



Mailing Address:
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STATE OF VERMONT
JOINT FISCAL COMMITTEE
1 Baldwin Street
Montpelier, Vermont 05633-5701

MEMORANDUM

To: James Reardon, Commissioner of Finance & Management

From: Rebecca Buck, Staff Associate *RB*

Date: May 8, 2007

Subject: Status of Requests

In accordance with Sec. 19(a)(1) and (2) of No. 16 of the Acts of 2007, the following items are hereby considered approved: JFO #2284 (Department of Public Safety, U.S. Department of Justice Mobile Data Grant) and JFO #2285 (Departments of Housing and Community Development and Economic Development, U.S. Environmental Protection Agency Brownfields grant).

cc: Linda Morse
Kerry Sleeper
Kevin Dorn
John Hall
Michael Quinn

INFORMATION NOTICE

The following items were received by the Joint Fiscal Committee:

JFO #2285 – \$1,000,000 grant from the Environmental Protection Agency to the Department of Housing and Community Affairs and the Department of Economic Development. This grant will be used to capitalize Vermont's Brownfields Revitalization fund with \$750,000 utilized for loans to developers and eligible owners for hazardous materials remediation and \$250,000 utilized for loans for petroleum contamination remediation. [*JFO received 12/22/06*]

JFO #2286 – \$1,000,000 grant from the Department of Health and Human Services, Centers for Medicare & Medicaid Services to the Department of Banking, Insurance, Securities & Health Care Administration. During fiscal year 2008 the Department will use this grant to fund \$1,000,000 of the \$2,500,000 budgeted for the creation and initial operation of a qualified high risk pool. [*JFO received 02/06/06*]

JFO #2287 – \$250,000 grant from the Social Security Administration and Mathematica Policy Research, Inc. to the Department of Disabilities, Aging & Independent Living. This grant will fund a "Youth Transition Demonstration" pilot program. In combination with the existing statewide service system for youth in transition, this project will test a group of SSI waivers for youth designed to promote employment and economic self-sufficiency. [*JFO received 02/06/06*]

JFO# 2285

STATE OF VERMONT
GRANT ACCEPTANCE FORM

GRANT SUMMARY: This grant from the Environmental Protection Agency (EPA) is to capitalize Vermont's Brownfields Revitalization Fund (BRF) in order to provide loans and grants for redevelopment of contaminated brownfields sites.

GRANT TITLE: Brownfields Revolving Loan Fund Grant

FEDERAL CATALOG No.: 66-818

GRANTOR / DONOR: EPA New England
1 Congress Street, Suite 1100
Boston, MA. 02114-2023

DATE: 12/9/06

DEPARTMENT: Agency of Commerce and Community Development-
Department of Housing and Community Affairs and Department
of Economic Development

GRANT / DONATION: \$750 thousand of this grant will be used to make loans to developers and eligible owners for hazardous materials remediation and \$250 thousand will be used to make loans for petroleum contamination remediation.

AMOUNT / VALUE: \$1,000,000.00

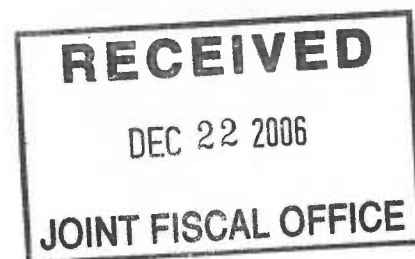
POSITIONS REQUESTED: None

GRANT PERIOD: 10/1/06 to 9/30/11

COMMENTS: This grant has a cost-share match from the state of \$200,000 which was part of a \$400,000 appropriation to the BRF in 2005 by the Vermont Legislature. There are no new positions or personal service contracts related to this grant.

DEPARTMENT OF FINANCE AND MANAGEMENT:
SECRETARY OF ADMINISTRATION
SENT TO JOINT FISCAL OFFICE:

(INITIAL) JK 12/13/06
(INITIAL) WV 12-13-06
DATE: 12/20/06



STATE OF VERMONT
REQUEST FOR GRANT ACCEPTANCE
 (use additional sheets as needed)

FORM AA-1
 (Rev. 9-90)

1. Agency: Commerce and Community Development
2. Department: DHCA/DED
3. Program: Brownfields
4. Legal Title of Grant: Brownfields Revolving Loan Fund
5. Federal Catalog No.:66-818
6. Grantor and Office Address:
 EPA New England
 1 Congress Street, Suite 1100
 Boston, Ma. 02114-2023

7. Grant Period: From: Oct. 1, 2006 To: Sept. 30, 2011

8. Purpose of Grant: (attach additional sheets if needed)
 The purpose of this \$1 million grant is to capitalize the Brownfields Revitalization Fund ("BRF"). The BRF was created by Act 44 of 1995 for the purpose of providing loans and grants for the redevelopment of contaminated brownfields sites. The Act directs ACCD to administer the fund in cooperation with ANR and VEDA. The BRF was first capitalized in 2005 with a \$400,000 appropriation from the Legislature. \$750,000 of the EPA grant will be used to make loans to developers and eligible owners for hazardous materials remediation and \$250,000 will be used to make loans for petroleum contamination remediation. \$200,000 of the \$400,00 currently in the BRF was pledged up front as the required 20% state cost-share for this grant. Although this is a five year grant, the goal is to expend the entire grant within a three year period and request additional funding from EPA. There are no operating expenses associated with this grant. VEDA's administrative costs for issuing and managing the loans will be covered by application and closing fees paid by borrowers.

9. Impact on Existing Programs if Grant is not Accepted:
 Not accepting this grant would severely limit the State of Vermont's ability to provide developers and property owners (who are not responsible for the contamination) with loans to fund the cleanup of contaminated brownfield sites. Without this \$1 million grant, only \$400,000 in state funds currently in the BRF will be available to fund cleanups at over 150 known brownfield sites located throughout Vermont.

10. Budget Information:	(1st State FY) FY 2007	(2nd State FY) FY 2008	(3rd State FY) FY 2009
EXPENDITURES:			
Personal Services	\$	\$	\$
Operating Expenses	\$	\$	\$
Loans/Grants	\$ 300,000.00	\$ 600,000.00	\$ 300,000.00
TOTAL	\$ 300,000.00	\$ 600,000.00	\$ 300,000.00
REVENUES:			
<u>State Funds:</u>			
Cash	\$ 50,000.00	\$ 100,000.00	\$ 50,000.00
in-Kind	\$	\$	\$
<u>Federal Funds:</u>			
(Direct Costs)	\$ 250,000.00	\$ 500,000.00	\$ 250,000.00
(Statewide Indirect)	\$	\$	\$
(Department Indirect)	\$	\$	\$
<u>Other Funds:</u>			
	\$	\$	\$
TOTAL	\$ 300,000.00	\$ 600,000.00	\$ 300,000.00

Deptid: New	<u>Amount</u>
Fund: 22005	1,000,000.00

-over-

REC'D DEC 07 2006

11. Will grant monies be spent by one or more personal service contracts?

YES NO

If YES, signature of appointing authority here indicates intent to follow current guidelines on bidding.

X

12a. Please list any requested Limited Service positions:

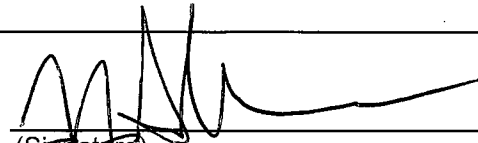
Titles	Number of Positions
TOTAL Positions	0

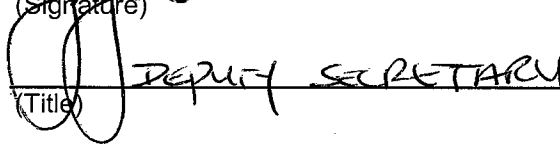
12b. Equipment and space for these positions:

- Is presently available.
- Can be obtained with available funds.

13. Signature of Appointing Authority


I certify that no funds have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant.


 (Signature) 10/31/06 (Date)


 (Title) DEPUTY SECRETARY

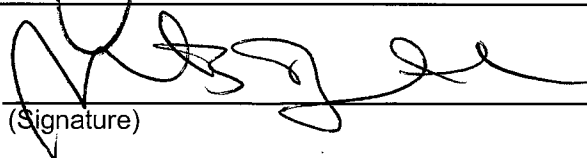
14. Action by Governor:

- Approved
- Rejected


 (Signature) 12/19/06 (Date)

15. Secretary of Administration:

- Request to JFO
- Information to JFO


 (Signature) 12.13.06 (Date)

16. Action by Joint Fiscal Committee:

(Dates)

- Request to be placed on JFC agenda
- Approved (not placed on agenda in 30 days)
- Approved by JFC
- Rejected by JFC
- Approved by Legislature

(Signature) (Date)

State of Vermont
Department of Housing and Community Affairs

National Life Building, Drawer 20
Montpelier, VT 05620-0501
www.dhca.state.vt.us

[phone] 802-828-3211
[Department fax] 802-828-2928
[Historic Preservation fax] 802-828-3206

*Agency of Commerce &
Community Development*

November 3, 2006

Michael K. Smith, Secretary
Agency of Administration
109 State Street
Montpelier, Vt. 05609-0401

RE: Request for Grant Acceptance Approval

Dear Secretary Smith,

The Agency of Commerce and Community Development (“ACCD”) is seeking approval to accept a \$1 million grant from the U.S. Environmental Protection Agency to capitalize the Vermont Brownfield Revitalization Fund. The Vermont Brownfield Revitalization Fund was created by 10 V.S.A. § 6615a(l) for the purpose of providing clean up loans and grants to developers and eligible owners of contaminated properties commonly referred to as brownfields. A brownfield is real property the expansion, development, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

The Vermont Brownfield Revitalization Fund was created by the Legislature in 1995 but wasn’t capitalized until 2005 when the Legislature appropriated \$400,000 to it from the Solid Waste Management Assistance Fund for the specific purpose of matching federal funds available through the Environmental Protection Agency for brownfields redevelopment purposes and for grants to specific projects. *Act 71, Sec. 184(a) (2005-2006)*.

ACCD applied for an EPA Brownfields Revolving Loan Fund grant in the amount of \$2 million on December 14, 2005 for the specific purpose of further capitalizing the Vermont Brownfield Revitalization Fund. [Attachment A]. EPA notified ACCD on May 12, 2006 that it had been selected as one of the entities with which EPA would pursue negotiations to award a cooperative agreement for a revolving loan fund grant. [Attachment B]. On July 5, 2006, in accordance with EPA’s procedures, ACCD submitted an “Application for Federal Assistance.” [Attachment C]. EPA granted ACCD a \$1 million “Cooperative Agreement” on September 20, 2006. [Attachment D].



The term of the Cooperative Agreement is 5 years and requires a 20%, or \$200,000, cost share from recipients. The 2005-2006 appropriation currently deposited in the Brownfields Revitalization Fund was identified in ACCD's grant application to EPA as the source of this cost-share match. As described in the Workplan attached to the Application for Federal Assistance, Attachment C hereof, \$750,000 of the grant will be used to make loans for the remediation of hazardous materials and \$250,000 will be loaned for the remediation of petroleum contamination. All remediation activities funded by the Brownfield Revitalization Fund are required to be protective of the human health and environment and must comply with all applicable federal and state laws.

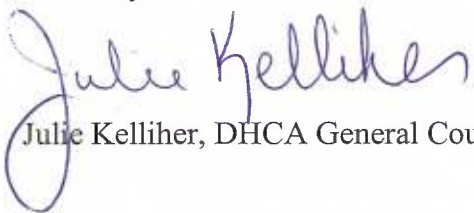
The eligibility of borrowers will be determined by ACCD in consultation with the Secretary of ANR pursuant to Vermont statute, 10 V.S.A. § 6615a(1)(6)(A), and a Memorandum of Understanding entered into by ACCD and ANR on December 12, 2005. [Attachment E]. Loans will be issued and managed by the Vermont Economic Development Authority ("VEDA") in accordance with Vermont statute, 10 V.S.A. § 6615a(1)(6)(A), and Memoranda of Understanding between ACCD, ANR, and VEDA dated December 13, 2005 and May 23, 2006. [Attachment F].

The overall coordination of the Cooperative Agreement will be carried out by James Saudade, Deputy Secretary of ACCD, in cooperation with the ANR and VEDA. Under the terms of the Cooperative Agreement, ANR will serve as ACCD's "qualified environmental professional" to coordinate, direct, and oversee the brownfields cleanup activities and VEDA will serve as the "fund manager" to carry out responsibilities that relate to financial management of the loan program.

EPA will also be substantially involved in overseeing and monitoring ACCD's activities under the Cooperative Agreement. EPA's involvement may include: review and approval of procedures for loan borrower selection; review of remediation activities; review of financial and environmental status reports; and review of the substantive terms of loan documents.

Thank you for your attention to this matter. Please feel free to contact me directly at 828-5245 if you require further information or documentation.

Sincerely,

A handwritten signature in blue ink that reads "Julie Kelliher". The signature is written in a cursive, flowing style.

Julie Kelliher, DHCA General Counsel

Hartrich, Toni

From: Kelliher, Julie
Sent: Monday, November 27, 2006 2:06 PM
To: Hartrich, Toni
Subject: Brownfields \$400,000 account

Toni, Thanks for your voicemail asking where the \$400,000 brownfields money is sitting. It was passed through to VEDA (per the MOU between ACCD and VEDA attached to the JFO paperwork) from: Unit 07110, Fund 21985, Deptid 7100890601. I believe it's in an account VEDA has at Chittenden Bank. Is this enough information or do you need more? Thanks for your efforts!

Julie Kelliher
General Counsel
Department of Housing and Community Affairs
National Life Bldg., Drawer 20
Montpelier, VT 05620-0501
Tel: (802) 828-5245
Fax: (802) 828-2928
Julie.kelliher@state.vt.us

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11/28/2006

LIST OF ATTACHMENTS

Attachment A: ACCD's Application for an EPA Brownfields Revolving Loan Fund Grant submitted December 14, 2005.

Attachment B: EPA's Award Letter dated May 12, 2006.

Attachment C: ACCD's Application for Federal Assistance dated July 5, 2006.

Attachment D: Cooperative Agreement between EPA and ACCD.

Attachment E: Memorandum of Understanding between ACCD and ANR dated December 12, 2005.

Attachment F: Memoranda of Understanding between ACCD, ANR, and VEDA dated December 13, 2005 and May 23, 2006.

JAMES H. DOUGLAS
GOVERNOR



ATTACHMENT A

State of Vermont
OFFICE OF THE GOVERNOR

December 8, 2005

Environmental Management Support, Inc.
Attn: Don West
8601 Georgia Avenue, Suite 500
Silver Spring, MD 20910

Dear Mr. West:

Attached is the application from the State of Vermont for funding under EPA's Brownfields Revolving Loan Fund Grant program. The application is submitted by the State of Vermont with the Agency of Commerce and Community Development as the lead agency in cooperation with the Agency of Natural Resources as a coalition application for two eligible entities. The State is requesting funding in the amount \$2 million to further capitalize the state's Brownfields Revitalization Fund (BRF) for remediation of both hazardous substance and petroleum contamination.

The Brownfields Revitalization Fund has been established under state legislative authority to provide funding for brownfields characterization, assessment or remediation of a site only after receiving approval of an appropriate work plan by the Secretary of the Agency of Natural Resources under Vermont's regulatory authority. The State Legislature in 2005 appropriated \$400,000 to the Fund specifically to initiate the fund and to provide match for federal funds available to further brownfields redevelopment.

In early 2005 I announced the Vermont Brownfields Initiative, a collaborative effort combining the economic and community development expertise of the Agency of Commerce and Community Development with the technical review and oversight functions of the Agency of Natural Resources. In addition to the \$400,000 mentioned above, \$750,000 of Community Development Program funding was set aside for brownfields.

Significant progress has been made to identify sites ready for clean up across the state and to actively develop projects on those sites. Additional funding is requested to help make clean up and reuse a reality.

Thank you for the opportunity to submit this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "James H. Douglas".

James H. Douglas
Governor

JHD/pmb

c: Diane Kelley, USEPA Region 1

109 STATE STREET • THE PAVILION • MONTPELIER, VT 05609-0101 • WWW.VERMONT.GOV

TELEPHONE: 802.828.3333 • FAX: 802.828.3339 • TDD: 802.828.3345

Cover Letter Project Details

1. Applicant Identification: Agency of Commerce and Community Development
National Life Building
Drawer 20
Montpelier, VT 05620-0501

2. Funding Requested:
 - a. Grant Type: RLF Capitalization
 - b. Amount: \$2,000,000 total
 - c. Contamination: Hazardous Substances (\$1,500,000)
Petroleum (\$500,000)

3. Location: State of Vermont Honorable James H. Douglas, Governor
109 State Street, Pavilion Office Building
Montpelier, VT 05609-0101
Phone: 802-828-3333

4. Contacts: Project Director: James J. Saudade
Vermont Department of Housing and Community Affairs
National Life Building, Drawer 20
Montpelier, VT 05620-0501
Phone: 802-828-5200 Fax: 802-828-2928
jim.saudade@state.vt.us

Agency Executives:

Kevin Dorn, Secretary
Agency of Commerce & Community Development
National Life Building
Montpelier, VT 05620-0501
Phone: 802-828-3211
Fax: 802-828-3383
Kevin.Dorn@state.vt.us

Thomas W. Torti, Secretary
Agency of Natural Resources
103 S. Main St
Waterbury, VT 05671-0301
Phone: 802-241-3600
Fax: 802-244-1102
tom.torti@state.vt.us

5. Date Submitted: December 14, 2005

6. Project Period: 5 years

7. Population: 608,827 (2000 census)

8. Other: Vermont does not have special federal recognition as defined.

9. Cooperative Partners: See #4 above

State of Vermont Revolving Loan Fund Application

STATE OF VERMONT Application for Revolving Loan Fund Grant

Threshold Criteria for RLF Grants

- A. Applicant Eligibility - State – The Vermont Agency of Commerce and Community Development and the Agency of Natural Resources, collectively the “Coalition Partners,” are both authorized agencies within the Executive Branch of government for the State of Vermont. (See attached Letters from Coalition Partners, Attachments 1 and 2).
- B. Description of Jurisdiction – Jurisdiction extends to the boundaries of the State of Vermont.
- C. Community Notification - The State’s intent to apply for this \$2 million EPA Brownfields Revolving Loan Fund Grant was communicated to the public through the announcement of the Governor’s Brownfields Initiative in February 2005, of which this Application is an integral part. The Governor’s Brownfields Initiative is a collaboration between the Coalition Partners designed to bring the environmental expertise of the Agency of Natural Resources together with the economic and community development specialties of Agency of Commerce and Community Development to promote the effective and efficient redevelopment and reuse of brownfields sites. The State’s intent to apply was also conveyed and discussed at a series of public Brownfields Forums sponsored by the Coalition Partners and held at eight locations throughout the State between August and November 2005. These Forums were attended by 115 participants, including regional planning staff, municipal officials, and private developers. Notice of application was advertised November 21, 2005 in eight newspapers across Vermont and a summary was posted on our web site and provided to members of the Vermont Association of Planning and Development Agencies representing eleven regional planning commissions, the Vermont Association of Regional Developers representing twelve regional development corporations, and the Vermont League of Cities and Towns representing 247 cities and towns. These organizations include all of Vermont’s participants in EPA-funded Brownfields Programs. The full application was made available to the public for review and comment on November 21, 2005 and a public hearing was held on December 1, 2005.
- D. Letter from the State or Tribal Environmental Authority – Applicant is the State.
- E. Cleanup Authority and Oversight Structure
1. Vermont’s authority to cleanup hazardous sites is contained in 10 V.S.A. Chapter 47, Water Pollution Control and 10 V.S.A. Chapter 159, Waste Management Act. Funds received through this EPA RLF Grant will capitalize Vermont’s existing revolving loan fund, known as the Brownfields Revitalization Fund (the “Fund”). Loan applicants for these funds are required to participate in the State’s voluntary response program and obtain a State-approved corrective action plan. The State has an established response program for oversight of cleanups.

State of Vermont Revolving Loan Fund Application

2. A legal opinion attached as Attachment 3 demonstrates the State's legal authority to access and secure sites in the event of an emergency, default on a loan agreement, or non-performance under a subgrant.

F. Cost Share – Vermont is applying for \$2,000,000. The cost share is met through \$400,000 in State funds appropriated by the Legislature in 2005 with the express purpose of meeting this cost share. Vermont will also provide \$170,800 in in-kind services of project staff from the Coalition Partners. It is also anticipated that a variety of other sources will contribute to the cost share, including Fund borrowers and the Vermont Petroleum Cleanup Fund.

G. Legal Authority to Manage a Revolving Loan Fund - A legal opinion is Attachment 4.

Ranking Criteria for RLF Grants

A. RLF Grant Proposal Budget

Task 1. Establishment of RLF

The Fund was created by statute in 2003 and was partially capitalized with \$400,000 in 2005. Since the Fund was capitalized this year, the State has completed the following components of this Task: Memorandum of Understanding between Coalition Partners; Memorandum of Understanding between Coalition Partners and lending agency; loan application and loan documents; web site pages; inventory of regional assessment programs; program participation selection criteria; priority site list; and loan processing protocols. Work currently underway includes: ongoing community involvement; hiring full time Brownfields Coordinator; and the preparation of marketing materials. Task 1 pursuant to this grant will establish a grant management system to include internal financial management, draw down and disbursement systems, accounting and reporting systems, setting up record keeping and file systems, IT accounts, and supervision/evaluation systems.

Task 2. Education and Training

This Task will disseminate information to State, regional, and local partners about the Fund and how it can be used. This education/training will be conducted at program offices and regionally; will establish a high level of regional capacity to assist applicants with applications and assembly of documentation; and will explain program parameters, selection criteria, process features and expectations. This Task will establish a statewide network of partners who will be points of contact for the broader market of property owners, developers, banks and municipalities.

Task 3. Marketing the RLF

The marketing program will target a broader market consisting of property owners, developers, banks and municipalities. Through written materials, meetings, advertisements, workshops, State websites, and other venues, the Brownfields Coordinator will execute a comprehensive marketing program. The Chief Marketing Officer for Vermont, located within the Agency of Commerce and Community Development, will assist with the final development and execution

State of Vermont Revolving Loan Fund Application

of the Fund marketing plan.

Task 4. Operating the RLF

This Task involves all of the processes required from receipt of loan applications to final loan close out and reporting. The Brownfields Coordinator will administer interagency processes and facilitate communication. The responsibilities and flow of the Fund process are depicted on Attachment 5. Essentially, the Coalition Partners make the eligibility and funding decisions while the Lending Agency, the Vermont Economic Development Authority, conducts due diligence and makes and services the loans. A significant portion of the State's cost share will be used in this Task as in-kind services.

Task 5. Clean Up Planning

Clean up planning is overseen by the Agency of Natural Resources pursuant to Vermont statute. The Brownfields Coordinator will work closely with Agency review staff and property owners and their development team to coordinate communication and review requirements to determine the best course for corrective action, monitoring, and controls.

Task 6. Site Clean Up

Site clean up will involve the managed disbursement of loan funds, site clean up management, and adherence to approved corrective action plans. While the Vermont Economic Development Authority will provide financial management, the Brownfields Coordinator will work with Agency of Natural Resources staff to monitor the execution of corrective action plans. Site visits and tests will be conducted as required to assure the project is completed according to the corrective action plan.

Task 7. Evaluation and Reporting

The effectiveness of the Fund will be evaluated on an ongoing basis by all partners. At regular intervals, the Brownfields Coordinator will: survey staff, partners and customers; test systems to identify bottlenecks; and assess the appropriateness of products and the timeliness of service, and other essential elements of success. Reports will be provided to both Coalition Partner Secretaries and to the Governor's office. In consultation with the Secretaries and Governor's office, recommendations for adjustments to the Fund will be implemented.

Revolving Loan Fund Grant Proposal Budget

Hazardous Substance Budget Detail

	Task 1	Task 2	Task 3	Task 4	Task 5	Task 6	Task 7	
Budget Categories	Establishment of Fund	Education and Training	Marketing Fund	Operating the Fund	Clean Up Planning	Site Clean Up	Evaluation / Monitoring	Total
Personnel (incl. fringe benefits)	\$6,000	\$6,000	\$24,000	\$60,000	\$8,000	\$6,000	\$12,000	\$122,000
Travel	\$200	\$800	\$1,000	\$3,200	\$800	\$1,000	\$1,000	\$8,000
Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplies	\$2,000	\$400	\$1,600	\$0	\$0	\$0	\$0	\$4,000
Contractual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loans	\$0	\$0	\$0	\$0	\$0	\$1,800,000	\$0	\$1,800,000
Subtotal:	\$8,200	\$7,200	\$26,600	\$63,200	\$8,800	\$1,807,000	\$13,000	\$1,934,000

Petroleum Budget Detail

	Task 1	Task 2	Task 3	Task 4	Task 5	Task 5	Task 6	
Budget Categories	Establishment of Fund	Education and Training	Marketing Fund	Operating the Fund	Clean Up Planning	Site Clean Up	Evaluation / Monitoring	Total
Personnel (includes fringe benefits)	\$1,000	\$1,000	\$12,000	\$12,000	\$2,000	\$2,000	\$2,000	\$32,000
Travel	\$0	\$0	\$1,000	\$800	\$1,000	\$1,000	\$1,000	\$4,800
Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contractual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loans	\$0	\$0	\$0	\$0	\$0	\$600,000	\$0	\$600,000
Subtotal:	\$1,000	\$1,000	\$13,000	\$12,800	\$3,000	\$603,000	\$3,000	\$636,800

Total:	\$ 9,200	\$ 8,200	\$ 39,600	\$ 76,000	\$ 11,800	\$ 2,410,000	\$ 16,000	\$ 2,570,800
Cost Share *	\$ 9,200	\$ 8,200	\$ 39,600	\$ 76,000	\$ 11,800	\$ 410,000	\$ 16,000	\$ 570,800

*Cost Share is estimate of services provided with State resources and the State \$400,000 General Fund appropriation. Budget assumes full funding under both hazardous waste and petroleum.

State of Vermont Revolving Loan Fund Application

State of Vermont Revolving Loan Fund Application

B. Community Need

1. Description of the State of Vermont. Vermont is a small, rural state with a population of 619,116 and a per capita income of \$29,764. (Vt. Dept. of Labor). Vermont's brownfields are vestiges of the State's former paper mills, textile industry and machine tool, furniture, electronic and electrical equipment manufacturing industries. These brownfields sites are primarily located in populated areas of historic villages and downtowns and along historic transportation corridors throughout the State. Vermont's brownfields sites tend to be located near or in low-income neighborhoods. These areas tend to have high levels of unemployment and poverty. (Vt. Dept. of Labor). The existence of brownfields in village and downtown locations has refocused development interest towards the remaining green spaces in the urban and suburban core. A lack of funding and the threat of contamination and liability have also limited the reuse and redevelopment of these village and downtown brownfields sites, while suburban sprawl continues. This leads to reduced local property values and taxes, loss of potential economic opportunities, deterioration and under use of historic buildings, and threats to area drinking supplies.

Vermont's unemployment rate, currently 3.3% statewide, varies significantly by region in the State. Regions such as Essex and Orleans counties experienced the highest unemployment rates at 4.1% and 4.9%, respectively, reflecting long-term economic problems in those rural counties. (Vt. Dept. of Labor). One third of adults employed in the State, however, is employed in low-paying jobs and often struggle to meet the basic costs of living, including housing. (2005 Vermont Housing Needs Assessment) The 2000 census block group poverty data shows that individuals living near 124 of Vermont's brownfields sites have an average poverty rate of 32%, while the State as a whole is at only 9.4%. There are over 7,000 children and 16,000 elderly living near these sites. (2000 Census). The number of individuals below poverty living near these sites has increased by 14% (2,231) since 1990. (2000 Census). The Vermont Job Gap Study (December 2003) concludes: (1) there is a critical shortage of full-time livable wage jobs; (2) traditional unemployment figures fail to represent accurately the actual labor market conditions; (3) under-employment is a serious problem in Vermont; (4) the Vermont economy has, and is expected to produce, a significant percentage of low-skill, low-wage jobs; (5) competition for low wage jobs is severe; (6) competition for low-skill, livable wage jobs is an urgent problem. Vermont lost 6.9% of its total manufacturing jobs in 2001 (3,400 jobs), according the Boston office of the Federal Reserve Board, and as manufacturing jobs become harder to find residents often find themselves working two or more lower paying service jobs to make ends meet.

2. Benefits from this Grant. EPA has recently given the regional planning commissions throughout Vermont \$2.8 million to conduct assessments. Although we are now at the point where assessments are being completed and sites are ready for cleanup, the State has only just initiated the Fund with \$400,000. Capitalization of the State's Fund will enable the State's communities to provide greater opportunities for economic development and to create community benefits. The Fund will also be used to make loans to clean and redevelop properties on waterfront and other former transportation

State of Vermont Revolving Loan Fund Application

corridors and to invigorate downtowns and growth centers. Such projects will promote productive land use, reduce air and water pollution associated with urban sprawl, allow better use of public and private investment already made in existing infrastructure, and expand job opportunities in locations accessible to low-income populations. Successful redevelopment projects will help bring jobs with a livable wage to these distressed areas and benefit the entire State.

3. Impact of Brownfields in Vermont. Brownfields have significantly affected the State as a whole. We currently have a priority list of approximately 40 brownfields sites around the State that are actively in an assessment or cleanup phase, some of which are being evaluated for potential redevelopments by prospective purchasers. We estimate that there are 150 brownfields sites across the State that are stagnating economic growth and potentially affecting public health and the environment of the communities because of the neglect. Numerous sites contain buildings that are in such a state of disrepair that the fear of collapse is real and is a further hindrance to the assessment of the environmental conditions. Environmental and public health threats have been documented at dozens of sites that contain chlorinated organics, dioxins, PCBs, and other recalcitrant and persistent contaminants of concern. In one of our highest priority sites located in a targeted community, the Fund will be used to remediate elevated arsenic levels discovered in the existing play area for a day care center serving low income persons. These sites contain problems that far exceed the capacity of the local communities to solve without financial assistance from the State and Federal authorities.

C. Business Plan

1. Business Concept. The State requests \$2 million to capitalize its Fund to make no-interest and low-interest loans to eligible loan applicants to clean up sites contaminated by petroleum and/or hazardous substances. These grant funds will only be used to make clean up loans. The State has, however, set aside 10% of its FFY '06 CDBG allocation (\$750,000) to provide municipalities and non-profits with grants for brownfields reclamation. The Fund will offer subordinated loans to enhance the credit worthiness of conventional or other alternative loans and may fill gaps in the financial mix of a project. The maximum loan amount will be \$250,000, per State statute, and the term of the loan and interest rate will be determined on a case-by-case basis based upon a financial analysis of the project's ability to repay the loan, with the goal of requiring repayment within 5 years. We anticipate most loans will be below market rate but may be higher if a project can support a higher rate. Interest may be deferred until the project begins to generate revenue. Utilizing the substantial underwriting and credit evaluation services of the Vermont Economic Development Authority, the Fund will be able to conduct informed due diligence on every project. With establishment of the Fund well underway and the selection of a Brownfields Coordinator/Fund Manager imminent, we expect a relatively short period of time for program implementation. We anticipate full implementation to be effective within six months of grant award. Our goal is to completely commit all funds within three years of grant award and the fund to be 10% revolved by year five. By year ten, we would expect 50% of the funds to be revolved, to maintain no less than 90% commitment of all funds at all times and to attract at least \$1M additional dollars in new capital.

State of Vermont Revolving Loan Fund Application

The Fund was established in 2002 as an integral part of the State's voluntary cleanup program to provide funding to aid applicants to complete remediation of contaminated properties. The statutory framework of the Fund utilizes the expertise of three State agencies. The Agency of Commerce and Community Development (Coalition Partner) administers the Fund and brings the skills of developing and financing projects together with community and downtown planning, housing, and grants management. The Agency of Natural Resources (Coalition Partner) is responsible for approving and overseeing corrective action plans for any applicant eligible for and requesting funding. Approval of loans shall be contingent on participation in the State's voluntary cleanup program. The Vermont Economic Development Authority, the State's financing authority, is directed to make loans on behalf of the State under this program. An advantage of having the Vermont Economic Development Authority process the loans is that they will be able to leverage Fund dollars with one or more of their other twelve financing programs. Other incentives available to promote brownfields development are: Brownfields Tax Incentives for clean up expenditures under authority of the Vermont Economic Progress Council and Tax Credits for projects developed under Vermont's Downtown Program.

To ensure the continuing revolving nature of the Fund the State will: use these EPA funds only for the purpose of making cleanup loans, and not grants; acquire security interests in the real property being benefited by the loan; require personal guarantees from borrowers; ensure interest is paid; and not use these EPA funds to pay the Vermont Economic Development Authority to service loans made from the Fund.

2. Marketing Analysis. The market for these clean-up loans include for profit, not for profit, and municipal entities that may own, control, or otherwise have interests in properties that meet the EPA brownfields definition and which are committed to a program to reclaim those properties. The State currently has a priority list of approximately 40 brownfields sites which have undergone, or are currently undergoing, assessment. As these sites are addressed, new sites will emerge from regional assessment activities. There are an estimated 150 additional sites that make up the potential market. These sites are vestiges of the former paper mills, machine tool manufacturing, furniture, electronic and electrical equipment manufacturing and are located throughout the State, primarily in populated areas of historic villages and downtowns and along transportation corridors.

3. Selection Process. The criteria for site selection and borrower selection are set forth in Vermont law which is consistent with the Federal Brownfields Law.

a. Site Selection: The Coalition Partners currently maintain a priority list of 40 sites that are under active consideration for investigation and reuse. The majority of these sites have been generated by the State's regional planning commissions, most of who are current recipients of EPA assessment grants and are active in identifying potential sites for remediation. State law requires that loans only be made for sites that are on the priority list and requires that reduction of threats to public health, the availability of development opportunities, and return on public investment be considered when placing sites on the priority list.

b. Borrower Selection: The steps in the borrower selection process will be as follows: A)

State of Vermont Revolving Loan Fund Application

ACCD in consultation with the ANR determines eligibility for funding. In order to be eligible loan applicants must be enrolled in the State's voluntary cleanup program which is consistent with the Federal Brownfields Law. B) Upon approval by ACCD and ANR, the applicant submits a loan application to the Vermont Economic Development Authority ("VEDA"). C) VEDA reviews the application based on credit worthiness and ability to repay the loan and makes their financing recommendation including the rate, term, and conditions. E) ACCD and ANR review the recommendation and direct VEDA to process the loan if appropriate.

c. Eligibility Determination: Loan evaluation criteria established by statute are: A) The extent to which the proposed project will facilitate the identification and reduction of threats to human health and the environment that may be associated with exposure to hazardous materials, pollutants or contaminants. B) The extent to which the proposed project will facilitate the use or reuse of existing infrastructure. C) The potential for the proposed project to stimulate economic development. D) The extent to which the proposed project will respond to the housing needs of a community or region. E) The level of participation by a local community in the process of making decisions relating to remediation and future use of the brownfields site. F) The extent to which the loan will meet the needs of a community that has an inability to draw on other sources of funding for environmental remediation and subsequent redevelopment of the area in which a brownfields site is located, because of the small population or low income of the community. G) The extent to which the loan will facilitate the creation of, preservation of, or addition to a park, a greenway, undeveloped property, recreational property or other property used for nonprofit purposes. H) The extent to which the loan will cause a more balanced geographic distribution of awards from the brownfields revitalization fund. I) The severity of any health or environmental hazard to be abated. J) That all state and federal permits have been or will be obtained prior to disbursement. K) The population to be served. L) The readiness of the project to proceed to the next planning or construction step.

4. Management: The management of the grant will be under the direction of the Deputy Commissioner of the Agency of Commerce and Community Development's Department of Housing and Community Affairs who has 15 years experience in managing revolving loan funds on a local and regional level. That Department also brings federal grants management expertise and legal services. Site selection and project development help will be provided by the Director of Permitting Assistance for the Dept. of Economic Development with over 30 years experience. Technical environmental review will be under the direction of the Brownfields Program Manager within the Dept. of Environmental Conservation, with over 25 years experience, and conducted by three regional site specialists. Financial loan review and processing will be handled by the Vermont Economic Development Authority which maintains a staff of 12 and has overseen 1 billion dollars in lending over the last thirty one years. The State is in the process of hiring a Brownfields Coordinator who will coordinate and supplement these management functions.

D. Sustainable Reuse of Brownfields

1. In the selection process, preference will be given to loan applicants with projects that incorporate the use of construction materials consisting of wood products that conform to

State of Vermont Revolving Loan Fund Application

sustainable forestry practices; that use alternative fuel sources such as wood chips and pellets; that demonstrate full compliance with alternative stormwater designs as specified in the Vermont Stormwater Management Manual; and that reuse and recycle construction and demolition debris. These preferences will be included in the loan application.

2. Vermont statute requires applicants for loans to show, and the State to evaluate, applications for the proposed project's potential to stimulate economic development and housing. The focus on loan application review for economic benefit will be on the number and type of jobs created, the increase in real estate value, and the generation of taxes. Along with environmental benefits, economic development is the driving force behind the Governor's Brownfields Initiative of which the Fund will be an integral part.

3. Vermont is characterized by the historic settlement pattern of compact villages and urban centers separated by rural countryside. Vermont's brownfields sites are located within these developed areas. Priority will be given to loan applicants with projects that contribute to the implementation of Vermont's smart growth agenda and that are concentrated in existing village centers, downtowns and urban neighborhoods or industrial parks, as outlined in the State's 2005 Consolidated Plan to HUD. Projects must also comply with the goals of the State's Planning and Development Act which prioritizes economic growth that is located in locally designated growth areas, that provides economic and efficient transportation systems and options for pedestrians, and that encourages a diversity of housing options. The Vermont Downtown Program, administered by the Agency of Commerce (Coalition Partner) also provides technical assistance and economic incentives to municipalities that concentrate economic development in our historical downtowns and village centers to prevent sprawl, provide mixed commercial and residential uses, and ensure economic vitality of communities.

4. The Vermont statute governing how funds will be managed and utilized requires the State to evaluate loan applications to determine the extent to which the proposed project will facilitate the use or reuse of existing infrastructure. Most of Vermont's existing brownfields sites are located within downtown areas already served by municipal water and sewer services and roads. Because the driving force behind the Vermont's Brownfields Initiative is to redevelop and reuse buildings and sites that are currently served by existing infrastructure, priority will be given to loan applicants that demonstrate existing infrastructure will serve the proposed project site.

5. Vermont's Waste Management Division of the Agency of Natural Resources (Coalition Partner) regulates hazardous materials, performs inspections where those materials are stored, and provides training on the proper handling, storage, and disposal of hazardous materials. There is also a very active Pollution Prevention Program within the Environmental Assistance Division ("EAD") of the Agency of Natural Resources. The EAD oversees the Vermont Business Environmental Partnership to assist small businesses with environmental compliance and pollution prevention strategies and promotes the Governor's Environmental Excellence Awards. Any project that receives a loan from the Fund must demonstrate that it has received, and is in compliance with, all required environmental permits as part of the loan application process.

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6. Loan applicants will be encouraged to comply with the recommendations of Efficiency Vermont, the State's electrical energy conservation program. Efficiency Vermont provides technical assistance and direct financial support to encourage energy saving equipment and electrical energy conservation. The State also recently adopted the 2005 Vermont Guidelines for Energy Efficient Commercial Construction.

E. Creation of Greenspace/Open Space

As previously mentioned, the Vermont statute governing how funds will be managed and utilized requires the State to evaluate loan applications to determine the extent to which the loan will facilitate the creation of, preservation of, or addition to a park, a greenway, undeveloped property, recreational property or other property used for nonprofit purposes. When appropriate, deed restrictions, covenants and long-term management agreements with loan recipients will provide for long term management and preservation of these sites. The State has many long standing and successful programs dedicated to the creation and preservation of greenspace/open space that can facilitate such management and preservation. The Vermont Housing and Conservation Board provides grants, loans and technical assistance for land conservation. The Vermont Land Trust has conserved more than 1,300 parcels of land covering 446,566 acres or about 7% of the private, undeveloped land in the state. The Preservation Trust of Vermont provides planning grants, technical assistance, preservation grants, and educational tools for preservation purposes. Finally, because most of the State's brownfields are located within already developed village centers and downtowns and along transportation corridors, the redevelopment of these sites will reduce the need to develop outlying greenfields.

F. Community Involvement

1. Involving Affected Community: The State's voluntary cleanup program requires public notification and comment for corrective action plan approval, which is a prerequisite for loan eligibility. The Vermont statute governing how funds will be managed and utilized requires the State to evaluate loan applications to determine the level of participation by a local community in the process of making decisions relating to remediation and future use of the brownfields site. By working with and through our State, regional and local partners, (Vermont does not have county government), the community will be notified and involved with decisions regarding the use of the Fund. The eleven regional planning commissions, eight with brownfields programs and three applying for assessment funds this round, will be important components of our outreach effort. These regional planning commissions are made up of municipal representatives and our twelve regional development corporations are comprised of local business people. By employing these regional partnerships, we ostensibly reach through our partners to the local communities. In addition to this extremely effective infrastructure, we will consult with key local officials to identify potential projects and to consult on land use issues and environmental concerns. Through agencies like the Small Business Development Center, Vermont Manufacturing Extension Center and other statewide members of the Vermont Environmental Assistance Program, we are engaging a large and connected network of community leaders that will provide us with projects that are priorities to their communities. We will also produce articles suitable for circulation in

State of Vermont Revolving Loan Fund Application

the many newsletters that are produced by our partner agencies and organizations. Earlier this year in preparation for this grant application, the Coalition Partners conducted a series of Community Forums. These eight forums were held in different regions of the State, attended by 115 community members, and were widely advertised through various media, direct electronic mail and newsletters. The State will conduct similar forums throughout the period of this grant.

2. Partnerships. The State will build upon our well-established regional and municipal partnerships as well as with stakeholders such the Small Business Development Center, Vermont Manufacturing Extension Center, USDA Rural Development, the Vermont Housing and Conservation Board, and the Vermont Housing Finance Agency to identify priority sites and funding sources. Partnerships have been strengthened through the implementation of brownfields assessment grants at the regional planning and local community levels. This bottom up planning emphasis is critical to the success of the Fund because the local authorities are more likely to know the issues which surround a potential project and are likely to lead to identification and development of better projects. This process also brings a local emphasis to a project which contributes to the project's success. regional development corporations are also integrally involved in this local process. They are able to tap into the resources of the communities' business leaders and other resources in the business community to match the potential reuse of a brownfields site with the end user, effectively bringing to bear the ability to use other resources for adaptive reuse. Finally, the Agency of Commerce and Community Development (Coalition Partner) requires the regional planning commissions and the regional development corporations to include cooperative, interagency, brownfields redevelopment in their annual workplans.

3. Communications. The Agency of Commerce and Community Development (Coalition Partner) now has a full time Communications Director and it will be part of his job to help the Fund become more visible and well known. The Brownfields Coordinator will expend a considerable amount of time especially in the start up phase of the Fund, first meeting with our regional and municipal partners to educate them and then with associations and organizations such as Vermont Bankers Association, Vermont Bar Association, Realtors, and the Vermont League of Cities and Towns to reach all facets of the community. Marketing materials will also be developed including a brochure explaining use of the Fund, a world wide web presence and links to all the respective pages and sites that may be helpful to potential applicants, advertisements appropriate for print media, and power point presentations that can be used at outreach workshops to organizations around the State. Our education and training components and our marketing plan rely heavily on our partner agencies to achieve success on all levels.

State of Vermont Revolving Loan Fund Application

4. Community-Based Organizations: Letters of support have been received from:

<p>Vermont Association of Planning and Development Agencies Thomas Kennedy, President c/o Southern Windsor Regional Planning Commission, 802-674-9201 VAPDA represents the eleven regional planning commissions in the State who have taken the lead in working with their respective communities to identify and assess brownfields sites.</p> <p>Vermont Association of Regional Developers Richard Angney, President c/o Central Vermont Regional Development Corporation, 802-223-4654 VARD represents the twelve regional development corporations in the State who are responsible for encouraging and facilitating economic growth in their area.</p>	<p>Vermont League of Cities and Towns Karen Horne, Director, Public Policy 802-229-9111 VLCT is a non-partisan, non-profit organization representing all of Vermont's 246 cities and towns.</p> <p>Vermont Manufacturers Extension Center Robert Zider, State Director, 802-728-1432 VMEC provides statewide technical assistance to the industrial sector.</p> <p>Small Business Development Center Peter Crawford, Environmental Program Director, 802-728-1423 SBDC provides confidential business counseling environmental training and pollution prevention to the State's small businesses.</p>
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G. Reduction of Threats to Human Health and the Environment

1. The Vermont statute governing how the Fund is used requires the State to give consideration to projects that result in the reduction of threats to human health and the environment. Participation in the State's voluntary cleanup program is a prerequisite for Fund eligibility. The State's voluntary cleanup program requires careful, progressive analysis of the nature and extent of contamination and sets remedial objectives consistent with the planned use of the site. The State's Department of Environmental Conservation works closely with toxicologists in the Department of Health to establish health based standards that are a function of risk assessment and in reviewing proposed remedial objectives to insure that they are appropriately tied to proposed site use.
2. The Department of Environmental Conservation manages the voluntary cleanup program and routinely works with the Department of Health to review the appropriateness of standards for protection of human health and the environment. On a project specific basis, the Department of Environmental Conservation routinely meets with local communities and health officials to identify pathways where contaminants of concern present a risk to human health and the environment, to identify populations at risk and determine how to control the potential exposures. Participation by the local community in the development of a cleanup plan is required for application to the voluntary cleanup program, as well as for priority consideration for the determination of funding from the Fund. Notices to the Land Records are required to be used for

State of Vermont Revolving Loan Fund Application

projects that contain use limitations. These notices are also tracked on the brownfields database.

3. The Governor's Brownfields Initiative recently engaged in several improvements to the outreach component of the Initiative, of which the Fund is a part. The State's Chief Marketing Officer, the Agency of Commerce and Community Development's Communications Director, and the newly created position of Brownfields Coordinator have been assigned to assist in communicating the availability of, and the eligibility requirements for, the Fund. The Agency of Commerce's Director of Permitting Assistance will be a point of contact as a non-regulatory agency and be available for confidential assistance especially in the early stages of a project. A toll free number will be promoted to encourage the interest in brownfields development. The Coalition Partners have also instituted numerous improvements to their brownfields redevelopment web sites, and have assigned project managers to each region of the state. The project managers communicate regularly with local communities and regional planning commissions to provide technical assistance and discuss program details and potential redevelopment projects with potential borrowers. Our Evaluation and Reporting Task will allow us to make quantifiable and qualitative assessments of the use of the Fund and will allow us to communicate the effectiveness of, and make adjustments to, the use of the Fund.

H. Leveraging of Additional Resources

1. In 2005, the Legislature funded a full-time Brownfields Coordinator position in the Agency of Natural Resources. Once filled, this full-time position will be responsible for the day to day management of fund activities. The Brownfields Coordinator will draw on the expertise within both Coalition Partners to augment their regulatory, banking, construction and permitting knowledge and experience. Additional financial advice and assistance will be provided to the Brownfields Coordinator by the Vermont Economic Development Authority.

2. The Legislature appropriated \$400,000 in special funds to match this grant and establish the Vermont Brownfields Revitalization Fund. These funds are immediately available for loans. Additionally, the State's recently completed Consolidated Plan for the expenditure of HUD funds for the first time provided for a brownfields set aside of \$750,000 for brownfields reclamation activities. The State just approved the first grant of this funding in the amount of \$200,000. In addition, the Governor and Coalition Partners have made a commitment to fund staff and operating costs of the Brownfields Initiative through existing budgets. In total the in kind contribution is \$170,800 making the capital and operating commitment \$1,320,800.

3. The Fund's lending authority, the Vermont Economic Development Authority ("VEDA"), has a portfolio of loan products that will enhance and compliment the Brownfields Revitalization Fund. These products include loans that are especially authorized by legislation for regional and local development corporations. The amount of capital for these loans is unlimited. In addition to VEDA, there are other alternative grant and loan sources throughout the State with mission commitments to community development. These funds will be tapped as appropriate to provide more capital as required to enhance conventional investments in brownfields projects. They include the Vermont Petroleum Cleanup Fund, the Vermont Community Loan Fund, the

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Sustainable Jobs Fund, the Vermont Housing and Conservation Board and the Vermont Housing Finance Agency. There are also many community based revolving loan funds that were capitalized with HUD grants over the years. It is our intention to use these funds as much as possible for locally important projects and projects undertaken by municipalities. The program infrastructure established to execute this program includes the partners required to identify and secure additional capital as required to augment and leverage the Fund.

I. Programmatic Capability/Management Structure

1. The Agency of Commerce and Community Development will manage this grant on behalf of the State. For sixteen years the Agency of Commerce and Community Development has managed the HUD Community Development Block Grant Program ("CDBG"). The State receives approximately \$8 million in CDBG funds per year and distributes these funds through a competitive process to municipalities. Our grants management team, which will be employed to manage this grant if awarded, is very experienced in all aspects of federal grants including environmental review, historic reviews, audits, wage rate compliance, and procurement regulations. The Coalition Partners, along with the Vermont Economic Development Authority ("VEDA"), have extensive environmental, banking and community development experience to ensure all phases of work under this grant are successfully performed. The Vermont statute creating the Fund recognizes the expertise of each agency and specifically requires the Coalition Partners and VEDA to administer and manage the Fund.

The Agency of Natural Resources' experienced Brownfields Program staff provides technical review and oversight of sites enrolled in the State's voluntary cleanup program. The Agency of Commerce and Community Development provides legal services, grants management, project development and community planning assistance. VEDA will perform loan activities, is a construct of State legislature and has been making small business loans for over 30 years. VEDA has loaned a total of approximately one billion dollars and continues to aggressively assist the state's micro, small and medium sized businesses. Last year VEDA loaned \$84 million dollars. Recently they hired a new loan specialist with experience in the environmental management field. This addition will round out the breadth of experience and capacity already at the authority. The State is in the process of hiring a Brownfields Coordinator who will coordinate and supplement these management functions.

2. The Agency of Commerce and Community Development, the Coalition Partner responsible for managing this grant on behalf of the State, has a demonstrated capacity to manage Federal grant funds in full compliance with all relevant regulations and is considered a "low risk agency." Therefore the Agency is audited only every three years. After managing federal funds for 22 years there have been no audit findings or material weaknesses either by the State's Auditor's Office under the single audit act prior to 1984 or by independent auditors under OMB A-133 Single Audit Act. Additionally, as of September, 2003, the State has instituted further controls to comply with OMB-133 through new State Administration policies. Recently HUD monitored our \$24 million Section 108 project and deemed the management of the project as "exemplary." The Agency of Natural Resources has successfully managed dozens of federal grants in the

State of Vermont Revolving Loan Fund Application

various environmental media programs, over a long-established relationship with its EPA partners and has no known adverse audit findings -OMB Circular A-133, state auditor or USGAO.

3. The Agency of Natural Resources received a Targeted Brownfields Assessment Grant (Assistance ID No: BP-981339-01) and a Brownfields Response Program Grant (Assistance ID No. RP-981957-01), and has routinely reported on progress regarding brownfields reporting measures, including submittal of property profile forms, and financial status reporting is currently up to date in all respects. The Agency also received a Brownfields Response Grant (Assistance NO. RP- 97130101-0) on October 1, 2005, for which no reporting or charges have begun.

4. The Agency of Natural Resources received a Targeted Brownfields Assessment award in 2000 in the amount of \$358,000 with a grant period from October 1, 2000 to December 31, 2005. The balance of funds remaining for the reporting period ending November 30, 2005 was \$158,000. The Brownfields Response Program Grant, with a grant period of October 1, 2003 to December 31, 2005, was in the total amount of \$823,005. The balance of funds for the reporting period ending November 30, 2005 was \$118,843. Significant work under these grants was accomplished in November and during the grant closeout significant invoices are expected for project deliverables in December. Total charges to the grants are expected to be approximately \$149,000. The balance of these grants at the end of the grant period, December, 2005, is expected to be approximately \$ 125,000 (TBA) and \$12,000 (BRP).

5. Targeted Brownfields Assessment and the Brownfields Response Program grants have been instrumental in establishing a core program for brownfields response in the State, having provided resources for oversight of the work being done at the regional planning commissions and local municipal level, and for conducting targeted brownfields assessments using State-hired contractors. The grants have been used to establish a baseline inventory of brownfields sites, provide public access to program and site information and several State-led brownfields assessments: Downtown Windsor area assessment, 151 S. Champlain St, Burlington, former Jard facility, Bennington, and the former Stanley Tools facility, Shaftsbury. These State-led assessments were critical to fill data gaps necessary for the eventual revitalization of these facilities because the funds were not available locally.

List of Attachments:

1. Letter of participation from the Agency of Commerce and Community Development.
2. Letter of participation from the Agency of Natural Resources.
3. Legal opinion demonstrating the State's legal authority to access and secure sites in the event of an emergency, default on a loan agreement, or non-performance under a subgrant.
4. Legal opinion demonstrating the State's legal authority to manage a revolving loan fund.
5. Chart depicting the process flow of the Fund.



STATE OF VERMONT

AGENCY OF COMMERCE
AND COMMUNITY DEVELOPMENT

OFFICE OF THE SECRETARY
Tel.: (802) 828-3211 Fax: (802) 828-3383

NATIONAL LIFE BUILDING
DRAWER 20
MONTPELIER, VT 05620-0501

December 14, 2005

Environmental Management Support, Inc.
Attn: Don West
8601 Georgia Avenue, Suite 500
Silver Spring, MD 20910

Dear Mr. West,

The Agency of Commerce and Community Development is pleased to be the lead agency along with the Agency of Natural Resources in the state's coalition application to EPA for a Revolving Loan Fund Grant of \$2 million to capitalize the Brownfields Revitalization Fund.

This Agency administers this state fund with the support and approval of the Agency of Natural Resources who provides technical environmental review under the state's Brownfields Program in the Department of Environmental Conservation. The Memorandum of Understanding that outlines the responsibilities of each agency with respect to the fund is attached.

The Vermont Legislature's support of the fund this past session with \$400,000 has enabled us to get started with the Vermont Economic Development Authority to establish loan procedures and criteria for the fund. Should we be successful in obtaining funds from EPA, it is our intent to use as much of the fund for loans as possible but may use the state monies for grants. This year the Agency has, as part of our "Brownfields Initiative", allocated \$750,000 as a brownfields set aside under the Vermont Community Development Program to also support the redevelopment of contaminated properties.

We have made great strides this year with programs and initiatives to redevelop brownfields. We seek EPA's support to further this effort.

Sincerely,

Kevin Dorn
Secretary



State of Vermont

Agency of Natural Resources

Office of the Secretary

Center Building
103 South Main Street
Waterbury, VT 05671-0301

Telephone: 802-241-3600
Fax: 802-244-1102
Web site: www.anr.state.vt.us

December 9, 2005

Environmental Management Support, Inc.
Attn: Don West
8601 Georgia Avenue, Suite 500
Silver Spring, MD 20910

Dear Mr. West:

The Vermont Agency of Natural Resources is pleased to participate in a coalition, along with the Agency of Commerce and Community Development, in Vermont's application to EPA for a Revolving Loan Fund Grant to further capitalize the Vermont Brownfields Revitalization Fund.

Vermont ANR has established a successful record working with EPA in an effort to revitalize brownfields. EPA has provided grants to our Department of Environmental Conservation and to Vermont's Regional Planning Commissions and municipalities to stimulate the development of brownfields initiatives statewide. During the last session of the Vermont Legislature, we worked to gain support for using state funds to provide the initial capitalization of the Vermont Brownfields Revitalization Fund. As a result, \$400,000 was made available for the Fund. The Fund provides a basis for augmenting the brownfields program, with appropriate incentives for revitalization of derelict properties that cause both environmental harm and economic stagnation. In 2005, Governor Douglas launched a Brownfields Initiative, a joint effort of the Agencies of Natural Resources and Commerce and Community Development, to pool expertise and resources to enhance our program goals for environmental restoration and community development.

We believe that these brownfields programs have shown substantial improvement through the collaboration of federal, state and local partners, and we look forward to continuing this trend through the additional support of the federal revolving loan fund capitalization.

Sincerely,

A handwritten signature in black ink, appearing to read 'Torti', written over a faint, larger version of the same signature.

THOMAS W. TORTI
Secretary

Attachment 3

Legal opinion

Authority to access and secure sites in event of emergency or loan default

Cleanup Authority and Oversight Structure

The state of Vermont has the authority to access and secure sites in the event of an emergency or default of a loan agreement or non-performance under a subgrant.

Under the Uniform Environmental Enforcement Act, the secretary of the Agency of Natural Resources has the authority to “take action” to enforce the provisions of 10 V.S.A., ch. 159, relating to solid waste, hazardous waste and hazardous materials. 10 V.S.A. §8003(12). The actions which the secretary is authorized to take include gaining access to the contaminated property. See, 10 V.S.A. §8005. That section allows an investigator to perform routine inspections to determine compliance with the laws of Vermont. Where an inspector is denied access to a potentially contaminated property, the inspector “may seek an access order from the district or superior court in whose jurisdiction the property is located enabling the inspector to perform the inspection or investigation.” 10 V.S.A. §8005(4). Further, the judge “shall issue an access order when access has been refused and the investigator, by affidavit ... identifies ... facts providing reasonable grounds to believe that a violation exists and that an examination of the ... property will be of material aid in determining the existence of the violation.” See, 10 V.S.A. §8005(b)(1)(C).

Further, the secretary has general authority to bring an action in superior court to “enforce the provisions of law specified in subsection 8003(a) of [title 10] to ensure compliance, and to obtain penalties in the amounts described in subsection (b) of this section...”, which include injunctive remedies, ordering remedial actions, upon the appropriate showing that a violation exists. See, generally, 10 V.S.A. §8221. Insofar as the provisions of law include the secretary’s oversight of the loan and/or grants issued pursuant to the brownfields revitalization fund, created under 10 V.S.A. §6615a(1), it includes the enforcement of any default of a loan agreement or non-performance under the terms of the grant or subgrant issued pursuant to the brownfields revitalization fund authority.



Matt Chapman, Esq.

Agency of Natural Resources

Department of Environmental Conservation



State of Vermont
 Department of Housing and Community Affairs
 National Life Building, Drawer 20
 Montpelier, VT 05620-0501
 www.dhca.state.vt.us

[phone] 802-828-3211
 [Department fax] 802-828-2928
 [Historic Preservation fax] 802-828-3206

Agency of Commerce &
 Community Development

Threshold Criteria for RLF Grants: G. Legal Opinion Regarding Vermont's Legal Authority to Manage A Revolving Loan Fund

The State of Vermont has the legal authority to manage a revolving loan fund, including the authority to hold funds, make loans, enter into loan agreements, and collect repayments. *10 V.S.A. § 6615a(l)(6)*. Specifically, Section 6615a of Title 10 of the Vermont Statutes Annotated, entitled "Redevelopment of contaminated properties program," created a brownfields revitalization fund "to be administered by the secretary of the agency of commerce and community development to aid applicants in the redevelopment of contaminated properties program with the characterization, assessment and remediation of sites." *10 V.S.A. § 6615a(l)(1)*.

Section 6615a(l)(6) of Title 10 authorizes the Vermont Economic Development Authority ("VEDA") to make loans from the brownfields revitalization fund on behalf of the State after the Secretary of the Agency of Commerce and Community Affairs, with the approval of the Secretary of the Agency of Natural Resources, has determined the applicant is eligible for a brownfields revitalization loan. VEDA may issue and administer loans to applicants on behalf of the State in accordance with the "Redevelopment of contaminated properties program" statute and VEDA's enabling authority contained in Title 10, Chapter 12 of the Vermont Statutes Annotated. Said loans are subject to the conditions set forth in Section 6615a(l)(6)(D) of Title 10 and the terms specified in loan agreements regarding repayment terms, interest rates, and such additional information VEDA determines necessary for the proper administration of the brownfields revitalization fund, and which are consistent with applicable state and federal law and with other programs administered by VEDA under 10 V.S.A. Chapter 12. *10 V.S.A. § 6615a(l)(6)(D)*.

Memoranda of Understanding between VEDA, the Agency of Commerce and Community Development, and the Agency of Natural Resources outline the authority, roles, and responsibilities of each agency in the management and administration of the Brownfields Revitalization Fund and are attached hereto and incorporated herein. If the State of Vermont is awarded an EPA Revolving Loan Fund Grant the grant funds will be deposited in and managed as part of the Brownfields Revitalization Fund.

Sincerely,

A handwritten signature in black ink that reads "Julie Kelliher".

Julie Kelliher, Department Counsel
 Agency of Commerce and Community Development



**MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
THE VERMONT ECONOMIC DEVELOPMENT AUTHORITY
AND THE
VERMONT AGENCY OF NATURAL RESOURCES
AND THE
VERMONT AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT**

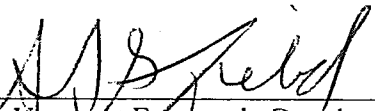
This Memorandum of Understanding is executed for the purpose of defining the roles of the Vermont Economic Development Authority ("VEDA"), the Vermont Agency of Natural Resources ("ANR"), and the Agency of Commerce and Community Development ("ACCD") in carrying out their respective duties in the management and administration of that portion of the Brownfields Revitalization Fund ("BRF") devoted to providing loans pursuant to 10 V.S.A. § 6615a(l)(6).

1. ACCD, with the approval of ANR and in consultation with VEDA, shall annually determine the amount of the BRF available to VEDA for loans under 10 V.S.A. § 6615a(l)(6)(A).
2. ACCD, with the approval of ANR, shall determine whether an applicant is eligible to apply to VEDA for a loan from the BRF. 10 V.S.A. § 6615a(l)(6)(A).
3. VEDA is authorized to make loans from the BRF after ACCD and ANR notifies it that the applicant is eligible for a loan from the BRF.
4. VEDA shall issue and administer loans from the BRF pursuant to VEDA's enabling statute, 10 V.S.A. Chapter 12, and 10 V.S.A. § 6615a(l)(6)(A).
5. Loans may be used for characterization, assessment, or remediation of a site, but shall not be in an amount greater than \$250,000.00.
6. No loan shall be made until:
 - a. The applicant has certified to VEDA that all state and federal permits and licenses necessary to undertake the project for which financing has been sought have been or will be obtained prior to VEDA disbursing funds under the loan; and
 - b. ACCD has certified to VEDA that the applicant and the project are eligible for financing or assistance from the BRF and that the project has priority for receipt of financial assistance, as determined by agreement of ACCD and ANR.

7. Each loan shall be subject to the following conditions:
- a. Repayment shall commence no later than one year after completion of the project for which the loan funds have been applied.
 - b. The interest rate shall be set by VEDA in consultation with ACCD, and shall be at a rate that is sufficiently attractive to advance the purposes of the redevelopment of contaminated properties program. The interest rate set by VEDA may be less than the prevailing borrowing rates available to similarly situated applicants from private lenders, but not less than zero percent.
 - c. Loans made to applicants by VEDA under this MOU shall be made in accordance with the terms and conditions specified in a loan agreement to be executed by VEDA and the applicant. The loan agreement shall specify the terms and conditions of the loan and repayment by the applicant, as well as other terms and conditions determined necessary by VEDA and ACCD or ANR.
 - d. Disbursement of loan proceeds shall be based on certification by the loan recipient demonstrating that costs for which reimbursement is requested have been incurred or paid by the recipient for activities under the plan approved by ANR. The recipient shall provide supporting evidence of payment upon the request of VEDA.
 - e. Interim financing charges or short-term interest costs may constitute an allowable cost of a project for which a loan is extended. In the event short-term financing is unavailable to the applicant, VEDA may make interim loan disbursements to the applicant and its general contractor as co-payees upon submission of a certified request for payment, supported by actual invoices or other evidence satisfactory to VEDA of costs incurred.
 - f. VEDA may include such additional requirements in the loan agreement as it determines necessary for the proper administration of the BRF, and which are consistent with applicable state and federal law and with other programs administered by VEDA under 10 V.S.A. Chapter 12.
 - g. In the event of default, any amounts owed upon the loan shall be considered a debt for purposes of 32 V.S.A. § 5932(4). VEDA may recover such debt pursuant to the set-off debt collection remedy established under 32 V.S.A. §§ 5933-5934.

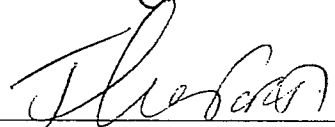
8. Proceeds from repayment of loans shall be deposited in the BRF and shall be available for additional grants or loans.

9. Annually, by January 15, ACCD and VEDA, in consultation with ANR, shall submit a report to members of the joint fiscal committee, the senate committees on economic development, housing, and general affairs and on natural resources and energy, and the house committees on commerce and on natural resources setting out the balance of the BRF, grant or loan awards made to date, funds anticipated to be made available in the coming year, information relating to brownfields remediation activities, including the number, location, and status of brownfields sites, and any other matters of interest.



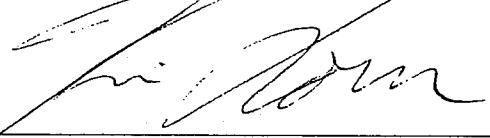
For the Vermont Economic Development Authority

12/13/05
Date



For the Agency of Natural Resources

12/9/05
Date



For the Agency of Commerce and Community Development

12/12/05
Date

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
VERMONT AGENCY OF NATURAL RESOURCES
AND THE
VERMONT AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT

This Memorandum of Understanding (MOU) is made this 12th day of December 2005 by and between the Vermont Agency of Natural Resources (ANR) and the Vermont Agency of Commerce and Community Development (ACCD).

WHEREAS, the parties to this MOU are engaged in programs and activities to identify, assess, remediate, redevelop, and reuse contaminated lands and buildings ("Brownfields") within the State of Vermont;

WHEREAS, ANR and ACCD are collaborating on a comprehensive Brownfields Initiative to bring the environmental expertise of ANR together with the economic and community development specialties of ACCD to promote the effective and efficient redevelopment and reuse of perceived, or actually contaminated sites;

WHEREAS, the Brownfields Initiative will bridge the gap between community redevelopment and environmental regulation to provide better services to both those who seek to redevelop these properties, and those who will benefit from them; and

WHEREAS, the collaboration of ANR and ACCD will ensure that the State's resources are effectively utilized to expedite the reclamation and redevelopment of priority sites throughout the State.

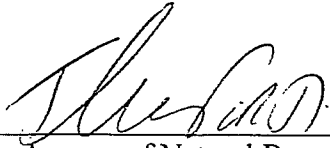
NOW THEREFORE, the parties to this MOU agree as follows:

1. To further the purposes of the Redevelopment of Contaminated Properties Program ("RCPP") created by 10 V.S.A. § 6615a *et seq.*, and brownfields reclamation and development in general, the Agencies will collaborate on the Brownfields Initiative and continue to meet on a regular basis to identify and expedite the reclamation and redevelopment of priority sites throughout the State.
2. The Agencies will work together to develop brownfields education and outreach efforts for regional partners, municipalities, and private developers, and will work closely with these stakeholders to identify priority brownfields sites, locate potential users of the sites, and coordinate public and private financing resources.
3. The Agencies will maintain open and timely interagency communication and will notify the other of significant issues and developments regarding implementation of

the Brownfields Initiative and availability of funding resources. To insure clear communication of program requirements to the general public and program participants and insure the appropriate use of Agency resources and expertise, the Agencies will be mindful of the respective program roles, objectives and limitations, and make referrals to appropriate staff of each agency.

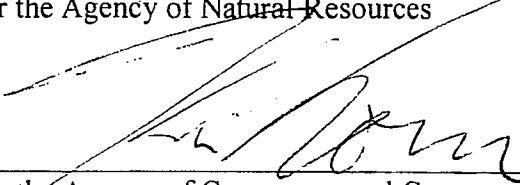
4. The Agencies will jointly prepare, at least annually, a list of projects ranked in priority order that are eligible for financial assistance under 10 V.S.A. § 6615a(l)(6)(F). In establishing these priorities, the Agencies shall consider the criteria set forth in 10 V.S.A. § 6615a(l)(4) and 10 V.S.A. § 6615a(l)(6)(F)(i)-(iii).
5. The Agencies will jointly develop a state plan for brownfields reclamation that will include an inventory and assessment of potential sites and methods and strategies for coordinating remediation, usage, and financing of sites as outlined in 10 V.S.A. § 6615a(m).
6. The Agencies acknowledge that the Legislature, through section 184 of Act 71 of 2005, appropriated \$400,000 from the solid waste management assistance fund to the Brownfield Revitalization Fund ("BRF") to match federal funds available through the Environmental Protection Agency for brownfields redevelopment purposes and for grants to specific projects subject to 10 V.S.A. §§ 6615a(l)(5) and (6).
7. To ensure that the State's resources are effectively utilized, the Agencies may award grants in accordance with the authority contained in 10 V.S.A. § 6615a(l)(5) and will partner with the Vermont Economic Development Authority ("VEDA") to administer and issue loans from the BRF in accordance with 10 V.S.A. § 6615a(l)(6).
8. Grants may be issued by ACCD, with the approval of ANR, subject to the following requirements:
 - a. Grants shall not exceed \$50,000.00 for the characterization and assessment of a site.
 - b. Grants shall not exceed \$200,000.00 for the remediation of a site.
 - c. Grants may be made to assist an applicant in purchasing environmental insurance relating to the performance of the characterization, assessment, or remediation of a brownfields site in accordance with a corrective action plan approved by the Secretary of ANR.
 - d. A portion of the BRF may be used to develop a risk-sharing pool, an indemnity pool, or an insurance mechanism to provide financial assistance to applicants.
 - e. All reports generated with the assistance of grants awarded under the BRF, including site assessments, site investigations, feasibility studies, corrective action plans, and completion reports, shall be provided to the ACCD and ANR in hard copy and in electronic form.

9. The Agencies will enter into a separate MOU with VEDA for the administration and disbursement of loans from the BRF.



For the Agency of Natural Resources

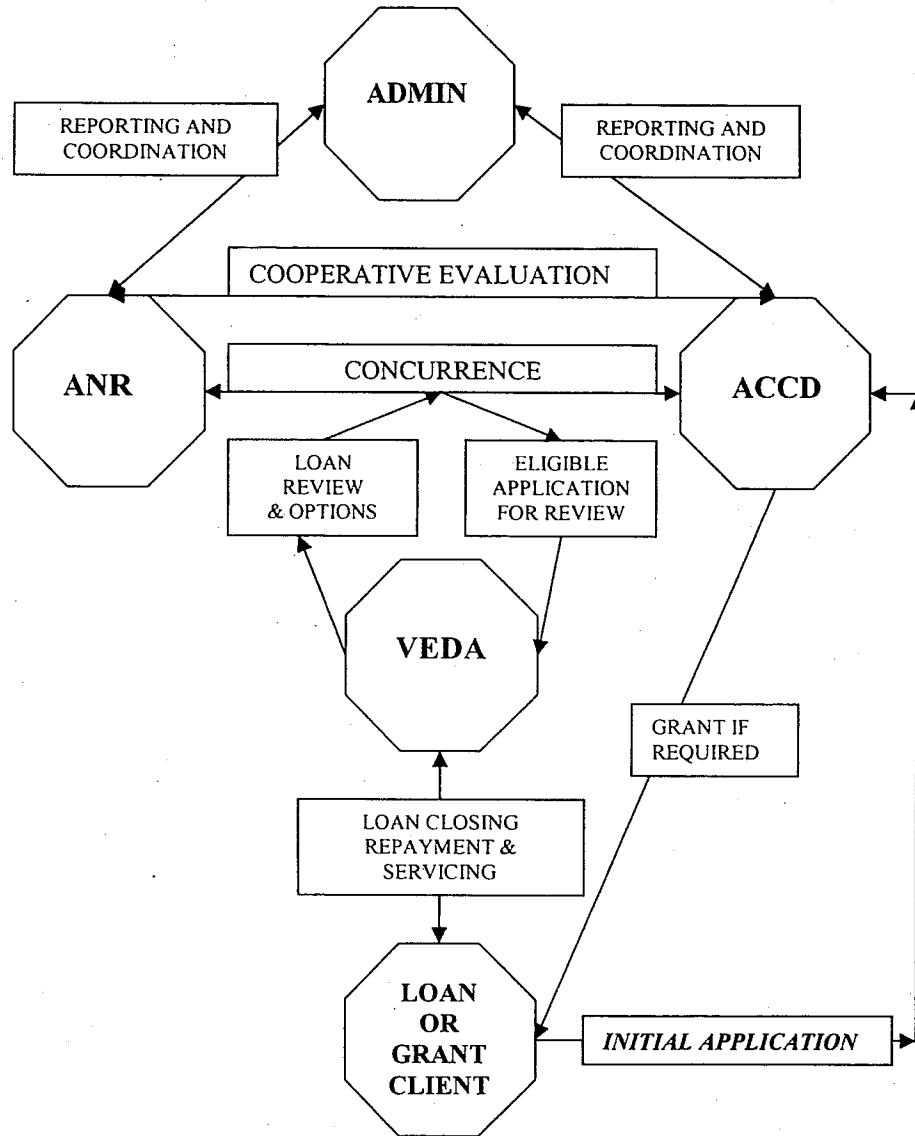
12/9/05
Date



For the Agency of Commerce and Community Development

12/12/05
Date

**BROWNFIELDS REVITALIZATION FUND
PROCESS FLOW CHART**



ADMIN = Administration, Governor's office.
ANR = Agency of Natural Resources
ACCD = Agency of Commerce and Community Development
VEDA = Vermont Economic Development Authority



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

ATTACHMENT B

MAY 12 2006

OFFICE OF
SOLID WASTE AND EMERGENCY
RESPONSE

Mr. Kevin Dorn
Secretary
Vermont Agency of Commerce and Community Development
National Life Building
Drawer 20
Montpelier, VT 05620-0501

Dear Mr. Dorn:

On behalf of the United States Environmental Protection Agency (EPA), I am pleased to congratulate you and confirm that the Vermont Agency of Commerce and Community Development has been selected as one of the entities with which EPA will pursue negotiations to award a cooperative agreement for a revolving loan fund grant. The Vermont Agency of Commerce and Community Development submitted an outstanding grant proposal, and we deeply appreciate the tremendous commitment of time and energy that went into its preparation.

Through the Small Business Liability Relief and Brownfields Revitalization Act, signed by President Bush on January 11, 2002, EPA is working to help states and communities around the country clean up and revitalize brownfield sites. We fully expect that these brownfield projects will provide benefits to the environment and economy of local communities. Diane Kelley, your region's Brownfields Coordinator (617-918-1424), will be working closely with the Vermont Agency of Commerce and Community Development to negotiate a cooperative agreement prior to the award of the grant.

We look forward to working with your staff on the Brownfields program in a new era of Federal, state, and local government cooperation.

Sincerely,

Susan Parker Bodine
Assistant Administrator

cc: Diane Kelley

State of Vermont
Department of Housing and Community Affairs

National Life Building, Drawer 20
Montpelier, VT 05620-0501
www.dhca.state.vt.us

[phone] 802-828-3211
[Department fax] 802-828-2928
[Historic Preservation fax] 802-828-3206

*Agency of Commerce &
Community Development*

July 5, 2006

U.S Environmental Protection Agency, New England
Grants Management Office
Office of Administration and Resource Management
1 Congress Street, Suite 1100
Boston, MA 02114-2023

Dear Sir/Madam:

Enclosed please find the original and a copy of the State of Vermont's application for financial assistance in regard to an EPA Brownfield Revolving Loan Fund Grant. The application includes the following completed documents: (1) a signed SF-424 Application for Federal Assistance; (2) an SF-424A Budget Information; (3) a signed SF-424B Assurances; (4) a signed EPA-4700-4 Preaward Compliance Review Report; (5) a signed Certification Regarding Lobbying; (6) a Narrative Statement of our workplan; and (7) an Itemized Budget.

Thank you for your assistance with this matter. Please contact me directly at (802) 828-5200 or at Jim.Saudade@State.vt.us if you have any questions or require additional information.

Sincerely,



James Saudade
Deputy Commissioner, Department of Housing and Community Affairs

CC: Diane Kelly, EPA Brownfields Project Manager, Region I



**APPLICATION FOR
FEDERAL ASSISTANCE**

Version 7/03

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		2. DATE SUBMITTED	Applicant Identifier
Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		3. DATE RECEIVED BY STATE	State Application Identifier
		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier

5. APPLICANT INFORMATION

Legal Name: Vermont Agency of Commerce and Community Development		Organizational Unit: Department:	
Organizational DUNS: 137135021		Division:	
Address: Street: National Life Building Drawer 20 City: Montpelier County: Washington		Name and telephone number of person to be contacted on matters involving this application (give area code) Prefix: Mr. First Name: James Middle Name: J. Last Name: Saudade Suffix:	
State: Vermont	Zip Code: 05620-0501	Email: jim.saudade@state.vt.us	
Country: USA		Phone Number (give area code): (802) 828-5200	Fax Number (give area code): (802) 828-2928

6. EMPLOYER IDENTIFICATION NUMBER (EIN):
03-6000264

8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify)	7. TYPE OF APPLICANT: (See back of form for Application Types) A Other (specify)
	9. NAME OF FEDERAL AGENCY: EPA

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): Brownfields 66-818	11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Brownfields Revolving Loan Fund
--	---

12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):
State of Vermont

13. PROPOSED PROJECT Start Date: 07/01/06 Ending Date: 06/30/11	14. CONGRESSIONAL DISTRICTS OF: a. Applicant WORKPLAN Vermont b. Project Vermont
--	---

15. ESTIMATED FUNDING:	16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?
a. Federal \$ 1,000,000.00	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE:
b. Applicant \$.00	b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372
c. State \$.00	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW
d. Local \$.00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?
e. Other \$ 200,000.00	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No
f. Program Income \$.00	
g. TOTAL \$ 1,200,000.00	

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

a. Authorized Representative

Prefix Mr.	First Name James	Middle Name J.
Last Name Saudade		Suffix
b. Title Deputy Commissioner, Department of Housing and Community Affairs		c. Telephone Number (give area code) (802) 828-5200
d. Signature of Authorized Representative		e. Date Signed

INSTRUCTIONS FOR THE SF-424

Public reporting burden for this collection of information is estimated to average 45 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0043), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

This is a standard form used by applicants as a required face sheet for pre-applications and applications submitted for Federal assistance. It will be used by Federal agencies to obtain applicant certification that States which have established a review and comment procedure in response to Executive Order 12372 and have selected the program to be included in their process, have been given an opportunity to review the applicant's submission.

Item:	Entry:	Item:	Entry:																
1.	Select Type of Submission.	11.	Enter a brief descriptive title of the project. If more than one program is involved, you should append an explanation on a separate sheet. If appropriate (e.g., construction or real property projects), attach a map showing project location. For preapplications, use a separate sheet to provide a summary description of this project.																
2.	Date application submitted to Federal agency (or State if applicable) and applicant's control number (if applicable).	12.	List only the largest political entities affected (e.g., State, counties, cities).																
3.	State use only (if applicable).	13.	Enter the proposed start date and end date of the project.																
4.	Enter Date Received by Federal Agency Federal identifier number: If this application is a continuation or revision to an existing award, enter the present Federal Identifier number. If for a new project, leave blank.	14.	List the applicant's Congressional District and any District(s) affected by the program or project																
5.	Enter legal name of applicant, name of primary organizational unit (including division, if applicable), which will undertake the assistance activity, enter the organization's DUNS number (received from Dun and Bradstreet), enter the complete address of the applicant (including country), and name, telephone number, e-mail and fax of the person to contact on matters related to this application.	15.	Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in kind contributions should be included on appropriate lines as applicable. If the action will result in a dollar change to an existing award, indicate only the amount of the change. For decreases, enclose the amounts in parentheses. If both basic and supplemental amounts are included, show breakdown on an attached sheet. For multiple program funding, use totals and show breakdown using same categories as item 15.																
6.	Enter Employer Identification Number (EIN) as assigned by the Internal Revenue Service.	16.	Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process.																
7.	Select the appropriate letter in the space provided. <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">A. State</td> <td style="width: 50%;">I. State Controlled Institution of Higher Learning</td> </tr> <tr> <td>B. County</td> <td>J. Private University</td> </tr> <tr> <td>C. Municipal</td> <td>K. Indian Tribe</td> </tr> <tr> <td>D. Township</td> <td>L. Individual</td> </tr> <tr> <td>E. Interstate</td> <td>M. Profit Organization</td> </tr> <tr> <td>F. Intermunicipal</td> <td>N. Other (Specify)</td> </tr> <tr> <td>G. Special District</td> <td>O. Not for Profit Organization</td> </tr> <tr> <td>H. Independent School District</td> <td></td> </tr> </table>	A. State	I. State Controlled Institution of Higher Learning	B. County	J. Private University	C. Municipal	K. Indian Tribe	D. Township	L. Individual	E. Interstate	M. Profit Organization	F. Intermunicipal	N. Other (Specify)	G. Special District	O. Not for Profit Organization	H. Independent School District		17.	This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans and taxes.
A. State	I. State Controlled Institution of Higher Learning																		
B. County	J. Private University																		
C. Municipal	K. Indian Tribe																		
D. Township	L. Individual																		
E. Interstate	M. Profit Organization																		
F. Intermunicipal	N. Other (Specify)																		
G. Special District	O. Not for Profit Organization																		
H. Independent School District																			
8.	Select the type from the following list: <ul style="list-style-type: none"> • "New" means a new assistance award. • "Continuation" means an extension for an additional funding/budget period for a project with a projected completion date. • "Revision" means any change in the Federal Government's financial obligation or contingent liability from an existing obligation. If a revision enter the appropriate letter: <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">A. Increase Award</td> <td style="width: 50%;">B. Decrease Award</td> </tr> <tr> <td>C. Increase Duration</td> <td>D. Decrease Duration</td> </tr> </table> 	A. Increase Award	B. Decrease Award	C. Increase Duration	D. Decrease Duration	18.	To be signed by the authorized representative of the applicant. A copy of the governing body's authorization for you to sign this application as official representative must be on file in the applicant's office. (Certain Federal agencies may require that this authorization be submitted as part of the application.)												
A. Increase Award	B. Decrease Award																		
C. Increase Duration	D. Decrease Duration																		
9.	Name of Federal agency from which assistance is being requested with this application.																		
10.	Use the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested.																		

BUDGET INFORMATION - Non-Construction Programs

OMB Approval No. 0348-0044

SECTION A - BUDGET SUMMARY						
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.		\$	\$	\$	\$	\$ \$0.00
2.						\$0.00
3.						\$0.00
4.						\$0.00
5. Totals		\$ \$0.00	\$ \$0.00	\$ \$0.00	\$ \$0.00	\$ \$0.00
SECTION B - BUDGET CATEGORIES						
6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)	
	(1) Hazardous	(2) Petroleum	(3)	(4)		
a. Personnel	\$ \$0.00	\$ \$0.00	\$	\$	\$ \$0.00	
b. Fringe Benefits	\$0.00	\$0.00			\$0.00	
c. Travel	\$0.00	\$0.00			\$0.00	
d. Equipment	\$0.00	\$0.00			\$0.00	
e. Supplies	\$0.00	\$0.00			\$0.00	
f. Contractual	\$0.00	\$0.00			\$0.00	
g. Construction	\$0.00	\$0.00			\$0.00	
h. Other (Loans)	\$900,000.00	\$300,000.00			\$1,200,000.00	
i. Total Direct Charges (sum of 6a-6h)	\$900,000.00	\$300,000.00	\$0.00	\$0.00	\$1,200,000.00	
j. Indirect Charges					\$0.00	
k. TOTALS (sum of 6i and 6j)	\$ \$900,000.00	\$ \$300,000.00	\$ \$0.00	\$ \$0.00	\$ \$1,200,000.00	
7. Program Income		\$	\$	\$	\$	\$ \$0.00

Authorized for Local Reproduction

SECTION C - NON-FEDERAL RESOURCES					
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS	
8.	\$	\$	\$	\$ \$0.00	
9.				\$0.00	
10.				\$0.00	
11.				\$0.00	
12. TOTAL (sum of lines 8-11)	\$ \$0.00	\$ \$0.00	\$ \$0.00	\$ \$0.00	
SECTION D - FORECASTED CASH NEEDS					
	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ \$250,000.00	\$ \$0.00	\$ \$0.00	\$ \$250,000.00	\$ \$0.00
14. Non-Federal					
15. TOTAL (sum of lines 13 and 14)	\$ \$250,000.00	\$ \$0.00	\$ \$0.00	\$ \$250,000.00	\$ \$0.00
SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT					
(a) Grant Program	FUTURE FUNDING PERIODS (Years)				
	(b) First	(c) Second	(d) Third	(e) Fourth	
16.	\$	\$	\$	\$	
17.					
18.					
19.					
20. TOTAL (sum of lines 16-19)	\$ \$0.00	\$ \$0.00	\$ \$0.00	\$ \$0.00	
SECTION F - OTHER BUDGET INFORMATION					
21. Direct Charges:		22. Indirect Charges:			
23. Remarks:					

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

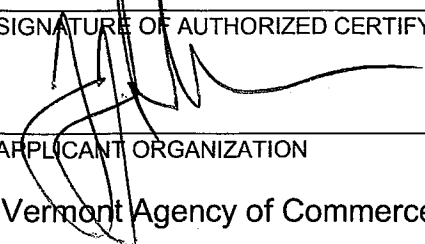
PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	TITLE Deputy Commissioner
APPLICANT ORGANIZATION Vermont Agency of Commerce and Community Development	DATE SUBMITTED



United States Environmental Protection Agency
Washington, DC 20460

**Preaward Compliance Review Report for
All Applicants Requesting Federal Financial**

FORM Approved
OMB No. 2090-0014

Assistance

Note: Read instructions on reverse side before completing form.

I. A. Applicant (Name, City, State) Vermont Agency of Commerce & Community Development, Montpelier, VT	B. Recipient (Name, City, State) Vermont Agency of Commerce & Community Development, Montpelier, VT	C. EPA Project No.
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II. Brief description of proposed project, program or activity.
Brownfields Revolving Loan Fund

III. Are any civil rights lawsuits or complaints pending against applicant and/or recipient?
If yes, list those complaints and the disposition of each complaint.

Yes No

IV. Have any civil rights compliance reviews of the applicant and/or recipient been conducted by any Federal agency during the two years prior to this application for activities which would receive EPA assistance?
If yes, list those compliance reviews and status of each review.

Yes No

V. Is any other Federal financial assistance being applied for or is any other Federal financial assistance being applied to any portion of this project, program or activity?
If yes, list the other Federal Agency(s), describe the associated work and the dollar amount of assistance.

Yes No

VI. If entire community under the applicant's jurisdiction is not served under the existing facilities/services, or will not be served under the proposed plan, give reasons why.

N/A.

VII. Population Characteristics		Number of People
1. A. Population of Entire Service Area		608,827
B. Minority Population of Entire Service Area		19,619
2. A. Population Currently Being Served		0
B. Minority Population Currently Being Served		0
3. A. Population to be Served by Project, Program or Activity		608,827
B. Minority Population to be Served by Project, Program or Activity		19,619
4. A. Population to Remain Without Service		0
B. Minority Population to Remain Without Service		0

VIII. Will all new facilities or alterations to existing facilities financed by these funds be designed and constructed to be readily accessible to and usable by handicapped persons?
If no, explain how a regulatory exception (40 CFR 7.70) applies.

N/A Yes No

IX. Give the schedule for future projects, programs or activities (or of future plans), by which services will be provided to all beneficiaries within applicant's jurisdiction. If there is no schedule, explain why.
See Attachment A

X. I certify that the statements I have made on this form and all attachments thereto are true, accurate and complete. I acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under applicable law.

A. Signature of Authorized Official 	B. Title of Authorized Official Deputy Commissioner	C. Date 7/5/06
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For the U.S. Environmental Protection Agency

<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved	Authorized EPA Official	Date
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**Instructions for Preaward Certification
(EPA Form 4700-4)**

General

Recipients of Federal financial assistance from the U.S. Environmental Protection Agency must comply with the following statutes.

Title VI of the Civil Rights Acts of 1964 provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. The Act goes on to explain that the title shall not be construed to authorize action with respect to any employment practice of any employer, employment agency, or labor organization (except where the primary objective of the Federal financial assistance is to provide employment).

Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act provides that no person in the United States shall on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under the Federal Water Pollution Control Act, as amended. Employment discrimination on the basis of sex is prohibited in all such programs or activities.

Section 504 of The Rehabilitation Act of 1973 provides that no otherwise qualified handicapped individual shall solely by reason of handicap be excluded from participation in, be denied the benefit of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Employment discrimination on the basis of handicap is prohibited in all such programs or activities.

The Age Discrimination Act of 1975 provides that no person on the basis of age shall be excluded from participation under any program or activity receiving Federal financial assistance. Employment discrimination is not covered. Age discrimination in employment is prohibited by the Age Discrimination in Employment Act administered by the Equal Employment Opportunity Commission.

Title IX of the Education Amendments of 1972 provides that no person on the basis of sex shall be excluded from participation in, be denied the benefit of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance. Employment discrimination on the basis of sex is prohibited in all such education programs or activities. Note: an education program or activity is not limited to only those conducted by a formal institution.

The information on this form is required to enable the U.S. Environmental Protection Agency to determine whether applicants and prospective recipients are developing projects, programs and activities on a nondiscriminatory basis as required by the above statutes.

Submit this form with the original and required copies of applications, requests for extensions, requests for increase of funds, etc. Updates of information are all that are required after the initial application submission.

If any item is not relevant to the project for which assistance is requested, write "NA" for "Not Applicable."

In the event applicant is uncertain about how to answer certain questions, EPA program officials should be contacted for clarification.

ITEMS

- IA. "Applicant" means any entity that files an application or unsolicited proposal or otherwise requests EPA assistance.
- IB. "Recipient" means any entity, other than applicant, which will actually receive EPA assistance.
- IC. Self-explanatory.
- II. Self-explanatory.
- III. "Civil rights lawsuits" means any lawsuit or complaint alleging discrimination on the basis of race, color, national origin, sex, age, or handicap pending against the applicant and/or entity which actually benefits from the grant. For example, if a city is the named applicant but the grant will actually benefit the Department of Sewage, civil rights lawsuits involving both the city and the Department of Sewage should be listed.
- IV. "Civil rights compliance review" means any review assessing the applicant's and/or recipient's compliance with laws prohibiting discrimination on the basis of race, color, national origin, sex, age, or handicap. If any part of the review covered the entity which will actually benefit from the grant, it should be listed.
- V. Self-explanatory.
- VI. The word "community" refers to the area under the applicant's and/or recipient's jurisdiction. The "community" might be a university or laboratory campus, or a community within a large city. If there is significant disparity between minority and nonminority populations to receive service, not otherwise satisfactorily explained, the Regional office may require a map which indicates the minority and nonminority population served by this project, program or activity.
- VII. This information is required so that reviewers may determine if a disparity in the proposed provision of services will exist in the event the application is approved for funding. Give population of recipient's jurisdiction, broken out by categories as specified.

In the event the applicant cannot provide the requested information because the funds will be distributed over a wide demographic area which is yet to be determined, an explanation may be provided on a separate sheet. For example, a State applying for a capitalization grant under the State Revolving Fund program may not know which cities and counties will apply for, and receive, SRF loans.
- VIII. Self-explanatory.
- IX. "Jurisdiction" means the geographical area over which applicant has the authority to provide service.
- X. Self-explanatory.

"Burden Disclosure Statement"

EPA estimates public reporting burden for the preparation of this form to average 30 minutes per response. This estimate includes the time for reviewing instructions, gathering and maintaining the data needed and completing and reviewing the form. Send comments regarding the burden estimate, including suggestions for reducing this burden, to Chief, Information Policy Branch, PM-223, U.S. Environmental Protection Agency, 401 M Street, S.W., Washington, D.C. 20460; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

IX. Schedule for future projects, programs, or activities

YEAR ONE

First Quarter:

1. Revise the existing Vermont "Brownfields Revitalization Fund" to conform to the Federal funding requirements, to include revising the forms, guidelines and interagency memoranda of understanding, as well as the development of a grants management process.
2. Attend brownfields training, informational, and networking events.
3. Prepare marketing materials and promote the revolving loan program.

Second Quarter:

1. Develop Community Involvement Plan to inform the public of the fund and to be used as a model to gather input for each project as it proceeds through the funding process.
2. Meet with partner groups, such as the Regional Planning Commissions and Regional Development Commissions, to identify sites and projects.

Third Quarter:

1. Continue to assist in the development of projects that be located upon and involve the clean up of contaminated sites.
2. Update the sites priority list and review with each Regional Development Corporation to coordinate activities.
3. Plan on processing the first loan with the cooperation and assistance of the Vermont Agency of Natural Resources, and the Vermont Economic Development Authority.

Fourth Quarter:

1. Continue ongoing promotion and project development activities.
2. Document progress and file reports.
3. Conduct survey of partners and participants to evaluate the effectiveness of the loan program, develop recommendations for improvement, and update the legislature with the status and any needed statutory changes.

YEARS TWO THROUGH FIVE

1. Update loan materials as needed.
2. Attend brownfields training.
3. Market the fund.
4. Meet quarterly with the Agency of Natural Resources and other partners to coordinate activities.
5. Assist in project development.
6. Make loans with the fund as well as leveraging with other resources.
7. Continue community outreach in general and for each project.
8. File reports, and surveys to implement continuous improvement.

CERTIFICATION REGARDING LOBBYING

**CERTIFICATION FOR CONTRACTS, GRANTS,
LOANS, AND COOPERATIVE AGREEMENTS**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-L.L.L. "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-contracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

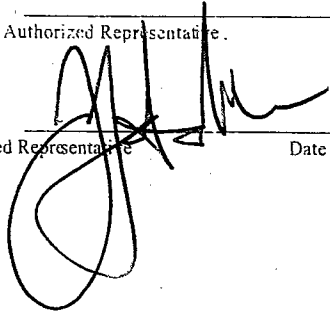
This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31 U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

James Saudade, Deputy Commissioner
Department of Housing and Community Affairs

Typed Name & Title of Authorized Representative

Signature of Authorized Representative

Date

 7/5/06

WORKPLAN

Vermont Agency of Commerce and Community Development, State of Vermont Workplan for CERCLA Section 104(k) Revolving Loan Fund Cooperative Agreement September 30, 2006 thru September 30, 2011

1. GOAL 4: Healthy Communities and Ecosystems

Objective 4.2 Communities – Sustain, Clean Up, and Restore Communities and the Ecological Systems that Support Them

Subobjective 4.2.3 Assess, Clean Up and Redevelop Brownfields

CFDA: 66.818 Assessment, Cleanup, and Revolving Loan Fund Grants

OBJECTIVE:

The Small Business Liability Relief and Brownfields Revitalization Act (SBLRBRA) was signed into law on January 11, 2002. The Act amends the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended, by adding Section 104(k). Section 104(k) authorizes the U.S. Environmental Protection Agency (EPA) to provide funding to eligible entities to inventory, characterize, assess, conduct planning related to, remediate, or capitalize revolving loan funds for, eligible brownfield sites. Entities are selected from proposals prepared in accordance with the "Proposal Guidelines for Brownfield Assessment, Revolving Loan Fund, and Cleanup Grants," and submitted in a national competition. The Vermont Agency of Commerce and Community Development, on behalf of the State of Vermont was selected for a Revolving Loan Fund grant in the FY 2006 competition.

Vermont is characterized with small villages and community centers which unfortunately also contain many abandoned manufacturers and commercial buildings that contain the hazardous wastes of past operations. The remediation of these sites statewide is a critical step to remove environmental hazards and to encourage viable projects that will strengthen these downtowns by providing housing, jobs and recreational space. The goal of the project to be funded by this cooperative agreement is to capitalize a revolving loan fund and make loans to eligible entities for cleanup of sites in order to facilitate the properties' redevelopment. This goal will be accomplished by site-specific and non-site-specific activities. Non-site-specific tasks include developing the loan program, marketing the program to cities, towns, developers, etc., and conducting public outreach and preparing outreach materials relevant to the RLF program. Site-specific tasks include verifying site and borrower eligibility, preparing loan documents, conducting site-specific public relations activities, consulting with, and enrolling sites in the State Voluntary Cleanup Program, assuring state environmental approval, and making loans.

Cooperative agreement funding will be used to cover the costs of activities at or in direct support of brownfields sites as defined under CERCLA 101(39). The overall coordination of the cooperative agreement will be carried out by James Saudade, Deputy Commissioner, Department of Housing and Community Affairs, Agency of Commerce and Community Development in cooperation with the Agency of Natural Resources and the Vermont Economic Development Authority.

2. **FUNDING:** \$750,000 Hazardous Substances; \$250,000 Petroleum

3. **BUDGET:**

Project Tasks for Hazardous Loans				
Budget Categories	Task 1 Cooperative Agreement Oversight	Task 2 Community Involvement	Task 3 Making Loans	Task 4 Oversee Site Cleanup
Personnel	\$0	\$0	\$0	\$0
Fringe Benefits	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0
Supplies	\$0	\$0	\$0	\$0
Contractual	\$0	\$0	\$0	\$0
Loans	\$0	\$0	\$900,000	\$0
Other (specify)	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$900,000	\$0
Project Tasks for Petroleum Loans				
Budget Categories	Task 1 Cooperative Agreement Oversight	Task 2 Community Involvement	Task 3 Making Loans	Task 4 Oversee Site Cleanup
Personnel	\$0	\$0	\$0	\$0
Fringe Benefits	(included above)	(included above)	(included above)	(included above)
Travel	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0
Supplies	\$0	\$0	\$0	\$0
Contractual	\$0	\$0	\$0	\$0
Loans	\$0	\$0	\$300,000	\$0
Other (specify)	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$300,000	\$0
Total	\$0	\$0	\$1,200,000	\$0
Cost Share	\$0	\$0	\$200,000	\$0

4. WORKPLAN TASKS

Task 1: Cooperative Agreement Oversight – Revise the existing Vermont “Brownfields Revitalization Fund” to conform to the Federal funding requirements, to include revising the forms, guidelines and interagency memoranda of understanding, as well as the development of a grants management process.

Activities (Commitments)	Expected Timeframe for Accomplishment (FFY Quarter)	Projected Results of Activities (Outputs) & Reporting	Projected Environmental Improvement (Outcomes)
Activity 1: Revise the Brownfields Revitalization Fund Revise the current revolving loan program so that it complies with all federal funding requirements. Develop new forms, guidelines, and procedures.	1 st QTR 2007 Quarter	New forms, guidelines, procedures developed along with administrative process between Agencies.	Close coordination developed with partner Agencies.
Activity 2: Travel & Training Attend brownfields related meetings, education and training sessions and conferences. Develop a network of partners as points of contact to the broader market.	Ongoing activity	Meetings, conferences, training sessions attended. Partnerships developed.	Increase knowledge of brownfields issues and programs, networking
Activity 3: Reporting Submit Quarterly Reports, prepare and update Property Profile Forms, etc.	Quarterly	Reports & Property Profile Form submitted on time.	Maintain and update accomplishments of RLF program

Task 2: Community Involvement - Develop marketing materials and a comprehensive marketing program to include Community Involvement Plans.

Activities (Commitments)	Expected Timeframe for Accomplishment (FFY Quarter)	Projected Results of Activities (Outputs) & Reporting	Projected Environmental Improvement (Outcomes)
Activity 1: Develop Marketing Tools Prepare marketing tools such as literature, brochures, web sites, forums, etc. to communicate availability of program to stakeholders	1 st QTR 2007	Literature, brochure, etc.; placement on state web site, etc.	Attract sites into the program and improve understanding and participation in RLF
Activity 2: Prepare Community Involvement Plan Prepare plan to involve public in cleanup activities by providing reasonable notice of proposed cleanup, opportunity for involvement, response to	As projects go through program	Plan to involve community in cleanup activities; placement in information repository, etc.	Improve community understanding of cleanup and redevelopment process and increase awareness

comments, and maintenance of an information repository			of site availability / redevelopment status
Activity 3: Conduct Public Meeting Provide public notice via newspaper or other suitable means to notify the community, conduct public meetings to communicate site cleanup alternatives and progress, and make proceedings of public meeting available to the community	As projects go through program	Community meeting; details of meeting placed in information repository, etc.	Increase public awareness and provide participation in site cleanup activities
Activity 4: Meet with partner groups Meet with Regional Planning Commissions and Regional Development Commissions to identify sites and projects	Each quarter	Numbers of sites active and under consideration	Improved coordination of activities, Priority List updated.

Task 3: Make Loans - Determine site and borrower eligibility; ensure that sites are entered into applicable voluntary compliance program, review loan documents; financial and legal reviews; assure that the Quality Assurance Project Plan, the ABCA, and the Corrective Action Plan, (as appropriate), are approved by the Agency of Natural Resources; and approve the loans.

Activities (Commitments)	Expected Timeframe for Accomplishment (FFY Quarter)	Projected Results of Activities (Outputs) & Reporting	Projected Environmental Improvement (Outcomes)
Activity 1: Determine Site & Borrower Eligibility Review for State eligibility and seek approval from EPA that the site and borrower are eligible to receive EPA funding.	As projects come into program	Sites entered into RLF program; to be noted in quarterly report, etc.	Projects entered into RLF program
Activity 2: Ensure Site is Enrolled in VCP Ensure that borrower has enrolled site in the applicable state voluntary program in order to receive federal brownfields funding	As projects go through program	Site is enrolled in applicable state response program; to be noted in quarterly report, etc.	Cleanup is in compliance with state response program

<p>Activity 3: Review for State Environmental Approval. Assure that the Quality Assurance Project Plan; the ABCA; and the Corrective Action Plan, as appropriate, are approved by the Agency of Natural Resources</p>	<p>As projects go through program</p>	<p>Approved plan placement in information repository, etc.</p>	<p>Assures proper cleanup alternative is selected and communicated to the public</p>
<p>Activity 4: Review Loan Documents and Approve the Loan. Review and approve loan agreements, documents, promissory notes, etc. prepared by the Vermont Economic Development Authority, that include all applicable federal environmental and cross-cutting requirements.</p>	<p>As projects go through program</p>	<p>Signed loan documents; to be noted in quarterly report, etc.</p>	<p>Loans processed</p>

Task 4: Oversee Site Cleanup – Coordinate with the Agency of Natural Resources on inspection and documentation of site cleanup, survey all partners and participants on the effectiveness of the overall program, issue evaluation reports and make recommendations on improvements to the administration.

Activities (Commitments)	Expected Timeframe for Accomplishment (FFY Quarter)	Projected Results of Activities (Outputs) & Reporting	Projected Environmental Improvement (Outcomes)
<p>Activity 1: Coordinate Periodic Inspections Coordinate appropriate site inspections during remediation with the Agency of Natural Resources to ensure compliance with cleanup plans.</p>	<p>During remediation of sites</p>	<p>Site reports placement in information repository, etc.</p>	<p>Assures cleanup is in compliance with VCP</p>

<p>Activity 2: Cleanup Documentation Obtain close out documentation from the Agency of Natural Resources indicating that cleanup is complete and protective to human health and the environment and identifies any institutional controls and long term monitoring.</p>	<p>After remediation of sites</p>	<p>Final cleanup documents; placement in information repository, reported in PPF and quarterly reports.</p>	<p>Assures cleanup is complete and protective of human health and the environment, number of Brownfields cleanups complete and number of Brownfields property acres.</p>
<p>Activity 3: Conduct Program Evaluation Survey Survey partners and participants on the effectiveness of the program; provide recommendations on improvements as part of annual report to the State Legislature</p>	<p>4th Quarter 2007 and yearly</p>	<p>Evaluation report filed.</p>	<p>Program effectiveness is ascertained.</p>


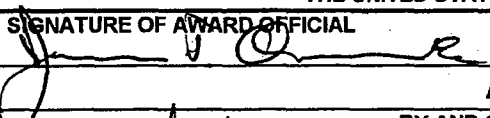
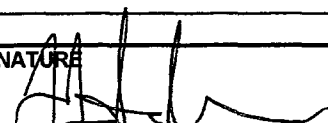
5. QUALITY ASSURANCE

Prior to undertaking confirmatory sampling, the borrower will prepare and submit a Quality Assurance Project Plan (QAPP) which meets with the approval of the U.S. EPA Region I Brownfields Program. The QAPP will describe the sampling and analytical strategies, methods and procedures approved by EPA that will be used in all project data collection.

Itemized Budget (Detail)

Personnel

<u>Position/Title</u>	<u>Annual Salary</u>	<u>Percent of Time Assigned to Project</u>	<u>Total</u>
N/A	\$0	0%	\$0
N/A	\$0	0%	\$0
N/A	\$0	0%	\$0
N/A	\$0	0%	\$0
N/A	\$0	0%	\$0
N/A	\$0	0%	\$0
		Subtotal	\$0
<u>Fringe Benefits -</u>	N/A		
		Subtotal	\$0
<u>Travel</u>			
<u>In-State Travel</u>			
Travel for meetings and inspections:	N/A	Subtotal	\$0
<u>Out of State Travel</u>			
Travel for EPA Meetings:	N/A	Subtotal	\$0
<u>Equipment</u>	N/A	Subtotal	\$0
<u>Supplies</u>	N/A	Subtotal	\$0
<u>Contractual</u>	N/A	Subtotal	\$0
<u>Other</u>			
Loans	\$1,200,000	Subtotal	\$1,200,00.00
<u>Indirect Charges</u>	N/A	Subtotal	\$0
		GRAND TOTAL	\$1,200,00.00

	U.S. ENVIRONMENTAL PROTECTION AGENCY Cooperative Agreement	ASSISTANCE ID NO.			DATE OF AWARD <i>9/20/06</i>
		PRG	DOC ID	AMEND#	
		BF -	97156901	- 0	
		TYPE OF ACTION New			
PAYMENT METHOD: Reimbursement				ACH#	
RECIPIENT TYPE: State		Send Payment Request to: Region 1 - Grants Management Office			
RECIPIENT:		PAYEE:			
VT Agency of Commerce and Community Development National Life Building, Drawer 20 Montpelier, VT 05620-0501 EIN: 03-6000264		VT Agency of Commerce and Community Development National Life Building, Drawer 20 Montpelier, VT 05620-0501			
PROJECT MANAGER		EPA PROJECT OFFICER		EPA GRANT SPECIALIST	
James J. Saudade National Life Building, Drawer 20 Montpelier, VT 05620-0501 E-Mail: jim.saudade@state.vt.us Phone: 802-828-5200		Diane Kelley 1 Congress Street, Suite 1100, HIO Boston, MA 02114-2023 E-Mail: Kelley.Diane@epamail.epa.gov Phone: 617-918-1424		Janet Bartlett Grants Management Office, MGM E-Mail: Bartlett.Janet@epamail.epa.gov Phone: 617-918-1972	
PROJECT TITLE AND DESCRIPTION Brownfields Revolving Loan Fund This cooperative agreement will provide funding to the Vermont Agency of Commerce and Community Development to cleanup brownfields in the State of Vermont. Brownfields are real property the expansion, development or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant or contaminant.					
BUDGET PERIOD 10/01/2006 - 09/30/2011		PROJECT PERIOD 10/01/2006 - 09/30/2011		TOTAL BUDGET PERIOD COST \$1,200,000.00	
				TOTAL PROJECT PERIOD COST \$1,200,000.00	
NOTICE OF AWARD					
Based on your application dated 07/14/2006, including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA), hereby awards \$1,000,000. EPA agrees to cost-share <u>80.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$1,000,000. Such award may be terminated by EPA without further cause if the recipient fails to provide timely affirmation of the award by signing under the Affirmation of Award section and returning all pages of this agreement to the Grants Management Office listed below within 21 days after receipt, or any extension of time, as may be granted by EPA. This agreement is subject to applicable EPA statutory provisions. The applicable regulatory provisions are 40 CFR Chapter 1, Subchapter B, and all terms and conditions of this agreement and any attachments.					
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS			ORGANIZATION / ADDRESS		
EPA New England 1 Congress Street, Suite 1100 Boston, MA 02114-2023			U.S. EPA, EPA New England 1 Congress Street, Suite 1100 Boston, MA 02114-2023		
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY					
SIGNATURE OF AWARD OFFICIAL 		TYPED NAME AND TITLE James T. Owens, III, Dir. Office of Administration and Resource Mgmt.		DATE <i>9/20/06</i>	
AFFIRMATION OF AWARD					
BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION					
SIGNATURE 		TYPED NAME AND TITLE James J. Saudade, Deputy Commissioner, Department of Housing and Community Affairs		DATE <i>10/3/06</i>	

Budget Summary Page

Table A - Object Class Category (Non-construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$0
2. Fringe Benefits	\$0
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$1,200,000
9. Total Direct Charges	\$1,200,000
10. Indirect Costs: % Base	\$0
11. Total (Share: Recipient 20.00 % Federal 80.00 %.)	\$1,200,000
12. Total Approved Assistance Amount	\$1,000,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$1,000,000
15. Total EPA Amount Awarded To Date	\$1,000,000

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$	\$ 1,000,000	\$ 1,000,000
EPA In-Kind Amount	\$	\$	\$ 0
Unexpended Prior Year Balance	\$	\$	\$ 0
Other Federal Funds	\$	\$	\$ 0
Recipient Contribution	\$	\$	\$ 0
State Contribution	\$	\$	\$ 0
Local Contribution	\$	\$	\$ 0
Other Contribution	\$	\$ 200,000	\$ 200,000
Allowable Project Cost	\$ 0	\$ 1,200,000	\$ 1,200,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.818 - Brownfields Assessment and Cleanup Cooperative Agreements	CERCLA: Sec. 104(k)(3)	40 CFR PART 31

Fiscal									
Site Name	DCN	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
	ACG019	FY06	E4	0100AG7	402D79E	4114	G100L00		750,000
	ACG019	FY06	E4	0100AG7	402D79EBP	4114	G100OS00		250,000
									1,000,000

Administrative Conditions

1. LOBBYING AND LITIGATION - ALL RECIPIENTS

Pursuant to EPA's annual Appropriations Act, the chief executive officer of this recipient agency shall require that no grant funds have been used to engage in lobbying of the Federal Government or in litigation against the United States unless authorized under existing law. As mandated by this Act, the recipient agrees to provide certification to the award official via EPA Form 5700-53, *Lobbying and Litigation Certificate*, within 90 days after the end of project period. The form can be accessed at <http://www.epa.gov/ogd/forms/adobe/5700-53.pdf>.

Recipient shall abide by its respective OMB Circular (A-21, A-87, or A-122), which prohibits the use of federal grant funds for litigation against the United States. Any Part 30 recipient shall abide by its respective OMB Circular (A-21 or A-122), which prohibits the use of Federal grant funds to participate in various forms of lobbying or other political activities.

2. LOBBYING - ALL RECIPIENTS

The recipient agrees to comply with Title 40 CFR Part 34, *New Restrictions on Lobbying*. The recipient shall include the language of this provision in award documents for all subawards exceeding \$100,000, and require that subrecipients submit certification and disclosure forms accordingly.

In accordance with the Byrd Anti-Lobbying Amendment, any recipient who makes a prohibited expenditure under Title 40 CFR Part 34 or fails to file the required certification or lobbying forms shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure.

3.

RECYCLING TERM AND CONDITION

ALL RECIPIENTS:

In accordance with EPA Order 1000.25 and Executive Order 13101, *Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition*, the recipient agrees to use recycled paper for all reports which are prepared as a part of this agreement and delivered to EPA. This requirement does not apply to reports prepared on forms supplied by EPA, or to Standard Forms, which are printed on recycled paper and are available through the General Services Administration. Please note that Section 901 of E.O. 13101, dated September 14, 1998, revoked E.O. 12873, *Federal Acquisition, Recycling, and Waste Prevention* in its entirety.

STATE AGENCIES AND POLITICAL SUBDIVISIONS:

Any State agency or agency of a political subdivision of a State which is using appropriated Federal funds shall comply with the requirements set forth in Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds \$10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was \$10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

4. ALL RECIPIENTS

Recipient shall fully comply with Subpart C of 40 CFR Part 32, entitled "Responsibilities of Participants Regarding Transactions." Recipient is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 40 CFR Part 32, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. Recipient is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower tier covered transactions. Recipient acknowledges that failing to disclose the information required under 40 CFR 32.335 may result in the delay or negation of this assistance agreement, or pursuance of legal remedies, including suspension and debarment.

Recipient may access the Excluded Parties List System at www.epls.gov. This term and condition supersedes EPA Form 5700-49, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters."

5. FSR REQUIREMENT

The recipient agrees to submit an Interim Financial Status Report (FSR) (SF269) no later than 90 days after the close of the budget period. If the budget period is longer than one year, the report must be submitted annually, based on the anniversary date of the initial award. The recipient agrees to submit a final FSR no later than 90 days after the end of the project period. FSR's must be submitted to the Grants Management Office.

6. REIMBURSEMENT METHOD OF PAYMENT

- a. The recipient agrees to submit a Request for Advance or Reimbursement (SF270) to the Grants Management Office as costs are incurred on the assistance agreement. The SF270 should be submitted quarterly but no more frequently than monthly.
- b. No payment will be made to the recipient until the executed assistance agreement is returned to the Grants Management Office.
- c. The recipient agrees to sign and return the Standard Form 3881, ACH Vendor/Miscellaneous Payment Enrollment Form, to the Finance Office indicated on the memorandum dated June 30, 1998. As required by Public Law 104-134; Debt Collection Improvement Act of 1996, Electronic Fund Transfer payments will not be processed until this form has been received by the Finance Office.

7. SMALL BUSINESS IN RURAL AREAS

If a recipient awards a contract under an assistance agreement, the recipient agrees and is required to utilize the following affirmative steps:

- a. Placing Small Business in Rural Area (SBRAs) on solicitation lists;
- b. Ensuring that SBRAs are solicited whenever they are potential sources;
- c. Dividing total requirements, when economically feasible, into small tasks or quantities to

permit maximum participation by SBRAs;

- d. Establishing delivery schedules, where the requirements of work will permit, which would encourage participation by SBRAs;
- e. Using the services of the Small Business Administration and the Minority Business Development Agency of the U.S. Department of Commerce, as appropriate; and
- f. Requiring the contractor, if it awards subcontracts to take the affirmative steps in subparagraphs a. through e. of this condition.

8. HOTEL AND MOTEL FIRE SAFETY ACT CONDITION

The recipient agrees to ensure that all requisitions for conference, meeting, convention, or training space funded in whole or in part with Federal funds complies with the Hotel and Motel Fire Safety Act of 1990.

9. MBE/WBE FAIR SHARE.

A. The recipient agrees to comply with the requirements of EPA's Program for Utilization of Small, Minority and Women's Business Enterprises in procurement under assistance agreements:

- 1. The recipient accepts the applicable FY 1998 Minority Business Enterprise (MBE)/Womens' Business Enterprise (WBE) "fair share" goals/objectives negotiated with EPA by the **State of Vermont/DEC** as the current MBE/WBE "fair share" goals/objectives as follows:

	MBE	WBE
Construction	1%	1%
Supplies	1%	1%
Services	1%	1%
Equipment	1%	1%

- 2. (a) The recipient agrees to ensure, to the fullest extent possible, that at least the applicable "fair share" objectives of Federal funds for prime contracts or subcontracts for supplies, construction, equipment or services are made available to organizations owned or controlled by socially and economically disadvantaged individuals, women and Historically Black Colleges and Universities.
- (b) For assistance agreements related to research under the Clean Air Act

Amendments of 1990, the recipient agrees to ensure, to the fullest extent possible, that at least the applicable "fair share" objectives of Federal funds for prime contracts or subcontracts for supplies, construction, equipment or services are made available to organizations owned or controlled by socially and economically disadvantaged individuals, women, disabled Americans, Historically Black Colleges and Universities, Colleges and Universities having a student body in which 40% or more of the students are Hispanic, minority institutions having a minority student body of 50% or more, and private and voluntary organizations controlled by individuals who are socially and economically disadvantaged.

3. The recipient agrees to include in its bid documents the applicable "fair share" objectives and require all of its prime contractors to include in their bid documents for subcontracts the negotiated "fair share" percentages.
4. The recipient agrees to follow the six affirmative steps or positive efforts stated in 40 CFR §30.44(b), 40 CFR §31.36(e), or 40 CFR §35.6580, as appropriate, and retain records documenting compliance.
5. The recipient agrees to submit an EPA form 5700-52A "MBE/WBE Utilization Under Federal Grants, Cooperative Agreements and Interagency Agreements," beginning with the Federal fiscal year quarter the recipient receives the award and continuing until the project is completed. These reports must be submitted to:

U.S. Environmental Protection Agency
Office of Administration and Resource Management
Grants Management Office (MGM)
1 Congress Street, Suite 1100
Boston, MA 02114-2023

within 30 days of the end of the Federal fiscal quarter (January 30, April 30, July 30, and October 30). For assistance awards for continuing environmental programs and assistance awards with institutions of higher education, hospitals and other non-profit organizations, the recipient agrees to submit an EPA form 5700-52A to:

U.S. Environmental Protection Agency
Office of Administration and Resource Management
Grants Management Office (MGM)
1 Congress Street, Suite 1100
Boston, MA 02114-2023

by October 30 of each year.

6. If race and /or gender neutral efforts prove inadequate to achieve a "fair share"

objective, the recipient agrees to notify EPA in advance of any race and/or gender conscious action it plans to take to more closely achieve the "fair share" objective.

- B. EPA may take corrective action under 40 CFR Parts 30, 31, and 35, as appropriate, if the recipient fails to comply with these terms and conditions.

10. INFORMATION COLLECTION REQUIREMENTS

EPA and the recipient agree to comply with the requirements of the Paperwork Reduction Act in completing the project. Because the scope of work includes a survey, a questionnaire or similar information-gathering activity, the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), requires EPA to obtain Office of Management and Budget (OMB) clearance prior to the recipient's collection of information by means of identical questions posed to 10 or more persons.

The recipient will provide to the EPA Project Officer the following information: (1) description of the information to be collected; (2) explanation of the need for the information; and (3) to whom the survey is being directed.

Programmatic Conditions

QUALITY ASSURANCE REQUIREMENT:

The recipient will develop Quality Assurance Project Plans [QAPP] to support all environmental data operations in accordance with "*The EPA New England Quality Assurance Project Plan Program Guidance*," 2005. The term "environmental data operations" refers to any measurement or information that describe environmental processes, conditions, or location; ecological or health effects; produced from models; compiled from other sources such as data bases and literature; or the performance of environmental technology. The Quality Assurance Project Plan must be approved by EPA before any data collection and/or generation activities begin. Unless an alternate schedule was previously agreed upon, no later than 30 days prior to the scheduled commencement of data collection and/or data generation activities, the recipient will submit a Quality Assurance Project Plan to the following:

EPA Project Officer (see page 1 of assistance agreement for name and address)

AND

Regional Quality Assurance Manager (EQA)
U.S. Environmental Protection Agency
11 Technology Drive

FY 2006 – Region 1
Revolving Loan Fund (RLF) Model Terms and Conditions

I. GENERAL FEDERAL REQUIREMENTS - NEPA doesn't apply to this.

A. Federal Policy and Guidance

1.
 - a. Cooperative Agreement Recipients: In implementing this agreement, the cooperative agreement recipient (CAR) shall comply with and require that work done by borrowers and subgrant recipients with cooperative agreement funds comply with the requirements of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) 104(k). The CAR will ensure that cleanup activities supported with cooperative agreement funding comply with all applicable Federal and State laws and regulations. The CAR will ensure cleanups are protective of human health and the environment.
 - b. The CAR must require that borrowers or subgrant recipients conduct cleanups under the appropriate State or Tribal response program to ensure the proposed cleanup is protective of human health and environment.

2.
 - a. Borrowers and Subgrant recipients: A term and condition or other legally binding provision shall be included in all loans and subgrants entered into with the funds under this agreement, or when funds awarded under this agreement are used in combination with non-Federal sources of funds, to ensure that borrowers and subgrant recipients comply with all applicable Federal and State laws and requirements. In addition to CERCLA 104(k), Federal applicable laws and requirements include:

40 CFR 31 and OMB Circular A-87 for governmental recipients of subgrants or 40 CFR 30 and OMB Circular A-122 for non-profit recipients of subgrants and 40 CFR 30 and OMB Circular A-21 for educational institutions recipients of subgrants.
 - b. CERCLA 104(g) requires that borrowers and subgrantees comply with the prevailing wage rate requirements under the Davis-Bacon Act of 1931 for construction, repair or alteration contracts "funded in whole or in part" with funds provided under this agreement. The CAR must ensure that the borrower or subgrantee obtains recent and applicable wage rates from the U.S. Department of Labor and incorporate them into the construction, alteration or repair contract.
 - c. The recipient agrees to comply with Executive Order 13202 (Feb. 22, 2001, 66 Fed. Reg. 11225) of February 17, 2001, entitled "Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally-funded Construction Projects," as amended by Executive Order 13208 (April 11, 2001, 66 Fed. Reg. 18717) of April 6, 2001,

entitled "Amendment to Executive Order 13202, Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects.

d. Federal cross-cutting requirements including, but not limited to, MBE/WBE requirements found at 40 CFR 31.36(e) or 40 CFR 30.44(b); OSHA Worker Health & Safety Standard 29 CFR 1910.120; the Uniform Relocation Act; National Historic Preservation Act; Endangered Species Act; and Permits required by Section 404 of the Clean Water Act; Executive Order 11246, Equal Employment Opportunity, and implementing regulations at 41 CFR 60-4; Contract Work Hours and Safety Standards Act, as amended (40 USC 327-333) the Anti Kickback Act (40 USC 276c) and Section 504 of the Rehabilitation Act of 1973 as implemented by Executive Orders 11914 and 11250.

B. Eligible Brownfields Site Determinations

1. a. The CAR must provide information to EPA about site-specific work prior to incurring any costs under this cooperative agreement for sites that have not already been pre-approved in the CAR's workplan by the EPA. The information that must be provided includes whether or not the site meets the definition of a brownfield site as defined in §101(39) of CERCLA, the identity of the owner, and the date of acquisition.

b. If the site is excluded from the general definition of a brownfield site, but is eligible for a property-specific funding determination, then the CAR must provide information sufficient for EPA to make a property-specific funding determination. The CAR must provide sufficient information on how financial assistance will protect human health and the environment, and either promote economic development or enable the creation of, preservation of, or addition to parks, greenways, undeveloped property, other recreational property, or other property used for nonprofit purposes. The CAR must not incur costs for cleaning up sites requiring a property-specific funding determination by EPA until the EPA Project Officer has advised the CAR that the Agency has determined that the property is eligible.

2. a. For any petroleum-contaminated brownfields site that is not included in the CAR's EPA approved workplan, the CAR shall provide sufficient documentation to the EPA prior to incurring costs under this cooperative agreement which includes (see the latest version of EPA's *Proposal Guidelines for Brownfields Assessment, Revolving Loan Fund and Cleanup Grants* for discussion of this element):

- (1) that a State has determined that the petroleum site is of relatively low risk, as compared to other petroleum sites in the State;
- (2) that the State determines there is "no viable responsible party" for the site;
- (3) that the State determines that the person assessing, investigating, or cleaning up the site is a person who is not potentially liable for cleaning up the site; and
- (4) that the site is not subject to any order issued under section 9003(h) of the

Solid Waste Disposal Act.

This documentation must be prepared by the CAR or the State following contact and discussion with the appropriate petroleum program official.

- b. Documentation must include the identity of the State program official contacted, the State official's telephone number, the date of the contact, and a summary of the discussion to reach each determination that the site is of relatively low risk, that there is no viable responsible party and that the person assessing, investigating, or cleaning up the site is a person who is not potentially liable for cleaning up the site. Other documentation provided by a State to the recipient relevant to any of the determinations by the State must also be provided to the EPA Project Officer.
- c. If the State chooses not to make the determinations described in 2.a. above, the CAR must contact the EPA Project Officer and provide the information necessary for EPA to make the requisite determinations.
- d. EPA must also make all determinations on the eligibility of petroleum-contaminated brownfields sites located on Indian tribal lands. Prior to incurring costs for these sites, the CAR must contact EPA Project Officer and provide the information necessary for EPA to make the determinations described in 2.a.

II. GENERAL COOPERATIVE AGREEMENT ADMINISTRATIVE REQUIREMENTS

A. Term of the Agreement

1. The term of an RLF agreement is five years, unless otherwise extended by EPA at the CAR's request.
2. If after 4 years, EPA determines that the recipient has not made sufficient progress in implementing its RLF, the EPA may terminate the agreement. Sufficient progress is indicated by the grantee having made at least one loan or subgrant.

B. Substantial Involvement

1. The U.S. EPA may be substantially involved in overseeing and monitoring this cooperative agreement.
 - a. Substantial involvement by the U.S. EPA generally includes administrative activities such as: monitoring; review and approval of procedures for loan and

subgrant recipient selection; review of project phases; and approval of substantive terms included in professional services contracts.

- b. Substantial EPA involvement also includes brownfields property-specific funding determinations described in I. B.1. under *EPA and/or State Approvals of Brownfields Sites* above. The CAR may also request technical assistance from EPA on which sites qualify as a brownfields site and when determining whether the statutory prohibition found in section 104(k)(4)(B)(i)(IV) of CERCLA applies. Generally, this prohibition prohibits a grant or loan recipient from using grant funds to cleanup a site if the recipient is potentially liable under §107 of CERCLA for that site.
 - c. Substantial EPA involvement may include reviewing financial and environmental status reports; and monitoring all reporting, record-keeping, and other program requirements.
 - d. Substantial EPA involvement may include the review of the substantive terms of RLF loans and cleanup subgrants.
 - e. EPA may waive any of the provisions in term and condition II. B.1, with the exception of property-specific funding determinations. EPA will provide waivers in writing.
2. Effect of EPA's substantial involvement includes:
- a. EPA's review of any project phase, document, or cost incurred under this cooperative agreement will not have any effect upon CERCLA §128 *Eligible Response Site* determinations or for rights, authorities, and actions under CERCLA or any Federal statute.
 - b. The CAR remains responsible for ensuring that all cleanups are protective of human health and the environment and comply with all applicable Federal and State laws.
 - c. The CAR remains responsible for ensuring costs are allowable under applicable OMB Circulars.

C. Cooperative Agreement Recipient Roles and Responsibilities

1. The CAR must acquire the services of a qualified environmental professional(s) to coordinate, direct, and oversee the brownfields assessment and cleanup activities at a particular site, if they do not have such a professional on staff. -ADR
2. The CAR shall act as or appoint a qualified "fund manager" to carry out responsibilities that relate to financial management of the loan and/or subgrant program. However, the CAR remains accountable to EPA for the proper expenditure of cooperative -VEDA

agreement funds. Any funding arrangements between the CAR and the fund manager for services performed must be consistent with 40 CFR Part 31.

3. The CAR is responsible for ensuring that borrowers and subgrant recipients comply with the terms of their agreements with the CAR, and that agreements between the CAR and borrowers and subgrant recipients are consistent with the terms and conditions of this agreement.

D. Quarterly Progress Reports

1. The CAR must submit progress reports on a quarterly basis (30 days after the end of each Federal fiscal quarter) to the EPA Project Officer. The progress reports must document incremental progress at achieving the project goals and milestones. Quarterly progress reports must include:

- a. Documentation of: progress at meeting performance outcomes/outputs; project narrative; project time line, and an explanation for any slippage in meeting established outputs/outcomes.
- b. An update on project milestones.
- c. A budget recap summary page with the following headings: Current Approved Budget; Costs Incurred this Quarter; Costs Incurred to Date; and Total Remaining Funds.
- d. If applicable, quarterly reports must specify costs incurred at petroleum-only brownfields sites.
- e. Recipient quarterly reports must clearly identify which activities performed during the reporting period were undertaken with EPA funds, and will relate EPA-funded activities to the objectives and milestones agreed upon in the workplan including a list of sites where cleanup (either through loans or subgrants) activities were completed.
- f. The CAR must maintain records that will enable it to report to EPA on the amount of funds expended by the CAR, borrowers or subgrant recipients at petroleum sites.
- g. The CAR must complete and submit relevant portions of the Property Profile Form reporting the signing of a loan or subgrant, the initiation of cleanup activities, and the completion of cleanup activities. The CAR must submit the updated Property Profile Form reflecting such events within 30 days after the end of the Federal fiscal quarter in which the event occurred. The CAR may be provided access to an on-line reporting system by the EPA Project Officer to perform their reporting requirements. Alternately, the CAR may complete a hard copy version of the Property Profile Form available from their EPA Project Officer

or on-line at: <http://www.epa.gov/brownfields/pubs/rptforms.htm>

h. In accordance with 40 C.F.R. § 31.40 (d), the recipient agrees to inform EPA as soon as problems, delays or adverse conditions become known which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement workplan.

III. FINANCIAL ADMINISTRATION REQUIREMENTS

A. Cost Share Requirement

1. CERCLA §104(k)(9)(B)(iii) requires the recipient of this cooperative agreement to pay a cost share (which may be in the form of a contribution of money, labor, material, or services from a non-federal source) of at least 20 percent (i.e., 20 percent of the total federal funds awarded). The cost share contribution must be for costs that are eligible and allowable under the cooperative agreement and must be supported by adequate documentation.

B. Eligible Uses of the Funds for the Cooperative Agreement Recipient, Borrower, and/or Subgrant Recipients

1. To the extent allowable under the EPA approved workplan, cooperative agreement funds may be used for eligible programmatic expenses to capitalize the RLF and conduct cleanups.

2. The CAR must maintain records that will enable it to report to EPA on the amount of costs incurred by the CAR, borrowers or subgrant recipients at petroleum-only brownfields sites.

3. At least 60% of the funds must be used by the CAR to provide loans for the cleanup of eligible brownfields sites and for eligible programmatic costs for managing the RLF. Up to 40% can be used for subgrants to clean up eligible brownfield sites under the RLF and for eligible programmatic costs for managing subgrant(s) (note: cleanup subgrants are limited to \$200,000 per site).

4. The CAR may discount loans, also referred to as the practice of forgiving a portion of loan principle. For an individual loan, the amount of principal discounted may be any percentage of the total loan amount up to 30 percent, provided that the total amount of the principal forgiven for that loan shall not exceed \$200,000. For an RLF cooperative agreement budget as a whole, the total dollar amount of principal forgiven through discounted loans plus the amount subgranted shall not exceed a total of 40% of RLF grant funds awarded. The entities eligible for discounted loans are provided below.

5. To determine whether a cleanup subgrant is appropriate, the CAR must consider:

- a. The extent the subgrant will facilitate the creation of, preservation of, or addition to a park, greenway, undeveloped property, recreational property, or other property used for nonprofit purposes;
- b. The extent the subgrant will meet the needs of a community that has the inability to draw on other sources of funding for environmental remediation and subsequent redevelopment of the area in which a brownfield site is located because of the small population or low income of the community;
- c. The extent the subgrant will facilitate the use or reuse of existing infrastructure; and
- d. The benefit of promoting the long-term availability of funds from a revolving loan fund for brownfield remediation.

The CAR must maintain sufficient records to support and document these determinations.

6. The CAR may use cooperative agreement funds to capitalize a revolving loan fund to be used for loans or subgrants for cleanup and for eligible programmatic expenses. Eligible programmatic expenses may include direct costs for:

- see checklist

- a. Determining whether RLF cleanup activities at a particular site are authorized by CERCLA 104(k);
- b. Ensuring that a RLF cleanup complies with applicable requirements under Federal and State laws, as required by CERCLA 104(k);
- c. Ensuring that public participation requirements are met. This includes developing or funding a community relations plan which will include reasonable notice, opportunity for involvement, and response to comments;
- d. Establishing an administrative record for each site;
- e. Ensuring the adequacy of each RLF cleanup as it is implemented, including overseeing the borrowers and/or subgrantees activities to ensure compliance with applicable Federal and State environmental requirements;
- f. The development of Quality Assurance Project Plans (QAPPs) as required by Part 31 and Part 30 regulations;
- g. Ensuring that the site is secure if a borrower or subgrant recipient is unable or unwilling to complete a brownfields cleanup;
- h. Preparing an analysis of brownfields cleanup alternatives which will include

information about the site and contamination issues (i.e., exposure pathways, identification of contaminant sources, etc.); cleanup standards; applicable laws; alternatives considered; and the proposed cleanup. The evaluation of alternatives must include effectiveness, implementability, and the cost of the response proposed. The evaluation will include an analysis of reasonable alternatives including no action;

- i. For petroleum sites, an analysis of cleanup alternatives would include considering a range of proven cleanup methods including identification of contaminant sources, exposure pathways, and an evaluation of corrective measures;
- j. Using a portion of a loan or subgrant to purchase environmental insurance for the characterization, assessment or remediation of the site. The loan or subgrant may not be used to purchase insurance intended to provide coverage for any of the Ineligible Uses under Section D.
- k. Any other eligible programmatic costs including costs incurred by the recipient in making and managing a loan; obtaining financial management services; quarterly reporting to EPA; awarding and managing subgrants to the extent allowable in III. D. 2.; and carrying out outreach pertaining to the loan and subgrant program to potential borrowers and subgrant recipients; and
 1. Subgrantee progress reporting to the CAR is an eligible programmatic cost.

N/A **C. Local Governments Only**

1. No more than 10% of the funds awarded by this agreement may be used by the CAR itself as a programmatic cost for brownfield program development and implementation (including monitoring of health and institutional controls) as described in Task ___ of the EPA approved workplan. The CAR must maintain records on funds that will be used to carry out Task ___ of its EPA approved workplan to ensure that no more than 10% of its funds are used for brownfield program development and implementation (including monitoring of health and institutional controls).
2. If the CAR makes a subgrant to a local government that includes an amount (not to exceed 10% of the subgrant) for brownfields program development and implementation, the terms and conditions of that agreement must include a provision that ensures that the local government subgrantee maintains records adequate to ensure compliance with the limits on the amount of subgrant funds that may be expended for this purpose.

D. Ineligible Uses of the Funds for the Cooperative Agreement Recipient, Borrower, and/or Subgrant Recipients

1. Cooperative agreement funds shall not be used by the CAR, borrower and/or subgrant recipient for any of the following activities:

- a. Pre-cleanup environmental assessment activities, such as site assessment, identification, and characterization with the exception of site monitoring activities that are reasonable and necessary during the cleanup process, including determination of the effectiveness of a cleanup.
- b. Monitoring and data collection necessary to apply for, or comply with, environmental permits under other federal and state laws, unless such a permit is required as a component of the cleanup action.
- c. Construction, demolition, and development activities that are not cleanup actions (e.g., marketing of property or construction of a new non-cleanup facility), and addressing public or private drinking water supplies that have deteriorated through ordinary use;
- d. Job training unrelated to performing a specific cleanup at a site covered by a loan or subgrant.
- e. To pay for a penalty or fine.
- f. To pay a federal cost share requirement (for example, a cost-share required by another Federal grant) unless there is specific statutory authority.
- g. To pay for a response cost at a brownfields site for which the recipient of the grant or loan is potentially liable under CERCLA §107.
- h. To pay a cost of compliance with any federal law, excluding the cost of compliance with laws applicable to the cleanup.
- i. Unallowable costs (e.g., lobbying and fund raising) under applicable OMB Circulars.

2. Under CERCLA 104(k)(4)(B), administrative costs are prohibited costs under this agreement. Prohibited administrative costs include all indirect costs under applicable OMB Circulars incurred by the CAR and subgrantees.

- a. Ineligible administrative costs include costs incurred in the form of salaries, benefits, contractual costs, supplies, and data processing charges, incurred to comply with most provisions of the *Uniform Administrative Requirements for Grants* contained in 40 CFR Part 30 or 40 CFR part 31. Direct costs for grant and subgrant administration, with the exception of costs specifically identified as eligible programmatic costs, are ineligible even if the grantee or subgrant recipient is required to carry out the activity under the grant agreement. Costs incurred to report quarterly performance to EPA under the grant are eligible.

~~a.~~ b.

Ineligible grant or subgrant administration costs include direct costs for:

- (1) Preparation of applications for Brownfields grants and subgrants;
- (2) Record retention required under 40 CFR 30.53 and 40 CFR 31.42;
- (3) Record-keeping associated with supplies and equipment purchases required under 40 CFR 30.33, 30.34, and 30.35 and 40 CFR 31.32 and 31.33;
- (4) Preparing revisions and changes in the budgets, scopes of work, program plans and other activities required under 40 CFR 30.25 and 40 CFR 31.30;
- (5) Maintaining and operating financial management systems required under 40 CFR 30 and 40 CFR 31;
- (6) Preparing payment requests and handling payments under 40 CFR 30.22 and 40 CFR 31.21;
- (7) Non-federal audits required under 40 CFR 30.26, 40 CFR 31.26, and OMB Circular A-133; and
- (8) Close out under 40 CFR 30.71 and 40 CFR 31.50.

3. Borrowers are subject to the CERCLA 104(k)(4)(B) administrative cost prohibition requirements. The CAR must ensure that loan agreements prohibit borrowers and subgrantees from using loans financed with cooperative agreement funds for administrative costs.

- a. Prohibited administrative costs for the borrower (including those in the form of salaries, benefits, contractual costs, supplies, and data processing charges) are those incurred for loan administration and overhead costs.
- b. Direct costs for loan administration are ineligible even if the borrower is required to carry out the activity under the loan agreement. Ineligible loan administration costs include expenses for:
 - (1) Preparation of applications for loans and loan agreements;
 - (2) Preparing revisions and changes in the budget, workplans, and other documents required under the loan agreement;
 - (3) Maintaining and operating financial management and personnel systems;
 - (4) Preparing payment requests and handling payments; and
 - (5) Audits.

c. Overhead costs by the borrower that do not directly clean up brownfields site contamination or comply with laws applicable to the cleanup are ineligible administrative costs. Examples of overhead costs that would be ineligible in loans include expenses for:

(1) Salaries, benefits and other compensation for person who are not directly engaged in the cleanup of the site (e.g., marketing and human resource personnel);

(2) Facility costs such as depreciation, utilities, and rent on the borrower's administrative offices; and

(3) Supplies and equipment not used directly for cleanup at the site.

d. Costs incurred by the borrower for procurement are eligible only if the procurement contract is for services or products that are direct costs for performing the cleanup, for insurance costs, or for maintenance of institutional controls.

e. Direct costs by the borrower for progress reporting to the lender are eligible programmatic costs.

4. Cooperative agreement funds may not be used for any of the following properties:

a. Facilities listed, or proposed for listing, on the National Priorities List (NPL);

b. Facilities subject to unilateral administrative orders, court orders, administrative orders on consent or judicial consent decree issued to or entered by parties under CERCLA;

c. Facilities that are subject to the jurisdiction, custody or control of the United States government except land held in trust by the United States government for an Indian tribe; or

d. A site excluded from the definition of a brownfields site for which EPA has not made a property-specific funding determination.

E. Subgrant Recipient and Borrower Eligibility

1. The CAR may only provide cleanup subgrants to an eligible entity or nonprofit organization to clean up sites *owned* by the eligible entity or nonprofit organization at the time the subgrant is awarded. Eligible subgrant recipients include eligible entities as defined under CERCLA 104(k)(1) and non profit organizations as defined at Section 4(6) of the Federal Financial Assistance Management Improvement Act of 1999. Nonprofit organizations described in Section 501(c)(4) of the Internal Revenue Code that engage in lobbying activities as defined in Section 3 of the Lobbying Disclosure Act of 1995 are not eligible for subgrants.
2. The subgrant recipient must retain ownership of the site throughout the period of performance of the subgrant. For the purposes of this agreement, the term "owns" means fee simple title unless EPA approves a different arrangement. **However, the CAR may not provide a subgrant to itself or another component of its own unit of government or organization.** J*
3. The CAR may discount loans for those eligible entities identified in CERCLA section 104(k)(1) and non profit organizations as defined at Section 4(6) of the Federal Financial Assistance Management Improvement Act of 1999. This definition includes non profit universities and other non profit educational institutions. **Private, for-profit entities are not eligible for discounted loans.** ← MUNIS + non-profits - can get discounted loans. *
4. The CAR shall not loan or subgrant funds that will be used to pay for cleanup activities at a site for which a loan or grant recipient is potentially liable under CERCLA §107. The CAR may rely on its own investigation which can include an opinion from the subgrant recipient's or borrower's counsel. However, the CAR must advise the borrower or subgrant recipient that the investigation and/or opinion of the subgrant recipient's or borrower's counsel is not binding on the Federal Government.
5. For approved eligible petroleum-contaminated brownfields sites, the person cleaning up the site must be a person who is not potentially liable for cleaning up the site. For brownfields grant purposes, an entity generally will not be considered potentially liable for petroleum contamination if it has not dispensed or disposed of petroleum or petroleum-product at the site, has not exacerbated the contamination at the site, and took reasonable steps with regard to the contamination at the site.
6. The CAR shall maintain sufficient documentation supporting and demonstrating the eligibility of the sites, borrowers, and subgrant recipients.
7. A borrower or subgrant recipient must submit information regarding its overall environmental compliance history including any penalties resulting from environmental non-compliance at the site subject to the loan or subgrant. The CAR, in consultation with the EPA, must consider this history in its analysis of the borrower or subgrant recipient as a cleanup and business risk.
8. An entity that is currently suspended, debarred, or otherwise declared ineligible

cannot be a borrower or subgrant recipient.

F. Obligations for Grant Recipients, Borrowers, or Subgrantees Asserting a Limitation on Liability from CERCLA §107

1. Grant recipients, borrowers, or subgrantees who are eligible, or seek to become eligible, to receive a grant, loan, or subgrant based on a liability protection from CERCLA as a: (1) bona fide prospective purchaser (BFPP), (2) contiguous property owner (CPO), or (3) innocent landowner (ILO) (known as the "landowner liability protections"), must meet certain threshold criteria and satisfy certain continuing obligations to maintain their status as an eligible grant recipient, borrower, or subgrantee. These include, but are not limited to the following:

- a. All grant recipients, borrowers, or subgrantees asserting a BFPP, CPO or ILO limitation on liability must perform (or have already performed) "all appropriate inquiry," as found in section 101(35)(B) of CERCLA, on or before the date of acquisition of the property.
- b. Grant recipients, borrowers, or subgrantees seeking to qualify as bona fide prospective purchasers or contiguous property owners must not be:
 - (1) potentially liable, or affiliated with any other person that is potentially liable, for response costs at the facility through (a) any direct or indirect familial relationship; or (b) any contractual, corporate, or financial relationships; or
 - (2) a reorganized business entity that was potentially liable or
 - (3) otherwise liable under CERCLA §107(a) as a prior owner or operator, or generator or transporter of hazardous substances to the facility.
- c. Landowners must meet certain continuing obligations in order to achieve and maintain status as a landowner protected from CERCLA liability. These continuing obligations include:
 - (1) complying with any land use restrictions established or relied on in connection with the response action at the vessel or facility and not impeding the effectiveness or integrity of institutional controls;
 - (2) taking reasonable steps with respect to hazardous substance releases;
 - (3) providing full cooperation, assistance, and access to persons that are authorized to conduct response actions or natural resource restoration;
 - (4) complying with information requests and administrative subpoenas (applies to bona fide prospective purchasers and contiguous property owners); and

(5) complying with legally required notices (again, applies to bona fide prospective purchasers and contiguous property owners) [see CERCLA § 101(40)(B)-(H), 107(q)(1)(A), 101(35)(A)-(B).].

- d. CERCLA requires additional obligations to maintain liability protection. These obligations are found at §§ 101(35), 101(40), 107(b), 107(q) and 107(r).

G. Use of Program Income

1. In accordance with 40 CFR 31.25(g)(2), the CAR is authorized to add program income to the funds awarded by the EPA and use the program income under the same terms and conditions of this agreement. Program income for the RLF shall be defined as the gross income received by the recipient, directly generated by the cooperative agreement award or earned during the period of the award. Program income shall include principal repayments, interest earned on outstanding loan principal, interest earned on accounts holding RLF program income not needed for immediate lending, all loan fees and loan-related charges received from borrowers and other income generated from RLF operations including proceeds from the sale, collection, or liquidations of assets acquired through defaults of loans.

2. In accordance with Section 104(d)(3)(D), when a CAR transitions to a 104(k) cooperative agreement, any program income (e.g. fees, interest or principal repayments) generated prior to transition will be added to the 104(k) agreement and must be used in a manner consistent with Section 104(k)(3) and with the terms and conditions, contained herein.

3. The CAR may use program income from fees, interest payments from loans, and other forms of eligible program income to meet its cost-share. The CAR shall not use repayments of principal of loans to meet the CAR's cost-share requirement. Repayments of principal must be returned to the CAR's Brownfields cleanup revolving fund.

4. The CAR that elects to use program income to cover all or part of a RLF's programmatic costs shall maintain adequate accounting records and source documentation to substantiate the amount and percent of program income expended for eligible RLF programmatic costs, and comply with applicable OMB cost principles when charging costs against program income. For any cost determined by the EPA to have been an ineligible use of program income, the recipient shall reimburse the RLF or the EPA. EPA will notify the recipient of the time period allowed for reimbursement.

5. Loans or subgrants made with a combination of program income and direct funding from EPA are subject to the same terms and conditions as those applicable to this agreement. Loans and subgrants made with direct funding from EPA in combination with non Federal sources of funds are also subject to the same terms and conditions of this agreement.

6. CAR must obtain EPA approval of the substantive terms of loans and subgrants made entirely with program income.

H. Post Cooperative Agreement Program Income

1. After the end of the award period, the CAR shall use program income in a manner consistent with the terms and conditions of a "close out" agreement negotiated with EPA. In accordance with 40 CFR 31.42(c)(3), the CAR shall maintain appropriate records to document compliance with the requirements of the close out agreement (i.e., records relating to the use of post-award program income). EPA may request access to these records or may negotiate post-close-out reporting requirements to verify that post-award program income has been used in accordance with the terms and conditions of the close out agreement.

I. Interest-Bearing Accounts

1. The CAR must deposit advances of grant funds and program income (e.g., fees, interest payments, repayment of principal) in an interest bearing account.

a. Interest earned on advances, CARs and subgrant recipients are subject to the provisions of 40 CFR §31.21(i) and §30.22(l) relating to remitting interest on advances to EPA on a quarterly basis.

b. Interest earned on program income is considered additional program income.

IV. RLF ENVIRONMENTAL REQUIREMENTS

A. State Response Programs

1. The CAR must require borrowers and subgrant recipients to enroll their cleanup sites into the appropriate State response program, including voluntary response or property transfer programs, and receive state oversight and approval of the cleanup. In states with privatized programs (i.e., MA & CT), the CAR's designated environmental project manager must review and approve the proposed cleanup. If the CAR plans to execute an intragovernmental loan to itself, the approval of the cleanup must come from the state and not the CAR's environmental project manager. If the State is unable to perform direct oversight of the cleanup, then the CAR is required to consult with the Environmental Protection Agency (EPA) on each loan or subgrant to ensure the proposed cleanup is protective of human health and environment.

2. The CAR must submit to EPA copies of all remedial planning, design, and engineering documents and the required approvals of those documents from either the State or the CAR's environmental project manager prior to the initiation of any cleanup activities using EPA funds and any required cost share. The CAR must also submit to EPA copies of the final closeout report (as specified below) along with a copy of the approval letter from either the State or the CAR's environmental project manager at the completion of the cleanup.

B. Authorized RLF Cleanup Activities

1. The CAR shall prepare an analysis of brownfields cleanup alternatives which will include information about the site and contamination issues (i.e., exposure pathways, identification of contaminant sources, etc.); cleanup standards; applicable laws; alternatives considered; and the proposed cleanup. The evaluation of alternatives must include effectiveness, implementability, and the cost of the response proposed. The evaluation will include an analysis of reasonable alternatives including no action. The clean up method chosen must be based on this analysis.

2. For cleanup of petroleum sites, an analysis of cleanup alternatives must include considering a range of proven cleanup methods including identification of contaminant sources, exposure pathways, and an evaluation of corrective measures. The clean up method chosen must be based on this analysis.

3. Prior to conducting or engaging in any on-site activity with the potential to impact historic properties (such as invasive sampling or cleanup), the grantee shall consult with EPA regarding potential applicability of the National Historic Preservation Act and, if applicable, shall assist EPA in complying with any requirements of the Act and implementing regulations.

C. Environmental Project Manager

1. The CAR must identify an independent qualified environmental professional(s) (QEP) to coordinate, direct, and oversee the brownfields assessment and cleanup activities for each cleanup performed, if they do not have such a professional on staff. The QEP must possess the qualifications and experience to document that a cleanup has been completed in accordance with applicable local, state, and federal requirements and is protective of public health and the environment. The QEP must be an independent third-party individual, and can not be the borrower's environmental cleanup contractor.

D. Quality Assurance (QA) Requirements

1. The CAR will ensure that a Quality Assurance Project Plan (QAPP) is developed for each cleanup project to support all environmental data operations in accordance with *Quality Assurance Guidance for Conducting Brownfields Assessments*, EPA 540-R-98-038, September 1998; *EPA Requirement for Quality Assurance Project Plans*, (QA/R-5, 03/01); and/or the *EPA NE Compendium of Quality Assurance Project Plan Requirements and Guidance*, 10/99. The term "environmental data operations" refers to activities involving the collection, generation, compilation, analysis, evaluation and use of environmental data. The Quality Assurance Project Plan must be approved by EPA before any data collection and/or generation activities begin. At least thirty days prior to the scheduled commencement of data collection and/or data generation activities, the recipient will submit a Quality Assurance Project Plan to the following:

- a. EPA Project Officer; and

- b. Regional Quality Assurance Manager (EQA)
U.S. Environmental Protection Agency
11 Technology Drive
North Chelmsford, MA 01863-2431

E. Community Relations and Public Involvement in RLF Cleanup Activities

1. All RLF loan and subgrant cleanup activities require a site-specific community relations plan that includes providing reasonable notice, opportunity for involvement, response to comments, and administrative records that are available to the public.

F. Administrative Record

1. The CAR shall establish an administrative record that contains the documents that form the basis for the selection of a cleanup plan. Documents in the administrative record shall include an analysis of reasonable alternatives including no action; site investigation reports; the cleanup plan; cleanup standards used; responses to public comments; and verification that shows that cleanups are complete. The CAR shall keep the administrative record available at a location convenient to the public and make it available for inspection.

G. Implementation of RLF Cleanup Activities

1. The CAR shall ensure the adequacy of each RLF cleanup in protecting human health and the environment as it is implemented. Each loan and subgrant agreement shall contain terms and conditions that allow the CAR to change cleanup activities as necessary based on comments from the public or any new information acquired.
2. If the borrower or subgrant recipient is unable or unwilling to complete the RLF cleanup, the CAR shall ensure that the site is secure. The CAR shall notify the appropriate state agency and the U.S. EPA to ensure an orderly transition should additional activities become necessary.

H. Completion of RLF Cleanup Activities

1. The CAR shall ensure that the successful completion of a RLF cleanup is properly documented. This must be done through a final report or letter from a qualified environmental professional, or other documentation provided by a State or Tribe that shows cleanups are complete. This documentation needs to be included as part of the administrative record.

V. REVOLVING LOAN FUND REQUIREMENTS

A. Prudent Lending and Subgranting Practices

1. The CAR is expected to establish economically sound structures and day-to-day

management and processing procedures to maintain the RLF and meet long-term brownfield cleanup lending/subgranting objectives. These include establishing: underwriting principles that can include the establishment of interest rates, repayment terms, fee structure, and collateral requirements; and, lending/subgranting practices that can include loan/subgrant processing, documentation, approval, servicing, administrative procedures, collection, and recovery actions.

2. The CAR shall not incur costs under this cooperative agreement for loans, subgrants or other eligible costs until an RLF grant workplan has been submitted to and approved by U.S. EPA. The CAR shall ensure that the objectives of the workplan are met through its or the fund manager's selection and structuring of individual loans/subgrants and lending/subgranting practices. These activities shall include, but not be limited to the following:

- a. Considering awarding subgrants on a competitive basis. If the CAR decides not to award any subgrants competitively, it must document the basis for that decision and inform EPA.
- b. Establishing appropriate project selection criteria consistent with Federal and state requirements, the intent of the RLF program, and the cooperative agreement entered into with EPA.
- c. Establishing threshold eligibility requirements whereby only eligible borrowers or subgrant recipients receive RLF financing.
- d. Developing a formal protocol for potential borrowers or subgrant recipients to demonstrate eligibility, based on the procedures described in the initial RLF application proposal and cooperative agreement application. Such a protocol shall include descriptions of projects that will be funded, how loan monies will be used, and qualifications of the borrower or subgrant recipient to make legitimate use of the funds. Additionally, CARs shall ask borrowers or subgrant recipients for an explanation of how a project, if selected, would be consistent with RLF program objectives, statutory requirements and limitations, and protect human health and the environment.
- e. Requiring that borrowers or subgrant recipients submit information describing the borrower's or subgrant recipient's environmental compliance history. The CAR shall consider this history in an analysis of the borrower or subgrant recipient as a cleanup and business risk.
- f. Establishing procedures for handling the day-to-day management and processing of loans and repayments.
- g. Establishing standardized procedures for the disbursement of funds to the borrower or subgrant recipient.

B. Inclusion of Special Terms and Conditions in RLF Loan and Subgrant Documents

1. The CAR shall ensure that the borrower or subgrant recipient meets the cleanup and other program requirements of the RLF grants by including the following special terms and conditions in RLF loan agreements and subgrant awards:

- a. Borrowers or subgrant recipients shall use funds only for eligible activities and in compliance with the requirements of CERCLA 104(k) and applicable Federal and State laws and regulations. See Section I.A.2.
- b. Borrowers or subgrant recipients shall ensure that the cleanup protects human health and the environment.
- c. Borrowers or subgrant recipients shall document how funds are used. If a loan or subgrant includes cleanup of a petroleum-contaminated brownfields site(s), the CAR shall include a term and condition requiring that the borrower or subgrant recipient maintain separate records for costs incurred at that site(s).
- d. Borrowers or subgrant recipients shall maintain records for a minimum of three years following completion of the cleanup financed all or in part with RLF funds. Borrowers or subgrant recipients shall obtain written approval from the CAR prior to disposing of records. Cooperative agreement recipients shall also require that the borrower or subgrant recipient provide access to records relating to loans and subgrants supported with RLF funds to authorized representatives of the Federal government.
- e. Borrowers or subgrant recipients shall certify that they are not currently, nor have they been, subject to any penalties resulting from environmental non-compliance at the site subject to the loan.
- f. Borrowers or subgrant recipients shall certify that they are not potentially liable under §107 of CERCLA for the site or that, if they are, they qualify for a limitation or defense to liability under CERCLA. If asserting a limitation or defense to liability, the borrower or subgrant recipient must state the basis for that assertion. When using grant funds for petroleum-contaminated brownfields sites, borrowers or subgrant recipients shall certify that they are not a viable responsible party or potentially liable for the petroleum contamination at the site. Refer to the most recent issue of EPA's *Proposal Guidelines for Brownfields Assessment, Revolving Loan Fund and Cleanup Grants* for a discussion of these terms. The CAR may consult with EPA for assistance with this matter.
- g. Borrowers or subgrant recipients shall conduct cleanup activities as required by the CAR.
- h. Subgrant recipients shall comply with applicable EPA assistance regulations (40 CFR Part 31 for governmental entities or 40 CFR Part 30 for nonprofit organizations). All procurements conducted with subgrant funds must

comply with 40 CFR Part 31.36 or 40 CFR Part 30.40-30.48, as applicable.

C. Default

1. In the event of a loan default, the CAR shall make reasonable efforts to enforce the terms of the loan agreement including proceeding against the assets pledged as collateral to cover losses to the loan. If the cleanup is not complete at the time of default, the CAR is responsible for: (1) documenting the nexus between the amount paid to the borrower (bank or other financial institution) and the cleanup that took place prior to the default; and (2) securing the site (e.g., ensuring public safety) and informing the EPA Project Officer and the State.

D. Conflict of Interest

1. The CAR shall establish and enforce conflict of interest provisions that prevent the award of subgrants that create real or apparent personal conflicts of interest, or the CAR's appearance of lack of impartiality. Such situations include, but are not limited to, situations in which an employee, official, consultant, contractor, or other individual associated with the CAR (affected party) approves or administers a grant or subgrant to a subgrant recipient in which the affected party has a financial or other interest. Such a conflict of interest or appearance of lack of impartiality may arise when:

- (i) The affected party,
 - (ii) Any member of his immediate family,
 - (iii) His or her partner, or
 - (iv) An organization which employs, or is about to employ, any of the above,
- has a financial or other interest in the subgrant recipient.

Affected employees will neither solicit nor accept gratuities, favors, or anything of monetary value from subgrant recipients. Recipients may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards of conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by affected parties.

VI. DISBURSEMENT, PAYMENT AND CLOSEOUT

For the purposes of these terms and conditions, the following definitions apply: "payment" is the U.S. EPA's transfer of funds to the CAR; the CAR incurs an "obligation" when it enters into a loan agreement with the borrower or subgrant recipient; "disbursement" is the transfer of funds from the CAR to the borrower or subgrant recipient. "Close out" refers to the process that the U.S. EPA follows to ensure that all administrative actions and work required under the

cooperative agreement have been completed.

A. Payment Schedule

1. The CAR may request payment from EPA pursuant to 40 CFR. §31.21(c) after it incurs an obligation or has an eligible programmatic expense. EPA will make payments to the CAR on a schedule which minimizes the time elapsing between transfer of funds from EPA and disbursement by the recipient to the borrower or subgrant recipient to pay costs incurred or to meet a "progress payment" schedule. The recipient may request payments when it receives a disbursement request from a borrower or subgrant recipient based on the borrower or subgrant recipient's incurred costs under the "actual expense" method or the schedule for disbursement under the "schedule" disbursement method. The CAR shall disburse accrued program income to meet all or part of this obligation or eligible programmatic expenses prior to requesting payment from EPA.

B. Methods of Disbursement

1. The CAR may choose to disburse funds to the borrower by means of 'actual expense' or 'schedule.' If the schedule method is used, the recipient must ensure that the schedule is designed to reasonably approximate the borrower's incurred costs.

- a. An 'actual expense' disbursement approach requires the borrower to submit documentation of the borrower's expenditures (e.g., invoices) to the CAR prior to requesting payment from EPA.
- b. A 'schedule' disbursement is one in which all, or an agreed upon portion, of the obligated funds are disbursed to the borrower on the basis of an agreed upon schedule (e.g., progress payments) or, in unusual circumstances, upon execution of the loan. The CAR shall submit documentation of disbursement schedules to EPA.
- c. If the disbursement schedule of the loan agreement calls for disbursement of the entire amount of the loan upon execution, the CAR shall demonstrate to the U.S. EPA Project Officer that this method of disbursement is necessary for purposes of cleaning up the site covered by the loan. Further, the CAR shall include an appropriate provision in the loan agreement which ensures that the borrower uses loan funds promptly for costs incurred in connection with the cleanup and that interest accumulated on schedule disbursements is applied to the cleanup.

2. Subgrant funds must be disbursed to the subgrant recipient in accordance with 40 CFR 31.21 or 40 CFR 30.22, as applicable.

- a. The CAR may negotiate a predetermined schedule(s) for disbursement to subgrant recipients provided the schedule minimizes the time elapsing between disbursement by the CAR and the subgrant recipient's payment of costs incurred in carrying out the subgrant.

- b. If the disbursement schedule of the subgrant calls for disbursement of the entire amount of the subgrant upon execution, the CAR shall demonstrate to the U.S. EPA Project Officer that this method of disbursement is necessary for purposes of cleaning up the site covered by the subgrant. Further, the CAR shall include an appropriate provision in the subgrant agreement which ensures that the subgrant recipient uses funds promptly for costs incurred in connection with the cleanup and that interest accumulated on schedule disbursements is applied to the cleanup.

C. Schedule for Closeout

1. There are two fundamental criteria for closeout:
 - (a) Final payment of funds from EPA to the CAR following expiration of the terms of the agreement or expenditure of the funds awarded; and
 - (b) Completion of all cleanup activities funded by the amount of the award.
2. The first criterion of cooperative agreement closeout is met when the CAR receives all payments from EPA. The second closeout criterion is met when all cleanups funded by the initial amount of the award are complete.

D. Compliance with Closeout Schedule

1. If a CAR fails to comply with the closeout schedule, any cooperative agreement funds not obligated under loan agreement to a borrower or subgrant recipient may be subject to federal recovery, and the cooperative agreement award amended to reflect the reduced amount of the cooperative agreement.

E. Recovery of RLF Assets

1. In case of termination for cause or convenience, the CAR shall return to EPA its fair share of the value of the RLF assets consisting of cash, receivables, personal and real property, and notes or other financial instruments developed through use of the funds. EPA's fair share is the amount computed by applying the percentage of EPA participation in the total capitalization of the RLF to the current fair market value of the assets thereof. EPA also has remedies under 40 CFR 31.43 and CERCLA 104(k) when the Agency determines that the value of such assets has been reduced by improper/illegal use of cooperative agreement funding. In such instances, the CAR may be required to compensate EPA over and above the Agency's share of the current fair market value of the assets. Nothing in this agreement limits EPA's authorities under CERCLA to recover response costs from a potentially responsible party.

F. Loan Guarantees

1. If the CAR chooses to use the RLF funds to support a loan guarantee approach, the following terms & conditions apply:

a. The CAR shall:

- (1) document the relationship between the expenditure of CERCLA §104(k) funds and cleanup activities;
- (2) maintain an escrow account expressly for the purpose of guaranteeing loans, by following the payment requirement described under the Escrow Requirements term and condition below; and
- (3) ensure that cleanup activities guaranteed by RLF funds are carried out in accordance with CERCLA 104(k) and applicable Federal and State laws and will protect human health and the environment.

2. a. Payment of funds to a CAR shall not be made until a guaranteed loan has been issued by a participating financial institution. Loans guaranteed with RLF funds shall be made available as needed for specified cleanup activities on an "actual expense" or "schedule" basis to the borrower or subgrant recipient (See Section on Methods of Disbursement). The CAR's escrow arrangement shall be structured to ensure that the CERCLA §104(k) funds are properly "disbursed" by the recipient for the purposes of the assistance agreement as required by 40 CFR §31.20(b)(7) and §31.21(c). If the funds are not properly disbursed, the CERCLA §104(k) funds that the recipient places in an escrow account will be subject to the interest recovery provisions of 40 CFR §31.21(i).

b. To ensure that funds transferred to the CAR are disbursements of assisted funds, the escrow account shall be structured to ensure that:

- (1) the recipient cannot retain the funds;
- (2) the recipient must not have access to the escrow funds on demand;
- (3) the funds remain in escrow unless there is a default of a guaranteed loan;
- (4) the organization holding the escrow (i.e., the escrow agency), shall be a bank or similar financial institution that is independent of the recipient; and
- (5) there must be an agreement with financial institutions participating in the guaranteed loan program which documents that the financial institution has made a guaranteed loan to clean up a brownfields site in exchange for access to funds held in escrow in the event of a default by the borrower or subgrant recipient.

3. Federal Obligation to the Loan Guarantee Program

a. Any obligations that the CAR incurs for loan guarantees in excess of the amount awarded under the cooperative agreement are the CAR's responsibility. This limitation on the extent of the Federal Government's financial commitment to the CAR's loan guarantee program shall be communicated to all participating banks and borrower or subgrant recipient.

4. Repayment of Guaranteed Loans

a. Upon repayment of a guaranteed loan and release of the escrow amount by the participating financial institution, the CAR shall return the cooperative agreement funds placed in escrow to the U.S. EPA. Alternatively, the CAR may, with EPA approval,

b. Guarantee additional loans under the terms and conditions of the agreement or,

c. amend the terms and conditions of the agreement to provide for another disposition of funds that will redirect the funds for other brownfields related activities.

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
VERMONT AGENCY OF NATURAL RESOURCES
AND THE
VERMONT AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT

This Memorandum of Understanding (MOU) is made this 12th day of December 2005 by and between the Vermont Agency of Natural Resources (ANR) and the Vermont Agency of Commerce and Community Development (ACCD).

WHEREAS, the parties to this MOU are engaged in programs and activities to identify, assess, remediate, redevelop, and reuse contaminated lands and buildings ("Brownfields") within the State of Vermont;

WHEREAS, ANR and ACCD are collaborating on a comprehensive Brownfields Initiative to bring the environmental expertise of ANR together with the economic and community development specialties of ACCD to promote the effective and efficient redevelopment and reuse of perceived, or actually contaminated sites;

WHEREAS, the Brownfields Initiative will bridge the gap between community redevelopment and environmental regulation to provide better services to both those who seek to redevelop these properties, and those who will benefit from them; and

WHEREAS, the collaboration of ANR and ACCD will ensure that the State's resources are effectively utilized to expedite the reclamation and redevelopment of priority sites throughout the State.

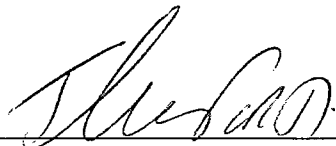
NOW THEREFORE, the parties to this MOU agree as follows:

1. To further the purposes of the Redevelopment of Contaminated Properties Program ("RCPP") created by 10 V.S.A. § 6615a *et seq.*, and brownfields reclamation and development in general, the Agencies will collaborate on the Brownfields Initiative and continue to meet on a regular basis to identify and expedite the reclamation and redevelopment of priority sites throughout the State.
2. The Agencies will work together to develop brownfields education and outreach efforts for regional partners, municipalities, and private developers, and will work closely with these stakeholders to identify priority brownfields sites, locate potential users of the sites, and coordinate public and private financing resources.
3. The Agencies will maintain open and timely interagency communication and will notify the other of significant issues and developments regarding implementation of

the Brownfields Initiative and availability of funding resources. To insure clear communication of program requirements to the general public and program participants and insure the appropriate use of Agency resources and expertise, the Agencies will be mindful of the respective program roles, objectives and limitations, and make referrals to appropriate staff of each agency.

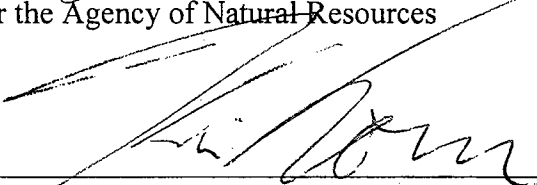
4. The Agencies will jointly prepare, at least annually, a list of projects ranked in priority order that are eligible for financial assistance under 10 V.S.A. § 6615a(l)(6)(F). In establishing these priorities, the Agencies shall consider the criteria set forth in 10 V.S.A. § 6615a(l)(4) and 10 V.S.A. § 6615a(l)(6)(F)(i)-(iii).
5. The Agencies will jointly develop a state plan for brownfields reclamation that will include an inventory and assessment of potential sites and methods and strategies for coordinating remediation, usage, and financing of sites as outlined in 10 V.S.A. § 6615a(m).
6. The Agencies acknowledge that the Legislature, through section 184 of Act 71 of 2005, appropriated \$400,000 from the solid waste management assistance fund to the Brownfield Revitalization Fund ("BRF") to match federal funds available through the Environmental Protection Agency for brownfields redevelopment purposes and for grants to specific projects subject to 10 V.S.A. §§ 6615a(l)(5) and (6).
7. To ensure that the State's resources are effectively utilized, the Agencies may award grants in accordance with the authority contained in 10 V.S.A. § 6615a(l)(5) and will partner with the Vermont Economic Development Authority ("VEDA") to administer and issue loans from the BRF in accordance with 10 V.S.A. § 6615a(l)(6).
8. Grants may be issued by ACCD, with the approval of ANR, subject to the following requirements:
 - a. Grants shall not exceed \$50,000.00 for the characterization and assessment of a site.
 - b. Grants shall not exceed \$200,000.00 for the remediation of a site.
 - c. Grants may be made to assist an applicant in purchasing environmental insurance relating to the performance of the characterization, assessment, or remediation of a brownfields site in accordance with a corrective action plan approved by the Secretary of ANR.
 - d. A portion of the BRF may be used to develop a risk-sharing pool, an indemnity pool, or an insurance mechanism to provide financial assistance to applicants.
 - e. All reports generated with the assistance of grants awarded under the BRF, including site assessments, site investigations, feasibility studies, corrective action plans, and completion reports, shall be provided to the ACCD and ANR in hard copy and in electronic form.

9. The Agencies will enter into a separate MOU with VEDA for the administration and disbursement of loans from the BRF.



For the Agency of Natural Resources

12/9/05
Date



For the Agency of Commerce and Community Development

12/12/05
Date

**MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
THE VERMONT ECONOMIC DEVELOPMENT AUTHORITY
AND THE
VERMONT AGENCY OF NATURAL RESOURCES
AND THE
VERMONT AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT**

This Memorandum of Understanding is executed for the purpose of defining the roles of the Vermont Economic Development Authority ("VEDA"), the Vermont Agency of Natural Resources ("ANR"), and the Agency of Commerce and Community Development ("ACCD") in carrying out their respective duties in the management and administration of that portion of the Brownfields Revitalization Fund ("BRF") devoted to providing loans pursuant to 10 V.S.A. § 6615a(l)(6).

1. ACCD, with the approval of ANR and in consultation with VEDA, shall annually determine the amount of the BRF available to VEDA for loans under 10 V.S.A. § 6615a(l)(6)(A).
2. ACCD, with the approval of ANR, shall determine whether an applicant is eligible to apply to VEDA for a loan from the BRF. 10 V.S.A. § 6615a(l)(6)(A).
3. VEDA is authorized to make loans from the BRF after ACCD and ANR notifies it that the applicant is eligible for a loan from the BRF.
4. VEDA shall issue and administer loans from the BRF pursuant to VEDA's enabling statute, 10 V.S.A. Chapter 12, and 10 V.S.A. § 6615a(l)(6)(A).
5. Loans may be used for characterization, assessment, or remediation of a site, but shall not be in an amount greater than \$250,000.00.
6. No loan shall be made until:
 - a. The applicant has certified to VEDA that all state and federal permits and licenses necessary to undertake the project for which financing has been sought have been or will be obtained prior to VEDA disbursing funds under the loan; and
 - b. ACCD has certified to VEDA that the applicant and the project are eligible for financing or assistance from the BRF and that the project has priority for receipt of financial assistance, as determined by agreement of ACCD and ANR.

7. Each loan shall be subject to the following conditions:
- a. Repayment shall commence no later than one year after completion of the project for which the loan funds have been applied.
 - b. The interest rate shall be set by VEDA in consultation with ACCD, and shall be at a rate that is sufficiently attractive to advance the purposes of the redevelopment of contaminated properties program. The interest rate set by VEDA may be less than the prevailing borrowing rates available to similarly situated applicants from private lenders, but not less than zero percent.
 - c. Loans made to applicants by VEDA under this MOU shall be made in accordance with the terms and conditions specified in a loan agreement to be executed by VEDA and the applicant. The loan agreement shall specify the terms and conditions of the loan and repayment by the applicant, as well as other terms and conditions determined necessary by VEDA and ACCD or ANR.
 - d. Disbursement of loan proceeds shall be based on certification by the loan recipient demonstrating that costs for which reimbursement is requested have been incurred or paid by the recipient for activities under the plan approved by ANR. The recipient shall provide supporting evidence of payment upon the request of VEDA.
 - e. Interim financing charges or short-term interest costs may constitute an allowable cost of a project for which a loan is extended. In the event short-term financing is unavailable to the applicant, VEDA may make interim loan disbursements to the applicant and its general contractor as co-payees upon submission of a certified request for payment, supported by actual invoices or other evidence satisfactory to VEDA of costs incurred.
 - f. VEDA may include such additional requirements in the loan agreement as it determines necessary for the proper administration of the BRF, and which are consistent with applicable state and federal law and with other programs administered by VEDA under 10 V.S.A. Chapter 12.
 - g. In the event of default, any amounts owed upon the loan shall be considered a debt for purposes of 32 V.S.A. § 5932(4). VEDA may recover such debt pursuant to the set-off debt collection remedy established under 32 V.S.A. §§ 5933-5934.

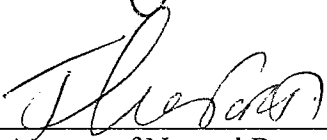
8. Proceeds from repayment of loans shall be deposited in the BRF and shall be available for additional grants or loans.

9. Annually, by January 15, ACCD and VEDA, in consultation with ANR, shall submit a report to members of the joint fiscal committee, the senate committees on economic development, housing, and general affairs and on natural resources and energy, and the house committees on commerce and on natural resources setting out the balance of the BRF, grant or loan awards made to date, funds anticipated to be made available in the coming year, information relating to brownfields remediation activities, including the number, location, and status of brownfields sites, and any other matters of interest.




For the Vermont Economic Development Authority

12/13/05
Date



For the Agency of Natural Resources

12/9/05
Date



For the Agency of Commerce and Community Development

12/12/05
Date

Memorandum of Understanding

Between

Vermont State Agency of Commerce and Community Development
And the Vermont Economic Development Authority

Dated: May 22, 2006

This memorandum of understanding is executed for the purpose of establishing terms whereby the Vermont Economic Development Authority ("VEDA") will be compensated for its duties in the management and operation of a portion of the Brownfields Revitalization Fund ("BRF"), the funds for which will be provided by the Vermont Agency of Commerce and Community Development ("ACCD"). The portion of the BRF administered by VEDA ("The Fund") is devoted to providing loans for the characterization, assessment or remediation of a contaminated site pursuant to 10 V.S.A. Section 6615a(1)(6);

VEDA's compensation for services to operate and manage The Fund will be based on the *Schedule of Fees* (Schedule) incorporated as part of this document. The administration fees are intended to cover all VEDA costs including underwriting, closing, monitoring, normal collection, accounting, telephone/fax, and supplies, as well as fiduciary and financial report responsibilities. The Schedule will be reviewed annually by ACCD and VEDA and amended by mutual agreement.

VEDA will recover all expenses and and be compensated for all fees due to it per the Schedule in the operation and management of The Fund first from loan application fees and interest income generated from loans in The Fund's loan portfolio, and then only to the extent necessary to allow VEDA to recover its expenses and fees per the Schedule, from investment earning on the corpus of The Fund. The corpus of The Fund will only be used by VEDA to make loans in The Fund.

In the event that a loan in The Fund becomes classified by VEDA as a "delinquency or troubled credit work out loan" thereby requiring additional time and expenses associated with collection other than the normal costs included in the Schedule, VEDA will assess such fees and is authorized to incur such expenses as VEDA typically would in similar situations in the other funds VEDA operates.

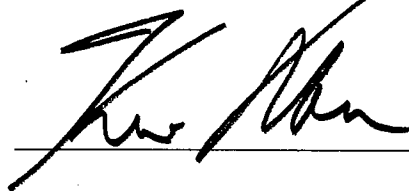
VEDA agrees to manage the assets of The Fund with the same care it exercises with other funds operated by VEDA and to provide ACCD with any financial information necessary for ACCD to meet the reporting requirements of the BRF. It is understood by this agreement that all responsibility for external financial reporting or responsibilities under the OMB Circular A-133 audit requirements are the responsibility of ACCD.

In consideration of the covenants contained above and other consideration, the parties hereby agree as above written.

VERMONT AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT

5-23-06
Date

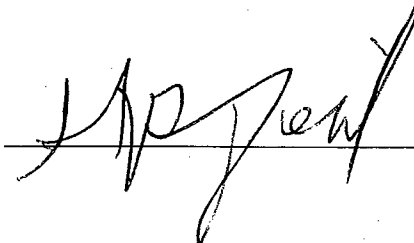
By:



VERMONT ECONOMIC DEVELOPMENT AUTHORITY

5/23/06
Date

By:



Brownfields Revitalization Fund

Prepared By: Vermont Economic Development Authority

SCHEDULE OF FEES

- 1) **Application Approval/Denial** takes an average time of 25 hours.

Cost per hour is \$60; Total Approval cost per loan \$1,500

- 2) **Closing** a loan takes an average time, including document prep, collateral, legal, travel to closing and perfecting and storing documents, etc. is 15 hours.

Cost per hour is \$45; Total Closing cost per loan \$675

- 3) **Processing Disbursements.** Assumes there will be multiple disbursements per loans (an average of 4-5 advances per loan), including the initial advance. The time for loan set-up and aggregate advance processing per loan is 5 hours.

Cost per hour is \$45; Total Set-up and Disbursement cost per loan \$225

Total Upfront Fees Per Loan Closed: \$2,400

- 4) **Payment Processing.** Expectation is one payment per month of interest and/or principal.

Cost per hour is \$45; Processing is 10 minutes per payment
Cost per payment processed **\$7.50**

- 5) **Fiduciary/Other** costs, including accounting, reporting, overhead and other costs are estimated at 4 hours each quarter with an additional 5 for fiscal year end for a total of 21 hours per year.

Cost per hour is \$75; Fiduciary/Other cost per month is \$130

OTHER NOTES:

Additional costs related to loan officer or other staff time for delinquency or troubled credit restructuring or workout will be billed as incurred at a rate of **\$70 per hour**.

Direct legal expenses will be billed to the fund as incurred.

Fiduciary time may increase relative to the growth of the program. No increase will be made without prior approval of ACCD.