NJEDA Approves Creation of Brownfields Loan Program

4/17/2019

Last week, the New Jersey Economic Development Authority ("NJEDA") approved the creation of a program to provide low-interest financing to help complete remediation of vacant or underutilized brownfields sites. This program, the Brownfields Loan Program, is part of Governor Murphy's "efforts to drive targeted investment in underserved communities" as stated in the NJEDA press release. The expanded program will provide up to $5 million to potential brownfields purchasers and current owners to cover costs associated with site investigation, assessment, and remediation, as well as building and structural issues such as demolition and asbestos removal. Applications will be provided in the coming months but to be eligible for the funding, NJEDA will conduct an analysis of the project. The remediated property must have an appraised value of at least 100 percent of all debt financing and a Licensed Site Remediation Professional is required to submit a report to verify that contamination exists on the property. NJEDA will require that a project have local support from the community and the mayor of the municipality. There will be competitive rounds of bidding and NJEDA will score the projects. There may be adjustments to the interest rates on the loans depending on the use and the score of a particular project.