Redeveloping Brownfields in Kansas City

A General Overview

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Presented by
Andrew Bracker
Brownfields Coordinator
City of Kansas City, Missouri
Overview

- Program Summary
- Incentives
- Sustainability & Community Revitalization
- Strategy
- Results
October 2013 - DeLaSalle Education Center – New Expansion on Troost Ave.
Three Heavy Industrial Development Parcels

8116 Wilson Road, Kansas City, Missouri

170 Acres With Major Rail Access, at I-435 & US Highway 24, Kansas City, MO

Certified or cashier's check, for 5% of bid price required to buy. • Parcels Offered Separately or as One Tract

GST Properties Auction
April 6, 2004
170 acres of former ARMCO/Sheffield Steel Plant

These highly versatile industrial development parcels are ideal for warehousing, rail management and freight companies, other transportation-related firms, manufacturing, or heavy industrial.
Kansas City, KS & MO
Brownfield Areas

Armourdale
Central Industrial District
Urban Core

Northeast Industrial Area
Blue River Industrial Area
Fairfax

Independence Av
E Winner Rd
E Truman Rd
E 23rd St Trff
E 91st St S
E 47th St
Rainbow Blvd
Stageline Rd
Broadway Blvd
Prospect Av
W 91st St
Southwest Blvd
Main St
E 18th St
Burlington St
Independence Av
670
635
210
29
169
70
24
69
9
78
12
5
3
2
5
9
1

Kansas City, KS & MO Brownfield Areas
Program Summary

Kansas City Brownfields Program

- Federal EPA Brownfield Grants
- Other Federal Agency Incentives
- Missouri Remediation Tax Credits
- Missouri Voluntary Cleanup Program
- Project and Risk Management
- Sustainable Community Revitalization
Federal Incentives

- **U.S. Environmental Protection Agency (EPA)**
  - Federal Brownfields Assessment, Cleanup and Revolving Loan Fund Grants
  - $10.4 million in K.C. Metro

- **U.S. Army Corps of Engineers**
  - Multiple authorities to assist cleanup
  - +$100 Millions in KC Projects
  - $2,000,000 for ecosystem restoration

- **Economic Development Administration (EDA)**
  - Over $4,497,000 granted for redevelopment in K.C. metro
Federal Incentives

- **Department of Transportation / Mo DOT**
  - Over $10,000,000 granted for trail in redevelopment area

- **Department of Housing and Urban Development (HUD)**
  - Over $25,500,000 in loans and grants for brownfield redevelopment projects in K.C.

- **U.S. Treasury Department**
  - New Market Tax Credits
Federal EPA Brownfield Funding

2002 Brownfields Revitalization Act

Authorizes up to $250 million annually
- $200 million for assessment and cleanup
- 25% set aside for petroleum sites (up to $50 million)
- $50 million for state programs

Funding Mechanisms
- Assessment Grants $200,000 per site max.
- Remediation Grants $200,000 per site max.
- Cleanup Revolving Loan Funds $1,000,000 per entity max.

Eligible Entities: States, local governments, quasi-governmental authorities or agencies, Tribes.
EPA Brownfield Grants Received:

- $5.2 Million Brownfield Assessment Grants
- $1.3 Million Brownfield Cleanup Grants
- $3.8 Million Brownfield Revolving Loan Fund Grants

$10.4 Million Total Funding in KC Metro since 1997
Federal Incentives

Kansas City Brownfields Revolving Loan Fund

- Total Capital = $3.3M
- Low interest rates (3%) & terms up to 10 years
- Subgrants for public agencies and non-profits
- Eligibility
  - Owned by innocent public or private party
  - Located in KCMO
  - Enrolled in Missouri Voluntary Cleanup Program
- State of Missouri (EIERA) and Kansas each have a $1 Million RLF Brownfield programs
EPA Brownfield Projects

- Hardesty Renaissance
- ALDI Store
- Berkley Riverfront Park
- Columbus Park
- DeLaSalle Education Center, 37th & Troost
- Central Industrial District – Faultess Starch
EPA Brownfield Projects

ALDI’s Store
39th & Prospect
TIF District
EPA Brownfield Projects

DeLaSalle Education Center
Manheim & Troost
EPA Brownfield Projects

Hardesty Renaissance
HUD Brownfield Projects

Beacon Hill Redevelopment

$1.25M HUD BEDI Grant, 1999
$10M HUD 108 Loan Guarantee, 1999
+ $70 million housing redevelopment project
94 acre neighborhood revitalization
Build and rehabilitate over 400 residential units
Residences At West Paseo - 2006
HUD Brownfield Projects

Westside Industrial Park

- 20 acre former roundhouse and yard
- $14,200,000 HUD grants & loans, 1998
- $640,000 Missouri Brownfield Tax Credits
- $40 million DST Facility
- 375 jobs in urban core
- 2003 Phoenix Award
EDA Brownfield Projects

Lewis & Clark Redevelopment
$1,000,000 Public Works Grant
2000

Crossroads District
$1,748,000 Public Works Grant
2005
State Incentives

MISSOURI BROWNFIELDS REDEVELOPMENT PROGRAM

REMEDIATION TAX CREDITS:

• Tax credits for up to 100% of remediation costs and equal or lesser demolition costs.

• Saleable and transferable.

• 75% credits issued on invoices. The rest issued upon “No Further Action” letter.

• No program or per project limit

• Can be combined with historic preservation tax credits, LIHTC, etc.

Generally between 82 – 95 cents per $1.00 credit
State Incentives

MISSOURI BROWNFIELDS REDEVELOPMENT PROGRAM

REMEDICATION TAX CREDITS:

• Discretionary Program

• Must demonstrate Net State Economic Benefit:
  –Projected State revenues (jobs created, economic activity, etc.) will exceed State investment.
  –State investment includes ALL state tax credits (Remediation, Historic Preservation, LIHTC, etc.)
  –More New Jobs = More tax credits.
State Incentives

ELIGIBILITY:

• Must enroll in Missouri Brownfields Voluntary Cleanup Program (BVCP) (i.e., not Times Beach)
• Abandoned for at least 3 years or Underutilized (< 35% occupancy).
• Create at least ten (10) new, full-time permanent jobs
• . . . or, retain at least twenty-five jobs (but difficult to show).
State Incentives

LIMITATIONS:

- Credits reduced to least amount necessary (similar to “but for” test).
- No construction costs allowed.
- Must retain ownership for 5 years.
- Must show competitive bidding.
- Clawbacks apply if rules violated.
State Brownfield Funding for Local Projects

- Lewis & Clark Redevelopment $1,236,000
- Riverfront Redevelopment Site $4,600,000
- Westside Business Park $640,000
- President Hotel $1,962,000
- Empire Theater (Alamo Drafthouse) $938,000
- Butler/Kemper Garage $1,000,000
- Cherry Street Inn $280,000
- 807 Wyandotte $159,000
- Antioch Mall $2,000,000
- Ambassador Hotel $353,000

TOTAL $13,168,000
Sustainability & Community Revitalization

- Municipal Farm Redevelopment
- Vacant Properties Task Force
- Marlborough Target Green Project
- Middle Blue River Urban Waters Federal Partnership
- Brownfield Job Training Programs
Municipal Farm | Kansas City, MO
EPA Brownfields Area-Wide Planning Pilot
2012
Municipal Farm | City Manager & Council Briefing
August 10, 2015

• Introduction
• Sustainable Cities Design Academy
• Business & Development Opportunities
• Committed Partners & Resources
• Community Connections
• Next Steps
Built to connect people, food and nature at the site, neighborhood and regional levels . . .
“Crown Connector” over I-435

- Uninterrupted trail access to MLB / NFL stadiums, commuter rail station, and Katy Trail.
- Joins all farms, businesses & recreation within the site.
- Modeled on award-winning Confluence Land Bridge, Vancouver, WA, 2008.
Regional Trail Connections

- Brush Creek trail to Plaza (80-90% completed).
- Blue River trail to Swope Park and points north (planned).
- Rock Island Rail Corridor commuter rail and Katy Trail (acquisition phase underway).
- City and County-wide trail systems.
Mini Food Hub

Post-Harvest Processing & Distribution for on-site and nearby farms.
Composting Centers

Area 15 (East at “the Hub”) & Area 7 (West at BoysGrow)

- Low grade mulch will be enhanced with gleanings, forage, food scraps collected from neighborhoods, and vermiculture.

- Economical, high-grade compost will enrich poor soils on-site and at regional farms and community gardens, and sold for revenue.
Kitchen - Restaurant - Event Space

- Commercial kitchen to develop new products, recipes and menus from farmstead produce.
- Lakeside restaurant and event facilities to generate year-round revenue.
- Adjacent to BoysGrow farm.
- Classes for healthy cooking.
- Restored lake habitat for wildlife, learning and recreation.
Outdoor Recreation

LaFarge Skate Park and Climbing Wall

- Connects to City trails system
- Potential revenue generation
Renewable Energies

Round Grove Creek 2MW Commercial Solar

Aerobic Digestion Facility Area 15

Renewable energy from manure, food waste and other biomass material

Wind Turbines

- Helicopter Area 18
- LaFarge Area 2
Local Brownfields Market

1. Market driven
   – Greenfield competition
   – Increasingly Competitive urban niches
   – Privately-owned sites

2. Small sites & low property values
   – Little contamination discount
   – High relative transaction costs

3. Business expansion / retention

4. Existing infrastructure – good & bad

5. Some area lists of brownfields in urban core
Deal Strategies

In General . . .

- Brownfields are traditional real estate deals, with an environmental twist
- Get access for due diligence EARLY!
- Include experts on environmental, brownfields, and legal issues on deal team, early.
Deal Strategies

In General . . .

- Partner with public redevelopment agencies
- Develop a Project Environmental Strategy
- Find the “pollution solution”
- Holistic approach – i.e., whatever it takes
Kansas City Brownfields Program (1996-2015)

- 2,358 properties assessed;
- Over $22 million in public incentives for 133 projects;
- 197 acres & 110 sites cleaned up;
- 1,408 new jobs created;
- Over $333 million in new private investment;
- Nearly $2.7 billion in additional new and projected development.
THANK YOU!

For more information, contact:

Andrew Bracker
Brownfields Coordinator
City of Kansas City, Missouri
(816) 513-3002
andrew_bracker@kcmo.org