

Industrial Sites Reuse Program & Business in Our Sites

PA Department of Community and Economic Development
Center for Business Financing

September 2011

Industrial Sites Reuse Program

• Purpose

- Provides funds for environmental assessment and remediation at sites where industrial activity was conducted prior to July of 1995.

• Eligible Applicants

- Municipalities, Municipal Authorities, Redevelopment Authorities, Non-profit economic development agencies, Private companies, real estate developers

• Eligible Uses of Funds

- Phase I, II, & III Environmental Assessments
- Remediation/Removal of Hazardous Substances

Industrial Sites Reuse Program

• Types of Assistance

Grants:

Environmental Assessments:

- Cities of the 1st, 2nd, 2A, or 3rd Class
- Targeted communities as designated by DCED

Environmental Remediation:

- Public or non-profit entity when owning the site

Loans:

- All eligible applicants for remediation & assessments

• Amount & Terms of Assistance

- 25% match required
- Up to \$200,000 for assessment
- Up to \$1 Million for remediation
- All Loans = 2% rate
- Loan Terms:
 - > 5 years = assessment loans
 - > 15 years = remediation loans

Industrial Sites Reuse Program

- **Since 1995**
 - Over 400 projects funded
 - \$99.7M awarded
 - 54 counties
- **Applying for ISR Program**
 - Submit Letter of Intent to DCED
 - DCED & DEP will review
 - Single Application forwarded to eligible applicant
 - DCED approves/disapproves project
 - Applicant is notified

Business in Our Sites Program

To provide financial assistance to municipalities and developers preparing sites for future use

- **Pennsylvania Business in Our Sites**
 - \$25 million available for loans
 - Acquisition and development of sites for future use by businesses, private developers, etc.
- **PennWorks**
 - \$13.5 million available for grants or loans
 - Water/sewer associated with a large site development project

Business in Our Sites Construction Loans

- **Eligible Applicants**
 - Municipalities, municipal authorities, redevelopment authorities, industrial development agencies, and private developers.
- **Eligible Projects**
 - Redevelops, reuses, or revitalizes a *previously utilized site (i.e. former industrial, commercial, military, mining, railroad or institutional site or building)* for future use by businesses or others; or *undeveloped sites* if development of the site is consistent with an existing comprehensive county/municipal plan zoned for such development.
 - All site development activities required to make a site "shovel ready" which will generate economic growth, revitalize a downtown, or strengthen the community that the proposed future use will increase employment opportunities.
- **Fund Limits**
 - No maximum or minimum
 - \$25 million total funds available for program

**Business in Our Sites
Construction Loans**

• Eligible Uses of Funds

- Acquisition of land and buildings, rights of way, and easements.
- Construction or rehabilitation of: storm water; sanitary sewer; water supply; energy facilities that generate or distribute power; transportation systems including on-site & off-site roads, signals, rail, port; gas, and communications infrastructure.
- Demolition of structures and removal of abandoned foundations, clearing and preparation of land.
- Environmental site assessment and remediation, related engineering, design, and inspection costs, signage, landscaping, street lighting, administrative costs and other related professional services.

**Business in Our Sites
Construction Loans**

• Ineligible Uses of Funds

- Fees for securing other financing, interest charges on borrowed funds.
- Tap-in-fees, unpaid taxes or municipal liens.
- Costs incurred prior to approval of loan.

• Requirements

- Loans will be "patient" – no repayment until first parcel is sold or leased.
- Repayment of loans shall not exceed 20 years.
- Interest rate: 2% or 3%
- Loans are to be secured by a mortgage lien on the project site.
- Applicant must provide proof that the county has been notified about the intended project.
- The intended reuse of a project site may not be residential.

**Business in Our Sites
Construction Loans**

• Since 2004

- \$302.9M awarded
- 54 projects
- \$1.13B private investment leveraged
- 11,293 jobs created

• Applying for BOS Program

- Submit a Single Application and required supplemental information to the Commonwealth Financing Authority.
- Deadline for submission is October 31, 2011.

• Questions

- Contact the Site Development Division at 717-720-1400 or e-mail: breckert@pa.gov
