Borrower Checklist:

March 1, 2011

Brownfield Revolving Loan Fund & State Revolving Fund Brownfield Nonpoint Source Project Funding

The Indiana Finance Authority (IFA) Environmental Programs, which consist of the Indiana Brownfields Program (Program) and State Revolving Fund (SRF) Loan Programs, offer low-cost loans (that are not mutually exclusive) for eligible borrowers/projects. The IFA, in cooperation with the U.S. Environmental Protection Agency (U.S. EPA), administers these programs that protect both public health and the environment and can facilitate economic redevelopment. This checklist, while not all inclusive, should help a borrower to understand the loan process and standard requirements when borrowing federal funds for a brownfield remediation project. The IFA and the borrower share in satisfying the required steps for closing a loan for brownfield remediation using federal funds.

What loan funding is available?

- The Program offers a Revolving Loan Fund (RLF) incentive funded with federal brownfield RLF grant and American Recovery & Reinvestment Act of 2009 (ARRA) RLF grant funds
  - Eligible borrowers are Indiana political subdivisions (as defined by Indiana Code 13-11-2-164(c)), private and non-profit organizations, and funds can be re-loaned to an eligible 3rd party
  - Eligible activities are cleanup of hazardous substances & petroleum contamination
  - Rolling applications; first come, first served
- The SRF Programs offer low-interest loans to Indiana political subdivisions (including incorporated cities, towns, counties and regional water, sewer, waste, sanitary and conservancy districts) for projects that improve wastewater and drinking water infrastructure
  - Low-interest loans are also available to private and non-profit facilities for projects that improve drinking water infrastructure
  - Rolling applications; evaluated, scored, and placed on SRF's project priority list (PPL) if approved
- The SRF Programs also fund activities that abate or prevent nonpoint source (NPS) pollution of Indiana's waters as a nonpoint source water pollution control project under the Section 319 of the Clean Water Act
  - Integrating a NPS project with a wastewater infrastructure project lowers the interest rate for an SRF loan by up to 0.5%, making available additional funds that can be applied to qualified NPS activities
  - *See* the "Brownfield Remediation Nonpoint Source Projects" Fact Sheet for information on the types of brownfield projects that may be eligible for SRF NPS funding

What are the standard requirements for borrowing Program RLF funds to remediate a brownfield?

- ☐ Submission of a completed RLF application and associated, required site/project documentation
- ☐ Determination of borrower, site, and activity eligibility by the Program and U.S. EPA
- ☐ Establish community involvement
  - ☐ Establish a Public Repository (*e.g.*, at public library, City offices) where site documents can be accessed
  - ☐ Prepare a site-specific community relations plan (CRP) providing reasonable notice, opportunity for involvement, response to comments, and making administrative records available to the public
  - ☐ U.S. EPA review and approval of CRP; public notice (~ 30-day comment period)
- ☐ Establish an Administrative Record, including, for example:
  - ☐ Site investigation reports
  - ☐ Remediation Work Plan (RWP)
  - ☐ An Analysis of Brownfield Cleanup Alternatives (ABCA) (*see below*)
  - ☐ Applicable Indiana Department of Environmental Management (IDEM) Risk Integrated System of Closure (RISC) standards
  - ☐ Response to public comments, if any
  - ☐ Decision Memo
  - ☐ Program verification of completion of remedy
- ☐ Conduct an Analysis of Brownfields Cleanup Alternatives (ABCA)
  - ☐ Analysis of reasonable cleanup alternatives (including no action) considering the site characteristics, surrounding environment, land-use restrictions, potential future uses, and cleanup goals
  - ☐ Include effectiveness, implementability, and estimated cost of proposed cleanup alternatives
  - ☐ U.S. EPA review and approval of ABCA; public notice (~ 30-day comment period)

- ☐ Meet all other applicable federal or State laws, including but not limited to:
  - ☐ Compliance with the Davis-Bacon Act of 1931 (prevailing wage requirements)
  - ☐ Compliance with Disadvantaged Business Enterprise (DBE, formerly M/WBE) requirements
  - ☐ Compliance with National Historic Preservation Act (NHPA)
  - ☐ Compliance with contract administration provisions/competitive bidding rules, as applicable
- ☐ Public notice (comment period varies; usually 30 days concurrent for CRP, RWP, ABCA, and NHPA)
- ☐ Perform the environmental cleanup (following public comment & Program's issuance of notice to proceed/Decision Memo)
- ☐ Complete and document the environmental cleanup (final report)
- ☐ Submit Property Profile Form(s) & assist with Program reporting to U.S. EPA

What are the additional/different requirements when borrowing brownfield ARRA RLF funds?

- ☐ Buy American (infrastructure projects must use American iron, steel and manufactured goods)
- ☐ Section 1512 (jobs created/retained) Reporting
- ☐ Site must be "Shovel Ready"/ready for remediation/no additional site investigation is needed

What are the additional/different requirements when SRF NPS project funding is sought to remediate a brownfield?

- ☐ Demonstrated surface and/or groundwater impacts with data from a completed Phase II investigation
- ☐ An open wastewater SRF loan and/or a pending SRF loan application (preferably early in the pre-closing process)
- ☐ A draft or final RWP (as a substitute for/addendum to the SRF-required Preliminary Engineering Report)
- ☐ Still need to submit a brownfield Revolving Loan Fund (RLF) Incentive application and supporting documentation to provide sufficient site/project background for Program technical review

What are the required steps in the closing process for a loan for brownfield remediation?

- ☐ Establish approved collateral/repayment source identified in application
- ☐ Retain bond counsel & secure necessary local government approvals (*e.g.*, fiscal ordinances), if applicable
- ☐ Obtain/provide written site access agreement if the borrower is not the site owner
- ☐ Retain an environmental consulting firm to prepare RWP for Program technical review and approval
- ☐ Follow applicable State and/or federal procurement rules for contracted services that will be paid with loan
- ☐ Establish and maintain a local Public Repository where site documents are placed for public access
- ☐ Place the following in the Public Repository for public comment:
  - Program-prepared/U.S. EPA-approved CRP
  - Consultant-prepared/Program-approved work plans (*e.g.*, RWP, demolition)
  - Consultant-prepared/Program & U.S. EPA-approved ABCA
  - Program-prepared/U.S. EPA-approved NHPA review/finding
- ☐ Place and maintain borrower/consultant-prepared Administrative Record (collection of reports, etc. that form the basis for the site cleanup decision with documentation of notice to proceed) in the Public Repository
- ☐ Execute Program-prepared loan agreement
- ☐ Program issuance to borrower of notice to proceed with loan-funded work/Decision Memo
- ☐ Properly document expenditures (actual expense method) and invoice the Program for reimbursement in accordance with applicable Program disbursement guidelines

Where can a community get more information about SRF loans and request funding for an NPS project?

For more information about the SRF borrowing process (applications are accepted on a rolling basis), please contact the SRF Programs at (317) 234-1279 and/or visit IFA's Web page at www.srf.in.gov. SRF loan applications are evaluated, scored, and placed on SRF's project priority list (PPL) for funding if approved. To discuss incorporating an NPS project into your SRF loan, please contact Amy Henninger at (317) 232-6566 or ahenning@ifa.in.gov.

Where can I get more information about the brownfield RLF Incentive?

For more information about an RLF loan from the Indiana Brownfields Program, please contact Michele Oertel at (317) 234-0235 and/or visit IFA's Web page at www.brownfields.in.gov. To discuss whether your brownfield project meets the criteria for an SRF NPS project, please contact Sara Westrick Corbin at (317) 234-1688 or swestrick@ifa.in.gov.