

**NJ Environmental Infrastructure
Financing Program**

DEP Quarterly Brownfields Roundtable

**CLEAN WATER SRF
SITE REMEDIATION ACTIVITIES**

Municipal Finance and Construction Element

Division of Water Quality

New Jersey Department of Environmental Protection

June 8, 2016

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Financing Program Partnership –DEP/NJEIT Provides low interest loans for Water Infrastructure

- **DEP** – provides 0% funds (interest free)
Performs Environmental and Engineering Review functions
- **NJEIT** – provides AAA funds (from tax-exempt bonds)
Performs financial, credit and legal and Administrative functions

- Provides low-cost loans and other funding to a wide variety of wastewater, stormwater and drinking water projects
- The Clean Water SRF was established in 1988 and typically has between \$250-\$400 million available annually to finance projects
- Project readiness is the major factor to determine when a project can get approved and secure financing

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Who can qualify for the low-cost funding program?

- **Towns, Cities, Boroughs and other municipalities**
- **Municipal Utility Authorities**
- **Counties or County Utility Authorities**
- **Regional Water Authorities or Joint Partnerships**
- **Other qualifying Local Government Units**
- **Redevelopment Projects through conduits**



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Eligible Projects?

- Wastewater Infrastructure: Includes the construction of new facilities and/or the rehabilitation or repair of collection, conveyance and treatment facilities
- Stormwater Management: Includes the repair of existing municipally-owned systems and installation of Green Infrastructure Best Management Practice (BMP) measures
- Non-Point Source (NPS) Pollution Control: A broad category of projects that includes landfill closures, site remediation and other activities that help to protect or maintain water quality.



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Eligible nonpoint source pollution control projects include:

- Stormwater runoff controls associated with the construction of new landfill cells or landfill closures
- Land acquisition and conservation
- Well sealing activities
- Site remediation and contaminated site cleanups

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Eligible site remediation activities include:

- Removal of contaminated soil
- Capping systems
- Liners
- Storm water controls
- Sewer connections
- Treatment systems
- Leachate collection systems

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Project Financing – SFY2017

75% funds at 0%
(DEP)

25% AAA mkt
rate (EIT)

Benefits - **Dollar Savings**

- Interest cost Savings ~ **30%** over 20yrs; ~ **40%** over 30 yrs
- Pay only pro-rata share of underwriting fees

Benefits - **Cash Flow Savings**

- No DSR funds required for collateral / no 5% upfront (LFB)
- 0% interest on S-T Construction loans– up to 3 yrs

Benefits - **Administrative Savings**

- NJEIT handles IRS, SEC reporting / audit issues
 - Minimizes need for consultants or additional staff time

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CWSRF Current Funding Packages

Base CWSRF Funding Package

- 75% DEP interest-free financing/25% NJEIT market rate financing
- Opportunities for Principal Forgiveness Loans (CSO-Green Technologies and Barnegat Bay) and 100% DEP interest-free financing (Combined Sewersheds only)

Brownfield Redevelopment Funding Package

- The DEP continues to reserve \$30 million annually for brownfield redevelopment projects
- The current financing terms include an interest-free loan from the DEP for 50% of the allowable project costs and a market rate loan from the NJEIT for the balance of the allowable costs
- Applies to only projects that have significant private involvement and are utilizing a local government unit as a conduit to access the Financing Program

Note: Remediation projects that utilize the re-claimed land for public purposes (parks, stormwater management, etc.) are financed through the Base CWSRF Financing Package above.

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CWSRF

Current Funding Packages

Sandy CWSRF Funding Packages

- 19% Principal Forgiveness/56% DEP interest-free financing/25% NJEIT market rate financing
- **Subject to available funds**, the Sandy CWSRF package may continue to be available for projects in SFY17
- The DEP continues to seek projects in the SFY16 and possibly the SFY17 Program that satisfy the CDBG eligibility requirements and are willing to utilize both CDBG and Sandy SRF funds to implement the project (in which case the financing would be 100% DEP with 25% or more being Principal Forgiveness)

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Statewide Assistance Infrastructure Loan (SAIL) Program

- Designed for project sponsors that are certain that FEMA will provide grant funding for a substantial portion of the overall project costs
- The SAIL Bridge Loan Program's goal is to provide timely and cost effective funds, in order to expedite and support the State's recovery and rebuilding of environmental infrastructure
- Resiliency projects for Clean Water and Drinking Water Systems throughout New Jersey, regardless of direct Sandy impact are eligible as well.

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CWSRF Priority System Reserves

- \$3M to \$6M available principal forgiveness loans in the SFY17 Program
- 50% of the available principal forgiveness funds for Combined Sewer Overflow (CSO) abatement projects utilizing green practices
 - Green roofs, blue roofs, rain gardens, porous pavement, and other activities that maintain and restore natural hydrology by infiltrating, evapotranspiring and harvesting and using stormwater

The remaining 50% of the available principal forgiveness funds would be reserved for stormwater and non-point source pollution management projects in the Barnegat Bay Watershed.

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Case Study: Carteret Landfill Remediation and Closure

- Carteret Borough, Middlesex County
- Carteret/Cranbrook/Middlesex Landfills
- Public Private Partnership - \$38.5 M Conduit Loan
- Reduce leachate contamination (semi-volatile organics, heavy metals, etc.)
- Remediation encompassed 73-acres:
 - ❖ Landfill capping system
 - ❖ Construction of a leachate collection system
 - ❖ Installation of a gas collection system
 - ❖ Conveyance systems
 - ❖ Post closure monitoring system
- Now an active, centrally located distribution center, many jobs for NJ!



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Case Study: Phoenix Park

- City of Camden, Camden County
- 5.3-acre former American Minerals site
- Part of SMART (Stormwater Management and Resource Training) Initiative
- 2 Phases - \$8 M Loan to CCMUA plus supplemental funds from other DEP sources
- Radioactive soils removed to reduce contamination entering Delaware River
- Creation of public park, including gravel walking paths, wetlands area, native trees and meadows, pervious pavers, includes shoreline stabilization
- Also reduces stormwater runoff and accumulation



ccmua.org



Alex Young | For NJ.com

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Case Study: Somerville Green Seam

- 47.4 Acre Somerville Landfill, Borough of Somerville, Somerset County
 - Municipal Sanitary Landfill, opened 1954, in operation 28 years
 - Bounded by Raritan River to the west and south
- Landfill Area contains VOCs, SVOCs, heavy metals, and PCBs
- Designated Brownfield Development Area in 2009
- 10 acres to be remediated, ½ mile existing seasonal stream to be restored as natural stream corridor using an impervious stream lining system
- Will prevent contaminated runoff from being carried to Raritan River
- Will provide open space recreational area with public access paths, within a 5 minute walk of the Somerville Railway Station and Main Street

- Groundbreaking was Saturday, June 4, 2016

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Somerville Green Seam

The Economics

- \$16.4 Million Total Project Cost
 - **12.5 Million** from HDSRF grant plus other DEP grants
 - **3.9 Million** from NJEIFP loan (0.56% - 30 year)

- Based on preliminary calculations the project when complete will generate an estimated:
 - \$9 million in tax revenues
 - 460 new jobs
 - Post tax payroll of \$20.6 million
- During construction this project can be expected to create directly or indirectly up to:
 - 2,500 jobs
 - \$140 million in payroll

<http://www.somervillenj.org/content/361/377.aspx>



Bob Martin
Commissioner

Chris J. Christie
Governor

Robert Briant, Jr.
Vice Chairman

Kin Guadagno
Lt. Governor

David Zimmer
Executive Director

ENVIRONMENTAL INFRASTRUCTURE PROJECT

Borough of Somerville

Project No. S342013-01
Fin Amount \$3,943,224.00

GREEN SEAM CORRIDOR CONSTRUCTION

An Equal Employment Opportunity Project

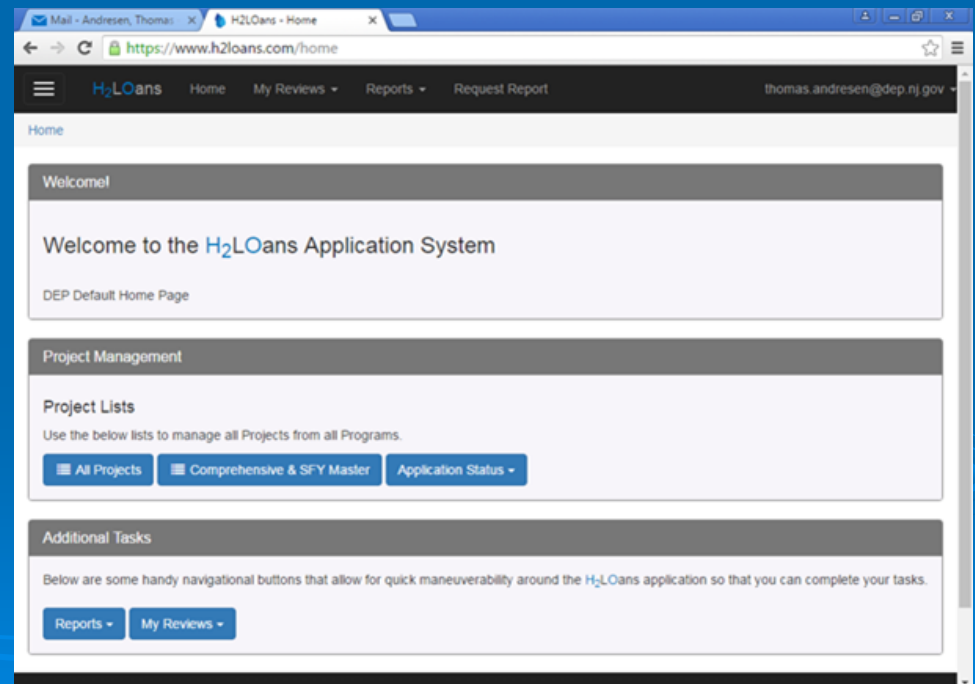
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How Do I apply?

The first step will continue to be a commitment by the project sponsor (also known as a Letter-of-Intent); which is made through your user account at <https://www.h2loans.com/app/>.

If you are new to the Financing Program, please contact the NJ Environmental Infrastructure Trust at 609-219-8600 to request a user account.



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All applicants are strongly encouraged to attend a pre-application meeting with appropriate staff within the Municipal Finance and Construction Element. To request a pre-application meeting, please contact:

Gautam Patel

Chief, Bureau of Environmental, Engineering and Permitting

(609) 633-1170

Gautam.Patel@dep.nj.gov



Questions?

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NJ Department of Environmental Protection
Municipal Finance and Construction Element
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