

What is the Brownfields Cleanup Revolving Loan Fund?

The Brownfields Cleanup Revolving Loan Fund (BCRLF) is available to finance environmental cleanup and removal activities at Brownfields sites across South Carolina. For non-profit and governmental borrowers, 50% of a loan up to \$500,000 may be forgiven. For-profit borrowers may be eligible to receive these loans at below market interest rates.

The BCRLF is funded by a grant from the United States Environmental Protection Agency (EPA) to the South Carolina Department of Environmental Services (SC DES). The Catawba Regional Council of Governments (Catawba COG) is the fund manager for the program.

What are Brownfields?

Brownfields consist of any real property, the expansion, redevelopment, or reuse of which is complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. In addition to sites polluted by general industrial contamination, this definition includes relatively low risk petroleum sites, mine scarred lands, and sites that are contaminated by a controlled substance (i.e. drug labs). The definition excludes certain types of sites, including facilities listed or proposed for listing on the National Priorities List (i.e. Superfund Sites).

What can the Brownfields Cleanup Revolving Loan Fund be used for?

Use is for non-time critical removal actions which are referenced in a Voluntary Cleanup Contract (VCC) entered into by a prospective borrower and SC DES. Funds may be used toward costs associated with meeting any of the VCC requirements (see Cleanup Actions below), including the engineering evaluation and cost analysis of cleanup alternatives and all public participation requirements. Loan proceeds also may be used for site-monitoring activities that are reasonable and necessary during the cleanup process, as well as for environmental insurance costs.



Cleanup actions associated with removing, mitigating, or preventing the release or threat of a release of a hazardous substance, pollutant, or contaminant may include the following:

- Erecting fences, warning signs or other security or site control precautions.
- Installation of drainage controls.
- Stabilization of berms, dikes, impoundments, drainage or closing lagoons.
- Capping of contaminated soils (through a variety of measures, which may include re-paving or reconstruction).
- Using chemicals and other materials to retard the spread of a release or mitigate its effects.
- Excavation, consolidation, or removal of highly contaminated soils from drainage or other areas.
- Removals of drums, barrels, tanks, or other bulk containers that contain or may contain hazardous substances, pollutants, or contaminants.
- Containment, treatment, disposal or incineration of hazardous substances.
- Providing an alternative water supply where necessary to immediately reduce exposure from contaminated household water.
- Conducting site monitoring activities (including sampling and analysis) that are necessary during the cleanup process, or that determine the effectiveness of a cleanup.
- Costs associated with public participation, worker health and safety, and interagency coordination requirements.

BCRLF funds may not be used for the following:

- Site assessment, identification, and characterization.
- Cleanup of public or private drinking water supplies that have deteriorated through ordinary use.
- Monitoring and data collection necessary to apply for or comply with environmental permits under other Federal and State laws, unless the permit is required as a component of the cleanup action.
- Development activities that are not removal actions (e.g. construction of a new facility or marketing of property) or job training.

Note: Some eligible removal activity may consist of 'capping' (e.g. construction of a parking lot to cap contaminated soils).

Who can apply for a loan through the BCRLF?

In general, loans may be made to any eligible South Carolina entity (government, non-profit, or public and private parties) which is usually a site owner or a site developer who:

- Is authorized to enter into a loan agreement.
- On or before the date of acquiring property, carried out all appropriate inquiries to meet the definition of "innocent landowner."
- Is not using the funds to pay for response costs at a site for which they are potentially responsible parties as defined in Section 107 of CERCLA.
- Has signed a Voluntary Cleanup Contract (VCC) with SC DES.

Note: Sites that are listed or proposed for listing on the National Priorities List (i.e. Superfund Sites) or sites where a Federal or State agency is planning or conducting a response or enforcement action are not eligible for BCRLF funding.

Grants (alone or in conjunction with a BCRLF loan) may be available for an eligible non-profit or governmental entity. The grant must meet the need of a community that is unable to draw on other resources for cleanup and subsequent redevelopment. The property must be owned by the entity receiving the subgrant. Among considerations in making a decision on subgrant funds is whether the funds will help in creating jobs or in providing community benefits such as parks or green space for nonprofit purposes. The grant also must facilitate the reuse of existing infrastructure. Grantees are required to pay 20% of the cleanup costs out of their funds or provide in-kind services equal to at least 20%.

How much can be borrowed?

Amounts are negotiable; however, loans are generally limited to less than \$1 million per site/project/borrower.

What are typical loan terms?

Loans terms (interest rate, fees, and repayment term) vary and are determined based upon the following:

- Total risk of the project and financial stability of the borrower.
- Source(s) of repayment.
- Collateral available to secure the debt.
- Strength of secondary sources of repayment, including personal or corporate guarantees, if available.

How do I learn more?

Please call the Catawba Regional Council of Governments at (803) 327-9041 or email to crcog@catawbacog.org for more information and/or to request a loan application.

If a Voluntary Cleanup Contract has not been executed with SC DES on a contaminated site, please contact Robert Hodges at SC DES at 866-576-3432 (toll free) or via email at robert.hodges@des.sc.gov.

