

## **Brownfield Redevelopment Incentive Program**

Lynn Chambers, Groundwater and Remediation Division

Since the late 1990s, the redevelopment of brownfield properties has been a continuous march of urban planning and community development. This newer type of development takes abandoned or underutilized properties, with real or perceived environmental contamination, and returns the property to productive use while improving community appeal for residents. Think of the abandoned service station in your city that has turned into the quaint local restaurant or coffee house or the long forgotten dry cleaners that is now the new corner bakery.



Fast forward to today – we want redevelopment of brownfield properties to be a new mantra for you and here’s why. In the summer of 2013 in Mississippi, the pre-existing Mississippi Economic Redevelopment Act (Act) was expanded to include brownfield sites that are eligible to participate in a brownfield agreement with MDEQ to be included in the redevelopment rebate. So why is that important to you?

We have to jump back a little to explain. Originally, Mississippi launched the Economic Redevelopment Act to give a tax incentive for developers to consider investing in abandoned properties. The Act provides for sales, income, and franchise taxes paid by the business operating on the redeveloped property to be distributed to the developer to defray remediation costs, up to two and a half times the allowable remediation costs. In simple terms, if the developer spends \$500,000 on allowable remediation costs, then all sales, income, and franchise taxes collected from the businesses location in the redevelopment project area will be deposited into a special fund up to \$1,250,000 and reimbursed to the developer.

In July 2013, the existing Act was expanded from just abandoned properties to include brownfield sites that are eligible to participate in a brownfield agreement with MDEQ to be included in the redevelopment tax incentive. Now, any brownfield site, like the old pine yard on the back portion of your property or your old repair shop can be cleaned up and redeveloped into a new manufacturing, processing or distribution center. It could be sold and redeveloped into a retail space or recreation and hospitality establishment and you, or if you bring on a developer, can be reimbursed two and half times for any approved remediation costs.

Brownfield properties already have lower infrastructure costs than the undeveloped land often considered for development. Brownfields revitalize neighborhoods so the communities are usually supportive of the project. Now, if you have a brownfield property you want to sell instead of redevelop yourself, you have another incentive for a developer of that property. They get back 100 percent of their investment in site remediation and then another 150 percent.

If you would like to learn more about this incentive package, please check out our website at <https://www.mdeq.ms.gov/wp-content/uploads/2017/06/57-91-1.pdf> or contact MDEQ's Brownfield Coordinator Thomas Wallace at 601-961-5171.



The District in Jackson and The Mill in Starkville are examples of redeveloped property.