



Alabama Department of Environmental Management
adem.alabama.gov

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Montgomery, Alabama 36130-1463
(334) 271-7700 ■ FAX (334) 271-7950

R04-23-R-001

Narrative Information Sheet

1. Applicant Identification

Alabama Department of Environmental Management
1400 Coliseum Boulevard
Montgomery, Alabama 36110

2. Funding Requested

- a. Grant Type
“Individual RLF”
- b. Federal Funds Requested
\$1,000,000

3. RLF Boundaries

The geographic boundaries for this RLF will be within the border of the State of Alabama.

- a. All Cities
- b. All Counties
- c. Alabama

4. Target Areas and Priority Site Information

- Montgomery, Alabama (Peacock Tract)
- Tuskegee, Alabama
- Eutaw, Alabama
- Priority site #1-Historical Four Points (Census Tract 0110100200)
Between I-85 and I-65, the final 1.5 miles of the Selma to Montgomery National Historic Trail. Intersection of Mildred and Moore Street, Montgomery, AL
- Priority Site #2-Macon Motel (Census Tract 01087231602)
1206 E. Martin Luther King Highway
Tuskegee, Alabama
- Priority Site #3-Fuel Station (Census Tract 01063060102)
1000 Avenue South
Eutaw, Alabama

5. Contacts

- a. Project Director
Crystal Collins
334.279.3067
ccollins@adem.alabama.gov
1400 Coliseum Boulevard
Montgomery, Alabama 36110





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- b. Chief Executive/Highest Ranking Elected Official
Lance LeFleur
(334) 271-7700
llefleur@adem.alabama.gov
1400 Coliseum Boulevard
Montgomery, Alabama 36110

6. Population:
City of Montgomery (Peacock Tract) – 1,457(census 2020)
City of Tuskegee – 9,395 (census 2020)
City of Eutaw – 2,937 (census 2020)

7. Other Factors

Other Factors	Page #
Community population is 10,000 or less	2,3
The priority site is adjacent to a body of water (i.e. the border of the priority site is contiguous or partially contiguous to the body of water, or would be contiguous or partially contiguous with a body of water but for a street, road, or other public thoroughfare separating them them)	2
The priority site(s) is in a federally designated flood plain.	2,3
The use of the priority site(s) will incorporate energy efficiency measures	3

8. Letter from the State or Tribal Environmental Authority: N/A – ADEM is the State Environmental Authority





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November 16, 2022

Mr. Daniel Blackman
Regional Administrator
US Environmental Protection Agency, Region 4
61 Forsyth Street, S.W.
Atlanta, Georgia 30303-3104

Dear Mr. Blackman:

As a threshold requirement for the Brownfields Revolving Loan Fund Grant application process, the Alabama Department of Environmental Management (ADEM) must have certain legal authorities. I have been asked, as General Counsel for ADEM, to provide legal opinion on these authorities. The first is to demonstrate legal authority to access and secure sites in the event of an emergency or default of a loan agreement. Section 22-30A-10 of the Alabama Hazardous Substance Cleanup Fund Act (AHSCF) grants ADEM the right to enter a property upon which a known or suspected inactive or abandoned hazardous substance site is located to perform all actions necessary to carry out the provisions of the AHSCF. Sections 22-30A-4(1) and (3) grant ADEM authority to initiate cleanup activities and conduct or contract for the removal or containment of hazardous substances at inactive or abandoned sites.

The second is to demonstrate that the State of Alabama has legal authority to manage a revolving loan fund program with grant monies provided by the US Environmental Protection Agency. Section 22-30F-2(g) of the Alabama Land Recycling Finance Authority Act (ALRFAA) established a revolving loan fund program associated with the Alabama Land Recycling and Economic Redevelopment Act. The ALRFAA granted ADEM the authority to implement, maintain, and administer a revolving loan fund to encourage the voluntary cleanup and redevelopment of brownfields properties.

Therefore, I can certify that the Department of Environmental Management has the authority to enter and secure abandoned hazardous substance sites and also administer a brownfields revolving loan fund program.

Sincerely,

S. Shawn Sibley
General Counsel

SSS/vj



1.a. Target Area and Brownfields

1.a.i. Overview of Brownfield Challenges and Description of Target Area

Alabama, an agricultural hub since its early beginnings, has fallen destitute to numerous brownfields and severely blighted areas. During the first half of the 19th century, cotton was the driving economic force in the creation of Alabama. The exceptionally fertile, black soil of the Black Belt area served as the backbone of commerce for nearly a century. The expansion of rail, highway, and river transport systems connected Alabama to the established United States and allowed cotton to dominate the economy. Over time, many environmental concerns started to appear, resulting in soil erosion, boll weevil infestation, and the decline of cotton, resulted in an unrelenting economy shift. A study conducted by the Soil Conservation Service in 1934 found that over 82 percent of Alabama's farmland had been damaged by soil erosion. Twenty-two million acres of Alabama's farmlands were overcome with ravines and unending ditches. The extent of the ravines and ditches caused thousands of acres to be completely useless for crop production farmland. The devastation was caused from the deforestation of Alabama to produce new fields for cotton production. Cotton strips the soil of nutrients, and because soil science was still unknown at the time, producers cut down forests to make space for new cotton fields. The boll weevil infestation caused farmers to formulate numerous methods such as homemade insecticides laced with arsenic and lead as well as using controlled burning. None of these methods eradicated or minimized the damage brought by the boll weevil. These "homemade" insecticides caused soil and groundwater contamination which in turn affected the birds and fish in the areas. As industries matured and moved away, the extent of the brownfield challenges became widespread. Blighted properties now litter cities, towns, and country sides throughout the State with shuttered warehouses, abandoned rail spurs, and vacant gas stations. These ubiquitous brownfields pose health and safety threats and have stifled economic growth. As Alabama has grown and the workforce has changed, communities in the Black Belt have been left behind.

Communities that used to flourish with business and economic growth are barren and essentially nonexistent leaving behind those who live there to travel for miles for basic necessities. An unforgiving food desert, no affordable housing, and contamination are more common in the Black Belt than any other region of Alabama. This region is known as one of the poorest in the United States. Dating back to post-Civil War Reconstruction and Jim Crow laws era, the Black Belt region of Alabama has always faced financial instability. Black Codes and Jim Crow laws forced the formerly enslaved into sharecropping arrangements which was essentially an extension of the previous system of chattel slavery. The disappearance of financial and human capital resources in our state- resulting in part from the commonness of brownfields- led the Alabama Department of Environmental Management (ADEM) to apply for the Brownfield Revolving Loan Fund (BRLF) grant.

According to the U.S. Census Bureau, in 2020, about 16 percent of Alabama's population live below the poverty line. The poverty impacts in the State are disproportionately felt by minorities. EPA's Environmental Justice Executive Order 12898 uses minority, low-income, and indigenous people as the three characteristics that are typically present in "situations of concern where there exists significantly higher and more adverse health and environmental effects." Alabama and the three target areas of this proposal embody that situation of concern. While the BRLF monies could be used throughout the State, ADEM's BRLF program will initially target the cities of Montgomery, Tuskegee, and Eutaw. Each of these target areas and the identified priority sites provide promises of new jobs and safer communities. Every year, federal money flows to states, local governments, and other entities, and much of it is based on the census population data.

1.a.ii. Description of the Priority Brownfield Site(s)

Historical Four Points-West Montgomery Peacock Tract (Census Tract 0110100000): Four Points Neighborhood is a priority site within the Peacock Tract of the historic Civil Rights Trail in West

Montgomery. Four Points is located only one-half mile from the capital of the State of Alabama and the Alabama River. Once a thriving community, neighborhood streets were filled with locally owned grocery stores, dentists, shops, gas stations and professional offices. Mothers and children walked after school to shops and visited with neighbors and community leaders. Family-owned businesses thrived in neighborhood districts throughout West Montgomery. The Interstate Highway Act of 1956 began restructuring vast areas of black communities. Montgomery's historic black neighborhoods began to see a decrease in residents due to forced relocation, which decimated revenue for local businesses. One of the unintended effects of the Interstate System was ultimately the destruction of the historic black business district and the communities themselves. The neighborhood is bound by two interstates (I-85 on the south, and I-65 on the west) that limit connections to surrounding areas. This neighborhood contains many historical sites, including the Selma to Montgomery National Historic Trail which bisects the area. The Selma to Montgomery national Historic Trail was established by Congress in 1996 to commemorate the events, people, and route of the 1965 Voting Rights March in Alabama. This African American neighborhood has proved to be one of self-reliance, resilience, and activism. Today the neighborhood has vacant parcels as a result of the removal of deteriorating building stock. **Thirty-seven percent of properties within this area are at risk for flooding over a 30-year period.** The current population density of this area is **less than 300 people.**

Macon Motel-1206 E. Martin Luther King Highway, Tuskegee (Census Tract 01087231602)

The City of Tuskegee was founded in 1833 near the beautiful Tuskegee Lake and has played a major role in the history of this great nation. Tuskegee University was established in 1881 by Booker T. Washington. The University became famous through the agricultural research by George Washington Carver. Tuskegee was a self-contained African American Community that was built on the financial instability of the cotton industry. The agricultural industry linked Tuskegee to other farm driven communities such as Tallassee, Opelika, and Lanett. Once filled with thriving mills that are now shuttered and closed, causing a downhill spiral in Tuskegee. Per the most recent census, the community is currently **declining at a rate of -0.50% annually and its population has decreased by -1.00% since the 2020 census.** As a result of this, many businesses in Tuskegee's historic downtown are shuttered, leaving brownfields behind. The Macon Motel was constructed in 1993 and is currently abandoned. This site consists of 4.42 acres within two parcels. The northern portion of the site contains three former motel buildings, various structures used for storage, and a building that formerly operated as a motel office, package store, convenience/grocery store, and filling station. The southern portion of the site consists primarily of undeveloped agricultural land. The filling station and dispenser island with vent pipes were observed on the northern portion of the property are considered a recognized environmental concern due to the unknown management and disposal of petroleum products or hazardous substances. Given the age of the former filling station and the location of the vent pipes, the underground storage tanks are likely located beneath or near the former dispensers.

Fuel Station-Highway 43/Demopolis Highway, Eutaw

The city of Eutaw was established in 1841 as the county seat for Greene County. The city is in the west-central area of Alabama's Black Belt Region and lies along the Black Warrior River. This river made Eutaw a commercial center of the cotton and shipping industry. Eutaw's economy was built on sharecropping the cotton industry. Once the cotton industry dissipated the economy of Eutaw began a downhill slide. By the mid-twentieth century, Greene County was one of the poorest counties in Alabama. The population of Eutaw is 2,937 and is identified on the Justice40 Initiative as being deficient in health burdens, workforce development, and clean energy and energy efficiency. The **Black Warrior River** which borders Eutaw puts the community in a **higher risk for flooding. The river's location to Eutaw places 73% of the residences at risk for flooding over a 30-year period.** The gateway into Eutaw is an

abandoned fuel station on Highway 43. The site encompasses 1.96-acres with South-Fresh Catfish Processors located across the street and a residential neighborhood is situated to the south. The Alabama Department of Economic and Community Affairs has listed Greene County as part of Alabama's Enterprise Zone Program which offers tax incentives to businesses with new capital investment in these communities. With this stretch of road serving as the gateway between Eutaw and Demopolis, many residents drive past this blighted abandoned structure daily. The building that once served as the main component of the gas station is in a severe state of disrepair, parts of the roof have caved in, and sections of the siding have been ripped apart. Foliage has overgrown the sides and back of the building and it appears that some greenery has grown through openings in the roof as well. It is unclear if any of the underground storage tanks remain on site.

1.b. Revitalization of the Target Area

1.b.i. Reuse Strategy and Alignment with Revitalization Plans: The Community Development Board for the **City of Montgomery** is primed to assist the Four Points Community with revitalization. The city has assessed seven properties within the community with plans to assess others. The redevelopment goals for this area includes affordable homes for this underserved area. Four Points has an immediate need for new housing, restoration of existing housing, and essential services such as grocery, pharmacy, hardware stores, and health care facilities to improve their local economy and enhance their quality of life.

Alabama Power is partnering with the City of Montgomery **to provide energy efficiency enhancements for the proposed affordable housing development.** **The City of Tuskegee**, having previously received a brownfields assessment grant, is assessing several properties. The city plans to continue facilitating property development, create jobs, and generate additional revenue for the city. The Macon Motel, as the target site, would have the ability to attract new businesses to the area which would give a burst to the local economy. The site is in a mixed-use area of residential and commercial development. This target area has the potential for strengthening the economy in the City of Tuskegee. **The City of Eutaw** funds will be leveraged to assist with the demolition and cleanup of the target site. Revitalizing the blighted fuel station has the potential to attract new businesses to the area by updating the gateway into their community. The proximity of this property to the adjoining neighborhood and the steady flow of traffic makes this location ideal for an outdoor market to promote local businesses and encourage healthy living.

1.b.ii. Outcomes and Benefits of Reuse Strategy: These projects demonstrate great potential to facilitate economic growth in the Black Belt region once the cleanup process has been completed. The Historical Four Point neighborhood in West Montgomery's future development will include job creation components to support affordable and decent housing suited for the current and future population of the neighborhood. The Macon Motel (Tuskegee) is a prospect for more businesses to be brought into the area that would offer job as well as recreational opportunities for residents and visitors alike. The renovation of the abandoned fuel station in Eutaw to an outdoor market would promote local business and provide the community with a healthy living alternative.

1.c. Strategy for Leveraging Resources

1.c.i. Resources Needed for Site Reuse

A combination of federal, state, and local funding/incentive opportunities encompass our leveraged resources. Montgomery is utilizing state resources to assist with the assessment phase of their redevelopment. Tuskegee is an EPA Assessment Grant Recipient and is utilizing the funds to assess several prime properties that are key to redeveloping the gateway into their city. Eutaw is an underserved community that plans to utilize state resources to assist with assessment and cleanup within their community.

1.c.ii. Use of Existing Infrastructure

Four Point, Macon Motel, and the Eutaw fuel station all have an existing infrastructure grid that can be utilized during their redevelopment.

2.COMMUNITY NEED AND COMMUNITY ENGAGEMENT

2.a.Community Need

2.a.i.The Community's Need for Funding: Each community along the Black Belt Region suffer from similar situations, low-incomes and high poverty rates. **Montgomery has a poverty rate of 20.1%** with a **60.8% Black/African American population. Tuskegee has a poverty rate of 28.4%** which is **103% higher than the national average.** The median household income for residents in Tuskegee is \$28,508 and **96.7% of the population is Black/African American. Eutaw has a poverty rate of 37.4%** and the median household income is \$28,508 with almost **82% of its population being Black/ African American.** The need to generate quality jobs is a key focus of brownfield redevelopment. With few high-wage jobs and proximity to more metropolitan areas, younger residents vacate the city in search of the American dream. The following chart provides key demographic data for each of the three targeted communities as well as comparison to town, state, and national statistics.

	Peacock Track (Montgomery County)	Tuskegee, AL (Macon County)	Eutaw, AL (Greene County)	AL	US
Population	1,457	9,395	2,937	5,024,279	331,449,281
% Black or African American	81%	94.6%	82.3%	25.8%	12.4%
% Poverty Rate	44.4%	28.4%	31.2%	16.1%	12.8%
\$ Median Household Income	\$34,118	\$28,629	\$25,508	\$53,913	\$69,717
% Low Income	61.0%	50.0%	58.0%	36.0%	30.0%
% Unemployment Rate	18.0%	12.0%	10.0%	6.0%	5.0%
% Homeownership	21%	49.3%	54.7%	70.0%	65.4%
Housing Units (Total)	580	4,603	1,416	2,288,330	140,498,736
Occupied	N/A	3,603	1262	2,011,947	126,817,580
Vacant	N/A	1,000	154	276,383	13,681,156

2.a.ii. Threats to Sensitive Populations:

(1) Health or Welfare of Sensitive Populations: The Environmental Justice Screening Mapping Tool (EJSCREEN) was utilized to describe the target areas' low income and the unemployment rate for the communities of West Montgomery, Tuskegee, and Eutaw. Each of these communities are at an increased risk for health discrepancies such as low life expectancy, heart disease, and asthma. The communities also suffer from critical service needs such as broadband gaps, food desert, and medically underserved. The correlation between the lack of quality in our target communities and unhealthy living is paramount.

(2) Greater Than Normal Incidence of Disease and Adverse Health Conditions: According to the Centers for Disease Control and Prevention (CDC) most recent asthma data, 2020, Alabama has an estimated 341,720 people currently with asthma. Asthma prevalence in Alabama is at 9% compared with U.S. rates of 7.8%. Childhood asthma prevalence is also higher among non-Hispanic blacks in Alabama. In **Greene County**, the non-Hispanic black demographic is ranked as the majority with 80.5% of the population being Black/African American. The prevalence of health burdens in **Eutaw includes 93% with asthma, 98% with diabetes, 92% with heart disease.** In **Montgomery County**, the non-Hispanic black demographic is ranked at 43.7%. In Western Montgomery, **asthma is at 96%, diabetes is at 99%, heart disease is at 99% and low life expectancy is at 98%.** In **Macon County**, non-Hispanic black

demographic is ranked as the majority with 81.1% of the population being Black/African American. **Tuskegee includes 86% with asthma and is plagued with 97% diabetes rate, 87% heart disease, and 99% low life expectancy rate.** Each of these communities are listed as disadvantaged.

(3) Promoting Environmental Justice: Environmental Justice is the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies. Each community along the Black Belt region has been affected by environmental injustices for years. These areas in Alabama's Black Belt have historically seen low-income minorities with high unemployment rates living in poverty. Tuskegee and Eutaw have communities that have seen agricultural and rail industry impacts. However, Montgomery, Tuskegee, and Eutaw's human rights struggles are deeply embedded in the history of these communities. While businesses come and go, leaving only remnants of hope and a multitude of blight. Abandoned facilities breed pestilence and harbor unhealthy activities for struggling communities. The lack of proper discard at these facilities is an environmental injustice that has adversely affected the city and surrounding areas.

2.b. Community Engagement

2.b.i. Program Involvement: ADEM has created partnerships throughout the state. The partnerships for this project include ICMA Region 4 TAB Provider, Auburn University, Alabama State University, Greene County Industrial Development Authority, Tuskegee University, Stillman College, West Alabama Regional (WARC), and Alabama A&M University. The City of Montgomery has created a website for their project at Peacock Tract Community (peacocktractmngm.org). They are partnering directly with Tuskegee University, 21 Dreams Arts & Culture, the African Methodist Episcopal Zion Church, the Kings Canvas, Pure Artistry Community Outreach, and the Montgomery County Commission.

2.b.ii. Program Roles

Partner Name	Point of contact (name, email & phone)	Specific role in the project
ICMA Region 4 TAB Provider	Clark Henry Project Manager chenry@icma.org 910-386-1540	Technical Support; assist with identifying additional leveraged resources; assist with reviewing ABCAs and cost estimates.
Auburn University	Charlene M. Lebleu leblecm@auburn.edu 334-844-4524	Landscape architecture and urban planning designs for the City of Tuskegee, and the City of Eutaw
Alabama State University	Mia Williams MiaWilliams@alasu.edu 334-229-4788	Facilitating community engagement sessions for the City of Montgomery, City of Tuskegee, and the City of Eutaw
Greene County Industrial Development Authority	Phillis Branch Belcher gcida@uwa.edu 205-315-1061	Outreach opportunities and community engagement sessions for Greene County
Tuskegee University	Dr. Walter Hill Whill@tuskegee.edu 334-727-8403 Dr. Joseph Essamuah-Quansah Jquansah@tuskegee.edu 334-727-8419	Architectural design, renewable energy, and sustainable development support for the City of Tuskegee, City of Eutaw
Stillman College	Dr. Cynthia Warrick Stillmanprez@stillman.edu 205-366-8811	Facilitating community involvement for the Western portion of the State
WARC	Cory Johnson Warc@westal.org 205-333-2990	Funding opportunity and facilitating community engagement sessions for City of Eutaw
Alabama A&M University	Semaj Robinson Semaj.robinson@aamu.edu 256-372-8742 Jill Coon Jill.coon@aamu.edu 256-372-4086	To provide video documentation for future projects in the State of Alabama

2.b.iii. Incorporating Community Input Community input will involve several different aspects of community outreach. Education will be provided to each community via Brownfield 101 workshops.

Visioning sessions will be held to incorporate the idea and desires of the citizens in each community. In person community engagement will be utilized to the best of the programs' abilities. All efforts will be given each community whether it be multiple events to include small numbers of participants that allow for social distancing or the ability to live stream and interact with participants via zoom meetings. The Department will allow each community to decide what is best for the situation and provide support in order to accommodate changing scenarios

3. TASK DESCRIPTIONS, COST ESTIMATES, AND MEASURING PROGRESS

3.a. Program Description and Marketing Strategy

3.a.i. Program Management: The mission of ADEM is to assure all citizens of the State a safe, healthful, and productive environment. If awarded funds under this application, ADEM will use the grant proceeds exclusively for lending to borrowers remediating Brownfields sites which are contaminated with hazardous materials. Loan terms generally are as follows: up to 18 months' interest-only paid monthly or quarterly through remediation/cleanup; at cleanup completion (certified by ADEM staff), the loan converts to a fully amortizing term loan with a 10-year amortization period. This grant will allow ADEM to forgive up to 50% of a loan up to a maximum of \$500,000 for a non-profit or government borrowers at completion of the remediation which coincides with the loan's conversion from interest-only to amortization (term-out). Interest rates for BRLF loans can range from 1-5%, depending upon the risk of the transaction, collateral pledged, cash flow of the borrower, and impact of the project. Our Brownfield Coordinator, Crystal Collins, will oversee the BRLF grant including outreach, site selection, and EPA reporting, and she will also facilitate the cleanup and loan repayment process. We will work with applicants to ensure that required documents are completed, and we will connect developers with local stakeholders and other local parties to ensure that projects follow community visions.

ADEM has in-house personnel that are capable of fund management. The Chief, General Services Branch, Permits & Services Division, and staff in the SRF and Operator Certification Section will provide a review of all BRLF applications and finalize all loan documentation. Candidates for potential BRLF funding are selected using a wide range of resources, including the ADEM Brownfield Redevelopment and Voluntary Cleanup Program office, environmental professionals, state community development organizations, Councils of Governments, and municipal and county associations. After initial consultation with qualified prospects, ADEM analyzes historic financial statements and underwrites each loan prospect through an assessment of primary (cash flow) and secondary (collateral liquidation/guarantor support) repayment capacity, along with the potential environmental and community impact of each project. This information is obtained through a formal application process. The environmental and community impact of each given project will be confirmed by ADEM in the selection process and the provision of key cleanup documentation including the assessment and remedial action plans which both require ADEM approval. Environmentally sensitive sites also go through appropriate state and federal review processes which for example may include the Corps of Engineers consultation. The alignment of each project with established local and regional land use plans and strategies is a new review element in the application process. BRLF funding is viewed as gap financing. As such, ADEM determines that the prospect has the balance of funding available which may be necessary to complete the project (i.e. leveraged funds). These funds must be available and/or on hand. Leveraged funds can take various forms and are always encouraged. An applicant seeking to receive a BRLF loan must present a project that meets the following criteria: the property must be enrolled in the State's voluntary cleanup program, must be owned by the borrower, must contain either petroleum or hazardous substance contamination, and must not be on the National Priorities List or under current EPA enforcement. Also, all assessment plans and reports (Phase 1, Phase 2, and/or Asbestos) and a Remedial Action Plan (RAP) must be complete for the property.

These criteria are included on ADEM's Site Eligibility Form, which must be completed and accepted before the approval of a BRLF application. The determination of eligibility is first determined by ADEM, then agreed upon by the EPA Project Manager. All assessment reports and RAPs will be reviewed and approved by ADEM before the execution of a loan agreement. Loans are serviced by ADEM staff. Monthly or quarterly payments are received and then remitted to the portfolio for documentation of individual loan payments. ADEM also ensures continued insurance coverage and compliance with any other ongoing documentation requirements of a loan.

3.a.ii. Revolution of the BRLF Program: ADEM realizes the importance of the ACRES database and provides updated information on site and clearance activity, as it occurs. Throughout the 20 years of receiving BRLF grant money, ADEM successfully complied with all EPA grant work plans, schedules, terms, and conditions requirements, consistently met target dates for quarterly reporting and other required submittals with no notices of delinquency or non-compliance. ADEM has successfully loan out \$2,622,500 to provide loans to 8 entities. ADEM plans to allocate 90% of the BRLF grant toward loans, being sure to minimize any programmatic cost. ADEM has determined that the grant award will be loaned for the cleanup of hazardous constituents and petroleum contamination. All loans will be administered in accordance with the standard terms and conditions associated with the awarded grant; all invoices will be validated to ensure all activities qualify for payment. This information will be summarized in a quarterly report as long as the BRLF income is being utilized.

3.a.iii. Marketing Strategy

ADEM markets the BRLF program state-wide through a variety of ways. One successful approach has been making personal visits with city and county governments, and regional planning commissions. ADEM staff also make regular presentations at state and regional government and environmental meetings. Often previous borrowers participate by providing their success stories. Leads for new projects often originate with contacts made at various government association meetings as well as presentations for these types of organizations. ADEM is committed to having a successful Brownfields program, an integral part of which is the BRLF. In the past 20 years, ADEM has managed a productive BRLF, which has funded over \$2 million in loans to amazing Brownfields projects throughout Alabama. The Department plans to continue to operate the program similarly with enhanced community engagement to achieve excellent fund management results. With positive results and the successful redevelopment of several remediated brownfield sites, the explosive impact of the BRLF on the entire state will be phenomenal. Regarding marketing, ADEM, in conjunction with its partners, including EPA Region 4 and the Alabama Department of Revenue, has worked very successfully with many communities in Alabama to provide brownfields information by participating in workshops and visioning for brownfields redevelopment. By assisting communities who failed to win competitive assessment grants, ADEM has succeeded in helping the communities maintain their momentum to redevelop sites when local funds have not been available. ADEM staff have attended several conferences, including the National Brownfields Conference, to learn from other states and regions on how the Department can assist local governments and expand the redevelopment programs successfully. During all outreach activities, ADEM has informed local governments and non-profits of the BRLF and has provided updates on the availability of funds. The Brownfields home page on the ADEM website is also used to promote the BRLF program. Through its successful Brownfields outreach program, ADEM will utilize the resources of partnerships for education, marketing, and targeting projects in conjunction with ADEM's training and marketing efforts. To ensure that the program will be successful, a marketing plan has been developed. The marketing plan includes analyzing the State by target market, types of borrowers, territory, and/or types of sites planned to reach with the program. ADEM plans to market the BRLF to all communities and entrepreneurs willing to invest in Alabama's brownfields and create an opportunity for growth and development. One successful

approach to our marketing strategy has been making personal visits with city and county governments, community and economic development organizations, environmental professionals, and developers. The program often participates in several state and regional government and environmental meetings providing brochures and visual presentations of the successful use of the BRLF. The program has initiated an aggressive market strategy through the website and the engagement with the Alabama Brownfield Association. Going forward the program plans to pursue the publication of various redevelopment projects which are enrolled in the VCP and utilize the BRLF. Presentations on the program have also been given to the Alabama League of Municipalities and the Alabama Association of Regional Council (AARC). It is the Department's belief that our involvement with these organizations, as well as others, will lead to new projects enrolling in the VCP, as well as provide more opportunities for local governments to create new development options. While the cleanup and reuse of numerous abandoned, sometimes forgotten, sites have been the primary recipients of past BRLF funding, the Fund also is open to all brownfield's cleanup, which includes abandoned landfills, contaminated commercial operations, and asbestos and lead-based paint removal from older structures to enable reuse. The Fund looks for cleanup projects of various types where there is a significant benefit for the community and the immediate neighborhood. Applicants, based on experience, tend to be local governments at the municipal or county level. Non-profits, such as redevelopment authorities and conservation trusts, have also been funded. Based on the number of eligible projects, ADEM believes that funding provided through this grant will be easily deployed within five years. As identified elsewhere in this application, the prospective projects in the Cities of Montgomery, Eutaw, and Tuskegee are viable loan candidates.

3.b. Description of Tasks/Activities and Outputs

3.b.i. Program Implementation: Both the management and operational teams will oversee and implement all phases of work under this grant, including fund management and environmental cleanup responsibilities. The requested BRLF grant will be managed in a mirrored fashion to ADEM's existing Alabama Land Recycling Revolving Loan Fund Program. The Permits and Services Branch which resides within ADEM will continue to manage the financial aspects of the BRLF program. In addition to the ALRLF, the branch has many years of successful experience administering statewide drinking water and municipal sewage treatment plant revolving loan funds.

3.b.ii. Identifying Additional Sites: The Department has identified a number of underserved communities through brownfield inventories in the Black Belt Region. These communities will include high minority rates, high poverty rates, and at a proportional disadvantage based on the rest of the state. The underserved communities that also have a strong need and desire to cleanup and redevelop their blighted areas will take priority for the BRLF.

3.b.iii. Anticipated Project Schedule: Tuskegee, West Montgomery Peacock Tract, and the City of Eutaw are at a prime time for redevelopment. Each of these entities have begun outreach opportunities within their communities. They are ready to move dirt in order to help speed up the process of revitalization. It is anticipated that each of these projects could be completed within 5 years of performance.

3.b.iv. Task/Activity Lead: ADEM will oversee each task that the grant will cover. Therefore, 90% of the requested funds will be used for loans to cover actual Brownfields site remediation costs.

Task 1: Marketing & Outreach-A budget of \$31,298 will be applied to Community Involvement, Outreach, and Marketing. Funded activities include continuing marketing and promotion at public events as indicated above. Outreach and marketing will occur throughout the State with portions of the budget dedicated for travel to local conference, educational events, and visits with state economic and community development associations, and local governments.

Task 2: Loan Fund Management-A budget of \$18,702 is reserved for management of the Loan Fund. ADEM will be the fund manager. The duties include underwriting, monitoring, and servicing all loans,

and marketing the fund.

Task 3: Targeted Loans-A budget of \$950,000 for capitalization of the BRLF for direct site cleanup activities funded through loans to eligible entities. All site cleanups are conducted in accordance with ADEM's Voluntary Cleanup Program.

3.b.v. Outputs: All of these projects can be completed within the 5-year threshold of this grant. Outputs from each of these entities will include site cleanup of hazardous substances, redevelopment of the blighted properties, and job creation.

3.c. Cost Estimates

Budget Categories		Marketing & Outreach	Loan Fund Management	Targeted Loans	Total
Direct Costs	Personnel	\$14,641	\$8,000		\$22,641
	Fringe Benefits	\$6,003	\$3,280		\$9,283
	Travel ¹	\$5,124	\$4,400		\$9,524
	Other -Loans			\$950,000	\$950,000
Total Direct Costs ²		\$25,768	\$15,680	\$950,000	\$991,448
Indirect Costs		\$5,530	\$3,022		\$8,552
Total Budget (Total Direct Costs + Indirect Costs)		\$31,298	\$18,702	\$950,000	\$1,000,0000

¹ Travel to brownfields-related training conferences is an acceptable use of these grant funds.

² Administrative costs (direct and/or indirect) for the BRLF Grant applicant itself cannot exceed 5% of the total EPA-requested funds Costs for each task are subject to the following negotiated

3.d. Measuring Environmental Results: Each loan recipient will be required to enroll project sites into the Voluntary Cleanup Program. This allows for programmatic oversight to be performed for each site location in order to ensure proper assessment, cleanup and redevelopment of the property.

4.PROGRAMMATIC CAPABILITY AND PAST PERFORMANCE

4.a. Programmatic Capability

4.a.i. Organizational Capacity: ADEM has the capacity to administer a successful BRLF. The Department administered a successful brownfield revolving loan fund beginning in 2002. The Department also administers a state revolving loan fund which includes a clean water SRF and a Drinking Water SRF. The Chief, General Services Branch, Permits & Services Division, and staff in the SRF and Operator Certification Section will provide a review of all BRLF applications and finalize all loan documentation. A lawyer will be contracted to assist ADEM specifically in this area. These staff will see that the implementation of the lending function of the program is successfully managed in the same manner as other ADEM BRLF programs and in compliance with all state and federal rules and regulations.

4.a.ii. Organizational Structure: ADEM has an organizational structure in place for the Revolving Loan Fund Grant. The Brownfield Redevelopment and Voluntary Cleanup Program can provide oversight and assistance with the redevelopment process for brownfields throughout the State of Alabama. The Chief of

the Redevelopment Unit along with the staff will perform all technical reviews, including BRLF eligibility determinations, perform remediation document reviews and conduct site inspections to confirm the progress and success of remedial activities. Appropriateness and safety of all cleanups will be reviewed and approved by these personnel. ADEM has an experienced and highly qualified staff in the Brownfields program. The staff has successfully conducted many Phase 1 and Phase 2 assessments, and the staff conducting fieldwork has been trained on all ADEM sampling equipment and are supported by hydrogeologists and engineers in the Land Division who are experienced in reviewing groundwater sampling plans and sample data. Brownfields staff also interface directly with local government officials to promote the program, and routinely provide information at local meetings on the aspects of the ADEM Brownfields program, including the BRLF. All current staff members have taken the 40-hour hazardous waste operators' course and maintain certification through 8-hour annual updates.

The Chief, General Services Branch, Permits & Services Division, and staff in the SRF and Operator Certification Section will provide a review of all ALRLF applications and finalize all loan documentation. A lawyer will be contracted to assist ADEM specifically in this area. These staff will see that the implementation of the lending function of the program is successfully managed in the same manner as other ADEM BRLF programs and in compliance with all state and federal rules and regulations.

4.a.iii. Description of Key Staff: All Redevelopment Unit staff have educational experience in environmental science fields. All current staff members have taken the 40-hour hazardous waste operator training course with requisite 8-hour annual updates. The ADEM fiscal staff manages several multimillion-dollar accounts and is familiar with federal processes required for administering the revolving loan fund grants. The budget office will provide quarterly reports, tracking the activity of the account. ADEM will provide legal counsel with the expertise to manage the creation and implementation of loan agreements. ADEM will contractually require borrowers to retain records for 3 years following the completion of their project. ADEM will scan and retain all documentation in electronic form. ADEM will ensure that the cleanup activities are completed according to applicable regulations. Finally, ADEM will prepare an Environmental Action Memo describing the project, cleanup activities, and end-use of the property. All documents created for the BRLF program are available for public review.

4.a.iv. Acquiring Additional Resources: ADEM will loan funds available based on criteria established for the program. If an applicant is unable to secure adequate funding through the BRLF to complete all cleanups necessary to redevelop the property, the funding, or resources to conduct this work could be provided by:

- Local funds (non-profit, public, and private) could be used, as well as other funding sources such as the Department of Housing and Urban Development, Department of Transportation, and other state and/or federal agencies to support cleanup and sustainable development needs not met through the loan proceeds.
- ADEM will work with the communities and local governments to consider and pursue the use of community development block grants and local public funds for brownfield projects. Other potential sources of financing dependent upon the projects are the Alabama Development Office, the Alabama Department of Economic and Community Affairs, and bank and institutional investment, non-profit, and private equity firms. The Alabama Department of Revenue has a separate office for redevelopment activities and could provide valuable assistance to communities needing additional funding to conduct cleanups.

4.b. Past Performance and Accomplishments

4.b.i. Currently Has or Previously Received an EPA Brownfields Grant

(1) Accomplishments: The Redevelopment Unit maintains the statewide brownfield inventory; overseen more than 639 Brownfield and Voluntary Cleanup Sites, which include (1) providing regulatory/policy interpretations, (2) technical reviews of work plans, reports, QAPPs, CAPs, and modeling studies,

conducted site inspections; conducted Brownfields related outreach including annual workshops with EPA and local partners; approved cleanup actions were completed, resulting in more than 6000 acres ready for reuse. ADEM has received one competitive Brownfields Revolving Loan Fund Grant in 2002 for \$1,000,000. The Cities of Montgomery, Tarrant, Birmingham, and Sheffield have been provided loans that have resulted in the accomplishments, some still ongoing, described below.

The City of Montgomery has utilized its cleanup loan to remediate contamination at the old CSX/Western Railroad yard and terminal, using the remediated area for outdoor activities/entertainment. The entire loan amount has been drawn down, and the City of Montgomery has started repayment of the loan according to the loan agreement. The City of Tarrant is using its \$300,000 loan to remediate the Vulcan Rivet and Bolt site to convert the site into a public use area, park, and walking trail. The entire loan amount has also been drawn down, and Tarrant has started repayment of the loan according to the loan agreement. The City of Birmingham is in the process of assessing and remediating four sites that require revitalization. The priority site in the Birmingham Blight Program is the former Elyton School Property. In conjunction with the Jefferson County Commission, this site will be used by the Family Court as a resource center for high-risk youth and their families to reduce the youth's further involvement in the court system, enhance family functioning, and increase commitment to education and employment. The City of Birmingham has started repayment of the loan according to the loan agreement.

The Sheffield Redevelopment Authority (SRA) is in the process of planning the Inspiration Landing Project. This 300-acre, \$160 million mixed-use resort development is being constructed partly on over 100 acres owned by the SRA. The property includes approximately 60 acres where a blast furnace was in the early 20th century. It was used as an unregulated dump site from the 1950s to 1970s and as a shooting range until a few years ago. The SRA was awarded a \$200,000 EPA Brownfields Cleanup Grant to help clean up the site. Because more than \$200,000 of the cleanup remained unfunded, additional BRLF funding helped to complete the cleanup and to provide a jumpstart in revitalizing Sheffield's economy. The SRA has started repayment of the loan according to the loan agreement. EPA Region 4 has conducted mid-year and end-of-year evaluations of the BRLF and 128(a) programs at ADEM and has found no discrepancies with the use of the funds. All grant commitments have been met or exceeded. EPA did express a desire for ADEM to execute loans from the BRLF in reviews in 2005 and 2006; funds had not been loaned due to language in the regulations that limited the size of the loan to no more than \$200,000. The regulation was revised in 2007 and the first loan was made to the City of Montgomery in October 2007.

ADEM has successfully expanded its 128(a) grant funds to promote brownfield redevelopment in Alabama. Numerous outreach activities have been conducted jointly with EPA in cities and towns throughout Alabama, including Athens, Atmore, Anniston, Birmingham, Dothan, Mobile, Montgomery, Muscle Shoals, Pell City, Selma, and Tuscaloosa. ADEM conducted 21 brownfields outreach talks to development boards, planning commissions, Chambers of Commerce, city and county leaders, and professional and legal associations. ADEM has partnered with the Alabama Department of Revenue to promote the use of tax incentives for brownfield development through numerous joint speaking engagements. Promotional videos and brochures have been developed and disseminated to more than 2000 entities in Alabama.

(2) Compliance with Grant Requirements

This BRLF project supports provisions of EPA Order 5700.7, more specifically Goal 3 (Land Preservation and Restoration), Objectives 3.1 (Preserve Land) and 3.2 (Restore Land), and Sub-objectives 3.1.2 (Manage Hazardous Wastes and Petroleum Products Properly) and 3.2.2 (Clean Up and Reuse Contaminated Land). The project also supports Goal 4 (Healthy Communities and Ecosystems), Objectives 4.2 (Communities), Sub-objectives 4.2.1 (Sustain Community Health), 4.2.2 (Restore

Community Health), and 4.2.3 (Assess and Cleanup Brownfields). ADEM will use these grant funds to provide loans to local governments and non-profits to clean up brownfield sites. The Program Results Code assigned to the funding for this project is consistent with that strategic goal and objective. The initial outcome of an awarded grant is the restoration of funds in the BRLF and allowing ADEM to issue low-interest loans for cleanup. The intermediate outcome will be the redevelopment of brownfield sites in the State of Alabama, increasing employment, economic opportunities, and providing new tax revenue to struggling governments and school districts. The outcome should be land preservation and restoration. Preservation of land comes from the reuse of existing facilities rather than new development on greenfield sites. Restoration of brownfield sites to usable scenarios begins with assessment activities and usually ends with a cleanup that can potentially improve the quality of human health and the environment in the associated areas. Removal of hazardous constituent and pollutant sources can lead to improvement in both groundwater and storm water quality. Redevelopment of brownfield sites can also remove physical hazards that can be associated with abandoned buildings.

ADEM will assign all sites an identification number consistent with the ADEM Master ID Numbering System. Sites will also be placed on ADEM's Cleanup Inventory List, which provides information on brownfield sites including present and former owners/names, location, known contamination, type of closure, etc. Sites that are remediated to less than unrestricted use scenarios will have environmental covenants identifying site location, type(s) of contamination, and type of closure. Covenants will be placed on a registry that will be maintained by the Department.

ADEM will submit quarterly reports documenting all activities associated with the BRLF grant award and a Final Report when assessment activities have been completed. ADEM will prepare an Environmental Action Memo describing the project, cleanup activities, and end use for the property.

ADEM will contractually require borrowers to retain records for three years following the completion of their project. ADEM will scan and retain all documentation in electronic form. Through its ongoing inspection activities, ADEM will ensure that the cleanup activities are completed according to applicable regulations. All documents created for the BRLF program are available for public review.

ADEM is in the process of developing a database system to track milestones in the BRLF to ensure compliance with EPA requirements. The process begins with initial contacts by potential borrowers, completion of the site eligibility form, and continues through the closeout of the loan. Legal counsel is a crucial part of the process ensuring all legal documents meet state and federal standards which help the borrowers maintain compliance with guidelines. By paying only with an itemized invoice, ADEM can document and support that all expenses paid with EPA funds are eligible and related to the remedy. ADEM will contract with legal counsel through a process that complies with federal procurement guidelines.



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THRESHOLD CRITERIA RESPONSES

1. Applicant Eligibility

The Alabama Department of Environmental Management is a state of Alabama agency in EPA Region 4

2. Demonstration of Previous RLF Grant Status

- BL97467102 Closed \$1,000,000 project period 10-1-02 through 09-30-2008 (POP End Date 09/30/2007)
- 2B95428309 Closed \$930,000 project period 10-01-09 through 09-30-2012 (1,560,000)
- BF95436609 Post-Closeout \$400,000 project period 10-01-12 through 09-30-2012 (992,500)(POP End Date: 09/30/2017)

3. Description of RLF Boundaries

The boundaries for this RLF will be the State of Alabama.

4. Description of Cleanup Oversight

- a. Loan recipients will be required to enroll in Alabama's Voluntary Cleanup Program. This will allow ADEM to provide oversight for each loan recipients cleanup
- b. Legal opinion establishing that the applicant has authority
Attachment included

5. Contractors and Named Sub-recipients

ADEM has not procured a contractor or any sub-recipients for this grant proposal.

