

Local Brownfield Revolving Fund

The Troy Brownfield Redevelopment Authority established a Local Brownfield Revolving Fund to further promote the redevelopment of Brownfield sites located in the City of Troy. The Authority established the following terms and conditions to the Revolving Loan Fund in October 2006:

1. No grants shall be provided to an entity. Moneys in the Local Brownfield Revolving fund are limited to loans, where there is sufficient revenue to insure repayment of the loans.
2. The tax increment financing shall be collected only for a maximum period of five years after the time that the tax increment revenues are equal to the amount of eligible expenses paid pursuant to an approved Brownfield plan.
3. Loan proceeds can only be used for eligible expenses for eligible properties, as defined within the Brownfield Redevelopment Authority Act.
4. An application should be submitted for any request for a loan. The application must detail the site assessment activities completed to date. The application must also describe the overall Brownfield project, and how the loan funding would advance the project goals.
5. Complete applications must either be approved or denied within 90 days of the date of submission to the Authority, unless a longer time is agreed to by the applicant and the BRA.
6. All applicants must have completed Phase I and Phase II site assessment in order to qualify for a revolving loan fund. The fund may not be used to complete a Phase I and Phase II site assessment.
7. A Loan Agreement shall be executed prior to the payment of any loan from the fund.
8. The interest in the loan shall not exceed the interest rate collected by the City in special assessments.
9. The extent of the applicant's contribution to environmental contamination on the property will be considered. A property that is subject to a unilateral administrative order, consent or judicial decree under CERCLA shall not qualify for a revolving loan fund.

10. Each loan shall not exceed \$1,000,000.
11. The repayment term for each loan shall not exceed 7 years absent extraordinary circumstances.
12. The total amount of loans and grants received shall not be more than 100% of the total approved environmental project costs.
13. An amount not exceeding 10% of the total loan can be used for administrative purposes, including but not limited to attorney fees, permit fees, BRA fees.
14. In multi-phase projects, loans should be distributed only on a phase-by-phase basis.
15. Tax increment financing from an approved BRA Plan can be used to repay the revolving loan funds.
16. The BRA shall be afforded flexibility in the approval of collateral for the loan. Acceptable collateral can include security interest in accounts, liens on property, and/or personal guarantees, as long as the BRA is satisfied that the collateral is sufficient to insure payment of the loan.
17. The loan applicants shall be the owners of the property or persons with a substantial interest in the property where a brownfield is located.
18. The loan applicants shall disclose whether they are currently have been in the past, subject to any penalties resulting from environmental non-compliance.
19. In the event of a default, there shall be reasonable efforts to enforce the terms of the loan agreement, as permitted by law. The choice of remedies are at the option of the BRA, and include but are nor limited to: charging a penalty; proceeding against the assets pledged as collateral to cover losses to the loan; placing a lien on the property, and also recovering court costs and attorney feed necessarily incurred in enforcing the terms of the loan agreement.

20. The applicant must be compliant with federal, state, and local laws, and shall also be compliant with any court order, consent decree, or similar governing documents.
21. The loan recipients shall retain financial records including federal tax returns for a period of at least 3 years after repayment. These records shall document the use of the loan funds.
22. In accordance with the provisions of the City Charter, any BRA member or City officer or employee shall disclose and recuse themselves if they have any significant financial interest in, or benefit from, brownfield activities associated with the loan.
23. Loan applications must be current with all federal, state, and local tax obligations.
24. The MDEQ must approve a loan application where school tax increments are going to be used to fund eligible activities.
25. The school tax increment should be segregated from all other moneys received.

Attached is a copy of the Local Brownfield Revolving Fund Application. Please submit a completed application to the Brownfield Redevelopment Authority at:

Mark Adams, Secretary/Treasurer
Troy Brownfield Redevelopment Authority
500 West Big Beaver
Troy, Michigan 48084