Tonawanda Brownfield Opportunity Area

Pre-Nomination Study

Tonawanda BOA

Agenda

• What is a Brownfield & the Brownfield Opportunity Area (BOA) Program
• Tonawanda BOA Characteristics
  – Demographic/Economic
  – Land Characteristics
  – Environmental
• Brownfield Incentives
• Schedule
• Next Steps

Tonawanda BOA
What is a Brownfield?

A site, where the expansion, redevelopment, or reuse can be complicated by the presence or potential presence of a hazardous substance, pollutant or contaminant.

Source: U.S. EPA
What is a Brownfield?

Brownfield Opportunity Area (BOA)

- Multiple Brownfield Sites . . .
  - and Vacant, Underutilized, Abandoned Sites
- Area Revitalization Plan
- Partnerships
  - Local Community
  - Department of State
  - Department of Environmental Conservation
  - Other local, regional and state partners
Brownfield Opportunity Area Program

Step 1:
- Pre-nomination Study
- Investigation

Step 2:
- Nomination Study
- Defined Area
- Detailed Analysis

Step 3:
- Implementation Strategy & Site Assessments
- Pre-development

Brownfield Opportunity Area

Benefit - Advances projects to the marketplace

- Community support / Partnerships
- Revitalization strategy
- Transparency of environmental conditions
- Grants/Tax Incentives
- Project marketing
BOA Analysis and Plan

<table>
<thead>
<tr>
<th>Economic &amp; Demographic Data</th>
<th>Utilities, Transportation/Access</th>
<th>Natural Resources</th>
<th>Contamination</th>
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</thead>
<tbody>
<tr>
<td>Community Vision</td>
<td></td>
<td></td>
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<tr>
<td>Existing Plans / Regulations</td>
<td>Comp. Plan LWRP</td>
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Sustainable Redevelopment & Cleanup Plan

Tonawanda BOA

<table>
<thead>
<tr>
<th>Low Contamination</th>
<th>High Contamination</th>
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<tbody>
<tr>
<td>High Development Potential</td>
<td>Developer Sites</td>
</tr>
<tr>
<td></td>
<td>Public – Private Partnership</td>
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<tr>
<td>Low Redevelopment Potential</td>
<td>Public Sector Projects</td>
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<tr>
<td></td>
<td>Cleanup &amp; Closure</td>
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</tbody>
</table>

Source: Rutgers University, Brownfields Capacity Building Assistance program for CBOs
Tonawanda BOA

- 1,093 acres
- 116 parcels
- 26 Brownfield Sites
- I-190, I-290, Niagara River, City of Tonawanda
- Town and City
### Tonawanda BOA Characteristics

#### Census Tracts

<table>
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<tbody>
<tr>
<td></td>
<td>1990</td>
<td>2000</td>
<td>2009 (Est.)</td>
</tr>
<tr>
<td>Census Tract 78</td>
<td>6,154</td>
<td>5,615</td>
<td>(539)</td>
</tr>
<tr>
<td>Census Tract 83</td>
<td>3,076</td>
<td>2,864</td>
<td>(212)</td>
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<tr>
<td>City of Tonawanda</td>
<td>17,284</td>
<td>16,136</td>
<td>14,766</td>
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<tr>
<td>Town of Tonawanda</td>
<td>82,464</td>
<td>78,155</td>
<td>71,749</td>
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<tr>
<td>Erie County</td>
<td>968,532</td>
<td>950,365</td>
<td>909,247</td>
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<tr>
<td>New York State</td>
<td>17,990,455</td>
<td>18,976,457</td>
<td>19,541,453</td>
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Source: U.S. Bureau of the Census
## Tonawanda BOA Characteristics
### Census Tract (Neighborhood) Profiles

<table>
<thead>
<tr>
<th>Subject</th>
<th>Tract 78</th>
<th>Tract 83</th>
<th>City of Tonawanda</th>
<th>Town of Tonawanda</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Vacancy Rate</td>
<td>5.0%</td>
<td>10.9%</td>
<td>5.3%</td>
<td>3.9%</td>
</tr>
<tr>
<td>% Housing Units Owner Occupied</td>
<td>70%</td>
<td>21.3%</td>
<td>72.5%</td>
<td>73.9%</td>
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<tr>
<td>% Housing Units Renter Occupied</td>
<td>28%</td>
<td>78.7%</td>
<td>27.5%</td>
<td>27.1%</td>
</tr>
<tr>
<td>% High School Graduates</td>
<td>83.8%</td>
<td>76.7%</td>
<td>85.2%</td>
<td>87.5%</td>
</tr>
<tr>
<td>% Individuals Below Poverty Level</td>
<td>9.2%</td>
<td>37.7%</td>
<td>7.1%</td>
<td>6.9%</td>
</tr>
<tr>
<td>% Homes Built Before 1939</td>
<td>25.3%</td>
<td>14.3%</td>
<td>41.4%</td>
<td>20.5%</td>
</tr>
<tr>
<td>1999 Median Household Income</td>
<td>$36,956</td>
<td>$17,490</td>
<td>$37,523</td>
<td>$41,453</td>
</tr>
<tr>
<td>1999 Per Capita Income</td>
<td>$18,119</td>
<td>$10,649</td>
<td>$18,789</td>
<td>$20,947</td>
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<tr>
<td>1999 Median Housing Value</td>
<td>$75,500</td>
<td>$75,800</td>
<td>$73,490</td>
<td>$85,100</td>
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<tr>
<td>Median Age</td>
<td>41.6</td>
<td>28.3</td>
<td>38.9</td>
<td>41.4</td>
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</tbody>
</table>

Source: U.S. Bureau of the Census

## Tonawanda BOA Characteristics
### Industry Employment – Erie County

<table>
<thead>
<tr>
<th>Industry</th>
<th>1998</th>
<th>2008</th>
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<tbody>
<tr>
<td>Manufacturing</td>
<td></td>
<td></td>
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<tr>
<td>Wholesale Trade</td>
<td></td>
<td></td>
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<tr>
<td>Construction</td>
<td></td>
<td></td>
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<tr>
<td>Transportation and Warehousing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail Trade</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admin Support &amp; Waste</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Scientific and Technical</td>
<td></td>
<td></td>
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<tr>
<td>Accommodation and Food Services</td>
<td></td>
<td></td>
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<tr>
<td>Health Care and Social Assistance</td>
<td></td>
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</tr>
</tbody>
</table>

Source: U.S. Bureau of the Census, County Business Patterns
Tonawanda BOA Characteristics
Projected Employment Growth – Western New York
2006 to 2016
Resident Data

-20000 -15000 -10000 -5000 0 5000 10000
Change in Jobs

Health care and social assistance
Professional & Business Services
Educational Services
Leisure & Hospitality
Construction
Financial activities
Other Services
Mining
Utilities
Wholesale Trade
Transportation and warehousing
Information
Government
Retail Trade
Manufacturing

Source: NYS Department of Labor

Tonawanda BOA

Tonawanda BOA Characteristics
Tonawanda Unemployment Rates & Employment
Resident Data

Year
2000 2001 2002 2003 2004 2005 2006 2007 2008 2009

Unemployment Rate
0 1 2 3 4 5 6 7 8 9 10

Unemployment Levels
2000-2009

Employment Levels – Town
2000-2009

Year
2000 2001 2002 2003 2004 2005 2006 2007 2008 2009

Number Employed
34000 35000 36000 37000 38000 39000

Source: NYS Department of Labor

Tonawanda BOA
Tonawanda BOA Characteristics
Relevant Plan Recommendations

• Comprehensive Plan
  Local Waterfront Revitalization Plan
  Waterfront Land Use Plan
  – Roadway System/Connectivity
    • River to Spaulding Fibre via proposed North Youngmann Center
  – Shovel Ready Economic Development
  – River Road Image
  – Environmental Protection/Remediation

Tonawanda BOA Characteristics
Current or Planned Development

Tonawanda BOA
Zoning

Waterfront Business
- Offices, Research

Waterfront Mixed Use
- Small Scale Commercial, Water Uses

Retail, Highway, Commercial
- Retail, Restaurants, Gas Stations

Waterfront Industrial
- Office, Light Industrial

Spaulding Commerce Park
- Light Industrial, Commercial

Manufacturing

Land Use

Zoning Districts
- A-1: Single Family Residential District
- R-1: General Residential District
- R-C: Residential District
- C-1: Commercial District
- C-2: Commercial Area
- M-1: General Commercial District
- M-2: General Commercial Service District
- M-3: Seafront District

Town of Tonawanda Zone
- A: Single Residential
- B: C-Round Residential
- C: General Business
- C-1: Business District
- M-1: General Industrial
- M-2: Medium Density Industrial
- M-3: Medium Height Industrial
- M-4: Heavy Industrial
- V: Waterfront Commercial
- V-1: Waterfront Mixed Use
- V-2: Waterfront Business
- V-3: Waterfront Industrial
- V-4: Waterfront Mixed Use

City of Tonawanda Zoning Districts
- A-1: Single Family Residential District
- R-1: General Residential District
- R-C: Residential District
- C-1: Commercial District
- C-2: Commercial Area
- M-1: General Commercial District
- M-2: General Commercial Service District
- M-3: Seafront District
Tonawanda BOA Characteristics
Identified Brownfield Sites Within the Pre-Nomination BOA

- 26 parcels identified within the BOA as potential brownfields.
- Multiple site reconnaissance trips
- Review of environmental records and historical aerial photographs from 1927, 1951 and 1972.

Tonawanda BOA

Tonawanda BOA Characteristics
Identified Brownfield Sites Within the Pre-Nomination BOA

- 5335 River Road
  - Former above and underground tank farm
  - 5 areas of concern (AOCs) identified
  - October 2010 Site Investigation Report:
    - 3 AOCs cleaned up; 2 remain
    - Pipeline
    - Potential Orphan USTs
- 5565 River Road
  - Historically used for disposal of industrial waste
  - November 2010 Preliminary Site Assessment recommended further investigation for industrial waste

Tonawanda BOA
Tonawanda BOA Characteristics
Identified Brownfield Sites Within the Pre-Nomination BOA

- 5445 River Road
  - Leaking 250-gallon ASTs
  - Historical scrap/salvage yard
- 4545 River Road
  - United Refining Waterfront Property
  - Petroleum contamination discovered in soil in 1994/1995
  - Associated with improper drum disposal

Tonawanda BOA Characteristics
Formerly Utilized Sites Remedial Action Program (FUSRAP) Sites

- Ashland I – FUSRAP-related materials cleanup completed in 2003
- Ashland II – FUSRAP-related materials cleanup completed in 1999
- Rattlesnake Creek – FUSRAP-related materials cleanup completed in September 2005 - suitable for commercial and industrial use
- Seaway Landfill
  - FUSRAP-related materials being managed
  - Record of Decision (ROD) executed on October 25, 2009
  - Multiple systems in place to prevent leaching of radiological and hazardous substances
Tonawanda BOA Characteristics
Formerly Utilized Sites Remedial Action Program (FUSRAP) Sites

- Future North Youngmann Commerce Center
  - ROD executed on September 30, 2008
- Tonawanda Landfill
  - FUSRAP-related materials need to be removed
  - Portions of the Town Landfill are currently being closed and capped
  - Under investigation by the USACE
    - Local officials and NYSDEC demand complete removal of FUSRAP-related materials

Brownfield Redevelopment Incentives
NYS Brownfield Cleanup Program (BCP)

Contamination Can be a Good Thing

- If you Currently Own or Anticipate Owning a Brownfield Property:
  - Brownfield Cleanup and Redevelopment Tax Credit
  - Brownfield Real Property Tax Credit
  - Brownfield Insurance Credit
- Best State Incentive Available
- BOA provides information for BCP, Tax benefits
Brownfield Redevelopment Incentives
Brownfield Cleanup Program (BCP) Tax Credits

- **BCP Brownfield Cleanup/Remediation Credit:**
  - REFUNDALBE and the cleaner the site, the greater the credit

<table>
<thead>
<tr>
<th>Use</th>
<th>22%</th>
<th>50%</th>
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<tbody>
<tr>
<td>Industrial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td></td>
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</tr>
</tbody>
</table>

- **BCP Brownfield Redevelopment /Tangible Property Credit:**
  - REFUNDALBE - Initial 10% (personal), 12% (corporation)
  - + 2% for unrestricted use
  - + 8% in Environmental Zone
  - + 2% within BOA

Brownfield Redevelopment Incentives
Other BCP Benefits

- Remediated Brownfield Tax Credit (10 year benefit period)
  - Real Property Tax CREDIT equal to up 100% of real property tax
  - > 25 employees on site
- BCP Insurance Tax Credit
  - $30,000 or
  - 50% of premiums
  - One time
Brownfield Redevelopment Incentives
Brownfield Opportunity Program (BOA) Benefits

- Owner/Potential Owner
  - 2% Additional BCP
  - Redevelopment Tax Credit
  - Upfront Due Diligence
  - Identify Potential Liabilities
  - Identify Potential Financial Opportunities

Brownfield Redevelopment Incentives
Brownfield Financial Incentive Planning Tips

- Plan early
  - Get a Professional team (attorney, engineer, architects, etc.) in place ASAP
  - Establish Timelines

- Identify All Incentives Up-Front
  - Best to identify/analyze all benefits together

- Overlap Incentives
  - Overlap financial Incentive Planning with site acquisition, permitting, and lending considerations and timing
Brownfield Redevelopment Incentives
Other Incentives

Local
- Industrial Development Agencies
- Revolving Loan Funds
- Local Development Corporations

New York State
- BOA Enhanced Tax Credit
- Brownfield Cleanup Program
- NYS Rehabilitation Tax Credits
- Excelsior Program
- Build Now New York
- Linked Deposit Program
- NYSERDA

Federal
- HUD Community Development Block Grant
- Economic Development Administration (EDA)
- HUD Brownfield's Economic Development Initiative (BEDI)
- New Market Tax Credits
- Federal Historic Tax Credits

Other
- EB-5 Foreign Investment Program

*** See handout materials for more information on programs

Brownfield Redevelopment Incentives
Case Study

• Seneca Market Site – Harbor Hotel – Watkins Glen, NY
  - Former drycleaner, bus garage and auto repair facility (~3 acres)
  - Great location w/ Seneca Lake view
  - Former NYSDEC Superfund site
  - Planned upscale 100-room hotel
Brownfield Redevelopment Incentives
Case Study – Harbor Hotel, Watkins Glen, NY

Tonawanda BOA

Project Costs and BCP Tax Credits at Work

- NYSDEC Oversight/Legal Costs = $50K
- Environmental/Site Prep = $700K
- Development Costs = $13M
- BCP Remediation/Site Prep Credit (25%) = ($188K)
- BCP Redevelopment/Tangible Property Credit (10%) = ($1.4M)
- Total Project Cost = $14,500,000
- Total BCP Credits = $1,588,000 (Refundable premium of $838,000)
- Net Cost = $12,912,000

Tonawanda BOA
Next Steps

- Prepare Draft Plan
  - Market Analysis
  - Stakeholder Discussions
  - Recommendations
    - Economic
    - Environmental
    - Quality of Life/Social
    - Preliminary “Master Plan” Concepts

- Final Public Meeting
  - Late Spring/Summer
  - Review of Draft Plan, Recommendations
Project Information

- www.tonawanda.ny.us/BOA
- James B. Jones, Town Engineer, Town of Tonawanda, 877-8805
- Ed Flynn, Senior Planner, LaBella Associates
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- Greg Senecal, Environmental Division Director, LaBella Associates
  gsenecal@labellapc.com
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