

# Financial Assistance Opportunities for Brownfields in Minnesota

Prepared for:

**Brownfields Workshop**

April 20, 2010 - Mankato

April 22, 2010 - Bemidji



## **In Addition to Grants and RLFs...**

- Reimbursement Programs
- Tax Assistance and Incentive Programs
- Direct Assistance Programs
- Plus...Another Loan

# Reimbursement Programs

- Petroleum Tank Release Cleanup Account - Petrofund
- Minnesota Dry Cleaner Fund
- ACRRA Account (covered in a another presentation)

# Petrofund

Administered by the Minnesota Department of Commerce, provides reimbursement for investigation and cleanup costs incurred from underground and above-ground storage tank (UST/AST) petroleum releases, as determined necessary by the MPCA

.

- Every owner or operator of an UST/AST and a number of others are eligible. Up to 90% of eligible costs (w/bids).
- Max. reimbursement is \$1,000,000 for a single release and \$2,000,000 for a single facility.

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# Dry Cleaner Fund

Funds the investigation and cleanup of contamination, as determined necessary by the MPCA, related to former and current dry cleaning sites.

- Eligible parties include past or present owners or operators, current landowners and prospective purchasers.
- The applicant is responsible for the first \$10,000 - after which - reimbursement equals 100%

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# Tax Assistance and Incentive Programs

- Tax Increment Financing (TIF)
- Federal Tax Relief Act  
(1997/Amended in 2006)
- Minnesota Contamination Tax Reduction

# Tax Increment Financing (TIF)

TIF uses property taxes generated by the increase in value created by cleanup and redevelopment to pay down the cost of cleanup or prepare and implement a response action plan (RAP).

- All of the property tax on a formerly contaminated site, not just its increased value, can be used.
- TIF can pay for the preparation and implementation of a RAP.
- Recent Legislative Changes Have Created New Challenges

Contact a representative of the local unit of government.

# Federal Brownfields Tax Incentive

The Tax Incentive provides certain advantages certain parties that have completed a cleanup.

- Allows cleanup costs to be fully deductible in the year incurred.
- Previously filed tax returns can be amended.
- Statement Required from MPCA

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# Contamination Tax Reduction

- Minnesota Department of Revenue provides for a reduction in property tax on contaminated property to as low as 12.5 percent of contamination value.
- The qualifying entity must have prepared and begun implementing an approved RAP. Contamination may include commercial chemicals, petroleum products, asbestos, radon gas, pesticides, etc.
- Property tax proceeds are used for contamination cleanup grants.

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# Direct Assistance

- Targeted Brownfield Assessment (TBA) Grant Program: EPA and the MPCA
- Technical Assistance to Brownfields (TAB) Program Kansas State University (covered in another presentation)
- Midwest Assistance Program (covered in another presentation)

# Targeted Brownfield Assessments

EPA and the MPCA provide direct assistance by conducting assessments and investigations. The MPCA gives preference to projects involving recreational and green space use.

- Eligible applicants are municipalities, counties and non-profit organizations.
- No matching funds required

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# Small Business Environmental Improvement Loan

The MPCA provides low-interest loans (\$1,000 to \$50,000) to small businesses to finance:

- capital equipment purchases that prevent pollution or reduce waste, and
- investigation and cleanup costs.

Eligible businesses must have fewer than 50 full-time employees, after-tax profits of less than \$500,000 and a net worth of less than \$1,000,000.

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# Q & A ... and a word about Minnesota Brownfields

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