

# Getting Your RLF Moving

## “Tips & Tricks”

UNTAME

YOUR

entrepreneurial

SPIRIT

Mission - Lead Great Falls economic development efforts to promote growth, diversification and the creation of high wage jobs.

- » Economic Development
- » Lending
- » Business Strategy

# Loan Programs

- » Brownfields Revolving Loan Fund
- » CDBG Revolving Loan Fund
- » Downtown Revolving Loan Fund
- » EDA Revolving Loan
- » Enterprise Loan Fund
- » Micro-business Loan Fund
- » SBA 504
- » SSBCI
- » USDA IRP Loan Fund

# GFDA Brownfields RLF Program

- » Awarded February 2006
- » First Project – April 2010

# Challenges

- » Lack of Knowledge
  - RLF Recipients
  - State DEQ
  - Community
  - Realtors
- » Risk of Unknown
  - Developers
  - Owners
  - Banks

# Successes

- » Mtn Mudd
- » Center For Mental Health Transition Center
- » Great Falls Food Bank
- » Easter Seals/Goodwill – 2 projects
- » Arvon Block Pub/Restaurant & Boutique Hotel

# Successes

- » Mtn Mudd Coffee Shop & Park
  - Type of Funding - Loan
  - Partners
    - Montana DEQ
    - Montana Petro Board
    - Property Owners
    - GFDA Brownfields Loan Fund
  - Loan Amount - \$250,307
  - Type of Clean Up – Petroleum (UST)

Before – Old Transmission Shop

After – Mtn Mudd Coffee Shop and Park





# Successes

- » Center For Mental Health Transition Center
  - Type of Funding – Grant
  - Grant Amount - \$23,400
  - Type of Clean Up – Asbestos Removal

# Successes

- » Great Falls Food Bank
  - Type of Funding – Grant
  - Grant Amount - \$38,312
  - Type of Clean Up – Asbestos & Other Hazardous Substances

# Successes

- » Easter Seals/Goodwill (Rocky Mtn) - 2 projects
  - Old Bank Building – Downtown Great Falls
    - Type of Funding – Grant
    - Grant Amount - \$350,000
    - Type of Clean Up – Hazardous Substances
  - 4400 Block
    - Type of Funding – Grant
    - Grant Amount - \$237,600
    - Type of Clean Up – Hazardous Substances (In Progress)

# Easter Seals/Goodwill – Old Bank Bldg

Before

After



# Successes

- » Arvon Block Pub/Restaurant & Boutique Hotel
  - Type of Funding – Loan
  - Partners
    - City of Great Falls
    - Business Improvement District
    - GFDA Lending & Brownfields RLF
    - Owners & Developers
  - Loan Amount - \$128,000
  - Type of Clean Up – Hazardous Substances
  - Leveraging – Historic Tax Credit, Tax Abatement, LEED Certification

# Arvon Block - Celtic Cowboy

Recently Opened - Pub  
& Restaurant

Coming  
Soon:  
Boutique  
Hotel



# Failures

- » Elmer's Site
- » West Bank Area
- » Rocky Mtn Building
- » Church Harris Bldg

# Take Aways...

## » Have Systems In Place

- Accounting
- Forms/Documents
- Set up QEP Pool
- Policies
  - Grant & Loan

## » Assemble a Team (Partners)

- Contacts
  - DEQ
  - Local Government/Business Professionals
  - Your EPA Region



# Take Aways...

## » Leverage Freebies

- Local T.V. & Radio Stations

- Newspaper Articles -

<http://www.greatfallsribune.com/videonetwork/3221794010001/Easter-Seals-Goodwill-revitalizes-two-buildings>

- Quotes from satisfied clients in Marketing Materials

## » Don't be afraid to "Think Outside The Box"



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**“Getting Your RLF Moving: From Set Up to Execution”**  
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## **Redevelopment Authority of the City of Milwaukee (RACM) Brownfield RLF Program**

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- Loans from Redevelopment Authority funded by EPA grants
- Reimburses borrower for environmental cleanup costs
- Loan size: \$200,000-\$1,250,000 available at 3.25%
- Flexible terms and maturity (e.g., interest-only period; 7 year terms; longer amortization)
- 20% Borrower match
- Fees – attorney loan document preparation fee (<\$5,000)

# RACM RLF Program Highlights:

Brownfield Project	Loan and/or Subgrant Amount	Projected Redevelopment Investment	Projected Jobs Created/ Retained	Acres Made Ready	Total Cleanup Cost	New Development
Solar Paints and Varnishes	\$760,000	\$1,400,000	65	6	\$900,000	Marshall Erecting
Milwaukee Road Shops	\$690,000	\$60,000,000	1,300	130	\$20,000,000	Menomonee Valley Industrial Center
Ampco Foundry	\$420,000	\$10,000,000	200	17	\$2,300,000	Stadium Business Park
Kramer International	\$650,000	\$6,500,000	213	1	\$812,000	Affordable Housing/Retail and Office
Stockyards	\$1,250,000	\$16,000,000	200	10	\$1,300,000	Ziegler Bence/Proven Direct -
Pfister & Vogel	\$1,100,000	\$175,000,000	90	8	\$7,900,000	Retail Space and The North End Condos
Aelco Foundries	\$500,000	\$5,000,000	55	3	\$1,500,000	National Headquarters/Office Space
5th and Cherry	\$550,000	n/a	n/a	1	\$862,000	MEDC-owned property to be sold for
Milwaukee Fix Project	\$565,000	\$7,500,000	20	1	\$765,000	Mixed use/commercial
Bay View Apartments	\$680,000	\$13,000,000	20	1	\$1,300,000	Affordable housing/commercial
Century City	\$700,000	\$34,500,000	700	84	\$18,185,000	Light Industrial/Commercial
The Brewery Works	\$1,250,000	\$26,000,000	600	2	\$18,185,000	Office building redevelopment
Park East Two	\$1,000,000	\$22,000,000	60	2	\$1,800,000	Mixed use/commercial
	<b>\$10,115,000</b>	<b>\$376,900,000</b>	<b>3,523</b>	<b>266</b>	<b>\$75,809,000</b>	



# Assembling a RLF Team:

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- **Fund Management:** Underwriting, lending, marketing, compliance and reporting oversight for RACM's RLF Program contracted through Milwaukee Economic Development Corporation (MEDC).
- **RACM real estate:** Assistance with identifying properties in need of environmental cleanup to make way for redevelopment.
- **Environmental cleanup:** RACM's Brownfield Team thoroughly vets and oversees the environmental cleanup of each project that receives a RLF loan. This team consists of staff members who are very familiar with applicable federal and state laws and programs. They perform complete environmental reviews of Phase I, Phase II reports, Remedial Action Plans, and prepare the Analysis of Brownfields Cleanup Analysis and Site Eligibility letters.
- **Grant management:** Administration, Reporting, Compliance handled by RACM's Finance Dept.
- **Davis Bacon compliance:** Reviewed by RACM Compliance Officer.
- **Loan documentation/closing:** Performed by MEDC's outside legal firm



## Marketing the RLF Fund:

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- RACM website:

<http://city.milwaukee.gov/DCD/BrownfieldsRedevelopment.htm>

- Brochures/marketing materials
- Neighborhood/Community Outreach meetings
- Business Breakfasts/Seminars
- Leverage other sources to provide pipeline for new projects

## Lending Process:

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- Step 1: Outreach/Communication (environmental eligibility, social/economic impact)
- Step 2: Application submittal/Underwriting (credit-worthiness)
- Step 3: RACM Board approval
- Step 4: Loan Closing
- Step 5: Loan Management/Servicing
- Step 6: Reporting, compliance



## Paul Davis Restoration: \$16 million total project investment

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- Demolition and new construction for company headquarters at former Aelco Foundry.
- Site was contaminated and developer incurred considerable environmental cleanup costs to redevelop the site
- RACM EPA Brownfields Revolving Loan Fund  

\$500,000	3.25%	7/20
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- Obstacles/Challenges faced



**Before**

 **PAUL DAVIS**



**After**

# Clock Shadow building: \$7.5 million total project investment

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- New construction for multi-tenant commercial/office and light manufacturing building
- Green building technologies throughout
- MEDC loan (\$175,000)
- MEDC SAG for assessment (\$15,650)
- RACM EPA Brownfields Revolving Loan Fund

\$565,000	3.25%	7/20
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- Obstacles/Challenges faced

# Clock Shadow Building 538 South 2<sup>nd</sup> Street



**Before**



**After**

## Lessons learned:

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- Start early! Have your team assembled BEFORE you apply.
- Tap into EPA Program Officer's knowledge and expertise
- Close 1 loan!
- Explain all Davis Bacon requirements ahead of time
- For disbursements/draws, explain the process and what is required AHEAD of time, and request segmenting MBE/WBE component at time of request
- Don't get discouraged: approx. 25% of all inquiries receive loans.

Contact:



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