

BACKGROUND

The Environmental Remediation Fund provides low interest loans to support environmental remediation of petroleum contamination, specifically focusing on the Lower Schuylkill area of Philadelphia. The program is designed to help eligible property owners clean up contaminated properties and position them for new, high-quality development. Eligible borrowers must have full site control prior to application, as well as documentation of environmental conditions and a proposed remedial action plan. An approved remedial action plan is preferred. Eligible borrowers will also be required to demonstrate tax compliance and the absence of judicial or administrative orders at the time of application.

USES

Funds may be used for petroleum-related environmental remediation work, subject to the terms and conditions of the loan agreement. In projects involving multiple contaminants, Environmental Remediation Fund dollars may be used for the petroleum portion of the cleanup. Loan funds *may not* be used for Phase I or Phase II reports, construction/demolition not integral to cleanup activities, or the payment of penalties or fines.

FINANCING

PIDC Staff evaluates and underwrites each transaction and utilizes the most appropriate funding sources, which can vary with market conditions.

Loan Amount:	\$100,000 - \$750,000
Term:	3 – 10 Years
Equity:	Applicants are expected to make at least a 20% equity contribution
Interest Rate:	1%
Collateral:	All EPA Revolving Loans are secured with a primary or subordinate lien on the real estate to be remediated. Ability to support debt service must be demonstrated.

TIMING & PROCEDURE

Applications are accepted on a rolling basis and will be reviewed by PIDC staff for eligibility and feasibility. All loans must be approved by the PIDC Loan Committee, PAID Board of Directors and, if required, the U.S. Environmental Protection Agency. Following approval, PIDC will issue a commitment letter to the approved applicant. Settlement of the loan may occur once the terms of the commitment are satisfied. The loan funds are disbursed on either a pro rata basis with other debt sources or on a reimbursement basis supported by documentation of paid invoices. Documentation of all project expenditures is required.

FEES

Fees will vary with each transaction and may include:

- Application: \$500 nonrefundable fee, payable at time of application submission
- Origination: 1.5% of the financing amount provided, payable upon the client's acceptance of PIDC's commitment letter.
- Closing: Approximately \$500-\$3,750 depending on loan size (does not include third party costs such as appraisals, construction monitoring, and UCC filings)

Fees are subject to change. Please confirm all transaction fees with PIDC prior to application.