



# Brownfields Cleanup Revolving Loan Fund Pilot

## Charlotte, NC

Outreach and Special Projects Staff (5101)

Quick Reference Fact Sheet

**EPA's** Brownfields Economic Redevelopment Initiative is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA is funding: assessment demonstration pilot programs (each funded up to \$200,000 over two years), to assess brownfields sites and to test cleanup and redevelopment models; job training pilot programs (each funded up to \$200,000 over two years), to provide training for residents of communities affected by brownfields to facilitate cleanup of brownfields sites and prepare trainees for future employment in the environmental field; and, cleanup revolving loan fund programs (each funded up to \$500,000 over five years) to capitalize loan funds to make loans for the environmental cleanup of brownfields. These pilot programs are intended to provide EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.

## BACKGROUND

The City of Charlotte has population of 128,232, a quarter of which lives below the poverty line (compared with 13 percent for the entire County). The City has over 3,000 brownfield sites, representing more than \$2 billion in taxable value, where potential contamination hinders redevelopment efforts. The focus of Charlotte's BCRLF is the major distressed business corridors radiating from the center city and the neighborhoods they serve. These corridors are currently the target of several revitalization efforts, including Federal Empowerment Communities, the Brownfields Assessment Pilot, State Development Zones, Charlotte's City Within a City (CWAC) program, the Business Corridor Revitalization Program, and Business Investment Zones.

## BCRLF OBJECTIVES

Capitalization of the BCRLF program will help advance Charlotte's goal of revitalizing distressed business districts by providing low interest loans for environmental cleanups. Charlotte's BCRLF will add cleanup funds to the City's inventory of tools to bring businesses and investment partners to brownfields properties. The BCRLF program also will enable the City to act as a needed link between developers of

## PILOT SNAPSHOT



Charlotte, North Carolina

**Date of Announcement:**  
May 25, 1999

**Amount:** \$500,000

**BCRLF Target Area:** 3,000 brownfield sites throughout the City, focusing on the major distressed business corridors radiating from the center city and the neighborhoods they serve.

### Contacts:

City of Charlotte, Employment and Business Services Division, Neighborhood Development Key Business, (704) 336-4522	Region 4 Brownfields Coordinator (404) 562-8661
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Visit the EPA Region 4 Brownfields web site at:  
[www.epa.gov/region4/wastepgs/brownfpgs/bf.htm](http://www.epa.gov/region4/wastepgs/brownfpgs/bf.htm)

For further information, including specific Pilot contacts, additional Pilot information, brownfields news and events, and publications and links, visit the EPA Brownfields web site at:  
<http://www.epa.gov/brownfields/>

brownfield sites and lenders. The BCRLF's focus is the cleanup and revitalization of major business corridors in the center city.

## **FUND STRUCTURE AND OPERATIONS**

The City's Neighborhoods Development Key Business, part of the City's Employment and Business Services Division, will serve as lead agency and, in conjunction with the Finance Department, also as fund manager. The City is exploring several options for site manager: the North Carolina Department of Environment and Natural Resources; the US Army Corps of Engineers; and the Mecklenburg County Environmental Protection Department. BCRLF projects must have approval for permanent financing with a bank's loan contingent upon the City's cleanup loan and loan repayment must occur as part of a bank's permanent financing, enabling the BCRLF to recycle funds quickly. The average loan term will not exceed three years; principal and interest payments will be deferred during cleanup and construction.

## **LEVERAGING**

The BCRLF program has been designed to facilitate private investment. Using the BCRLF award funds to finance loans for cleanup, lender risk and uncertainty is reduced, permitting banks to commit permanent financing to projects contingent on site cleanup. The loans made through the BCRLF program also may leverage incentives available through multiple Federal, state, and local programs. In-kind contributions include those from the Neighborhood Development Key Business Department, Finance Department, and City engineering staff as well as services from the City's in-house television station and graphic artists for marketing and outreach efforts. In addition, in instances where a project will not initially support repayment of both the project development debt and the cleanup cost, the City will use its existing small business revolving loan program to provide additional equity funds required by a lender to qualify for the bank's permanent loans.

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*Use of BCRLF Pilot funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.*

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