

Fact Sheet

South Dakota Brownfields Cleanup Revolving Loan Fund

What Is "The Fund"?

South Dakota Brownfields Cleanup Revolving Loan Fund (the Fund) monies are intended to provide financing for environmental cleanup activities at Brownfields sites. The money used for making loans originated as a grant from the Environmental Protection Agency's Brownfields Program. Brownfields are abandoned, idled, or under-used residential, industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination. The funds are made available to borrowers as below market interest rate loans.

Why Does This Program Exist?

The objective of the Fund is to encourage the reuse and renovation of real estate by providing a source of low cost funds to be used for environmental cleanup. The Fund offers loans to pay for cleanups at sites where environmental concerns are hampering reuse and redevelopment. Towards this end, the Fund provides flexible and favorable terms to qualified borrowers.

Who Can Use The Fund?

The Fund may be used at sites that are:

- Publicly-owned, either directly by a municipality or indirectly through a quasi-public entity such as a community development corporation; and/or
- Privately-owned by current or prospective commercial property owners, banks, developers, etc.

In addition, all cleanups paid for through the Fund MUST be approved by the South Dakota Ground Water Quality Program.

What Types Of Contamination Can The Fund Be Used To Cleanup?

Use of the Fund is limited to the cleanup of properties where there has been an actual release or substantial threat of release of a hazardous substance in the environment. The Fund may be used to address releases, or a substantial threat of release, of a pollutant or contaminant that may present an imminent or substantial danger to public health or welfare.

The Fund may not be used at any sites:

- Listed, or proposed for listing, on the National Priorities List (i.e. Superfund Sites);
- At which a removal action is required to be taken, according to regulation, within six (6) months; or
- Where a Federal or state agency is planning or conducting a response or enforcement action.

Cleanups must be approved by the South Dakota Ground Water Quality Program in order to be eligible to receive a loan through this program.

What Activities Can Be Funded?

Eligible activities are summarized below:

- Cleanup actions associated with removing, mitigating, or preventing the release or threat of a release of a hazardous substance, pollutant, or contaminant, including:
 - Fences, warning signs, or other security or site control precautions;
 - Drainage controls;
 - Stabilization of berms, dikes, or impoundments or drainage or closing lagoons;
 - Capping of contaminated soils;
 - Using chemicals and other materials to retard the spread of the release or mitigate its effects;
 - Excavation, consolidation, or removal of highly contaminated soils from drainage or other areas;
 - Removal of drums, barrels, tanks, or other bulk containers that contain or may contain hazardous substances, pollutants, petroleum, or contaminants;
 - Containment, treatment, disposal, or incineration of hazardous materials; and
 - Provision of alternative water supply where necessary immediately to reduce exposure to contaminated household water.
- Site monitoring activities, including sampling and analysis, that are necessary during the cleanup process, including determination of the effectiveness of a cleanup.
- Costs associated with meeting public participation, worker health and safety, and interagency coordination requirements.
- The loan funds may also be used for the purchase of Environmental Insurance to limit liability for future additional cleanup costs.

May the Fund be used for demolition and/or site preparation related to cleanup?

The Fund funds may be used for removal activities, including demolition and/or site preparation, that are part of site cleanup. The Fund funds may not be used for pre-cleanup environmental response activities, such as site assessment, identification, and characterization.

What Can The Fund NOT Be Used For?

The Fund may not be used for the following activities:

- Site assessment, identification, and characterization;
- Cleanup of a naturally occurring substance, lead-based paint contamination or asbestos, or public or private drinking water supplies that have deteriorated through ordinary use;
- Monitoring and data collection necessary to apply for, or comply with, environmental permits under other Federal and state laws, unless the permit is required as a component of the cleanup action; or
- Development activities that are not removal actions (e.g., construction of a new facility or marketing of property) or job training.

May the Fund be used for further investigation or assessment activities required by the cleanup process?

The Fund may only be used for cleanup activities. Monies may be used for site monitoring activities, including sampling and analysis. These site monitoring activities must be reasonable and necessary during the cleanup process, including determination of the effectiveness of a cleanup. Monies may not be used for pre-cleanup environmental response activities, such as site assessment, identification, and characterization. The Fund cannot be used to pay for the preparation of Remedial Action Plans (RAPs) or feasibility studies.

How Much Can I Borrow?

The maximum loan amount currently allowed is \$200,000. However, as loans are issued, loan maximums will be limited by fund availability.

What Are The Typical Loan Terms?

Loan terms are flexible and can be modified to meet particular needs.

Where Must My Property Be Located?

Those projects where redevelopment offers the greatest community and economic benefits will be given priority.

How Do I Learn More?

Please call **Kim McIntosh** at **605-773-3296** or Email her at **kim.mcintosh@state.sd.us** for more information and to request a loan application package.

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