

### Tallahassee Brownfields Revolving Loan Fund Coalition

The Tallahassee Brownfields Revolving Loan Fund Coalition (BFC), comprised of the City of Tallahassee and the Tallahassee Community Redevelopment Agency, has received a \$1,000,000 Brownfields Revolving Loan Fund Grant (RLF) from the US Environmental Protection Agency (EPA). This grant allows the BFC to loan funds at competitive rates, or issue sub-grants, to be used for the cleanup of environmental contamination. An RLF loan or subgrant can be a key component of project financing, assisting with readying properties for redevelopment. The target area for the funds is the Gaines Street Corridor, part of the Community Redevelopment Area and the State-designated Brownfields Area. However, funding is available eligible properties in Leon, Wakulla, Jefferson, Gadsden, Liberty and Franklin counties.

The initial amount of lendable funds is \$800,000, where \$400,000 is available for the clean-up of hazardous substances and \$400,000 is available for petroleum-contaminated properties. There is also \$200,000 available for sub-grants, where \$100,000 is available for clean-up of hazardous substances and \$100,000 is available for the cleanup of petroleum contamination.

### **Eligibility Summary**

#### Eligible Sites include:

- Sites meeting the eligibility requirements of the EPA Region 4 Brownfields Site Eligibility Determination Outline;
- Sites contaminated by petroleum or petroleum products;
- Sites contaminated by hazardous substances (ex. Arsenic, lead, asbestos); and
- Sites at which Phase I and II Site Assessments have been completed consistent with ASTM standards.

Further, eligible petroleum-contaminated sites to be considered for a loan or sub-grant are sites:

- That the State has determined are of relatively low risk as compared to other petroleum-only sites in the state; and
- For which the State has determined there is “no viable responsible party;” and
- For which the State has determined that the person assessing, investigating, or cleaning up the site is a person who is not potentially liable for cleaning up the site; and
- Which are not subject to any order issued under section 9003(h) of the Resource Conservation and Recovery Act (RCRA).

#### Ineligible Brownfields sites are:

- Facilities listed or proposed for listing on the National Priorities List;
- Facilities subject to unilateral administrative orders, court orders, administrative orders on consent or judicial consent decree issued to or entered by parties under CERCLA;
- Facilities that are subject to the jurisdiction, custody of the United States government except land held in trust by the United States Government for an Indian tribe; or
- A site excluded from the definition of a brownfields site for which EPA has not made a property-specific funding determination; and
- Sites that have received specific cleanup assistance under the Subtitle I of RCRA from the Leaking Underground Storage Tank trust fund, unless a property-specific funding determination from EPA is obtained.

## Borrower Eligibility

Eligible RLF Borrowers are any public or private entities that meet all of the following criteria:

- Borrower has and can assign or grant access in writing to a site on which a RLF loan is being requested;
- Borrower is the site owner or has permission of the site owner to apply for the loan funds;
- Borrower acquired property after the time of contamination, has not caused, contributed to, permitted or exacerbated the release of hazardous substances on or emanating from the property;
- Borrower is exempt from CERCLA liability;
- Borrower/Entities have not been suspended, debarred or declared ineligible for Federal financial assistance programs;
- Borrower is authorized to incur debt and enter into legally binding agreements; and,
- Borrower is financially sound.

## **Evaluation Criteria**

Eligible Applicants with sites/projects meeting the eligibility criteria will be selected for funding based upon the relative viability of the proposed work. Criteria include:

- The documented ability of the borrower to repay the loan;
- Whether the site is the subject of a Brownfields Site Rehabilitation Agreement with the Florida Department of Environmental Protection;
- Whether the remedial Action budget is reasonable and cleanup is achievable within the budget provided;
- Whether the project contributes to the overall health and welfare of residents in the area of the site;
- How the project contributes to the redevelopment potential of the site;
- If repayment is contingent upon site redevelopment, evaluation criteria will also include:
  - Whether the borrower is ready to proceed;
  - Whether the project attracts private sector investment;
  - Whether the project is consistent with locally adopted community redevelopment plans;
  - The degree to which the project uses existing community infrastructure;
  - The degree to which the project enhances the community's natural environment (i.e. open space/greenspaces);
  - The potential of the project to generate permanent jobs for community residents; and
  - The degree to which the project contributes to the overall revitalization of the community.

## Subgrantee Eligibility

Eligible subgrantees are limited to states, political subdivisions, US territories, Indian tribes, and non-profit organizations that own the site they intend to clean up. Criteria include:

- The subgrant recipient must retain ownership of the site throughout the period of performance of the subgrant, unless approved by EPA;
- The subgrantee is an owner/operator who acquired property after the time of disposal, and who has not caused, contributed to, permitted or exacerbated the release of hazardous substances on or emanating from the property;
- The subgrantee is not potentially liable under CERCLA Section 107;
- For approved eligible petroleum-contaminated brownfield sites, the person assessing, investigating, or cleaning up the site must be a person who is not potentially liable for cleaning up the site; and
- Subgrantee is financially sound.

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#### **Types of Project**

Funds may be used for projects that address activities associated with removing, mitigating, or preventing the release or threat of release of a hazardous substance (ex. Arsenic, other metals, pesticides), pollutant, contaminant, petroleum product or controlled substance into the environment.

Potentially projects include:

- Soil removal/cleanup – Petroleum, petroleum products, hazardous substances
- Groundwater cleanup – Petroleum, petroleum products, hazardous substances
- Lead-based paint removal
- Asbestos removal
- Mold removal

#### **Loan/Sub-grant Application Outline**

An application may be submitted only after the pre-application step is completed.

- Applicant Information
  - Applicant name, title
  - Mailing Address
  - Telephone, fax, email information
  - “Applicant Authorization and Certification” granting permission to the BFC to access records
- Site Information
  - Is the Applicant the site owner? If not, provide owner name and contact information
  - Site location, size, and physical characteristics
  - Copy of legal description, title, and access agreement(s)
  - Location map, plat map

- Cleanup Project Information
  - Amount and type of funding requested (petroleum or hazardous substance)
  - Cleanup summary – technical description of proposed cleanup work
  - Cleanup timeline
  - Environmental consulting firm and project manager credentials
  - Project readiness to proceed if funded
  
- Financial Information
  - Business Plan – description of the business goals, strategies and actions demonstrating redevelopment feasibility
  - Financial Plan – Pro-forma financial statements which demonstrate the economic viability of the project and identify sources of repayment for the loan
  - Tax information
  - Financial liability information
  - Credit references
  - Agreement between Applicant/Owner/Developer, if applicable
  - Applicant's capacity to manage the proposed redevelopment project, including planned and/or currently contracted use of consultants
  - Participation of minority and/or women-owned enterprise businesses
  
- Redevelopment Information (if applicable)
  - Redevelopment concept plan, timeline
  - Estimated/anticipated increase in property valuation
  - Expected benefits for community
  - Need for additional community/city services
  - Quantity and quality of jobs created
  - Socioeconomic and public benefits of the redevelopment project
  - Creation/preservation of greenspaces

### **Other Funding Sources**

The receipt of RLF funds does not necessarily preclude the use of other development incentive programs. Depending on the type, design and location of development/redevelopment projects, other funding sources may include:

- Community Redevelopment Agencies - Grants and/or Loans
- Enterprise Zones - Tax Incentives
- Urban Jobs Tax Credit Programs - Tax Incentives
- Targeted Business Programs - Development Fee and Ad Valorem Tax Refunds
- Community Development Block Grant Programs - Grants

Tallahassee Brownfields Revolving Loan Fund Coalition

**Loans: Proposed Terms and Conditions, Application Process**

The Tallahassee Brownfields Revolving Loan Fund Coalition (BFC), comprised of the City of Tallahassee and the Tallahassee Community Redevelopment Agency, has received a \$1,000,000 Brownfields Revolving Loan Fund Grant (RLF) from the US Environmental Protection Agency (EPA). This grant allows us to loan funds at competitive rates to be used for the cleanup of contaminated properties in Leon Wakulla, Jefferson, Gadsden, Liberty and Franklin counties. An RLF loan can be a key component of project financing, assisting with readying properties for redevelopment.

- **Funds:** The initial amount of lendable funds is \$800,000, with \$400,000 available for the clean-up of hazardous substances and \$400,000 available for the cleanup of petroleum contamination.
- **Loan Amount:** The minimum loan amount is \$50,000. No maximum loan limit will be established, however, loan amounts generally will not exceed \$400,000.
- **Interest Rates:** The RLF is intended to be a flexible financing tool. The interest rate is intended to be at or near Prime, and will be based on the risk and redevelopment benefit associated with the project, as well as the overall financial capacity of the borrower.
- **Loan Terms:** Loan terms will not exceed a 10-year period, but may be amortized up to 30 years with a balloon payment due at the end of the 10-year loan period. Applicants will need to justify the need for an amortization that exceeds the 10-year loan period. Additional consideration will be given to short term “bridge” style loans tied to the clean-up of the property or construction of any improvements.
- **Loan Application Fees:**
  - Application/Underwriting fee: 0.375% of loan request or a minimum of \$250
  - Closing fee: 0.5% for loans over \$100,000; 0.75% for loans under \$100,000
  - Borrower shall assume all closing costs.
- **Security:** The BFC will use traditional lending practices to evaluate loan requests, including whether sufficient and adequate collateral is available to secure an applicant’s loan request.
- **Cost Share Requirement:** Evidence of a cost share of at least 20% of the loan amount will be required of all applicants. The cost share may be in the form of a contribution of money, labor, materials, or services from a non-federal source, and must be for costs that are eligible and allowable under the Cooperative Agreement between the BFC and the EPA.
- **Completion Timeframe:** All projects shall be completed in a timely fashion, with a maximum project clean-up period of twenty-four (24) months from the date the loan agreement is executed between the BFC and the Borrower. If a project requires multiple phases, individual timeframes will be developed as part of the loan approval process. Completion times for all clean-up projects phases are subject to EPA approval. Regardless of start date, all work that will be reimbursed must be completed no later than September 30, 2016 (invoices may be submitted up to 30 days after this date).

## Loan Application Process Summary

Pre-Application: An interested Applicant must submit a completed “EPA Region 4 Brownfields Site Eligibility Determination Outline” to the City of Tallahassee’s Environmental Policy and Energy Resources Department (EPER). If site eligibility is approved by EPA, BFC staff will work with interested Applicants to collect preliminary information to determine, to the maximum extent possible, that the potential borrower and project are eligible. Based on this outcome, the potential borrower will be notified of ineligibility or invited to prepare a complete application.

Loan Application: The Applicant will submit a completed Loan Application to EPER for initial completeness/eligibility review by the BFC’s Qualified Environmental Professional and BFC staff. The loan application will then be submitted to the BFC’s Loan Review Committee (LRC) for review, and the LRC makes a recommendation to the Tallahassee City Commission to approve or deny the funding request. Final approval rests with the Commission.

Applicants will be asked to provide:

- **Remedial Action Summary** – A technical description of work to be done including contracts (acquired or needed) and cost estimates.
- **Business Plan** – A description of the business goals, strategies and action plans demonstrating redevelopment feasibility.
- **Financial Plan** – Pro-forma financial statements which demonstrate the economic viability of the project and identify sources of repayment for the loan.
- **Redevelopment Plans** – A description of the proposed redevelopment.

These documents should contain the following information:

- Site location, site size, and physical characteristics of site;
- Expected benefits for community;
- Participation of minority and/or women-owned enterprise businesses;
- If loan repayment is contingent upon redevelopment, the following additional information is needed:
  - Need for additional community/city services;
  - The socioeconomic and public benefits of the redevelopment project;
  - Creation/preservation of greenspaces.
  - Development plan for site;
  - Quantity and quality of jobs created;
  - Estimated/anticipated increase in property valuation (including how it has been calculated);
  - Compliance with zoning requirements (if applicable) and impact on surrounding area;

### Loan Agreement

Upon approval of an application, BFC staff will prepare draft loan documents for review by the BFC Loan Review Committee, EPA and the Borrower. Loan documents will include a Loan Security Agreement, Promissory Note, and other documents determined by the BFC necessary to complete the particular loan. Final lending decisions and loan negotiations will be conducted by the BFC LRC with the advice of legal counsel. Once the Loan Agreement has been negotiated and approved, a Closing Date will be scheduled.

## Tallahassee Brownfields Revolving Loan Fund Coalition

### **Subgrant Terms and Conditions Summary**

The Tallahassee Brownfields Revolving Loan Fund Coalition (BFC), comprised of the City of Tallahassee and the City of Tallahassee Community Redevelopment Agency, has received a \$1,000,000 Brownfields Revolving Loan Fund Grant (RLF) from the US Environmental Protection Agency (EPA). This grant allows the BFC to provide subgrants for the cleanup of contaminated properties in Leon, Wakulla, Jefferson, Gadsden, Liberty and Franklin counties. An RLF subgrant can be a component of project financing, assisting with readying properties for redevelopment.

Eligible subgrantees are limited to states, political subdivisions, US territories, Indian tribes, and non-profit organizations that own the site they intend to clean up. Subgrantee sites must meet the same site eligibility requirements as loan sites (see Eligibility summary).

The amount of funds for grants is \$200,000, where \$100,000 is available for the clean-up of hazardous substances and \$100,000 is available for the cleanup of petroleum contamination.

- **Subgrantee Requirements:**
  - The subgrantee must retain ownership of the site throughout the period of the subgrant, unless approved by EPA;
  - The subgrantee is an owner/operator who acquired property after the time of initial contamination, and who has not caused, contributed to, permitted or exacerbated the release of hazardous substances on or emanating from the property;
  - The subgrantee is not potentially liable under CERCLA Section 107;
  - For approved eligible petroleum-contaminated brownfield sites, the person assessing, investigating, or cleaning up the site must not be potentially liable for cleaning up the site; and
  - Subgrantee is financially sound.
- **Subgrant Amount:** The minimum subgrant amount per category (Hazardous Substances or Petroleum) is \$50,000; the maximum loan amount per category is \$100,000. The subgrants will be made on a first-come, first-served basis.
- **Subgrant Application Fee:** Applicants will be charged \$150.
- **Subgrant Terms:** Subgrants do not have to be repaid provided the recipient completes the clean-up as specified in the approved agreement with the BFC.

**Pre-Application:** An interested subgrant Applicant must submit a completed “EPA Region 4 Brownfields Site Eligibility Determination Outline” to the City of Tallahassee’s Department of Environmental Policy and Energy Resources (EPER). If site eligibility is approved by EPA, BFC staff will work with interested Applicants to collect preliminary information to determine, to the maximum extent possible, that the potential subgrantee and project are eligible. Based on this outcome, the potential borrower/subgrantee will be notified of ineligibility or invited to prepare a complete application.

Subgrant Application: The applicant will submit a completed Subgrant Application to EPER for initial completeness/eligibility review by the BFC's Qualified Environmental Professional and BFC staff. The subgrant application is then submitted to the BFC's Loan Review Committee (LRC) for approval, and the LRC makes a recommendation to the Tallahassee City Commission to approve or deny the funding request. Final approval rests with the Commission.

Applicants will be asked to provide:

- **Business Plan** – A description of the business goals, strategies and action plans demonstrating the organization's financial soundness.
- **Remedial Action Summary** – A technical description of work to be done including contracts (acquired or needed) and cost estimates.
- **Redevelopment Plans (if applicable)** – A description of the proposed redevelopment.
- **Financial Plan (if redevelopment plans submitted)** – Pro-forma financial statements which demonstrate the economic viability of the project.

Eligible Applicants with sites/projects meeting the eligibility criteria will be selected for funding based upon the relative viability of the proposed work. Criteria include:

- Demonstration that the Remedial Action budget is reasonable and cleanup is achievable within the budget provided, and the cleanup will be fully funded by the sub-grant in combination with all other sources of funding;
- The Applicant shows at least 20% cost share from sources other than the BFC RLF subgrant fund for cleanup (this may be modified by the Loan Review Committee);
- Whether the site is the subject of a Brownfields Site Rehabilitation Agreement with the Florida Department of Environmental Protection;
- How the project contributes to the overall health and welfare of residents in the area of the site;
- How the project contributes to the redevelopment potential of the site;
- Whether the applicant is ready to proceed.

If site redevelopment is proposed as part of the project, the following criteria will also be evaluated:

- Whether the project attracts private sector investment;
- Whether the project is consistent with locally adopted community redevelopment plans;
- The degree to which the project uses existing community infrastructure;
- The degree to which the project enhances the community's natural environment (i.e. open space/greenspaces);
- The potential of the project to generate permanent jobs for community residents; and
- The degree to which the project contributes to the overall redevelopment and revitalization of the community.

Subgrant Approval: Draft subgrant agreements will be presented to the LRC for approval of authorization to enter into a Grant Agreement with the Subgrantee, up to an amount recommended by the BFC staff and approved by the LRC. All work must be completed no later than September 30, 2016



## Tallahassee Brownfields Revolving Loan Fund Coalition

### **Federal Terms and Conditions**

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The BFC will:

- 1) Comply with, and require that work done by borrowers and recipients complies with, the requirements of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) 104(k).
- 2) Comply with the applicable Federal and State laws and regulations. In addition to CERCLA 104(k), Federal applicable laws and requirements include but are not limited to
  - (a) 40 CFR 31 and OMB Circular A-87 for governmental recipients of subgrants or 40 CFR 30 and OMB Circular A-122 for non-profit recipients of subgrants.
- 3) Ensure activities are approved by the Florida Department of Environment Protection (FDEP), as applicable.
- 4) Comply with the prevailing wage rate requirements under the Davis-Bacon Act of 1931 for construction, repair or alteration contracts “funded in whole or part” with funds provided through the Fund. The BFC will ensure that the borrower or sub-grantee obtains recent and applicable wage rates from the US Department of Labor and incorporate them into the cleanup, construction, alteration, or repair contract.
- 5) Ensure activities are protective of human health and the environment.
- 6) Ensure properties are eligible for Brownfields funding. Approval is the responsibility of the BFC and the EPA Project Officer. Site eligibility and Property Ownership eligibility must be determined in writing for all specific sites.

- 7) Comply with Executive Order 13202 (Feb. 22, 2001, 66 Fed. Reg. 11225) of February 27, 2001, entitled "Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects," as amended by Executive order 13208 (April 11, 2001, 66 Fed. Reg.18717).
- 8) Comply with Federal cross-cutting requirements including, but not limited to:
  - a) MBE/WBE requirements found at 40 CFR 31.36(e) or 40CFR30.44(b);
  - b) OSHA Worker Health and Safety Standard 29 CFR 1910.120;
  - c) The Uniform Relocation Act;
  - d) Historic Preservation Act;
  - e) Endangered Species Act;
  - f) Permits required by Section 404 or the Clean Water Act;
  - g) Executive Order 11246, Equal Employment Opportunity, and implementing regulations at 41 CFR 60-4;
  - h) Contract Work Hours and Safety Standards Act, as amended (40 USC 327-333;
  - i) The Anti Kickback Act (40 USC 276c); and
  - j) Section 504 or the Rehabilitation Act of 1973 as implemented by Executive Orders 19914 and 11250.
- 9) Ensure that public participation requirements are met. This includes ensuring the availability of documents, providing adequate public comment periods, and designating a spokesperson to inform the community of actions taken, to respond to inquiries, and to provide information;
- 10) Provide for the Fund Manager and Project Manager, ensuring compliance with federal procurement requirements;
- 11) Administer all aspects of the RLF Grant program, under the general oversight of the BFC Loan Review Committee (LRC), and Brownfields Advisory Committee, as necessary.
- 12) Ensure appropriate procedures to comply with the applicable federal and consumer protection lending requirements. The BFC is an equal opportunity lender.