

## SCPRIF Program Summary - Special Contaminated Property Remediation and Insurance Fund

### OVERVIEW:

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

Assistance is provided through low-interest loans that have a term of five years. The recipient of SCPRIF loan funds will pay interest only during the term of the loan and will repay the principal balance upon a) sale or lease of the property b) DEP approval of the RAP or c) completion of site remediation. In the event the assessment concludes that redevelopment of the site is not feasible due to the cost of remediation, loans made under the program may be forgiven under certain conditions. Demolition and pre-demolition and remediation activities however are not eligible for forgiveness.

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.

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

### 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. In most cases, a Personal Guarantee is required as well. Also, applicants must demonstrate that they have the financial and technical expertise and resources necessary to successfully undertake the site investigation, remediation, and the 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 prior to demolition or rehab
- Lead Abatement and Asbestos Removal (prior to demolition)
- Demolition (full not partial)
- Remediation

**Loan Terms and Conditions:**

SCPRIIF loans will generally have terms of five years. The program provides a bridge loan to allow the applicant to conduct investigations, demolition and site remediation. Interest is paid during the term of the loan and the principal is repaid at the end of the term of the loan or when the site is later sold or leased or when the environmental remediation is complete. The current interest rate charged on loans is below market rate (3% APR) but may fluctuate depending on the State's borrowing costs. Most loans require Collateral and Personal Guarantees.

**For an application package or more information contact:**

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