Getting Your RLF Moving

“Tips & Tricks”
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
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

Coming Soon:
Boutique Hotel

Recently Opened - Pub & Restaurant
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
- 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”
February 12, 2014
Redevelopment Authority of the City of Milwaukee (RACM)
Brownfield RLF Program

- 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:

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

- **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:

• 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:

• 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

- 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
  
<table>
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<tr>
<th>Amount</th>
<th>Interest Rate</th>
<th>Term</th>
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<td>$500,000</td>
<td>3.25%</td>
<td>7/20</td>
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- Obstacles/Challenges faced
Clock Shadow building: $7.5 million total project investment

- 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

- Obstacles/Challenges faced
Clock Shadow Building
538 South 2nd Street

Before

After
Lessons learned:

• 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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tracy.luber@medconline.com