

TO: CRCOG POLICY BOARD
FROM: MARY ELLEN KOWALEWSKI, DIRECTOR OF POLICY AND PLANNING
SUBJECT: BACKGROUND INFORMATION AND RESOLUTION AUTHORIZING AWARDS AND EXECUTION OF SUBGRANT AND LOAN AGREEMENTS UNDER THE METROHARTFORD BROWNFIELDS REVOLVING LOAN PROGRAM
DATE: MARCH 16, 2018

CRCOG has received a \$950,000.00 Revolving Loan Fund (RLF) Grant from the U.S. Environmental Protection Agency to finance brownfields remediation projects in the Capitol Region (\$850,000.00 for site remediation and \$100,000.00 for grant oversight). This work is an extension of the MetroHartford Brownfields Site Assessment Program that has been in operation since 2004. Staff have completed a project solicitation and selection process, and recommend that available funds be allocated through subgrants and loans to the three projects described below. This selection process gave priority to municipal applications. \$625,000.00 was available for the remediation of sites contaminated by hazardous substances, and \$225,000.00 was available for the remediation of sites contaminated by petroleum products. Municipal applicants were eligible to receive both subgrants and loans; private applicants were only eligible to receive loans.

CRCOG received five requests for \$1,550,000.00 to assist with remediation projects. One project was determined ineligible by EPA, leaving four eligible projects, whose requests for \$1,225,000.00 exceeded the \$850,000.00 available. It is CRCOG's intent to apply for supplemental EPA Brownfields Revolving Loan Fund monies in April 2018 to help fund projects not selected or fully-funded in this first round of funding.

Projects were selected through a rating and ranking process, conducted by CRCOG staff with input from a review committee made up of four municipal planning and economic development directors who have redevelopment experience, but are not applicant communities. Selection criteria included factors utilized in the MetroHartford Brownfields Assessment Program project selection process, with additional factors added to establish priority for municipally-owned sites, and incorporate criteria unique to the Revolving Loan Fund Program, such as a required cost-share requirement of 20% or more and the sites' readiness for redevelopment. Full or partial funding is recommended for the three top-rated projects. The recommendations are:

Applicant and Project	Rank	Funding Requested	Funding Recommendation
Town of Berlin, 889 Farmington Avenue, Former Pioneer Precision Products	#1	<u>Hazardous Substance</u> \$200,000.00 Subgrant \$100,000.00 Loan	<u>Hazardous Substance</u> \$200,000.00 Subgrant \$100,000.00 Loan Total Assistance: \$300,000.00
Town of Somers, 40 Maple Street, Former Somersville Mill	#2	<u>Hazardous Substance</u> \$200,000.00 Subgrant \$325, 000.00 Loan	<u>Hazardous Substance</u> \$100,000.00 Subgrant \$225,000.00 Loan Total Assistance: \$325,000.00
Riverfront Future Partners (private owner), Former Rocky Hill Foundry	#3	<u>Hazardous Substance</u> \$75,000.00 Loan <u>Petroleum</u> \$125,000.00 Loan	<u>Petroleum</u> Total Assistance: \$125,000.00

There was not enough funding available for the fourth-ranked project, but as stated previously, it is CRCOG's intent to apply for a supplemental Revolving Loan Fund Grant in April 2018. This project was:

Applicant and Project	Rank	Funding Requested	Funding Recommendation
East Hartford Venture, LLC (private applicant); 818-850 Silver Lane, Silver Lane Plaza	#4	<u>Hazardous Substance</u> \$325,000.00 Loan	\$0

After these funding allocations, CRCOG will still have money available to fund one additional \$200,000.00 Petroleum Subgrant.

We ask your favorable consideration of the following authorizing resolution at the March 21, 2018 Policy Board meeting.

**RESOLUTION AUTHORIZING AWARDS AND EXECUTION OF
SUBGRANT AND LOAN AGREEMENTS
UNDER METROHARTFORD BROWNFIELDS REVOLVING LOAN FUND PROGRAM**

WHEREAS, the U.S. Environmental Protection Agency (EPA) has provided CRCOG with a \$950,000.00 grant to establish the MetroHartford Brownfields Revolving Loan Fund Program, and \$850,000.00 of the EPA grant will be used to finance brownfields remediation projects; and

WHEREAS, such remediation projects will support the redevelopment and reuse of brownfield sites throughout the MetroHartford Region; and

WHEREAS, CRCOG has completed a competitive project solicitation and selection process through which five projects were evaluated for possible funding; and

WHEREAS, a project review committee has recommended that CRCOG award financial assistance to the three top-rated projects;

NOW THEREFORE BE IT RESOLVED, that the CRCOG Policy Board authorizes the award of following financial assistance to the three top-rated projects, in the form of subgrants and loans:

- To the Town of Berlin for 889 Farmington Avenue: \$300,000.00 in Hazardous Substance funding provided by a \$200,000.00 subgrant and a \$100,000.00 loan;
- To the Town of Somers for 40 Maple Street: \$325,000.00 in Hazardous Substance funding provided by a \$100,000.00 subgrant and a \$225,000.00 loan; and
- To Riverfront Future Partners for the property known as the former Rocky Hill Foundry: \$125,000.00 in Petroleum funding provided by a loan.

These funding awards are contingent upon: 1) CRCOG review and approval of final project work plans and budgets; 2) EPA eligibility certification of proposed cost share; and 3) for loan recipients, completion of an underwriting review and determination of recipients' credit-worthiness to repay loans.

BE IT FURTHER RESOLVED, that the CRCOG Policy Board authorizes its Executive Director, Lyle D. Wray, to act on behalf of the Capitol Region Council of Governments in negotiating, entering into and amending subgrant and loan agreements in accordance with its planning program and budget and EPA Cooperative Agreement BF-96195801-0.

I certify that the above is a true copy of the resolution adopted by the CRCOG Policy Board at its meeting on March 21, 2018. I further hereby certify that the above resolution has not been in any way altered, amended, or repealed, and is now in full force and effect.

Lori Spielman, Secretary
Capitol Region Council of Governments

Date