

Superfund Redevelopment Program Webinar Series - Opportunity Zones and Superfund Sites

Sponsored by: U.S. EPA, Office of Land and Emergency Management (OLEM), Superfund Redevelopment Initiative

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Closed Captioning Transcript

Stand by for realtime captioning. >> . You can call in and listen on your telephone line. Are never view requesting if I can make the volume louder. So I have adjusted my volume setting. I hope that has helped improve the volume. If that is much louder, let me know. Hopefully that salted. Looks like it it. I will continue to welcome those of you for joining us for today's upcoming Superfund redevelopment webinar series. Today's opportunity will be Superfund websites. I'll be serving as a technical moderator. It looks as though we have reached our scheduled start time. I want to check with the session facilitator and our first speaker today to see if I can open with basic instructions before we get started.

That sounds great.

This is part of an ongoing series for our topical the opportunity zones at Superfund sites. Our session has been sponsored by the office of land and emergency management . I walked through a few housekeeping items. When you register for today, you would have received a confirmation email which points to a seminar homepage. On that, there'll be tabs available from today forward you can book the practice page and save it. You have links to our presenters, you can download their slides as well as browse through related resources with a number of documents and other resources highlighted. Be sure to include those there.

Click that red joint webinar button and you'll be prompted to check in online and join us through our live broadcast offered through Adobe connect. Through Adobe connect you can watch and listen as our presenter gives their talks. If you do not have the ability to use Adobe, there are ways to join in just the browser. If that does not work, you can safely download the slides I follow along by phone. I will remind everybody that you can control your own audio using the speaker icon in the upper corner of your screen. Look at that speaker icon and adjust the volume as needed.

We have a Q&A window available. That is in the lower right corner of the screen and you can use that window to go ahead and adjust and report technical issues at any time. I want to be sure no one knows how to to use that room. Go ahead and type a message into the Q&A and let me know how the audio and visual come through or you can feel free to let us know how excited you are. Any message placed into that question

are private and shown to the presenters and organizers. We will queue up questions in that space in the designated points we will stop and re-question as you can get a verbal response. There's no need to wait for that break. You can adjust and send in comments and questions as soon as they occur and that we will build up a nice healthy queue and get there as many comments and questions that we can.

The last thing is remind everybody as we close out today, we will walk through a few important reminders including how to print out a certificate and access the recorded version. Stay with us until the very end.

Visually, you will see something like this one. I remind everyone you have an option to look at the slides and a large window on the left. It may look like a box with brackets or it may look like a bunch of arrows. As noted, they'll be available throughout the lower box on the lower right corner. Those of you in that modern view, you can see the large buttons a little bit different.

I will go ahead and call up the presentation materials and turn things over to session moderator.

My name is Bill Denman. I am chief of redevelopment in Region Four. Also on assignment to headquarters working in the Superfund development program. For those who have tuned in to these over the past two years you may have heard me speak on and Superfund redevelopment. I works in the Superfund program many years and as project manager, and manager but all that time, being involved in Superfund sites and I'm excited to talk today about the role opportunity zones and advantages can help encourage redevelopment. We are so glad you can join us. We share valuable information, success stories and challenges with the hope this will inspire you to consider these for your properties. Each webinar provides guidance, tools and lessons to learn to support successful reuse of Superfund site. You can to never wear these webinars and go to the website and take a look at archive and a lot of good information about redeveloping sites and contaminated property in general. To kick us off, I'll provide a brief introduction of the program an opportunity zones as relates for those who may not be familiar with the program. Following my presentation, we hear from Brad who will discuss the nuts and bolts of opportunity zones and Matt will talk about opportunity zones as they relate to local governments and how they can be involved. Last but not least, our EPA region five opportunity zone coordinator will share the many tools and resources for opportunity zones most of what I know I learned from John. I'm always excited to hear him speak on this topic. Thank you as well as for all the speakers to share your expertise with us. I will do a short wrapup and will be sure to leave time at the end for any questions you may have.

For we talk about opportunity zones specifically, let's take a few minutes to look at the Superfund redevelopment program. I worked since the late 90s I've seen it grow from a concept into a real part of what the program is about as we conduct cleanups. The redevelopment program

supports staff and works with communities and other partners to consider future use opportunities and look at appropriate options within the process. We have lots and lots of examples of where this has been done successfully and I would encourage you to visit our redevelopment website. We've done a lot of fact sheets and success stories and case studies on the different types of successes. Consideration can and should be explored at any point during the cleanup process. There many ways to look at sites and there's no one size fits all solution to determine which type would be most appropriate. If any of you have been involved, no two sites are the same. And what they need and how they can be put into beneficial use or the community is different for every site. Redevelopment poses unique challenges in terms of protectiveness, stigma and liability. They also allow for broad spectrum of safe and productive responsible these. It's important to know for those in the business, in case you're not aware, EPA doesn't own site or control land-use. In very rare cases, they may own property but we are not set up for that and it's not how they approach cleanup. Is certainly local land-use control and zoning level and County commissioners, Board of Supervisors and organizations like that at the local level control land-use. Helping return contaminated sites to productive use and be beneficial is important for communities and apart of EPA mission. It is why we spent all the time effort cleaning up sites. We want to make sure we can help communities, developers, local governments, overcome the obstacles they may face because of being a Superfund site to be back in beneficial use. To do this, we developed a wide array of tools and resources and support for local governments, QC, and EPA regional staff. These photos at the top are at the site.

I would like to start with my big picture. I also work with the Brownville program. Sure many of you know this but there are certainly more across the country than any other type of contaminated or potentially contaminated properties. EP's initial estimate in the mid-90s was 450,000 that is still our estimate. I don't think that has changed. Some people estimate that as high as 600,000. These also include underground source issues and at sites which is also a large number of contaminated properties out there. About 40,000 sites have been impacted by the Superfund program. 1600 sites on the national party lists a lot of times that's what people think of when they ink of Superfund but there's also a large number of 38,000 that have been impacted or cleaned up or dressed by our removal program. There also 6400 corrective action sites out there that also can take some of these same concepts and put them into play as far as planning for future use. For Superfund, both removal and national parties list sites can be and are successfully we develop.

The reason this is important and it hits home with me, when I saw the statistic that over half of the U.S. population list with three miles of at least one of these types of sites. It impacts a lot of people.

Why is this part of EPA mission? What are the benefits of reuse at Superfund sites? The benefits to local governments, but those familiar with the concept of sustainability, you know you need to consider the economic, environmental and social impact of a cleanup or action like this in order to truly be a sustainable action. The benefit of local

government and committees include creative jobs which also increased the tax base. Not having a property and a negative value to have minimal value on properties of its type.

It brings a sense of community. I had a site in central Georgia that gave our war to and I went down with the project manager who worked on it years before and he noticed how the community had taken so much more pride in the houses and everything, he said it just looks better. People are more proud of this neighborhood because the site which had been an abandoned wood treater was original soccer fields people from several counties around came to one of the few areas that kids could play soccer and instantly had a benefit in the sense of community and people that lived around it was obvious there proud of this. And they also bring certainty to land-use, the new owner will be a good's owner of the site. Even willing to take on part of the cleanup or enhance the cleanup and these are things we have done successfully at many sites across the country. Just from environmental, basic environmental standpoint, George Washington University did a study that showed for every acre of contaminated property, that gets redeveloped, on average, 4.5 acres of Greenfield are preserved. There are many reasons to get these cleaned up and put back. Some people, local governments, developers, once it's deleted, it can be put into redevelopment.

[Indiscernible - audio issues]

So they can meet their timeline for getting their development in place. The bottom line is, EPA has logged the tools and resources that support we can use to help local governments and community members and developers who want to get the site back into the beneficial areas.

I was like to throw in a couple of examples. Here are a couple of many that we have. We are redevelopments that include government offices, shopping centers, manufacturing facilities, affordable housing, recreational fields, ecological preserves and many other types of reuse. We have the Humane Society, all kinds of cool reuse that sites have been put back into. These are just a couple. On the left is a South Carolina aquarium which is on the Calhoun Park area in Charleston South Carolina. If any of you have been to Charleston, it's on a Superfund site and that building to the right is a National Park Service building so if you've been to Fort Sumner, that's where you left on. Both of those are on property as part of the Calhoun Park Superfund site which was an old manufactured gas plant which all the old cities, especially in the South had they took coal and extracted natural gas from it to power streetlamps and different power in the late 1800s, early 1900s, mainly late 1800s. It's so great to go somewhere and see the cleanup still operating. We have these wonderful reuse and repair letter great economic activity and also for the public.

On the right, you can see this is the Superfund site in Utah. This site is healthcare complex on the Superfund site. Was formally used as a landfill and there's an entire community built on the site. Is one

worth checking out if you're interested in this kind of thing. It's a wonderful success story.

That gets us to today's topic which is opportunity zones. What are those? I am certainly the least qualified to talk about this but I want to give a very broad overview of this. And as it relates to redevelopment. As an opportunity zone tax law expert will talk about much more detail about nuts and bolts. Will go over big picture stuff here. The purpose was to track private investment to revitalize economically distressed communities. Opportunity zones were first conceptualized during the Obama administration legislation was created through a bipartisan congressional effort consigned into law by President Trump and in 2017 tax cut and jobs act. This is a concept that has wide bipartisan support. And has been very successful at attracting investments to these underserved areas that desperately need.

In early 2018, each state governor was asked to designate the opportunity zones in their states that they were designated by the state governor. As this shows, 8706 opportunities were established in all 50 states, DC and six of U.S. territories.

Opportunity zones are huge tax benefit. They been called a once-in-a-lifetime tax benefit opportunity for investors.

Treasury is a disputed they will tract is much as \$100 billion to be invested in lower income neighborhoods. For those with opportunity zones, this is a huge deal. To the extent they get sites like Superfund sites impacted by contamination for productive use are very excited about that potential.

Specific to this, they are perfect fit. More than any other type of contaminated sites are burdened with stigma which cause investors, developers and local government to be cautious about getting involved. It's something we have been working against for over 20 years now to address this stickler.

A lot of these tools are designed over the years. These opportunities are important to attract private party investment. They also help close the gap to make projects profitable which we know once they are profitable, and once people will make money on them, then you really start getting momentum about getting a project moving forward.

There 343 since priority list sites located in a partially not a opportunity zones across the nation. It's estimated there are thousands of removal sites. Many cities and redo elements parties are devoting websites of brochures to market these properties to opportunities and investors and one lesson we have learned so far, the easier local governments and ECA can make it, for investors understand the opportunity zone, the more sites that will get redeveloped. It's really a perfect fit. If it's squarely in the Superfund task force if you're familiar with that reports which I was fortunate enough to help participate in developing, they had five goals. Goal three was emerging

private investment to promote redevelopment. Their specifics on that but this is squarely in the investment and cleanups.

There opportunity zones that are terrific tool because they can attract private investment and help redevelopment projects be more profitable. The great news is, most sites should be eligible.

Why do we care? My most measures, opportunity zones are among the highest need to tease across the U.S. and have a potential positive impact on economically distressed communities. Is such a big deal because they cover 10% of the U.S. landmass. 20% are in rural areas and the committees an opportunity zones suffer double the national poverty rates. They contain about a third of all identified sites of Brownfield, national party list and thousands of Superfund removal size. They can help revitalize contaminated and formally contaminated presented designed to specifically strengthen the viability of redevelopment.

The map is showing an opportunity zone in Butte Montana. Large portion of the area is located within this opportunity zone. Which opens a lot of funding opportunities redevelopment. With that said, an introduction now to why these sites, such a big deal, I will turn it over for more detailed information about the nuts and bolts and how this would work.

Thank you. This is a first for me. My computer has completely crashed so I'm running blind. Not able to see any of the size. If Jean is there, can you confirm the first slide is on the screen?

Jean is always there as she has it up. Go ahead and get started. I sympathize. Had this happen to me before. Just keep going and she will make sure the slides are all there. Just say next slide if you want to know particular one letter, let her know and we will make it pictures on them.

As has been previously stated, the purpose of opportunity zone is to seek to encourage economic growth and investment and designated distress committees, was established as part of the 2017 tax cuts and job act. The statute itself is divided into two sections. The first is 1400 C1 which is the designation process using 2010 census data for the state designated by the governors of each state and they were certified by the Department of treasury. Second section which is the focus of the presentation today is a statute that governs qualified opportunity funds.

I am Brad Carney, partner at the law firm and our firm is based in New Jersey.

Next slide. This should show market development that has been accelerating rapidly. It's a slide put out by the economic innovation group. They are a bipartisan public policy organization. What is remarkable about this chart, after two rounds of draft regulation, the final we adopt by Department of treasury became effective in March

1320 20. Just as the time the pandemic was hitting. This chart shows notwithstanding the pandemic, there have been 75 billion dollars of investment from a to the end of December. 70% of which was included as investment that would not have happened without the incentive.

The next slide she also shown activity map the innovation group has put together. This is terrific. It filters by activity type market category, theme, you can go right on this interactive map, you can click and zoom into some of the details and activities with respect to a particular fund or investment within an opportunity zone. The next slide I'll be partial to New Jersey shows interactive mapping and New Jersey. The state of New Jersey has put up an opportunity zone marketplace and it also has very similar mapping tools with overlay capability. The nexus on how opportunity zones were. I call this the 4Q. Aegis requalify. Number 1, you have to have qualifying capital. It's capital gains. Those have to be invested within a qualified opportunity fund within 180 days from recognizing the gain. There is because of the pandemic is specifically 2021 -- 10. In the last day of the hundred and 80 day vessel period much a taxpayer must make an investment a qualified opportunity fund in order to satisfy the 180 day requirement, if that falls on or after April first of last year through March 31st of this year, then the last day is postponed to March 31st. Is recognizing capital gains from April first through the present can still be deposited to a qualified opportunity fund and that will count even though it was more than 180 days. The next is a qualified intermediary. That's the qualified opportunity fund.

With the IRS, with the federal tax return, the next is the qualifying activities. This is either acquiring property for building or substantial improvement structures or an original use that can mince us with a qualified opportunity fund which I will focus on later in this presentation. Think of that as property. The other way is new shares of qualifying business where the qualifying fund buys shares of stock or interest in an ongoing business within a qualified opportunity zone. As has been pointed out, there are a number of 2010 center strikes that became qualified opportunity zones in the United States plus all of its territory.

The next slide should show the tax benefits. There are three. One is the actual deferral of the capital gain that's invested. There is no tax paid on the capital gain deferred until December 31st 2026. That will be paid on April 15 of 2027 at whatever the tax rate established by the IRS in April 15 of 2027.

That is the first benefit. The second is a step up in basis of, you get a step up if the qualified opportunity fund holds investments, property for five years. Or longer. If they're able to go back in time, you get another 5% if it holds seven years or longer. This holding period is before the deferral ends on December 31st at 2026. The last is the most important. The actual appreciation of the property itself, zero federal capital gains tax on the sale that property after 10 years and that was notwithstanding the opportunity zones will expire automatically in the year 2028. The qualified opportunity fund has all the way through 2047 to divest itself of the property in order to receive zero

federal gains tax on the appreciation if it's help her 10 years or longer is. That is a big incentive.

The next slide defines what a qualified opportunity fund is. It's either a corporation or a partnership. It has to invest in a qualified opportunity zone and must hold 90% of its assets and here is the big definition. The property. What is that? Two types, one is a stock or partnership and of his own business or qualified opportunity zone business property. We will focus more on the property aspect and then an actual business. The next slide should show with the definition of a qualified opportunity zone business is. And, that's where substantially all of the property own or lease in the qualified opportunity business property, this lease 50% derived from active conduct of that business, the substantial portion is used in the active conduct of the business and there's this last requirement that 5% of the average aggregate on I just bases his nonqualified financial property. There certain businesses that don't count. Golf courses, country clubs, massage parlors. Hot tub facilities, suntan facilities, racetracks, gambling, liquor stores, none of those whatever five. The next slide should show the definition of a qualified opportunity zone property.

The first two listed are the businesses I want to skip past that. So the next slide should show what the definition of a qualified business property is.

That's real property acquired by the fund after December 31st 2017 and this is really the focus of the seminar. The original use distinction of the property commences with the fund or he substantially improve the property. The substantial improvements has a 30 month clock. That runs from the date of acquisition meaning you need to double the basis of the property within 30 months after acquisition. I will say because of the pandemic, the IRS has extended certain deadlines to March 31st, the end of this month.

What's important here, EPA recognized during the public comment period that the 30 month window was unrealistic for brownfield properties because they take longer than traditional vertical development projects do to the challenge of contamination. So, during the public comment period, request was to put Brownfields within the original use category original use doesn't have a time frame. During the last, the regulation that came out define original use that commences with the qualified opportunity fund to mean it has not been depreciated or amortized by the taxpayer other than the qualified opportunity fund. The big take away is there's not a clock that runs with it. It's not a 30 month clock so it's much more compatible for Brownfields type development. The Rob however came that when the regulations came out, the site was defined to mean however it's defined under the competence of environmental response, but the definition under this excludes national prioritized list and Superfund sites. If I can have the next slide, this should say this Superfund site at the top. This is an example, if you have a property, reading the remediation firm and qualified opportunity zone were former factories once located to mediate the land and use the property for affordable housing, I wanted

to stop right there. That would qualify as original use. It's not a same use used before. It would also count as substantial improvement if you're able to meet the 30 month timeframe. In addition, in conversations we had with EPA over the summer, we also came to the conclusion you could also be the definition of original use if the Superfund site itself is defined as vacant property. The next says significant improvement task. I want to skip that in the interest of time because I've already spoken about it. The next slide after that should say commencement of original use of vacant property. One is if the property was vacant prior to the qualified opportunity zone designation in 2018, and remained vacant for at least a year before the qualified opportunity fund purchase property. There's probably less of those. More so, if you flip to the next, the other definition is after the designation of a qualified opportunity zone if the fund purchases and it has been in for an hour after three calendar year period beginning after the dates of the designation. Three years after 2018 and continuous vacancy of the time the fund purchases a property. The next slide probably has a bullet point it talks about original use. I just want to skip that in the interest of time. The next slide should have a bullet point with the word vacancy. I want to look at this on the regulations as defined which includes land or buildings, if the building or land was significantly unused, that is defined to be more than 80% of the building or land as measured by the square footage of usable space currently not being used.

The last slide should have a local government use. Under the regulations, purchaser of real property from a local governments who held the property as a result of involuntary transfer could be through bankruptcy or foreclosure. They can treat all the property composing the real property including the land and structures and satisfying the requirement.

That is another way to get into original use. I was excited to see the final regulations allowed for brownfield type properties. And the ability to get Superfund sites in underuse because that should allow investors to say there's not much of a risk to try to meet a 30 month substantial improvements test.

With that, Matt is our next speaker and I will ask you to take away from here.

Wonderful. Can everyone hear me? Yes.

Good afternoon. Good morning. Good to be with you. And with good friends at EPA and other leading practitioners on this webcast about the opportunity now for communities of contaminated sites brought on by this grates tax incentive and the opportunity zone program. I am Matt Ward, I am the CEO of the firm sustainable strategy DC. We are a firm in Washington that helps local governments get resources for revitalization. Including Brownfields and CERCLA sites and other contaminated lands. I will talk about the opportunities for community. I mostly speaking to local governments but I hope and think by information this will be useful to all the others on the program today. I will go ahead and proceed.

With a quick overview.

I'll talk about three things. I just want to talk about judgment as opportunity we have now. Not only because of opportunity zones but because of a lot of other resources that can be leveraged together with these opportunity funds.

Next I will talk about some specific ways opportunity zones provide a major tool for investments and contaminated sites I won't go over it in great detail that Brad or tax law expert or bill or EPA lead already whenever but I will highlight some of those points.

There,, I will give you some practical steps. For what you do when you have a CERCLA site or another contaminated land but you are within your community and you want to secure those opportunity fund investments to create redevelopment and revitalization in your community and at that site. I will talk about some of the key ways people using fund investments for revitalization of contaminated land. I will talk about what you need to get shovel ready an investment ready. They're not the same thing but they go hand in hand. The type what how you can make the pitched opportunity fund managers. I will close out talking about ways you can find those investors and find the opportunity funds out there.

Revitalizing, we all know what is idle.

One year ago today, Friday March 13, I knew my animation would work. I will try again. When your go today, I'll just talk.

When your go today, we are brought low by the virus. I don't know someone else's advancing because it's just advancing and advancing. Sorry about that.

This was my most common timing slide of all of them. I will go back and try again if it doesn't work, doesn't work but I am not advancing it. Is just advancing on its own.

We all know by now, one year ago today, Friday the 13th of March 2020, we were brought low by the virus. Our nation was idled. We having public health threat. Had been put into fear. We have idled our country and our economy and our communities and in so many ways that have impacted us all. And really hurt the nation. Public health threats and fear and idling sounds like a Superfund site. It sounds like a brownfield. That's actually a site in Alabama. Just like we know a Phoenix can rise up from a brownfield or Superfund site, for those of you who know the Phoenix awards, we know we have the opportunity to rise up as a nation as well and build that better. We are poised for revitalization right now. Right now, the president signed up a \$2 trillion piece of legislation that has resources in it that will help us not only revived as a country, our economy and communities but I believe, help us revive Brownfields as well. I will talk about that. This is not about opportunity zones, these for redevelopment and is very relevant. Over the last couple years since the tax cut and jobs

act created the program, several federal agencies have prioritized federal grant funding for opportunity zones districts. We have been able to secure department transportation, U.S. Department of commerce and EPA grants an opportunity zones because it is a federal investment priority.

The U.S. EPA Superfund a land revitalization program are getting congressional spending levels as high as they've ever been. The U.S. House came out in January and 20 and we all got sidetracked with COVID-19 crisis and is now moving again with moving forward act which is a \$1.5 trillion legislative package. If it's an infrastructure bill. This bill will be put into the context of a larger infrastructure bill I will talk about in a moment. For the first time ever, this transportation and infrastructure bill coming out of the house identifies Brownfields as infrastructure that needs investment. Talks about raising the grant funding level annually from around \$80 million it gets a year now to \$350 million. In the next budget cycle it goes up and up every year to the point in 2025, there would be under this law \$550 million a year which is six times that we have now. >>

>> When a user steps away in a window pops up that says these are steps away, my PowerPoint turns off.

There is a Phoenix.

This funding opportunity zones, brownfield money in infrastructure. These are a bit related but the year-long appropriations for the year 2021 and had a stimulus bill right after Christmas. Two different acts in their prioritizes investment and advancement depression. Robotics, additive manufacturing which is 3-D printing. It had a major energy acts, not a lot of news on that. This major incentives for all of the above energy development scheme including huge amounts of smart city clean energy and energy efficient sure in that act.

President Biden came in and within the first week, he put forward a by America executive order and then if it were, he put forward America supply chain executive order that is calling for major investment in U.S. manufacturing and very innovative areas and the devotion of lots of resources to that. What can you do on an open old Superfund site. You can do these clean energy advanced manufacturing other things will be a big party coming up.

What everybody knows about, what passed into law yesterday, the signature by the president \$1.9 trillion and there are billions for community revitalization. Local government and state government officials are aware there will be \$350 billion coming to states, tribes, territories, and local governments. There are parameters on how those can be use. There is a clear provision in that law that they can be used for recovering from economic impacts that were caused by the national emergency of COVID-19. In addition, there billions of dollars for transit infrastructure. There's \$3 billion for economic development administration. That is 89 times what they get in a normal year. There's all kinds of funds for water, sewer and broadband infrastructure. You need those kinds of infrastructure and resources to make a Superfund redevelopment project. And that money is on the way and to

the rescue. >> We will turn to next is the president Biden pledged in his campaign early on anybody working with the administration knows as soon as this rescue plan was passed, they were given turn zero the build back to recovery plan which is an infrastructure bill, I talked about transportation, they will package it together with energy, sewer, water, storm water, broadband, smart cities, Brownfields, and clean energy. There is a big manufacturing they'll be part of this. There will be resources if this passes for the kinds of investment and redevelopment that can make a Superfund site turn into something better. These are the kinds of resources that can prepare opportunity zone sites to be shovel ready and investment ready. I will talk more about that. A lot of resources, more than any in my lifetime and my professional career. And I daresay more than any of us unless our people in business during the Great Depression on this webcast.

Major pieces of legislation are just like the 2017 tax cuts and jobs act was a major piece of legislation with bipartisan support to create the opportunity zone program. It took a while to create the regulatory structure and guidance finally, December 19 2000 and 19 when those regulations are final and everyone said, 2020 will be the year when opportunity fund investments go into action everyone was poised, ready and excited. Then, guess what. In January through March, COBIT took us down.

When I will say and I will repeat a little bit of what Brad described, the U.S. EPA office of land emergency management took very proactive steps to ensure CERCLA, brown fields, vacant land and other contaminated sites are part of the opportunities on regulations, part of the program and able to be revitalized with opportunity fund money. There were a couple of rounds, comments to the treasury, I was contracted how my firm was contracted to draft those comments, I will give the credit to my colleague Ashley who is the real brains behind that but I was involved as well. I worked with people like our next speaker to put that together and other experts crossed the country and what turned out the second round of guidance, the final regulations, I can say we were thinking the regulations would not be kind to contaminated sites. Ended up being extremely beneficial for contaminated sites. Talked about was brown fields. Other leaders, including people like John on the phone and bill, our speaker, Kat West which is a part of the host of this webcast said how do we apply these brown fields opportunity zone tools to Superfund redevelopment programs? Key stakeholders made sure it happened and now EPA is doing things like this webcast to talk about how they have wonderful opportunities for the application of these opportunity fund investments. Not just your standard brown fields but another kind of sites including Superfund sites. That's what we are talking about today.

I'll talk about key concepts for opportunity zones and contaminated sites. Brad did an excellent job so I will just touch on a couple key points to reinforce Brad and others have said.

First of all, opportunity funds must under the regulation invest their assets in a qualified opportunity zone is in his or property as

explained. Most of the attention is on the property aspect of it. And less on the businesses. At least that I have seen. A qualified property must be within an opportunity zone, one of the 8400 or so census tracts and must either commence an original use on that property or substantially improve their property by doubling the basis of that property within 30 months. You cannot take a Superfund site and turn it around from a regulatory remedial and legal process in 30 minutes unless it's almost there when you buy already. It's a very difficult to do and that quick of a time in the same for brown fields and other contaminated sites. You go to the voluntary cleanup program and come up with horizontal appropriation and vertical development in 30 months? You have some magic going. Although the substantial improvement tests can be useful, at CERCLA, Superfund and brown fields contaminated sites, you really want to be in original use. That means, the IRS relation that came out in December 2019 make very clear that the site preparation and horizontal developments you need to put the vertical economic development into place, those things whether they be mundane rating or highly complex like remedial action, assessments, cleanup, all those things which are costly can count as qualified opportunity fund investment. The IRS may clear land flippers to go in and do cleanup and some horizontal site preparation and then flip the land to others to do the vertical development and building structures or factories or whatever, IRS relation did not support the kind of land flipping activities. If your site preparation is tied in, those costs can count. When, it's been a while since I went to the average cost of Superfund cleanup number 1 it was about \$60 million. You want to be able to use qualified opportunity funds to get the tax benefits when you spend that kind of money before you build a shopping center or the commercial center or whatever.

Another benefit is, sites that meet the CERCLA definition of brown fields meet the original use test that are not bound by all the timelines that come for doubling the basis under the substantial improved test. Brad explained this in detail. A straight up brown fields, we know sites with EPA, regional waiver can be treated as if it's a brown fields under the long-standing brown fields law. And the more recent build act of 2017. We know that some of those, the bulk of the sites are not MPL. They are EPA removal sites. These tools can be used at those non-NPL sites to meet the original use task as a brown fields and get those benefits. That doesn't mean and NPL suit site cannot be used but you have to work with different ways to be able to get the opportunity fund investment to qualify.

One of those ways as explained, the vacant land that 80% of the land or building is significantly unused at the time of the designation of the opportunity zone and for at least a year before the purchase of the site. Or as explained, four period of three years before the purchase of the site and other cases. That can meet the original use test and avoid difficulties of the substantially improved test.

A vacant site whether it be NPL or others could meet the test here.

This is very significant. There are different time tests. Is not a 30 month test for improving property but their different tests for when

you have to put your qualified opportunity French capital to work. They're not looking for people to buy a piece of land in think it's for a decade and then start spending money. They really want to get capital invested. The regulations from treasury and the law has a 31 month test to deploy your money. What about if you cannot get through your state voluntary cleanup program quite as fast as you thought because of an unexpected issue? It could be an issue involved with the state not having the capacity to process your voluntary cleanup program application as quickly as you had expected. There's 100 different permitting and regulatory delays that may keep you from meeting that, put your qualified opportunity fund capital and placed. Treasury can said, if they are permitting delays, they describe them, your time is tolled until those delays are taking care. Which is a huge benefit for brown fields property. I think I have one more bullet here.

Re-developer that purchases a sites from a local governments, that local governments require the site by what used to be called the involuntary acquisition task talk more about this. Can also meet the original use test when they acquire from that local government and become the new owner and want new opportunities on investments. Brown fields and cleanup costs, they count. The original use test can often be claimed to be able to move through, the opportunity fund investment. There's lots of good stuff in the treasury regulations that can help you at your site.

One of those issues I was asked to talk about, I'll just talk a little bit about local government and voluntary acquisition. I worked with folks for 20 years on the voluntary acquisition issue. Is basically a protection for local governments, a defense against Superfund liability. If the local government acquired the site and its function as a sovereign, involuntarily, it was always call. There you go. There is a gold sovereign coin with the queen on it. That involuntary acquisition protection from CERCLA liability changed in the brown fields act of 2017. And treasury is recognized that local governments use this tool to acquire sites or to take sites essentially abandoned. How can you involuntarily acquire as a sovereign as a local government?

This bullet is the iris opportunity fund regulation say, if a developer of local governments and they obtained it through this involuntary transfer, you meet the original use text if you meet all of the parts.

What is an involuntary acquisition? Just weekly. It can include, foreclosure, a demolition, lien foreclosure, transfers between local government that acquired it and economic development authority or the land bank or other local units, that second unit, the land banker economic development authority was considered to have an intergovernmental transfer from the first unit and they involuntarily acquired that as a sovereign. Tax increment finance transactions, eminent domain, it's a collocated area. Eminent domain was limited by many states and federal agencies after the kilo case 20 years ago. Eminent domain for public use, conservative, this is how we acquire sites.

If you buy SI from a local government, that acquired in one of these ways, you have the benefit of the original use task. That sovereign acquisition process was clarified by EPA office of site remediation enforcement a couple of years ago in the wake of statutory improvements to that legal test and the act of 2017. This clue and webcast has a link. That's one aspect. I'm done talking about opportunity zones. From a regulatory and legal perspective. I will talk in the four slides here about making opportunity zones work for your local community redevelopment. This is a practical perspective on what you do with all of this mumbo-jumbo of law. It was said the secret to success is to be ready when your opportunity comes. The first thing you need to do to transform Superfund or brown fields site is to create community vision for what that site can become again. Interesting things you should be thinking about investment in solar generation facilities. Right fields, wind fields. Other renewable energy investment. That's something EPA has been promoting for a long time. That could be investable for opportunity funds under thing we're talking about today. I would commence you the repowering America land website and a bevy of tools together with the department of energy had put together. For doing wind solar and other renewable energy on brown fields. Excellent use for that. Another area I touched on earlier, manufacturing. You have a big Superfund site with significant contamination issues, maybe you will not remediate to be residential standards, is it not appropriate for residential. New manufacturing on old brown fields. Talked about these Biden executive orders and the laws passed at the end of 2020. There will be a massive investments in manufacturing. I would commence to you the EPA guide called new manufacturing on old brown fields. Is available in this webcast and on the EPA website. It excellent how to bring new innovative manufacturing back to the ruins of the old. I was pleased to work for the Brownfield office to draft that guide and work for lots of cuties doing that kind of are.

A lot of opportunity funds are going into more traditional real estate development. Commercial buildings, mixed use buildings. There is a lot of people more expert than me on real estate development. I would urge you to do a lot of communities must do, what kind of developmental we have the post COVID-19 area. What kind of economic development have an air when we need to be paying attention to equity and race and inclusion. And will we build things the same way as they were before. Used to congregate freely or will be have different modes of work in different modes of commuting at different modes of development? And smarter ways to develop? Accessibility whether it be broadband or other ways for all, when we do this economic development? That's what cities are thinking about right now. That's a great way for you to put opportunity fund investments into your site. There's a lot of ways you can look at that. I would commend to you, smart growth America, there is a URL. They talk a lot about smart growth. Urban development, smart! Development and equitable development. They run an organization I see on this attendance list. This is on the webcast. We found in the national coalition a couple decades ago. It's being run by smart core America. These ideas about smart, fair, sustainable development on our brown fields, that's a good place to go.

You have to get shovel ready and investment ready for opportunity funds. Thomas Edison once said, opportunity is missed by most people. Is dressed in overalls and looks like were. That means opportunity fund money will not fall out of the sky magically creates redevelopment. Your community after getting shovel ready for this investment ready, in my work with community, the most difficult thing is there's a point in the pipeline an opportunity fund investor will come in. They will not come in we don't have any remedial plan we don't have any entitlement for developing, no zoning set in you don't know what you will bill. You'll never get an opportunity fund investor to come in. They tend to be more last dollar investors. All the due diligence you have to do to create division, create the productive reuse plan, get everything ready for that lineup infrastructure, lineup local support and stakeholder support, lineup all your remedial plans you have to do on a contaminated site, lineup other pieces of financing. That's what you need to do to get a project investment ready for an opportunity fund manager. EPA has been dealing with those kinds of ideas for a long time. As have many of you, many states. I would recommend to you a guide I helped put together for EPA called community actions that drive redevelopment. How do you create market pole, how do you help make a site ready for reuse? How do you attract developers by getting rid of the barriers, building local vision, and being engaging developers and closing the deal. This resource is linked to this webcast and available at EPA.

Likewise, I would recommend another publication I put together with the late great Charlie parts who invented the word brown fields and was the father of the industry. Leveraging resources, haystack capital, bring different sources of revenue to be able to make a brown fields or contaminated site project work and one of the sources, this guide was not written when there were opportunity funds but certainly leveraging opportunity funds with other pieces of resources is how you make opportunity zones were.

I think I am about out of time. Is La talk about crating a pitch but. Or a pitch website. About your project. What are the competitive advantages of your community? What are the cited matches you have? What is your vision and redevelopment program? What is your pro forma, what capital are you stacking already, who is behind you. And your pitch book should have a clear pitch will bring up the rate of return. We put into this webcast a guidebook from the Brookings Institution it talks about how to put together a pitch book. I put together a bunch for different communities including four contaminated sites. You have to get lined up and put together a pitch but. Finally, I think this is my last lie. Where do you find the money? You all know, show me the money. I just a couple points. There is an accounting firm that has done some of the top work in the nation on tax credits and all kinds of tax credits. They are also a top leader in opportunity zones. They have a list at this website with dozens and dozens and dozens of opportunity fund investors with regions, kind of projects they are investing in, websites, contact information, investment criteria, is a great place for you to go, to find an opportunity zone that matches your region or your project.

I will also to say this is a big subject but you can go to a big bank that is created in opportunity zone or a big fund investing different opportunities, you can create a single asset opportunity fund that will allow you to put money subject to capital gains tax through your opportunity fund that's a redevelopment fund to be able to get those tax advantages. You can talk with tax lawyers to figure out how to do those things.

That's a wrap. I want to thank everybody for being here. I will just end this opportunity zone webcast by quoting the great liberal who said, if opportunity doesn't not, build the door. Thank you very much.

I appreciate that. That was a great presentation. I enjoyed listening to that. It's so great for us to work on the regulatory side to hear people talk what help projects are successfully put together. And appreciate your expertise and being on the webinar.

With that, I will turn it over to John from Region Five who is the opportunity zone coordinator in the Midwest region to give us an overview of opportunity zones and EPA growth.

I am located in Chicago, I work out of the Great Lakes office here at Region Five. Most of my time is spent letting environmental and economic and outcomes. I will focus on the how. How do you take some of this information and turn it into the next that. On your site, in your community, in your learning about opportunity zones. I will say, this lineup has been really effective. The intro on the developments and the opportunities followed by Brad baseline of what is the opportunity zone program, what is a tax incentive about a Matt has an asset to look at how does that apply to contaminated lands. I just love the Nuggets pulled out recently about Superfund eligibility, brown fields eligibility, what costs are eligible. The keywords like vertical development how do you get your project qualified? A lot of one-liners in there that had a lot of value. There really helpful in understanding how this works as environmental obligation. I will talk about EPA connections and focus on the resources available to help people get to that next step.

The overall goal of this tax credit is to get investors and capital gains quick money and brick-and-mortar development on main Street. That was expand in the procession. I worked on a lot of Mainstreet in the Midwest and I can tell you as soon as you start talking about a shovel in the ground, you're talking about a lot of environmental programs and applications. The focus of this program being on incur commercial industrial development, doing vacant to some sort of construction program all of a sudden, this raises all sorts of questions and opportunities around environment programs. The connections opportunities are many. We're focusing on the land side in this particular webinar. We can just as easily talk about other programs and infrastructure which we talk about energy efficiency and how some of these other applications have relevance. It's smart to talk about land cleanup first because that is the strongest connection. We have lot of programs. We have talked about them already. They are so connected to this program because of the site-specific nature of the word.

When I'll talk about here is the connections to tools. I will go through an overview of the whole bunch of tools we can spend a lot of time on individually. In a related URL section of your screen, on the right-hand side. There is a list of websites links, a lot of what I will talk about we have covered already in those related URLs. Click on them, read them, download, Maeve saving use them. They are a little bit lengthy but these are all tucked away. I'll talk about some resources that came from brown fields, Superfund as well as the office of immediately revitalization and hit a smattering of areas that may be useful to you in your next steps. Where to start. The first place is EPA opportunities. We are all about portals nowadays. You can go to one place and find your way from there. If nothing else that's a great place to start when you look for resources. That will have information on some of the things we already talked about. Fact sheets, related to the four, related to Superfund. There's already a Superfund or as a brown fields :sheet that go into details mentioned earlier.

Things like the federal programs guide has a couple of pages now dedicated to opportunity zones that will carve out and copy out the language from the actual tax credit information that talks about the applicability of that vacant land or original use issues raised earlier. Do you have a need for finding more information, the contamination specific sections will be in those places. A lot of people want to dive in to the nitty-gritty tax implications to understand, MI part of the zone or am I not? Where's my project site? We have resources that can help with that. We have cleanups in my community which is EPA website that has all sorts of cleanup activity. It shows where investments have been made, where projects are located in a layer has been added. You can see Emma in her out. One of the pros and cons of this program, if you're in, if you're out you're out. It's helpful to know where you stand from her geography perspective. There's a pilot out right now that looks at what are the zones, what are other resources that may be in play around those zones. Insulated ink about revitalization from a spatial perspective.

I think these are in the oral. Those are two great starting places we think about what do you do for second and third. How can EPA help? What is the site going to become? Oftentimes the sites we talk about, Superfund or other, they don't look like a pretty site ready for development. They look like a hot mess. They got vacant property, potential dilapidated buildings, it's not a very scenic project you can point to and say yes, we will invest millions of dollars. But often they have value and strategic location, something going for them for redevelopment perspective see you can enhance that through planning, the site sketch, understanding contamination, where it's at and what can be done to develop with that in mind. These are all really help first steps for getting investor attention. Being shovel ready and this is part of that process. Making sure you're ready to go and you can show people what it can become, not just what it is today.

What is really helpful is matchmaking. We talked about this earlier, funds, investors, how do you connect? There's a couple different ways that can happen. We can happen in a room or conference, just an example

from Ohio, there's technical assistance but we talked about how do they connect their waterfront which has been largely cleaned up to investors that might want to take a second look in what's possible on some of those project sites.

Each of those in turn were a different state of readiness. How to be assessable to each individually and say this is here, this is there. If you're looking for this or that, these other projects that might make sense.

This matchmaking is really important. Communities can do this on their own. How you can raise projects to their attention.

As a way to do that we have a couple of shorter tools. This might be something you want to review and take a look at or circulate in your community. Just looking at that readiness. How are you being shovel ready in your site work, how do you know when you are there, we have all these questions checked. That's something else we have available and in that related URL list.

A lot of the discussion we focused on has been centered on opportunity zones. Are you in or not. For a lot of sites, you are not. What does that mean you can't start using these tools to get to the same end result.'s external investor attention. Today's opportunity fund and zones. We know that's not the only investor in town. There's a lot of other we developers out there. Many of these tools will be useful for those outside of the sun, which is doing good Superfund we develop at work. 112 may be helpful for site readiness and community perspective, cities are often saying, how to behold of our sites? We know we have, how do we convey that to others outside of our community? Is a lot of different ways committees are doing this. We put together a way to map out how you make that process happen. And take some of the mystery out of that development in the prospectus is just a way to hold up a series of properties in areas or investment as a strategy so investors can see there is some level of readiness. You're also at the same time conveying the community values. If you hold a project in a specific way, what are those local goals and the benefits you're hoping to get out of this investment. It's a good way to start a two-way conversation with the investment unity laying out what it would like to achieve with this particular project.

As part of that tool, we talk about where does this fit within the overall revitalization process. This is not unique to opportunity zones and investments. It's something relevant to any develop and process. Have you go from that vision and that initial foray into feasibility to get the funding and the actual limitation. Looks the same whether you have opportunity fund money or other tips in that project.

It's helpful to have some of these tools and explain what you would like to do for second and third and start down this path. Regardless of the opportunity fund money.

I was in a conversation recently with a person raising capital for project and she explained in many cases you don't know if you have an

opportunity fund investor at the beginning, you just heard doing good redevelopment planning. They down the road you find out this something you can weave into the process to fill a gap in your capital stack. I think a lot of times you're just working on the project, trying to get the work to happen and it becomes apparent somewhere in between start and the end that there is an opportunity zone connection. This webinar is really good to make sure everyone is aware how it applies to contamination, how to place the sites within EPA world. We look for them and think of how we can even that opportunity fine angle. It's really about good redevelopment planning and a process.

One of the things recently is a series of development and finance tools. For those that don't speak finance all the time, this might be helpful for understanding how does number 2 defined fit within the overall support for projects and investment tool. How does that relate other types of financing, how you start weaving these together? For project. And these tools again are available in the links and related URL section, these are short toolkits that explain, here's what you can do to start taking about finance for your project. These are questions that will come at the end of the project, not the very beginning for opportunity zones time to transfer for any type of investment. It's always helpful to understand as you reach that end stage of the project with that financing picture might look like. These two separate tools are available online to help distinguish what your financing options may look like and how to move this forward.

I will just end with a general statement on EPA and the federal partners. EPA has a whole series of toolkits. We have things you can access for mapping, finance, actual contamination, redevelopment assistance, that's all part of our collective toolkit. We are one federal agency of the broader federal family. There's a toolkit from HUD as well. For those not in an opportunity zone, for those who are part of the community that has broader issues than just a single site and you want to think broadly about how you can do redevelopment and revitalization along an entire waterfront or an entire part of town, these toolkits are great resources to understand what are other communities doing? How are they achieving their visioning or holding of a projects to investors are taking steps for readiness or infrastructure investment. These tools are also not to be overlooked even though they are not EPA per se but they are hard. They also have their own series of webinars just like this on. If you want to dive in to the details on other opportunities, feel free to go into this website which has a whole bunch of information and most recently they did a three part series on their toolkits as well which is really helpful to understand, what is the breadth of activity that can be done to prepare sites for investments and overall community for some form of revitalization.

With that, I will hand the mic back to Bill. That without saying Bill has done a great job of leading the work as well as reading this opportunity and discussion. Thank you for being the driver for many of these discussions.

Thanks, I really appreciate that and thank you for your expertise. I just want to take a minute to take all of our speakers for their presentation. I was learn something when I listen to a presentation opportunity and I certainly did today. It's great to hear more about opportunity zones as they relate to redeveloping Superfund sites. I'm going to go quickly through a couple of closing things to leave us time for question-and-answer. I just want to point out a couple of things. We have a lot of tools available for helping facilitate redevelopment of Superfund sites whether or not there opportunity zones we have been doing this for a long time. We can have conversations, we can issue comfort letters to determination, we develop guidance and policy and things like this training webinar and others. There's a lot of support within the region and headquarters for getting sites back into productive use.

I want to put up this slide that will be available in the slide for the presentation. If you are interested in redeveloping Superfund site. The first step is to contact one of these people. These are the regional Superfund coordinators. A lot are remedial project managers as well. Having a real breadth of expertise in dealing with cleanup issues and redevelopment issues and certainly we will know how to best direct resources EPA may have to support redevelopment.

I want to point out we have a couple of upcoming training opportunities on April 20th. We have an equitable redevelopment and environmental justice webinar. We're quitting this term equitable redevelopment. We are about equitable development a lot. Are specifically looking at redevelopment and the role EPA can play in helping ensure redevelopment projects are sustainable and equitable for everyone. Also, on Monday May seven, we are hosting webinar on Google energy and optimizing reuse. Hopefully you can tune in for those. For more information, you can contact me. I am EPA region four and I worked with headquarters on redevelopment for long time and I'm happy to answer your questions or help get you to the right person or you can send it email to Frank in our headquarters whispering who has been doing this at EPA for very long time and can also help you get to the right person with your projects. Either Frank or I or anyone else presentation would be glad to talk with you. Check out our redevelopment program website. There is tons of information on their and we are very proud of a lot of the projects we are doing. Also want to point out we are in the process of putting up a map of Superfund sites in opportunity zones. The map with the layer is on our website now. I believe Josie is adding a resource to the webinar's you can take a look and take a look at the sites located in opportunity zones.

With that, let's move on to the questions. Sea. I'm going to go through a few questions for me first and I will direct some to the other moderators. Someone asked what the site was I mentioned in Georgia that was a witch reading facility and is now a soccer field. That is in Camilla Georgia. You can take a look at that. We have some information on our redevelopment website as well that will highlight that.

How early on in the cleanup process can a property be appropriated for designated future use? At any point. Either before or doing the cleanup

process, sites can be, the earlier the better, as I mentioned. We are required by guidance to evaluate reasonably anticipated future land-use. That helps guide I remedial investigation and feasibility study if you are familiar with the process. Basically, if we look at a piece of property in a reasonably anticipated future land-use, it's in commercial industrial or residential or ecological, we can start looking at the risk associated with that type of use and getting any restrictions in place that need to be put in place to ensure that kind of use. The bottom line is, the earlier the better.

Here's a question for Brad. I'm working on a Superfund site is not located in opportunity zone but about one. Is separated by a 200 foot river. Can the physical limits be amended to, in my case to include the Superfund site. I think I know the answer but let's see.

Is a great question. If the Superfund site is 100% outside the opportunity zone, no. You not qualify. There's not an opportunity to amended. In the final regulations, that came out after the second public hearing, there regulations that describe what if your property straddles an opportunity zone, where you have a certain percentage and there is a formula based on an area that would qualify but if you're hundred percent outs, I would say no.

I appreciate that. That's always good. I think I knew it was and it turns out to be right. As we said, the state governor says opportunity zone and John said most important thing is to determine are you in or are you out. Do you qualify under designations we talked about or located in and unfortunately there's no ability to amend that for now. This could continue. There could be expanded opportunity zones and keep abreast of things going on in that area.

This is also for Brad. Understand the maximum tax benefit from opportunity zones is achieved by investing soon after the program was initiated. Given the additional time needed for cleanup, is there way to extend the benefits to overcome this comparative disadvantage?

That's another terrific question. The tax benefit not being realized today is the 15% step up in bases of the capital gain tax to be paid on April 15 of 2027. The qualified opportunity fund had to hold the qualified opportunity zone business property for at least seven years to get that additional 5% step up. The reason why it's such a great question, I had a similar concern when I was speaking at the Department of treasury public hearing, I had mentioned the fact that at that time the proposed regulation which became final asked of the third tax benefit which is the zero federal capital gains tax on the appreciation of property gets to be realized all the way to 2047. Well past the time when all the zones become D designated in 2028. Why not hold the same thing with the step up in basis? I was reminded repeatedly the department treasury cannot go beyond the statutory framework. The regulation as they develop have to fit within the statutory framework and the way the statute is set up, unless it's amended by Congress, it would not permit an amendment for that additional stepup in basis. Although you may be losing the stepup in basis, the qualified

opportunity fund, the real big one is holding it for 10 years or more to get that zero capital federal capital gains tax when they eventually sell the property and it has appreciated. By the way, I am probably droning on but the reason why is going out, so that the fund isn't forced to sell at a fire sale in the event the real estate market is in a downturn.

Is a very helpful prospective out there. I learned five things in your answer. I'm always learning new things. Thank you for that. I appreciate your expertise. I think we have one more, are you aware of any properties in New Jersey there in the queue that are vacant and waiting for the three years to run that will then move into redevelopment?

I am not aware of specifics.

We get this question in EPA lot. Especially by people who go through the process of redeveloping and they learn how the process works and the benefits and how they can do this. We get questions that if you know of any sites, we can go through this again and that's kind of what this question seems to be getting to other than just to wait for the three years. If you would go ahead.

Just talking generally, the state of New Jersey has an excellent mapping tool. Where you have a marketplace but also a mapping tool where you can click on opportunity zones in the state of New Jersey and you can sort of zoom in and see the process there. A I don't want to be too specific but our firm serve as redevelopment counsel and for seven municipalities and New Jersey that also overlay with opportunity zones and their often in the downtown of some of these towns, businesses, business properties that have been vacant for three or more years. Some are very proactive as Matt was suggesting. Local governments can't just sit on its hands. Needs to get out there with the marketing approach, prospectus to advertise their vacant properties and why would be beneficial for funds to come in to that community. There a specific properties that are vacant for three years or more but you can go to the New Jersey state page and there's a nice tool for that purpose.

That's a great suggestion. A lot of municipalities states even with EPA are looking at mapping applications to help advertise these areas and properties they may be in.

Matt, we have some questions for you now. This is relative to a designation change. I'm in RPM at a site in Southwest Missouri. An opportunity zone boundary comes right up to the city limits of the town I am overseeing active led remediation. Will there ever be a possibility in the future for the small town I work and to apply for an opportunity zone designation?

I think I will answer this on. You can expand on that afterwards to see if I have it right.

The opportunity zones are designated as single point in time. They are what they are now. Certainly they can be amended. MI on point there?

That's the biggest question. . Some states had orderly and open processes by which localities and other stakeholders could ask for a census tract to be a qualified census tract to be deemed an opportunity zone by a governor and affirmed by treasury. Some states were not as open and engaged with stakeholders. They were put in the back room of the Governor's office so there's a lot of communities that say, what about our census tracts? The question was, could they ever be good? The answer is yes. I think it will take, I would welcome Brad Carney in the statutory amendment to be able to do that. Is a very set process in the 2017 or how these are set. I don't think the governor can just move a boundary or choose a different census tract. I have told people you have to wait for tax legislation and you better wait until after the presidential election. There has been a presidential election and I predict we will see very new tax legislation proposed and where that goes, I work in Washington by sit in West Virginia. I would say, ask Joe mansion where that's gonna go. I don't thing you can do without new tax legislation.

I completely agree. That answer is spot on. One other point, the census tracts are based on the 2010 census. We will have much more updated census information in 2020 has a lot of change is 10 years. Any amendment to this would require an act of Congress to amend the statute.

Thank you all very much. That's a great answer. Were happy to have people at your level and it's wonderful to understand the complexity of this. Next question, does the Superfund process, K qualified opportunity zone investments? Matt, are you familiar enough with our lien process?

I think I'll pass on that. I bet you are familiar, Bill.

We have two lien authorities. One is under Superfund and one is 107L. That is for recovering past costs and then as part of the 2002 amendments were also given lien authority against liable parties and then we have against a bona fide prospective purchaser under the windfall. I would say, I would think this is completely separate. The opportunity zone of investment and tax benefit is all related to treasury tax law and Superfund liens are all roof related. Those would be completely separate.

This is Matt. I would agree. If you're trying to woo an opportunity fund manager to put significant funding into your site and they say, do you have your local zoning to be able to do this development that you propose to do and you say no and I'll probably never get it, the mayor hates me. That opportunity fund investor walk away. As the investor says, I understand you have significant difficulties dealing with the Superfund liens on their and their unresolved. EPA regional office won't work with me. Which would never happen. But sometimes, a lien is a lien. That opportunity fund investor walk away from you. You have to get your ducks lined in a row to be shovel ready and investment ready.

Exactly. And thinking a little more about this question, issue of windfalls is one that's extremely complicated and we can have a whole webinar just on those. That certainly may be something we need to have thought through and explained. The windfall lien looks at the windfall as a result of EPA funded cleanup, an individual not realizing windfall from that but has to do with current property value, not appreciation up property value in the future. That's something that scares people off a lot of times. They don't always understand, they think it applies to future appreciation as well.

It's about the fair market value at the time of purchase. That's a much more complicated question. In the interest of time, we will move on.

This might be for Brad. Just to confirm, vacant, can mean abandoned building or where the buildings have been torn down for decades with only the foundations remaining and no current or non-remedial activities on the site.

I think that's correct. That would certainly meet the 80% vacancy requirements by square footage that applies the building and land. So long as that had remained the case, let's say that occurred after the qualified opportunity zones were designated 2018, released a period of three years and up to the time the qualified opportunity fund purchased the property, yes. It applies to that. As well as the one year requirement if it was vacant at the time basically the designation in 2018.

The answer is yes.

Okay. Brad or Matt, this could be for either of you. Are there any provisions in the regulation that would prevent or reduce qualification for state level before tax credits assuming a property would qualify for both programs. This, I guess they're talking about advantages the Brownsville program offers or how does that work with advantages at the opportunity zone regulations?

I bet Brad and I agree. I don't think anything in the opportunity zone regulations and how you can take advantage of it would conflict with or double count or otherwise bar utilization. The tax incentive, the whole concept is you have to stack of different pieces of capital from different sources and I don't think there be any prohibition in using if you're also taking some kind of cleanup depreciation at the state or something like that. Brad, would you think?

I agree. Is nothing in the regulation or the statute as far as I know that would prohibit that.

I would agree as well. The intent is to attract private investments to these types of areas. Because we had them specifically include brown fields sites, you wouldn't think there be a provision that would make them not as attractive.

I think we have three agreements on that one for whatever works.

A couple questions for John. Which region has the most opportunity zones and are there any in Region Six?

Yes. Questions on location of opportunity zones is a quick Google away. Brad showed the Jersey map. Every state will have its own opportunity or website. Is a good way to find out at the state level and where are the zones and simply the national resources mentioned, the opportunity zone mapper as well as committee are great places this to start to see what's in your backyard. If you're looking at a specific site, the whole state or region, that will give you the answers. Region Six covered in zones as our every state. There all over the place and it's really a matter of zeroing in look at the map to see what is covered.

How many contracts or agreements particular particularly required for development. There many agreements and contracts required on these types of projects.

We developing a Superfund site with opportunity funds into something big, I don't know, 1000 contracts? You will have a lot of work.

You will be keeping the party busy for a long time.

I was just going to say, for our own redevelopment projects that don't involve Superfund sites are opportunity zones, we should have several agreements and yes, with this added layer, there would be many agreements, one super all-purpose agreement.

That sounds great. I guess I would point out, with EPA, under Superfund, there'd only be potentially one agreements, the settling of liens or anything like that are bona fide prospective purchaser that wanted to do work or whatever, that's with EPA and more for resolving any type of cleanup or lien issues and not for the contract of actually doing the development.

This sounds like there's an entire industry that can help you with that.

I would like, I believe that sits for our questions. We are about at time. I will go ahead and start the wrap up process. I want to thank everyone for participating in this webinar and thank our speakers for lending expertise to us on a Friday afternoon so we can learn more about this. I would also make a plug for some webinars we have done in the past. We have done several webinars the same webinar several times to talk about the role local government can play in redevelopment projects. If you did not get the word, please go back and take a look at those archived ones. We even translated in Spanish. If you prefer to listen to it in Spanish that would make more sense, please login and take a look at that. That's all at the clue in.worksites. In addition to that, we have a lot of different topics that we covered in the past. I would encourage you to go back and take a look at what is archived. Gene can give us the link to that. It's a great website with a lot of

resource and information. Thank you all for participating and thank you to the speakers.

I really appreciate this. Just as you were highlighting, we have the link to the clue in website here. You're welcome to visit us at the cleanup information network to learn more about what we have to offer. I also point out that a number of people have asked for copies of the presentation material. We have those available, posted for you to download. All of the resources and web links as well that were highlighted will be on that page again later today. You will have one place you can download the slides as well as the links discussed and highlighted in the various presentations today. We also have information is for speakers including contact information. It's the same page you used when you registered and checked in for today's class. Will see tabs along that pasted jumped information about our presenters, their slides and related

blanks. I would ask you to fill out our feedback form to let us know about today's live delivery including the content as well as the tool used to host. Ivan Aust often asked about separate tickets and certificates. I do not issue formal training hours. There are no CEU but we can provide you the participation certificate based on joining today's session. If you fill out that feedback form and check the box at the bottom, certify you are here for the whole thing, as soon as you fill in the form you immediately have access to a participation certificate with information about the session you can say for your own records and often times our attendees will use those along with the copies of the slides and registration emails and other resources we posted to try to get accreditation or credit with their own institution. If you happen to have a group of people watching at your location, each person can get their own feedback form even if they didn't register individually.

Please note today's session was recorded and will be available for on-demand playback just as Bill was highlighting earlier sessions we posted archive them all on a webinar page as registered participants, as soon as that is available, you will get an email from me which takes about one week and that'll point to the page where you can replay the session and access materials and links and even give us feedback on your recorded version. If you think this is helpful, feel free to share that with colleagues. I want to echo the thanks to all the presenters and organizers as well as each of you for joining us on today's live broadcast. We will go ahead and formally can conclude today's live session. Thank you for joining us.

[Event Concluded]