

BROWNFIELDS REVOLVING LOAN FUND COALITION

PROGRAM OVERVIEW

The Brownfields Revolving Loan Fund Coalition (BFC) includes the City of Tallahassee (City), and the City of Tallahassee Community Redevelopment Agency (CRA). The BFC received a Brownfields Revolving Loan Fund grant (RLF) of \$1M to capitalize a loan program to address environmental contamination in the Tallahassee and surrounding area. The focus area is the Tallahassee Community Redevelopment Area: the Greater Frenchtown/Southside District and the Downtown District.

The overall economic development strategy of the City and CRA is to create a framework for the redevelopment and enhancement of selected areas of the central urban district. The purpose of the BFC program is to provide for the cleanup of environmental contamination within the redevelopment areas, with an initial emphasis on the Gaines Street Corridor (GSC), in an effort to enhance human health, environmental health, and the economic viability of the area. The RLF supports the objective of revitalizing the redevelopment areas and GSC by cleaning up eligible properties within the area and making them ready for reuse.

The BFC's plan for the use of the RLF grant funds is to work closely with property owners and private sector developers interested in redevelopment opportunities at petroleum- or hazardous substance-contaminated properties in the GSC that have a high degree of market potential for redevelopment. Despite the existing contamination, these brownfields sites have been recognized by local leaders as prime opportunities for redevelopment based upon their location, target market and return on investment potential.

One of Tallahassee's oldest areas, the Gaines Street Corridor is characterized as a low income, minority neighborhood with an existing rail corridor, warehousing and light industrial uses. Historic industrial uses include chemical warehousing, petroleum distribution centers, animal stockyards, and housing. Of the 465 individual parcels (under 265 separate ownerships) within the GSC's boundaries, 24 properties have been identified by state and local authorities as contaminated, and an additional 49 are perceived to be contaminated based on current or past land use. About 70 properties have remained vacant despite proximity to economic centers of downtown and the universities.

The overall goal of the CRA and City of Tallahassee is to promote this area as a mixed-use district, with multi-arts, retail and residential development. The successful redevelopment of this area depends largely on property owners and investors having a comfort level regarding cleanup needs and an understanding of potential remediation costs. Redevelopment of many environmentally stigmatized properties within the GSC will result in increased residential, commercial, and light industrial uses.

As part of the effort to promote the area as an mixed-use district, the BFC and others are in the process of evaluating market conditions for a variety of redevelopment projects, including a mid-sized conference center, hotel, educational opportunities, and retail, commercial and housing developments. Many of these developments will occur on properties that have some level of contamination. The CRA is promoting the brownfield revolving loan program as a key financial resource to developers seeking CRA financial assistance.

The RLF grant allows the BFC to subgrant or loan funds at competitive rates, to be used for the cleanup of environmental contamination. An RLF subgrant or loan can be a key component of project financing, assisting with readying properties for redevelopment. Projects or sites located outside of the focus area or outside the city limits of Tallahassee, as well as in the surrounding counties of Wakulla, Jefferson, Gadsden, Liberty and Franklin, will also be evaluated for loans and/or subgrants and may be approved with the consent of the U.S. Environmental Protection Agency. This gives the BFC the ability to assist nearby underserved communities that may have need of funds to implement cleanup activities they would otherwise not be able to conduct.

Eligible activities under the grant are generally limited to site cleanup efforts. Therefore, potential borrowers or subgrantees must have already conducted assessment activities to sufficiently identify the extent of contamination on their site.

The RLF is a five-year grant ending September 30, 2016. After that time, the BFC will continue to have use of those funds and any accrued program income for any brownfields purpose. The Tallahassee BFC has embarked upon an aggressive campaign to identify potential properties for funding, including reaching out to local stakeholders such as property owners, environmental consultants, developers and bankers.