

Pennsylvania Brownfields Conference

Forecast Talking Points

Slide 1

- Good afternoon everybody, and welcome to the very last session of the 2020 Pennsylvania Brownfields Conference. My name again is Matt Ward, and I am the CEO of a firm called Sustainable Strategies DC, which helps communities in Pennsylvania and across the nation leverage resources for revitalization and strategies for local economic progress. My task today in this wrap-up session is to provide an economic forecast to help brownfield practitioners best understand the opportunities for community revitalization in coming in the next year and beyond.

Slide 2 – Overview of Presentation

- When it comes to forecasts, you'll recall what the great Yogi Berra said, that "it's tough to make predictions, especially about the future".
- When I agreed with Pennsylvania DEP leaders earlier this year to provide an economic forecast, none of us could have forecast, for instance, that Harry and Meghan would leave the royal family. Nobody saw that Joe Biden would rise from the brink of oblivion and surge to the top of the Democratic field in just 10 days. And of course, nobody knew that a virus pandemic would be our top worry as we gathered together in a Pennsylvania conference to network.
- So thank you to all of you dedicated Pennsylvania brownfield stalwarts who came back, after lunch, despite the virus, to the very last session of the Pennsylvania brownfields conference, to hear my predictions and forecasts for the economic future on brownfields and community revitalization. Because, as Yogi said, "It ain't over till it's over."

Slide 3 – A quick word about Sustainable Strategies DC

Slide 4

- Now Before I make wild predictions and big forecasts, let me suggest that brownfield practitioners and community revitalization leaders in Pennsylvania should stick to the fundamentals, and build from the brownfield basics in the coming year.
- Wash your hands. Don't go to work when you are sick. Don't sneeze on people. Stay healthy, and get enough sleep. Go for the fist bump. Don't let fear and risk lead you to make foolish choices, or to withdraw from moving forward with life in our communities. We know that these basic rules and habits really work.

- So too, do not fear that brownfield contamination is going to get you, so that you let your blighted and polluted properties lay vacant and idled for more years. Make sure you conduct All Appropriate Inquiries before you acquire a brownfield. Work through the Pennsylvania Act 2 program. Try to secure an EPA brownfield grant to boost your community revitalization prospects. Create multi-stakeholder partnerships to create a brownfield vision and implement a revitalization strategy. Leverage as many resources together as you can to make progress on your brownfield project.
 - These are the fundamentals of brownfield revitalization, and we know that they work. The brownfield movement, the reliable partnership of the Pennsylvania DEP brownfields program and the U.S. EPA Office of Brownfields and Land Revitalization, and the tremendous rewards of brownfield redevelopment are things we can count on. As Yogi said, “it’s like déjà vu all over again”, and we can stick with the tried and true in brownfields revitalization. And from these basics of brownfields, we can move forward to take advantage of opportunities and we can create innovation to lift up our communities and make progress on the economy, on equity, and on environmental sustainability.
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So what are some of those opportunities for sustainable brownfield revitalization in the coming year and beyond. I am going to make six (6) forecasts: **Shish-Boom-Bah!**

Slide 5

- First, Pennsylvania can continue to look at advanced manufacturing as an opportunity to transform old brownfields and legacy industrial sites into new opportunities for jobs and economic development.
 - EPA Guide on “New Manufacturing on Old Brownfields”
 - Pennsylvania Industrial Resource Centers / Manufacturing Extension Partnerships, Manufacturing PA
 - Manufacturing, jobs development, is cool again
 - Downstream manufacturing, Tri-State Shale Coalition, Monaca, Greene, McKinsey predictions

Slide 6

- Second, we will continue to see brownfield opportunity from the emerging energy diversity and the new energy economy.
 - Natural gas, Cracker, Exxon plans second, Appalachian Hub
 - DCED power plant playbooks

- RGGI to address climate crisis, PJM
- Brightfields, renewable energy on brownfields, Weirton Brown's Island
- Pittsburgh's Energy Innovation Center
- Hazelwood Green, Jones & Laughlin Steel
- "Climate Smart Brownfields Manual" – boosting the resiliency of communities by using climate mitigation and adaptation strategies on our brownfields, with greener demolitions, greener cleanups, and with greener redevelopment approaches

Slide 7

- Third, look at the rise of new, creative sectors as anchors of the economy –
 - While building manufacturing plants, shopping centers, and housing will always be part of our brownfields redevelopment, more and more communities, including in Pennsylvania, are looking at creative new sectors to anchor their local economies, and to boost quality of life, and brownfields can be a key place for these revitalization efforts.
 - tourism, heritage, outdoor recreation, service and entertainment districts, green infrastructure
 - Tourism and heritage – Center for Metal Arts at the Cambria Iron Works, Inclined Plane, in Johnstown
 - Entertainment district – Carlisle Events, Car Condos
 - Outdoor recreation – Monaca and the Ohio River Trail, or the Johnstown Sandyvale Park & Community Gardens
 - Green Infrastructure – Philadelphia's Green City, Clean Waters (\$2.4 billion investment by public sector with planned \$3 billion leveraged over 25 years)

Slide 8

- Fourth, we will continue to see Opportunity Zones and the capital gains tax incentives for long-term investment in low-income census tracts as a way to leverage resources into areas that are often marked by brownfields and blight.
 - 300 Census tracts in Pennsylvania. Many have brownfields
 - Capital gains benefits for investors who make 10-year investments in real estate, business expansion, and economic development
 - EPA OBLR/Treasury guidance – Brownfield investment satisfies "original use" test from IRS, which releases brownfield investment from strict time constraints in OZ regulations for "substantial improvement" of properties requiring doubling of basis in 30 months; involuntary acquisitions by localities meet "original use" tests; brownfield permitting and approvals toll the period required for development using OZ funds

- 180 federal programs taking OZ into consideration
- Get your projects ready

Slide 9

- Fifth, Infrastructure legislation, and how to get ready for it
 - Reauthorization of FAST, broader infrastructure
 - Pay-for?? Talk to your Members of Congress

Slide 10

- And here I take the risk of getting a little political at a conference with a diverse mix of Pennsylvanians. But I don't think we can make predictions about the future without taking those issues into account. So all of you Bernie Bros, Trump Country supporters, establishment Democrats, sad people who loved Elizabeth Warren – all of you, I hope to tread lightly and cause no offense. But I do believe that, no matter what happens in November with the Presidential election and the make-up in Congress, we can hope for, and hopefully expect, economic stability in this nation, and forward progress a step at a time.
- If President Trump remains in office, we know that this Administration believes in brownfield revitalization. President Trump signed the BUILD Brownfields Act of 2017. The Congress continues to fund, and in fact is increasing funding for, the EPA brownfields programs. Most conceptions of a major, national Infrastructure bill package include brownfields redevelopment as a key aspect of infrastructure that needs investment. And if the Democrat takes over the White House this year, and if there are changes in Congress (oh please Lord . . .), the results of Super Tuesday and Big Tuesday last night, indicate that Democrats are opting for a tried and true public servant – hailing from Pennsylvania – who will remain committed to the brownfields movement, and perhaps not move our nation too quickly by economic revolution, but instead by steady steps of progress.
- For we know that these tough issues require collaboration and consensus, not division, and hopefully our nation can achieve that forecast in 2020. We'll see if my crystal ball is working in a few months!

Slide 11

I am going to close out this forecast by suggesting some key steps that you can undertake as communities, as economic development or environmental leaders, as brownfield practitioners, to get yourself ready for these opportunities I forecast. What are some steps that you can take to harness the emerging manufacturing economy, the energy sector, new anchor investments in

tourism/entertainment/recreation/green infrastructure, opportunity zones, and federal infrastructure legislation.

- First, begin with the end in mind, by creating a vision and action plan for revitalization in the future where brownfields are now.
 - As Yogi said, “You’ve got to be careful if you don’t know where you are going, because you might not get there.”
 - EPA guidebook, “Community Actions that Drive Brownfield Revitalization”.

Slide 12

- Second, adopt and put Land Revitalization approach into use
 - EPA Area-Wide Approach and funding
 - PA tools (DEP, DCED playbooks, ISRP, PennDOT)
 - Land Revitalization Toolkit

Slide 13

- And third, step up your game in leveraging resources for brownfields and community revitalization
 - You know the lever, which is the simple tool that lift and move great loads, was first articulated by the Greek philosopher Archimedes, who said, “Give me a place to stand, and I shall move the world”. Leveraging resources for brownfields can likewise move a community, and move the world one brownfield at a time. So figure out how to make funding and resources build upon each other, fill gaps, and lift each other up toward your revitalization goals. Two resources I would commend to you:
 - EPA Guide Leveraging Resources for Brownfield Revitalization
 - Resource Roadmap fact sheet

Slide 14

So, predictions are tough to make, and we do not know what the future holds. Indeed, as Yogi said, “the future ain’t what it used to be”. We are, no doubt, entering a new era in America, we do have great opportunity, and we know that we can build sustainable communities and progress on the foundation of our brownfields.

So I urge you to move forward, despite the troubles, despite the risks, and despite the obstacles, when it comes to revitalization in your Pennsylvania communities. And I will end with the wise advise, that “when you come to a fork in the road, take it”.

Thanks very much to the Engineers Society, to Pennsylvania DEP, and to all of you, for giving me the opportunity to share this time with you.