May 16, 2014

Brownfields Redevelopment in Connecticut: $20 Million in Funding Available

Yesterday, Gov. Dannel Malloy announced the availability of $20 million in grants and loans to incentivize remediation and brownfield redevelopment in Connecticut. The Connecticut Department of Economic and Community Development (DECD) is accepting applications and will award monies under the Remedial Action and Redevelopment Municipal Grant Program & Targeted Brownfield Development Loan Program.

According to DECD, the program funding will go to eligible applicants for remediation and other cleanup activities at priority brownfield sites throughout Connecticut with a goal to fund approximately 10 new projects.

Program funding is available as follows:

- Municipalities and economic development agencies?-- as those terms are defined under Conn. Gen. Stat. ?? 32-760(12) and (6), respectively?--?are eligible for grants of up to $4 million per applicant.
- Loans of up to $2 million per applicant are available to municipalities, agencies, potential brownfield purchasers and brownfield owners who have no direct or related liability for the existing site conditions

DECD's Office of Brownfield Remediation and Development will review and rank eligible applicants based on the following criteria:

- Applicant/municipal financial need
- Remediation/cleanup project feasibility
- Redevelopment project feasibility
- Redevelopment project economic and community impact
- Responsible growth and livability initiatives
- Applicant capacity and experience

The use of funds is limited to costs associated with site investigation, demolition, remediation and development, and also related expenses such as attorney and consultant fees.

DECD will hold a series of regional sessions open to the public to provide additional information to interested applicants. The dates, times and locations for these sessions are on DECD's website: www.ctbrownfields.gov.

Applications must be submitted to DECD (505 Hudson St., Hartford, CT 06106-7106) by Monday, June 30, 2014. Questions related to the application process may be submitted to brownfields@ct.gov by June 9. DECD will post responses to those questions at www.ctbrownfields.gov by June 16.

Overall, this is the fifth round of DECD brownfields funding. According to DECD, the state has awarded approximately $50 million in brownfields grants and loans since the first round in 2011.

Governor Malloy's announcement comes only weeks after Congresswoman Elizabeth Esty (D-CT) introduced a bill to re-establish a federal brownfields tax incentive that sunsetted on December 31, 2011. The Federal Brownfields Tax Incentive provided that environmental remediation and cleanup costs were fully deductible in the year incurred in lieu of being

capitalized and spread over time. Ms. Esty's bill, The Brownfields Redevelopment Tax Incentive Reauthorization Act of 2014, H.R. 4542, would renew and extend that tax incentive through 2018. The bill was referred to the House Committee on Ways and Means on May 1.

Should you have any questions regarding these measures or brownfields redevelopment in general, please feel free to contact any of the attorneys listed in the sidebar.
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