

## BROWNFIELD CLEANUP REVOLVING LOAN FUNDS 101 FOR CERTIFIED ENVIRONMENTAL MANAGERS

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### BCRLF Points of Interest

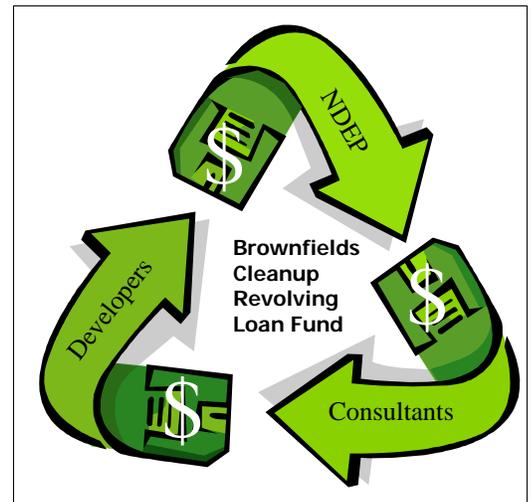
- Nearly any site cleanup or development can qualify for a Brownfields Cleanup Revolving Loan Fund (BCRLF).
- The BCRLF provides a funding mechanism when traditional sources are unavailable or inappropriate.
- The greater the number of loans completed under the BCRLF program, the larger the amount of money available for future cleanup projects.

## BROWNFIELDS CLEANUP REVOLVING LOAN FUND—FOR USE BY ALL

The Nevada Division of Environmental Protection (NDEP) receives federal funds earmarked to encourage Brownfields redevelopment. Brownfields, a land-recycling program, includes abandoned, idled, or underused industrial or commercial properties that have been removed from productive use because of risks from environmental contamination. The State of Nevada has initiated Brownfields to empower community redevelopment of these undesirable properties for return to the tax roll or to reintroduce these plots as functional public spaces. The Brownfields Program is federally supported and maintains partnerships with more than 20 Federal agencies.

The State has traditionally operated the Nevada Brownfields Program as a "grant for services" program whereby NDEP provides assessment and cleanup services to local governments and non-profit organizations through the use of one of its' three Brownfields consultants. Brownfield funds managed by the State of Nevada were executed solely through these consultants, but this structure has changed with the announcement of a \$2 million Brownfields Cleanup Revolving Loan Fund (BCRLF). Now any Certified Environmental Manager may benefit from the program for projects spanning a wide variety of sites across the State.

This newsletter is focused on the implementation of the BCRLF and the available tools to promote responsible cleanup and redevelopment of contaminated sites. Certified Environmental Managers should be aware of the re-



The Nevada BCRLF is a funding mechanism for site cleanup which can be applied on nearly all development projects across the state.

sources available for site assessment and cleanup to assist them in investigation of potential development sites or as they undertake a site cleanup under the State's regulations. Secured funding from the Nevada BCRLF can make the difference in planning a viable cleanup project to meet development needs.

NDEP encourages participation in the Nevada Brownfields Program and the BCRLF to promote the identification, cleanup, and reuse of sites with historic environmental contamination.

### BCRLF BASICS

The Nevada Brownfields Program makes available low-interest loans to developers and site owners through the programs \$2 million Brownfields Cleanup Revolving Loan Fund. The developer or site owner may use loan money to secure the services of any Certified Environmental Manager to perform cleanup of a site contaminated with a hazardous substance or petroleum product. With few limitations, nearly any site cleanup through a State cleanup pro-

gram can qualify for funding through the BCRLF. Loan rates are often well below market rate, and the NDEP will use the principal and interest repayments to increase available money for future loans.

The NDEP has hired a fund manager to assist in the establishment of loan rates and repayment terms that are negotiable on a site-by-site basis to ensure that a project will move forward.

## USE OF THE BCRLF BY PRIVATE DEVELOPERS

Historically, the Nevada Brownfields Program provided assistance to local or municipal governments and non-profit agencies through the grant program. With the implementation of the BCRLF, any private developer or site owner may now be eligible for secured loan funding and assistance from the Brownfields Program. Developers and site owners must demonstrate that they are not responsible for the release of

the hazardous substances or petroleum products that led to the site contamination and that all appropriate inquiry or due-diligence was performed prior to property acquisition.

A developer or site owner may use the low-interest loan to undertake any cleanup activities under the State of Nevada's corrective action regulations (Nevada Administrative Code 445A.226 to 22755) or the Voluntary Cleanup Program (Nevada Revised Statutes 459.610 to 658).

Loan funds can not be used to perform assessment activities that are required prior to the initiation of site cleanup. However, necessary post-closure monitoring or sampling to verify post-cleanup conditions are eligible costs.

Assessment grants are available for private developers, but the grant must be performed at the behest of a local government entity which is utilizing the existing grant mechanism and one of our Brownfield contractors.



The Las Vegas Army, one of the first sites in the nation to use the BCRLF, now serves as a community center.



## BCRLF AND THE STATE PETROLEUM FUND

Cleanup loans through the BCRLF may be used for sites that are contaminated by a petroleum product including sites contaminated by releases from underground storage tanks. To prevent double coverage, certain restrictions have been placed on the disbursement of BCRLF loans at sites already funded by the State's Petroleum Fund.

A low-interest loan may not be used to cover cleanup costs that will be reimbursed from the petroleum fund at the site of a leaking underground storage tank, however, these

loans may be used to fill certain funding gaps at a leaking underground storage tank site. For instance, the BCRLF may be used to remediate a release of hazardous substances at a UST site, to undertake cleanup at historic UST sites that were abandoned prior to the establishment of the Petroleum Fund or at other sites where coverage is otherwise not available. The BCRLF will not provide loans at those sites where Petroleum Fund coverage has been denied due to wrongdoing or negligence by the site owner or operator.

## SUB-GRANTS FOR ELIGIBLE ENTITIES

Up to 40 percent of the Nevada Brownfields Program \$2 million Revolving Loan Fund may be available as sub-grants for cleanup at multiple sites owned by the same eligible entity.

"Eligible entities" under the Brownfields law include local and municipal governments, community groups and non-profit agencies. Private landowners are not eligible for sub-grants.

Sub-grants will be awarded for a project where other cleanup funding cannot be secured

and the proposal represents a demonstrated benefit to the community.

The recipient of a sub-grant may elect to use one of the State Brownfields contractors or select a consulting firm of their choosing by using a competitive bidding process.

Administrative costs are excluded from this funding as all sub-grant funds must be expended on cleanup activities.

## APPLY FOR A LOW-INTEREST LOAN

The Nevada Brownfields Program has developed a loan application for the Nevada BCRLF. The application must be submitted by the entity who will be receiving the funds, but consultants may be relied upon to provide necessary technical information to complete the application. The primary purpose of the application is to help the State determine whether the applicant and the site meet the program criteria and to assess the financial capabilities of the applicant to enter into a binding loan agreement. The application will also help the Brownfields Program to prioritize projects for funding.

Applications for loan or sub-grant funding are accepted year-round, but disbursement is subject to fund availability. Unless several ap-

Both the grant and loan fund program applications are available on-line

plications are submitted concurrently, funding will be disbursed on a first-come, first-served basis. A review process has been established that will allow the NDEP to assess the site eligibility determinations. Financial and underwriting considerations will be made by an independent fund manager, but the NDEP has the ultimate authority to provide funding, in the best interest of the program, regardless of these financial determinations.

The application is available

on the Nevada Brownfields Program Web page, along with a loan manual which will provide guidance on the application process:

<http://ndep.nv.gov/bca/brownfld.htm>.

## INELIGIBLE SITES AND PRIORITIZATION OF CERTAIN PROJECTS

Certain entities and sites are ineligible for BCRLF funding: 1) loans and grants cannot be made to any party who is responsible for the contamination located at the site where funds are requested; 2) sites must be contaminated by a hazardous substance or petroleum product—special exceptions can be made on a case-by-case basis to include asbestos abatement projects or the management of solid wastes; and 3) a site will be ineligible in cases where active CERCLA or other enforcement actions are on-going.

In cases where applications for loan or sub-grant funding exceed the total amount available in the Fund, projects will be prioritized based on the anticipated economic and environmental benefits that the project will provide to the community. Preference will be granted to project requests for BCRLF loans before a project that relies solely on a sub-grant. The State reserves the right to deny a sub-grant request if the project does not appear to be consistent with the long-term interests of the Fund.

## OTHER SOURCES OF INFORMATION

For more detailed information on the Nevada BCRLF, please download the loan manual developed by the NDEP and its fund manager available on the BCRLF section of the Nevada Brownfields Program website:  
<http://ndep.nv.gov/bca/brownfld.htm>

Also available on the website are links to the state statutes and regulations governing the administration of the BCRLF:  
**Nevada Revised Statutes 459.860 to 892**  
**Adopted Regulation R084-04**

The federal Environmental Protection Agency also provides extensive informational material on revolving loan fund programs at their Brownfields website:  
<http://www.epa.gov/brownfields/rflfst.htm>

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**Mission Statement:** To reach out for opportunities to create partnerships that improve Nevadan's lives and the quality of our communities.

**Program Goal:** To be acknowledged as an agency that maximizes opportunities through the creative use and efficient use of resources.

The State of Nevada has received federal funds intended for use in encouraging Brownfields redevelopment; the Nevada's Land Recycling Program manages these funds for use in a holistic approach to redevelopment where environmental concerns may be present as a barrier. Funds are available for assessments, and low-interest loans are available for cleanup activities.

Beyond providing funds to clear away environmental concerns at Brownfields sites, the Nevada Land Recycling Program is also able to initiate relationships between municipal governments, private investors, and other state and local redevelopment agencies to promote brownfields redevelopment; it is this relationship building which can prove vital to economic revitalization in distressed communities.



Local labor is used to install a secure fence around the old Hawthorne Landfill, as part of on-going cleanup through the Nevada Brownfields Program.

## FEDERAL BROWNFIELD REMINDERS

The Nevada Brownfields Program is not the only source of funding for redevelopment projects in the state; the US EPA also provides grant money directly to local and municipal governments to administer Brownfield assessment, cleanups, and redevelopment. The EPA holds a yearly grant competition where eligible entities may submit site-specific or community-wide grant applications. If awarded, the eligible entity will enter into a cooperative agreement with the EPA to develop workplan tasks and activities. The grant recipient will also be responsible for selecting firms to undertake the assessment and cleanup projects.

Any consultant can assist possible grant applicants by identifying candidate sites and by providing technical guidance during the grant preparation process. The greater the number of successful applications submitted during the yearly grant period, the greater the number of opportunities for assessment and cleanup fund-

ing will arise. While grant applications are usually due during December of each year, it is not too early to identify candidate sites or to start preparing and educating a community about Brownfield opportunities.

A great resource to learn about all the opportunities available through the federal Brownfields program is the annual national Brownfield Conference. This year, the national conference

will take place in Denver, Colorado on November 2 to 4. The national conference is a gathering of

stakeholders in the Brownfields community, including government agencies, private developers, environmental consultants and policy makers. For more information, or to register for this year's conference, visit their website at <http://www.brownfields2005.org>

Make a difference in your community, encourage your local government contacts or a non-profit group to explore the possibilities available through the Brownfields Program

