



CHAPTER FOUR: *Marketing the RLF*

Chapter Summary:

When working with a recipient, EPA Regions should know that effectively marketing the RLF requires researching the market to identify potential customers and sites, establishing flexible sources of financing and loan structures, and determining how the RLF can best meet financing needs. The strategy should incorporate loan features, program parameters, and services tailored to meet market and community needs. Additionally, recipients can make subgrants if the subgrant facilitates preservation of greenspace and meets community needs, among other considerations. In marketing and awarding subgrants, recipients need to weigh the effect it will have on revolving the RLF and its ability to make loans. This chapter addresses the four major steps that recipients should follow to attract eligible and appropriate borrowers and subgrantees: market research, product and program development, marketing the RLF, and loan or subgrant closing and support.

Additionally, when assisting recipients, EPA Regions may not allow a commercial advantage by endorsing the services of particular marketing, environmental consulting or law firms, etc.

Reference:

In May 2000, EPA published the “Brownfields Revolving Loan Fund Marketing Guide and Tool Kit” (EPA-R-00-006) that provides more detailed information on developing marketing plans and the steps necessary to attract potential borrowers. Please refer to that manual for additional assistance in promoting an RLF to potential borrowers and subgrantees as a marketing tool. Please be aware that some program content may no longer be accurate with the passage of the Brownfields Law.

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4.1 Introduction. A marketing strategy targets the who, what, when, where, and how of identifying borrowers, subgrantees, and sites for RLF financing in a given community. The answers to these questions will form the outline of a marketing plan. An effective marketing strategy articulates broad goals, short- and long-term objectives, and specific action items with responsibilities clearly identified. A good plan also describes the roles of partnering entities, and details how the recipient and other involved parties will work together.

A marketing strategy will identify and attract eligible and appropriate borrowers and subgrantees to the RLF program and help a community take the best advantage of RLF resources. Overall considerations in developing a strategy should include flexibility (e.g., flexible loan repayment terms, flexibility in accepting forms of collateral), adaptability to possible changes in the RLF market, and the capability to convey the program's key advantages for target audiences in the community.

In designing a marketing strategy, RLF recipients should answer the following questions to help develop the outline:

- **Who** in the community needs RLF loans or subgrants (e.g., local community groups, regional organizations, national developers)?
- **What** kind of loan will best meet the community's needs (e.g., what size, duration, and at what rate)?
- **When** the deal is made, what follow-up assistance is needed to ensure RLF loan and subgrant requirements are met?
- **Where** are the properties that the community is trying to redevelop?
- **How** can an RLF loan help potential borrowers and subgrantees and how can the recipient effectively and efficiently communicate with these potential borrowers and subgrantees (e.g., with brochures, at conferences, on the Web, or face to face)?

Four Steps to Successful Marketing

This chapter will cover the following four-step marketing process that recipients can follow to attract eligible and appropriate borrowers and subgrantees to its RLF program:

- Market Research: Understanding the Marketplace;
- Product and Program Development: Creating an RLF That Meets Borrowers' and Subgrantees' Needs;
- Marketing the RLF; and
- Loan and Subgrant Closing: Signing and Servicing Loans and Subgrants.

4.2 Market Research: Understanding the Market Place. The first step in marketing an RLF is to identify and understand the potential demand and the potential ways an RLF loan or subgrant fits within an overall redevelopment financing package.

The market for RLF loans includes all individuals, businesses, or organizations that engage in cleanup and redevelopment activities. Regions should encourage recipients to take the following steps to define the market and focus marketing efforts.

1. Identify Potential Borrowers

Possible players to pursue in identifying potential borrowers include:

- **Expanding businesses and local developers** may be helpful in defining the potential market. In addition, local real estate agencies, trade organizations, and the chamber of commerce are a valuable resource.
- **National developers** may be more difficult to identify, but their large base of resources can provide a potentially large payoff. Contact developers through local real estate agents, banker associations, brownfield organizations, developer associations, and brownfield specialty firms.
- **Non-profit organizations** may be interested in assisting developers with sustainable or livable community land use plans through the cleanup phase. Non-profit organizations can be identified by reviewing brownfields and smart growth journals and initiatives.
- **Public and quasi-public entities** within the RLF region may be potential borrowers. Contact elected officials and agency managers to facilitate this exchange.

2. Identify Potential Subgrantees

RLF subgrants are a unique, new feature introduced in the Brownfields Law. Eligible governmental entities, as well as non-profit organizations are eligible to receive subgrants to clean up sites they own. For purposes of this grant program, own means fee simple title.

Possible subgrant recipients include:

- **Non-profit organizations** - For the purposes of the brownfields grant program, EPA will use the definition of non-profit organizations contained in Section 4(6) of the Federal Financial Assistance Management Improvement Act of 1999, Public Law 106-107, 31 U.S.C. § 6101. Note: The term “non-profit organization” means any corporation, trust, association, cooperative, or other organization that is operated mainly for scientific, educational, service, charitable,

or similar purpose in the public interest; is not organized primarily for profit; and uses net proceeds to maintain, improve, or expand the operation of the organization.

- **Indian tribes** - Intertribal Consortia are eligible for funding in accordance with EPA's policy for funding intertribal consortia published in the Federal Register on November 4, 2002. This policy also may be obtained from your Regional Brownfields Coordinator. Alaska Native Regional Corporations and Alaska Native Village Corporations are defined in the Alaskan Native Claim Settlement Act (43 U.S.C. § 1601 and following).
- **Eligible governmental entities.**

To be eligible for an RLF subgrant, the subgrantee must own the site and must provide documentation to demonstrate ownership (e.g., copy of the fee simple title) prior to the award of the subgrant.

3. Identify Potential Sites

To choose potential sites for redevelopment, evaluate site characteristics such as location, size, level of contamination, complexity, proximity to infrastructure, and surrounding development. To understand the effect that site characteristics can have on the RLF market, consider the two scenarios presented below.

Scenario A: RLF financing for a small site cleanup involves attracting the interest of local businesses and making them aware of the types of financing packages that are available to them. Local developers and businesses have greater difficulty accessing capital and, as a result, may be more likely to find RLF loan benefits more enticing than larger developers or businesses. An RLF subgrant may be given only to eligible governmental entities and non-profit organizations that own the site.

Scenario B: RLF financing for a large site cleanup involves attracting the interest of larger or national developers who may be more attracted to larger sites. A national developer has more expertise and knowledge of financing and development options, but is less likely to understand how to navigate state and local regulatory permitting requirements. RLF staff should be prepared to offer relevant technical assistance or access to government entities that can provide appropriate assistance.

4. Develop Potential Loan Structures

By assessing the mix of loan terms, interest rates, and repayment structures that will be most appealing to identified customers, the

RLF recipient can develop potential loan structures to meet borrowers' needs. The goal of meeting the borrowers' financial needs must be balanced against the goal of optimizing the RLF's lending potential. Use repayments to make new loans on an ongoing basis to create a structure that enables the RLF to revolve its funds. In addition, grant recipients who make loans that deplete loan pool capital may apply for supplemental funding.

5. Position an RLF Loan or Subgrant within a Redevelopment Financing Package

While an RLF loan may not always be able to finance 100% of a project's cleanup costs, even a small, well-positioned RLF loan or subgrant can leverage other financing and help accelerate overall project completion. An RLF loan can offer subsidized interest rates that can lower the overall project costs.

RLF loans and subgrants can be used for the cleanup of a redevelopment project, but **cannot fund either site assessment (other than incidental during cleanup) or building and development costs.**

It is critical to work with borrowers and subgrantees to develop comprehensive cleanup and redevelopment financing plans. Other sources of funding include public financing programs and commercial financing services.

- **Public financing programs** for brownfields cleanup and redevelopment at the federal, state and local levels are available through the U.S. Department of Housing and Urban Development (HUD), HUD Community Development Block Grant (CDBG), U.S. Department of Transportation (DOT) funds, state and local brownfields cleanup programs, state and local transportation funds, Clean Water State Revolving Fund, and U.S. Department of Commerce, Economic Development Administration (EDA) program funds.
- **Commercial financing sources** for brownfields cleanup and redevelopment can generally provide larger amounts of capital and provide loans for any phase of cleanup and redevelopment.

Issues to consider when comparing and combining financing sources:

- **Use of Funds.** Commercial lenders base lending decisions on the relative profitability of loan transactions; however, an RLF is able to be more flexible by offering subsidized interest rates and flexible repayment terms as long as these terms will not compromise the financial integrity of the program.

Exhibit 4A – Case Studies: Lessons from the Field

Lessons from the Field

Lakewood, CO

The Colorado Department of Public Health and Environment (CDPHE) RLF represents a state-wide coalition partnership comprising the cities of Lakewood, Englewood, Loveland, Denver, Commerce City, and Westminster. EPA first selected the Colorado coalition as an RLF Pilot in May 1999, and provided it with \$1.7 million to capitalize its RLF. At the time, there were no public brownfields cleanup funding sources available to the private sector in Colorado. The Colorado coalition RLF will help fill this financing gap. The Colorado coalition has funded two loans: the first for \$705,000 in 2001, and the second in 2002 for \$1,950,000 to Lakewood for the cleanup of a site. Cleanup activities at the site are already underway.

Emeryville, CA

The City of Emeryville, California, was selected by EPA as an RLF Pilot in May 1999. EPA provided the City with \$500,000 to capitalize its RLF, which has been escalated to \$1.175 million. In January 2001, Emeryville loaned \$300,000 for the cleanup of parts of the Emery Inc. site. Construction has been completed for 400,000 square feet of office and retail space, 101 housing units, and parking structures. The loan term is four years and the interest rate is two percent. There is a no-interest/no-payment grace period for the first year, and there are no pre-payment penalties. Emeryville is also providing \$10,000 in additional funds for oversight activities that are not eligible under the RLF. Emeryville made a second loan for \$800,000 in August 2003.

Hennepin County, MN

EPA selected Hennepin County, Minnesota, as an RLF Pilot in September 1999. EPA initially provided Hennepin County with \$500,000 to capitalize its RLF. In August 2001, EPA provided the Pilot with \$500,000 in supplemental funding and an additional supplemental grant of \$500,000 in May 2002. Hennepin County has successfully authorized two loans totaling \$875,000. The Village of Henney* redevelopment project has used its loan to build 177 housing units, many of which are completed or under construction. In addition, 1,500 square feet of commercial retail and 3,000 square feet of commercial office space is underway in the Village. It is expected that this project will return more than \$92 million in redevelopment costs, increase the city's tax base by \$2.6 million, and create as many as 150 permanent jobs.

New Hampshire Department of Environmental Services

EPA selected the New Hampshire Department of Environmental Services (NHDES) as a statewide coalition that includes three Brownfields Assessment Pilots and two targeted site assessment pilot communities (the Towns of Londonderry and Durham) as a new RLF Pilot in May 1999. EPA provided the coalition with \$1.45 million to capitalize its RLF. In January of 2002, NHDES made its first loan of \$189,000 for the cleanup of a former industrial site in Nashua, NH. The payback period will be 12 months at an interest rate of three percent. The redevelopment of the site will provide expanded facilities for a local business and additional office space. The second loan of roughly \$100,000 was made in June 2002 and the cleanup has already been completed.

**Name has been changed*

Exhibit 4B – Recent RLF Accomplishments

RLF Statistics

As of October 31, 2004, 67 loans have been made totaling over \$28 million, and 3 subgrants worth over \$308,000. Among the 67 loans, there have been:

- 38 intra-governmental loans
- 24 loans to private parties
- 5 loans to non-profit organizations
- 3 subgrants

Within FY 2004, 27 new loans (and 3 subgrants) were made nationally. Among the 27 new loans, there have been:

- 10 loans to government agencies or coalition partners
- 13 loans to private parties
- 4 loans and 3 subgrants to non-profit organizations

- /• **Financial Requirements.** Typically, commercial lenders will provide financing to a redevelopment project only after site assessments are complete and cleanup costs are quantified.
- /• **Environmental Requirements.** Lenders must ensure that the cleanup meets certain environmental requirements. All cleanup financed with EPA capitalization and grant funds must adhere to federal, state, and local environmental requirements. See the Introduction chapter for an overview of these federal laws, also see Chapter 7, *Cross-Cutting Requirements*, for other applicable requirements on federal funds.

4.3 Product and Program Development: Creating an RLF That Meets Borrowers' and Subgrantees' Needs. Product and program development includes creating loan features that meet borrowers' financing needs and establishing operating procedures that are responsive to the community. A successful RLF balances loans and subgrants that maintain a healthy fund and establishes loan instruments and program guidelines that meet the specific needs of the potential borrowers and the community.

Developing Loan Products: Addressing Borrower Needs

The loan products offered should meet borrowers' needs while maintaining a healthy, financially prudent loan fund. Loan product characteristics include interest rates, repayment terms, fees, maximum and minimum loan sizes, and eligible uses of loan funds.

- /• RLF loans may be made at **reduced interest rates**, but not less than zero percent. Lower rates will maximize borrowers' cost savings and overall project feasibility, but will result in smaller repayments and less capital available for future loans. If demand for loans is relatively low, lower interest rates may entice additional borrowers. If demand for loans is high, a higher interest rate may be more feasible.
- /• EPA expects fund managers to use sound judgement and prudent practices in setting repayment terms even though the RLF program does not have specific requirements for repayment. Fund managers offer **flexible repayment terms** to support marketing efforts, such as extending repayment start dates until redevelopment is complete. Similarly, repayment schedules may be extended to allow for lower monthly payments.
- /• Offering **loan amounts that meet potential borrower needs** is critical to a successful program. While offering small loans may require additional resources, it may help stretch RLF resources to the greatest benefit.

- /• RLF funds have been designated for cleanup activities, but the RLF may allow borrowers to use a portion of loan funds for **broadly defined eligible uses** that may increase the appeal of the loan to some potential borrowers. See Chapter 3, *Eligible Fund Uses* for details on financial structure and allowances.

Developing Subgrant Products: Balancing Subgrants with Loans

Subgrants are an attractive financing tool, but recipients must ensure that the subgranting option is offered in a manner that maintains a healthy revolving loan fund.

- /• Fund managers can preset the maximum percentage amount of the RLF that can be used toward subgrants to ensure that enough funds are used toward loans consistent with any limits in the terms and conditions of their agreement. **A recipient may not make a subgrant exceeding \$200,000 per site.**
- /• Conducting subgrants competitively can ensure that subgrant funds are used on sites that most need this funding support.
- /• Recipients can impose a cost-share requirement on subgrantees to maintain the viability of the fund.

Please refer to Chapter 3, *Eligible Fund Uses*, for statutory consideration when making subgrants.

Exhibit 4C – Presenting Interest Rates

Exploring Options: Simplicity and Clarity in Presenting Interest Rates

Choose a method for determining interest rates and state this method clearly in marketing materials. It is crucial to state methods simply and clearly. For example:

- As a fixed rate (e.g., three percent, four percent)
- As a function of the prime rate (i.e., prime minus two percent, but not less than zero percent)
- As a percent of market rate (e.g., 25 percent of prime rate or of a given bond index)
- As a variable rate, based on loan term (e.g., one percent for 12-months, two percent for 24 months, four percent for five years)

	<i>Market Rate (6%)</i>	<i>Reduced Rate (3%)</i>
Inputs		
<i>Loan Amount</i>	\$225,000	\$225,000
<i>Loan term (years)</i>	5	5
Outputs		
<i>Annual repayment</i>	\$52,636	\$48,767
<i>Principal repayment</i>	\$225,000	\$225,000
<i>Interest Cost</i>	\$38,181	\$18,834
<i>Total repayment</i>	\$263,181	\$243,834
Savings		\$19,347

Structuring the Program: Make it Simple and Appealing

Regardless of the advantages of the RLF loan program, borrowers and subgrantees may be discouraged from the program if the process is overly burdensome. Structuring it to meet their needs will encourage potential borrowers and subgrantees to use the loan fund.

- A **user friendly model loan and/or subgrant application** will keep the borrower and subgrantee interested and minimize the need for additional information.
- A **quick loan application review** will keep interested borrowers and subgrantees involved in the process.
- **Clearly defined record-keeping and reporting requirements and their associated time frames** will prevent borrowers and subgrantees from becoming confused in completing regular reports and providing financial records. Quarterly reporting is generally required for federal grant funds.
- **Flexibility in acceptable forms of collateral**, such as liens on the brownfields site, security interests in equipment, accounts receivable, future rent payments, and personal guarantees will help in marketing loans.

Integrating the Loan Program with Other Services

An RLF program's market reach can be expanded by facilitating access to related brownfields redevelopment services. Offering technical assistance with the loan application, loan agreement development, and other finance related processes facilitates this access. If the recipient does not have the resources to provide hands-on assistance, arrange for assistance through a supporting organization. Integrate the RLF with other planning and economic development initiatives that can provide borrowers with access to business assistance, as well as information on environmental regulations, legal obligations, local planning initiatives, and other brownfields redevelopment incentive programs.

EPA Regions must ensure that recipients know that many states or EPA Regional offices have **environmental clearinghouses** that serve as information repositories for programs or activities.

Building Staff Skills and Awareness

RLF staff should be trained in loan fund and grant management, environmental cleanup program elements, marketing skills, and RLF program basics. Training for RLF staff is an eligible RLF expense if

training is related to the loan management and marketing needed to carry out the cooperative agreement. It is eligible to the extent allowable under OMB cost principles outlined in OMB Circular A-87.

The direct marketers of RLF staff should have exceptional communication skills as well as an in-depth understanding of the program. Staff could attend relevant workshops and seminars that are offered at local colleges and through various professional organizations.

Indirect marketers such as state and local government staff and others should be provided with basic program information to encourage referrals to potential borrowers and to promote environmental cleanup and economic development.

4.4 Marketing the RLF. It is important to choose the right outreach approach for the targeted audience. Every RLF serves a different community, each with its own complement of site types, cast of redevelopers, and institutional arrangements. A carefully crafted combination of outreach approaches and direct sales techniques will help place loans with qualified borrowers and subgrants with qualified subgrantees.

Identifying the Target Audience

The target audience for RLF marketing and outreach approaches should not only include potential borrowers and subgrantees, but also others involved in the brownfields redevelopment process who can identify potential borrowers and subgrantees and act as program ambassadors.

- /• **Public, local, and state officials or agencies**, especially those involved in ongoing community economic development efforts such as governors, mayors, town council members, and legislators, are critical audiences.
- /• **Local and/or state representatives** from agencies currently involved or appropriate to be involved in brownfields cleanup and redevelopment efforts include: commerce, economic development, community development, planning, housing, public works, natural resource/conservation, and environmental protection agencies.
- /• **Citizen and community groups** can emerge as program ambassadors from neighborhood groups, civic organizations, community leaders, and private land owners.
- /• **Academic institutions and practitioners** in the fields of economic development, environmental site assessment, cleanup technologies, and community action can be important conduits to reach potential borrowers.

- /• **Business representatives** from within the community are target audiences, both as potential borrowers and program ambassadors. Some of these include real estate firms, local businesses, small- and minority-owned organizations, financial institutions, chambers of commerce, and environmental insurance brokers and providers.

Marketing to Interested Entities

Following outreach and initial contact, one-on-one meetings with interested entities provide an opportunity to build relationships and relay information about a borrower's or subgrantee's needs. The borrower or subgrantee can ask specific questions.

Provision of Technical Assistance:

- /• **Loan application assistance** - Technical advice, reminders about deadlines, and meetings with potential borrowers to discuss the loan procedures are helpful.
- /• **Financing package assistance** - Because an RLF loan may not cover all cleanup costs, it may be necessary to provide the borrower with this type of assistance. RLF funds are prohibited from financing non-cleanup related costs. Accordingly, additional financing must come from other sources, which can include commercial bank loans, payments by responsible parties, HUD funds, EDA grants, low income housing tax credits, state financial incentives, tax increment financing, and corporate and individual donations.
- /• **Assistance identifying repayment sources** - Borrowers may need help identifying funding to repay the RLF loan and other sources of financing. Some possibilities include sales revenue from resulting business, income from subsequent property sale, and lease payments.

Maximizing the Effectiveness of Communications

All means of communication should be clear and consistent.

- /• **Review marketing materials** for consistency, accuracy, clarity, brevity, and attractiveness. Additionally, create an RLF identity by using symbols or logos to improve program recognition in the community.
- /• **Track communications** through an easily updated database. Tracking will ensure a record of the successes of each approach.

Exhibit 4D – Developing Outreach Approaches

Exploring Options: Developing Outreach Approaches

EPA Regions should let recipients know that potential outreach approaches can be print-based or people-based. If there is uncertainty as to who potential borrowers may be, a print-based approach will reach a broader audience, but EPA and experienced RLF managers recommend that recipients use people-based outreach. From experience, it is more effective and less costly.

People-Based

- **Telephone calls** should be made to individuals who have expressed interest in the program or have already been informed about the program. Phone calls should also be used as follow-up to seminars, conferences, meetings, and mass mailings.
- **Seminars and other meetings** with interested parties provide an opportunity to ask and answer specific questions, enabling a dialogue/relationship to develop.
- **Conferences** provide the opportunity to broadly get the word out about the RLF and to educate developers about the potential of sites in your area through the distribution of fact sheets, program brochures, and applications.
- **Marketing with commercial lenders** can serve as an important source of borrower referrals for a recipient. Banks interact with developers and other project sponsors who are seeking to finance projects. Provide bankers with the message that an RLF complements and increases, rather than competes with, the bank's business. An RLF can help generate new development projects that will depend on banks for the majority of the financing.

Print-Based

- **Brochures** are distributed at seminars, conferences, or via mailings. Brochures are a quick and simple outreach method that provide the basics of how to apply for a loan, but they lack the level of detail ultimately needed by a potential borrower.
- **Fact sheets** provide information on a single RLF topic or describe the whole program. They are inexpensive to produce and mail; however, they have a limited level of detail. Fact sheets work best in conjunction with in-person outreach approaches.
- **Media coverage** (e.g., press releases) has the potential to reach a broad audience, but may be easily overlooked in expansive newspaper sections.
- **Newsletters** provide examples of successful loans and show RLF as a viable financing source, but there are moderate costs associated with publishing and distribution.
- **Mass mailings** get the word out about the program to a broad audience and costs to produce and distribute are relatively low. They can, however, be easily overlooked by recipients in stacks of mail.
- **Preliminary interest forms** are easy to develop and distribute and they also open the lines of communication with potential borrowers without requiring them to do much work. After receipt of a completed form, conduct follow-up phone calls, mailings, and meetings.
- **Advertisements**, if placed in appropriate publications, target interested parties and encourage them to contact their local RLF for more information. However, they do not provide significant program details and can be costly relative to other approaches.
- **Web pages** provide easy access to program information and inclusion of an e-mail link/question form provides the means to begin communications.

Exhibit 4E – Case Study: Marketing Strategies

Marketing Strategies: COLORADO BROWNFIELDS RLF



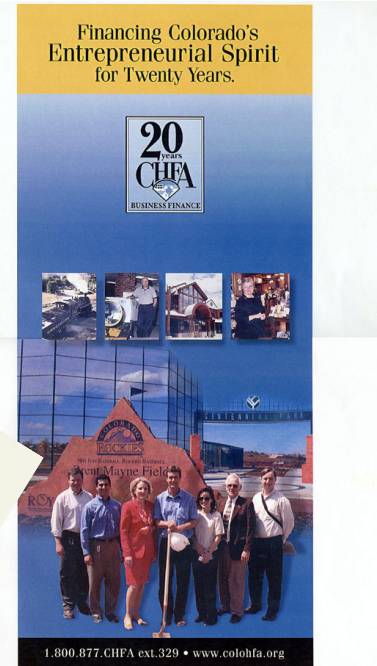
COLORADO BROWNFIELDS
REVOLVING LOAN FUND

The Colorado Brownfields Revolving Loan Fund (CBRLF) Coalition is a six-city, state-wide coalition comprising the cities of Englewood, Lakewood, Loveland, Denver, Commerce City, and Westminster. The Colorado Housing and Finance Authority (CHFA) serves as the fund manager and the Colorado Department of Public Health and Environment (CDPHE) functions as the qualified environmental professional.

The CHFA spearheads the marketing efforts for the CBRLF program and has had great success in attracting borrowers. For example, the CBRLF program has contributed financing to such high profile projects as the Centennial Park expansion project which redeveloped a 9.4-acre former landfill into the Colorado Rockies all-star youth baseball field.

There's no question that several components contribute to a successful RLF program marketing campaign. Steve Johnson, assistant director of the Business Finance Division of the CHFA, believes that the most essential component of producing successful marketing materials was the creation of a logo, "We wanted something to be identifiable about the program; to put a face to the name." All the CBRLF marketing materials, including the envelope and letterhead, have the logo prominently displayed at the top of the page (see top right corner). He also suggested making the informational brochure eye-catching, but nondescript enough to draw further inquiry from potential borrowers, "It's much better to prompt questions from potential borrowers calling to get more information than to provide all the answers on your brochure. If they call in to ask questions, you know they have some interest in the program and you can sell it more easily by talking to them. But if you make the brochure too detailed by answering any questions they might have had, they're more likely to lay it aside and think about it later, or worse, forget about it."

Another tip from CBRLF's success story is to look at potential high profile projects and borrowers. Establishing a loan to help clean up the Colorado Rockies youth baseball stadium gave the CBRLF program the publicity it needed. "Go find the biggest or highest profile project going on and figure out how they can use your brownfields money. Understand what your message is. What are you selling? You're providing loans for something that most banks won't fund." Finally, Steve suggested providing assistance to borrowers to "help them wade through the technical aspects of the program." Thanks to these fresh and innovative marketing ideas, the CBRLF program has made one loan for \$705,041, and is funding its second loan in the amount of \$1,950,000 that will eventually leverage more than \$500,000,000 in mixed-use development.



BROWNFIELDS LOAN APPLICATION

COMPANY INFORMATION:
 Company Name: _____
 Address: _____
 Contact: _____
 Telephone / Fax: _____
 Tax ID or Social Security: _____
 Business Description: _____
 Date Established: _____

BORROWER INFORMATION (if different from Company):
 Borrower Name: _____
 Address: _____
 Contact: _____
 Telephone / Fax: _____
 Tax ID or Social Security: _____
 Business Description: _____
 Date Established: _____

Legal Status of Company:
 Corporation Sole Proprietorship
 S-B Corp Limited Partnership
 Professional Corp General Partnership
 Nonprofit Corp Limited Liability Partnership
 Limited Liability Corp Other _____

Legal Status of Borrower:
 Corporation Sole Proprietorship
 S-B Corp Limited Partnership
 Professional Corp General Partnership
 Nonprofit Corp Limited Liability Partnership
 Limited Liability Corp Other _____

Ownership/Partners:

Name	Ownership %	Name	Ownership %
_____	____%	_____	____%
_____	____%	_____	____%
_____	____%	_____	____%
_____	____%	_____	____%

LOAN REQUEST: (Subject to program guidelines)
 List the uses of loan proceeds and costs:

DESCRIPTION	COST
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total	\$ _____
Less Equity (Minimum 10%)	\$ _____
Loan Request	\$ _____

PROJECT DESCRIPTION:
 Describe in detail how the site will be used following the clean up?

COMPLETE FOR REAL ESTATE RELATED LOANS:
 Applications must be accompanied by one of the following:
 Purchase Contract Warranty Deed Title Policy

Project Address: _____
 County: _____
 Acquisition Date: _____ Square footage of the building(s): _____
 Name of construction or terms lender: _____
 Do you intend to lease out any space? Yes _____ No _____ * If yes, applicant must provide a copy of leases.
 Is the property currently mortgaged? Yes _____ No _____

Have any of the following been ordered?
 Phase 1 Title Policy
 Approval Survey

Applicant ID: _____

COOPERATIVE PARTNERSHIPS FOR ECONOMIC REVITALIZATION

What are Brownfields?
 The term "Brownfields" refers to sites that may be, or simply put, are environmentally contaminated.

What is the Colorado Brownfields Revolving Loan Fund (CBRLF)?
 The Colorado Brownfields Revolving Loan Fund (CBRLF) is a state-wide coalition of six cities: Englewood, Lakewood, Loveland, Denver, Commerce City, and Westminster. The Colorado Housing and Finance Authority (CHFA) serves as the fund manager and the Colorado Department of Public Health and Environment (CDPHE) functions as the qualified environmental professional.

Current Partners include:
 City of Englewood
 City of Lakewood
 City of Loveland
 City of Denver
 City of Commerce
 City of Westminster
 Colorado Housing and Finance Authority (CHFA)

What are the purposes of the CBRLF?
 The purpose of the CBRLF is to provide financing to help clean up and revitalize brownfields sites.

What are the types of sites that can be financed?
 The CBRLF can finance sites that are environmentally contaminated and have potential for redevelopment.

What are the types of projects that can be financed?
 The CBRLF can finance a wide range of projects, including residential, commercial, and industrial development.

What are the benefits of the CBRLF?
 The CBRLF provides financing to help clean up and revitalize brownfields sites, which can create jobs and improve the quality of life in the community.

What are the terms of the loan?
 The loan terms are flexible and can be tailored to the needs of the borrower. The loan is typically repaid over a period of 10 to 15 years.

What are the application requirements?
 Applicants must provide a completed application form, a business plan, and other supporting documents. The application fee is \$100.

How can I learn more about the CBRLF?
 Contact the Colorado Brownfields Revolving Loan Fund at 1901 Blue Street, Suite 300, Denver, Colorado 80202, 303.297.7100.

Clockwise from top right corner: Colorado RLF logo; marketing poster; loan application form; front and back of informational brochure; and envelope and letterhead.

This information used with the permission of the Colorado Brownfields Revolving Loan Fund Coalition.

4.5 Loan and Subgrant Closing: Signing and Servicing Loans and Subgrants. Ensure that the borrower or subgrantee understands and is in agreement with all terms and conditions, and that the implementation of the loan or subgrant runs smoothly.

Key ingredients of a successful loan or subgrant include:

- A strong cleanup and redevelopment project;
- A borrower or subgrantee that has taken ownership of the process;
- Discussion of all details of the terms and conditions that may cause problems;
- Discussion of eligible fund uses and reporting requirements; and
- Staff dedicated to the brownfields program with a hands-on approach to the RLF.

For loans, key ingredients also include:

- Clearly identified repayment sources;
- Flexible loan terms that meet the borrower's specific needs;
- Identification of documentation necessary to close the loan properly;
- A clearly articulated and adhered to timetable for loan closing; and
- Identification and addressing of collateral and security issues.

Be aware of some of the common danger signs of loans in potential trouble and take appropriate preventative steps. This will help maximize the effectiveness of the deal closing process.

Factors **outside the RLF's direct control** can stop the brownfields redevelopment project from moving forward. Examples include:

- Project costs escalate beyond the borrower's ability to afford the project;
- Site requirements and/or costs make the project impractical;
- The borrower has a change in ownership, staff, and/or control;
- The financial strength of the borrower deteriorates; and/or
- Proper zoning and clearances cannot be obtained.

Available financing may not meet the needs of a potential borrower because:

- Loan size is not adequate for cleanup costs;
- Timing is too slow for the needed project start date;
- Interest rate is too high and, therefore, costly to the overall redevelopment project; and/or
- Repayment terms do not accommodate anticipated timing of repayment revenue stream from the redevelopment project.



Chapter 4 Check List: *Marketing the RLF*

EPA Regions must ensure that the recipient recognizes its responsibilities in marketing its RLF. This checklist may be used by EPA Regions to assist recipients in establishing their marketing strategy.

I. Market Research: Understanding the Marketplace

EPA should ensure the recipient has:

- Identified potential borrowers/subgrantees in their community.
- Identified potential sites (properties needing redevelopment in their community).
- Identified the kind of loan that will best meet their community's needs by mixing loan terms, interest rates, and repayment structures.
- Identified ways to position their RLF program within a redevelopment financing package. They have considered other public financing programs that could work in conjunction with an RLF loan or subgrant and the possible issues and requirements that are associated with combining financing sources.

II. Product and Program Development: Creating an RLF That Meets Borrowers' and Subgrantees' Needs

EPA should ensure the recipient has:

- Identified how an RLF loan or subgrant can help potential borrowers and subgrantees and how to develop loan products and subgrants to address these needs. They have considered reduced interest rates, flexible repayment terms, loan amounts that meet potential borrower needs, and broadly defined eligible uses.
- Balanced subgrants with loans to ensure viability of the RLF.
- Considered ways to make the loan program and subgrants simple and appealing by making the application user friendly, creating a quick loan application review process, defining requirements clearly, and allowing flexibility wherever possible.
- Integrated the loan program with other services.
- Retained staff that is trained to assist the borrower, or has made arrangements for access to hands-on assistance, and has access to useful information sources such as the EPA Regional environmental clearinghouses.

III. Marketing the RLF

EPA should ensure the recipient has:

- Identified a target audience of not only potential borrowers and subgrantees, but also of other stakeholders involved in the brownfields redevelopment process in their community.
- Identified interested potential borrowers and subgrantees and have made contact with them, established one-on-one meetings, and began building a relationship with these potential borrowers and subgrantees.
- Considered types of assistance that interested borrowers and subgrantees could benefit from and offered this technical assistance to them.
- Created outreach materials (e.g., print-based and/or people-based outreach approaches) that can effectively and efficiently communicate with potential borrowers and subgrantees.
- Reviewed these materials for consistency, accuracy, clarity, brevity, and attractiveness.
- Established a system for tracking communications and successes of each approach.

IV. Loan and Subgrant Closing and Support: Signing and Servicing Loans and Subgrants

(These points are applicable once a recipient has made a loan)

The recipient has:

- Negotiated loan or subgrant terms with their borrower or subgrantee. They have clearly communicated the loan or subgrant agreement terms and cleanup goals and requirements.
- Communicated with their borrower or subgrantee to ensure the success of this redevelopment project.
- Understood potential factors outside the control of their RLF program that could affect the project's success.
- Taken measures to service this loan and ensure its success.

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