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# **EPA Brownfields Economic Redevelopment Initiative**

## **Brownfields Cleanup Revolving Loan Fund Marketing Guide and Tool Kit**



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## Brownfields Cleanup Revolving Loan Fund Marketing Guide and Tool Kit



# Preface

*The United States Environmental Protection Agency's (EPA) 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. As part of this Initiative, EPA has awarded cooperative agreements to capitalize Brownfields Cleanup Revolving Loan Fund (BCRLF) Pilots.*

*The purpose of the BCRLF Pilots is to enable states, political subdivisions, and Indian Tribes to offer loans to facilitate the cleanup and redevelopment of brownfield properties. In particular, these Pilots are set up to test revolving loan fund models that foster coordinated public and private cleanup efforts. EPA provides funds to capitalize the BCRLF Pilots. States, political subdivisions, and Indian Tribes, as cooperative agreement recipients, may provide loans, but not grants, to public and private parties for the cleanup of Brownfield properties.*

*Each cooperative agreement recipient is responsible for managing its BCRLF funds, ensuring proper environmental cleanups, and complying with all applicable Federal and state laws and regulations.*

*EPA recognizes that developing plans and taking steps to attract potential borrowers are vital early steps in BCRLF implementation. This BCRLF Marketing Guide and Tool Kit is offered by EPA to help BCRLF cooperative agreement recipients take these early steps to develop a successful loan fund program. This document, however, is not designed to address all aspects of the BCRLF program. Comprehensive information on EPA's BCRLF program requirements may be found in the Brownfields Cleanup Revolving Loan Fund Administrative Manual (EPA 500-B-98-001, May 1998), the Brownfields Cleanup Revolving Loan Fund Administrative Manual: Model Terms and Conditions (EPA 500-B-98-002, October 1998), and the Proposal Guidelines for Brownfields Cleanup Revolving Loan Fund (EPA 500-F-99-290, November 1999).*



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# Overview

## Marketing Guide Purpose

As a Brownfields Cleanup Revolving Loan Fund (BCRLF) Pilot (i.e., cooperative agreement recipient), you must attract eligible and appropriate borrowers to your revolving loan fund program. This *BCRLF Marketing Guide and Tool Kit* provides a road map to follow as you establish and implement your BCRLF marketing plan. By developing a marketing plan, you can help ensure that your community takes best advantage of your BCRLF's resources.

The guide describes what a marketing plan is, why it is important to have one, and how to design a plan that suits your particular circumstances. In addition to providing a framework for developing your marketing plan, this guide offers suggestions about alternative marketing approaches. It includes real-life examples of marketing tools and techniques that may be useful in your own marketing plan and activities.

Since every BCRLF serves a unique community, this guide is intended to help you design a marketing plan that effectively conveys *your* program's key selling points and reaches appropriate target audiences in *your* community. Of course, the most important feature of any marketing plan and, in particular, one for a new program is flexibility. Your marketing plan, therefore, should be comprehensive but adaptable to changes in your BCRLF's market.

 **This guide is offered by EPA to help your BCRLF**

- **Develop a marketing plan**
- **Convey your BCRLF's key selling points**
- **Reach your BCRLF's target audience**

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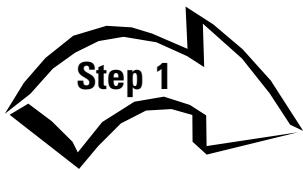
### Key BCRLF Selling Points

- Reduced interest rates
  - Flexible repayment terms and loan amortization
  - Flexibility in acceptable forms of collateral
  - Simple application
  - Quick loan application review
  - Low transaction costs
  - Low or no processing fees
  - Ability to leverage Federal financial involvement to attract other sources of funding
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# Introduction to BCRLF Marketing

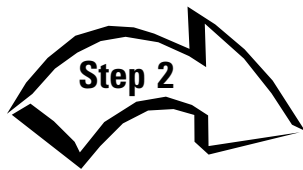
## Four Steps to Successful Marketing

This guide is organized into four chapters, each covering a distinct step in the marketing process. The marketing steps are: (1) identification of potential borrowers; (2) development of a loan program; (3) outreach and communication to potential borrowers regarding BCRLF financing; and (4) execution of loans and on-going support (marketing does not end with the sale).



### Market Research

- Defining Your Market
- Positioning a BCRLF Loan in a Redevelopment Financing Package



### Product & Program Development

- Developing Loan Products
- Structuring Your Program
- Integrating Services
- Building Staff Skills & Awareness



### Selling the BCRLF

- Identifying Target Audience
- Developing Outreach Approaches
- Marketing to Interested Borrowers
- Maximizing the Effectiveness of Communications



### Loan Closing and Support

- Key Ingredients of a Successful Loan
- Understanding How Loans Can Fall Apart

The guide also includes a concluding chapter and an appendix. The final chapter discusses how working through the four substantive chapters of this guide can assist in preparing and implementing a marketing plan for your BCRLF. The appendix lists organizations and agencies with which your BCRLF might establish partnerships as you pursue potential borrowers and develop your BCRLF program.

### Key Elements of Successful BCRLF Marketing

- Support and active involvement from elected officials (Mayor, Governor, legislature, etc.)
- Hands-on approach with potential borrowers
- Partnerships with other brownfields participants and resources
- Assistance from your EPA Regional brownfields office



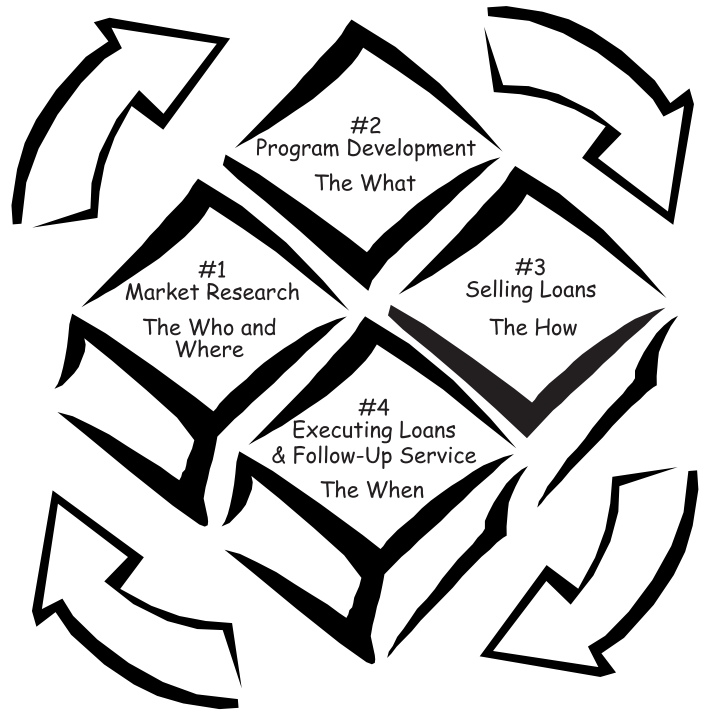
## Developing A Marketing Plan: Managing for Marketing Success

A marketing plan can help you organize and manage your BCRLF program. It spells out the who, what, where, when, and how of identifying borrowers and sites that could benefit from BCRLF financing. The four marketing steps introduced above and described later in this guide make up the four corners of your marketing plan. As you read through this guide, you can start to answer the implicit and explicit questions posed:

- **Who** needs BCRLF loans in my community – e.g., local community groups, regional organizations, national developers?
- **Where** are the properties and projects they are trying to redevelop – e.g., in my city, county, region, or state?
- **What** kind of loan will best meet their needs – e.g., what size, how long, at what rate?
- **How** do we inform potential customers about the BCRLF and how it can help them – e.g., with brochures, at conferences, on the web, face to face?
- **When** the deal is closed, what follow-up assistance and services are needed to ensure BCRLF loan requirements are met?

The answers to these questions will form the outline of your marketing plan. The plan does not have to be long. You can use bullets, checklists, flowcharts, and other shortcuts to keep it concise and focused. A good marketing plan 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, with details on how the BCRLF Pilot and other involved parties will work together.

A sample BCRLF Marketing Plan Table of Contents is provided on the next page. As you work through this guide, you can begin to develop your own marketing plan. This sample Table of Contents is meant to provide you with guidance for organizing the content of your marketing plan. Your BCRLF's marketing plan will be unique and you should adapt this sample outline to fit your BCRLF's specific marketing strategy.



**Sample BCRLF Marketing Plan  
Table of Contents**

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You should think of your marketing plan as a living document. Over the life of your BCRLF, you will revise your plan to make sure your marketing strategy is aligned with your market – i.e., level of demand for loans, level of knowledge about your program among potential borrowers and other interested parties, availability of other funding, target sites, economic dynamics, and political priorities. Your BCRLF’s success depends, in part, on your ability to recognize changes in the market and adjust your marketing plan accordingly. Periodic review of the four marketing steps throughout the life of your BCRLF will ensure that your marketing plan is geared to the continued success of your BCRLF.

# Step 1. Market Research: Understanding Your Marketplace

*The first step in marketing your BCRLF is to formulate a thorough understanding of the potential demand for your loan product or products and the potential ways a BCRLF loan can fit within an overall redevelopment financing package.*

Each BCRLF market is unique in its size and scope. Marketing objectives, therefore, must be specific to each BCRLF Pilot. Answering questions about your BCRLF's potential borrowers, eligible sites, and other sources of funding available to your borrowers will enable you to better understand the need for BCRLF financing. Some basic questions to ask about your market include:

- Who are the most likely borrowers?
- What sites are these potential borrowers working to clean up and redevelop?
- Which of these sites are eligible under the BCRLF Pilot criteria?
- What other eligible sites exist in the eligible area?
- What are desirable financing terms to eligible borrowers?
- What are available complementary funding sources for eligible projects?
- What is the BCRLF's niche relative to other financing sources?

Other factors that also may influence the demand for your BCRLF's loan products and services include geographic location, affiliation (i.e., a small town, a large city, a coalition of several municipalities, etc.), and the existence of other brownfield initiatives in the region.

There are several specific financing roles that your BCRLF can play within your market. Examples of these roles include the following:

- **Provider of short-term or bridge financing** – i.e., source of financing in the early stages of the cleanup and redevelopment process, repaid when long-term financing becomes available.
- **Provider of long-term patient capital** – i.e., source of financing over the entire project period, repaid some time after project completion and generally over a longer period.
- **Source of leveraging** – i.e., means to help project sponsor attract other funding or financing. Other sources of financial support may be more willing to provide assistance if the project has secured BCRLF support.

These financing roles are demonstrated at the conclusion of this chapter in brief descriptions of brownfield redevelopment projects.



## Market Research

- Defining Your Market
- Positioning a BCRLF Loan in a Redevelopment Financing Package

## Defining the Market for Your BCRLF



### Market Research

- **Defining Your Market**
- Positioning a BCRLF Loan in a Redevelopment Financing Package

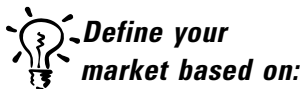
In its broadest form, the market for BCRLF loans includes all individuals, businesses, or organizations that engage in cleanup and redevelopment activities. To focus your marketing efforts, however, you will benefit from carefully defining your market. Thus, it is beneficial to market loans to potential borrowers that either already have an interest in a specific eligible site or are very likely to be interested in the eligible sites in your BCRLF's region.

Based on their development interests, potential borrowers will be attracted to different property types (in terms of size, access to infrastructure, geographic location, etc.). If your BCRLF operates at the state level, is a coalition of jurisdictions, or is a large municipality, your market area may have a diverse range of eligible sites. Alternatively, if your BCRLF covers a smaller, more targeted geographic area, your market area may have only a few small sites or one significant site eligible for BCRLF assistance. Working within the scope of your BCRLF, you can refine the target market for your loans.

### Identifying Potential Borrowers

Most potential BCRLF borrowers fall into one of the following categories:

- Local or national businesses expanding or relocating to your area
- Local private developers
- National developers
- Non-profit community development organizations
- Public and quasi-public entities



- **Types of potential borrowers and their financial needs**
- **Sites you are seeking to influence**

Identifying the categories of potential borrowers that exist in your particular area will involve some preliminary research, as described below.

### Expanding Businesses and Local Developers

By building relationships with local businesses and developers in your area, you will gain a sense of potential BCRLF borrowers. Even with a good list of candidate businesses and developers, however, you may only obtain limited information on development plans. In many instances, expanding businesses and developers do not like to share information regarding their interest in a particular site.

If you are unable to identify expanding businesses or local developers in your area, you may wish to meet with local commercial real estate agencies with knowledge of and relationships with local businesses and developers. You also may benefit from establishing contact with local trade organizations or the local chamber of commerce to develop leads.

## National Developers

Identifying national developers potentially interested in properties in your BCRLF region will likely involve more effort than that required to research local developers and businesses, but the potential payoff could be high. While national developers may not have local offices in your area, they still may be interested in your region's brownfields. Many national developers use local real estate agents to identify sites. A strategic approach, therefore, is to inform local real estate agents about your BCRLF, rather than attempting to contact national developers directly. Specialty brownfield development firms, however, may warrant direct contact. Sources of contacts for national developers include the following (also see Appendix for listings):

- Commercial realtor associations
- Bankers' associations
- Brownfield and land use organizations
- Developer associations
- Brownfield specialty firms – those that identify brownfield sites and form teams with environmental insurance carriers and law firms, remediation firms, local banks, and real estate brokers to acquire, remediate, and redevelop brownfield sites

## Not-for-Profit Organizations

Not-for-profit organizations with an interest in economic development and/or environmental improvement have fostered brownfields reuse around the country, and may be interested in doing so in your region. For example, the Chicago Association of Neighborhood Development Organizations would be a useful network for Chicago's BCRLF to identify potential borrowers.

Non-profits may support open space, parks, institutional uses (hospitals, universities, etc.), or other related amenities. Non-profit organizations also may be interested in assisting developers with sustainable or livable community land use plans through the cleanup phase. Such non-profits can be identified through a review of brownfield and smart growth journals and initiatives.

## Public and Quasi-Public Entities

Your own BCRLF's affiliated governmental unit or other public or quasi-public entities within your BCRLF region may themselves be potential borrowers.

Identifying interest from these entities is straightforward and may simply involve discussions with key elected officials and agency managers. It should be noted that a BCRLF Pilot *may* make "loans to itself" in limited circumstances. The appropriateness and substantive terms of such a transaction may require consultation with EPA.

## **Identifying Potential Sites**

Prior to choosing a site for redevelopment, developers consider site factors such as location, size, level of contamination, complexity, proximity to infrastructure, and surrounding development. As a result, successfully generating a BCRLF loan depends on: (1) whether a successful redevelopment plan can be developed for the site; and (2) whether your BCRLF can play an effective role in the overall financing plan.

To demonstrate the effect that site characteristics can have on your BCRLF's market, two simplistic scenarios are presented below. The first discusses the market for a small site and the second the market for a larger site.

### **Scenario 1: Role of BCRLF Financing for Small Site Cleanup**

When a small brownfield site is being considered for cleanup and redevelopment, your BCRLF should first identify the key actors who are considering implementing the project. For some sites, a developer may already own the site and be in search of financing. For other sites, potential borrowers might be expanding businesses or local developers. In either case, casting a wide net in search of a large national developer might be inefficient and counterproductive.

Attracting the interest of local businesses involves more than simply identifying those interested in expanding. Most small businesses, and perhaps some local developers, are likely to be unaware of the types of financing packages available for redeveloping brownfields. Therefore, approaching such potential BCRLF customers involves explaining the full range of financing possibilities, including your BCRLF.

Smaller businesses and local developers, however, have greater difficulty accessing capital. As a result, these potential borrowers are likely to find BCRLF loan benefits more enticing than larger developers or businesses.

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### **Potential Site Inventories**

- Sites assessed or targeted for assessment
  - Federal or State designated EZ/EC or priority investment areas
  - Sites using Federal funding (e.g., EPA, EDA Title IX, HUD CDBG or Section 108) or State assistance
  - Federal, State, or local designated brownfield tax incentive or abatement areas
  - Local development/planning office site inventories of economic development properties (e.g., industrial/business parks)
  - Local master plans or land use plans
  - Local tax delinquency announcements
  - Tax increment financing districts
  - Environmental health surveys
  - Relevant land surveys, geographic information systems, or databases
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### **A Case Example: Scott Peterson Meats – Chicago, IL**

Scott Peterson Meats wished to expand a Chicago plant by acquiring the adjacent property, demolishing the existing building, and constructing employee parking. The company, however, required City assistance for this transaction. The City paid for environmental investigation, cleanup, and demolition on the site, which was in Chicago's Brownfield Program. The site was then transferred to Scott Peterson Meats for a nominal fee. In return for the City's help, Scott Peterson Meats expanded its operations, investing over \$5 million in a new smokehouse and hiring 100 new employees from the surrounding area.

**Potential BCRLF Role.** Some cities may not have the resources to finance a site cleanup like Chicago did in this example. For these cities, BCRLF financing could offer an alternative for site cleanup financing.

*Source: Lessons from the Field: Unlocking Economic Potential with an Environmental Key. Northeast-Midwest Institute.*

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### **Scenario 2: Role of BCRLF Financing for Large Site Cleanup**

A larger site is more likely to be attractive to a national developer. National developers, generally, have more expertise and knowledge of financing and development options than local businesses or developers. Thus, large developers do not necessarily need a high level of interaction with BCRLF personnel to understand brownfields redevelopment issues. At the same time, such developers may be less likely to understand how to navigate State and local regulatory permitting requirements.

Although national developers may be more knowledgeable about financing arrangements than small businesses, redevelopment of a large site can be complicated. BCRLF staff should be prepared to offer relevant technical assistance or access to government entities that can provide the relevant help.

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### **A Case Example: Harbor Redevelopment Project – Stamford, CT**

Clearview Investment, Inc. is restoring a 15-acre site on Stamford's harbor. The project area includes the 3-acre Northeast Utilities Site and the 12-acre Hoffman Fuel Site. Clearview is developing the site into a residential waterfront community, Southfield Harbor. The development will include approximately 320 residential units and a marina facility with approximately 68 boat slips.

**BCRLF Role.** In 1999, EPA selected Stamford as a BCRLF Pilot. Subsequently, the Stamford BCRLF made its first loan to Clearview Investment, Inc. in the amount of \$250,000 to conduct brownfields cleanup on 3-acres of the site. The BCRLF loan is expected to leverage up to a \$50 million investment.

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## Developing Potential Loan Structures

As part of the market research phase, you also should work to understand the structure of financing borrowers in your market need. This means assessing the mix of loan terms, interest rates, and repayment structures that will be of most assistance to identified customers. The goal of meeting individual borrowers' financing needs must be balanced against the goal of optimizing your BCRLF's lending potential. To do this, you generally will want to create a structure that enables your BCRLF to maintain a body of funds that "revolves" using repayments to make new loans on an ongoing basis. Providing expansive interest subsidies and protracted repayment terms, or taking on higher risk borrowers, may compromise the revolving nature of the funds. Not doing so, of course, may not serve your borrowers' needs – thus the balancing act. This balance in loan structure characteristics is discussed below.

- **Loan Term.** Long-term financing may be necessary for some borrowers whose repayment source becomes available only when the project is completed. Other borrowers may be seeking short-term financing until they can obtain another form of long-term financing, or perhaps even a grant.
- **Interest Rate and Loan Fees.** Borrowers' sensitivity to interest rates and loan fees depends on their ability to access other forms of financing and their need for other flexibilities (e.g., acceptable forms of collateral, repayment terms, etc.) which your BCRLF can offer.
- **Repayment Terms.** Frequently, the repayment source for cleanup financing may not be available until construction is complete (e.g., via property lease payments). Thus, it is often beneficial to borrowers to have a delayed repayment start date. In some cases, however, other sources of repayment may be available and repayment can begin sooner.



# Positioning a BCRLF Loan within a Redevelopment Financing Package

A BCRLF loan can have a significant impact in a cleanup and redevelopment financing package. Factors that can influence the extent of the impact include loan size relative to total cleanup or redevelopment costs, loan timing, and characteristics of the project's other sources of funding. In some instances, even a small, well-positioned BCRLF loan can serve as a financing catalyst. In other projects, a larger BCRLF loan can fully finance cleanup, facilitating the redevelopment project and providing very interest savings for the borrower.

Redevelopment projects may require additional cleanup financing beyond what your BCRLF can provide. Redevelopment projects also will require financing for non-cleanup project phases, such as construction. Partnerships between your BCRLF and other funding and financing programs may be necessary to help a project secure additional cleanup financing as well as financing for redevelopment phases.

While a BCRLF loan may not always be able to finance 100 percent of a project's cleanup costs, even a small BCRLF loan can leverage other financing and therefore help to accelerate overall project completion. In addition, if your BCRLF offers subsidized interest rates, any amount of BCRLF financing will lower overall project costs. The greater the amount of cleanup costs financed through a BCRLF loan at subsidized interest rates, the lower the project's overall interest cost.

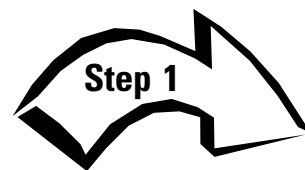
This section discusses other sources of funding and financing for redevelopment projects that your potential customers may find helpful in rounding out their redevelopment financing package. At the end of this chapter, a few sample redevelopment projects and their financial packages are offered as illustrations.

## Other Sources of Redevelopment Financing

BCRLF loans can be used for the cleanup portion of a redevelopment project. BCRLF loans cannot fund either site assessment or development costs. It is important, therefore, to work with borrowers to develop comprehensive cleanup and redevelopment financing plans. Cooperative relationships between your BCRLF and other financing sources will facilitate financing package development.

In addition to BCRLF loans, financing for brownfields cleanup can be provided by commercial banks, state and local economic development organizations, venture capital providers, corporations and individuals, Clean Water Act State Revolving Funds, and other State and local grant and loan programs. In most cases, these other sources of financing also may be able to fund the non-cleanup phases of a redevelopment project.

Examples of other funding sources are introduced below. An overview of commercial bank requirements and a comparison of these requirements to those of your BCRLF program also are provided.



## Market Research

- Defining Your Market
- **Positioning a BCRLF Loan in a Redevelopment Financing Package**

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## Other Sources of Financing

- Commercial banks
  - State and local economic development organizations
  - Venture capital
  - Corporations and individuals
  - Clean Water Act State Revolving Funds
  - Other state and local grant and loan programs
-



***By forming partnerships with other financing programs, you can best assist BCRLF borrowers in assembling their redevelopment financing packages and serve as the financing catalyst.***

## Public Financing Programs for Brownfields Cleanup and Redevelopment

The BCRLF Pilot program has been created in response to an identified gap in financing for brownfields cleanup. There are, however, some other sources of public funding and financing available for brownfields cleanup and redevelopment at the Federal, State, and local levels.

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### **Federal Sources of Brownfields Financing**

- US Department of Housing and Urban Development (HUD) grants from Brownfields Economic Development Initiative (BEDI) and Economic Development Initiative (EDI) programs, in conjunction with Section 108 Loan Guarantees (for more information, see [www.hud.gov/bfields](http://www.hud.gov/bfields))
  - HUD Community Development Block Grant (CDBG) funds (for more information, see [www.hud.gov/cpd/cdbg/deskuid.html](http://www.hud.gov/cpd/cdbg/deskuid.html))
  - US Department of Transportation (US DOT) funds, as long as cleanup is part of an eligible transportation project (for more information, see [www.fhwa.dot.gov/environment/](http://www.fhwa.dot.gov/environment/))
  - US Department of Commerce, Economic Development Administration (EDA) programs to address economically distressed communities (for more information, see [www.doc.gov/eda/html/prgttitle.htm](http://www.doc.gov/eda/html/prgttitle.htm))
- 

### **State and Local Sources of Brownfields Financing**

- State and local brownfields cleanup, economic development, or revitalization programs including grants, loans, or loan guarantees
  - State and local transportation funds
  - Clean Water Act State Revolving Fund (SRF) loans, which can finance brownfield cleanup projects where the objective of the cleanup is to protect or improve surface or groundwater quality
  - General obligation debt repaid by State or local general revenues
  - Revenue debt repaid by a revenue source dedicated to the project or a program of projects
-

## Commercial Financing Sources for Brownfields Cleanup and Redevelopment

Commercial loans can be used in conjunction with BCRLF loans. Generally, commercial lenders can provide larger amounts of capital than your BCRLF; and they may provide loans for any phase of a redevelopment project, not just cleanup.

### Issues to Consider When Comparing and Combining Financing Sources

A brownfield project may require a combination of financing from both public and commercial sources to be financially viable. Issues to consider in helping your potential borrowers mix and match financing sources include the following:

- **Use of loan funds.** Commercial lenders typically provide a loan that covers cleanup costs only in conjunction with construction of the redevelopment project. Moreover, commercial lenders do not generally market brownfield loans explicitly. Instead, they market their ability to provide construction loans to sites that may have environmental problems and may involve cleanup. Typically, commercial lenders will only provide financing to a redevelopment project after site assessments are complete and cleanup costs are quantified.
- **Financial requirements.** Commercial lenders base lending decisions on the relative profitability of loan transactions. Commercial lenders also base loan terms, such as interest rates and repayment schedules, on the borrower's financial strength and creditworthiness and market conditions. While BCRLFs must be managed in a financially prudent manner, profitability may not be a goal per se. Thus, your BCRLF is able to be more flexible than commercial lenders by simply requiring that transactions meet financial benchmarks that ensure financial prudence. Your BCRLF may offer subsidized interest rates and flexible repayment terms that will not compromise the financial integrity of the program.
- **Environmental requirements.** All lenders must ensure that the cleanup meets certain environmental requirements. Therefore, all borrowers, of both commercial and other public lenders and BCRLF Pilots, must adhere to Federal, State, and local environmental ordinances. In addition, all environmental response actions conducted under the BCRLF program must be conducted in accordance with the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and consistent with the National Oil and Hazardous Substances Pollution Contingency Plan (NCP) (see *Brownfields Cleanup Revolving Loan Fund Administrative Manual -EPA 500-B-98-001, May 1998-* for additional detail on environmental response requirements).

 **Commercial lenders do not typically provide loans solely for the cleanup phase of a redevelopment project.**

 **Your BCRLF is generally able to offer more flexible loan terms than commercial lenders, including longer repayment periods, lower interest rates, and a wider range of acceptable collateral.**

## Demonstration of Potential BCRLF Loan Positioning

Two examples of brownfield cleanup and redevelopment financing packages that include BCRLF loans follow. The first example includes a BCRLF loan made by Stamford, Connecticut. The second example describes a BCRLF loan made by Las Vegas, Nevada. Both examples show how a BCRLF loan can serve to facilitate a broader redevelopment financing package.

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### Stamford BCRLF Loan

- *Loan size:* \$250,000
- *Loan term:* 15 months
- *Interest rate:* 6%
- *Other financing:* private funds
- *Resulting redevelopment project:* Rental residential community of 327 apartments with waterfront public amenity access
- *Total cost of development:* Over \$50 million (100% private funds)

### Stamford, Connecticut BCRLF Loans

EPA selected the City of Stamford as a Brownfields Assessment Pilot in 1998 and as a BCRLF Pilot in 1999. EPA provided the City with \$500,000 to capitalize its BCRLF. In October 1999, Stamford's BCRLF made a loan to help clean up the Stamford Harbor waterfront property. The \$250,000 loan was awarded to Southfield Associates, through its managing member Clearview Investment Management. Funds will be used to clean a 3-acre parcel that is part of a 15-acre site on the west branch of Stamford Harbor in the Waterside Neighborhood. Over \$1 million in private funds will be used to clean the balance of the 15-acre site. The cleanup project will help to restore the harbor area to a major economic and recreational resource. The loan is secured by a first mortgage on the property. The term of the loan is 15 months at an interest rate of 6 percent. A 1 percent loan origination fee also was imposed.

### Las Vegas, Nevada BCRLF Loan

EPA selected the City of Las Vegas as a Brownfields Assessment Pilot in 1998 and as a BCRLF Pilot in 1999. EPA provided the City with \$500,000 to capitalize its BCRLF. The Las Vegas BCRLF awarded a cleanup loan to the State of Nevada's Redevelopment Agency in November 1999. The \$50,000 loan will finance cleanup of the former National Guard Armory site. The 4-acre site will be redeveloped to house a community and small business incubation center to encourage residents in the area to take charge of their neighborhoods. The \$50,000 loan leveraged \$7 million in municipal bond financing for project construction. The loan term is 2 years and the interest rate is 2 percent.

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### Las Vegas BCRLF Loan

- *Loan size:* \$50,000
  - *Loan term:* 24 months
  - *Interest rate:* 2%
  - *Other financing:* municipal bonds
  - *Resulting redevelopment project:* Community and small business incubation center
-



## Summary and Action Item: Determining Your BCRLF's Market Niche

The market for cleanup loans will vary in each BCRLF Pilot's region. A clear understanding of your market will pave the way for a successful BCRLF. Identification of potential borrowers, the sites they might develop, and the types of loans that would be useful to them will enable you to successfully promote your BCRLF. As you develop this understanding of your market, build a market profile of potential customers and their site and financing interests (as shown in the sample illustration below). Loans can then be marketed to potential borrowers that may already be interested in an eligible site, or are interested, more generally, in the eligible sites in your BCRLF's jurisdiction.

Identifying other sources of financing available to potential borrowers also is important in marketing your BCRLF loans. Knowledge of the availability and terms of the other financing sources will help determine how you can best structure your loan program to leverage these sources. Once gaps in financing are identified, you can position your BCRLF loans to most effectively meet borrowers' needs.

### Example Market Profile Worksheet

Market Profile								
Organization Name	Customer Type	Contact Name	Address	Phone	Site Location	Site Size (Acres)	Financing Needs	Timing of Project
Steinman Bros. Air Conditioners	Expanding manufacturer	Bob Steinman	200 W. Oak Street	333-222-4444	15th and S Streets	3	Short-term interim (or bridge) loan	Fall 2001
Smart Developers Inc.	Local developer	Sally Jeffers	300 N. Maple Street	333-222-5656	1st and F Streets	10	Low interest, long-term loan	Fall 2000
Green Growth	Non-profit environmental organization	Bill Curtis	100 Fitch Street	333-222-1234	102 Fitch Street	2	Interim loan	Spring 2001
Lawton, Inc.	Local business	Sam Lawton	222 East Avenue	333-222-1222	700 W. Oakdale Avenue	5	Short-term interim (or bridge) loan	Summer 2001

You should define your market niche based on information currently available and make changes as your BCRLF and its market grows. You also may wish to develop a research plan to build a more thorough understanding of other financing sources and resulting market gaps in your BCRLF area.

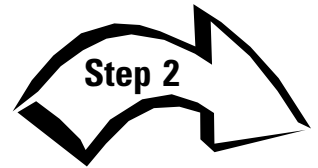


# Step 2. Product and Program Development: Creating a BCRLF that Meets Borrowers' Needs

*The second step in the marketing chain is product and program development. This includes both the development of loan features that meet borrowers' financing needs and the development of a comprehensive set of operating procedures that are responsive to the community's needs. Establishing loan instruments and program guidelines that meet the specific needs of your potential borrowers and your community is essential to a successful BCRLF.*

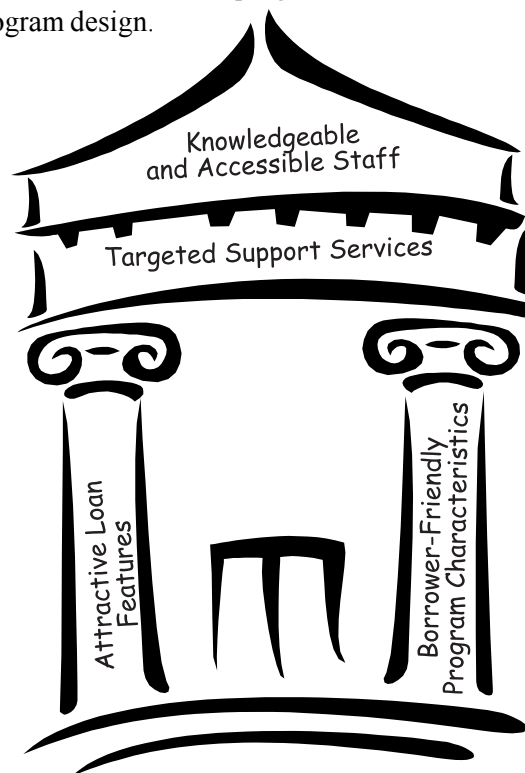
Your BCRLF must offer loan instruments and services that are responsive to borrowers' needs. Otherwise, even the most comprehensive marketing efforts will be unsuccessful. Once you have conducted preliminary market research, as discussed in Step 1 of this guide, you will be well-positioned to develop the details of your BCRLF program.

This chapter describes the building blocks of a marketable loan program. The pillars of a successful program are loan features and program services that appeal to your BCRLF's potential borrowers. You should consider these general features in the context of your own community's needs. Next, the chapter addresses the vital role of technical support in ??? out any loan program. Finally, this chapter discusses the importance of training BCRLF staff in marketing techniques and educating other relevant personnel about the basics of the BCRLF program. This is a vital marketing element to be factored into program design.

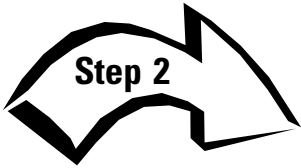


## Product & Program Development

- Developing Loan Products
- Structuring Your Program
- Integrating Services
- Building Staff Skills & Awareness



## Developing Loan Products: Addressing Borrower Needs



### Product & Program Development

- **Developing Loan Products**
- Structuring Your Program
- Integrating Services
- Building Staff Skills & Awareness

It is easy to market a loan product that directly addresses borrowers' needs and is easy to use. Your BCRLF's loan products are thus a defining feature of your loan program. The ability of your BCRLF to place loans with borrowers will be influenced by the loan product characteristics that you offer. Loan product characteristics that will define the market for your BCRLF include interest rates, repayment terms, minimum and maximum loan sizes, and eligible uses of loan funds.


The loan products that your BCRLF offers should enable you to meet your borrowers' needs while maintaining a healthy and financially prudent loan fund. Carefully-constructed loan product features, as described below, can help your marketing efforts.

#### Reduced Interest Rates

BCRLF loans may be made at below market rates, but not less than 0 percent. When determining interest rates for your loans, remember that lower rates will maximize borrowers' cost savings and overall project feasibility. Lower rates also will, however, result in smaller repayments and therefore less capital available for future loans. If demand for loans is relatively low, you may wish to lower interest rates to entice additional borrowers. If demand for loans is high, however, a less subsidized interest rate may be more feasible and permit you to maintain the level of your funds.

The method for determining interest rates should be stated clearly in your BCRLF's marketing materials. Following are several examples of how interest rates can be stated:

- As a fixed rate – e.g., 3 percent, 4 percent, etc.
- As a function of the prime rate – e.g., prime minus 2 percent, but not less than 0 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., 8 percent for 12-months, 6 percent for 24-months, 4 percent for 5 years, and so on

 **Simplicity and clarity are crucial to successful loan product development.**

#### Cost Savings as a Result of a Reduced Interest Rate

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

Regardless of the method your BCRLF uses to determine its interest rate, it is crucial to state your method simply and clearly.



## **Flexible Repayment Terms**

Offering flexible repayment terms will support your marketing efforts. For example, repayment start dates may be extended until redevelopment is complete. EPA expects sound judgement and prudent practices to be utilized in setting repayment terms. The BCRLF program does not, however, have specific requirements for repayment start date or length. Similarly, amortization schedules may be extended to allow for low monthly payments.

## **Minimum and Maximum Loan Size**

Offering loan amounts that meet potential borrowers' needs is critical to a successful program. EPA does not impose limits on the loan sizes offered by Pilots. While offering small loans may require additional administrative resources, it may help stretch BCRLF resources to the greatest benefit. In some instances, offering large loans – even 100 percent of your loan pool to one borrower – may be the most effective use of your loan funds. This decision and how it is communicated in your marketing materials can have a major impact on the success of your program.

## **Broadly Defined Eligible Uses**

BCRLF funds have been designated for cleanup activities. These activities can be summarized as actions associated with: removing, mitigating, or preventing the release or threat of a release of a hazardous substance, pollutant, or contaminant; site monitoring activities; and meeting public participation, work health and safety, and interagency requirements.

In addition to cleanup activities, your BCRLF may allow borrowers to use a portion of loan funds for administrative costs. Based on EPA's guidelines, your BCRLF may allow borrowers to use up to 10 percent of borrowed funds for such costs.

You also may allow borrowers to use BCRLF funds to purchase insurance, including environmental insurance. The cost of insurance is not counted against the borrower's 10 percent limit on administrative funds.

Enabling borrowers to use loan funds for administrative costs and insurance will increase the appeal of your loan product to some potential borrowers.

## Structuring Your Loan Program: Make it Simple and Appealing



### Product & Program Development

- Developing Loan Products
- **Structuring Your Program**
- Integrating Services
- Building Staff Skills & Awareness

Offering a comprehensive loan program with features that are appealing to borrowers' financial needs will help your marketing efforts. Your BCRLF program structure should make borrowing funds as simple as possible. Regardless of the advantages of your BCRLF's loan products such as low interest rates and flexible repayment terms, borrowers may be discouraged from borrowing from your BCRLF if the process is overly burdensome or inaccessible.

Structuring and administering your loan program to meet customers' needs will encourage potential borrower's to utilize the loan fund. The loan program features described below can help your marketing efforts.

### User Friendly Application

Creating an easy-to-complete application form will help keep borrowers interested. While keeping it simple, the form should be as comprehensive as possible. This will help minimize the need to go back to the borrower for additional information, a process that can be frustrating to you and the borrower.

### Quick Loan Application Review


Reviewing applications quickly and providing applicants with an approximate time frame for review will help keep interested borrowers involved in the process. Keeping lines of communication open with applicants during the review process also is important. In addition, you should make sure that, once approved, loans can be disbursed as quickly as possible. For a developer, timely receipt of funds can make the difference between project success and failure.

### Clearly Defined Record-Keeping and Reporting Requirements

Establishing a record-keeping and reporting framework for borrowers that is easy to understand is vital to the success of your program. A record-keeping regimen that is unclear or disorganized will make it more difficult to market loans. Borrowers should document that they are meeting BCRLF program responsibilities in regular reports. Borrowers also must provide financial records on a regular basis to ensure basic accounting and control mechanisms are in place. Cooperative agreement recipients must maintain documentation for a minimum of 10 years after completion of the cleanup activity supported by each loan. *Please refer to the Brownfields Cleanup Revolving Loan Fund Administrative Manual (EPA 500-B-98-001, May 1998), for complete record-keeping and reporting requirements.*

### Flexibility in Acceptable Forms of Collateral

You may accept a wide range of loan collateral within financially sound practices. Examples of acceptable collateral include liens on the brownfield site, security interests in equipment, accounts, and personal guarantees. This flexibility will help in marketing your loan product.

 **Structure and administer your BCRLF program to meet customers' needs.**

# Integrating Loan Program with Other Services

Your BCRLF’s market reach can be expanded by offering or facilitating access to related brownfield redevelopment services. These services can be offered directly by your BCRLF or via cooperative relationships with related agencies, such as local centers for economic development which may already provide such services. Services may include the following:

- Technical assistance
- One-stop shopping
- Environmental clearinghouse

## Technical Assistance

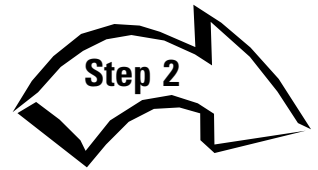
Borrowers are likely to need assistance with the loan application, loan agreement development, and other financing-related processes for the cleanup and redevelopment project. BCRLF staff should make themselves available to potential borrowers for one-on-one discussions and assistance in filling out applications and other paperwork. If your BCRLF does not have the staff resources to provide such hands-on assistance, you may choose to arrange for technical assistance to be provided through supporting organizations.

Examples of needed assistance include help with completing the BCRLF application, identifying and obtaining additional financing, and identifying and securing repayment sources. For example, Pennsylvania’s State Drinking Water Revolving Fund program meets with applicants to help them through the application process. In addition, several states, including New Hampshire, have made arrangements with state rural assistance providers to have their travelling representatives assist potential borrowers. Similarly, your BCRLF could establish partnerships to provide technical assistance to potential borrowers with local economic development centers.

## One-Stop Shopping


Your BCRLF can be integrated with other brownfields, economic development, and planning initiatives. This integration can provide borrowers with access to business assistance, as well as information on environmental regulations, legal obligations, local planning initiatives, and other brownfield redevelopment incentive programs.

Given the wide variety of potential borrowers, it is impossible to predict and be able to address all of their individual needs. It is beneficial, however, to have as many technical assistance tools in your BCRLF’s “tool box” as possible. The more information and assistance that your BCRLF can access for your customers, the better able your program will be to meet their needs.



## Product & Program Development

- Developing Loan Products
- Structuring Your Program
- **Integrating Services**
- Building Staff Skills & Awareness

 ***Directly offer, or facilitate via cooperative relationships, services that support borrowers’ needs throughout the cleanup and redevelopment process.***

## **Environmental Clearinghouse**

Many states or regions have clearinghouses that serve as information repositories for environmental programs or activities. If your BCRLF region has one, you should be sure to provide clearinghouse staff with your BCRLF's marketing materials and program guidelines. If such an institution does not exist in your BCRLF's region, you might consider working with other interested organizations to establish this useful tool.

## Building Staff Skills and Awareness

Your BCRLF's staff should be properly trained in both program management and marketing techniques. Specifically, personnel should be trained in needed loan fund management and environmental cleanup program elements and in communication and marketing skills. In addition, relevant staff beyond those directly responsible for the BCRLF program should be educated about BCRLF program basics.

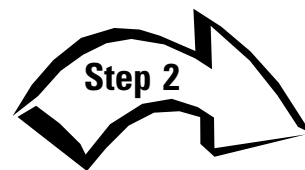
### The Direct Marketers – BCRLF Staff

BCRLF personnel who are marketing loans need exceptional communication and presentation skills as well as an in-depth understanding of the program. In many instances, personnel responsible for marketing will have many other responsibilities and will not be trained marketing professionals. As a result, you should work with staff to develop these skills. Staff could attend relevant workshops and seminars that are frequently offered at local colleges and through various professional organizations.

For example, the following two national-level organizations currently provide training and educational workshops for revolving loan fund managers:

- The Council of Infrastructure Financing Authorities (CIFA) holds an annual workshop that has some sessions relevant to BCRLF Pilots (the intended audience is water and wastewater State Revolving Fund managers). For further information, see [www.cifanet.org](http://www.cifanet.org).
- The National Association of Development Organizations (NADO) Research Foundation's Economic Development Finance Service offers training for RLF professionals. For further information, see [www.nado.org](http://www.nado.org).

Other relevant training for BCRLF staff may include marketing or public finance courses at local colleges.



### Product & Program Development

- Developing Loan Products
- Structuring Your Program
- Integrating Services
- **Building Staff Skills & Awareness**

 ***Provide staff with training to effectively manage and market the BCRLF.***

---

### Program Ambassadors

- Your BCRLF staff
  - Local business assistance centers
  - Federal, State, and local economic development organizations
  - State and local environmental agency personnel
  - Chambers of commerce
  - Commercial banks
-



***Work with your affiliated agencies and government officials to make the best use of your limited resources and offer as many cost saving measures and technical assistance services as feasible.***

### **The Indirect Marketers – Affiliated Agency Staff & Others**

It is important to go beyond the immediate program managers to create “program ambassadors” for your BCRLF. In addition to your BCRLF staff, all relevant agency staff should have a basic understanding of the program and its purpose. Staff within the BCRLF’s affiliated agency as well as staff throughout the State or local government (as applicable) should be provided basic program information. Even a minimal understanding of the program enables staff to refer others to the BCRLF and be extensions of the BCRLF’s direct personnel. Presentations at staff meetings, articles in the organization’s internal newsletter, and internal memoranda and e-mails can be used to provide a broad range of staff with the necessary level of information.

Other entities also can help your Pilot. Examples include local business assistance centers, economic development organizations, environmental agency personnel, chambers of commerce, and commercial banks. Providing these organizations with information on how your program can work with them to promote environmental cleanup and economic development will encourage them to refer potential borrowers to your BCRLF.



### **Summary and Action Item: Creating a Marketable Product**

The building blocks of a successful revolving loan fund program include attractive loan terms, streamlined loan application and implementation processes, support services, knowledgeable staff, and communication strategies to reach potential borrowers. The key to success is to maintain flexibility to meet specific borrowers’ needs while keeping the program simple and easy to access. It will be beneficial to work with your affiliated agencies and government officials to make the best use of your limited resources to offer cost saving measures and technical assistance services.

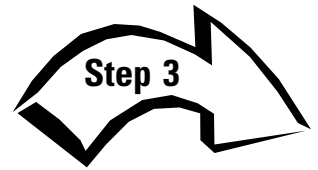
You should assess where you currently are in the process of developing your program. Then, you can consider what the needed next steps are to fully define your program and the resources needed to communicate this to your target audience.

# Step 3. Selling The BCRLF: Communicating Your Offering

*The third step in your marketing plan involves communicating the BCRLF offering to your target audience. Communicating the availability of BCRLF loans requires both broad outreach and targeted marketing to individual potential borrowers.*

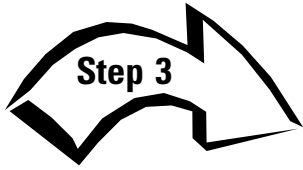
In thinking about marketing, the outreach and direct selling steps are often what first come to mind. For many, the term “marketing” conjures up visions of intensive advertising campaigns or coupon wars. It is not, however, until after the market research and product and program development steps are completed that outreach and sales can be undertaken effectively. Further, the outreach and sales step includes much more than advertising-type activities. At the right stage, a carefully crafted combination of outreach approaches and direct sales techniques will help you place loans with qualified borrowers.

Sample outreach and direct selling strategies are outlined in this chapter. To be effective, communications must be clear, concise, accurate, and timely. Care must be taken to choose the combination of strategies that will work best for your particular BCRLF. This chapter also describes techniques for maximizing the effectiveness of communications from your BCRLF.



## **Selling the BCRLF**

- Identifying Target Audience
- Developing Outreach Approaches
- Marketing to Interested Borrowers
- Maximizing the Effectiveness of Communications



## Selling the BCRLF

### • Identifying Target Audience

- Developing Outreach Approaches
- Marketing to Interested Borrowers
- Maximizing the Effectiveness of Communications

## Identifying Target Audience

The target audience for BCRLF marketing and outreach approaches should include not only potential borrowers but also others involved in the brownfields redevelopment process. The individuals can help identify potential borrowers and act as program ambassadors. Examples of these entities are listed below. It will be beneficial to develop your own Pilot-specific target audience list based on research conducted during Step 1 – Market Research.

### Public Officials and Agencies

Local and/or State political officials (especially those involved in ongoing community economic development efforts) are critical audiences to reach. These include:

- Governor
- Mayor
- Town council members
- Legislators

### Local and/or State Agency Representatives

Representatives from agencies currently involved or appropriate to be involved in brownfields cleanup and redevelopment efforts include those from the following State and local agencies:

- Commerce
- Economic development
- Community development
- Planning
- Housing
- Public works
- Natural resource/conservation
- Environmental protection

### Citizen and Community Groups

Program ambassadors can emerge from voluntary and community-based organizations, including:

- Neighborhood and civic organizations
- Community leaders
- Community members involved in ongoing economic development efforts
- Private land owners



## **Academic Institutions and Practitioners**

Researchers and practitioners in the fields of economic development, environmental site assessment, cleanup technologies, and community action can be important conduits to reach potential borrowers. Examples include:

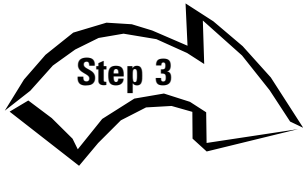
- University researchers and technical experts
- Associations and trade organizations
- Economic development associations and corporations
- Environmental organizations
- Consultants (e.g., environmental, real estate, land use, legal, engineering)

## **Business Interests**

Business representatives from within the community are target audiences – both as potential borrowers and program ambassadors. These include:

- Developers
- Real estate firms
- Local businesses
- Small- and minority-owned business developers
- Small and minority-owned business organizations
- Financial institutions (banks, credit unions, venture capital providers, etc.)
- Chambers of commerce
- Environmental insurance brokers and providers

# Developing Outreach Approaches




## Selling the BCRLF

- Identifying Target Audience
- **Developing Outreach Approaches**
- Marketing to Interested Borrowers
- Maximizing the Effectiveness of Communications

All outreach approaches should provide potential borrowers and other interested parties with basic information on your BCRLF program. Potential outreach approaches can be thought of as either print-based or people-based. *Print-based outreach approaches* can generally be defined as written materials that inform, educate, and market your BCRLF. Print-based outreach does not, on its own, include any person-to-person contact between your BCRLF's staff and potential borrowers or other interested parties.

Due to the complexity of the BCRLF program, printed material alone will not fulfill the outreach function single-handedly. Your BCRLF's staff should spend significant time with potential borrowers and other interested parties. Your program will likely receive a more favorable response to *people-based outreach approaches* than to printed information. The interactive nature of people-based outreach enables potential borrowers and other interested parties to ask questions and make significant progress along the "learning curve" associated with brownfields and, specifically, the BCRLF program.

Depending upon your BCRLF's market, the combination of people-based and print-based outreach approaches that you utilize will vary. If you have a small set of identified potential borrowers, you may rely more heavily on people-based outreach. You may conduct individual meetings or small workshops with potential borrowers. At these workshops and meetings, you can provide fact sheets, application materials, and program guidelines. With a small market, you will probably not do any significant mass mailings, advertising, or press releases to broad audiences.

 **Your BCRLF's staff should plan to spend significant time meeting in person with potential borrowers and other interested parties.**

Alternatively, if you are not certain who your potential borrowers may be, or if you have a large universe of potential customers, print-based approaches that reach a broad audience, combined with speaking at conferences and meetings, may be a good initial approach. This initial step will help to identify a more narrow set of potential borrowers with whom you will want to meet one-on-one.

For each general outreach approach, this chapter includes a general description, implementation instructions, a discussion of timing and frequency, advantages and disadvantages, and, if applicable, examples of use in other revolving loan fund programs.

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### Outreach Approaches Discussed in this Chapter

#### **Print-Based**

- Brochures
- Fact sheets
- Press releases/media coverage
- Newsletters
- Mass mailings
- Preliminary interest forms
- Advertisements
- Pilot and related web pages

#### **People-Based**

- Telephone calls
- Seminars and other meetings with interested parties
- Conferences
- Joint marketing with commercial lenders

## Brochures

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A brochure is a brief handout or flyer that describes the primary characteristics of the BCRLF and is distributed at seminars, conferences, and other meetings, or via mass or targeted mailings.



### Implementation Guidelines

- Capture reader's attention; be clear and brief; cover main program aspects
- Include program description, advantages/benefits, eligible borrowers, eligible sites, contact information, and a preliminary interest form
- Develop in an easily and inexpensively reproduced format (a high quality tri-fold brochure can be produced in-house on standard word processing/graphics software)
- Place an electronic version on the BCRLF's or affiliated organization's web site, if possible
- Distribute broadly at seminars, conferences, and via mailings

### Timing and Frequency

- Develop immediately following BCRLF award
- Use throughout the life of the BCRLF

### Advantages

- Quick and simple outreach method
- Provides the basics of how to apply for a loan
- Inexpensive development and reproduction (especially if done in-house)

### Disadvantages

- Some development costs (time and production), which increase with use of color and quality paper
- Lacks level of detail ultimately needed by a potential borrower

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### Sample Brochure Contents

- It's Easy To Use
  - Project Criteria
  - Typical Loan Terms
  - Who Is The Focus Of This Program?
  - Where Must My Property Be Located?
  - Why Does This Program Exist?
  - How Do I Learn More?
- 

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### Brochure Use in Other RLFs

Englewood, Colorado's brownfield assessment RLF distributes its brochure widely and posts it on their web site: [www.ci.engagewood.co.us/brownfields](http://www.ci.engagewood.co.us/brownfields)

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## Fact Sheets

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Fact sheets are single-sheet informative flyers that provide information on a single BCRLF topic or generally describe the overall program.

### Implementation Guidelines

- Discuss important or frequently misunderstood topics
- Prior to developing, clearly establish BCRLF guidelines (unclear requirements will make the reader shy away from the program)
- Write easy to read, to the point, and understandable text
- Develop in-house, if possible
- Make one-page in length, double-sided if necessary
- Distribute at meetings, seminars, conferences, and via mailings

### Timing and Frequency

- Develop immediately upon BCRLF guideline formulation and throughout BCRLF life
- Distribute as frequently as feasible

### Advantages

- Provides details on selected topics of importance
- Inexpensive production and mailing (especially if developed in-house and mailed as a tri-fold without an envelope)

### Disadvantages

- Limited level of detail
- Without follow-up meetings, does not address audience's questions – works best if used in conjunction with in-person outreach approaches

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#### Sample Fact Sheet Topics

- Program purpose & goals
  - Site and borrower eligibility requirements
  - Loan terms (repayment periods, interest rates, loan sizes, etc)
  - Case examples of successful loans
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#### Fact Sheet Use in Other RLFs

The New Hampshire Clean Water State Revolving Fund has developed a series of fact sheets. One of their fact sheets, entitled "How Difficult Can It Be," describes the steps taken in applying for a loan. Another, entitled "What is SRF," provides basic program information, such as purpose and major requirements.

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## Media Coverage

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This category of outreach strategies includes written statements to the media (i.e., press releases) or invitations to the media to BCRLF-sponsored seminars or forums.



### Implementation Guidelines

- Provide press releases to media (focus on local newspapers and business journals; television and radio will be less productive). First, provide notification of the new BCRLF and state the availability of cleanup loans. Future press releases can then provide detailed program information, information on loans made, or notification of successful cleanups
- Invite journalists to seminars, forums, and other meetings you sponsor
- Include BCRLF contact information in all media coverage

### Timing and Frequency

- Use throughout the life of the program, but particularly at program inception and key milestones
- Prepare press releases and encourage media coverage when activities warrant

### Advantages

- Low development costs
- Potential to reach a broad audience if picked up by the press

### Disadvantages

- May not be considered of broad enough interest carry
- Easy to overlook small clips of information in expansive newspaper sections
- Print media alone not effective for a topic with such a steep learning curve

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### **Anywhere, USA Establishes \$500,000 Loan Program for Brownfields Cleanup**

Anywhere, USA has \$500,000 available in loan funds for brownfields cleanup. Entities that encounter environmental contamination on a property should contact the program to inquire about the potential for cleanup financing. For more information contact John Brown, Anywhere, USA Brownfields Cleanup Revolving Loan Fund, 888-888-8888, [www.BCRLF.gov](http://www.BCRLF.gov).

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## Newsletters

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A newsletter is a document, of approximately four to eight pages, that provides information on the activities of the BCRLF, basic BCRLF programmatic information, and other relevant brownfield or development news. You can either develop a stand-alone BCRLF newsletter or add a BCRLF section to an existing broader brownfields or development newsletter.

### Implementation Guidelines

- Develop in a way that is easily reproduced
- Post on your own or an affiliated organization's web site

### Timing and Frequency

- Use throughout the life of the BCRLF (more appropriate for an established RLF with activities to report)
- Publish annually or semi-annually, unless activities warrant otherwise (there may not be sufficient information or funds to publish on a more frequent basis)
- Distribute as frequently as feasible throughout the year

### Advantages

- Provides a method for communicating with interested parties
- Provides examples of successful loans; shows BCRLF as a viable financing source

### Disadvantages

- Moderate costs associated with development, publishing, and distribution

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### Newsletter Use in Other RLFs

The New Hampshire Clean Water State Revolving Fund publishes a quarterly newsletter. For example, the Spring 1999 issue (about 6 pages in length) includes an update on the SRF's activities and a few articles of interest to its borrowers and other interested parties on legislative actions, new technologies, and progress of particular projects.

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## Mass Mailings

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Mass mailings are broad-based mailings to potential borrowers and other interested parties that include information on your BCRLF. Items to be mailed include those described earlier in this section, such as newsletters, fact sheets, and interest forms.



### Implementation Guidelines

- Include identified BCRLF target audience, in particular real estate professionals, developers, and businesses in the eligible area
- To keep expenses down, be brief (i.e., low weight) and provide appropriate level of information to each target audience
- Create as a letter, flyer, or brochure and include newsletter or preliminary interest form
- Provide enough information to capture the recipient's attention and encourage follow-up
- Obtain existing contact lists of potential borrowers or other interested parties (local centers for economic development and other associations may keep databases of businesses that can be queried for a specific business type)
- Complement with follow-up telephone calls and individual meetings

### Timing and Frequency

- Use throughout the life of the program

### Advantages

- Gets the word out about the program to broad audiences
- Cost relatively low (especially if done in-house or by volunteers)

### Disadvantages

- Can be easily overlooked by recipients in stacks of mail
- Due to the brevity, requires additional follow-up to provide a full understanding of the program

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#### Mass Mailing Use in Other RLFs

*The Rhode Island Clean Water Finance Agency* notifies all potential borrowers (in their case, municipalities) of newly available loans via mailings to:

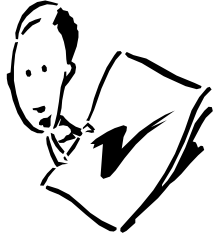
- Mayors
  - Town managers
  - Public works directors
  - Finance directors
- 

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#### Rochester, New York's Fee-For-Service Brownfield Assessment Program

Rochester's Brownfield Assessment Program maintains a database of community businesses as well as a targeted database of lawyers, accountants, environmental professionals, architects, etc. Through mailings, they inform firms of their program and provide contact information if they or their clients are interested. Rochester plans to use this marketing technique for their BCRLF program as well.

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## Preliminary Interest Forms

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A preliminary interest form is a short form requesting very basic information from a potential borrower and serves to solicit interest in the program. The form is not in any way part of an official loan application.

### Implementation Guidelines

- Request barely more than contact information
- Distribute within a BCRLF brochure and with other programmatic materials through mass mailings, conferences, seminars, or other meetings
- After receipt of a completed form, conduct follow-up phone calls, mailings, and meetings

### Timing and Frequency

- Use throughout the life of the Pilot
- Distribute as frequently as feasible

### Advantages

- Easy to develop and distribute
- Opens lines of communication with potential borrowers without requiring them to do a lot of work
- Since not a formal application, no official approvals from potential borrowers' governing agency needed

### Disadvantages

- Potential borrowers' apprehension about sharing information

***Interested in learning more about the  
Anywhere, USA  
Brownfield Cleanup Revolving Loan Fund?***

** BCRLF Preliminary Interest Form**

Name: \_\_\_\_\_

Company/Organization: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

e-mail: \_\_\_\_\_

Brief project description (optional): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Mail or fax to:  
John Brown  
Anywhere USA BCRLF  
100 West Street  
Brownfieldville, DC 99999

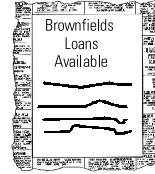
Fax: 999-999-9999  
Phone: 888-888-8888  
Web: [www.bcrf.gov](http://www.bcrf.gov)



## Advertisements

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An advertisement is an announcement or description of the availability of cleanup loans published in newspapers, trade journals, and other relevant publications.



### Implementation Guidelines

- Develop eye-catching, small advertisement to be placed in newspaper business sections or brownfields or development trade journals and publications
- Include a brief program description and BCRLF contact information
- If the cost of space is not prohibitive, include a preliminary interest form
- If possible, the advertisement should complement a press release or other BCRLF-related article in the same publication

### Timing and Frequency

- Use throughout the life of the BCRLF
- Given their cost relative to effectiveness, only use in appropriate publications when those publications have special issues generating significant attention

### Advantages

- If placed in appropriate publications, targets interested parties and encourages them to contact the BCRLF for more information
- Creates a general awareness of program availability

### Disadvantages

- Does not provide significant program details
- Can be costly relative to other approaches
- Can have a diffuse impact or miss the target audience if not properly targeted



## BCRLF Web Page

---

A BCRLF web page is a web site dedicated to your BCRLF and its activities. It can function either independently or through an affiliated organization's site.

### Implementation Guidelines

- Develop a web page for your BCRLF that includes the following information:
  - Program description, purpose, and benefits
  - Eligibility requirements for sites and borrowers
  - Preliminary interest form (that can be submitted electronically)
  - Application procedures and an actual application
  - Loan terms
  - Program materials (i.e., brochure, newsletter, fact sheets, guidelines)
  - Link to EPA's brownfields web site ([www.epa.gov/brownfields](http://www.epa.gov/brownfields)) and other relevant State or local government sites
  - Other potential sources of funding available to your borrowers, including contact information or links to relevant web pages and potential loan repayment sources
  - Potential sites, including a searchable directory of brownfields available for redevelopment, if possible
  - BCRLF contact information, including e-mail, for additional information
- Make accessible through a link on your BCRLF's affiliated agency's web site
- Place links to your BCRLF's web site on other web sites that developers and real estate professionals frequent (e.g., trade journal web sites)
- Include your web site address in all programmatic materials and outreach

### Timing and Frequency

- Develop as soon as program guidelines are formulated
- Maintain operational throughout life of the BCRLF
- Update on a regular basis to maintain usefulness

### Advantages

- Provides easy access to program information
- Inclusion of e-mail link/question form provides means to begin communications

### Disadvantages

- Costs associated with development and updates
- Access to and comfort with the internet not yet universal

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### Other RLF's Web Pages

Arizona's Highway Expansion and Extension Loan Program (HELP, a RLF for transportation projects) has a web site that provides annual and monthly reports, relevant legislation, and application packets. The web site is located at [www.dot.state.az.us/about/fms/help.htm](http://www.dot.state.az.us/about/fms/help.htm)

The city of Englewood Colorado's Brownfield Assessment RLF has a web site that provides program information such as a brochure, a loan application, and quarterly reports. The web site is located at [www.ci.engagewood.co.us/brownfields](http://www.ci.engagewood.co.us/brownfields).

## Telephone Calls

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Telephone calls are a means of establishing personal contact with potential borrowers and other interested parties to discuss the BCRLF.

### Implementation Guidelines

- Call entities and individuals who have expressed interest in the program or have already been informed (even if only at a basic level) about the program
- Use as follow-up to seminars, conferences, meetings, and mass mailings
- Call to solicit interest, inform potential borrowers about the program, or research sites that may benefit from BCRLF loans

### Timing and Frequency

- Use throughout the life of the BCRLF, in particular with lead time prior to application deadline
- Concentrate calls at times after the BCRLF has participated in conferences and seminars or after a mass mailing has been completed

### Advantages

- If phone calls target a selected group, time may be well spent

### Disadvantages

- Calling large numbers of potential borrowers is time-consuming with uncertain results
- Given learning curve associated with the program, difficult to provide comprehensive information in a single phone call

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### Use of Phone Calls in Other RLFs

Almost all RLF programs use phone calling to keep lines of communication open with existing borrowers and to follow up with potential borrowers and other interested parties that have expressed interest in the program. It is relatively rare, however, that an RLF program will “cold call” potential borrowers that have not expressed interest in the program via some other mechanism.

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## Seminars and Meetings with Interested Parties

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Seminars and other meetings are educational gatherings designed to inform potential borrowers and other interested groups about your BCRLF program. Meetings can range from moderate-sized groups to smaller or individual meetings.

### Implementation Guidelines

- Develop informative presentations on borrower eligibility, application procedures, how to combine BCRLF loans with other financing, and other BCRLF and brownfields redevelopment topics
- Give presentations to one type of group at a time; focus on that group's particular interests and needs (for instance, developers may require more details on application procedures while political officials need more general information to be able to refer potential borrowers to the BCRLF)
- Clearly describe the program, especially with respect to eligibility
- Use larger meetings to identify key people with whom you should have one-on-one meetings or telephone conversations

### Timing and Frequency

- Use throughout the life of the BCRLF
- Only hold when appropriate attendees can participate
- Avoid repetitiveness

### Advantages

- Enable significant amounts of information to be relayed, providing an opportunity to ask and answer specific questions
- Gives a face to the program, enabling a dialogue/relationship to develop

### Disadvantages

- Time and costs associated with developing a format and program for a seminar
- Individual meetings are time consuming

---

### Seminars in Other RLF's

Rochester, New York's *Fee-For-Service Assessment Program* conducts a seminar program on various brownfields related topics. Typically, someone from the Economic Development Office speaks, but they also invite outside speakers. Their seminars are about 1 hour in length.

*Michigan Department of Environmental Quality's Revitalization RLF* which provides loans for investigations, demolition and interim response activities provides an annual seminar on their program to a large audience to spread the word about available funding.

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## Conferences

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Conferences are knowledge-sharing events on specific topics that are often sponsored by government agencies or trade organizations. Many conferences relevant to BCRLF Pilots and brownfields exist.

### Implementation Guidelines

- Attend conferences frequented by potential borrowers and other interested parties
- Obtain a speaking role; use as an opportunity to address developers and other interested groups
- Staff a BCRLF exhibit booth

### Timing and Frequency

- Use throughout the life of the BCRLF
- Attend as many relevant conferences as feasible given travel, time, and budgetary constraints

### Advantages

- Reduced attendance costs for local conferences
- Speaker registration fees often waived
- Enables BCRLF staff to network and meet potential borrowers
- Via speaking roles, provides an opportunity to broadly get the word out about your BCRLF and to educate developers about the potential of sites in your area
- Distribution of fact sheets, program brochures, and applications enabled by staffed exhibit booths

### Disadvantages

- Travel required for some national or regional conferences
- Time-consuming if not targeted

---

### Conference Attendance and Participation by Other RLF's

New York State Clean Water State Revolving Fund personnel attend association conferences such as the New York State Conference of Mayors and the New York Association of Counties. They set up exhibit booths and consultant tables and plan to market their brownfield loans with more prominent displays.

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## Marketing with Commercial Lenders

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Commercial banks and credit unions can serve as an important source of borrower referrals for your BCRLF Pilot. Banks interact with developers and other project sponsors who are seeking to finance their projects and will know of instances for which a private financial package will be insufficient. Thus, developing and maintaining a relationship with commercial banks in the Pilot's region is essential.

A key message to provide to bankers is that your BCRLF complements and increases, rather than competes with, their business. Your BCRLF can help to generate new development projects that will depend on banks for the majority of the financing (see Chapter 1 for further discussion of combining BCRLF financing with bank financing).

Some activities that a BCRLF can use to involve banks in marketing its program are listed below.

- **Banker's conference.** Host a conference, one-day seminar, or roundtable for bankers. Topics can include both national and local brownfields and development issues, BCRLF program requirements and changes, and State and national legislative and programmatic updates.
- **Banker's reference book.** Develop a notebook that describes the BCRLF, which would include financial assistance offered, terms of assistance, and program services. Update and distribute to all area bankers annually.
- **Banker bulletin.** Prepare a newsletter and send to all banks in the BCRLF's region. The publication should be specifically targeted to bankers and feature detailed loan program information, helpful hints, and current information about banks in the region.
- **Display board.** Request permission to place a display board with BCRLF brochures in lobbies of area commercial banks with real estate clientele.
- **Bank visits.** BCRLF staff may wish to visit area bankers on a routine basis to respond to questions about the program and encourage bankers to make appropriate referrals to the BCRLF.

## Marketing to Interested Borrowers

Through a well-constructed outreach strategy made up of a combination of the outreach approaches described in the previous section, your BCRLF will effectively initiate communication with potential borrowers. Following initial contact, your BCRLF should follow through with individual meetings and phone calls. Meetings between BCRLF staff and each potential borrower are the cornerstone of one-on-one marketing and will help ensure that as many potential borrowers as possible and appropriate become loan recipients. This section builds on the outreach strategies described earlier and lays out the components of effective direct sales.

### One-on-One Meetings with Interested Borrowers

To “sell” a loan, you may need to conduct a series of meetings with each potential borrower who has expressed an interest in the program. These meetings serve as a forum to build relationships with borrowers and to discuss the ability of a BCRLF loan to assist them in their brownfields cleanup. Individual meetings can cover topics such as how to complete an application, other sources of financing potentially available, common sources of repayment, how to meet environmental, procurement, and legal requirements, and other relevant subjects applicable to each borrower.

Meetings enable a significant amount of information to be relayed. Your BCRLF can acquire a detailed understanding of the interested borrower’s needs and the borrower is provided with an opportunity to ask specific questions. Meetings, however, are fairly time-consuming. Make sure that each meeting is valuable by targeting truly interested borrowers and arriving fully-prepared.

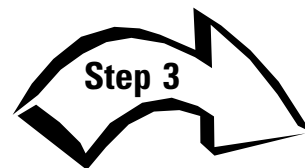
### Provision of Technical Assistance to Interested Borrowers

As part of Step 2 – Product and Program Development, your BCRLF will have decided what, if any, technical assistance you will provide to potential borrowers. As mentioned in that chapter of this guide, your BCRLF can provide technical assistance either directly or indirectly through partnering organizations. This section focuses on the forms of technical assistance that may be necessary to move a potential borrower through the loan application and project development process. The technical assistance described focuses on assisting the borrower through the process to loan agreement.

#### Loan Application Assistance

Many borrowers are less sophisticated in finance matters and environmental or other regulatory requirements than your BCRLF loan application demands. For instance, potential borrowers may not be familiar with financial agreements or standard government procedures. As a result, borrowers are likely to greatly appreciate your assistance.

Technical advice, reminders about deadlines, and meetings with potential borrowers (at their places of business, if possible) to discuss the BCRLF application process will help the applicant throughout the process. Such assistance with the application process could be essential in ensuring that a loan is made.



## Selling the BCRLF

- Identifying Target Audience
- Developing Outreach Approaches
- **Marketing to Interested Borrowers**
- Maximizing the Effectiveness of Communications

---

### Key BCRLF Selling Points

- Flexible repayment terms and loan amortization
  - Ability to use funds to purchase insurance
  - Flexibility in acceptable forms of collateral
  - Simple application
  - Quick loan application review
  - Low or no processing fees
  - Low transaction costs
  - Ability to leverage Federal financial involvement to attract other sources of capital
-

## Assistance with Financing Package

In many cases, borrowers will need to obtain financial support from many sources to implement a comprehensive redevelopment project. In some instances, a BCRLF loan may not cover all cleanup costs and further cleanup financing will need to be identified. In all cases, BCRLF funds are prohibited from financing non-cleanup related costs. Therefore, all construction financing must come from other sources. Potential complementary sources of financing may include the following:



***Potential borrowers are likely to need help in identifying and securing financing for other project elements and funding streams to repay all sources of financing.***

- Commercial bank loans and short-term commercial paper
- Payments by responsible parties or purchasers
- HUD Community Development Block Grant funds
- HUD grants from Brownfields Economic Development Initiative and Economic Development Initiative programs in conjunction with Section 108 loan guarantees
- State and Federal transportation funding/financing, including State Infrastructure Bank and federal credit programs
- Low income housing tax credits
- State-level revolving loan funds, including Clean Water Act and Drinking Water Act State Revolving Fund programs
- State financial incentives including tax credits, loans, and grants
- Local government loans, grants, and incentives
- Empowerment Zones and Enterprise Communities funding
- US Department of Agriculture programs
- US Department of Commerce Economic Development Administration programs
- General obligation bond proceeds
- Revenue bond proceeds
- Foundation grants
- Corporate and individual donations

## Assistance with Identifying Repayment Sources

In addition to other sources of up-front capital financing, your borrowers may need help identifying funding streams to repay the BCRLF loan as well as the other sources of financing. The identified repayment sources may be, but do not necessarily need to be, directly related to the project. Examples include the following:

- Sales revenue from resulting business
- Income from subsequent property sale
- Lease payments
- Tax increment financing revenues
- Long-term financing sources (with BCRLF as interim or bridge financing)
- State and Federal grants
- Foundation grants
- Corporate and individual donations



# Maximizing the Effectiveness of Communications

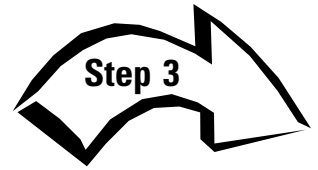
All communication from your BCRLF should be clear and understandable, encouraging interest in the program. This section outlines steps to ensure that all means of communication are consistent in content and clear in message. This section also discusses the importance of tracking communications with potential borrowers and other interested parties to ensure appropriate follow-up, which increases the likelihood of generating loans.

## Reviewing Marketing Materials

All BCRLF program materials and marketing tools should undergo a review prior to being released to the public. All materials should be checked for the following:

- ✓ **Consistency.** All materials should state program information consistently. Inconsistencies will cause confusion. Potential borrowers will not feel comfortable with the program.
- ✓ **Accuracy.** Materials must properly reflect your BCRLF's program requirements.
- ✓ **Clarity.** Materials must clearly state factual points so that statements are not misinterpreted.
- ✓ **Brevity.** Information in materials should be easy to read, brief, and to-the-point.
- ✓ **Attractiveness.** Materials should be in an attention-grabbing and graphically inviting format.
- ✓ **Identity.** Your BCRLF should have an identity that includes a name and perhaps a symbol that can be placed on all Pilot materials. This symbol or logo will improve recognition and awareness of the program throughout the community.

It also is important to remember that as your program develops and evolves, information on your program will need to be updated. Materials should be easily adapted to accommodate such changes.



## Selling the BCRLF

- Identifying Target Audience
- Developing Outreach Approaches
- Marketing to Interested Borrowers
- **Maximizing the Effectiveness of Communications**

 **-As your program evolves, you will need to update your marketing materials. Keep this required flexibility in mind in the development stage.**

## **Tracking Communications**

Over time, your BCRLF's staff will use various approaches to make contact with potential borrowers and other interested parties. It is important to track the success of each approach in generating loan agreements. This will help you make any needed adjustments in your communication strategy over time.

An easily updated database will be a critical tool for tracking your BCRLF's communications. The database should have fields for general contact information, dates of contact, substance of conversations, and interests and needs of the potential borrower. Your communications database can be developed with spreadsheet or database software, depending on the preferences of your staff and the anticipated level of data requirements.



## Summary and Action Item: Developing BCRLF Outreach and Direct Sales Strategies

It is important to choose the right outreach approach and marketing strategy for each audience you wish to reach. Every BCRLF serves a different community, each with its own complement of site types, cast of redevelopers, and institutional arrangements. The examples below offer illustrations of the development of a targeted program of outreach and direct sales strategies. You should build your own communication program once you have conducted the necessary market research and developed technical components of your BCRLF program.

---

### **BCRLF A – Brown City**

- Developed a communications plan and budget, with annual updates
  - Developed a brochure and a preliminary interest form
  - Developed relationships with local commercial banks and realtors by which they will refer developers to their program
  - Developed a fact sheet on eligibility requirements for borrowers and sites
  - Established links to the BCRLF's web site on Brown City's Department of Economic Development and Department of Environment web sites
  - Attends an annual conference sponsored by a local developers association, speaks on a brownfields panel, and sets up a booth with program materials
  - Places follow-up calls to contacts made at the conference and in response to completed preliminary interest forms received
- 

### **BCRLF B – State of Brownfields, Coalition with Industry City and Abandonment City**

- Developed a communications plan and budget, with semi-annual update
  - Developed a brochure and a preliminary interest form
  - Developed BCRLF section in Department of Economic Development's quarterly brownfields newsletter
  - Developed fact sheets on program purpose and eligibility
  - Developed web site
  - Attends conferences sponsored by realtor and developer associations
  - Conducts an annual mass mailing to realtors, developers, bankers, and businesses in the two coalition cities
  - Places follow-up phone calls to contacts made at the conferences as well as the recipients of the mass mailing
  - Conducts individual meetings, as appropriate
-



# Step 4. Loan Closing: Signing and Servicing Your Loans

*The final step in the BCRLF marketing chain is making and servicing a loan. Until a loan is actually made, the marketing process is not complete. Moreover, continued program marketing should continue throughout the life of a loan.*

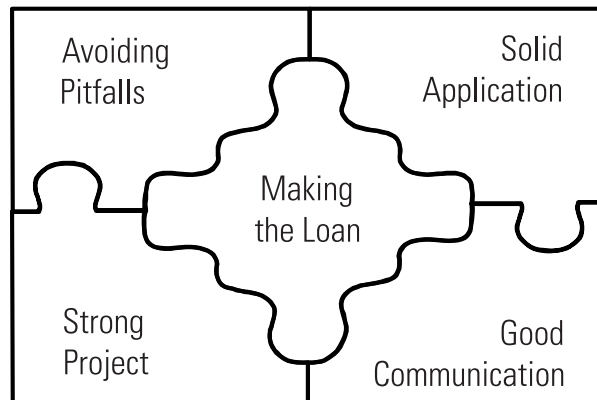
The marketing function at this stage is to ensure that the borrower is informed and in agreement with all loan terms and that the implementation of the loan runs smoothly.

Communication instruments that are critical to the deal-closing phase include: the loan application; the loan agreement and related documentation; and finally, fact sheets and publicity to announce the loan and the cleanup project, as appropriate.



## Loan Closing and Support

- Key Ingredients of a Successful Loan
- Understanding How Loans Can Fall Apart



---

### Components of Deal Closing

- Loan application
  - Closing schedule
  - Loan agreement and documentation
  - Escrow and loan servicing agreements, if necessary
-

## Key Ingredients of a Successful Loan



### Loan Closing and Support

- **Key Ingredients of a Successful Loan**
- Understanding How Loans Can Fall Apart

A loan is successfully closed when the borrower understands and concurs with all components of the loan agreement. Your BCRLF has direct control over a number of the key features of successful loan closings, as listed below. For those items over which you do not have direct control, your BCRLF can contribute ideas and technical support. Taking a hands-on approach with each potential borrower is essential at this stage. Clear and timely communications about your BCRLF program and the loan you and the borrower are negotiating will help ensure both a successful loan and a successful program.

Some key features of successful loans include the following:

- A strong cleanup and redevelopment project
- A borrower that has taken ownership of the process
- A hands-on approach by the BCRLF
- Clearly identified repayment sources
- Flexible loan terms that meet the borrower's specific needs
- Personal meeting(s) with the borrower quickly after loan application approval
- Discussion of all details of the loan terms and any conditions that may cause problems
- Identification of documentation necessary to properly close the loan
- A clearly articulated and adhered to timetable for loan closing

## Understanding How Loans Can Fall Apart

BCRLF loans can unravel or be delayed for numerous reasons. It is important to be aware of some of the more common danger signs and to take appropriate preventative steps. The two primary reasons that loans can fall apart during loan agreement development are described below. The first is outside the BCRLF's direct control and the second is only partially within your control.

For both, you can play a critical supporting role.

### **The brownfields redevelopment project does not move forward because:**

- 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 and/or control;
- The financial strength of the borrower deteriorates; and/or
- Proper zoning and clearances cannot be obtained.

### **Available financing (including BCRLF and other components of the financing package) does not meet the needs of the potential borrower because:**

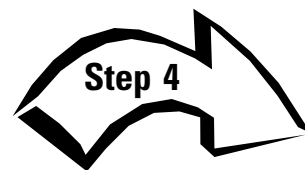
- Loan size is not adequate for cleanup costs and other funding or financing for cleanup is not attainable;
- Timing is too slow for needed project start date;
- Interest rate is too high and, therefore, costly to the overall redevelopment project; and/or
- Repayment terms do not accommodate anticipated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

While many of the causes for loan deal failure are beyond the direct control of your BCRLF, knowledge of what can go wrong can help you take some preventative measures. Providing borrowers with assistance to help save the project will help ensure successful cleanup and redevelopment occurs.



## **Summary and Action Item: Developing a Loan Closing Game Plan**

Following through on the details that lead to deal closing will ensure that a potential customer actually becomes a borrower. Working with your regional EPA brownfields office, as well as local, state, and other Federal officials throughout the process – especially in the development of loan documents – will greatly aid in implementing a successful deal. Developing pro forma loan documents and loan servicing agreements also can aid in the loan closing process. Finally, being aware of potential pitfalls and taking preventative measures to avoid such scenarios will help maximize the effectiveness of your deal closing process.



## **Loan Closing and Support**

- Key Ingredients of a Successful Loan
- **Understanding How Loans Can Fall Apart**



*While many of the causes for projects collapsing are beyond the control of the BCRLF, you often will be an important player to help borrowers get their deals back on track.*





# Retracing the Steps: Assembling Your BCRLF Marketing Plan

Following the four marketing steps described in this guide can take you through the development of your BCRLF marketing plan. As a summary, the steps are:

**Step 1. Market Research**, including identification of customers and sites, other sources of financing, and how to best position the BCRLF loan to meet financing needs in your market.

**Step 2. Product and Program Development**, or the development of loan features and program parameters and services to meet your market's needs.

**Step 3. Selling the BCRLF**, including development of a communications strategy comprised of general outreach approaches and direct selling techniques.

**Step 4. Loan Closing**, including the steps necessary to come to a loan agreement as well as the ongoing technical support and communications required.

Taking the actions suggested within each of these steps will help you both to develop a comprehensive and strategic marketing plan and to implement your program. Your marketing plan does not have to be extensive. Bullets, checklists, flowcharts, and other shortcuts can be used to keep it concise and focused (see sample Marketing Plan Table of Contents on the following page).

Over your BCRLF's life, you will undoubtedly revise your marketing plan. Your BCRLF's success depends, in part, on your ability to recognize changes in the market and adjust your marketing plan accordingly. Items to track to ensure your marketing plan is aligned with your market include:

- Overall demand for loans
- Eligible sites
- Availability of other funding
- Economic dynamics
- Political priorities
- Knowledge about your program among potential borrowers and other interested parties

Reviewing the four steps of marketing throughout the life of your BCRLF will ensure that your marketing plan contributes to the overall success of your BCRLF and related brownfields initiatives.



## Market Research

- Defining Your Market
- Positioning a BCRLF Loan in a Redevelopment Financing Package



## Product & Program Development

- Developing Loan Products
- Structuring Your Program
- Integrating Services
- Building Staff Skills & Awareness



## Selling the BCRLF

- Identifying Target Audience
- Developing Outreach Approaches
- Marketing to Interested Borrowers
- Maximizing the Effectiveness of Communications



## Loan Closing and Support

- Key Ingredients of a Successful Loan
- Understanding How Loans Can Fall Apart

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**Sample BCRLF Marketing Plan**  
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# Appendix:

## Marketing Partners and Resources

### EPA Regional Office BCRLF Coordinators and Regional Brownfields Home Pages

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#### Region 1 (CT, ME, MA, NH, RI, VT)

Lynne Jennings  
John F. Kennedy Federal Building  
One Congress Street, Suite 1100 (HIO)  
Boston, MA 02114-2023  
(p) 617-918-1210, (f) 617-918-1291,  
<http://www.epa.gov/region01/remed/brnflld/>

#### Region 2 (NJ, NY, PR, VI)

Larry D'Andrea  
290 Broadway, 18th Floor  
New York, NY 10007-1866  
(p) 212-637-4314, (f) 212-637-4360  
<http://www.epa.gov/r02earth/superfnd/brownfld/bfmainpg.htm>

#### Region 3 (DE, DC, MD, PA, VA, WV)

Sherry Gallagher  
1650 Arch Street  
Philadelphia, PA 19103-2029  
(p) 215-814-3211, (f) 215-814-3002  
<http://www.epa.gov/reg3hwmd/brownfld/hmpage1.htm>

#### Region 4 (AL, FL, GA, KY, MS, NC, SC, TN)

Wanda Jennings  
Atlanta Federal Center  
61 Forsyth Street  
Atlanta, GA 30303  
(p) 404-562-8682, (f) 404-562-8628  
<http://www.epa.gov/region4/wastepgs/brownfpgs/bf.htm>

#### Region 5 (IL, IN, MI, MN, OH, WI)

Deborah Orr  
77 West Jackson Boulevard (MC SE-4J)  
Chicago, IL 60604-3507  
(p) 312-886-7576, (f) 312-886-4071  
<http://www.epa.gov/R5Brownfields/>

#### Region 6 (AR, LA, NM, OK, TX)

Roger Hancock  
First Interstate Bank Tower at Fountain Place  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733  
(p) 214-665-6688, (f) 214-665-6660  
<http://www.epa.gov/earth1r6/6sf/bfpages/sfbfhome.htm>

#### Region 7 (IA, KS, MO, NE)

Debi Morey  
901 N 5th Street  
Kansas City, KS 66101-2728  
(p) 913-551-7593, (f) 913-551-7063  
<http://www.epa.gov/region07/specinit/brown/brownfields.htm>

#### Region 8 (CO, MT, ND, SD, UT, WY)

Tom Pike  
999 18th Street, Suite 500 (EPR)  
Denver, CO 80202-2405  
(p) 303-312-6982, (f) 303-820-5656  
<http://www.epa.gov/region08/cross/brown/brownf.html>

#### Region 9 (AZ, CA, HI, NV, AS, GU)

Scott Minor  
75 Hawthorne Street, SFD-1-1  
San Francisco, CA 94105  
(p) 415-744-1489, (f) 415-744-1796  
<http://www.epa.gov/region09/waste/brown/index.html>

#### Region 10 (AK, ID, OR, WA)

Timothy Brincefield  
1200 Sixth Avenue  
Seattle, WA 98101  
(p) 206-553-2100, (f) 206-553-0124  
<http://epainotes1.rtpnc.epa.gov:7777/r10/cleanup.nsf/webpage/Brownfields>

## National and Regional Bankers' Associations

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American Bankers Association  
(202) 663-5000  
<http://www.aba.com>

Independent Bankers Association of America  
(800) 422-7285  
<http://www.ibaa.org>

National Bankers Association  
(202) 588-5432  
<http://www.nationalbankers.org/>

Independent Community Bankers of America  
(202) 659-8111

America's Community Bankers  
(202) 857-3100  
<http://www.acbankers.org>

Community Bank League of New England  
(617) 542-0515  
<http://www.cblne.org>

Consumer Bankers Association  
(703) 276-1750  
<http://www.cbanet.org>

Bank Marketing Association  
(202) 663-5268  
<http://www.bmanet.org/>

## State Bankers' Associations

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Alabama Bankers Association  
(334) 834-1890  
<http://www.alabamabankers.org>

California Independent Bankers  
(909) 788-2265  
<http://www.cib.org>

Community Bankers Association of Alabama  
(334) 244-9456  
<http://www.cbaaonline.com>

Independent Bankers of Colorado  
(303) 832-2000  
<http://www.independentbankers.denver.co.us>

Alaska Mortgage Bankers Association  
(907) 277-0701  
<http://www.mortgagemag.com/guide/c004/c004540.htm>

Connecticut Bankers Association  
(860) 527-5161  
<http://www.ctbank.com>

Arizona Mortgage Bankers Association  
(602) 953-6151

Connecticut Community Bankers  
(860) 567-9401

Arkansas Bankers Association  
(501) 376-3741  
<http://www.arkbankers.org>

Delaware Bankers Association  
<http://www.debankers.com>

Arkansas Community Bankers  
(501) 525-1634  
<http://www.acbonline.org>

Florida Bankers Association  
(850) 224-2265  
<http://www.floridabankers.com>

California Bankers Association  
(415) 284-6999  
<http://www.calbankers.com>

Georgia Bankers Association  
(404) 522-1501  
<http://www.gabankers.com>

Community Bankers Association of Georgia  
(770) 541-4490 or (800) 648-8215  
<http://www.cbaofga.com/index.html>

Illinois Bankers Association  
<http://www.ilbanker.com>

Community Bankers Association of Illinois  
(217) 529-2265  
<http://www.cbai.com>

Indiana Bankers Association  
(317) 921-3135  
<http://www.inbankers.org>

Community Bankers Association of Indiana  
(317) 595-6810  
<http://www.cbai.org>

Iowa Bankers Association  
(515) 286-4300  
<http://www.iabankers.com>

Iowa Independent Bankers  
(515) 453-1495

Kansas Bankers Association  
(785) 232-3444  
<http://www.ink.org/public/kbank>

Community Bankers Association of Kansas  
(785) 271-1404

Kentucky Bankers Association  
(502) 582-2453  
<http://www.kybanks.com>

Community Bankers of Kentucky, Inc.  
(502) 584-9775

Community Bankers of Louisiana  
(225) 927-9022

Louisiana Bankers Association  
(225) 387-3282  
<http://www.lba.org>

Maine Bankers Association  
<http://www.mainebankers.com>

Maine Association of Community Banks  
(207) 791-8400

Maryland Bankers Association  
(410) 269-5977  
<http://www.mdbankers.com>

Massachusetts Bankers Association  
(617) 523-7595  
<http://www.massbankers.org>

Massachusetts Independent Bankers Association, Inc.  
(978) 465-5555

Michigan Bankers Association  
(517) 485-3600  
<http://www.mibankers.com>

Michigan Association of Community Banks  
(517) 336-4430

Minnesota Bankers Association  
(612) 835-3900  
<http://www2.minnbankcenter.org/mba/aboutmba.htm>

Independent Community Bankers of Minnesota  
(651) 687-9080

Missouri Bankers Association  
(573) 636-8151  
<http://www.mobankers.com>

Missouri Independent Bankers Association  
(816) 471-4404  
<http://www.miba.org>

Montana Bankers Association  
(406) 443-4121

Montana Independent Bankers  
(406) 449-3811

Nebraska Bankers Association  
(402) 474-1555  
<http://www.nebankers.org>

Nebraska Independent Bankers Association  
(402) 474-4662

Community Bankers Association of New Hampshire  
(603) 536-0001

Community Bankers Association of New Jersey  
(904) 850-9010

New Mexico Bankers Association  
(505) 822-7900  
<http://www.nmbankers.com>

Independent Community Bankers Association of  
New Mexico  
(505) 327-2151  
<http://www.icba.nm.org>

Independent Bankers Association of New York State  
(518) 436-4646

North Carolina Bankers Association  
(919) 781-7979  
<http://www.ncbankers.org>

Independent Community Banks of North Dakota  
(701) 258-7121  
<http://www.icbnd.com>

Ohio Bankers Association  
(614) 221-5121  
<http://www.obanet.com>

Community Bankers Association of Ohio  
(614) 846-8124  
<http://www.cbao.com>

Oklahoma Bankers Association  
(405) 424-5252  
<http://www.oba.com>

Community Bankers Association of Oklahoma  
(405) 524-4122

Oregon Bankers Association  
(503) 581-3522  
<http://www.oregonbankers.com>

Pennsylvania Bankers Association  
(717) 255-6900  
<http://www.pabanker.com>

Pennsylvania Association of Community Bankers  
(717) 231-7447  
<http://pafindit.com/pacb>

South Carolina Bankers Association  
(803) 779-0850  
<http://www.scbankers.org>

Independent Banks of South Carolina  
(803) 772-5354  
<http://www.ibsc.org>

Independent Community Bankers of South Dakota  
(605) 996-9329

Tennessee Bankers Association  
(615) 244-4871  
<http://tnbankers.org>

Independent Bankers Division of Tennessee Bankers  
Association  
(901) 795-4777

Texas Bankers Association  
(512) 472-8388  
<http://www.texasbankers.com>

Independent Bankers Association of Texas  
(512) 474-6889  
<http://www.ibat.org>

Utah Bankers Association  
<http://www.uba.org>

Vermont Bankers Association  
(802) 229-0341

Virginia Bankers Association  
(804) 819-4701  
<http://www.vabankers.org>

Virginia Association of Community Banks  
(804) 217-8250  
<http://www.vacb.org>

Washington Independent Community  
Bankers Association  
(425) 688-0495

West Virginia Bankers Association  
(304) 343-8838  
<http://www.wvbankers.org>

West Virginia Association of Community Bankers  
(304) 254-9822

Wisconsin Bankers Association  
(608) 441-1200  
<http://www.wisbank.com>

Community Bankers of Wisconsin  
(608) 833-4229  
<http://www.communitybankers.org>

Wyoming Bankers Association  
(307) 638-5008

## **Developer/Real Estate Associations**

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National Association of Industrial and Commercial  
Properties  
(617) 965-0100  
<http://www.naiopma.org>

American Industrial Real Estate Association  
(213) 687-8777  
<http://www.aira.com>

American Real Estate Society  
(216) 687-4732  
<http://www.aresnet.org>

American Real Estate & Urban Economics  
Association  
(812) 855-7794  
<http://www.areuea.org>

Counselors of Real Estate  
(312) 329-8427  
<http://www.cre.org>

International Development Research Council  
(770) 446-8955  
<http://www.idrc.org>

National Association of Realtors  
<http://www.areuea.org/nar.htm>  
Society of Industrial and Office Realtors  
(202) 737-1150  
<http://www.sior.com>

Women in Real Estate  
<http://www.hia.com/hia/wire/wi-home.html>

Associated Owners & Developers  
(703) 734-2397  
[http://www.tvontheweb.com/channels/construction/profdirectory/html/associated\\_owners\\_\\_\\_developers.html](http://www.tvontheweb.com/channels/construction/profdirectory/html/associated_owners___developers.html)

ICI World Real Estate Network:  
Industrial, Commercial, Network  
(877) 272-1721  
<http://www.iceworld.com/html/welcome.htm>

Developer/real estate directory  
<http://barrync.com/idx/svc.htm>

Vandema: Commercial Real Estate Resources  
<http://www.vandema.com/DirectoryFram.htm>

## **Brownfield and Land Use Associations**

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National Brownfields Association  
(847) 870-8208  
<http://www.brownfieldassociation.org>

Urban Land Institute  
(202) 624-7000  
<http://www.uli.org/indexJS.htm>

The Brownfields Non-Profits Network  
<http://www.brownfieldsnet.org/>

Center for Land Renewal  
(717) 230-9700

California Center for Land Recycling  
(415) 820-2080  
<http://www.cclr.org/>

Council for Urban Economic Development  
(202) 223-4735  
<http://www.cued.org/>

Northeast-Midwest Institute  
(202) 544-5200  
<http://www.nemw.org/>

The Trust for Public Land  
(415) 495-4014  
<http://www.igc.apc.org/tpl/>