



Brownfields Redevelopment Fund

FACT SHEET

Overview

The Brownfields Redevelopment Fund is a direct loan and grant program to conduct environmental actions on brownfields. Created by the Oregon Legislative Assembly in 1997, the program's primary purpose is to assist private persons and local governments to evaluate, cleanup, and therefore redevelop brownfields. A brownfield is real property where expansion or redevelopment is complicated by actual or perceived environmental contamination (ORS 285A.185). The benefits of redeveloping brownfields include: promoting economic development; enabling efficient land use; minimizing the construction of new service infrastructure; facilitating the resolution of environmental justice issues; and protecting environmental and human health. This program is capitalized by proceeds from the sale of state revenue bonds.

Who is eligible to apply?

Any individual, business, non-profit organization, prospective purchaser, municipality, special district, port or tribe may make application to the Brownfields Redevelopment Fund. For program purposes there are two types of applicants: 1) Municipal and 2) Non-municipal. Cities, counties, tribes, ports, and special districts are municipal applicants. All other applicants are non-municipal.

Note: Any applicant under an active enforcement order relating to the contamination at the site receiving the environmental action is not eligible to receive monies from the Brownfields Redevelopment Fund.

Eligible projects

Environmental actions funded through this program must be linked to site redevelopment that facilitates economic development or community revitalization. Examples of eligible redevelopment projects the program will support include business development projects, industrial lands capacity projects, community facility projects, and downtown or mixed use center revitalization projects. Examples of ineligible projects include market rate housing projects and cleanup projects not associated with redevelopment.

Eligible project costs

Activities eligible for reimbursement from the Brownfields Redevelopment Fund are limited to environmental actions. An environmental action is defined as activities undertaken to:

- (A) Determine if a release has occurred, if the release poses a significant threat to human health or the environment or if additional remedial actions may be required at the site;
- (B) Conduct a feasibility study;
- (C) Plan for remedial action or removal; or
- (D) Conduct a remedial action or removal at a site.



Brownfields Redevelopment Fund

FACT SHEET

Note: A removal at the site can include site clearance and demolition activities as long as it is in conjunction with cleanup of contamination at the site. Costs associated with regulatory oversight are also eligible expenses under the program.

Grant and loan funding

The Brownfields Redevelopment Fund provides both grant and loan funding, but is primarily a loan program. Grants can be awarded, up to program limits, on a case-by-case basis depending on a financial analysis of the applicant's debt capacity and the public benefits of the redevelopment project. Financial analysis of an applicant's ability to repay a loan is the primary method the department uses to manage and allocate limited grant resources. Examples of public benefits that factor into the funding decision include family wage job creation, assistance to rural or economically distressed communities, or addressing an urgent need of a local population.

- **Low Interest Loans** are generally made for 20 year terms, but the department has the authority to negotiate different terms depending on the details and needs of the project and applicant. The total loan amount per project generally does not exceed \$250,000. The department is able to offer very attractive interest rates that typically reflect low market rates. The annual interest rate for non-municipal loan recipients is based on the equivalent Bond Buyers Index published in The Bond Buyer. For municipal loan recipients, interest rates are based on market conditions for similar debt and are set at the time of the award.
- **Grants** are subject to applicant need, availability of funds, and other restrictions. It is not possible to determine how much, if any, grant funds might be awarded prior to an analysis of the application and financial information. If a grant is offered, it must be matched. Depending on the recipient and liability considerations, grant match can range from 10% to 50% of the total project cost. In very limited instances, small technical assistance grants may also be available. The department may require conditions in the grant award contract that trigger grant repayment. Such conditions may include but are not limited to: resale of the property; cost recovery from responsible parties; revenue generation from the redevelopment; or other private activities.

Liability

Potential liability is determined by ORS 465.255. Applicants that are not potentially liable are given priority based on funding availability. Potentially liable non-municipal applicants, with exception to qualifying non-profit organizations, are not eligible for grant funding. Potentially liable municipal applicants are eligible for grant funding. The level of grant match required for municipal applicants is determined by the manner in which liability attached. Municipal applicants that are potentially liable by virtue of taking possession of a brownfield absent of any



Brownfields Redevelopment Fund

FACT SHEET

conduct relating to a release of contamination are eligible for lower match requirements. Municipal grant applicants that are potentially liable because the municipality's conduct lead or contributed to the release of contamination at the site receiving the environmental action are subject to higher match requirements.

Regulatory oversight

All environmental actions funded by the Brownfields Redevelopment Fund must receive review or oversight by the Department of Environmental Quality. ORS 285A.188 requires the department to consult with the Department of Environmental Quality prior to making a funding decision. Indication of how oversight will be performed must be included in the funding application. Oregon's voluntary cleanup program, independent cleanup pathway, and underground storage tanks program are examples of acceptable oversight.

More information

For more information please contact:

Karen Homolac
Brownfields Redevelopment Coordinator
Oregon Economic and Community Development Department
775 Summer St., NE Suite 200
Salem, OR 97301-1280
(503)986-0191
(503)581-5115 (fax)
karen.homolac@state.or.us