# MASSACHUSETTS DEVELOPMENT FINANCE AGENCY

**Meeting of the Brownfields Advisory Group**

**Wednesday, July 8, 2015**

**12:00 p.m. – 3:00 p.m.**

(Approved at the September 1, 2015 Meeting)

**ATTENDANCE:**

Members

Vivien Li, Chair

 Jessica Andors

 Kerry Bowie

 Michael Crawford

 Tom Daniel

 Betsy Harper

 Joseph Kriesberg

 Erica Kreuter

 David Leone

 Michele S.W. Paul

 Jeffrey R. Porter

 Staff

 Marty Jones, President & CEO

 Laura Canter, EVP Finance Programs

 Joy Conway, SVP Community & Business Development

 David Bancroft, SVP Community Development

 Sean Calnan, VP Community Development

 Shyla Matthews, VP Community Development

 Eleni Varitimos, VP Community Development

 Jim Walsh, VP Community Development

Michael Galligan, VP Commercial Lending

Mark Sternman, Director of Marketing and

 Communications

Lee Smith, Brownfields Program Attorney

Patricia DeAngelis, General Counsel

Teresa Patten, Legal Counsel

Meg Delorier, Chief of Staff

RJ McGrail, Program Policy Impact Officer

Tonya Ingram, Program Administrator,

Community Development

 Mary Barton, Program Policy Impact Intern

 Ian Roche, Community Development Intern

 Guests

Rachel Heller, Citizens Housing and Planning Association
 (CHAPA)

 Larry Field, Massachusetts Smart Growth Alliance

 Jeanne Dubois, Dorchester Bay Economic Development Corp.

 Jennifer Shin, guest of Jeanne Dubois

A meeting of the Brownfields Advisory Group was held on Wednesday, July 8, 2015 at 12:00 noon at the MassDevelopment office, 99 High Street, 11th Floor, Boston, MA, pursuant to notice duly given. This meeting covered business of the Brownfields Advisory Group for the months of October 2014 through July 2015 and other matters set forth below.

**Introductions**

Ms. Li, Chair of the Brownfields Advisory Group, opened the meeting by welcoming the Group and asking all attendees to introduce themselves. She welcomed the new Members recently appointed by Speaker DeLeo: Jessica Andors, Tom Daniel, Joseph Kriesberg, and David Leone. She also congratulated Michael Crawford on his reappointment to the Committee.

Ms. Li welcomed two guests: Rachel Heller of the Citizens Housing and Planning Association (CHAPA) and Larry Field from the Massachusetts Smart Growth Alliance.

It was noted that a quorum of the Group was present.

**Approval of Minutes of the Advisory Group meeting held on February 19, 2015**

Ms. Li asked if members of the Group had any comments on the minutes of the meeting on February 19, 2015. There being no comments from the Group, Ms. Li asked that on page six in the third to last paragraph it should say the East Boston Designated Port Area instead of the Marine Industrial Park. Ms. Li also asked that on page five in the fourth paragraph the conversation between Mr. Crawford and Ms. Canter be condensed to its basic points. There being no additional requests for amendments, Mr. Crawford moved approval, Ms. Paul seconded the motion, and the minutes were approved as amended.

**Brownfields Fund Financial Status**

Ms. Li asked Ms. Canter to present the Brownfields Redevelopment Fund financial statements as of March 31, 2015, which had been included in the meeting materials. Ms. Canter said the financials are not reflective of activity in the fourth quarter of FY15 which just ended on June 30, so they do not answer the question of how much is available for us to work with. Our best approximation of what that number will look like after we finish entering and reviewing everything for the fourth quarter is about $10.6 million remaining in the Fund. This is the amount that is uncommitted.

Ms. Li asked Ms. Canter to explain to the new members of the Group the history of the Fund recapitalization. Ms. Canter said the money came in separate amounts. Thirty million dollars was appropriated by statute, but $10 million of it was held back by Administration & Finance (A&F). The first $20 million we received was followed by $10 million after we proposed a housing program under the Fund. In 2006 there was a recapitalization with another $30 million and, most recently, in a supplemental budget last year, there was a recapitalization with another $15 million.

Ms. Li asked Ms. Canter to explain the amount of loan repayments as compared with the loan disbursements. Ms. Canter said when the Fund was first launched everything was booked as a loan on the financial statements, so when you look at the summary of the history, it looks like we made quite a few loans and did not get a whole lot of that back. Grants were called loans because they had a repayment obligation for five years. After that, they were charged off. That is no longer how we account for the funds, but because we are summarizing the years of activity, those numbers from the early years remain stated the way they were originally accounted for. After 2005 and 2006, grants and forgivable loans are stated as such.

Mr. Kriesberg said his memory says you can make a grant to a municipality or a CDC. He asked if for anyone else, does it have to be a loan. Ms. Canter said it is correct that municipalities, municipal entities, and CDCs are eligible for grants. Ms. Jones said that nonprofits other than CDCs could receive forgivable loans. She explained that recoverable grants are grants that have the possibility of some or all repayment when something happens that makes repayment possible, such as the municipality selling the site with net proceeds. The money from recoverable grants may come back.

Ms. Li asked if there were any more questions on the financials.

Ms. Andors said she was wondering about the role of the members of the Brownfields Advisory Group. She said when she reports to her board, she gives more information on the operating budget of her organization. Ms. Canter replied these financials are primarily about the program. The projects are the focus of the Advisory Group’s advice.

**Brownfields Delegated Authority Report**

Ms. Li asked Ms. Conway to give a brief overview for the new members on the Brownfields Delegated Authority Report. Ms. Jones suggested describing the context for this Report.

Ms. Conway said a Delegated Authority Report is included in the materials for each meeting of the Group. The Report lists the projects approved by the staff under authority delegated by the MassDevelopment board. These projects do not exceed $100,000 for site assessment and $500,000 for remediation. She said that normally we provide a quarterly list. Today we are providing the full list for the fiscal year 2015 because we are at year end. We thought the Group would be interested in seeing what we have done over the course of the year. She invited the Group to ask questions, saying all of the Community Development Officers are here, and they are the experts on these projects. Ms. Conway added that these approvals are legally binding commitments, similar to approvals of larger projects that are voted by the board.

Ms. Li suggested picking a couple of projects from the Delegated Authority Report and having staff give a brief description to the Group. She suggested the City of Chicopee and the New Covenant Partners IV, LLC project.

Mr. Calnan said he is the Community Development Officer responsible for covering the four western counties in Massachusetts, which include the City of Chicopee. The Uniroyal Priority Project on the list is a grant in the amount of $437,530 that was requested by the City so as to continue work on the cleanup and redevelopment of the former Uniroyal Factory site. He said this grant is the tenth or so award for this particular project. Even though it is under the $500,000 limit, the total funding for this site exceeds that amount and so this was approved by the board.

Mr. Calnan said we don’t give a blanket approval for large projects as they come in. We rely on the scopes that are provided by the licensed site professional that show the level of work or the phasing that is going to be involved in the project. The former Uniroyal site is part of the larger redevelopment project now known as RiverMills at Chicopee Falls, which includes more than two million square feet of buildings across both the former Uniroyal site and the former Facemate site located in what was previously known as Chicopee Falls, surrounded by a residential area and bordered by a river. The City has been working on redeveloping the property since it acquired the sites back in 2009. That is when we made the first $100,000 award for this project.

To date, we have assisted with the cleanup and demolition of all the structures on the former Facemate site, save one that the City is contemplating reusing. The City has already completed construction of a senior center on this site. The funding we provided at that site leveraged between $12 and $13 million dollars of investment.

Mr. Calnan said the former Uniroyal site is a different story. There is still a long way to go because many structures remain standing, even though nine or 10 of the buildings have been demolished. He said it was important to note that the Brownfields grants assisted with abatement of lead paint and asbestos in the buildings, making the demolition possible. Demolishing the buildings has helped the City to continue its negotiations with Michelin North America, the successor in interest to Uniroyal. Michelin has taken responsibility for remediating the subsurface contamination on the property, but not a lot of that was accessible because of the structures and foundations still in place. Our funding is actually helping the City take down the buildings to allow Michelin to complete the cleanup of the site, thus accelerating the redevelopment of the project.

Next, Mr. Galligan, MassDevelopment’s Lender in the North Region, gave the Group an overview of the New Covenant Partners IV, LLC loan. He said this project was done by Roy Angel of the Lending Department in the Central office of MassDevelopment. Mr. Galligan said the $441,000 loan was made to remediate contamination at a former manufacturing facility in Sutton. The company has obtained a Covenant Not to Sue from the Attorney General’s office and is rebuilding the site for a company that works with concert promoters to manufacture cable-locking panels. These panels are used for floors at concerts, such as at Fenway Park, where a set of translucent panels are snapped together, preventing light from killing the grass.

Ms. Li asked if this was done as a loan because we think they are going to repay it. Mr. Galligan said yes, it was underwritten as a loan and we expect to be repaid. Ms. Jones added this is a private developer working with a private entity.

Mr. Kriesberg asked if there is a meaningful distinction between a recoverable grant and a loan as described in the Delegated Authority Report. Ms. Canter replied yes, it is a meaningful distinction. She explained that if we see a possibility to recover a grant, we use recoverability language in the commitment letter and the Memorandum of Agreement. For example, if we are making a grant to a municipality to clean up a site and the municipality has a developer who is a potential buyer, if we think there may be some sale proceeds, we would set it up as a recoverable grant. Mr. Kriesberg asked who decides if the municipality has enough money to repay the grant. Do you decide? Ms. Canter replied yes, it’s really the outcome that decides.

**Brownfields Closings in Fiscal Year 2015**

Ms. Conway said with this being the end of the fiscal year, we have included a list of the approved Brownfields sites that closed in fiscal year 2015. She invited questions from the Group, noting that some sites on the list duplicate sites on the Delegated Authority list because they were both approved and closed within the fiscal year.

Ms. Kreuter asked if closing means the project itself is complete. Ms. Conway said no, it simply means the deal is closed and as work is done, invoices can be submitted for payment. Ms. Jones said it is really a grant agreement closing as opposed to a construction closing or a final closing. In response to a question about who receives the payment, Ms. Conway said the grantee/ borrower makes a choice between having MassDevelopment pay the vendor directly or being reimbursed after the grantee/borrower has paid the vendor. Ms. Jones said in either case, it is payment only after the work is completed.

**Key Elements of Program**

Ms. Li said that she and staff decided to include a discussion of the key elements of the program before discussing strategy for where we go from here. This is to give insight into the program for the new members and to refresh the memories of those who have been serving. Ms. Li asked Ms. Canter to make the presentation and encouraged the Group to ask questions.

Ms. Canter said she would cover the legal framework of the Brownfields program, Mr. Bancroft will speak about our education and outreach to make potential grantees/borrowers aware of the Fund, and Mr. Calnan will speak to how we work with applicants, vet and choose projects, and find financing for them.

Ms. Canter said in 1998 the Brownfields statute enacted as part of the Chapter 21E revisions created the Fund. The statute set some very specific requirements including a $50,000 limit on the amount of a site assessment (subsequently increased to $100,000); a $500,000 limit for remediation of a site, and a $2 million limit for a site designated as a Priority Project. The statute included the kinds of things that MassDevelopment and the Advisory Group consider when we evaluate projects, basically the public benefits including physical and economic revitalization and the specific economic development project to be considered. It spoke to the use of the Fund for grants or loans. Regulations were promulgated that mirror the statute, and guidelines were established. The statute created the Brownfields Advisory Group with five appointees by the Senate President, five by the Speaker of the House, and three members who serve ex officio.

Ms. Canter said working with the Advisory Group to develop by-laws was an opportunity to take direction from the Group on matters such as timing of meetings and review of applications. We also worked with the Group to introduce new programs over the years including Notifications of Funding Availability (NOFAs), Brownfields Support Teams (BSTs), Expanded Use for demolition needed to get to contamination below a building and for above ground remediation, and a product for Brownfields planning. As we came out of the recession, we closed a record number of grants and loans and stopped taking new applications in April of 2013.

Ms. Jones mentioned that the statute and other background materials were provided to the new members of the Group in advance of this meeting.

Mr. Kriesberg asked about the Group’s role in approving projects. Ms. Canter replied that applications under $500,000 are approved at the staff level through delegated authority; for over $500,000, applications are approved by the board. Ms. Jones added that the board receives a Delegated Authority Report at each meeting.

Ms. Andors said it would be helpful to receive a one-line description of each project. Ms. Canter said we give the board the first page of the written request for funding, the Sources and Uses, and an Executive Summary. Ms. Li said since the staff is already doing this, the same information could be given to the Group. Ms. Jones agreed and said we will try that for the next meeting.

Ms. Paul asked if it would be possible to email the minutes to the Group before the meeting. Mr. Smith said emailing is a legal problem with implications for the Open Meeting Law, and deliberation over changes in the minutes needs to be done in an open meeting. Ms. Li said staff could send the minutes sooner after a meeting rather than wait for the next meeting.

Mr. Kriesberg asked about the annual flow of applications. Ms. Canter passed out a sheet showing closings by fiscal year. The record closings in 2013 and the decision in April 2013 to stop taking new applications led to a lower number of closings in 2014.

Mr. Daniel asked about the success rate of creating housing and jobs. Ms. Jones said we have made 671 awards and we are currently doing a review of sites where we don’t have information about the outcomes. Mr. Roche said of 200 sites, he has looked at 50 where assessment was completed. He said he is still researching the remaining 150. Ms. Jones said this reporting is complicated by sites where grants or loans were split between site assessment and remediation. She said we will know more at the next meeting.

Mr. Crawford said that a site assessment showing contamination should be considered a success, not a failure. A bank needs to know before it will touch a property. Ms. Canter said the information from site assessments is on line with DEP.

Ms. Andors noted the average annual amount that has been done with the Fund and said she sees a little less than two years of funding remaining. Ms. Canter agreed, adding that a few big projects would use up the Fund faster.

Ms. Canter than asked Mr. Bancroft to talk about education and outreach for the program.

Mr. Bancroft said when the program was new, banks, developers, and municipalities weren’t interested in properties that were perceived or known to have contamination issues. Staff went across the state to explain how the program was going to work. We had resources for site assessment and remediation, and there also were tax credits, Brownfields insurance, and the Covenant Not to Sue. We worked with DEP and the EPA whose staff helped answer questions. This was an educational process for ourselves as well as for the public. The success of this outreach is measured in the number of awards we have made.

Mr. Bancroft said we feel we don’t need to do this “Road Show 101” now because people know about the program. He said now we meet one-on-one with municipalities, neighborhoods, nonprofit and for-profit developers, LSPs, and CDCs, asking them what they would like to see. We help people know what questions to ask. Web sites are now available, and we take many phone calls asking about the program and how it works. Our Marketing Department issues press releases on Brownfields closings.

We continue to partner with DEP, EPA, LSPs, and we are planning now for a program with the Mel King Institute. The Brownfields Support Teams have been another way to educate people and bring in other players. We continue to participate with DEP when regulations change, and this fall we anticipate an educational program in Boston with the CDCs to address the needs resulting from recent turnover in CDC leadership and staff. We participate in national conferences. The Massachusetts program is well known, and we get calls from other states.

What we have seen develop over the course of 16 years of Brownfields work is an understanding that you can develop these sites and feel more confidence in doing so. The audience is more educated and the conversation more nuanced.

 Ms. Harper said she has seen an increase in education with a lot of calls coming into the Attorney General’s office. For example, she said she has worked with Ms. Matthews to explain the Covenant Not To Sue and has issued press releases on the three most recent Covenants.

Ms. Andors asked about the Fund’s capacity and whether there are ways to organize meetings with legislators. Mr. Bancroft responded that the legislators receive our annual report. Ms. Jones said we do a lot of individual meetings with legislators, providing them with briefing sheets. She said the Brownfields Redevelopment Fund is definitely on the list of programs discussed. She expressed interest in knowing about forums where we can do more.

Ms. Heller said MassDevelopment does a lot with the legislature, such as meeting with the Gateway Cities Caucus. She said there is a tremendous amount of support for the Brownfields Fund in the legislature, and it is important to meet with new legislators.

Mr. Bowie said DEP and the BSTs have sponsored forums throughout the state. He is looking at plans for a Metro Boston forum this year. These forums include case studies and panels of expert speakers. He cited the work of the BST Senior Team, the Brownfields Partners Group, and training programs provided through the EPA. He said the word gets out that way, and his name is on the DEP website so he receives many phone calls.

Ms. Kreuter said she and Mr. Bowie work together, combining Brownfields and MassWorks education in cities such as Brockton, Chicopee, Attleboro, and the Bartlett Yards site in Boston. She said Secretary Ash has been involved in this process. Mr. Bowie mentioned a toolkit that EPA prepared as an example of work being done to answer questions, such as what has been invested, what is the leverage, and what has the BSTs done.

Ms. Li said the Brownfields Advisory Group has travelled around the state, and we like to invite local people to help with the outreach. There have been meetings with editorial boards.

Ms. Canter then asked Mr. Calnan to discuss how we work to vet and select projects and find financing for them.

Mr. Calnan said we have selected projects that come to us in three different ways—through a process of rolling applications, through Notices of Fund Availability (NOFAs), and through the Brownfields Support Team Initiative (BSTs). Currently all applications come through the rolling application process. We do extensive marketing, often with referrals by DEP, EPA, Regional Planning Agencies, municipalities, attorneys, bankers and LSPs. We have initial conversations with applicants and/or their representatives that do not always end up in an application. Sometimes a potential applicant already is working with an LSP, but if not, we encourage the applicant to obtain quotes from three LSPs who are in good standing, have current Massachusetts LSP licenses, and can meet the requirements of our contractor policy.

Mr. Calnan said in the first conversation, information is obtained about the location and condition of a site and whether it is in an economically distressed area, the identity and capacity of the applicant as well as information about the property owner, and whether they will consent to a report on the site being filed with DEP. We also want to know if the applicant has secured site control, has permission for its consultant to enter and test the site, and has engaged in any initial discussions with DEP regarding the Massachusetts Contingency Plan and potential liability issues. We also try to ensure that the potential applicant is familiar with Brownfields tax credits, the Covenant Not To Sue program and the Brownfields insurance program administered by BDC Capital.

Mr. Calnan continued by saying that assuming the preliminary discussions go well in terms of eligibility and appropriateness for the program, (which is not always the case), we direct the applicant to our online Application Intake Form. As a regional team representing Community Development, Lending, and Bond Finance, we all take a look at the application to decide where it belongs in our mix of MassDevelopment programs. We then follow up on other needed information, such as the history of the site and previous assessment that may have been done, the applicant’s access to a site for assessment, and the status of a purchase and sale agreement. We consider whether the proposed project is feasible from both a financial and developer capacity perspective, and we require a detailed LSP scope of services.

Mr. Calnan said remediation loans are handled by the loan officers who are part of the team in the regional offices. Site assessments and remediation under $500,000 for grants and for loans are handled by the Community Development Officers. Staff may take a request for over $500,000 through the internal review process to determine whether criteria for Priority Project status has been met and whether the project merits consideration for funding and if approved, then to the MassDevelopment board.

Mr. Calnan said our due diligence includes looking for public purpose benefits such as job creation and housing production including the elimination of blighting influences and health hazards. We gauge the support of the host municipality and consider conformance with any existing neighborhood plans, and we consult with DEP and EPA, as well as in-house expertise for help in looking at complex scopes of work prepared by the LSP. We require a budget and a financing plan, a detailed scope from an LSP, and a demonstrated financial need for the funding.

Mr. Calnan explained that Community Development site assessment loans are made at 0% interest. Remediation loans from the Lending department are collateralized and carry a competitive interest rate. Many grants to eligible entities such as municipalities, CDCs, redevelopment authorities, EDICs and development authorities are documented with requirements that if there are net proceeds upon the sale of a remediated property, we expect repayment of some or all of the funding advanced based upon the amount of net proceeds realized by the applicant. He said we don’t want our Brownfields money to be the only funding in the deal, so we look at what else has been committed or applied for. We also look to see if other sources of funding are adequate to complete the project. What funds are committed vs. applied for? We discuss how our awards are made incrementally based on scopes of work and demonstrated progress, and we discuss the triggering events that will cause repayment to be required to ensure that the triggering events will not be overly burdensome to the success and schedule of the project. If an application exceeds the $500,000 limit, it may qualify as a Priority Project if there is significant municipal support for the site in the form of loans, tax abatements, and/or grants. The Union Station Project in Springfield has received $1.5 million which in turn has leveraged $88 million in additional local, state and federal investment.

Mr. Calnan said to be funded, the Lender or Community Development Officer will write a request that describes the project in detail for review internally. Approval may be either through delegated authority or by the board. However, not every application is approved. For example, Hallmark Van Lines in Holyoke, a project for which we had provided some early stage assessment funding, was turned down for additional remediation funds because while the City contended that an abutting manufacturing business had expressed an interest in expanding onto the site if it were cleaned up, a follow-up request to the City and the abutter was unable to generate either a commitment or even an expression of interest from the abutter.

Mr. Calnan described how the Chestnut Street Middle School site in Springfield was turned down because it was a site that had been marketed by the City for nearly ten years, without much success, despite being immediately between the Baystate Health Systems campus and Mercy Medical Center. The city hoped that a developer would convert the school into housing units. The school eventually was destroyed by fire, and the City approached the Agency for Brownfields funding to clean up the debris and any contamination caused by the fire. He said we were confident that other sources could be identified by the City to clean up from the fire, and were simultaneously skeptical that the site’s marketability would be improved now that the building had burned down. Approximately a week after we declined the City’s request, City Council approved a $2 million borrowing and the City cleaned up the site. The site unfortunately remains vacant.

Mr. Calnan said a second way in which we have made awards is through a NOFA process in 2006 and 2008. MassDevelopment held competitive rounds to help communities prepare and position municipally-owned sites that were stuck, or market failures, to assist redevelopment prospects and marketability. Projects selected were approved as “priority projects” and had up to $2 million reserved, with mixed results as outlined under Tab 5. Nine applicants were selected, which allowed the communities to market the sites with some funding set-aside that a qualified developer could access. Municipalities were permitted to do some initial assessment to improve the base line information of the sites in question, but clean-up was to be reserved for the ultimate developer that would be attracted to the site. It is important to note that the funding designations were of limited duration with MassDevelopment holding discretionary ability to extend the reservation for good cause.

Mr. Calnan said not all of the funding was used. For instance, Springfield used only $40,000 to update some assessment information, and was ultimately able to secure a designated developer for the property. The remaining reservation of funds ($1,960,000) was released back into the Fund. Should the developer come back requesting additional funds, its proposal will be evaluated like all other proposals. There is no money specifically set aside for it.

Mr. Calnan said the third and final way that we have found projects is through the Brownfields Support Team initiative which has been an excellent process for creating interagency cooperation by getting people to work across agencies rather than being confined by programmatic silos. However, he said, just because you’re a BST site doesn’t mean you’ll receive Brownfields funding. For example, Ludlow Mills is a BST site that has received considerable technical assistance from us regarding its Brownfields issues, but it has received funding from EPA, not from the Brownfields Redevelopment Fund.

Mr. Bowie commented that the rolling application process at MassDevelopment creates leverage because the EPA process is a fixed schedule, so MassDevelopment can be flexible about timing and that can help a site succeed in the EPA competition. The BST process enables people to get to know each other and the concentrated efforts help the municipalities. Some BSTs that met their goals are still meeting with positive results.

Ms. DuBois said the MassDevelopment process is an example of best practices in working with Brownfields sites. While no longer on the Brownfields Advisory Group, Ms. DuBois said she had brought Jennifer Shin as a guest to the meeting because she is taking Ms. Shin on a tour to look at a variety of best practices in working with Brownfields sites. Ms. DuBois wanted Ms. Shin to see how the MassDevelopment process works for Brownfields and economic development.

Ms. Li said Ms. Dubois served on the Brownfields Advisory Group from the inception of the program in 1998 and had hosted the Group at one of her beautiful projects sponsored by Dorchester Bay Economic Development Corporation.

Ms. Jones said she would like to make a motion to commend Ms. Dubois for her years of service on the Brownfields Advisory Group Committee and said we will keep her on the mailing list for meetings so she will stay informed. The motion was seconded and approved unanimously.

Ms. Li then returned to the agenda and asked about the status of the Brownfields pipeline.

Ms. Canter said the pipeline includes all sites where a Community Development Officer or Lender is working closely with an applicant who has either applied or is expected to come in to apply. The officer assigns a probability of closing, which may be between 10% for a distant project to 90% for a site for which an application has been received, approved and committed. She said we currently have about $14 million in the pipeline, which when adjusted by the probability percentage amounts to $4.4 million. She said sites are taken off and sites are added every month. There are four Priority Projects on the pipeline now. Everything else is either Site Assessment or Remediation. The Community Development Officers encourage applications only when they are ready.

Ms. Li said that with an uncommitted amount of $10.6 million in the Fund and a pipeline of $14 million with $4.4 million probability, it looks like we could use about $6 million a year. Ms. Jones said yes, but with four Priority Projects in the pipeline, we could do significantly more in a year. Ms. Canter said money is no longer set aside for any Priority Projects, and we have not committed to these four projects. Ms. Jones said yes, it doesn’t matter anymore if a site was selected and reserved for as a result of a past NOFA.

Mr. Porter said the pipeline is basically an inventory of potential commitments.

**Strategy for Program Going Forward**

Ms. Jones then handed out materials prepared by Mr. McGrail to supplement the materials about the Brownfields Redevelopment Fund impact and past strategies that had been provided to the Group in advance of the meeting.

Mr. McGrail said the materials are a process visualization he prepared after meeting with staff in Community Development and Real Estate Services for discussions about possible program improvements. He said looking from left to right on the side titled Existing Program Types and Criteria, the first column titled Site Assessment basically describes the statutory requirements and how these are carried out, including the borrower’s capacity and development plan. Those requirements are carried forward to the columns describing Assessment and Remediation and the two specialized programs, Priority Projects designation and Extended Use products that were approved a couple of years ago.

Mr. McGrail said when you look at the column describing Assessment and Remediation, you see highlighted the criteria of the capacity of the developer, the LSP remediation plan, and the question whether there are adequate funds to do the cleanup. Getting into the Priority Projects column, there are criteria about municipal contributions and whether there are adequate funds to do the cleanup. For those Extended Use/Pad Ready/Demolition projects, there are criteria relating to site preparation, marketability for an RFP, neighborhood impact, the need for a financial gap filler, and leverage for other funds, such as from EPA. So this side of the graphic describes the program as it currently stands. (See chart at end of minutes.)

Mr. Kriesberg asked if the Brownfields program is open for business for demolition and Pad Ready. Mr. McGrail said yes to demolition and no to Pad Ready and yes to some of the other Expanded Uses.

Ms. Andors asked what is Pad Ready? Ms. Jones explained that Pad Ready means demolition and remediation without a developer being available. Mr. Calnan added that the purpose of the demolition is to get at the contamination under the structure.

Mr. McGrail continued by saying in an era of limited resources, you may want to consider other criteria, such as additional public benefits and other characteristics, i.e. location, additional program elements, additional jobs, additional housing, whether a municipality is working towards a site being developed. He suggested these types of things if adopted could become plus points.

As far as Priority Projects are concerned, Mr. McGrail asked if it makes sense to provide $2 million when we have $10 million in the Fund. He said that demolition and the other expanded use products are important tools, and asked that if these provide good benefits, then should a portion of the Fund be held for them. He also asked about process and whether there would be criteria to decide between one project and another.

Ms. Li said in the past we’ve talked about job creation and housing. Those were really the top priorities. With limited resources, we don’t know when the Fund may be recapitalized. We have to be prepared for what may happen. One other thing to look at is sites where other types of uses might be good for economic development in a neighborhood, such as the site in Worcester she has heard about where an ice skating rink has been under consideration. That type of project that doesn’t include significant jobs or housing might be something else to think about.

Mr. Crawford said jobs, housing, and public benefits have always been considered. He said he was familiar with the site in Worcester mentioned by Ms. Li. He said this is a very dirty site, and he recently heard about the proposal to remediate it and reuse it as an ice skating rink. He thought that reuse could make good things happen to benefit the neighborhood. As for the pipeline, he wondered how big the spectrum is. He said the universe of projects is so large.

Ms. Harper said open space wasn’t something we originally looked at, but could be very beneficial. She also said she likes renewable energy. Solar is something that helps everyone.

Mr. Daniel said there may be a $400,000 project with better outcomes than a $600,000 project. He wondered if there can be an alternative for smaller communities, because while he understands the emphasis on projects in Gateway Cities, he thinks it hurts smaller cities such as Gloucester. He asked if there were two paths for projects. Ms. Jones replied that there are not separate paths.

Mr. Daniel said he understands the rolling application process, but perhaps there should be a point in time when projects from different municipalities could be compared.

Ms. Kreuter said it would be helpful to see the application and think about questions that would direct the thinking of applicants, and then looking at applications on a quarterly basis might bring out stronger applications.

Ms. Paul cautioned against the organization making a list of what it thinks the priorities are. She said in New Bedford, there is no rail transportation, so transit oriented development is not possible. She added that New Bedford has too much affordable housing, so tying extra points to these two things would work against her city. She thought it more important to give a priority to how a project fits in with the neighborhood or municipal plan, something thought out by the community.

Ms. Andors said from the list it looks like one in seven have been in Gateway Cities. That is 15%. She said if the state has made Gateway Cities a priority, then a percentage of the money could match that. She said we might want to have a way for the application process to demonstrate local priorities that have some validity. This would be a way to respond to genuine community participation.

Ms. Dubois expressed support for local engagement. She asked what kind of jobs and what kind of housing do people want. She said light industrial jobs are better for people than retail jobs. As for open space, there are ways for open space to be connected with other corridors. Access to transit is important. These are all beneficial, creating a holistic community impact for three income levels.

Mr. Bowie said all municipalities are very different in how they look at jobs, tax revenue, and neighborhood impact. Housing, open space, solar energy, and transit oriented development are all good. He thinks site assessment should be weighted more heavily because it helps deal with risk and reduces uncertainty.

Ms. Jones said if there is not additional money, and we are looking at the last million dollars, would we want that to be saved for assessment? It’s less expensive than cleanup.

Mr. Bowie said after site assessment, maybe someone else could be found to do the cleanup. As for the rolling application process versus quarterly decisions, he said there is a sustained partnership between MassDevelopment’s rolling process and EPA’s process that works well.

Mr. Kriesberg said you have done 671 projects, and he thinks if we went back we would do them all again. There should be allowance to say no, but the less you spend, the less you’ll get. He asked going forward, do we want to fund every deal possible? He said he thinks $10 million in the Fund and a $14 million pipeline is where we should be. He encouraged a look at the MassWorks model, which is to say up front what we want. He thinks portfolio goals are better than a point system, and rolling applications are better for the applicants and the program.

Mr. Leone said maybe a focus on site assessment would make the money go a lot further, and it would tell us what is there.

Mr. Porter said he is not in favor of not funding a good project today in the hopes that a better project comes along in the future. He asked how do we develop a half billion dollar pipeline. He said nobody has said anything that he disagrees with. The question is how we get the best projects in front of us. We do the best job we can do with this money. It is up to the legislature to give us the money. He said there are other state agencies that promote renewable energy. We should take care that we’re not funding what other agencies have money to do. As for solar, he said we should fund higher and better uses. He thought solar was down on the list.

Ms. Harper said she was picking up on what Ms. Paul says about paying attention to what the community wants. She said she wants to emphasize the value of solar projects and how valued they are by communities.

Ms. Jones said the recoverable grant terms will be looked at to see if we can increase opportunities for repayment.

Ms. Li said we should continue to think about things as we do. With resources constrained, we want to continue to promote the most sustainable program that we can. At the next meeting we should pick out some projects to be discussed. She said she would like to have a meeting in September. Meanwhile, we should continue with the education about the program and send out press releases.

Ms. Li handed out the 2014 Brownfields Annual Report to the Group and asked the new members to look at it with fresh eyes. She asked them to consider whether this makes the case for more money from the legislature and she asked the Group to think strategically about getting Brownfields recapitalization into House 1 or an economic stimulus bill.

Mr. Porter said he would love to hear thoughts on how we can take the $14 million pipeline list to $200 million. Ms. Li informed members that Mr. Porter is the liaison for the Brownfields Advisory Group on the MassDevelopment Board.

Ms. Li said that staff is going to send an email with possible meeting dates in September.

There being no further discussion, the meeting was adjourned at 2:45 p.m.