



**City of Duluth**

## **Brownfield Revolving Loan Fund (BRLF)**

### **Program Guidelines**

Approved [April 20<sup>th</sup>, 2026]

Funded by the Environmental Protection Agency (EPA)

Cooperative Agreement # 4B01E01083

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# 1. Program Purpose & Overview

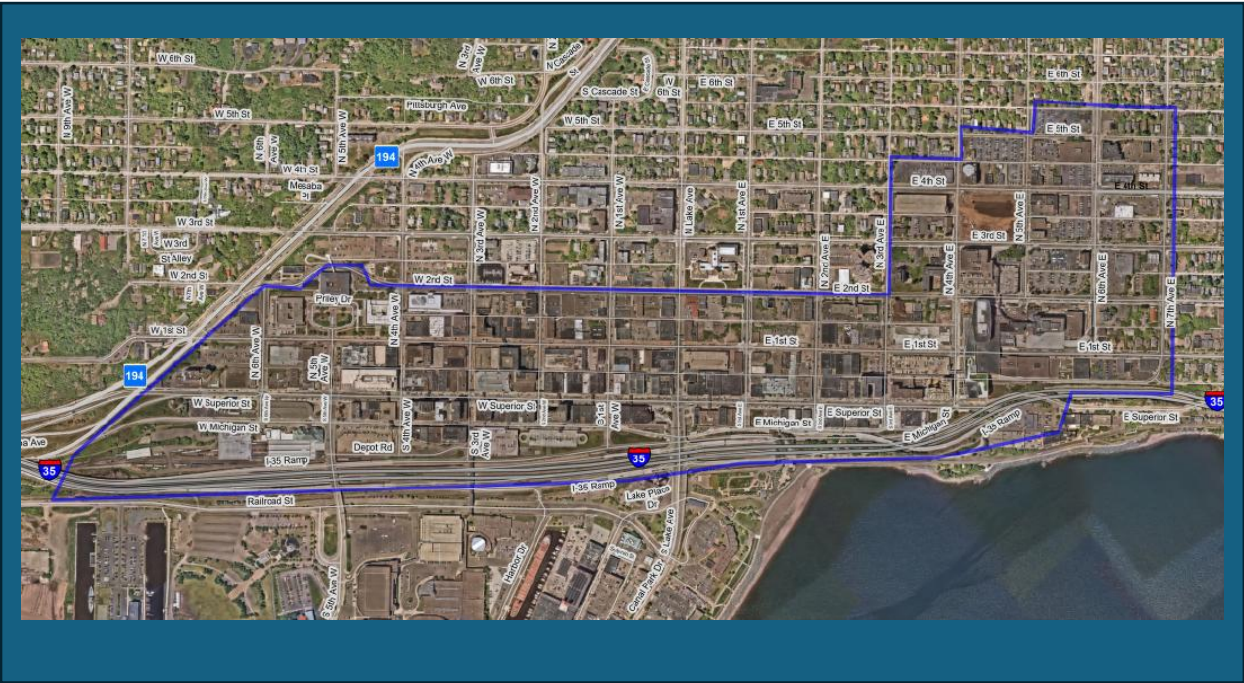
In 2022, the US Environmental Protection Agency awarded the City of Duluth a \$1,000,000 supplemental funding grant to reinvigorate its Brownfields Revolving Loan Fund (BLRF). The City of Duluth BRLF provides loans and subgrants to eligible entities to support the cleanup of hazardous substances and petroleum contamination at eligible brownfield sites within the City of Duluth. The program is authorized under CERCLA §104(k) and administered pursuant to the City’s cooperative agreement with the U.S. Environmental Protection Agency (EPA).

The RLF supports safe reuse and redevelopment consistent with *Imagine Duluth 2035*, including Core Investment Areas, housing, neighborhood stabilization, and protection of human health and the environment.

## Role of the City and QEP

The City of Duluth and its Qualified Environmental Professional (QEP) oversee program compliance with EPA and MPCA requirements. Applicants are responsible for retaining their own qualified environmental professionals (QEPs) to prepare site-specific technical documents, including Phase I/II ESAs, RAPs, ABCAs, QAPPs, and related materials. The City and Program Administrator do not act as the applicant’s environmental consultant and do not prepare technical cleanup documents on the applicant’s behalf.

While sites throughout the city limits of Duluth are eligible, priority will be given to sites within the target area mapped and described below:



## 2. Funding Offered

The BRLF provides:

- **Loans** to eligible public and private entities
- **Subgrants** to eligible public and nonprofit entities

Funds may only be used for EPA-approved cleanup activities.

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## 3. Applicant Eligibility

### 3.1 Loan Applicants

Prospective projects and borrowers are subject to EPA review and approval.

Eligible loan applicants include:

- Private entities or individuals
- Public entities and governmental units

Applicants must:

- Be legally authorized to incur debt
- Demonstrate financial capacity to repay the loan
- Be current on federal obligations (SAM.gov)

#### **Liability status**

- Property ownership is not required at application.
- If the applicant owns or operates the property during cleanup, the applicant must demonstrate an applicable CERCLA liability protection.

#### **Local Policy Priority**

The City prioritizes sites where the owner qualifies as a **Bona Fide Prospective Purchaser (BFPP)**.

Due to the complexity and documentation burden associated with Contiguous Property Owner (CPO) and Innocent Landowner (ILO) determinations, such sites will be considered **only on a case-by-case basis** and may require additional documentation and EPA concurrence.

Governmental entities may qualify for CERCLA liability exemptions (e.g., tax foreclosure or eminent domain acquisitions).

### 3.2 Subgrant Applicants

Eligible subgrantees include:

- State and local governments
- Tribes
- 501(c)(3) nonprofit organizations

Subgrantees must:

- Own the property at the time of award
- Retain ownership through completion of EPA-funded cleanup

For-profit entities are **not eligible** for subgrants.

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## 4. Site Eligibility

Sites must meet EPA's statutory definition of a brownfield and receive EPA eligibility approval.

**Ineligible sites include:**

- National Priorities List (NPL) sites
- Sites subject to certain federal enforcement actions
- Sites where the City or borrower is a potentially responsible party under CERCLA
- Federally owned property (with limited exceptions)

Historic preservation review (Section 106) is required for cleanup activities affecting structures built before 1946.

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## 5. Eligible Cleanup Activities & Costs

Eligible costs include EPA-approved cleanup actions necessary to address contamination, such as:

- Excavation and disposal
- Capping and containment
- Removal of drums, tanks, and contaminated soils

- Site controls and monitoring
- Environmental insurance
- Demolition or site preparation **only when directly tied to cleanup access or implementation**

Costs must be directly related to cleanup and approved by EPA.

**Ineligible costs include:**

- Site assessments (Phase I/II)
- General construction or redevelopment costs
- Fines, penalties, or lobbying
- Costs unrelated to cleanup

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## 6. Financial Terms

### Loans

- **Interest rate:** Fixed, up to 4.0%
- **Term:** Up to 20 years
- **Interest-only period:** Up to 24 months during active cleanup
- **Collateral:** Mortgage and other security as determined by underwriting
- **Match:** Minimum **20% non-federal cost share** (pursuant to CERCLA regulations enacted prior to 2023)

### Subgrants

- Award amounts determined case-by-case
- **Match:** Minimum **20% non-federal cost share**

### Loan Discounts / Principal Forgiveness

Available only to eligible nonprofit or governmental borrowers, subject to EPA approval and program caps.

## 7. Application Process

### Step 1 — Pre-Application

Applicants submit:

- MPCA-approved RAP or equivalent documentation
- Preliminary cleanup budget and match plan
- Redevelopment concept
- Duluth RLF Pre-Application Form

### Step 2 — Final Application (By Invitation)

Includes detailed financials, environmental documentation, redevelopment plans, and compliance materials.

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## 8. Selection & Approval

Projects are evaluated based on:

Cleanup Readiness and Regulatory Status	20 (20%)
Mitigation of Threats to Human Health & Environment	20 (20%)
Community Benefit and Planned Reuse	20 (20%)
Financial Feasibility and Leverage	15 (15%)
Developer Experience and Risk	15 (15%)
Programmatic Balance and RLF Sustainability	5 (5%)
Alignment with City Plans (Imagine Duluth 2035/Maxfield Housing Study)	5 (5%)
<b>TOTAL</b>	100

Final approval rests with the City's RLF Committee and EPA.

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## 9. Post-Award Requirements

Borrowers and subgrantees must comply with:

- EPA-approved ABCA
- Community Relations Plan and public meeting
- Davis-Bacon Act (where applicable)

- MPCA coordination and approvals
- EPA reporting and administrative record requirements