



DEQ BROWNFIELD INCENTIVES GUIDANCE

This is a summary of guidance used by Department of Environmental Quality (DEQ) staff for brownfield redevelopment grant and loan awards. Please [contact a brownfield redevelopment coordinator](#) with questions about the guidance or the brownfield redevelopment grant and loan program.

PROPOSING A BROWNFIELD REDEVELOPMENT GRANT OR LOAN PROJECT: Brownfield projects need to create both environmental and economic development outcomes. This section will guide you through the outcomes the DEQ looks for in a brownfield redevelopment project. When you're ready to pursue a brownfield redevelopment grant or loan, please [contact a DEQ brownfield coordinator](#) for help.

ENVIRONMENTAL OUTCOMES: When you plan to propose a brownfield grant or loan project to the DEQ, you'll need to:

- Describe known or suspected environmental condition of the property
- Describe response activities (including demolition) that are believed to be necessary for site reuse
- Indicate whether any underground storage tanks are present and whether they are regulated
- Estimate a cost for the response activities that will be paid with a DEQ grant/loan

ECONOMIC OUTCOMES: Grants that will be used for environmental assessments, and loans used for any type of response activities, can be awarded for projects with economic development *potential*. Grants that will pay for other response activities such as due care, transport and disposal of contaminated soil, vapor mitigation, and so on require *quantifiable* jobs, investment, and/or an increase in the property's value. You'll need to:

- Describe the new or proposed use of the property
- Estimate the jobs and investment that will result from the project
- Indicate the expected date redevelopment is to be completed and whether there are any deadlines that could affect the grant or loan

If the proposed grant or loan is for assessment only, you should also describe what actions will follow the site assessment (for example, marketing the property, additional cleanup, or sale to a developer).

COMMUNITY OUTCOMES: Community benefits may make a project more desirable in a competitive funding situation. A short description of community benefits will help us determine your project's priority for funding. Community benefits could include:

- How the project fits local development plans
- How the project demonstrates placemaking or sustainable development concepts
- Whether the property is located in a Core Community, a Main Street Community, or traditional downtown

LOCAL COMMITMENT: A local project match is not required for brownfield redevelopment grants or loans. However, if funding is competitive, local participation may be key to meeting project budgets. If local funding will be part of the project, be prepared to describe the local commitment to the project, such as tax increment financing, other grants, and so on.





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This section is a summary of the Brownfield Redevelopment Program’s guidelines for using brownfield grants, loans, and tax increment financing under certain circumstances. This isn’t a complete list, and may change without notice. Another great resource is our [When to Use What](#) table, a quick way to find the right funding source for your project needs.

Administrative costs	Grantees and borrowers may hire consultants to manage non-technical services or provide technical oversight over another consultant. The DEQ has established maximums for Project Administration (3% of the grant or loan amount) and Project Oversight (5% of the grant or loan amount). The DEQ may approve both administration and oversight on a project with a maximum cost of 8% of the grant or loan amount.
Awards per project	<p>When a grant or loan award is not adequate to address the environmental due care and/or response activities necessary to prepare the property for redevelopment, or when a community has more than one great brownfield project in a single year, the DEQ may award the community more than one grant or loan. According to 2017 changes in the statute,</p> <ul style="list-style-type: none"> • Brownfield projects that have significant economic and environmental benefit may be awarded more than one grant or loan over consecutive years • A local unit of government may be awarded more than one grant or loan in a single year for multiple, unrelated brownfield projects if the projects are determined to have significant environmental or economic benefits to the recipient’s municipality or region.
Bidding	This guidance is currently under review. Please contact your brownfield coordinator for information.
Conflict of Interest	This guidance is currently under review. Please contact your brownfield coordinator for information.
Dewatering	Grant, loan and Tax Increment Financing (TIF) approved by the DEQ under an Act 381 work plan can be used for the <u>incremental cost</u> for transporting / disposing / treating contaminated water. The dewatering budget must be based on the lowest cost feasible method: frack tank, NPDES permit, sanitary sewer, etc. If the lowest cost method is not used, the cost difference must be paid by a non-state source.
Dredging	<p>Grants, loans, and TIF can be used for:</p> <ul style="list-style-type: none"> • Dredging • Testing • Transportation and disposal to a licensed waste disposal facility • Upland disposal or cover; provided that on-site disposal does not result in contaminated land



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<p>Excavation, transport, and disposal of contaminated soil; unstable soil</p>	<p>Excavation, transport and disposal costs are generally eligible when the costs are related to environmental contamination and are required for due care or to remove a source of environmental contamination. Contamination must exceed Part 201 or Part 213 criteria.</p> <p>Shoring, security fencing, clearing and grubbing, soil erosion control and other incidental costs <u>solely</u> associated with an approved excavation are eligible for DEQ funding.</p> <p>Soils that are non-indigenous fill material and/or unstable for building are eligible for <u>transportation and disposal</u> costs for grants and loans, and Act 381 TIF as long as the fill or unstable soil exceeds Part 201/213 criteria.</p> <p>When excavation is done for a building foundation, parking lot, or other construction, the excavation is <u>not</u> eligible for grant, loan, or TIF reimbursement.</p>
<p>Lead, ACM, and mold abatement, demolition</p>	<p>When abatement is a due care or a response activity needed to address public health, safety, or environmental risk, it can be paid 100% with grant, loan, DEQ TIF, local TIF.</p> <p>Abatement that is not a response activity needed to address public health, safety, or environmental risk is subject to two or three conditions:</p> <ol style="list-style-type: none"> 1. The site must be a facility under Part 201 or a site under Part 213 2. Demolition can't exceed 50% of project costs 3. To be paid with a GRANT, the project must have a committed developer
<p>Liability</p>	<p>See table below</p>
<p>Unanticipated costs For more specific information on Act 381, please consult the DEQ-MEDC Act 381 Guidance, page 23</p>	<p>When unexpected contamination, buried structures, or other previously unknown conditions are found during project work (whether for a grant, loan, or TIF project), the consultant should</p> <ul style="list-style-type: none"> • Immediately call or email the DEQ – either the brownfield coordinator or district project manager – and request approval for extra costs to be incurred. • For project work being paid from TIF, the DEQ must be consulted in writing BEFORE the work is conducted. This can be done by email. A written follow-up (by email) must be sent to the brownfield coordinator after grant or loan-funded work is completed. The email (for either TIF or grant/loan) should include a description of the circumstances (why the unknown condition wasn't anticipated), a description of the remedy used to address it, and the anticipated cost. • Act 381 requires unanticipated work to be approved in a brownfield plan and/or work plan and approved by the BRA and the DEQ. This is in addition to the email consultation

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Possible DEQ funding sources for eligible activities at properties with a liable party			
	Assessment	Due care	Response activities
No viable liable party	Grant; Loan; Act 381 TIF	Grant; Loan; Act 381 TIF	Grant; Loan; Act 381 TIF
Third party unrelated to development (Not seller, developer, or LUG)	Grant; Loan; Act 381 TIF	Grant; Loan; Act 381 TIF	Loan; Act 381 TIF
Liable local unit of government – Grant / Loan request	Loan with 50% match	Loan with 50% match	Loan with 50% match
Liable seller	Grant, Loan, Act 381 TIF	Grant, Loan, Act 381 TIF	Act 381 TIF
Liable developer	NONE	NONE	NONE