



# Brownfields Cleanup Revolving Loan Fund Pilot

## *Detroit, MI*

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 years, commercial and industrial properties have become abandoned, underutilized, and vacant. Many of the sites have real or perceived environmental contamination that pose a barrier to their reuse and redevelopment. These abandoned and underutilized sites represent wasted economic potential for the city. The City of Detroit BCRLF plans to target specific areas that have been designated by the State of Michigan as Renaissance Zones. These zones have been identified as targets loans due to various community distress indicators.

### BCRLF OBJECTIVES

Using the incentives available through the Brownfield Redevelopment Authority, Renaissance Zone program, and the BCRLF Pilot, city officials believe that many of Detroit's distressed brownfields sites can be restored to productive use. The BCRLF funding will provide gap financing for brownfields cleanup for developers who may not have anticipated the high cost of environmental cleanup in their redevelopment plans. These loan funds will be made available at a low interest rate, with repayment terms designed to foster reuse and redevelopment of the city's brownfields.

### PILOT SNAPSHOT



Detroit, Michigan

Date of Award:  
September 1997

Amount: \$350,000

BCRLF Target Area :  
Brownfields in Detroit's state  
Renaissance Zones.

#### Contacts:

Department  
(xxx) xxx-xxxx

Regional Brownfields Team  
U.S. EPA - Region 5  
(312) 886-7576

Visit the EPA Region 5 Brownfields web site at:  
<http://www.epa.gov/R5Brownfields/>

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/>

The city anticipates that the BCRLF Pilot program will enhance other brownfields redevelopment projects by providing the necessary access to cleanup funds, and will advance the goals and objectives of other city programs already in place. The cumulative effect of these efforts will be the revitalization of brownfields sites within the city. The city also anticipates that redeveloping these sites will also benefit the community, help restore the city's tax base, and create and/or expand employment opportunities.

## FUND STRUCTURE AND OPERATIONS

The city's Department of Environmental Affairs (DEA) will serve as the Lead Agency. DEA will partner with other city agencies (e.g., Finance Department, Planning and Development Department, Law Department) to design and manage the BCRLF. The responsibilities of each agency will be delineated as needed by formal agreements.

## LEVERAGING OTHER RESOURCES

The city anticipates that the BCRLF Pilot will work together with the Renaissance Zone program, the Brownfield Redevelopment Authority, and various site assessment programs to increase the number of brownfields sites redeveloped within Detroit. Site assessment funds can be used to identify sites where the revolving loans can then be successfully used for cleanup needs.

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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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