Public Private Partnerships in Brownfields Redevelopment

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Public-Private Partnerships

- Involve the blending of private resources, typically in the form of capital investment, entrepreneurship, and development knowledge, with public entities to foster redevelopment.

- Often the last attempt at redevelopment after several failed attempts to reuse blighted land where public resources alone are often too limited to meet the complex challenges of brownfield sites.
Sources of Property for P.P.P.

- Tax Lien foreclosure
- Forfeitures
- Foreclosures
- Abandonment
- Eminent Domain
- Conveyance
- Land Bank

Note: Properties adjacent to brownfield sites are often undervalued. These properties may generate most of the value in a redevelopment deal!
Benefits of P.P.P.

- Job Creation
- Increased Tax Revenues
- New Business Opportunities
- Economic Growth
- Access to Land with Existing Infrastructure
- Financial Return
- Improved Quality of Life
- Community and Environmental Stewardship
- Prevention of Blight and Crime
Development Types

1. Privately Managed/Publicly Supported

2. Publicly Managed/Privately Supported

3. Publicly and Privately Managed
Privately Managed/Publicly Supported

**Private Developer**
- Conducts Due Diligence
- Acquires Properties
- Applies for Funding
- Conducts Remediation
- Clears Title
- Redevelop/Sell Property

**Public**
- Assists in Permits
- Zoning Adjustments
- Tax Increment Financing
- Utilities and Infrastructure
Publicly Managed/Privately Supported

• **Public Conducts:**
  - Master Plan
  - Due Diligence
  - Acquires Properties (can take if necessary)
  - Applies for Funding
  - Conducts Remediation
  - Clears Title
  - Obtains Permits
  - Tax Increment Financing
  - Utilities and Infrastructure

• **Private Developer:**
  - Purchases Site and Develops
Publicly and Privately Managed

Public and Private Developer Work Together

- Work With Master Plan
- Share Due Diligence Requirements
- Acquire Additional Properties (can still take if necessary)
- Apply for Funding as a Public Entity
- Conduct Remediation as Public Volunteer
- Clear Title
- Obtain Permits
- Tax Increment Financing
- Utilities and Infrastructure
- Develop/Sell Property
Contract Asset Management

Federal

Due Diligence/Valuation

Cities/Towns

Land Bank

Residential (Land, SFR, MF, Affordable Housing)

Asset Manager

Commercial/Industrial

Environmentally Impacted
Contract Asset Management (con’t)

– Valuation and due diligence on each property
– Develop and distribute asset management & distribution plan on all properties acquired
– Acquire, stabilize, repair, renovate, manage, liquidate each property in Land Bank
– Select, oversee and direct all 3rd party professionals
– Make legitimate discourse relative to each property
– Liquidate at the highest optimal value with problems resolved
Contract Asset Management (con’t)

• **Asset Manager Serves as Proxy for the City/County/Land Bank**
  – Selection/Oversight of Professionals
  – Community Outreach
  – Financial Reporting

• **Management of Distressed Assets**
  – Due Diligence / Valuation/ Risk Analysis
  – Management of Property Improvement and Property Protection Funds
  – Developing Plans and Budgets
  – Land Planning
  – Environmental Remediation
  – Liquidation of Assets
Contract Asset Management (con’t)

Reclaiming Properties as Assets to the Community and Economic Development

- Determine highest and best use and position properties
- Convert land from non-productive to productive use
- Consolidate, assemble or divide parcels of land
- Return properties to tax revenue gathering status
- Land Bank legislation typically requires that properties must be held by the County or other government instrumentality
- Establish and maintain records on transactions and activities
Contract Asset Management (con’t)

Successful Approach to Managing/Liquidating Environmentally-Impacted Properties

- Review properties with environmental issues (i.e. Brownfields) for redevelopment opportunities
- Perform environmental due diligence on each Brownfield
- Seek any available state and federal funding
- Work with local government officials to coordinate a proper redevelopment
Publicly and Privately Managed Asset Contractor Model
Contract Operations

- Title insurance
- Liability insurance
- Environmental insurance
- Litigation (attorneys)
- Security
- Appraisal services
- Environmental assessment
- Property management

- Construction expenses
- Land use planning
- Environmental remediation
- Real estate broker fees
Case Study – Bedford Landfill, Columbus

- Former shale strip mine
- Initially permitted in July 1970 for solid and industrial waste
- Operated as a permitted landfill from 1970-1995
- The landfill’s disposal area comprises approximately 65-acres of the 81-acre site
- 48 acres certified closed in accordance with 1976 regulations

- Ohio EPA approved a closure plan in August 2003 for 17 acres of the facility to be closed in accordance with the 1994 regulations
Project Overview

• **Total project area is 200 acres**
  - 65-acres former of former landfill
  - 135-acres of adjacent land for new development
• **Grant funds awarded: $3,000,000**
• **Matching funds contributed: $8,000,000**
• **Total project cost: $11,000,000**
Central Park of Gahanna
Once a landfill and community liability
Public Private Partnerships

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Environmental Improvement

- Achieve final closure of the Bedford I Landfill
- Correct longstanding drainage and runoff issues in the landfill area
- Implement methods through closure to contain and stabilize hazardous contaminants
- Collection and treatment of leachate
- Eliminate further potential threats to human health and the environment in areas surrounding the landfill
Central Park of Gahanna
Start of Capping September 2006
Economic Benefit

- Mixed-use development
- Industrial and/or Commercial Development
- Recreational opportunities
- Access to new trails and greenway corridor
- Restoration and remediation of an environmentally blighted area in a prime inner-region location
- New employment opportunities
- Increased tax revenue generation to support basic government services
Central Park of Gahanna

Created considerable public exposure of the success story.
Central Park of Gahanna

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