

# Stack and Sequence: Strategically Using Multiple Funding Sources for Brownfield Projects



*By Eric Williams*

With the deadline for the latest round of EPA brownfield grants coming up on November 14, those leading the way on brownfield projects - local government, community stakeholders, and developers - should be considering additional funding opportunities. Every brownfield development project requires multiple sources of funding. By strategically combining diverse funding sources through thoughtful stacking and sequencing, financial barriers can be overcome to achieve successful brownfield revitalization.

**A Source for Every Task - Multiple Funding Sources Across the Entire Project Timeline**

Redevelopment projects typically involve three main phases: pre-development, horizontal development (infrastructure), and vertical development (ultimate end use). Historically, brownfield funding has been isolated and focused on assessment and cleanup during the pre-development phase. Traditional funding

mechanisms have then kicked-in for horizontal and vertical construction. But to make difficult projects feasible and realize their full potential, multiple sources of funding strategically stacked and sequenced along the entire redevelopment timeline is required.

A wide range of funding sources is available for brownfield redevelopment from an equally wide range of sources. Brownfield-specific grants are the best known – there are EPA and State grants and loans available for community wide inventories and assessments, site-specific investigations, and site cleanup projects. But while brownfield-specific grants may be the best known and are often the best starting point, there are many other funding sources that can fund environmental work for brownfield projects. There are other redevelopment grants, local government public finance vehicles, end-use based incentives, public financing vehicles, and private investment – all of which can fund the various phases of redevelopment. For example, one of the most underutilized funding source for brownfield redevelopment is tax increment financing (TIF). TIF is essentially a self-funding mechanism that doesn't raise taxes but utilizes the increase in ordinary property taxes (the increment) when developing a property to pay for not only infrastructure but for cleanup as well. TIF funding can follow brownfield grants and can be paired with utility districts to fund horizontal development work on brownfield projects.

Although many funding sources aren't specifically labeled for brownfield projects, these redevelopment funding platforms can pay for environmental tasks as well as land planning, demolition, site preparation, and infrastructure (roads and utilities). There are funding sources for every task through the life cycle of a brownfield project.

#### Six Strategies for Stacking and Sequencing Multiple Funding Sources

The key is thoughtfully stacking and sequencing multiple funding sources. Stacking funding sources occurs when multiple sources are used simultaneously, sometimes for the same work. For example, an EPA cleanup grant and TIF can both be used for cleanup work. Sequencing then involves using multiple funding sources in a specific order across the timeline of a redevelopment project. For instance, site assessment grants can be followed by site cleanup grants that can then be followed (and overlapped) with TIF funding.

Effective stack & sequence funding programs revolve around the following six strategies:

- 1. Prepare a funding plan for the entire project as early as possible in the process.** Even though things change, it's important to have as much forethought as possible to identify funding for every task of a redevelopment project. To maximize the impact of stacked and sequenced funding, it's crucial to align funding sources with specific project needs and timelines. For example, if an EPA brownfield site-specific assessment grant is a possibility, it's a requirement to perform All Appropriate Inquiry during the acquisition of the property. Many funding sources take significant amounts time to come to fruition and require planning and positioning – sources like TIF have long lead-times, so advanced planning and forethought is a requirement.
- 2. Approach the project holistically by looking at the entire timeline of development.** Funding sources integrate and build on each other so it's important not to silo the various aspects of redevelopment. For example, looking at environmental mitigation together with horizontal development is important because many funding sources overlap for those phases. And one funding source often affects another – so looking at a redevelopment project in its entirety is a necessity.
- 3. Identify and utilize as many funding sources as possible from multiple categories of funding.** The two most prolific categories are brownfield-specific grants and public finance vehicles (such as utility districts and TIF). There are funding sources for every brownfield project task, there is no limit to the number of funding sources that can be used, and they can generally overlap in scope and time. So start with a chart of work tasks and match up multiple potential funding sources for each task.
- 4. Start with stacking sources.** Several sources can be used for the same work and often a single source isn't enough for a given task. So for each major work task identify multiple sources of funding and work through how to integrate those sources. For example, an EPA cleanup grant and TIF can both be used for cleanup. And TIF and a utility district can both be used for infrastructure development.
- 5. Continue by thoughtfully sequencing funding sources.** Certain funding sources are more appropriate for specific tasks along the redevelopment timeline. For example, EPA and state community-side assessment grants are best used early in the process – even before specific sites are identified – and TIF typically comes in the middle of a project for cleanup and infrastructure. And

---

importantly, funding for early tasks can be used to perform tasks needed for later funding. For example, EPA and State assessment grants can be used to perform precursory tasks in setting up TIF.

**6. Utilize your stack and sequence funding program to attract and integrate with private investment.**

Start with understanding what developers and investors need to enter a project and when they need it. Developers and investors want to remove the uncertainty of environmental problems and typically require elimination or at least reduction of environmental liability before investing, and EPA and State assessment and cleanup grants accomplish that reduction. Further, to make their proforma work on a deal that is upside down financially because of environmental conditions, developers and investors need to find the financial assistance that can come from sources like TIF and utility districts.

By strategically stacking and sequencing funding sources, brownfield redevelopment projects can overcome financial barriers and achieve successful outcomes. This approach not only maximizes available capital but also aligns project goals with community needs and private investor interests. Through careful planning, strong partnerships, and creative financing strategies, communities can transform contaminated sites into valuable assets that drive economic growth and improve quality of life.