

BROWNFIELDS METRICS - SELLING BROWNFIELDS THROUGH IMPACT ANALYSIS

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REDEVELOPMENT ECONOMICS EXPERIENCE IN IMPACT ANALYSIS

Program Analysis

- New York State – Brownfields Tax Credit
- Massachusetts – Brownfields Tax Credit
- Wisconsin – State Brownfields Incentives
- Oregon – State Brownfields Programs
- Maryland – Historic Preservation Tax Credit
- National
 - Section 198
 - Brownfields impact literature review - NEMW

Project Analysis

Brockton, MA –
New Markets
Tax Credits



Ranson, WV
Brownfields
Areawide Plan



Baltimore – Waterfront TOD



Clean it up

Start w/
This



Redevelop it



Save this



NEW YORK STATE BROWNFIELDS TAX CREDIT ANALYSIS

Pre-study Critiques of BCP	Study Findings
Assisted sites are not in distressed areas	63% of sites are in below median income CT's
Tax credit is not assisting economic development	15,000 direct (21,000 direct/indirect) jobs, including <ul style="list-style-type: none">• 16 manufacturing projects – 2500 jobs• 2 headquarters projects – 2,000 jobs
Program is a drain on the state treasury	\$1.00 state outlay recoups \$2.11 in direct tax revenues (\$3.44 in direct and indirect)

ECONOMIC STIMULUS

NEW YORK BROWNFIELDS TAX CREDIT VS. ROAD BUILDING

	Road Building	BCP sites	Impacts favor:
Impacts of construction	Direct and indirect jobs attributable to direct public spending	Public spending is leveraging private spending, 8.24 times the public-dollars-only road spending.	BCP
Permanent jobs	Unclear	15,000 permanent jobs at BCP-assisted projects	BCP
Distressed area impacts	Neutral	63% of BCP projects areas are below the state median	BCP
Smart growth impacts	More often works to accommodate sprawl	All in existing communities; most projects are walkable.	BCP
Protection of public health	No benefit	142 sites cleaned up	BCP

RESPONDING TO POLICY NEEDS: SIMPLIFYING THE ACTION-NO ACTION ALTERNATIVES IN _____

Benefits of continued leadership on brownfields	The quantitative findings from past brownfields investments	Costs of inaction
<ul style="list-style-type: none"> Stimulate economic development in existing communities 	<ul style="list-style-type: none"> \$3.3 billion investments in existing communities 29,000 new/retained permanent jobs 	<ul style="list-style-type: none"> Blighted neighborhoods, disinvestment Sprawl Jobs lost to other states
<ul style="list-style-type: none"> Jobs/economic activity in distressed areas 	<ul style="list-style-type: none"> 50% of jobs generated in CT's below 80 percent of the state median HH income 	<ul style="list-style-type: none"> Siphon growth to outer suburbs Continue economic distress for older communities
<ul style="list-style-type: none"> Improve fiscal health of localities Increase property values 	<ul style="list-style-type: none"> Post redevelopment assessed values exceed pre-development 3.5 to 1 	<ul style="list-style-type: none"> Lower property values, unpaid taxes Increased burden to taxpayers due to tax foreclosure
<ul style="list-style-type: none"> State fiscal benefits 	<ul style="list-style-type: none"> State's brownfields investments recouped 14-fold 	<ul style="list-style-type: none"> Increased cost to provide infrastructure Enforcement and policing costs
<ul style="list-style-type: none"> Reduce greenhouse gas emissions 	<ul style="list-style-type: none"> Reduce GHG by 16 to 28 percent 	<ul style="list-style-type: none"> Increased greenhouse gas emissions
<ul style="list-style-type: none"> Preserve farms and pristine land 	<ul style="list-style-type: none"> "Saved" 12,000 acres of greenfields 	<ul style="list-style-type: none"> Development of farms and pristine land
<ul style="list-style-type: none"> Cleanup and management of environmental risk 	<ul style="list-style-type: none"> 4,713 acres of contaminated land assessed and/or cleaned up 	<ul style="list-style-type: none"> Continue health risks Contaminated soil and groundwater
<ul style="list-style-type: none"> Create public open space 	<ul style="list-style-type: none"> 43 sites/340 acres developed as open space 	<ul style="list-style-type: none"> Lost opportunity to improve open space
<ul style="list-style-type: none"> Revitalize neighborhoods Catalyze development in the surrounding area 	<ul style="list-style-type: none"> 7,900 dwelling units located in existing communities 900 units affordable housing 	<ul style="list-style-type: none"> Blight Illegal dumping, vandalism

RESPONDING TO POLICY NEEDS: IMPACTS OF ADDITIONAL FEDERAL SPENDING ON BROWNFIELDS

Impact area	Double the EPA Brownfields Budget – add \$165 million		Adopt a federal brownfields tax credit w/ \$1 billion cap	
	Assume that federal dollars provide 33% of public investments			
	Annual impact	20-year impact	Annual impact	20-year impact
Total investment leveraged	\$4 billion	\$79 billion	\$24 billion	\$480 billion
Jobs accommodated	30,100 jobs	603,000 jobs	183,000 jobs	3.65 million jobs
Population accommodated in existing developed area	4,500 households	89,300 households	27,100 households	541,000 households
Land conservation	3,300 acres	67,000 acres	20,300 acres	406,000 acres

TRICKS OF THE TRADE – **USING NATIONAL DATA**

Economic Data

- **Leverage total dollars**
 - EPA - \$1.00 > \$17.79
 - NEMW - \$1.00 > \$20.00
- **Leverage jobs:**
 - EPA - \$13,700 for one job
 - NEMW - \$10,000 - \$13,000 for one job

Environmental Data

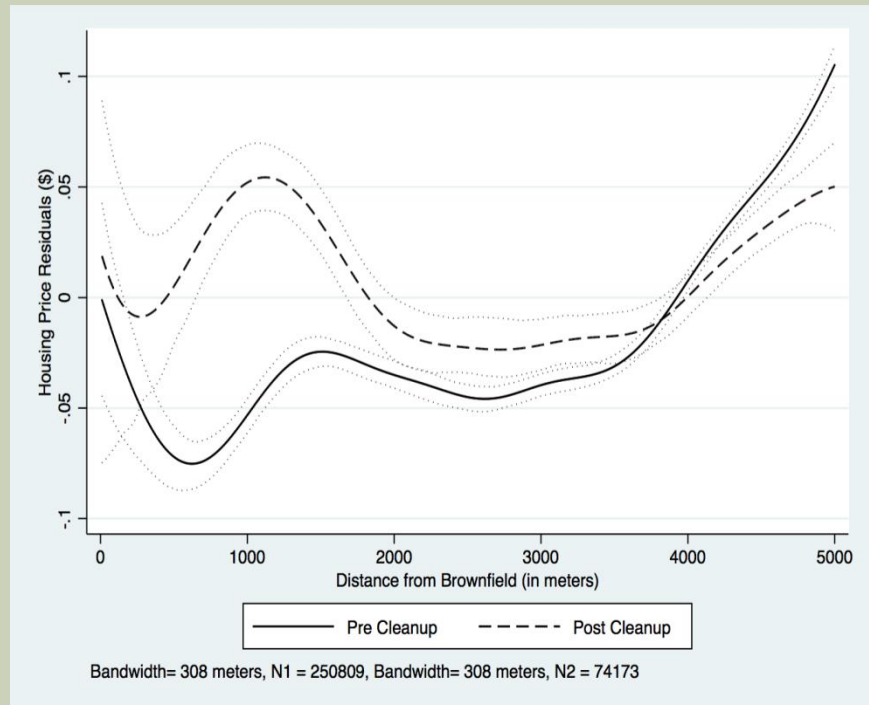
- **VMT and GHG reduction**
 - EPA – brownfields save 32 to 57 percent
- **Saving land**
 - EPA – 1 ac redeveloped saves 2 – 4 acres greenfields

TRICKS OF THE TRADE – USING NATIONAL DATA

Local Property Tax Data

- _____ – average increase in assessment of redeveloped properties
 - \$3.4 million per project
 - Post redevelopment values exceed pre-development values 3.5 to 1.
- NBER – neighboring properties increase in value due to cleanup:
 - Average aggregate benefit of \$4.1 million (appr 5% increase)
 - Median \$2.0 million

NBER: post cleanup - area property values increase



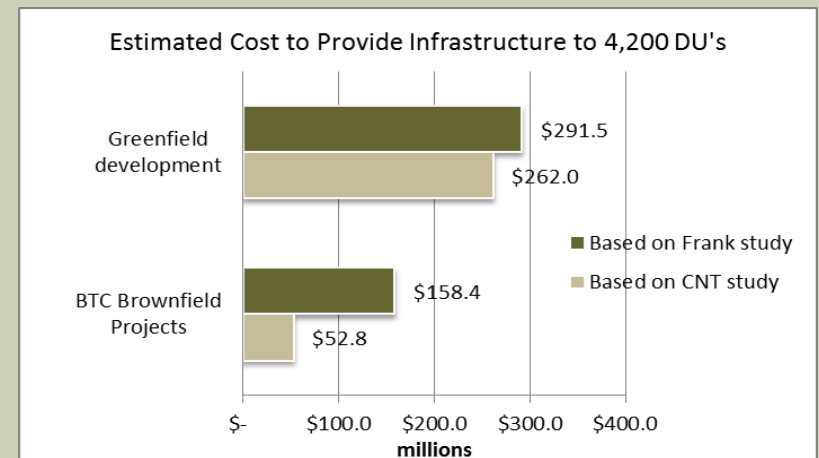
TRICKS OF THE TRADE – USING NATIONAL DATA

Saving infrastructure spending

- Smart Growth America
 - Compact development saves 38% of infrastructure costs relative to sprawl
- Studies that focus on compact/in-fill find higher percentages of 50 to 80%

Massachusetts

- Assumed 50% savings
 - Saved \$132 million
 - If the State savings was 1/3 of the total savings, that would be \$44 million or 83% of the BTC outlay



METHODS

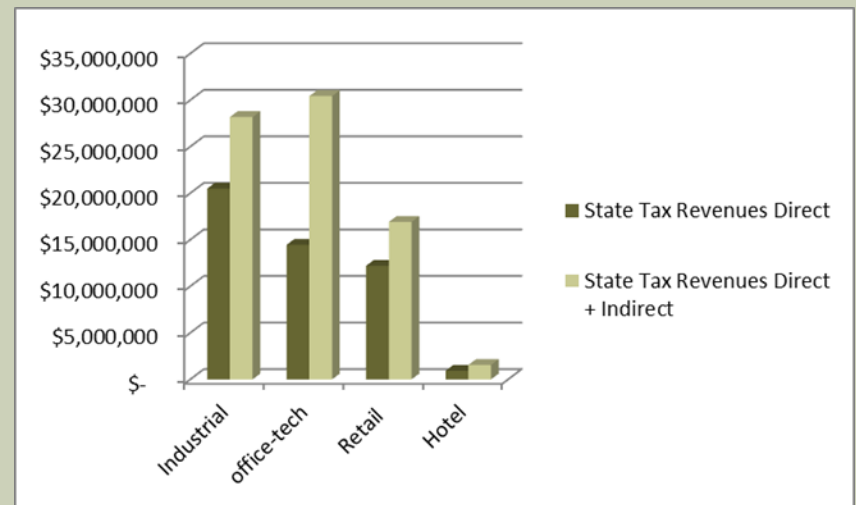
Our redevelopment data sources

- State records, but very limited
- On-line survey of grant recipients
- Internet searching for project records
- Google Earth Pro
- Co-Star and Loopnet
- On-line real property tax records
- Industry averages

IMPLAN for multiplier and tax impacts

- Jobs - stress direct impacts
- Biggest benefit of IMPLAN – State Taxes

Chart from Massachusetts analysis



METHODS

Modeling VMT reduction for Massachusetts

■ Measured:

■ Walkscore

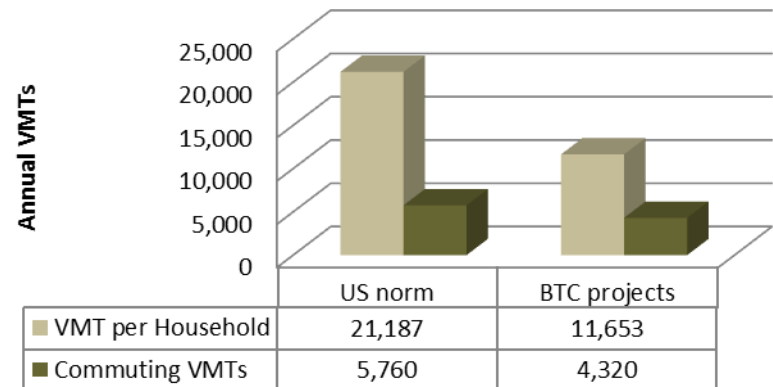
- residential- 75.5
- commercial projects - 70.5

■ Density – 15.6 DU/ac

■ Mixed use TOD projects – 838 units (20% of all)

■ Transit Score (added for later NYS analysis)

VMTs - US Norm vs. BTC, Residents and Employees



- 51 million fewer VMT
- CO2 reduction of 22,000 metric tons.
- Equivalent of taking 4,300 cars off the road.

VMT AND GHG REDUCTION BENEFITS OF MD HISTORIC TAX CREDIT

- Dual benefit of Energy-Efficient Buildings in Energy-Efficient Locations
- Model for measuring VMT reduction
- H.F. Miller redevelopment - reduce CO₂ by 296 metric tons
 - Reduce VMT by 40%
 - LEED Gold – reduce internal energy use by 33%
 - VMT reduction accounts for 55% of differential



HF Miller Tin Can and Box Company/2601 N. Howard Street, Baltimore

RECOMMENDATIONS:

LOCAL OR STATE GOVERNMENT MONITORING OF IMPACTS

- Use GIS and sortable spreadsheets
 - Contaminants
 - Cleanup
 - Public funds
 - Redevelopment
 - Investment
 - Space
 - Jobs
 - Units
 - Pre and post property values

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- **Impact analysis**
- **Policy analysis**
- **Strategic planning**
- **Financing**
- **Market analysis**