

LEVERAGING VARIOUS FUNDING SOURCES

UNCOVERING ALL THE POSSIBILITIES

Maximizing Your Community's Funding Sources



View of dilapidated buildings looking northwest of former A.O. Smith Facility (2010)

The U.S. Environmental Protection Agency (EPA) encourages Brownfields Program's Revolving Loan Fund (RLF) cooperative agreement recipients (CARs) to leverage funds from various other sources for cleanup and revitalization of brownfield sites. Sources for leveraged funding include:

- **Federal**—Various federal agencies provide funding for redevelopment and economic growth, such as U.S. Department of Housing and Urban Development grants/loans, Economic Development Agency grants, and U.S. Department of Agriculture Rural Development grants.
- **State**—Many states set aside specific funds for the assessment and cleanup of brownfield sites.
- **Local government**—Numerous grants are available from county and city governments to help redevelop brownfields.

In addition, RLF CARs have successfully taken advantage of various other mechanisms to raise capital:

- **Tax credits**—Include federal and state tax credits that are available for redevelopment, such as historic, low-income housing, or New Market Tax Credits.
- **Tax increment financing**—Commonly used by the local governments to finance new redevelopment and infrastructure projects.
- **Local bonds**—Raise capital by floating general obligation bonds.

Each funding source comes with specific terms and conditions. Combining various funding sources can pose challenges. Some RLF CARs have successfully combined funding streams with similar terms and conditions.

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE

The Redevelopment Authority of the City of Milwaukee (RACM) received \$10.2 million in RLF funding from the EPA. The city uses these funds to assist eligible entities finance redevelopment projects in Milwaukee. RACM uses the Milwaukee Economic Development Corporation (MEDC) as their RLF fund manager. Below are examples of funded brownfield projects in Milwaukee.



View of Clock Shadow Building that houses multiple non-profit tenants

CLOCK SHADOW SITE CASE STUDY REPORT

The Clock Shadow site is a former scrapyard that was redeveloped into a commercial space. The project leveraged various funding sources for assessment, cleanup, and redevelopment:

- \$15,650 from an MEDC grant for site assessment.
- \$308,000 from a Milwaukee Metropolitan Sewage District grant for a Green Roof.
- \$30,000 from a Wisconsin Focus on Energy grant for energy efficiency.
- \$565,000 through an EPA RLF loan at 3.25% with a 7/20 term.
- Martin Luther King Economic Development Corporation, U.S. Department of Health and Human Services equity investment of \$500,000 and a grant of \$11,000.
- \$4.92 million from Equity Investors for redevelopment.
- \$1.18 million from tenant investments because long-term rents were below market rate.



View of the City of Milwaukee's Century City Business Park (2016)

CENTURY CITY INDUSTRIAL CENTER CASE STUDY REPORT

Eighty-four acres of industrial land were transformed into Milwaukee's newest eco-industrial district, which includes a 58-acre business park. The city invested \$26.5 million and leveraged another \$15 million. Other funding included:

- \$750,000 through a Milwaukee Area Workforce Investment Board grant for workforce training
- \$3.5 million in a loan from MEDC
- \$550,000 for site assessment from the state Department of Natural Resources
- \$850,000 to improve housing stock from the state Housing and Economic Development Authority
- \$4 million for assessment and cleanup, through an EPA RLF subgrant
- \$1 million for infrastructure and \$150,000 for economic development planning from the U.S. Department of Commerce's Economic Development Administration
- \$450,000 from U.S. Department of Housing and Urban Development's Economic Development Initiative for brownfield remediation and infrastructure
- \$7 million in New Market Tax Credit structure for redevelopment, demolition, and environmental remediation

For more information, contact:

David Misky, dmisky@milwaukee.gov

United States Environmental Protection Agency
Office of Land and Emergency Management (5105T)
EPA 560-F-17-228
October 2017
www.epa.gov/brownfields