

# ANALYSIS

## Oregon Business Development Department Brownfields Revolving Loan Fund

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**Analyst:** Michelle Deister

**Request:** Approve the submission of a federal grant application to the U.S. Environmental Protection Agency, in the amount of \$1,000,000, to finance cleanup of hazardous substances on publicly or privately owned Brownfields sites.

**Analysis:** The Oregon Business Development Department (OBDD) administers a Brownfields Cleanup Fund program that offers low-interest loans and grant financing for the cleanup of polluted sites so they can be redeveloped. This program is supported by two existing Environmental Protection Agency grant awards. Over the past 20 years, the Department has received and awarded \$11 million. Funding through an additional grant award would recapitalize and augment the Brownfields Cleanup Fund, enabling OBDD to assist in financing a portion of \$8,000,000 in immediate demand for cleanup project financing in Oregon.

The grant application is due March 26, 2025, with grant awards expected to be announced by June 2025. No matching funds are required, and grant awards must be expended by September 30, 2027. If awarded, no additional positions are required, however, the Department will need to request additional Federal Funds expenditure limitation.

**Recommendation:** The Legislative Fiscal Office recommends approval of the request.

March 18, 2025



The Honorable Senator Kate Lieber, Co-Chair of the Joint Committee on Ways and Means  
The Honorable Representative Tawna Sanchez, Co-Chair of the Joint Committee on Ways and Means  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301

Dear Senator Lieber and Representative Sanchez:

**Nature of the Request**

The Oregon Business Development Department (Department) is requesting permission to apply to the U.S. Environmental Protection Agency (EPA) for a Brownfields grant in the amount of \$1,000,000. These funds would supplement an existing Brownfields Revolving Loan Fund Grant that is a part of the Oregon Coalition Brownfields Cleanup Fund.

**Federal Grant Information**

On February 24, 2025, the EPA posted notification of the opportunity to apply for supplemental funding to open Brownfields Revolving Loan Fund (RLF) grants. The Department's Brownfields Cleanup Fund program is funded by two open EPA RLF grants. As such, the Department is an eligible grant applicant. The application deadline is March 26, 2025, and a decision is anticipated by June 2025. The Department anticipates, that if awarded, funds would be available to use for grants and loans for cleanup projects on publicly or privately owned sites through September 30, 2027. Quarterly reporting to the EPA will be required. The Department will consult with the Oregon Department of Environmental Quality through an existing interagency agreement.

This grant opportunity does not require a grant match (cost share) by the Department. The Department does not anticipate a need for additional staffing but will need expenditure limitation if this grant is awarded.

The Oregon Coalition Brownfields Cleanup Fund offers low-interest loans and grant financing for cleanup of hazardous substances or petroleum prior to redevelopment. Since 2005, the Department has received \$11,088,996 from the EPA to capitalize the Oregon Coalition Brownfields Cleanup Fund. The Department has awarded a total of \$10,657,750 in project financing through the Fund to 27 cleanup projects. The Department knows of at least \$8,000,000 in cleanup project financing needed within the next 12 months. Insufficient unobligated funds remain in the Fund to aid with all financing requests. Adding additional funds to the Oregon Coalition Brownfields Cleanup Fund would further the Department's economic development goals by preparing underutilized land and buildings for redevelopment.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Sophorn Cheang". The signature is fluid and cursive, with the first and last names being clearly legible.

Sophorn Cheang | Director