generated (with a portion distributed to affected taxing jurisdictions)

The Steelyard



Dell Customer Service Center

- One of initial developments along the now very active riverfront of the Oklahoma River
- Significant environmental contamination
 - 66-acre former landfill site of 20 years
 - Dynamic soil compaction
 - 16 ton weights burying 8 feet with each drop
- 2,500 new jobs
- \$720,000,000 in salary generation



Dell Customer Service Center



Dell Customer Service Center

Financing:

- \$5,500,000 from City through forgivable loan program as job creation incentive
- \$11,700,000 in site prep and infrastructure improvements partially funded through the City's line of credit and reimbursed by increment generated through Increment District No. 5
 - Sales tax TIF covering project site only
 - Ad valorem TIF that covers a much larger area along both sides of the river
 - TIF created in 2005 with a budget of \$28,203,000
 - As of 2015, \$7,700,000 increment generated

Sales Tax TIF Details:

- Not based on retail sales generated by the project, but rather new jobs and the consumer sales made by those employees
- Sales tax formula:
 - Actual total gross salaries of all employees [times] 30% [times] 52% [times] undedicated portion of City sales tax rate
 - Example: $\$42,000 \times .5 \times 2000 \times .30 \times .52 \times .02 = \$131,040$

Description of Values	
Average Annual Salary	\$42,000
Full Time Employees	2000
Payment/Accounting Period	.5 (one-half of a year)
Percent of Payrolls Contributed to Consumer Sales	30%
Oklahoma City's Capture Rate of Consumer Sales	52%
Undedicated Portion of OKC Sales Tax Rate	\$0.02

Oklahoma Local Development and Enterprise Zone Incentive Leverage Act

- Match of the amount of local sales taxes apportioned by the City to pay project costs, subject to an absolute cap equal to the net benefit received by the State in connection with the project
- Limited to non-retail economic development projects
- City makes application to the DOC which determines eligibility and net benefit and City makes application to the OTC every 6 months showing amount of sales tax increment generated based on information provided by company
- As of 2015, \$2,250,000 increment generated with a dollar-for-dollar match from the State.



CENTER FOR ECONOMIC
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