



SPECIAL EDITION: Indiana Finance Authority Sustainability Workshop

June 2008

Message from the Director:

The Indiana Finance Authority (IFA) Environmental Programs are excited to report that the June 5th IFA Sustainability Workshop was a great success. To revisit some of the workshop's highlights, we are releasing this Special Edition Newsletter.

The IFA's Environmental Programs, which consist of the State Revolving Fund (SRF) Loan Programs and the Indiana Brownfields Program, continuously seek ways to stay on the forefront of national financial and environmental trends and meet Governor Daniels' priority to attract new businesses, create more jobs, and improve the health of Hoosiers. Our decision to sponsor a sustainability workshop was a natural outgrowth of this goal.

Governor Daniels and the State of Indiana are committed to sustainability. In fact, the IFA, through its state-owned properties, has worked with the Indiana Chapter of the U.S. Green Building Council to register five buildings as Leadership in Energy and Environmental Design (LEED)-certified. The State has also incorporated sustainability concepts into everyday business practices through its "Greening the Government Initiative." This initiative includes establishing goals for paper reuse and reduction and encourages carpooling and educating state employees on good environmental practices. The State also has conveniently-located recycling bins throughout campus, which accept a wide variety of items from paper to batteries and cell phones.

To continue these sustainability efforts, the IFA's Environmental Programs held the Sustainability Workshop to facilitate conversation and interaction among their clients, governmental agencies and other professionals to discuss new program incentives. As the SRF and Indiana Brownfields Program strive to synergize their efforts, we hope to encourage communities to adopt sustainable practices in drinking water and wastewater infrastructure projects and brownfields reuse and redevelopment projects.

We are pleased to note that the workshop was well-attended and received, and the United Nations registered our event as part of the "World Environment Day" celebration. This is a significant point to note as it underscores the importance of realizing that our business and environmental decisions have world-wide impact.

In this newsletter, you will find many exciting summaries and stories that showcase the IFA Sustainability Workshop's success. For starters, David Forsell, President of Keep Indianapolis Beautiful, Inc. (KIB), kicked off the morning with a discussion of KIB's mission. On June 30, 2008, KIB completed its

move into a new headquarters, which was built on a former brownfield site and is on track to becoming LEED-certified. The IFA's Indiana Brownfields Program provided financial assistance to facilitate the removal of petroleum tanks on the site, which had been previously occupied by two gas stations, a drycleaner and a metal plating company.

"When it comes to redeveloping brownfields, you can't just focus on the obstacles, but the success you can achieve," said Forsell. "Our mission is about finding solutions." For more about KIB, please see the article on page 2.

During lunch, guests heard a motivating speech by Wayne Zink, CEO of Endangered Species Chocolate® (ESC) – an Indianapolis-based nationally sold, natural chocolate company that incorporates sustainable and ethical practices into all aspects of its business. The company is adamant about implementing environmentally-sound business and ethical practices, such as ensuring cocoa farmers overseas work in humane conditions and that ESC's products include only organic and fairly traded ingredients. ESC donates 10 percent of its net profit to support species, habitat and humanity. ESC is excited to report Target has recently added ESC products to its store shelves.

"It's not that hard being green, and more than likely, it will be profitable," Zink stated. "Every little action does make a difference. Whether you stop providing paper plates in your breakroom or build a LEED-certified building, it all matters." For more about ESC and its sustainable practices, please see article on p. 3.

Also, throughout this newsletter, you will find stories that summarize the LEED process, identify the importance of Low Impact Development (LID), illustrate efforts of the SRF and the Indiana Brownfields Programs to provide incentives to encourage sustainable practices and finally, outline other resources where communities and interested parties can learn more about other incentives to include sustainability in SRF and brownfields projects.

As stated by Jennifer Alvey, Public Finance Director of the State of Indiana, "The IFA hopes that our workshop provided encouragement and guidance for communities, businesses and developers to continue growing Indiana's economy while, at the same time, protecting our environment to preserve the health of future generations." We hope you share this message, and we look forward to working with you, as we together implement sustainable practices to meet the needs of the present generation without compromising the ability of future generations to meet their own needs.

Jim McGoff, Director, IFA Environmental Programs



Keep Indianapolis Beautiful, Inc. Kicks Off the Sustainability Workshop

David Forsell, President of Keep Indianapolis Beautiful, Inc. (KIB), provided the perfect start for the workshop. Once a city program, KIB is now a not-for-profit organization dedicated to a mission of greenspace development, beautification and education. KIB accomplishes its mission through several programs such as Project Green Schools, Adopt-A-Block & Great Indy Cleanup and NeighborWoods & Youth Corps. Mr. Forsell listed some of KIB's accomplishments, which include:

- Planted 2,000 trees through NeighborWoods,
- over 440 community projects,
- more than 28,900 volunteers,
- removed of nearly 2 million lbs. of litter,
- 2008 Indy 500: Indianapolis Motor Speedway recycled 7000 lbs. of aluminum,
- adopted 250 blocks, and
- planted 23,000 daffodils.

2008 looks to be a big year for KIB. With a more than \$6 million budget(including in-kind contributions), KIB will begin and/or complete over 400 projects with the assistance of more than 35,000 volunteers, including the world's largest one-day volunteer service with Eli Lilly and Company—over 8,000 Lilly employees on one day completed tree plantings, cleanups and a mural project!

KIB strives to do more. To truly embody its mission and its role as a community leader and educator, KIB undertook the redevelopment of a brownfield site at its new headquarters. Since its inception, KIB has operated out of several facilities around Indianapolis-including a 9th story office and warehouses throughout the city. In 2007, an anonymous donor approached KIB with a \$350,000 donation to consolidate its operations into one facility.



KIB selected a site in the Fountain Square neighborhood, which has housed various companies, including a former metal finishing facility and a dry cleaner. Ever conscious of its mission to educate, Mr. Forsell realized that not only choosing this site would consolidate KIB's operations and thus increase efficiencies in delivering services to the community, but the new KIB headquarters could operate as a civic example of sustainable design and redevelopment and contribute to the vitality



and aesthetics in one of the city's great neighborhoods and cultural districts.

Mr. Forsell stated, "With brownfields, you can't just focus on the obstacles, but the success you can achieve. Our (KIB's) mission is about finding solutions." With a \$70,000 petroleum remediation grant from the Indiana Brownfields Program, KIB removed underground storage tanks and contaminated soil, making the property acceptable for use as the future KIB headquarters.

The new headquarters will also reflect KIB's values as it seeks certification of its project by the U.S. Green Building Council (USGBC)'s LEED Program. The new building will incorporate many sustainable designs and practices, such as the following:

- natural light and views,
- high-efficiency appliances,
- high-efficiency heating and cooling,
- bike parking,
- low or no volatile organic compounds (VOC)-containing paints,
- occupancy-activated lighting,
- white reflective roof,
- pervious concrete,
- rain gardens,
- stormwater-capturing cistern,
- drought-tolerant native plants, and
- wind energy demonstration.

Truly, the KIB headquarters project allows the company to practice what it preaches. By completing the project in a sustainable manner, KIB is protecting and improving the environment, contributing to the local economy, and providing opportunities for neighborhood improvement.

IFA Day of Service

The Indiana Finance Authority will volunteer a day of service to Keep Indianapolis Beautiful, Inc. (KIB) this fall to assist during KIB's tree-planting season. KIB's mission is to unite people to beautify the city, improve the environment and foster pride in the community. Each year, KIB supports an average of 500 community improvement projects with 30,000 volunteers.

Wayne Zink, CEO Presents the Sustainable and Profitable Business Model of Endangered Species Chocolate®

Wayne Zink, CEO of Endangered Species Chocolate® (ESC), arrived at the IFA Sustainability Workshop enthusiastic to demonstrate how sustainability can be part of a profitable business model. Equipped with facts about endangered species populations and pollution, Mr. Zink came with a business model—his own company—which shows that a company *can* make a positive impact on our environment *and* be profitable.

ESC was founded in Oregon by Mr. Zink in 1993. The ESC mission is *to have a positive impact on the Earth's species, habitat and humanity through the creation, manufacture, marketing and sale of delicious, premium, ethically traded, shade-grown, all natural or organic, vegan certified, kosher, gluten-free chocolate products.*



As the demand for ESC chocolates grew, so did the need to expand. ESC set its sights on the Midwest, appealing for its location and for the reduction in shipping and fuel costs that ESC would otherwise incur. This was one of several steps in creating a business that lived up to its sustainable philosophy.

Motivated by the offer of an economic stimulus incentive from the Indiana Economic Development Corporation (IEDC), ESC moved to a much larger facility in Indianapolis.

In its new location, the company implemented many sustainable practices:

- utilization of a preexisting structure,
- renewable bamboo flooring,
- fluorescent lighting,
- furniture made from recycled materials, and
- paints made with no or low volatile organic compounds.

It is a combination of these and other decisions that will earn ESC's building a LEED certification from the U.S. Green



Building Council.

Going beyond sustainable practices, ESC is also charitable, donating 10 percent of its annual net profits to two endangered species organizations. There is an image of an endangered animal on most of the wrappers with factual information about the species on the inside. The company aims to educate and inspire support from its customers, as it fulfills its mission. ESC also treats its employees to very non-traditional business practices, all with their well-being in mind. ESC employees are paid two hours per month to volunteer for local charity organizations. They also have paid-time with a trainer in ESC's on-site gym.

ESC makes recycling and reuse a high priority; paper is always reused. The ESC staff do not use paper plates or plasticware, and vending machines, which require high energy, were removed.

ESC's employees are driven by the company's mission and this largely contributes to ESC's 550 percent profit increase over the last four years. Wayne Zink and Endangered Species Chocolate® have a triple-bottom line:

- profitability
- honoring their commitment to the environment, and
- fulfilling their social concern.



Sustainable Design Review

In the first plenary session, Luke Leising, representing the Indiana Chapter of the U.S. Green Building Council, and Chris Choi, from U.S. EPA Region 5, presented materials on sustainable design concepts and identified market barriers to green design implementation and how they might be overcome.

Mr. Leising began with a discussion of the definition of sustainability. Although there are many definitions, the most commonly accepted definition is "...meet(ing) the needs of the present generation without compromising the ability of future generations to meet their own needs." Mr. Leising presented the differences between the terms LEED and LID, as they are often mistakenly interchanged. To clarify, Leadership in Energy and Environmental Design (LEED) is the



rating system for construction of buildings, while Low Impact Development (LID) puts those ratings into the design approach. These terms are changing the way we build today. By building with sustainable infrastructure in mind, an estimated 30 percent savings is normally realized. LEED applications are commonly found in schools, homes and businesses.

LEED is a third party green building rating system developed and administered by the U.S. Green Building Council that certifies the design, construction, and operations of the greenest buildings in the world. Certification is based on how a building uses site planning, manages water and energy, utilizes renewable/sustainable materials, ensures indoor environmental air quality, and incorporates innovation and design.

Utilities can incorporate sustainable design practices and components that would enable public and private facilities to achieve LEED certification. However, Mr. Leising warned that implementation is slow as the "perception and reality of what it takes to achieve LEED status is still elusive to many in both the engineering world as well as many others who work in this field."

LID is defined by the Low Impact Development Center as "a comprehensive land planning and engineering design approach with a goal of maintaining and enhancing the pre-development hydrologic regime of urban and developing watersheds." LID can lower costs of construction, maintenance, and operations; address Clean Water Act regulations and flood control needs at a site level; reduce combined sewer overflows (CSOs); decrease downstream impacts; improve/increase local habitats and increase usable area on a site.

Mr. Leising summarized his points by illustrating how the use of "green principles" on projects can reduce energy use and conserve and promote health. It is the hope that LEED and LID will change the way people build and think.

In his work at EPA Region 5, Mr. Choi and his colleagues have re-

searched market barriers and are developing ways to overcome these barriers. In his presentation, Mr. Choi discussed the dramatic impacts a "built" environment has on our population and ecosystems. These impacts range from energy use, CO₂ emissions, indoor air quality, solid waste disposal, and water usage and runoff. "Building green makes sense to help limit these impacts," Mr. Choi added.

In 2006, approximately 6 percent of commercial and less than 5 percent of residential construction was considered "green." As a result, the EPA asked why "green techniques and practices" were not widely implemented. To answer this question, EPA Region 5 formed a workshop in 2007 to review and work with the market to achieve environmental benefits through green building. Mr. Choi saw this as an opportunity to "help the market to recognize the value of green development practices and implement changes that would remove barriers to green practices and create tools, products, and incentives which will help green developments be more profitable."

Mr. Choi identified the key findings from the research:

- The current development process inadvertently makes green development more challenging at every step.
- A big gap in communication and education existed.
- There was a demand for quantitative information.
- Related processes, such as financing, budgeting, and reward systems were not necessarily aligned with green building benefits.



The workgroup found that despite the barriers, green development is occurring in certain markets, and the local community encourages green building practices and promotes overall sustainable development. Mr. Choi identified government's role as a facilitator to help "...speed up (green development)...to bridge the gaps and change the processes to support this emerging business."

Mr. Choi concluded by saying that sustainable development stakeholders were forging the way for sustainable infrastructure to become mainstream. By educating the public sector on the benefits, both financial and environmental, many areas across the country will soon be able to build green.

LEED (Leadership in Energy and Environmental Design) is a voluntary, consensus-based national rating system for developing high-performance, sustainable buildings. Developed by the U.S. Green Building Council, LEED addresses all building types and emphasizes state-of-the-art strategies for sustainable site development, water savings, energy efficiency, materials and resources selection, and indoor environmental quality. LEED is a practical rating tool for green building design and construction that provides immediate and measurable results for building owners and occupants.

The morning Brownfields Redevelopment breakout session *Greening the Land Revitalization Process* featured a joint presentation by the U.S. EPA and State representatives about the implementation of sustainable practices during the three main stages of the brownfield redevelopment process: site assessment, remediation and redevelopment. The panel speakers illustrated the “whole site” approach to minimize impacts of redevelopment projects.

Jim Van der Kloot with the U.S. EPA Region 5 provided a general overview of why sustainability is a topic we should care about, how we all can contribute, and the benefits of working together. One of his key points was that anything a community builds will have consequences of some kind, some of which can be far-reaching.

The process of greening a project through its lifetime was also illustrated by a flow chart illustrating greening at various phases of a project:

- deconstruction, demolition, and removal,
- cleanup, remediation, and waste management,
- design and construction for reuse, and
- sustainable use and long term stewardship.

Mr. Van der Kloot also discussed the core principles of greener cleanups, which are the sustainable use of resources, consideration of the environment as a whole, and integration of cleanup with reuse. The presentation showed examples where sustainability was applied.

Kyle Hendrix of the Indiana Brownfields Program provided a local flavor to the presentation with examples of



Former Studebaker Plant 8 in South Bend

brownfield projects from around the state that have incorporated sustainability concepts. Success stories included redevelopment of the former Studebaker Plant 8 in South Bend—a brownfield turned into a Recycling and Transfer Station, which is known as “Green Tech.” The company implemented “green” activities such as: the use of recycled plastic decking materials, low volatile emission interior paint, tinted windows, skylights and high efficiency lighting for energy reduction; an electric

car for site tours; and the collection of stormwater for washing fleet trucks. In addition, Green Tech deconstructed the original 750,000-square-foot building to an 85,000-square-foot building that will be used for offices, a maintenance garage and a green industry incubator. Only one percent of the materials from the original structure will go to a landfill.

The former Essex Wire site in Ligonier was also highlighted for its deconstruction activity, where only an esti-



Former Essex Wire site in Ligonier

mated 5-10 percent of the building materials will go to landfill. Mr. Hendrix also touched on a phytoremediation project at the Keystone Enterprise Park in Indianapolis, which will use many native plants. The Indiana Brownfields Program provided financial and technical assistance for these projects to facilitate their sustainable redevelopment.

In the afternoon Brownfields Redevelopment breakout session *Incorporating Sustainability: Public and Private Green Initiatives*, panelists included public and private sector leaders who discussed their respective experiences with implementing sustainable standards and practices.

Wendy Barrott with the City of Fort Wayne discussed the city’s approach to incorporating sustainability, which includes participating in various initiatives, such as the Department of Energy Clean Cities, the U.S. Mayors Climate Protection Resolution, and the International Council for Local Environmental Initiatives: Cities for Climate Protec-



Use of solar panels in Fort Wayne

tion campaign. Also, the city formed a Green Ribbon Commission in 2006, which consists of community leaders with



a high-level policy focus on energy use and air quality. Twelve policy recommendations resulted from this commission, which fall under the general categories of Transportation, Buildings, City Operations, and Policy and Regulations. Ms. Barrott also included two brownfield projects in her discussion, Renaissance Pointe and Harrison Square, which received Indiana Brownfields Program

assistance. The needs and challenges of implementing “green,” many of which are similar for brownfield projects, were illustrated in her concluding remarks: Every project needs a champion, needs goals, needs to measure, needs staff level work groups, needs communication to upper management and needs a designated person to coordinate efforts. Ms. Barrott also summarized potential solutions to meet challenges that often arise, such as: organizational resistance, fiscal concerns, period of “pause” expected from transitions, difficult internal communication, and community awareness.

Danise Alano and Adam Wason with the City of Bloomington’s Office of Economic Development began their joint presentation with a 2003 quote from Mayor Mark Kruzan, “I have a vision for Bloomington that is one of balance. A community in which we protect our natural beauty and responsibly manage growth. A place where people prosper

“I have a vision for Bloomington that is one of balance. A community in which we protect our natural beauty and responsibly manage growth. A place where people prosper economically but don’t forget the needs of others. A city that’s growing but retains the character of a town.”

-Mark Kruzan, Mayor of Bloomington

economically but don’t forget the needs of others. A city that’s growing but retains the character of a town.” This set the stage for the rest of the presentation, which focused on the mission of the office, the establishment and many accomplishments of the Bloomington Commission on Sustainability, as well as different examples of local sustain-

able development. The speakers concluded by highlighting several brownfield projects, some of which received assistance from the Indiana Brownfields Program: Showers Brothers Furniture Factory, ST Semicon, Abandoned CSX Rail Corridor, and petroleum remediation projects such as the former Bloomington Tire Company.

Rich Catron from National Starch Food Innovation shared a private sector perspective on how and why a recycling program was introduced and implemented by the company. Mr. Catron described an overarching view of the world that showed how life-supporting resources were declining when compared with their increased consumption. He stated that something had to change within the company for it to operate as an environmentally responsible business. As with most successful projects, the first step is to have a plan – to begin with the end in mind. Mr. Catron rose in the ranks



Bundled plastic prior to the “zero landfill” policy at National Starch Food Innovation

to implement a recycling plan with the ultimate goal to reach “zero landfill” in the facility’s operations, which it did for the first time in April 2008. As a result of this recycling program, many environmental, social, and economic benefits were realized.

What is a BROWNFIELD?

Indiana defines a brownfield site as a parcel of real estate that is abandoned or inactive or may not be operated at its appropriate use and on which expansion or redevelopment is complicated because of the presence or potential presence of a hazardous substance, a contaminant, petroleum, or a petroleum product that poses a risk to human health or the environment.

To view the presentations from the IFA Sustainability Workshop, visit our website at <http://www.in.gov/ifa/srf/3260.htm>



State Revolving Fund Loan Programs Track Highlights

The morning SRF breakout session *SRF Sustainable Infrastructure Projects in Depth* featured presentations about deconstruction, biosolids and water conservation as they relate to SRF projects.

Steve Gress, with Donohue & Associates, Inc., discussed deconstruction, which is defined as the selective dismantlement of facility components, specifically for



reuse, recycling and waste reduction. He provided examples that could be incorporated into SRF projects such as:

- modular facility design,
- using homogeneous materials, and
- converting existing facilities into new ones, such as converting an aeration and/or clarifier tank into excess wet weather flow storage.

SRF may provide incentives for projects in which the design takes into account the deconstruction of the new, above-ground facilities or the project beneficially utilizes recycled materials in the construction.



Gary Ruston, with Wessler and Associates, Inc., provided information on biosolids:

- defined the limitations on the reuse of biosolids,
- gave examples of types of biosolid reuse and,
- listed the benefits of reusing biosolids.

SRF may provide incentives for projects that include off-site beneficial reuse of either treated wastewater or biosolids, and in addition may provide incentives for projects that include a new treatment process that reduces residuals disposal by greater than 60 percent.

Don Larson, with Commonwealth Engineers, Inc., presented examples of water conservation projects that could be incorporated into drinking water and wastewater SRF projects. Examples include:

- water conservation fixtures at the utility buildings,
- replacement of equipment or processes with new facilities that produce significantly less recycle streams, and
- reuse of graywater as nonpotable water for such things as cleaning weirs and grounds maintenance.

SRF may provide incentives for projects in which the treatment facility incorporates water conservation and



side stream reduction.

In the afternoon SRF breakout session *Sustainable Projects in Indiana, Lessons Learned*, panelists discussed their experiences with sustainable projects.

Gerry Bakker, with the U.S. EPA Region 5, provided an overview of EPA's Four Pillars of Sustainable Infrastructure:

- better utility management,
- full-cost pricing,
- water efficiency, and
- watershed-based approaches.

Mr. Bakker also gave an update on EPA assistance available for sustainable infrastructure—training, education and development of best management practices.



Dan Haddock, with Indiana American Water (IAW), discussed IAW's approach to incorporating sustainability. The company recognized that many existing practices were sustainable, such as the practice of performing life-cycle cost analyses and controlling non revenue water. In addition, the utility began incorporating other sustainable practices like performing energy audits, designing energy efficient buildings with lighting and climate controls, and optimizing pump systems. Mr. Haddock concluded with the benefits of incorporating sustainability into a



utility's decision making process. The SRF may provide incentives for projects in which the design includes an energy reduction plan (from an energy audit) with at least a 20 percent reduction goal, and project selection is based on a detailed life cycle cost analysis.

Mark Sneve, with Strand Associates, Inc., described how Columbus, Indiana incorporated sustainability criteria (energy use, biosolids use and quantity, odor control and carbon footprint) into the planning for a new wastewater treatment plant. Ultimately, the community selected an oxidation ditch without primary clarifiers, a Cannibal™ biosolids reduction system, aerobic digestion, and a biosolids dewatering system. This alternative will produce the lowest amount of biosolids, which is important as biosolids disposal accounts for 27 percent of existing operation and maintenance costs.



Dave Speth, with Donahue & Associates, Inc., presented a case study on the use of a control system to maximize efficiency and reduce costs at the North Shore Sanitary District in Gurnee, IL. As a result of the project, operation and maintenance costs dropped from \$25 million to \$16 million allowing the utility to reduce user fees by 20 percent.

Thank you to all who participated in our Indiana Finance Authority Sustainability Workshop.



Sustainability Incentives

To cap off the workshop, several speakers discussed incentives to encourage sustainability and “green” construction, operation and maintenance practices. This session also summarized highlights from the day.

The IFA’s State Revolving Fund Loan Programs (SRF) incentives were presented by SRF’s Bill Harkins and Mike Cline of Hannum, Wagle & Cline. Meredith Gramelspacher, of the IFA’s Indiana Brownfields Program, discussed the program’s plans to develop similar incentives.



Incentives from sources other than the IFA were also discussed:

Jennifer Snider and Mike Recker represented the Indiana Housing and Community Development Authority (IHCDA). The IHCDA provides Community Development Block Grant funding to local units of government, which use that money to support low-to-moderate income, owner-occupied rehabilitation projects. A second program administered by the IHCDA, the Home Investment Partnership Program, distributes funds to not-for-profits, for-profits, and local units of government. These recipients then use the funds to help low-to-moderate income individuals undertake rehabilitation and new construction projects. The IHCDA provides preference for funding to applicants who intend to undertake projects using energy efficient technologies (such as Energy-Star appliances and lighting) or other technologies (such as solar panels) or green building features (such as pervious concrete or rain gardens). The IHCDA’s Green Pilot Program, beginning later this summer, will distribute three awards of \$100,000 each as “gap” financing to organizations utilizing a green building techniques. See <http://ihcda.in.gov> to learn more.

Eric Burch of the Office of Energy and Defense Development discussed the Alternative Power and Energy Grant program for public, non-profit and business sectors. Alternative energy systems that use wind power, solar electricity or solar water heating to produce electricity and/or thermal energy are eligible for grant funding. Mr. Burch also discussed the Guaranteed Energy Savings Contract, an agreement between a qualified provider and a building owner to reduce the energy and operation costs of a building or group of buildings by a specified amount. See <http://www.in.gov/oed/> for more information.

Monica Hartke-Tarr of the Indiana Department of Environmental Management (IDEM)’s Office of Pollution Prevention and Technical Assistance spoke about the Recycling Market Development Program, which provides loans and grants to promote and assist recycling by focusing on economic development efforts. Financial incentives administered by IDEM include the \$1 million Attraction Loan, Innovations grant, Recycling Business Start-up grants, Recycled Product Marketing grant, Recycled Product Purchasing grant, and 3Rs (reduce, reuse, recycle) Assessment grant. See <http://www.in.gov/recycle/2713.htm> for details.

Bill Goffinet introduced the Indiana Association of Cities and Towns (IACT)’s Green Communities Initiative, which aims to:

- improve awareness about “green” options and how to implement them,
- promote municipal efforts through a peer recognition/awards program, and
- award the most aggressive green programs.

IACT will be presenting a workshop to introduce municipalities to this initiative, and IACT will also increase the number of workshops offered each year that are focused on environmental programs, their value, and how to implement them. For more information about IACT, visit its website at <http://www.citiesandtowns.org>



State Revolving Fund Sustainability Incentives

At the final session of the day, the IFA's State Revolving Fund Loan Programs (SRF), in partnership with the American Council of Engineering Companies (ACEC) of Indiana, were pleased to present a new incentive that encourages borrowers to incorporate sustainable elements into SRF projects.

Although the day's presentations proved that sustainable practices provide benefits by improving the social, environmental and economic aspects of facilities, it was also demonstrated through real-life examples that many sustainable projects are more expensive at the outset, with economic benefits realized later in the life of the facility. The SRF Loan Programs aim to defray these up-front costs and encourage greater sustainability in wastewater and drinking water systems. By integrating sustainable features with a wastewater or drinking water project, SRF borrowers will have the added benefit of lowering the interest rate of their loan by up to 1/2 percent.

To determine the level of savings a borrower may receive, the SRF Loan Programs, with the assistance of ACEC, created a checklist that will identify the level of sustainability of a project, which will lead to savings on a project's cost. The checklist, which outlines various ways that wastewater and drinking water systems can be constructed, maintained and deconstructed with sustainable practices, consists of four sections:

- Energy Reduction/Alternative Source, which can include using alternative energy sources and sustainable site planning,
- Wetland, Water Reuse and Reduction, which includes creating a wetland, rain harvesting and water conservation,
- Site and Material Reuse, which includes the use of previously-disturbed sites and/or brownfields, beneficial reuse or reduction of biosolids, and use of recycled materials in construction, and
- Life Cycle Cost, which includes detailed life cycle costs fully utilized in the alternative selection process.

Under each section, criteria are listed and points are assigned for sustainable project elements, which can allocate up to 50 points. A community that scores 50 points will, for example, be eligible to realize a 50 basis point reduction (1/2 %) on the entire SRF project. This interest rate reduction should offset increased costs associated with incorporating sustainability elements. In addition to receiving an interest rate reduction for sustainability, SRF has also revised its Project Rank and Score system to award up to 10 bonus points (on a 100-point scale) for wastewater projects and up to 4 bonus points (also on a 100-point scale) for drinking water projects, which include sustainability. These sustainability bonus points may separate projects on our project priority lists (PPL) and, therefore, further encourage applicants to include sustainability components in SRF projects.

The incentives described are pending IFA Board approval, and changes are possible. Please watch for fur-

What is Sustainable Development?

There are many definitions of "sustainable development." The most commonly accepted version of the term is that development which "meets the needs of the present without compromising the ability of future generations to meet their own needs." This version was coined by the United Nations' Bruntland Commission in 1987.

ther information on the IFA website.



**Indiana
State Revolving Fund
Loan Programs**

Administered by the Indiana Finance Authority





During the closing *Sustainability Incentives* panel session, the Indiana Brownfields Program reviewed some future brownfield incentives it is considering implementing. To begin, brownfield redevelopment is, in itself, a sustainable development practice. Reusing a brownfield site offers additional opportunities to reduce environmental impact through the reuse of existing site structures and infrastructure, the recycling of demolition materials, and other sustainable practices.

The Indiana Brownfields Program will take its current efforts a step further by making programmatic changes to encourage incorporating sustainable remediation and development techniques into Indiana's brownfield redevelopment projects. To this end, the program is looking at national and regional trends regarding applicable techniques and environmental and energy conservation benefits.

From a national perspective, the following three kinds of sustainability elements directly relate to brownfield projects:

- green and energy-efficient buildings,
- greening elements such as trails, parks, and ecosystems restoration, and
- alternative or renewable energy production.

Currently, the U.S. EPA evaluates sustainability criteria in brownfield redevelopment projects as part of the grant proposals it receives and awards points to those projects that incorporate the creation of green space, parks and open space, as well as projects that implement the varied sustainable development techniques discussed during other workshop sessions.

On the regional level, all of the states in EPA's Region 5, which includes Indiana, have undertaken steps to incorporate sustainability features into their respective programs. Examples include promoting and ensuring the use of the USGBC LEED standards through applicable local government ordinances as part of state grant-funded projects; coordinating meetings with stakeholders engaged in site remediation and sustainable reuse to explore and implement "Greener Cleanups" and "Strategies to Remove Market Barriers to Green Development," and holding forums to educate public sector stakeholders about sustainability and green concepts.

While the Indiana Brownfields Program has been promoting sustainable development practices in a variety of ways, it strives to do more. In addition to disseminating a fact sheet on the reuse of deconstruction and demolition materials, it created a Trails and Parks Initiative (TPI) through two 2007 U.S. EPA assessment grants awarded to the State of Indiana to encourage the reuse of brownfields for trails, parks, recreational or other green

space uses. For TPI awards, the Indiana Brownfields Program evaluates selection criteria points for project elements such as infrastructure reuse, use of native landscaping, innovative storm water management or reuse, reuse of construction debris or fill material, green building techniques, and others.

Future activities and incentives that the Indiana Brownfields Program will explore include:

- Partnering with the SRF Loan Programs to identify potential project synergies early in the process to maximize available state financial assistance for site cleanup and improvements to drinking water and wastewater infrastructure.
- Coordinating with academic partners to utilize federal funding to research, educate, and promote sustainable development practices at brownfield sites in Indiana pending the anticipated summer award announcements. The Indiana Brownfields Program recently applied for a \$1.4 million U.S. EPA Brownfield Training, Research and Technical Assistance Project Grant in partnership with the Indiana Sustainability Alliance and the Land Design Institute at Ball State University. The proposed project scope includes researching Best Management Practices to promote sustainable practices, curriculum development and outreach.
- Revising most of the financial incentive guidelines by the Fall 2008 round of stipulated grants. Planned revisions include adding scoring criteria pertaining to sustainable remediation, demolition and development project features. Such criteria will likely allocate points for such project elements as:
 - bid language that requires materials recycling
 - use of clean diesel in on-site equipment
 - use of remediation techniques that promote ecosystem recovery, and
 - redevelopment plans that include components that will
 - 1) reuse existing site structures
 - 2) donate the site to a land trust or other conservation organization
 - 3) use green infrastructure to manage storm water in redevelopment plans
 - 4) qualify for LEED certification.
- Evaluating the addition of process incentives to the Indiana Brownfields Program to encourage sustainable remediation and redevelopment practices (for example, prioritized technical review of assessment or remediation reports for projects using green remediation techniques).

Stay tuned as the Indiana Brownfields Program studies national and regional examples for lessons learned to help develop targeted sustainability incentives. The program encourages your feedback on these issues throughout the summer.

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