

DAAccent...to Local and State Governments



A Publication of **Draper Aden Associates**

November 2002

State and Federal Monies Available

Brownfields Funding Programs Available



EPA is accepting proposals for national brownfields assessment, revolving loan fund and cleanup grants. These grants are part of the new Small Business Liability Relief and Brownfields Revitalization Act signed by President Bush in January 2002 to help states and communities around the country clean up and revitalize Brownfield sites.

As part of his FY 2003 budget request, the President has called for a doubling of money for the Brownfields program to \$200 million. (Brownfields are abandoned, idled or under-used industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination.)

EPA estimates that funds will be available to make up to 200 grant awards, almost double last year's awards, contingent upon availability of funds in the agency's 2003 budget. These grants may be used to address sites contaminated by petroleum and hazardous substances (including substances mixed with petroleum.)

- The brownfields assessment grants (each funded up to \$200,000 over two years) provide funding for a grant recipient to inventory, characterize, assess and conduct planning and community involvement related to Brownfield sites.
- The brownfields revolving loan fund grants (each funded up to \$1 million over five years) provide funding for a grant recipient to capitalize a revolving loan fund and to provide subgrants to carry out cleanup activities at Brownfield sites that are owned by the subgrant recipient.
- The brownfields cleanup grants (each funded up to \$200,000 over two years) provide funding for a grant recipient to carry out cleanup activities at Brownfield sites that are owned by the grant recipient.

These grants will be awarded on a competitive basis. Initial proposals, **due Dec. 16**, will be evaluated and ranked by EPA regional evaluation panels. EPA will then determine those initial proposals that have the highest rankings, and invite those applicants to prepare and submit final proposals.

Final proposals, which are due **March 5, 2003**,

will be evaluated and ranked by National Evaluation Panels composed of EPA and other federal officials. Final selections will be made based upon the ranking of final proposals by the National Evaluation Panels, as well as other statutory and policy considerations. All initial proposals must be postmarked by USPS or delivered to the appropriate EPA regional office by other means, no later than Dec. 16, and a duplicate copy sent to EPA Headquarters.

The proposal guidelines are available at:
<http://www.epa.gov/brownfields/>.

VRA and VWFR Provide Funding Opportunities

Brownfields Remediation and Redevelopment Projects are eligible for financing through Virginia Resources Authority's Pooled Loan Bond Program and through the Virginia Water Facilities Revolving Fund.

SB 1402 amended VRA's authorizing act to include the voluntary remediation of contaminated properties. VRA can provide long-term loans to remediation or redevelopment projects to provide economic development opportunities. VRA sells bonds twice each year through the Pooled Loan Bond Program but communities can apply at any time of the year for the funding. The interest rate is market rate and the term can be up to 30 years.

Eligible Projects:

The following activities can be funded for brownfields through the Virginia Resources Authority Bond Program and the Virginia Water Facilities Revolving Fund:

- Remediation
- Redevelopment
- Rehabilitation



Funding Through VRA:

VRA issues long-term bonds in the national municipal bond market and lends the proceeds to local governments for their projects. VRA bonds are backed by the moral obligation of the Commonwealth of Virginia. With this backing, VRA bonds historically have been rated "AA" by Standard & Poor's Ratings Group.

VRA can issue stand-alone series bonds for individual local governments, or borrowers can pool their issues with other borrowers thereby saving on costs of issuance. VRA offers both fixed rate and variable rate

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bonds, and bonds can be tax-exempt (governmental), exempt facility/private activity (subject to the alternative minimum tax) or taxable.

Advantages:

- VRA bonds are rated "AA" by Standard & Poor's Ratings Group based on the moral obligation of the Commonwealth of Virginia
- Borrowers receive benefits of "AA" rating through lower interest costs
- Borrowers do not need to obtain a bond rating
- No need for bond insurance to receive a high bond rating
- VRA bonds are sold in the national tax-exempt market
- Streamlined loan application and loan origination process
- VRA staff and advisors are available to assist borrower in all aspects of the transaction
- No maximum loan size
- Funding available within 90 days to qualified borrowers
- Flexible terms, including maturities and fixed or floating rates

The Loan Origination and Approval Process:

- Applicant submits application (staff assistance, if needed, is available through VRA)
- VRA staff meet with applicant to finalize application information
- VRA staff analyze application for ability to repay VRA loan
- VRA staff present applicant information to VRA Board for loan authorization

- VRA staff and advisors prepare legal documents and disclosure
- Applicant authorizes bond
- Underwriter prices VRA bonds
- VRA staff and advisors close loan and disburse funds

Funding Through DEQ's Virginia Water Facilities Revolving Loan Fund:

In July 2002, for the first time, DEQ solicited applications for funding for specific Brownfield remediation activities of contaminated Brownfield properties. DEQ requires that the remediation effort must improve or prevent a groundwater or surface water quality problem, and the activities must be undertaken through Virginia's Voluntary Remediation Program. Eligible loan recipients include units of local government, public service authorities, partnerships or corporations.

DEQ is planning to solicit applications again in December 2002 or January 2003. There is approximately \$3.1 million available. DEQ plans to continue to solicit applications for this funding twice each year in order to better meet the funding needs of local governments and private businesses. The interest rates on the loans will be at least 1-percentage point less than market rate and can be for a term of up to 20 years.

Applications are made to DEQ who will review and rank the projects. The projects chosen to be funded will undergo a credit review by Virginia Resources Authority staff. VRA will ensure that security for the loan is adequate and will work with the applicant to close the loan.

Draper Aden Associates is a full-service engineering, surveying and environmental consulting firm. Services include: civil/utilities engineering; environmental services; geological/hydrogeological services; geotechnical/construction/laboratory; site planning & engineering; solid waste management; surveying; subsurface utility engineering, information management services, GIS and traffic planning & engineering.



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