Tennessee’s Brownfield Voluntary Program
Environmental Show of the South
May 16, 2019
Voluntary Oversight and Assistance Program

Brownfield Projects Voluntary Cleanup Oversight and Assistance Program (VOAP) (TCA 68-212-224)

- **Regulatory Risk** - environmental liability is an important consideration in real property transactions.
- **Financial Risk** - technical assistance focused on cost effective integration of investigation and remediation.
- **Human Exposure** – engineering and institutional controls manage long-term risks in a defined redevelopment scenario.
Benefits of Brownfield Redevelopment

Community – blight removal, infill development, reuse of idled/abandoned property

For more than 30 years a thermal energy plant was located in the heart of downtown Nashville. In 2007, Nashville began the process to redevelop it into a public park and world class entertainment venue. The West Riverfront Park and Ascend Amphitheater officially opened in August 2015.
Environmental – removal of contamination, reduction of health risks, ecological mitigation

Johnson City had a flooding problem that had plagued the downtown for decades. Historic uses of the property however, had left a legacy of environmental impacts. As part of the storm water project, a greenway and park with a 200-seat amphitheater was developed and is now a catalyst for the revitalization of downtown Johnson City.
Benefits of Brownfield Redevelopment

**Economic Development** – new jobs, attract new business, support business expansion, increase municipal tax revenue.

“Multiple studies show brownfield redevelopment raises property values, catalyzes investment and returns orders of magnitude on public investment.” – Brownfield Listings
Benefits of Brownfield Redevelopment

- TDEC and TNECD published a white paper in October 2017
- From 2011 – October 2017, there were 104 TNECD projects that have located on brownfield sites, creating over 18,500 new jobs and $4.3 billion in capital investment.
- Limited inventory of greenfield sites creates an opportunity to redevelop brownfield sites which often have infrastructure already in place; 77 of the TNECD projects were expansions of existing facilities.

Located Project Commitments on Brownfield Sites

* Projects that do not have an address will not appear on the map. Some companies that are in the process of new development may not have an address due to construction on an undeveloped site.

104
Number of Projects

18,502
New Job Commitments

$4,319,641,268
Capital Investment
This vacant industrial property covers 45 acres and was developed with a 232,000 sq. ft. warehouse/manufacturing building. TDEC worked with the Morristown Area Chamber of Commerce to ensure that redevelopment or expansion of the facility could be done safely and without liability for past contamination.

As a result, Rockline has invested $40 million in Hamblen county and created 250 new jobs while revitalizing a shuttered industrial property.
Nissan Supplier Park - Smyrna

76 acre parcel that had been used for illegal disposal of waste oil and solvents in the 1970’s and 1980’s. Under a Brownfield Voluntary Agreement, Nissan was able to purchase the property free of liability and redevelop the site in a manner safe for its reuse. Nissan is currently building a $160 million 1.5 million square foot logistics center and supplier park to support its operations in Smyrna.

The project is expected to create 1,000 direct jobs and 1,467 indirect jobs. The estimated capital investment of $164 million is expected to have an economic output of $3.65 billion over the next 10 years.
Former Southern Steel - Chattanooga

- Former metal refinery and foundry operating from approximately 1889 through the 1960’s.
- The site was enrolled in DoR’s VOAP in May 2017, and received a NFA in March 2019.
- Site received funding from an EPA Brownfield RLF Grant (Brightbridge).
  - RLF Grant provides loans to finance cleanup of an environmentally-contaminated property.
- Construction financing was provided through HUD – this brings its own standards for addressing contamination.
Opportunity Zones

Opportunity Zones provide a federal tax incentive for investors to re-invest their capital gains into Opportunity Funds, which are specialized vehicles dedicated to investing in designated low-income areas.

• There are 176 census tracts in Tennessee that are qualified opportunity zones.

• Based on a strategic and data-driven review of county mayor feedback in addition to consideration of state priorities and initiatives including; business development and brownfield redevelopment opportunities, community and rural development initiatives, low-income housing development opportunities, proximity to entrepreneur centers, technology transfer offices, and colleges and universities.
Tax Increment Financing

- TIF uses the projected increase in property tax revenue and non-school portion of local sales tax to be gained by developing an area to assist in paying for the development project.
- New Brownfield TIF statute
  - On April 30, 2019, Tennessee Governor Bill Lee signed into law **SB0355**, amending T.C.A. § 7-53-316, Redevelopment of Brownfield Sites in Economically Disadvantaged Areas (the “Brownfield TIF Law”)
  - The statute now allows costs which are directly related to the investigation, remediation, or mitigation of the brownfield projects to be recovered as “Qualified Costs”, removes size requirements for the “Brownfield Site”, and allows statewide application of the TIF regardless of county population.