



Brownfields Cleanup Revolving Loan Fund Pilot

Hagerstown, MD

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's available industrial land is densely developed; however, many sites are environmentally contaminated and occupied by old, abandoned buildings. The City has found that greenfields sites located along two interstate highways are increasingly a dominating competitor for economic development opportunities in the City. Central Hagerstown, with a population of 15,000, is designated as a Maryland Revitalization Area. In this area, 12 percent of the housing units are vacant; the average value of a home is 23 percent below the average for the City and 39 percent below the average for Washington County; and 23 percent of the families live below the poverty level. Hagerstown is a CDBG Entitlement Community and has designated districts in the Maryland Enterprise Zone program. Hagerstown is a Brownfields Assessment Demonstration Pilot.

BCRLF OBJECTIVES

The goal of the Hagerstown BCRLF is to provide easily accessible funds for cleanup of brownfields as a mechanism to facilitate site redevelopment. A secondary goal is to demonstrate to local financial institutions the feasibility of lending funds for brownfields cleanup. In doing so, initiation of the BCRLF will facilitate two

PILOT SNAPSHOT



Hagerstown, Maryland

Date of Announcement:
May 25, 1999

Amount: \$500,000

BCRLF Target Area:
13 miles of rail corridor and a
1,500 acre Revitalization Area

Contacts:

Hagerstown Planning
Department
(301) 739-8577

Region 3 Brownfields
Coordinator
(212) 637-4314

Visit the EPA Region 3 Brownfields web site at:
www.epa.gov/reg3hwmd/brownfld/hmpage1.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/>

goals of Hagerstown's Brownfield Assessment Pilot: 1) to remove barriers to redevelopment of brownfields by creating financial incentives for investing in brownfields; and 2) to create marketing strategies to encourage voluntary cleanup and redevelopment. Hagerstown's cleanup and economic development efforts will focus on many industrial and commercial properties along the old rail corridors, as well as within the central urbanized area of the City. These revitalization efforts will improve the quality of life, create new jobs in close proximity to the City's lower income neighborhoods, use the City's infrastructure more efficiently, and increase tax revenues. Activities under the BCRLF are concentrated along 13 miles of rail corridor and a 1,500 acre Revitalization Area.

FUND STRUCTURE AND OPERATIONS

The City of Hagerstown, through its Planning and Economic Development Department, will serve as the lead agency. Through an intergovernmental agreement, the U.S. Army Corps of Engineers will assist the City in performing the duties of site manager. To fulfill the role of fund manager, the City is exploring using either City staff or a local financial institution. It is anticipated that three to four brownfield sites will receive loans in the first round of lending. Loan fees and interest rates will vary from "bank-like" loans to "subsidized" loans depending upon the borrower and site. The average loan is anticipated to be between \$100,000 to \$150,000 in size, and carry a five-year loan term.

LEVERAGING

The City of Hagerstown will leverage private sector financing of cleanup projects by promoting available brownfields cleanup and redevelopment assistance and incentive programs, such as Maryland's Voluntary Cleanup Program and Brownfields Revitalization Incentive Program, HUD's competitive economic development grants in conjunction with Section 108 loan guarantees, and the brownfield tax incentives in the Taxpayer Relief Act of 1997. The City will provide in-kind contributions through the services of the Planning and Economic Development Department.

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