

Brownfields Cleanup Revolving Loan Fund 2006 Annual Report to the Twenty-Fourth Legislature

Submitted by the Office of Planning
Department of Business, Economic Development & Tourism
In satisfaction of Act 173, 2002 SLH.

History of the Brownfields Cleanup Revolving Loan Fund

In 2002, a coalition of the Department of Business, Economic Development and Tourism (DBEDT), the City and County of Honolulu and the County of Maui received a grant of \$2.0 million from the U.S. Environmental Protection Agency (EPA) to start the Hawaii Brownfields Cleanup Revolving Loan. The purpose of the project is to encourage clean up and redevelopment of former industrial properties that are idled, underutilized or abandoned as a result of contamination by hazardous materials or petroleum. The Office of Planning (OP) is the project manager. Up to \$1.9 million may be approved for loans to redevelopment projects in any of coalition partners' jurisdictions. Repayments of loans will re-capitalize the loan fund allowing more loans to be made.

Act 173, 2002, SLH, established the revolving loan fund in the State treasury. The program implementation plan was approved by EPA in 2005. Rules were adopted in 2005. A Memorandum of Agreement was executed by the three coalition partners and their technical advisor, the State Department of Health, Environmental Health Administration, which defines the working relationships and loan fund activities.

Loan Fund Activities in 2006

1. Marketing Activities – In April 2006, the State Department of Health hosted the second Brownfields Forum attended by over 150 persons interested in cleaning up and redeveloping contaminated property. A presentation on the Brownfields Cleanup Revolving Loan Fund was made by Laura H. Thielen, director of the Office of Planning.

2. Loan Application Pending – In August 2006, a loan application was received and is pending an eligibility determination by EPA. If eligible, the Loan Committee comprised of designated representatives of the three coalition partners will act on the application. The project looks forward to making its first loan and assisting the prospective purchaser of the property to cleanup the site so it can be redeveloped into an economic asset to the community.

3. Proposed Legislation to Delete Act 173 Sunset Date – In January 2007, Governor Linda Lingle submitted proposed legislation to amend Act 173, 2002, SLH, to delete the sunset date of June 30, 2007. Deleting the sunset date will allow the loan fund to continue making loans to eligible borrowers to cleanup contaminated property. No state general funds are involved in this project.