

# State of Connecticut



# SCPRIF

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## Special Contaminated Property Remediation and Insurance Fund

### Information and Application Package

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- Project Selection Criteria
- Criteria for Canceling SCPRIF Loans
- Policy on Interest Rates and Repayment  
Dates for SCPRIF Loans
- SCPRIF Loan Closing Checklist

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The Special Contaminated Property Remediation and Insurance Fund

The Department of Economic & Community Development

505 Hudson Street, Hartford, CT 06106

TEL: (860) 270-8141

FAX: (860) 270-8157

## State of Connecticut

### Special Contaminated Property Remediation and Insurance Fund

#### **OVERVIEW:**

The Special Contaminated Property Remediation and Insurance Fund (SCPRIF), established in Section 22a-133u of the Connecticut General Statutes, is administered by the Department of Economic and Community Development (DECD) in cooperation with the Department of Environmental Protection (DEP). The main goal of the program is to provide assistance with investigating the environmental conditions of a site and ultimately to encourage redevelopment that is beneficial to the community.

Assistance is provided through low-interest loans. The recipient of SCPRIF loan funds will repay the State upon sale or lease of the property, or upon approval of a final remedial action report, in accordance with the terms of the program. In the event the assessment determines that the redevelopment of the site is not feasible due to the cost of remediation, loans made under the program may be forgiven under certain conditions. Loans for building demolition will not be forgiven.

A SCPRIF Advisory Board, consisting of professionals with expertise in financing, remediation, and redevelopment, reviews applications and submits recommendations for funding to the Commissioner of DECD.

The purpose of the program is to encourage public and private partnerships to jointly investigate, remediate, and redevelop underutilized commercial and industrial properties that remain vacant as a result of site contamination issues. The eventual remediation of any hazards and the reuse of the subject property is the ultimate goal of the program. Proposals will be reviewed for community and environmental impact, as well as economic feasibility. The reuse of the property induced by the project activities should represent a tangible improvement for the local community.

#### **GEOGRAPHIC ELIGIBILITY:**

Statewide.

#### **APPLICANT ELIGIBILITY:**

Any person, corporation, municipality or business is eligible to apply for SCPRIF funds. Typically the applicant should either be the current owner of the site, the prospective owner or developer of the site, or the municipality in which the site is located.

In general, applicants must demonstrate that they have access to the site, and that the property owner will consent to the placement of a lien on the property in the amount of the SCPRIF loan. Also, applicants must show that they have the financial and technical expertise and resources necessary to successfully undertake the site investigation, remediation, and redevelopment project. Municipalities are not required to have the owners consent if the site is abandoned or tax delinquent. If the applicant is the owner of the site, they must demonstrate that they did not willfully or knowingly create a source of pollution or negligently violate any provision of Chapter 446k of the Connecticut General Statutes.

#### **ELIGIBLE ACTIVITIES:**

- Phase II Environmental Site Assessments
- Phase III Site Investigations, including Remedial Action Work Plans
- Building Lead and Asbestos Surveys (for demolition or rehab)
- Lead Abatement and Asbestos Removal (for demolition only)
- Demolition (full not partial)

**NOTE:** Phase I Environmental Site Assessments and site remediation costs are not eligible activities under the SCPRIF program. Demolition, lead removal and asbestos abatement activities are only eligible subsequent to Phase III investigations.

#### **LOAN TERMS AND CONDITIONS:**

SCPRIF loans will generally have short terms. The program provides a bridge loan to allow the applicant to conduct investigations and demolition. Interest is paid during the term of the loan and the principal is repaid when the site is later sold or leased or environmentally remediated. The interest on loans is below market rate.

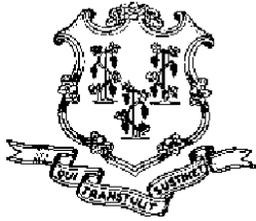
**State of Connecticut**  
Special Contaminated Property Remediation  
and Insurance Fund

1. Complete a **SCPRIF Pre-Application Form** so that eligibility can be determined.
2. Submit the completed **SCPRIF Pre-Application Form** and required attachments by the 15<sup>th</sup> of any given month to DECD.
3. Pre-applications received by the monthly deadline will be placed on the SCPRIF Advisory Board agenda within 30 days for a determination of eligibility. A DECD or DEP representative may contact the applicant and conduct a site visit.
4. Eligible applicants will be invited to submit a **SCPRIF Full Application**. If the application activity is ineligible, or if the pre-application is deemed incomplete, reasons for such determination will be conveyed to the applicant. Ineligible applicants may re-apply if they demonstrate that they meet eligibility requirements.
5. Applicants invited to submit a **SCPRIF Full Application** will be given a deadline for submitting the full application in accordance with the monthly application deadline schedule.
6. Within 60 days of receiving the Full Application (based on the monthly deadline schedule), the SCPRIF Advisory Board will make a recommendation to the DECD Commissioner whether or not to approve funding. The applicant will be contacted in writing regarding approval or denial of SCPRIF funding and the conditions of approval.
7. Applicants approved for SCPRIF funding will be sent a **SCPRIF Loan Agreement** for completion and signature and a list of any closing documents to be provided by the applicant. All recipients of SCPRIF funds will be required to enter into a standard loan agreement with DECD. The applicant will be required to pay the State's legal expenses for the loan closing, which are considered an eligible project cost. Corporate and personal guarantees are generally required. Loans are granted upon final approval by the DECD Commissioner.

**FOR AN APPLICATION PACKAGE OR MORE  
INFORMATION CONTACT:**

Marie E. McGuinness, P.E., A.I.C.P.  
CT Department of Economic & Community Development  
Infrastructure & Real Estate Division  
505 Hudson St.  
Hartford, CT 06106  
Tel: 860/270-8148 Fax: 860/270-8157  
Email: [marie.mcguinness@po.state.ct.us](mailto:marie.mcguinness@po.state.ct.us)  
Web: [www.state.ct.us/ecd](http://www.state.ct.us/ecd)

# State of Connecticut



# SCPRIIF

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## Special Contaminated Property Remediation and Insurance Fund

Pre-Application

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The Special Contaminated Property Remediation and Insurance Fund  
The Department of Economic & Community Development  
505 Hudson Street, Hartford, CT 06106  
TEL: (860) 270-8141

### Instructions

**There are five steps to completing and submitting the SCPRIIF Pre-Application to determine eligibility for funds.**

**1. Complete the attached Pre-Application Form**

**2. Prepare a Project Narrative (two pages maximum)**

- Briefly summarize:
  - Location of site
  - Total number of properties within the redevelopment site and acreage of each
  - Current and, if possible, previous land use
  - Zone of each parcel according to local zoning regulations
  - Identify the properties targeted for SCPRIIF funding if the entire site is not targeted
  - Name(s) and address(es) of owner(s) of each property
  - Total number of buildings and square footage of each
  - Average age of buildings
  - Characteristics of the surrounding neighborhood
- Explain the purpose and need for SCPRIIF funding.
- Describe the anticipated redevelopment of the site and specify whether it will involve rehabilitation or demolition of existing structures.
- Discuss your approach for: 1) determining whether the site can be redeveloped, and 2) determining if the site is marketable.
- Describe your interest in the property if you are not the owner.
- Outline the schedule for performing the SCPRIIF funded activities.

**3. Provide a Project Location Map: Attach a 8 ½” x 11” USGS quadrangle map outlining the site. Identify the quadrangle and nearest cross street in the lower right corner. An assessor’s map or maps showing the property boundaries and the nearest cross street may be substituted.**

**4. Provide a Site Plan Map: If available, include proposed site plans or concept plans illustrating the proposed use of the site.**

**5. Submit Required Information: The original and 10 copies of the SCPRIIF Pre-Application should be submitted to:**

Marie E. McGuinness, P.E., A.I.C.P.  
 CT Department of Economic & Community Development  
 Infrastructure & Real Estate Division  
 505 Hudson St.  
 Hartford, CT 06106  
 Tel: 860/270-8148 Fax: 860/270-8157  
 Email: marie.mcguinness@po.state.ct.us  
 Web: www.state.ct.us/eed

**Response Time:** Based on the date of receipt and the Advisory Board’s meeting schedule, you can expect to receive a notice of eligibility regarding an invitation to submit a Full Application within 30 days.

### Pre-Application Form

P

- 1. Project Name:** \_\_\_\_\_
- 2. Project Address:** \_\_\_\_\_  
\_\_\_\_\_

- 
- 3. Applicant:**  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_
  - Municipality/Organization: \_\_\_\_\_
  - Type of Applicant:
    - Municipality
    - Property Owner
    - Other Public Agency
    - Other (specify): \_\_\_\_\_

- 
- 4. Applicant Contact:**  
Name & Title: \_\_\_\_\_  
Municipality/Organization: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_
  - Tel: \_\_\_\_\_
  - Fax: \_\_\_\_\_
  - E-Mail: \_\_\_\_\_

- 
- 5. Municipal Contact (if different than Applicant):**  
Name & Title: \_\_\_\_\_  
City/Town: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_
  - Tel: \_\_\_\_\_
  - Fax: \_\_\_\_\_
  - E-Mail: \_\_\_\_\_

- 
- 6. Owner (if different than Applicant):**  
Legal Name: \_\_\_\_\_  
Contact: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_
  - Tel: \_\_\_\_\_
  - Fax: \_\_\_\_\_
  - E-Mail: \_\_\_\_\_

### Pre-Application Form (Continued)

#### 7. Access/Owner Interest

	Yes	No
Is the site currently occupied?	<input type="checkbox"/>	<input type="checkbox"/>
Are the owners willing participants in the redevelopment effort?	<input type="checkbox"/>	<input type="checkbox"/>
Do you currently have access to the site?	<input type="checkbox"/>	<input type="checkbox"/>

#### 8. Environmental Information

What environmental information specific to the site leads you to believe that environmental investigations need to be done?

- Phase I completed by environmental consultant
- Phase II completed by environmental consultant
- Commercially available electronic file search with review by environmental consultant
- Other: \_\_\_\_\_

	Yes	No
Are any properties within the redevelopment site the subject of an outstanding State of Connecticut DEP order?	<input type="checkbox"/>	<input type="checkbox"/>
Is the site listed on any state or federal hazardous site inventory? If Yes, list: _____	<input type="checkbox"/>	<input type="checkbox"/>

#### 9. Financial Information

- SCPRIF Funding Request

Check the Activities Applicable:	Amount Requested:
Phase II Assessment _____	\$ _____
Phase III Investigation _____	\$ _____
Remedial Action Work Plan _____	\$ _____
Asbestos/Lead Survey _____	\$ _____
(For Demolition or Rehab)	
Asbestos/Lead Removal _____	\$ _____
(Demolition only)	
Demolition (Full Not Partial) _____	\$ _____
Total Funding Requested:	\$ _____

**9. Financial Information (Continued)**

- What sources of information were used to estimate the SCPRIF funding request?  
\_\_\_\_\_
  - Current Assessment: \_\_\_\_\_
  - Tax Lien Status: \_\_\_\_\_
  - Expected Value after Remediation: \_\_\_\_\_
  - Estimated Remediation Costs: \_\_\_\_\_
  - Estimated Redevelopment Costs: \_\_\_\_\_
- 

**10. Applicant Certification**

I, the undersigned, hereby certify that the information included in this submission is substantially correct. The SCPRIF Advisory Board reserves the right to disqualify applications that include misleading information.

Applicant Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

To be completed by DECD:

Date Pre-Application Received by State for Review: \_\_\_\_\_

Date Pre-Application Reviewed by SCPRIF Advisory Board: \_\_\_\_\_

# State of Connecticut



# SCPRIIF

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## Special Contaminated Property Remediation and Insurance Fund

Full Application

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The Special Contaminated Property Remediation and Insurance Fund  
The Department of Economic & Community Development  
505 Hudson Street, Hartford, CT 06106  
TEL: (860) 270-8141  
FAX: (860) 270-8157

## Instructions

**SCPRIF**

Full Application

- 1. Complete the attached Full Application Form, including the Applicant Certification.**
- 2. Review the Project Selection Criteria – these will be helpful in responding to specific questions.**
- 3. Prepare an Executive Summary (one page or less) that includes an overview of the project, redevelopment goals and anticipated economic benefits.**
- 4. Discuss project feasibility by preparing a detailed narrative that addresses the following:**
  - The current use of the property including the percent occupied/leased.
  - The current environmental condition of the property including risks to public health or the natural environment and environmental benefits to be achieved if remediation is successful.
  - The redevelopment strategy, and mechanisms for implementation and approach to determining the financial feasibility of the project.
  - Methods of financing the project including sources of income for SCPRIF loan repayment, and other proposed project loans, commitment letters for additional financing, collateral, sources of equity, etc.
  - Ways in which the site, if redeveloped as proposed, would be consistent with municipal plans, policies, and initiatives.
  - Community and economic development benefits that are expected to result from redevelopment including the number of new jobs created, increased tax revenue, elimination of vacancy or blight, the reuse of the property in conformance with town and neighborhood plans, the stimulation of tourism, the generation of other community and economic benefits, the mitigation of environmental conditions that are depressing the neighborhood, or other benefits.
- 5. Assemble the following required attachments:**
  - Copies of the completed environmental documentation referenced in your Pre-Application that were used to develop cost estimates for the requested SCPRIF loan.
  - Known title encumbrances including an estimate of the amount of each lien.
  - Two independent estimates of the cost for full characterization of the site's environmental condition from a licensed environment professional or a similarly qualified environmental professional.

### Instructions (Continued)

- ❑ A site plan at an appropriate scale showing the existing and proposed development.
  - ❑ Photograph(s) of the site as it currently exists.
  - ❑ If the site is currently occupied, provide detailed information on the present occupants including the type of businesses and/or residents, amount of area occupied, term of leases (including rents, and expenses paid by tenants), and plans for tenant relocation, if applicable.
  - ❑ For proposed demolition activities:
    - A copy of a building evaluation report prepared by a licensed professional engineer.
    - Documentation from the State Historic Preservation Officer indicating either that the structures and site have no cultural significance or that certain approvals will be necessary for demolition to take place.
    - An asbestos and hazardous materials survey (unless this will be done as part of the SCPRIF project).
    - Two independent cost estimates including lead abatement and asbestos removal costs, if applicable.
  - ❑ If the Applicant is, or has been, the owner or occupant of the subject property, it will be required to submit information on its historical use of the property and compliance with environmental laws and regulations.
  - ❑ A description of the previous experience of the Applicant in the redevelopment of similar properties and experience with brownfields.
  - ❑ An implementation plan showing tasks to be accomplished and proposed schedule with assigned responsibilities. The implementation plan should extend through the expected date of SCPRIF loan repayment.
  - ❑ For non-municipal Applicants only:
    - Letter of support from municipality for the proposed project
    - Letter from the property owner(s) indicating a willingness to participate in the SCPRIF program and a statement of their intentions/role in the proposed project
- 6. Complete the Detailed Budget Summary.**
  - 7. Complete the applicable Financial Information Form only if one was included in the application package.**
  - 8. If you are not a municipality, complete the Financial Disclosure Form.**

**9. Review the following:**

- Criteria for Canceling SCPRIF Loans
- Policy on Interest Rates and Repayment Dates for SCPRIF Loans
- SCPRIF Loan Closing Checklist

**10. Complete the Non-Polluter Certification Form.**

**11. Submit the original Full Application and 10 copies of the Full Application including all attachments and supporting documents with the following exceptions:** Only 3 copies of applicable environmental reports are necessary and the original and 10 copies of the Financial Disclosure Form should be placed in a separate envelope and labeled "Financial Disclosure Forms." Send to:

Marie E. McGuinness, P.E., A.I.C.P.  
CT Department of Economic & Community Development  
Infrastructure & Real Estate Division  
505 Hudson St.  
Hartford, CT 06106T  
Tel: 860/270-8148 Fax: 860/270-8157  
Email: [marie.mcguinness@po.state.ct.us](mailto:marie.mcguinness@po.state.ct.us)  
Web: [www.state.ct.us/e.cd](http://www.state.ct.us/e.cd)

# Application Form

# SCPRIF

Full Application

1. **Project Name:** \_\_\_\_\_  
2. **Project Address:** \_\_\_\_\_  
\_\_\_\_\_

- 
3. **Applicant:**  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_
- Municipality/Organization: \_\_\_\_\_
- Type of Applicant:     Municipality  
                               Property Owner  
                               Other Public Agency  
                               Other (Specify): \_\_\_\_\_

- 
4. **Applicant Contact:**
- Name & Title: \_\_\_\_\_  
Municipality/Organization: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_
- Tel: \_\_\_\_\_  
Fax: \_\_\_\_\_  
E-Mail: \_\_\_\_\_

- 
5. **Municipal Contact (if different than Applicant):**
- Name & Title: \_\_\_\_\_  
City/Town: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_
- Tel: \_\_\_\_\_  
Fax: \_\_\_\_\_  
E-Mail: \_\_\_\_\_

- 
6. **Owner (if different than Applicant):**  
Legal Name: \_\_\_\_\_  
Contact: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/Town: \_\_\_\_\_  
Tel: \_\_\_\_\_  
Fax: \_\_\_\_\_  
E-Mail: \_\_\_\_\_

### Application Form (Continued)

#### 7. Financial Information

Current Assessment (municipal records) \$ \_\_\_\_\_

Has this site ever received prior state or federal funding?  Yes  No

<u>Source</u>	<u>Amount</u>	<u>Date</u>
_____	_____	_____
_____	_____	_____

Are other loans or public funding applicable to the site?  Yes  No

<u>Source</u>	<u>Amount, Rate, Terms</u>	<u>Maturity</u>
_____	_____	_____
_____	_____	_____

#### 8. Funding Request

Check the Activities Applicable:		Amount Requested:
Phase II Assessment	_____	\$ _____
Phase III Investigation	_____	\$ _____
Remedial Action Work Plan	_____	\$ _____
Asbestos/Lead Survey	_____	\$ _____
Asbestos/Lead Removal (demolition only)	_____	\$ _____
Demolition	_____	\$ _____

Total Funding Requested: \$ \_\_\_\_\_

#### 9. Access

Does applicant currently have legal access to property?  Yes  No

If no, how would access be gained and by when: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**10. Ownership**

Does the applicant own the property?  Yes  No

If no, indicate the timing and proposed method of taking ownership to the property:

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**11. Compliance**

Does this site have any outstanding orders or citations from either the Connecticut Department of Environmental Protection or U.S. Federal Environmental Protection Agency?  Yes  No

If yes, complete the following section:

<u>Date</u>	<u>Order</u>	<u>Agency</u>	<u>Contact/Tel. No.</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Does this site have any outstanding orders or citations from the U. S. Occupational Safety and Health Administration?  Yes  No

If Yes, complete the following section:

<u>Date</u>	<u>Order</u>	<u>Agency</u>	<u>Contact/Tel. No.</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

### Application Form (Continued)

#### 12. Certification by Applicant

It is hereby represented by the undersigned as an inducement to the Department of Economic and Community Development to consider the financial assistance requested herein, that to the best of my knowledge and belief no information or data contained in the application or in the attachments are in any way false or incorrect and that no material information has been omitted, including the financial statements. The undersigned agrees that banks, credit agencies, the Connecticut Department of Labor, the Connecticut Department of Revenue Services, the Connecticut Department of Environmental Protection, and other references are hereby authorized now, or anytime in the future, to give the Department of Economic and Community Development any and all information in connection with matters referred to in this application, including information concerning the payment of taxes by the applicant. In addition, the undersigned agrees that any funds that may be provided pursuant to this application will be utilized exclusively for the purposes represented in this application, as may be amended.

Signature: \_\_\_\_\_

Name (print or type): \_\_\_\_\_

Title: \_\_\_\_\_

Organization/Municipality: \_\_\_\_\_

Date: \_\_\_\_\_

To be completed by DECD:

Date Full Application Received by State for Review: \_\_\_\_\_

Date Full Application Reviewed by SCPRIIF Advisory Board: \_\_\_\_\_

Non-Polluter Certification Form\*



Legal Name of Applicant: \_\_\_\_\_
Project Name: \_\_\_\_\_
Project Address: \_\_\_\_\_ (Town) \_\_\_\_\_

I hereby certify that to the best of knowledge and belief that neither \_\_\_\_\_, the entity applying for a SCPRIF loan from the State of Connecticut Department of Economic and Community Development, nor any individual, partnership, company or corporation related to the applicant through common ownership or control, has willfully or knowingly created a source of pollution in the State of Connecticut, or has negligently violated any provision of Chapter 446k of the Connecticut General Statutes.

Signature of Authorized Representative of Applicant Date signed

Name of Authorized Representative of Applicant Title

Mailing Address City/Town State Zip

Phone Number

STATE OF \_\_\_\_\_ }
COUNTY OF \_\_\_\_\_ } S.S. \_\_\_\_\_ (Town)

The foregoing was subscribed to and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (year) by \_\_\_\_\_.

(Name of Signatory)

(Signature of Notary Public)

(Name of Notary Public)

My commission expires \_\_\_\_\_

\*This form must be signed by an individual, responsible corporate officer, partner in a partnership, or member of an LLC, as applicable.



**Financial Disclosure Form**  
(For Non-municipal Applicants)

**SCPRIF**

Full Application

BUSINESS NAME		<input type="checkbox"/> PROPRIETORSHIP/INDIVIDUAL/DBA	
		<input type="checkbox"/> PARTNERSHIP	<input type="checkbox"/> LLC <input type="checkbox"/> LLP
		<input type="checkbox"/> CORPORATION	C <input type="checkbox"/> SUB S <input type="checkbox"/>
BUSINESS ADDRESS (Street/City, Zip Code)			
BUSINESS TELEPHONE	FAX	E-MAIL	
NATURE OF BUSINESS			
ANNUAL SALES	NUMBER OF EMPLOYEES	FEDERAL TAX ID NUMBER/STATE ID NUMBER	

**PRINCIPALS/OWNERS**

NAME	% OWNERSHIP	TITLE

**BANK REFERENCES**

BANK	ADDRESS	NAME OF CONTACT	PHONE NUMBER
			( )
			( )
			( )

**MAJOR TRADE SUPPLIERS**

SUPPLIER	ADDRESS	NAME OF CONTACT	PHONE NUMBER
			( )
			( )
			( )

**OTHER BUSINESS OBLIGATIONS**

NAME OF CREDITOR	PURPOSE OF DEBT	ORIGINAL AMOUNT	AMOUNTS PRESENTLY OWING	REPAYMENT TERMS	MATURITY DATE

Financial Disclosure Form (Continued)



MISCELLANEOUS

How long has the business been in operation? \_\_\_\_\_

Is the business an endorser, guarantor, or co-maker for obligations not listed on its financial statements?  Yes  No  
 If YES, please indicate total contingent liability. \$ \_\_\_\_\_ To whom? \_\_\_\_\_  
 Date obligation ends: \_\_\_\_\_

Is the business a party to any outstanding, pending or anticipated claims or lawsuit?  Yes  No  
 If YES, please attach explanation.

Has the business, any of its owners, or any affiliated business ever declared bankruptcy?  Yes  No  
 If YES, please attach explanation. Chapter \_\_\_\_\_ Date of Filing \_\_\_\_\_

Does the business owe any taxes for years prior to the current year?  Yes  No Amount \$ \_\_\_\_\_ Owed to \_\_\_\_\_

DOCUMENTS REQUIRED TO PROCESS YOUR LOAN

A. FINANCIAL INFORMATION  
 RECD

- 1. Financial statements for the last 3 fiscal years, to include at least balance sheets and profit and loss statements.
- 2. Interim financial statement(s) if available.
- 3. Business tax returns for last 3 years.
- 4. Current Personal Financial Statements(s) and 3 years of the most recent Personal Tax Returns of any guarantor for the proposed loan.
- 5. A list of companies related to the applicant by substantially similar ownership and/or management control.

Each of the undersigned represents, warrants and certifies that the information provided herein is true, correct and complete. Each of the undersigned agrees to notify DECD in writing of any change in name, address, or employment and of any material adverse change (1) in any of the information contained in this statement or (2) in the financial condition of any of the undersigned or (3) in the ability of any of the undersigned to perform its (or their) obligations. In the absence of such notice or a new and full written statement, this should be considered as a continuing statement and substantially correct. DECD is authorized to make all inquiries necessary to verify the accuracy of the information contained herein, and to determine the credit worthiness of the undersigned.

BUSINESS NAME: \_\_\_\_\_

by: \_\_\_\_\_  
 SIGNATURE/TITLE DATE SOCIAL SECURITY NO.

by: \_\_\_\_\_  
 SIGNATURE/TITLE DATE SOCIAL SECURITY NO.

## Project Selection Criteria

The SCPRIIF Advisory Board will review projects and provide recommendations to the Commissioner of Economic and Community Development for loan funding based on the degree to which the project adheres to the following criteria:

### 1. Redevelopment Potential of the Property

- Commercial Value of the Property- Higher priority will be given to projects that will have significant commercial value after completion of the planned remediation and or development. Consideration will also be given to the increase in property value that will result from the project.
- Potential Municipal Tax Revenue - Projects will be given higher priority if the remediation or redevelopment project will cause the resumption of tax payments on tax delinquent properties within a reasonable time frame given the redevelopment plan for the property or if the project will increase the assessment on the real estate due to planned property improvements or due to elimination of environmental conditions which are depressing the property assessment.
- Community or Economic Development Benefit - Projects that will provide significant community or economic development benefits will be given higher priority for funding. Examples of such benefits would include: 1) the creation of jobs, 2) the elimination of vacancy and/or blight, 3) the reuse of a property in conformance with a town plan of development, neighborhood development strategy, or town wide economic plan, and 4) the stimulation of tourism.
- Potential Redevelopment - Higher priority will be given to projects that present a viable approach to achieve the redevelopment of abandoned and/or underutilized properties.
- Economic Feasibility- Higher priority will be given to applicants that provide sufficient evidence to the Commissioner and Advisory Board demonstrating that the project is likely to be economically viable.
- Potential Spin-off Benefits- Consideration will be given to additional economic benefits that will result from the project, including state tax revenue, the multiplier effect of direct economic impacts, and spin-off benefits for development in the neighborhood and community.

### Financial Capacity of the Applicant

- Status of Previous Loans—Higher priority will be given to applicants that either have not used the SCPRIIF program before or that have approved projects that are currently proceeding on the original or amended project schedule. If an applicant has an approved project that is not progressing on a reasonable schedule, it will need to justify the delays prior to receipt of funds for additional projects.

## Project Selection Criteria (Continued)

- Financial Status of the Applicant- The Applicant should demonstrate that it has the financial capacity and other experience necessary to undertake the project and the ability to repay the SCPRIIF loan. Factors that will be considered include the applicant's credit history and economic solvency, and their ability to supply necessary project funds from equity and borrowing.

### 3. Certification of the Applicant Regarding Polluting Status

- If the Applicant is, or has been, the owner or occupant of the subject property, it will be required to certify that neither the Applicant, nor any individual, partnership or corporation related to the Applicant through common ownership or control, has willfully or knowingly created a source of pollution in the State of Connecticut or has negligently violated any provision of Chapter 446k of the Connecticut General Statutes. If a certification cannot be provided, the Applicant will need to provide other justification on why they should qualify, to the acceptance of the Commissioner and Advisory Board.

### 4. Other Factors

- Timing of Project Completion- It is recognized that SCPRIIF funded projects may take a considerable time to be completed. Projects will not be disqualified for funding based on the expected time to complete. However, higher priority will be given to projects that will more quickly return the subject property to its intended use. Higher priority will be given to applicants that attempt to actively manage the project schedule in order to expedite completion.
- Special Benefits- Consideration will be given to other benefits of the project to the neighborhood, municipality or state presented by the Applicant but not applying to other specific selection criteria.
- Environmental Condition of the Property- Higher priority will be given to projects that will address sites that currently pose, or are perceived to pose, a public health risk or a risk of significant potential damage to the environment. Consideration will also be given to projects that will mitigate actual or perceived environmental conditions that are depressing a neighborhood.

## Criteria for Canceling SCPRIF Loans

Should the project become economically infeasible due to the cost of remediation, loans may be cancelled, except for the interest for the period that the loan is outstanding. Recommendations for canceling loans are made by the SCPRIF Advisory Board for final approval by the DECD Commissioner. Partial repayment of the loan may be required if only partial repayment is economically feasible. In determining whether a project is economically infeasible, the following criteria will be used:

- ❑ **Municipalities** – Loans can be cancelled if the proceeds from the sale of the tax liens are less than the SCPRIF loan. This assumes that the cost of remediation will not be paid by town. If the town owns the property, or chooses to foreclose, the loan can be cancelled if the proceeds from the resale are less than the SCPRIF loan, including any costs that the town incurs to remediate the property prior to the sale. If the town owns and develops the property then the Commissioner may require an appraisal or other estimate from a qualified independent source that establishes the fair market value of the property. If the proceeds from the sale of tax liens will be used as the source of funds to repay the SCPRIF loan the town will need to show that it affirmatively marketed the liens prior to requesting cancellation.
- ❑ **Private Applicants** – Loans can be cancelled if the projected market value of the property is less than the sum of senior liens, plus the amount of the SCPRIF loan, plus the cost of remediation. All liens of the applicant will be subordinated to the SCPRIF loan. The market value of the property will be based on the use as generally defined by the redevelopment plan presented in the approved application. Therefore it may be necessary to analyze demolition costs, rehabilitation costs, etc. if these costs will be incurred to achieve the proposed use of the property.
- ❑ **Exceptions/Clarifications**
  - Municipal applicants may not be required to demonstrate a project’s economic feasibility in the loan application to the level required of other applicants if the loan is backed by the full faith and credit of the municipality and the municipality waives any rights it may have to request cancellation of repayment of the loan.
  - The Commissioner may choose not to consider all existing liens and/or claims on the project’s economic feasibility if the applicant is not the owner and if the applicant agrees to initiate foreclosure proceedings if necessary to stimulate repayment of the SCPRIF loan. Liens that may be omitted from the feasibility analysis at the time of application include: (1) liens that the lien holder agrees to subordinate to the SCPRIF loan, and (2) liens junior to the SCPRIF loan.
  - Any applicant may be exempt from demonstrating that it is reasonable likely that the project is economically feasible if the Applicant provides a reliable source of loan repayment not dependent on the project. If the loan is approved based on the demonstration of an alternate source of repayment, then the Applicant will be required to waive any rights it may have to request cancellation of the loan.
  - If the project is not granted a covenant not to sue by the Commissioner of the Department of Environmental Protection for reasons beyond the control of the Applicant, the Commissioner can waive loan repayment if the Commissioner deems that a covenant not to sue is essential to make the property marketable.

## Policy On Interest Rates and Repayment Dates for SCPRIF Loans

**SCPRIF**

1. Interest on SCPRIF loans will be 3% for the first two years and thereafter 6% or the State's cost of borrowing, whichever is less.
2. Quarterly payments (interest only) will be due from all applicants except municipalities.
3. Interest payments will be deferred for municipal applicants. Payment of interest will be made as part of the balloon payment at the time of payoff of the loan.
4. If any loan is canceled because the project is not feasible, interest will be due for the period until the date of notification by the Commissioner that the loan will be canceled. The receipt of the interest due will be a condition of cancellation of the loan.
5. If the loan involves demolition activities only, and the site has already been remediated, the loan will be for a term of not more than 5 years with an amortization schedule of up to 10 years. This provision is subject to the following loan repayment events.
6. The DECD Commissioner will select the event that will require loan repayment based on the following list:
  - The SCPRIF loan and any interest due thereon must be repaid when the property that is the subject of the loan is sold.
  - For municipal projects the SCPRIF loan and any interest due thereon may become due when municipal tax liens on the property are sold or released.
  - The SCPRIF loan and any interest due thereon must be repaid when the property that is the subject of the loan. The DECD Commissioner will determine the appropriate lease up that will trigger the requirement for repayment of the loan. Generally, when leases have a total value of greater than 50% of the potential income, the total remaining principal balance of the SCPRIF loan shall become due.
  - The SCPRIF loan and any interest due thereon must be repaid when a remedial action report is approved for the property that is the subject of the loan.

## SCPRIF Loan Closing Checklist

A standard loan agreement has been developed that will be mailed to the Applicant upon approval of the full application. The following items will need to be completed prior to loan closing:

**1. Certificate of Insurance**

The Applicant is required to maintain and provide proof of liability, property damage and worker's compensation insurance (if Applicant has employees). Similar proof of insurance will be required from the Applicant's environmental consultant.

**2. Consent of Owner**

The consent of the owner of the property (standard form) will be needed if the Applicant is not the owner of the property to be evaluated. The consent of owner form includes a provision allowing the Commissioner to file a lien on the property and a provision allowing access to the property to conduct phase II and III environmental investigations. A municipal applicant will not be required to provide evidence of consent of the owner if it intends to engage a licensed environmental professional (LEP) to enter the property and conduct investigations pursuant to the authority of Section 22a-133dd of the Connecticut General Statutes. In general, an LEP employed by a municipality may enter a property, without liability if: (1) the owner of such property cannot be located, or (2) such property is encumbered by a lien for taxes due such municipality. Municipal applicants are not required to file a lien on the property.

**3. Opinion Letter from Applicant's Attorney**

A legal opinion will be required confirming that the Applicant (municipal or private corporation) exists and is in good standing and that the corporation has taken the necessary actions (resolutions) to authorize the signer to enter into the loan agreement.

**4. Certificate of Title**

The Applicant will be required to provide a certificate of title that will detail all liens and encumbrances of record.

**5. Resolution of the Governing Body of the Applicant**

A resolution of the municipal or corporate entity authorizing entering into the loan agreement must be provided.

**6. Project Schedule**

The required project schedule lists the major steps and milestones to take the project through activities funded by the SCPRIF loan (i.e. site investigations, building demolition) to the point at which the SCPRIF loan will be repaid. The SCPRIF loan agreement will specify the event(s) that will require repayment of the loan and it will establish a loan term.

Repayment of the SCPRIF loan will be required date when the subject property is sold or leased, or when municipal tax liens are sold or released, or when the final remedial action report for the property is approved by the Commissioner of Environmental Protection. The final remedial action report is filed after Phase II and III environmental investigations have been done, a remedial action plan is prepared, and the site is remediated.

## SCPRIF Loan Closing Checklist (Continued)

**7. Project Financing Plan and Budget**

This is a standard form, which lists the sources and uses of funds for the site investigation and/or demolition to be completed with the SCPRIF loan.

**8. Legal Description of the Site**

**9. Guarantees – Collateral Agreements**

In general, guarantees will be required from the applicant corporation and its principal owners. Cross guarantees of related corporations, and other collateral agreements may be required. In addition, the DECD Commissioner may require subordination of current lien holders if the project is otherwise not likely to be economically feasible. In general, the State's legal counsel will prepare forms of guarantees and agreements to be completed by the Applicant.

**10. Owners Certification**

If the owner or user (lessee) of the property is the Applicant it will be required to provide certification that it did not willfully or knowingly create a source of pollution or negligently violate any provisions of Chapter 446k of the Connecticut General Statutes.

**11. Additional Documents**

If the proposed project changed substantively between the time of application and the time of closing, the Applicant will be required to submit documents amending the application. These documents may be appended to the Loan Agreement by reference.

**12. Legal Fees**

The applicant will be required to pay the State's legal cost for closing the loan. These costs are an eligible project expense.