

| JULY 2023 |

## REGULATORY UPDATE: NJEDA BROWNFIELDS REDEVELOPMENT INCENTIVE PROGRAM

On April 21, 2023, New Jersey adopted the New Jersey Economic Development Authority (NJEDA) Brownfields Redevelopment Incentive Program rules. The program provides financial incentives in the form of tax credits for remediating and redeveloping contaminated properties.

Highlights of the program include:

- \$50 million per year for the next six years (\$300 million total) is available for new brownfield remediation and redevelopment projects
- Funding may be used toward environmental remediation, as well as asbestos abatement and demolition costs.
- Reimbursement of remediation costs can cover up to 60% or \$8 million for qualified incentive tracts (QITs) in certain high-priority areas (e.g., Paterson, Atlantic City, and Trenton) and up to 50% or \$4 million in all other areas of the state
- Projects do not need to have a specific end use to qualify; funding can be used toward remediation with redevelopment later on

The application period is now open through Thursday, September 21, 2023. Eligible redevelopment projects must:

1. Be a brownfield
2. Not be responsible for the discharge being remediated
3. Obtain a letter of support from the project municipality
4. Demonstrate a project financing gap
5. Contribute at least 10% equity, if the project is within a QIT, or 20% equity if the project is located elsewhere
6. Meet prevailing wage requirements for remediation and construction work
7. Demonstrate that the remediation costs are reasonable and appropriate

A copy of the Brownfields Redevelopment Incentive Program rules is available here:

<https://www.njeda.gov/wp-content/uploads/2023/05/R.2023-d.065-55-N.J.R.-1027a.pdf>.

The program is further described on NJEDA's website:

<https://www.njeda.gov/brownfield-redevelopment-incentive/>.

To discuss how this may affect your projects, please contact your Langan Project Manager or:



Paul McAndrew, PE, LSRP, LEED AP  
Senior Associate  
[pmcandrew@langan.com](mailto:pmcandrew@langan.com)  
973.560.4578



Justine Ameye  
Project Scientist  
[jameye@langan.com](mailto:jameye@langan.com)  
973.560.4267

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