



The Use of Private Funding to Remediate & Redevelop Impacted Properties

Presentation to:
Emerging Issues in Brownfields: Drivers & Challenges
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Private Funding Options

- Equity
- Debt
- Combination of Both

Private Funding - Equity

- **Equity financing**
 - Project participation with ownership interest (i.e. private investors)
 - Short term and/or long term participation
 - Higher risk tolerance than debt
 - Requires a minimum ROI % for investor
- *Requirements & Challenges*
 - Usually requires RAW or contractual certainty of remediation costs
 - Flexible underwriting and terms

Private Funding - Debt

- **Debt financing**

- Can be traditional or non-conventional funding (i.e. banks, private lenders, investment and pension funds)
- Long term participation with debt service
- Limited risk tolerance by lender

- *Requirements & Challenges*

- Assured pay back of loan
- Less flexible underwriting and terms
- Certainty of costs and time frames to complete remediation
- Usually requires RAW with a funding source or RAO

Other Tools to Support Financing

- Insurance (reopeners and unknowns)
- 3rd party and lender liability protection
- SECUR-IT[®] Guaranteed Fixed-Price Remediation
– contracts
- Contractual and indemnification terms

SECUR-IT[®] Features

- Provides a Guaranteed Cleanup Cost Contract (GCCC) that provides predictable timing, budgeting, and accurate estimating of return on investment calculations
- May offer additional insurance protection against third party claims, previously undiscovered contamination, and regulatory re-openers when applicable
- Caps remediation costs and limits environmental liability

SECUR-IT® Features

- Provides indemnification to all parties from cost escalation and compliance risk
- Contract sets predetermined length of remediation and scope of Response Action Outcome (RAO)

SECUR-IT[®] Benefits

- Client controlled execution of GCCC with negotiated scope of work within GCCC targeted budgets and time frames
- Cost sharing incentives for GCCC contractor and client to come in on or below GCCC projected budgets
- Experience! (Cost estimating and management, project management, oversight and cost controls)

SECUR-IT[®] Supports Private Funding

- Supports contaminated property as collateral to lenders
- Financial Underwriting
 - Developer pro forma
 - Private funding entities
- Insurance Underwriting
 - Quantifies risk

About EWMA

- Headquartered in New Jersey
EWMA is a 100% employee-owned, environmental consulting and remediation firm providing innovative and cost-effective solutions since 1987.



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