



Brownfields Cleanup Revolving Loan Fund Pilot

Central Massachusetts Economic Development Authority, MA

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

Over the past few years, Central Massachusetts communities have embarked on a brownfields redevelopment program through the Central Massachusetts Economic Development Authority (CMEDA). This entity, created in 1995, is the first regional economic development authority in Massachusetts to address brownfields redevelopment issues. CMEDA currently has eight member communities: Worcester, Auburn, Clinton, Dudley, Grafton, Holden, Leicester, and Webster. There are 320 confirmed hazardous materials disposal sites in CMEDA's member communities and 958 sites in all 51 Central Massachusetts communities eligible for CMEDA membership. Many of the areas surrounding these sites exhibit higher unemployment rates, a low tax base, and a high percentage of minority citizens. Worcester is a Brownfields Assessment Pilot.

BCRLF OBJECTIVES

Three major brownfield redevelopment goals will be addressed by the Central Massachusetts Revolving Loan Fund (CMRLF):

- Capitalize CMEDA projects—by providing a funding pool to draw from for CMEDA projects.

PILOT SNAPSHOT



*Central Massachusetts
Economic Development
Authority, Massachusetts*

Date of Announcement:
May 25, 1999

Amount: \$500,000

BCRLF Target Area:
The hazardous materials
disposal sites in CMEDA's
member communities

Contacts:

Executive Director, CMEDA
(508) 799-1880

Region 1 Brownfields
Coordinator
(617) 918-1291

Visit the EPA Region 1 Brownfields web site at:
www.epa.gov/region01/remed/brnfl/

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/>

- Stabilize CMEDA operations — to use program income to support CMEDA administration and consultant services.
- Provide an insurance pool — to use a portion of the CMRLF as a funding pool for loans to redevelopers for environmental insurance.

Consideration will be given to sites with positive potential. More than 15 sites have been identified as potential projects from other CMEDA communities.

FUND STRUCTURE AND OPERATIONS

CMEDA will serve as lead agency and site manager. The Worcester Business Development Corporation (WBDC), with over two decades of experience in financing development projects in Central Massachusetts, will serve as fund manager. CMRLF will be divided into three parts to be tracked separately (i.e., the EPA award, the WBDC contribution, and the Worcester County contribution). The entire fund will be capitalized at \$2.5 million, including the \$500,000 BCRLF award. Approximately \$800,000 for site cleanups in each of the first three fiscal years will be disbursed.

LEVERAGING

The \$500,000 BCRLF award will be supplemented with \$1 million from WBDC and \$1 million from the Worcester County Pension Fund, with each component managed as three separate parts of the CMRLF. Thus, the \$500,000 award will be leveraged into a total of \$2.5 million in support of nearly a \$10 million program.

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