Developers and businesses with projects that require upfront cleanup to make the project viable may apply for an RLF loan. Developers of sustainable projects that reduce environmental impacts and create high-wage jobs or affordable housing with greenspace/recreational amenities will be the RLF applicants of choice.

Projects will be selected first on eligibility of the borrower and site for RLF funding. The next criterion will be project quality and compatibility with the Comprehensive Regional Plan (CRP) and local City Comprehensive Plan goals.

Prospective borrowers must demonstrate the economic viability of the project and their own financial stability. Borrowers will provide three years reviewed or audited financial statements and demonstrate that the project is economically viable through market studies or other empirical evidence. The borrower will also provide project *pro formas* that demonstrate return on investment and cash flow sufficient to support the project and loan repayments.

Borrowers also must provide evidence of sufficient capital (equity plus borrowing) to finance the project. If the site is determined eligible for RLF funding, the project and requested loan will be evaluated by the Coalition.

Initially, the project request will be reviewed by the Project Director/RDA staff with support from an environmental consultant. If the Project Director believes the project supports the Coalitions goals and is viable, they will forward the project to the RLF loan committee for a formal evaluation.

If a project is approved, the Project Director and RLF loan committee, supported by an environmental consultant, financial professional, and legal counsel, will prepare and negotiate the loan agreement, security agreement, development agreement, promissory note, and mortgage.

After closing the loan, the Coalition will review and monitor the following: 1) preparation of bid plans and specifications; 2) Davis Bacon compliance during response actions; and 3) compliance with work plans and loan/contract documents and Indiana Department of Environmental Management (IDEM) requirements. They also will review pay requests and perform program reporting.

Loan repayment periods will be the shortest possible without placing project economics in jeopardy. RLF loans are expected to range from $100,000 to the available RLF funds; the level of effort/cost to process a loan makes smaller loans inefficient. Interest will be based on the level of risk associated with the loan, project economics, borrower credit worthiness, repayment schedule, likelihood of cleanup success, and priority of the project, and will range from 0% to 5%. Typical loan terms will be three to 15 years, with provision for a one- to three-year payment deferral to allow project completion/generation of positive cash flow or tax increment revenues. Loan guarantees and/or security in the form of bonds, letters of credit, or mortgages will be required to collateralize a developer's failure to repay the loan.

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