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Contact: Jim McGoff, Director of Environmental Programs, (317) 234-2916, jmcgoff@ifa.in.gov
Jessica Ewing, Communications Manager, (317) 234-3803, jaewing@ifa.in.gov

Indiana Finance Authority Helps Bring Wellman Thermal Property Back to Life

INDIANAPOLIS, Dec. 1, 2008 — The former Wellman Thermal property on the east side of town may be back in business soon as commercial and industrial space, thanks to financing from the Indiana Finance Authority's Indiana Brownfields Program.

The City of Shelbyville, in partnership with Progress Parkway, has worked to redevelop the site using various financial incentives. Today the city closed a low-interest loan through the IFA's program, and has received more than \$1.2 million in federal and state grants to help clean up and convert the property into usable space once again.

"Without this funding being made available to the City, there would be no other way to do this project," said Shelbyville Mayor Scott Ferguson. "It is because of the program's assistance that the cleanup activities on this site are even possible."

The property has changed hands many times since the 1950s, until Wellman, an industrial heating operation, filed for bankruptcy. Progress Parkway purchased the property in September 2005, and following an environmental assessment, remediation, and site-wide demolition and clearance activities, intends to sub-divide the property into several commercial and light industrial lots.

"With the assistance from the Indiana Brownfields Program, the former Wellman Thermal Manufacturing site can now once again be redeveloped into a productive and useful area for the east side of the city. I am excited about the opportunities that will be available once the project is completed," stated Rep. Sean Eberhart.

Following the loan closing, which is made available through federal and state funding, Progress Parkway will complete demolition and other related activities. The next phase of the project will include remediation of contamination identified during the course of the environmental investigation, all in preparation for the eventual redevelopment.

"Governor Daniels is very focused on redeveloping brownfield sites throughout Indiana into productive, income-producing assets for local economies," said Jennifer Alvey, Public Finance Director of the State of Indiana. "For many communities, the Indiana Brownfields Program has been a key factor in turning vision into reality."

Governor Mitch Daniels created the IFA in 2005 to more effectively manage State-related finances under one entity. The IFA manages various financial programs, which include the Indiana Brownfields Program and the State Revolving Fund Loan Programs.

Sen. Jean Leising added, "This is a positive step for the entire community and the beginning of a new chapter for Shelbyville economic development. I applaud local officials for their diligence and the IFA's Brownfields Program to make this possible. Thanks to the availability of these loans, this property will have new life. Businesses will always come and go as societal needs change, but hopefully our state and community leaders will always show the same kind of dedication and commitment to the environment displayed here."

Included in the loan agreement are redevelopment goals for the project which include: completion of environmental remediation and demolition, installation of certain infrastructure (roads, curbs, and other necessary infrastructure) as approved by the City, initiation of construction of new commercial and/or retail development (contracts for which must be worth at least \$12 million), and creation of a minimum of 75 permanent jobs.

If these goals are achieved by the specified deadline, up to \$203,104 of the loan could be forgiven. According to the application submitted in 2006, complete redevelopment of the former Wellman Thermal site could total nearly \$70 million and create 200-400 new jobs.

To help fund remediation and development of the site, the City of Shelbyville has also received a range of state and federal grants, such as:

- \$100,000 Stipulated Assessment Grant
- \$300,000 Stipulated Remediation Grant
- \$800,000 Low-Interest Loan (includes \$203,104 in potential forgiveness tied to remediation/redevelopment goals)
- \$86,406 Petroleum Remediation Grant

In addition to financial assistance, the Indiana Brownfields Program has provided technical oversight for environmental investigations and remediation at the site. According to site reports, contaminants in soil and/or groundwater consist of volatile organic compounds (VOCs) as well as petroleum impacts.

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