



Brownfields Cleanup Revolving Loan Fund Pilot

City of Worcester, MA

BACKGROUND

The City of Worcester (population 173,000) is located in central Massachusetts. Like many other cities in the Northeast, Worcester lost much of its industrial base over several decades. Urban blight, disinvestment, and an overall pattern of decline have created pockets of severe distress within certain neighborhoods, particularly the city's older inner-city neighborhoods. The per capita income of city residents is only 78% of the state-wide average. The city-wide poverty rate is 15%, but poverty rates are as high as 42% in some neighborhoods. The city has been designated an Economic Target Area by the state, which enables access to the state's Economic Development Incentive Program.

Former industrial sites have been idle for decades because of potential liability issues. Over 200 sites are classified by the state as contaminated. While the city is 37 square miles in area, only 100 acres of privately owned land currently is on the market and available for development. To improve the city's ability to compete for new development projects, the city has developed an overall economic development strategy that focuses on the reuse of older, underused or abandoned industrial sites with environmental issues. A major impediment to reuse of brownfields has been the reluctance of traditional lenders to provide funding for the reuse of contaminated sites, even those located in prime redevelopment areas. The city believes that the BCRLF Pilot can leverage funding to move high-priority projects forward.

BCRLF OBJECTIVES

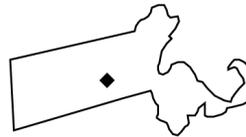
Worcester's goals for the BCRLF Pilot are to provide an additional source of funds that will be leveraged with both private financing and public funds and incentives to address redevelopment issues associated with significant brownfields in the city.

PILOT SNAPSHOT

Date of Announcement:
May 2002

Amount: \$1,000,000

BCRLF Target Area:
South Worcester Industrial Park



City of Worcester, MA

Contacts:

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Visit the EPA Region 1 Brownfields web site at:
<http://www.epa.gov/region01/brownfields/>

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:
www.epa.gov/brownfields

This Pilot focuses on a 25-acre, inner-city, former industrial site known as the South Worcester Industrial Park (SWIP). Buildings on the property are either vacant or underused. An assessment of city-owned portions of the property has been conducted through the Brownfields Assessment Pilot. A series of public meetings have been held with residents, businesses, and other stakeholders to create a redevelopment plan for the SWIP property. The redevelopment plan involves a

potential build-out of 1.7 million square feet of industrial, manufacturing, and warehouse space.

FUND STRUCTURE AND OPERATIONS

The City of Worcester is the cooperative agreement recipient and will serve as the lead agency. The Worcester Executive Office of Economic Development will serve as fund manager. A site manager will be provided by the Massachusetts Department of Environmental Protection.

LEVERAGING OTHER RESOURCES

The BCRLF Pilot funds will be incorporated into other city lending and incentive programs to leverage the maximum amount of funding to complete brownfields cleanups. The city will leverage both public and private sources of funding, including HUD Section 108 Loan Guarantee and Community Development Block Grant funds. Additional HUD funding may be available through the Brownfields Economic Development Initiative program. The BCRLF and HUD funds will be used in tandem with additional low-interest funds, tax increment financing, and other public incentive programs to provide the financing and incentive package needed to leverage private developer investments.

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