1-1999

Finding Money III for Municipal Water, Wastewater, and Solid Waste Projects in Tennessee

Sharon Rollins
Municipal Technical Advisory Service

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Finding Money III
for municipal water, wastewater, and solid waste projects in Tennessee

Municipal Technical Advisory Service
A statewide agency of
The University of Tennessee's Institute for Public Service
in cooperation with the Tennessee Municipal League
MTAS Mission Statement

The Municipal Technical Advisory Service (MTAS) was created in 1949 by the state legislature to enhance the quality of government in Tennessee municipalities. An agency of The University of Tennessee's Institute for Public Service, MTAS works in cooperation with the Tennessee Municipal League and affiliated organizations to assist municipal officials.

By sharing information, responding to client requests, and anticipating the ever-changing municipal government environment, MTAS promotes better local government and helps cities develop and sustain effective management and leadership.

MTAS offers assistance in areas such as accounting and finance, administration and personnel, fire, public works, law, ordinance codification, communications, and wastewater management. MTAS houses a comprehensive library and publishes many documents annually.

Photocopying of this publication in small quantities for educational purposes is encouraged. For permission to copy and distribute large quantities, please contact the MTAS Knoxville office at (423) 974-0411.

The University of Tennessee
Municipal Technical Advisory Service
Conference Center Building, Suite 120
Knoxville, Tennessee 37996-4105
Knoxville: (423) 974-0411
Nashville: (615) 532-MTAS (6827)
Jackson: (901) 423-3710
Martin: (901) 587-7055
Johnson City: (423) 854-9882

To learn more about MTAS, visit our Web site at www.mtas.utk.edu

Finding Money III
for municipal water, wastewater, and solid waste projects in Tennessee.

Take A Look Inside...

Find out about the financing programs available for your city's capital improvement projects. Do you know the contact agencies? Advantages and disadvantages of the various programs? Terms? Do you know how to apply for funding? If not, this publication is for you. It's an overview of various financing programs available to Tennessee's local governments for water, wastewater, solid waste, and other project needs.
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This report was prepared by Sharon Rollins with assistance from Carole Graves and Mary Beatty from the University of Tennessee’s Municipal Technical Advisory Service. This report was partially funded by a contract to MTAS from the Division of Community Assistance, Tennessee Department of Environment and Conservation.

Special thanks to staff members from Community Resource Group, Inc., Economic Development Administration, Rural Development Administration, Tennessee Department of Economic and Community Development, Tennessee Department of Environment and Conservation, Tennessee Local Development Authority, and Tennessee Municipal Bond Fund.

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COMMUNITY RESOURCE GROUP, INC.

Community Resource Group, Inc. (CRG) is a rural development organization serving Tennessee, Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, and Texas. It is the only program that loans money for both building and maintaining community water and wastewater facilities through the Community Loan Fund. It also provides a range of technical assistance services for water and wastewater through its Southern Rural Community Assistance Program.

Director, Community Loan Fund
Community Resource Group, Inc.
P.O. Box 1543
Fayetteville, Arkansas 72702-1543
Phone: (501) 443-2700
Fax: (501) 443-5036

Community Loan Fund

Utility districts and local government agencies providing water and/or wastewater service in rural areas or communities with up to 25,000 residents.

For building or maintaining rural water supply and distribution facilities and wastewater collection and treatment facilities.

For paying legal, engineering, and other costs associated with such projects.

For financing facilities in conjunction with funds from other sources.

For buying or repairing equipment to reduce service costs.

For extending services, including connection costs, to low-income families.

Loans are generally less than $75,000 but may be more in extraordinary circumstances.

Loans are generally limited to 75 percent of the total project costs. Loans for 100 percent of the project costs are possible for low-income areas.

CONTACT

WHO QUALIFIES?

HOW ARE THE FUNDS USED?

WHAT ARE THE TERMS?
### HOW TO APPLY

Terms are usually for seven years or fewer but may go up to 10 years in extraordinary instances to benefit low-income areas or families.

Interest rates are below market rate.

Loans must be repaid from service revenues.

Applicants must be: (1) unable to secure funds from other sources at reasonable rates and terms; (2) able to pledge security, borrow, and repay; (3) capable of operating and maintaining facilities; (4) financially sound; and (5) able to manage facilities effectively.

**Call CRG at (501) 443-2700 or write to P.O. Box 1543, Fayetteville, Arkansas, 72702-1543.**

Application may be made any time of the year.

### WHEN TO APPLY

Yes, in operations, facility maintenance, administration, management, finance, rate setting, and system planning and development. Most technical assistance is free.

Technical assistance, education, and training may be a condition for financing from the Community Loan Fund.

### IS TECHNICAL ASSISTANCE AVAILABLE?

Technical assistance, education, and training may be a condition for financing from the Community Loan Fund.

### ECONOMIC DEVELOPMENT ADMINISTRATION

The $208 million Economic Development Administration (EDA) fund supports infrastructure projects throughout the nation that reduce widespread unemployment in economically distressed areas and address the economic blow of sudden, severe, job losses.

**Economic Development Representative**

Economic Development Administration
771 Corporate Drive, Suite 200
Lexington, Kentucky 40503
(606) 224-7426

**Public Works and Development Facilities Assistance Program and Public Works Impact Program**

Cities, counties, industrial boards, and utility districts in EDA-designated redevelopment areas.

The Public Works and Development Facilities Assistance Program and the Public Works Impact Program finance public works, construction, and industrial park projects that boost the economic development of distressed areas.

The EDA will fund up to half the project costs with a direct grant.

Under certain circumstances, supplemental grants may be awarded for up to 80 percent of the project costs.

Applicants provide the local share from public or private financing.

Priority is given to applicants with the greatest economic need and the largest local share.

Call the EDA at (606) 224-7426 or write to 771 Corporate Drive, Suite 200, Lexington, Kentucky, 40503, about preparing a pre-application proposal.

Selected entities will be invited to apply based on the proposals.

Proposals are evaluated on whether they meet the legal requirements, EDA selection criteria, and the economic development needs of the area.
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Interest rates are below market rate.

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### WHEN TO APPLY

**IS TECHNICAL ASSISTANCE AVAILABLE?**
At the EDA's invitation.

**WHO QUALIFIES?**
Local governments and public nonprofit agencies.

**HOW ARE THE FUNDS USED?**
To help solve specific economic development problems, respond to development opportunities, and build and expand local organizational capacities in distressed areas.

**WHAT ARE THE TERMS?**
- Grants usually do not exceed $25,000 per applicant.
- Grants will not exceed 75 percent of the proposed project costs.

**HOW TO APPLY**
Call the EDA at (606) 224-7426 or write to 771 Corporate Drive, Suite 200, Lexington, Kentucky, 40503, about preparing a pre-application proposal.

Selected entities will be invited to apply based on the proposals. Standard proposal forms are available from EDA.

### MUNICIPAL BONDS

Private financial institutions are a traditional source of funding for municipal public works.

**CONTACT**
Go to a local financial institution with public finance expertise.

1. analyze a local government's current financial condition and develop projections of future performance;
2. develop capital facilities plans and assess current needs;
3. prepare detailed plans for debt issues and coordinate timing with project requirements;
4. help select bond counsel and prepare notices, resolutions, and other documentation;
5. prepare and arrange printing of preliminary and final official statements;
6. analyze need for and assist with bond insurance, letter of credit, or other credit enhancements;
7. make presentations to rating agencies or bond insurers;
8. give advice on selecting a financial institution to act as registrar, paying agent, or trustee;
9. choose proper timing of bond sale, prepare the advertisement, and distribute official statements to prospective investors;
10. arrange printing, proof of authenticity, and delivering bonds at closing;
11. assist the issuer and bond counsel;
12. advise issuer on the best investment plan for bond proceeds and help with arbitrage situations; and
13. assist the issuer with post-issue financial reporting that meets state and federal regulations.

The various types of municipal bonds include: general obligation bonds, special tax bonds and special assessments, revenue bonds, industrial revenue bonds, and double-barrel bonds. General obligation bonds are backed by the full faith and credit of the municipality. The municipality pledges its full taxing authority as security for payment of the loan. Special tax bonds and assessments are secured by special taxes created specifically to pay off the bond. Revenue bonds are payable from receipts from specific sources, such as water sales or wastewater service revenues. Industrial revenue bonds finance building an industrial facility to be leased to an industry. The lease payments are pledged to pay off the bond. A double-barrel bond is backed by collateral from at least two sources. For example, revenues from water sales and the full taxing authority of the municipality could be pledged as security for a double-barrel bond.
WHEN TO APPLY
IS TECHNICAL
ASSISTANCE
AVAILABLE?

At the EDA's invitation.

Yes, through the Local Technical Assistance Program.

WHO QUALIFIES?

Local governments and public nonprofit agencies.

HOW ARE THE
FUNDS USED?

To help solve specific economic development problems, respond to development opportunities, and build and expand local organizational capacities in distressed areas.

Grants usually do not exceed $25,000 per applicant.

Grants will not exceed 75 percent of the proposed project costs.

Applicants provide the remaining share, preferably in cash.

HOW TO APPLY

Call the EDA at (606) 224-7426 or write to 771 Corporate Drive, Suite 200, Lexington, Kentucky, 40503, about preparing a pre-application proposal.

Selected entities will be invited to apply based on the proposals. Standard proposal forms are available from EDA.

Applicants will prepare the remaining share, preferably in cash.

WHAT ARE THE
TERMS?

Local Technical Assistance Program

At the EDA's invitation.

Yes, limited assistance is available.

MUNICIPAL BONDS

Private financial institutions are a traditional source of funding for municipal public works.

Go to a local financial institution with public finance expertise. Look for a full-service institution that can:

① analyze a local government’s current financial condition and develop projections of future performance;
② develop capital facilities plans and assess current needs;
③ prepare detailed plans for debt issues and coordinate timing with project requirements;
④ help select bond counsel and prepare notices, resolutions, and other documentation;
⑤ prepare and arrange printing of preliminary and final official statements;
⑥ analyze need for and assist with bond insurance, letter of credit, or other credit enhancements;
⑦ make presentations to rating agencies or bond insurers;
⑧ give advice on selecting a financial institution to act as registrar, paying agent, or trustee;
⑨ choose proper timing of bond sale, prepare the advertisement, and distribute official statements to prospective investors;
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WHO Qualifies?

Any local government authorized to incur debt.

Local governments should generally consider using bond issues for large, long-term debt that is more than $1 million and longer than 12 years.

Applicants must be credit-worthy or insurable. In other words, they must be ratable by a recognized rating agency such as Moody’s or Standard and Poor’s.

How Are the Funds Used?

Bonds are an unlimited source of money. The local government determines the maximum amount of the bonds. They sometimes complement funding from other sources, particularly grant funding.

Interest rates vary.

Applicants must be aware of the federal tax laws’ effects on bond issues.

WHAT Are the Terms?

Applicants should consider the costs associated with issuing bonds, such as legal, insurance, publications and advertising notices, printing, rating agency, bond registration, and financial advice. These costs are usually 1 percent to 3 percent of the bond issue.

The borrower can lower the interest rate by reducing the amount borrowed, shortening the payback period, taking advantage of arbitrage allowed by federal tax laws, and enhancing credit worthiness. It is advisable to seek legal and financial advice on arbitrage and insurance.

It takes about six weeks to issue bonds for a local government that has been through the process before and has established credit. If the local government has not issued bonds previously, the process takes eight weeks to six months.

It is important to involve a financial advisor early in the process.

Pitfalls local governments face in issuing bonds include: (1) user rates that are insufficient to cover debt service, (2) costs incurred on the project before the bonds are issued may not be covered, (3) inaccurate record keeping during the project, and (4) using bond money for other than the stated purpose.

How To Apply

Use the following selection steps to choose a full-service financial institution to assist in all phases of issuing municipal bonds.

1. Study project details. Define the project and think through time and budget constraints.
2. Solicit information. Begin the selection process with an invitation to submit information.
3. Think expertise, not cost. Base financial services on competence, creativity, and performance first. Weigh cost second.
4. Review qualifications. Consider technical expertise, experience with similar projects, reputation with existing clients, workload, and factors particular to your project.
5. Narrow the field. Short list the few most qualified firms and schedule separate presentations.
6. Hear presentations. Select a committee or convene the entire council to hear presentations from each firm.
7. Rank the institutions. After the presentations, list the firms in order of preference. It’s helpful to use prepared score sheets.
8. Negotiate. Begin with the top-ranked institution. If negotiations fall apart, go on to the second firm and so forth. Define the scope of the work and the fee.
9. Put the agreement in writing.

When To Apply

Application may be made any time of the year.
WHO QUALIFIES?

Any local government authorized to incur debt.

Local governments should generally consider using bond issues for large, long-term debt that is more than $1 million and longer than 12 years.

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⑧ Negotiate. Begin with the top-ranked institution. If negotiations fall apart, go on to the second firm and so forth. Define the scope of the work and the fee.

⑨ Put the agreement in writing.

APPLICATION

Application may be made any time of the year.
RURAL DEVELOPMENT ADMINISTRATION
(Formerly Farmers Home Administration)

Rural Development is a mission area of the U.S. Department of Agriculture and includes three agencies: Rural Business-Cooperative Service (RBS), Rural Housing Service (RHS), and Rural Utilities Service (RUS). Rural Development programs were formerly operated by the Farmers Home Administration. Since each agency does not have a field structure in place, Rural Development continues to administer the programs at the local level. RUS loans and grants for community, water, and waste disposal facilities are managed by nine Rural Development area offices in Tennessee.

CONTACT

Director, Rural Utilities Service
USDA Rural Development
3322 West End Avenue, Suite 300
Nashville, Tennessee 37203-1084
Phone: (615) 783-1345
Fax: (615) 783-1301
or
Rural Utilities Service
Rural Development
U.S. Department of Agriculture
Washington, D.C. 20250

WHO QUALIFIES?

Municipalities, counties, utility districts, and local nonprofit corporations.

RUS water and waste disposal loans and grants are for rural areas in municipalities with less than 10,000 population.

Priority consideration goes to projects serving areas with fewer than 5,500 people.

Applicants must be: (1) unable to secure funds from other sources at reasonable rates and terms, (2) legally able to borrow and repay, pledge security for loans, and operate and maintain facilities, and (3) financially sound and able to manage the facility effectively. The applicant's financial soundness must be based on taxes, assessments, revenues, fees, or other satisfactory sources of income to pay all costs associated with the facility.

HOW ARE THE FUNDS USED?

To construct, repair, improve, expand, and modify rural water supply and distribution facilities, wastewater collection and treatment facilities, and solid waste disposal systems.

WHAT ARE THE TERMS?

Grants are available for up to 75 percent of the facility development costs.

Loan rates vary, depending on market rate, the community's income level, and public health problems. Interest rates are lower for an applicant with an income below 80 percent of the State Nonmetropolitan Median Household Income and in violation of a health regulation.

The loan is for a maximum of 40 years or the useful life of the facility, whichever is shorter.

HOW TO APPLY

Contact the Rural Development area office, where staff members make preliminary determinations regarding engineering feasibility and economic soundness.

Application may be made any time of the year.

WHEN TO APPLY

Yes. If the project is viable for Rural Development participation, staff members help prepare the application. If Rural Development provides financial assistance, agency personnel make periodic oversight inspections.

IS TECHNICAL ASSISTANCE AVAILABLE?

Yes. If the project is viable for Rural Development participation, staff members help prepare the application. If Rural Development provides financial assistance, agency personnel make periodic oversight inspections.

EMERGENCY COMMUNITY WATER ASSISTANCE GRANTS

Rural areas, cities, or towns with fewer than 10,000 people. The median household income in rural areas can't exceed 100 percent of the State Nonmetropolitan Median Household Income.

To assist rural communities that have experienced a significant decline in the quantity or quality of drinking water.

To cover costs resulting from natural disasters in rural areas, cities, or towns with fewer than 10,000 people.

The funds are very limited.
RURAL DEVELOPMENT ADMINISTRATION
(Formerly Farmers Home Administration)

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U.S. Department of Agriculture
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WATER AND WASTE DISPOSAL LOANS AND GRANTS

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RUS water and waste disposal loans and grants are for rural areas in municipalities with less than 10,000 population.

Priority consideration goes to projects serving areas with fewer than 5,500 people.

Applicants must be: (1) unable to secure funds from other sources at reasonable rates and terms, (2) legally able to borrow and repay, pledge security for loans, and operate and maintain facilities, and (3) financially sound and able to manage the facility effectively. The applicant’s financial soundness must be based on taxes, assessments, revenues, fees, or other satisfactory sources of income to pay all costs associated with the facility.

To construct, repair, improve, expand, and modify rural water supply and distribution facilities, wastewater collection and treatment facilities, and solid waste disposal systems.

WHAT ARE THE TERMS?

Loan rates vary, depending on market rate, the community’s income level, and public health problems. Interest rates are lower for an applicant with an income below 80 percent of the State Nonmetropolitan Median Household Income and in violation of a health regulation.

The loan is for a maximum of 40 years or the useful life of the facility, whichever is shorter.

HOW TO APPLY

Contact the Rural Development area office, where staff members make preliminary determinations regarding engineering feasibility and economic soundness.

WHEN TO APPLY

Application may be made any time of the year.

IS TECHNICAL ASSISTANCE AVAILABLE?

Yes. If the project is viable for Rural Development participation, staff members help prepare the application. If Rural Development provides financial assistance, agency personnel make periodic oversight inspections.

EMERGENCY COMMUNITY WATER ASSISTANCE GRANTS

Rural areas, cities, or towns with fewer than 10,000 people. The median household income in rural areas can’t exceed 100 percent of the State Nonmetropolitan Median Household Income.

To assist rural communities that have experienced a significant decline in the quantity or quality of drinking water.

To cover costs resulting from natural disasters in rural areas, cities, or towns with fewer than 10,000 people.

The funds are very limited.
WHAT ARE THE TERMS?

Grants may be made for 100 percent of project costs. The maximum grant is $500,000 when a significant decline in quantity or quality of water occurred within two years of filing the application. For emergency repairs and replacing facilities on existing systems, the maximum grant is $75,000.

HOW TO APPLY

Contact the Rural Development area office.

WHEN TO APPLY

Application may be made any time of the year.

IS TECHNICAL ASSISTANCE AVAILABLE?

No.

SOLID WASTE MANAGEMENT GRANT

Local governing bodies (including multijurisdictional organizations), and private, tax-exempt, nonprofit corporations.

HOW ARE THE FUNDS USED?

To evaluate landfill operations.

To provide technical assistance and/or training to enhance active-landfill operator skills.

To provide technical assistance and/or training to help communities reduce the solid waste stream.

To assist with developing/implementing landfill closure plans, land use plans, safety and maintenance planning, and closure scheduling.

The grant funds are divided among the eligible project applications based on the amount of money available from the national office.

WHO QUALIFIES?

Local governing bodies (including multijurisdictional organizations), and private, tax-exempt, nonprofit corporations.

APPALACHIAN REGIONAL COMMISSION PROGRAM

The Appalachian Regional Commission Program (ARC) is administered through the Tennessee Department of Economic and Community Development (TDECD). The program’s mission is to improve water and wastewater services, increase jobs, enhance education, and improve living conditions in the Appalachian Mountains through grants from the Area Development Program and the Distressed Counties Program.


Counties receive one of the following designations: (1) attainment, (2) competitive, (3) distressed, or (4) regular. “Attainment” counties are not eligible for regional grants if they are the focus of a regional project serving other counties that are not attainment-designated. Hamilton County is an attainment county. “Competitive” counties are eligible for 30 percent grants. Blount County is a competitive county. “Distressed” counties are eligible for up to 80 percent funding. Campbell, Clay, Cocke, Fentress, Grundy, Hancock, Johnson, Maigs, Pickett, and Scott are distressed counties. The remaining Tennessee counties are “regular” counties. They are eligible for grant rates between 30 percent and 80 percent. The state decides — with ARC approval — which rate will apply.
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</tr>
<tr>
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<td>No.</td>
</tr>
<tr>
<td>IS TECHNICAL ASSISTANCE AVAILABLE?</td>
<td>SOLID WASTE MANAGEMENT GRANT</td>
</tr>
<tr>
<td>WHO QUALIFIES?</td>
<td>Local governing bodies (including multijurisdictional organizations), and private, tax-exempt, nonprofit corporations. To evaluate landfill operations. To provide technical assistance and/or training to enhance active-landfill operator skills. To provide technical assistance and/or training to help communities reduce the solid waste stream. To assist with developing/implementing landfill closure plans, land use plans, safety and maintenance planning, and closure scheduling. The grant funds are divided among the eligible project applications based on the amount of money available from the national office.</td>
</tr>
<tr>
<td>HOW ARE THE FUNDS USED?</td>
<td>Contact the Rural Development area office. Application may be made between Oct. 1 and Dec. 31 each year. Yes. Technical assistance and training are provided for maintaining and operating active or inactive landfills and reducing the solid waste stream.</td>
</tr>
<tr>
<td>WHAT ARE THE TERMS?</td>
<td></td>
</tr>
<tr>
<td>HOW TO APPLY</td>
<td></td>
</tr>
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<td></td>
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<td>IS TECHNICAL ASSISTANCE AVAILABLE?</td>
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</table>

**TENNESSEE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT**

Office of Program Management
Tennessee Department of Economic and Community Development
Rachel Jackson State Office Building
320 Sixth Avenue North, Sixth Floor
Nashville, Tennessee 37243-0405
Phone: (615) 741-6201
Fax: (615) 741-5070

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<th>Application Period</th>
<th>Help</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Resource Group, Inc.</td>
<td>Community Loan Fund</td>
<td>Loans</td>
<td>Water and wastewater</td>
<td>Up to $75,000, seven years, interest below market rate</td>
<td>Any time</td>
<td>Yes</td>
</tr>
<tr>
<td>Economic Development Administration</td>
<td>Public Works and Development Facilities Assistance Program</td>
<td>Grants</td>
<td>Infrastructure projects that boost economic development in distressed areas</td>
<td>Grants fund up to half a project's costs, applicants provide local share from public or private financing</td>
<td>Invitation only</td>
<td>Yes</td>
</tr>
<tr>
<td>Economic Development Administration</td>
<td>Local Technical Assistance Program</td>
<td>Grants</td>
<td>Development projects</td>
<td>Up to $25,000, applicants provide remaining share in cash</td>
<td>Invitation only</td>
<td>Yes</td>
</tr>
<tr>
<td>Financial Institutions</td>
<td>Municipal Bonds</td>
<td>Loans</td>
<td>Unlimited</td>
<td>Local government determines maximum amount of bonds, interest varies, related costs are usually 1 to 3 percent of bond issue, applicants must be suitable</td>
<td>Any time</td>
<td>Depends on institution</td>
</tr>
<tr>
<td>Rural Development</td>
<td>Water and Waste Disposal</td>
<td>Loans and Grants</td>
<td>Water, wastewater, and solid waste</td>
<td>Interest varies, 40 years</td>
<td>Any time</td>
<td>Yes</td>
</tr>
<tr>
<td>Rural Development</td>
<td>Emergency Community Water Assistance</td>
<td>Grants</td>
<td>Water</td>
<td>Up to $500,000 emergency grants up to $75,000</td>
<td>Any time</td>
<td>No</td>
</tr>
<tr>
<td>Rural Development</td>
<td>Solid Waste Management</td>
<td>Grants</td>
<td>Solid waste</td>
<td>Grants based on amount of money available from national office</td>
<td>Oct. 1 to Dec. 31</td>
<td>Yes</td>
</tr>
<tr>
<td>TDECD</td>
<td>ARC Program</td>
<td>Grants</td>
<td>Job training water and wastewater, basic skill development, enterprise development</td>
<td>30 to 80 percent of total costs can be federally funded, ability-to-pay index applies</td>
<td>Fall of each year</td>
<td>Yes</td>
</tr>
<tr>
<td>TDECD</td>
<td>Community Development Block Grant</td>
<td>Grants</td>
<td>Water, wastewater, community livability, housing/neighborhood revitalization</td>
<td>For water/wastewater and housing/neighborhood revitalizations up to $500,000, can't exceed $750,000 for two successive years, assistance limited by community's ability to pay, up to $300,000 for community livability</td>
<td>Call (615) 741-6211</td>
<td>Yes</td>
</tr>
<tr>
<td>TDECD</td>
<td>Industrial Infrastructure Program</td>
<td>Loans and Grants</td>
<td>Water and wastewater, job-specific training</td>
<td>Grants up to $1 mil lion, site preparation grants up to $100,000, grant rates based on ability to pay</td>
<td>Any time</td>
<td>Yes</td>
</tr>
<tr>
<td>TDECD Division of Community Assistance</td>
<td>State Revolving Fund</td>
<td>Loans</td>
<td>Water and wastewater</td>
<td>Interest from 0 percent to market rate, no maximum or minimum amount, 20 years</td>
<td>Any time</td>
<td>Yes</td>
</tr>
<tr>
<td>TDEC DCA</td>
<td>Utility Relocation Loan Program</td>
<td>Loans</td>
<td>To relocate utilities displaced by TDOT road projects</td>
<td>15 years, interest rate based on economic index determined by utility management</td>
<td>Any time</td>
<td>No</td>
</tr>
<tr>
<td>TDEC DCA Solid Waste Assistance</td>
<td>Planning Program</td>
<td>Grants</td>
<td>To update and maintain solid waste data</td>
<td>Up to $10,000</td>
<td>60 days after DCA solicits</td>
<td>Yes</td>
</tr>
<tr>
<td>TDEC DCA Solid Waste Assistance</td>
<td>Recycling Equipment Program</td>
<td>Grants</td>
<td>Buy or upgrade recycling equipment</td>
<td>Up to $25,000 per year, 10 to 15 percent match required</td>
<td>60 days after DCA solicits</td>
<td>Yes</td>
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<tr>
<td>TDEC DCA Solid Waste Assistance</td>
<td>Recycling Rebates Program</td>
<td>Rebates</td>
<td>Recycling programs</td>
<td>Based on current population and solid waste figures</td>
<td>Rebates credited annually</td>
<td>Yes</td>
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<td>TDEC DCA Solid Waste Assistance</td>
<td>Material Recovery Facility</td>
<td>Grants</td>
<td>To establish, upgrade, or expand a material recovery facility</td>
<td>Up to $250,000 available, 10 to 50 percent match required</td>
<td>60 days after DCA solicits</td>
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<td>TDEC DCA Solid Waste Assistance</td>
<td>Used Oil Program</td>
<td>Grants</td>
<td>Motor oil collection and disposal</td>
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<td>Municipal Bond Fund</td>
<td>TMBF Alternative Loan Program</td>
<td>Loans</td>
<td>Capital projects</td>
<td>Up to $1 mill ion, 12 years, interest fixed or variable</td>
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<td>The ability-to-pay index applies. The index is based on the local government’s per capita income, taxable sales, and taxable property values. Eighty percent of the total costs can be federally funded.</td>
<td></td>
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<td></td>
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<td><strong>IS TECHNICAL ASSISTANCE AVAILABLE?</strong></td>
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<td></td>
<td></td>
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</tbody>
</table>

**COMMUNITY DEVELOPMENT BLOCK GRANTS**

The Community Development Block Grant (CDBG) Program is federally funded. Eleven cities and three counties in Tennessee receive CDBG funds directly from the federal government. Other Tennessee cities and counties may receive CDBG funds administered by the Tennessee Department of Economic and Community Development. Grants are for community livability, water/wastewater, and housing/neighborhood revitalization projects.

**WHO QUALIFIES?**

All city and county governments in Tennessee qualify, except municipalities with more than 50,000 people. (They receive funds directly from the federal government.)

**HOW ARE THE FUNDS USED?**

To construct, improve, and extend water, wastewater, and solid waste facilities.

To provide community development services.

To rehabilitate housing and revitalize neighborhoods.

**WHAT ARE THE TERMS?**

The level of CDBG assistance is limited by the community’s ability to pay.

Maximum grants are $300,000 for community livability projects and $500,000 for water/wastewater and housing rehabilitation/neighborhood revitalization projects.

Grants to one applicant cannot exceed $750,000 for two successive years.

Obtain application forms from the program manager. The application requires a project description, financial information, federal compliance information, and engineering information. Seek help from the CDBG Program management staff, the local development district office, and your consulting engineer when completing the application.

Applications are due by the annual date set by the program manager.

**TECHNICAL ASSISTANCE AVAILABLE?**

Yes, with preparing applications and administering grants.

**TENNESSEE INDUSTRIAL INFRASTRUCTURE PROGRAM**

In 1988, the Tennessee General Assembly appropriated $50 million to the Tennessee Department of Economic and Community Development (TDECD) for the Tennessee Industrial Infrastructure Program (TIIP). The General Assembly added $13 million for fiscal year 1993-1994. These funds are for grants and loans to local governments and businesses for job creation or retention.

County governments, municipal governments, and utility districts.

For infrastructure improvements and job-specific training.

For activities normally provided by local governments and for eligible businesses locating, expanding, or operating in Tennessee. These activities include: water systems, wastewater systems, transportation systems, site improvements, electrical and natural gas systems, and other improvements to physical infrastructure.

Funds cannot be used for speculative projects. Their use requires a commitment by new businesses to locate or existing businesses to expand in Tennessee.

Other economic activities may be supported by TIIP funds if the TDECD commissioner determines they have a beneficial impact on Tennessee’s economy.
<table>
<thead>
<tr>
<th>HOW ARE THE FUNDS USED?</th>
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</tr>
</thead>
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<tr>
<td>WHAT ARE THE TERMS?</td>
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</tr>
<tr>
<td>HOW TO APPLY</td>
<td>Call TDECD at (615) 741-6201. Application may be made in the fall of each year.</td>
</tr>
<tr>
<td>WHEN TO APPLY</td>
<td>Yes.</td>
</tr>
<tr>
<td>IS TECHNICAL ASSISTANCE AVAILABLE?</td>
<td>Yes, with preparing applications and administering grants.</td>
</tr>
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**COMMUNITY DEVELOPMENT BLOCK GRANTS**

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All city and county governments in Tennessee qualify, except municipalities with more than 50,000 people. (They receive funds directly from the federal government.)

**HOW ARE THE FUNDS USED?**

To construct, improve, and extend water, wastewater, and solid waste facilities. To provide community development services. To rehabilitate housing and revitalize neighborhoods.

**WHAT ARE THE TERMS?**

The level of CDBG assistance is limited by the community’s ability to pay.

Maximum grants are $300,000 for community livability projects and $500,000 for water/wastewater and housing rehabilitation/neighborhood revitalization projects.

Grants to one applicant cannot exceed $750,000 for two successive years.

Obtain application forms from the program manager. The application requires a project description, financial information, federal compliance information, and engineering information. Seek help from the CDBG Program management staff, the local development district office, and your consulting engineer when completing the application.

Applications are due by the annual date set by the program manager.

**TENNESSEE INDUSTRIAL INFRASTRUCTURE PROGRAM**

In 1988, the Tennessee General Assembly appropriated $50 million to the Tennessee Department of Economic and Community Development (TDECD) for the Tennessee Industrial Infrastructure Program (TIIP). The General Assembly added $13 million for fiscal year 1993-1994. These funds are for grants and loans to local governments and businesses for job creation or retention.

County governments, municipal governments, and utility districts. For infrastructure improvements and job-specific training.

For activities normally provided by local governments and for eligible businesses locating, expanding, or operating in Tennessee. These activities include: water systems, wastewater systems, transportation systems, site improvements, electrical and natural gas systems, and other improvements to physical infrastructure.

Funds cannot be used for speculative projects. Their use requires a commitment by new businesses to locate or existing businesses to expand in Tennessee.

Other economic activities may be supported by TIIP funds if the TDECD commissioner determines they have a beneficial impact on Tennessee’s economy.
### WHAT ARE THE TERMS?

Grant rates for TIP are based on the ability-to-pay index used for municipal and county governments. The index is based on the local government's per capita income, taxable sales, and taxable property values.

Grant rates range from 60 percent to 100 percent.

The maximum TIP grant is $1 million, except grants for site preparation. They are limited to $100,000.

The grant amount for architect and engineering services varies depending on the type of project.

Each project must be ready to start within six months of grant approval.

### HOW TO APPLY

Ask the program manager for an application. It requires community information, business information, a statement of how the project will impact the community, a preliminary engineering report, and evidence that non-TIP funding is or will soon be in place.

Applications are reviewed in two phases. Phase I concentrates on the physical improvements and a project’s purpose, design, and cost-effectiveness. TDECD will send copies of the application to the responsible state agency. For example, the Tennessee Department of Environment and Conservation receives copies of applications for water and wastewater projects, and applications for transportation improvement projects go to the Tennessee Department of Transportation. Other projects are reviewed for physical improvements by TDECD staff personnel.

Phase 2 focuses on the impacted business. Specifically, Phase 2 covers the business' management capability and commitment to a project, cash-flow status, sales projections, and industry trends.

Following Phases 1 and 2, staff recommendations are submitted to the TDECD Loan Committee for review and discussion. The ultimate responsibility for approving or disapproving the grant rests with the TDECD commissioner.

Application may be made any time of the year.

Yes, Technical assistance is available through public hearings, workshops, and pre-application meetings.

### IS TECHNICAL ASSISTANCE AVAILABLE?

Yes. Technical assistance is available through public hearings, workshops, and pre-application meetings.

### WHEN TO APPLY

Application may be made any time of the year.

### WHO Qualifies?

Applicants must:

1. Pledge security for repayment of loans,
2. Agree to adjust user fees as needed to cover repayments,
3. Vow to maintain financial records that follow governmental accounting standards, and
4. Provide other requested assurances.

To plan, design, and construct water and wastewater facilities and buy equipment. Projects may be water and wastewater treatment plants, pump stations, water distribution lines, collector wastewater lines, interceptors, water or wastewater line replacements, water or wastewater line repairs, and remedies for nonpoint source pollution problems.

### HOW ARE THE FUNDS USED?

TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION

DIVISION OF COMMUNITY ASSISTANCE

Tennessee Department of Environment and Conservation
Division of Community Assistance
Life & Casualty Tower
401 Church Street, Eighth Floor
Nashville, Tennessee 37243-1533
Phone: (615) 532-0445
Fax: (615) 532-0199
E-mail: jdunlap@mail.state.tn.us

TENNESSEE STATE REVOLVING FUND

The Tennessee State Revolving Fund (SRF) is sponsored by the federal and state governments. The U.S. Environmental Protection Agency (EPA) awards grants to establish the fund and the state provides a 20 percent matching grant. The SRF provides low-cost loans to local governments for water and wastewater facilities only.

The Tennessee Department of Environment and Conservation’s Division of Community Assistance (DCA) maintains numerical listings by priority points for both water and wastewater facility projects. Municipalities, counties, and utility districts on the state water and wastewater priority ranking lists are eligible for loans.

Applicants must:

1. Pledge security for repayment of loans,
2. Agree to adjust user fees as needed to cover repayments,
3. Vow to maintain financial records that follow governmental accounting standards, and
4. Provide other requested assurances.

To plan, design, and construct water and wastewater facilities and buy equipment. Projects may be water and wastewater treatment plants, pump stations, water distribution lines, collector wastewater lines, interceptors, water or wastewater line replacements, water or wastewater line repairs, and remedies for nonpoint source pollution problems.
WHAT ARE THE TERMS?

Grant rates for TIIP are based on the ability-to-pay index used for municipal and county governments. The index is based on the local government’s per capita income, taxable sales, and taxable property values.

Grant rates range from 60 percent to 100 percent.

The maximum TIIP grant is $1 million, except grants for site preparation. They are limited to $100,000.

The grant amount for architect and engineering services varies depending on the type of project.

Each project must be ready to start within six months of grant approval.

HOW TO APPLY

Ask the program manager for an application. It requires community information, business information, a statement of how the project will impact the community, a preliminary engineering report, and evidence that non-TIIP funding is or will soon be in place.

Applications are reviewed in two phases. Phase 1 concentrates on the physical improvements and a project’s purpose, design, and cost-effectiveness. TDECD will send copies of the application to the responsible state agency. For example, the Tennessee Department of Environment and Conservation receives copies of applications for water and wastewater projects, and applications for transportation improvement projects go to the Tennessee Department of Transportation. Other projects are reviewed for physical improvements by TDECD staff personnel.

Phase 2 focuses on the impacted business. Specifically, Phase 2 covers the business’ management capability and commitment to a project, cash-flow status, sales projections, and industry trends.

Following Phases 1 and 2, staff recommendations are submitted to the TDECD Loan Committee for review and discussion. The ultimate responsibility for approving or disapproving the grant rests with the TDECD commissioner.

Application may be made any time of the year.

Yes, Technical assistance is available through public hearings, workshops, and pre-application meetings.

IS TECHNICAL ASSISTANCE AVAILABLE?

WHO QUALIFIES?

To plan, design, and construct water and wastewater facilities and buy equipment. Projects may be water and wastewater treatment plants, pump stations, water distribution lines, collector wastewater lines, interceptors, water or wastewater line replacements, water or wastewater line repairs, and remedies for nonpoint source pollution problems.

TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION

DIVISION OF COMMUNITY ASSISTANCE

TENNESSEE STATE REVOLVING FUND

The Tennessee State Revolving Fund (SRF) is sponsored by the federal and state governments. The U.S. Environmental Protection Agency (EPA) awards grants to establish the fund and the state provides a 20 percent matching grant. The SRF provides low-cost loans to local governments for water and wastewater facilities only.

The Tennessee Department of Environment and Conservation’s Division of Community Assistance (DCA) maintains numerical listings by priority points for both water and wastewater facility projects. Municipalities, counties, and utility districts on the state water and wastewater priority ranking lists are eligible for loans.

Applicants must:

③ pledge security for repayment of loans,
③ agree to adjust user fees as needed to cover repayments,
③ vow to maintain financial records that follow governmental accounting standards, and
③ provide other requested assurances.

Contact:

Tennessee Department of Environment and Conservation
Division of Community Assistance
Life & Casualty Tower
401 Church Street, Eighth Floor
Nashville, Tennessee 37243-1533
Phone: (615) 532-0445
Fax: (615) 532-0199
E-mail: jdunlap@mail.state.tn.us
**WHAT ARE THE TERMS?**

**Wastewater**
Priority goes to wastewater projects in order of ranking on the state wastewater priority list. During the first quarter of the state fiscal year, DCA funds ready-to-go projects in priority order. After the first quarter, loans may be made to any local government on the priority list.

**Water**
Prior to the EPA grant application process, DCA solicits projects for the water priority list. Projects are listed in order of public health need. The water projects are then included in the DCA’s “intended use plan,” and they go through a public comment period before the list is finalized. Officials seeking funds for the highest-ranking projects are notified and given 120 days to complete the application process. If project officials do not respond within 120 days, DCA will notify submitters of the next highest-ranking projects until funds are obligated.

For both water and wastewater projects, interest rates range from 0 percent to market rate, depending on the community’s per capita income, taxable sales, and taxable property values. Most borrowers qualify for interest rates between 2 percent and 4 percent. Rates are fixed for the life of the loan. The maximum loan term is 20 years or the design life of the facility, whichever is shorter.

**WHO QUALIFIES?**
Municipalities and utility districts relocating utilities because of a TDOT road project.

**HOW ARE THE FUNDS USED?**
For costs associated with relocating utilities.

**WHAT ARE THE TERMS?**
Loans cannot exceed 15 years.

The interest rate will be based on an economic index determined by the utility management review board.

**HOW TO APPLY**
Submit an application containing:
① a letter from the applicant,
② a letter from TDOT describing the project and requiring relocation of utilities,
③ an engineering report with cost estimates and estimated construction time,
④ cash-flow projections,
⑤ evidence that applicant is unable to obtain other financing, and
⑥ three years of audited financial statements.

Application packages are processed on a first-come, first-served basis. Ready-to-process applications are reviewed by the Utility Management Review Board. If acceptable, they are recommended to the State Funding Board for approval.

Application may be made any time of the year.

**WHEN TO APPLY**
Application may be made any time of the year.

**IS TECHNICAL ASSISTANCE AVAILABLE?**
Yes. Contact DCA or your Municipal Technical Advisory Service (MTAS) consultant for assistance.

**UTILITY RELOCATION LOAN PROGRAM**
The Utility Relocation Loan Program provides loans for cities and utility districts that must relocate utilities due to Tennessee Department of Transportation (TDOT) road projects.

**WHEN TO APPLY**
Application may be made any time.

**IS TECHNICAL ASSISTANCE AVAILABLE?**
No.
Wastewater

Priority goes to wastewater projects in order of ranking on the state wastewater priority list. During the first quarter of the state fiscal year, DCA funds ready-to-go projects in priority order. After the first quarter, loans may be made to any local government on the priority list.

Water

Prior to the EPA grant application process, DCA solicits projects for the water priority list. Projects are listed in order of public health need. The water projects are then included in the DCA’s “intended use plan,” and they go through a public comment period before the list is finalized. Officials seeking funds for the highest-ranking projects are notified and given 120 days to complete the application process. If project officials do not respond within 120 days, DCA will notify submitters of the next highest-ranking projects until funds are obligated.

For both water and wastewater projects, interest rates range from 0 percent to market rate, depending on the community’s per capita income, taxable sales, and taxable property values. Most borrowers qualify for interest rates between 2 percent and 4 percent. Rates are fixed for the life of the loan. The maximum loan term is 20 years or the design life of the facility, whichever is shorter.

Contact the DCA office at (615) 532-0445 for application packages, which include the application form, loan agreement, financial statement forms, and forms for user charge information. Loans are recommended for approval by DCA to the Tennessee Local Development Authority Board.

Since federal funds are used, facility planning documents, environmental review, project inspection, and opportunities for minority business participation are required. For wastewater projects, a wastewater use ordinance is necessary.

WHO QUALIFIES?

Municipalities and utility districts relocating utilities because of a TDOT road project.

HOW ARE THE FUNDS USED?

For costs associated with relocating utilities.

WHAT ARE THE TERMS?

Loans cannot exceed 15 years.

The interest rate will be based on an economic index determined by the utility management review board.

Loan amounts depend on availability of funds.

HOW TO APPLY

Submit an application containing:

- a letter from the applicant,
- a letter from TDOT describing the project and requiring relocation of utilities,
- an engineering report with cost estimates and estimated construction time,
- cash-flow projections,
- evidence that applicant is unable to obtain other financing, and
- three years of audited financial statements.

Application packages are processed on a first-come, first-served basis.

Ready-to-process applications are reviewed by the Utility Management Review Board. If acceptable, they are recommended to the State Funding Board for approval.

Application may be made any time of the year.

APPLICATION REVIEW BOARD

Municipalities and utility districts relocating utilities because of a TDOT road project.

For costs associated with relocating utilities.

Loans cannot exceed 15 years.

The interest rate will be based on an economic index determined by the utility management review board.

Loan amounts depend on availability of funds.

APPLICATION PACKAGES

Submit an application containing:

- a letter from the applicant,
- a letter from TDOT describing the project and requiring relocation of utilities,
- an engineering report with cost estimates and estimated construction time,
- cash-flow projections,
- evidence that applicant is unable to obtain other financing, and
- three years of audited financial statements.

Application packages are processed on a first-come, first-served basis.

Ready-to-process applications are reviewed by the Utility Management Review Board. If acceptable, they are recommended to the State Funding Board for approval.

Application may be made any time of the year.
SOLID WASTE ASSISTANCE PROGRAM

The Division of Community Assistance helps local governments meet the solid waste reduction, education, recycling, and planning requirements established by the Solid Waste Disposal Act, Tennessee Code Annotated (T.C.A.) 68–211–101. The state provides grants from the Solid Waste Management Fund for education, recycling, material recovery facilities, and innovative technology programs. Grants are also available from the Used Oil Collection Fund for establishing waste oil collection sites where do-it-yourselfers can discard their used oil.

CONTACT

Tennessee Department of Environment and Conservation
Division of Community Assistance
Life & Casualty Tower
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Nashville, Tennessee 37243-1533
Phone: (615) 532-0445
Fax: (615) 532-0199
E-mail: jdunlap@mail.state.tn.us

PLANNING PROGRAM

WHO QUALIFIES?
Counties and solid waste regions.

HOW ARE THE FUNDS USED?
To update and maintain solid waste data from annual reporting and regional solid waste plans.

WHAT ARE THE TERMS?
A maximum $10,000 grant is available.

HOW TO APPLY
Applications are solicited annually by DCA.

WHEN TO APPLY
Apply within 60 days after DCA solicits applications.

IS TECHNICAL ASSISTANCE AVAILABLE?
Yes. Contact DCA at (615) 532-0445 or call your consultant from the University of Tennessee’s County Technical Assistance Service (CTAS).

RECYCLING EQUIPMENT PROGRAM

WHO QUALIFIES?
Counties, cities, nonprofit recyclers, and solid waste authorities.

HOW ARE THE FUNDS USED?
To purchase recycling equipment, such as containers, glass crushers, can crushers, bins, and balers.

WHAT ARE THE TERMS?
The maximum grant is $25,000 per applicant. Grantees must provide a match of 10 percent to 50 percent of the grant amount. Local governments’ share of the match is based on an economic index.

HOW TO APPLY

WHO QUALIFIES?
Eleven counties (and the cities in those 11 counties) that generate the most solid waste according to the annual solid waste reports.

HOW ARE THE FUNDS USED?
To establish new recycling programs/collection sites, prepare recovered materials for transport and marketing, identify markets, present educational programs, and develop cost and waste reduction evaluations.

WHAT ARE THE TERMS?
The rebate amount is based on current population data, solid waste figures from the most recent annual report, and T.C.A. 68–211–825.

RECYCLING REBATES PROGRAM

WHO QUALIFIES?
Eleven counties (and the cities in those 11 counties) that generate the most solid waste according to the annual solid waste reports.

APPLICATIONS ARE SOLICITED ANNUALLY BY DCA.

APPLICATIONS ARE SOLICITED ANNUALLY BY DCA.

Manufacturer’s specification sheets and price quotes must be included in the application.

Points are based on detailed narratives provided by each applicant.

The deadline is 60 days after DCA solicits applications.

Yes. Technical assistance in developing a recycling plan and program can be provided by the Recycling Section of DCA, the development districts, the University of Tennessee’s County Technical Assistance Service (CTAS) and Municipal Technical Advisory Service (MTAS), or the Local Planning Division of the Tennessee Department of Economic and Community Development.
SOLID WASTE ASSISTANCE PROGRAM

The Division of Community Assistance helps local governments meet the solid waste reduction, education, recycling, and planning requirements established by the Solid Waste Disposal Act, Tennessee Code Annotated (T.C.A.) 68-211-101. The state provides grants from the Solid Waste Management Fund for education, recycling, material recovery facilities, and innovative technology programs. Grants are also available from the Used Oil Collection Fund for establishing waste oil collection sites where do-it-yourselfers can discard their used oil.

WHO QUALIFIES?
Counties and solid waste regions.

HOW ARE THE FUNDS USED?
To update and maintain solid waste data from annual reporting and regional solid waste plans.

WHAT ARE THE TERMS?
A maximum $10,000 grant is available. Applications are solicited annually by DCA. Apply within 60 days after DCA solicits applications.

IS TECHNICAL ASSISTANCE AVAILABLE?
Yes. Contact DCA at (615) 532-0445 or call your consultant from the University of Tennessee’s County Technical Assistance Service (CTAS).

PLANNING PROGRAM

WHO QUALIFIES?
Counties and solid waste regions.

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Apply within 60 days after DCA solicits applications.

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Yes. Contact DCA at (615) 532-0445 or call your consultant from the University of Tennessee’s County Technical Assistance Service (CTAS).

RECYCLING EQUIPMENT PROGRAM

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WHAT ARE THE TERMS?
A maximum $25,000 grant is available. Grantees must provide a match of 10 percent to 50 percent of the grant amount. Local governments’ share of the match is based on an economic index.

IS TECHNICAL ASSISTANCE AVAILABLE?
Yes. Contact DCA at (615) 532-0445 or call your consultant from the University of Tennessee’s County Technical Assistance Service (CTAS).

RECYCLING REBATES PROGRAM

WHO QUALIFIES?
Eleven counties (and the cities in those 11 counties) that generate the most solid waste according to the annual solid waste reports.

HOW ARE THE FUNDS USED?
To establish new recycling programs/collection sites, prepare recovered materials for transport and marketing, identify markets, present educational programs, and develop cost and waste reduction evaluations.

WHAT ARE THE TERMS?
The rebate amount is based on current population data, solid waste figures from the most recent annual report, and T.C.A. 68-211-825. The rebate is a dollar-for-dollar match, and it is credited annually. Based on the 11 counties’ waste generation rate, $900,000 is distributed annually to cities and counties on a per capita basis.

IS TECHNICAL ASSISTANCE AVAILABLE?
Yes. DCA, the University of Tennessee’s County Technical Assistance Service (CTAS) and Municipal Technical Advisory Service (MTAS) provide technical assistance on all recycling issues.

HOW TO APPLY
Eligible entities compete for the grants, which are awarded to the highest-scoring applicants. Applications are solicited annually by DCA. Manufacturer’s specification sheets and price quotes must be included in the application. Points are based on detailed narratives provided by each applicant. The deadline is 60 days after DCA solicits applications.

WHEN TO APPLY
The deadline is 60 days after DCA solicits applications.

IS TECHNICAL ASSISTANCE AVAILABLE?
Yes. Technical assistance in developing a recycling plan and program can be provided by the Recycling Section of DCA, the development districts, the University of Tennessee’s County Technical Assistance Service (CTAS) and Municipal Technical Advisory Service (MTAS), or the Local Planning Division of the Tennessee Department of Economic and Community Development.
**MATERIAL RECOVERY FACILITY PROGRAM**

**WHO QUALIFIES?**
Counties, cities, solid waste authorities, nonprofit recyclers, and joint public/private ventures.

**HOW ARE THE FUNDS USED?**
To establish, upgrade, or expand a material recovery facility serving multiple counties and/or cities as allowed by the regional solid waste plans.

The funds are not for operational, maintenance, or disposal costs.

**WHAT ARE THE TERMS?**
A grant up to $250,000 is available. A 10 percent to 50 percent match is required. Match amounts are based on an economic index.

**HOW TO APPLY**
Contact DCA at (615) 532-0445 for an application.

**WHEN TO APPLY**
The deadline is 60 days after DCA solicits applications.

**IS TECHNICAL ASSISTANCE AVAILABLE?**
Yes. DCA, the University of Tennessee’s County Technical Assistance Service (CTAS) and Municipal Technical Advisory Service (MTAS) provide technical assistance.

**USED OIL PROGRAM**

**WHO QUALIFIES?**
Cities, counties, and for-profit businesses.

**HOW ARE THE FUNDS USED?**
To establish and operate used motor oil collection centers.

To purchase equipment that burns used oil as fuel, with priority given to local governments with used oil collection centers.

To reimburse for disposing of contaminated used oil.

To educate about the proper treatment of used oil and provide incentives for its safe handling and disposal.

**WHAT ARE THE TERMS?**
Local governments and for-profit businesses that are not within 10 miles of an existing site may apply for a maximum of $13,000 per site.

**HOW TO APPLY**
Contact DCA at (615) 532-0445.

**WHEN TO APPLY**
The deadline is 60 days after DCA solicits applications.

**IS TECHNICAL ASSISTANCE AVAILABLE?**
Yes, to public and private operators of used oil collection centers. Call DCA’s toll-free number (1-800-891-TDEC) for information on location of oil collection centers.

**INNOVATIVE TECHNOLOGY PROGRAM**

**WHO QUALIFIES?**
All interested parties.

**HOW ARE THE FUNDS USED?**
To promote development of new technology for solid waste and recovered materials management, the use of solid waste as a fuel substitute, or innovative solid waste management infrastructure development.

**WHAT ARE THE TERMS?**
The maximum grant is $250,000.

Local governments’ matching share, which is based on an economic index, is between 10 percent and 50 percent. The matching share for others is 50 percent.

**HOW TO APPLY**
Contact DCA at (615) 532-0445.

**WHEN TO APPLY**
Apply within 60 days after DCA solicits applications.

**IS TECHNICAL ASSISTANCE AVAILABLE?**
Yes. Contact DCA.
### Material Recovery Facility Program

**Who Qualifies?**
Counties, cities, solid waste authorities, nonprofit recyclers, and joint public/private ventures.

**How Are the Funds Used?**
To establish, upgrade, or expand a material recovery facility serving multiple counties and/or cities as allowed by the regional solid waste plans.

The funds are not for operational, maintenance, or disposal costs.

**What Are the Terms?**
A grant up to $250,000 is available. A 10 percent to 50 percent match is required. Match amounts are based on an economic index.

**How to Apply**
Contact DCA at (615) 532-0445 for an application.

**When to Apply**
The deadline is 60 days after DCA solicits applications.

**Is Technical Assistance Available?**
Yes. DCA, the University of Tennessee’s County Technical Assistance Service (CTAS) and Municipal Technical Advisory Service (MTAS) provide technical assistance.

### Innovative Technology Program

**Who Qualifies?**
All interested parties.

**How Are the Funds Used?**
To promote development of new technology for solid waste and recovered materials management, the use of solid waste as a fuel substitute, or innovative solid waste management infrastructure development.

**What Are the Terms?**
The maximum grant is $250,000.

Local governments’ matching share, which is based on an economic index, is between 10 percent and 50 percent. The matching share for others is 50 percent.

**How to Apply**
Contact DCA at (615) 532-0445.

**When to Apply**
Apply within 60 days after DCA solicits applications.

**Is Technical Assistance Available?**
Yes. Contact DCA.

### Used Oil Program

**Who Qualifies?**
Cities, counties, and for-profit businesses.

**How Are the Funds Used?**
To establish and operate used motor oil collection centers.

To purchase equipment that burns used oil as fuel, with priority given to local governments with used oil collection centers.

To reimburse for disposing of contaminated used oil.

To educate about the proper treatment of used oil and provide incentives for its safe handling and disposal.

**What Are the Terms?**
Local governments and for-profit businesses that are not within 10 miles of an existing site may apply for a maximum of $13,000 per site.

**How to Apply**
Contact DCA at (615) 532-0445.

**When to Apply**
The deadline is 60 days after DCA solicits applications.

**Is Technical Assistance Available?**
Yes, to public and private operators of used oil collection centers. Call DCA’s toll-free number (1-800-891-TDEC) for information on location of oil collection centers.
Finding Money III

TENNESSEE LOCAL DEVELOPMENT AUTHORITY LOAN PROGRAM

In 1978, state lawmakers established the Tennessee Local Development Authority (TLDA) Loan Program primarily to make loans to local governments for water, wastewater, and solid waste projects. Loans also can be secured for purposes such as airports, capital projects, and rural firefighting equipment. In 1990, the law was amended to let TLDA issue bonds and make the proceeds available for loans to local governments for other capital projects.

WHO Qualifies?

County governments, metropolitan governments, incorporated towns or cities, and any special districts may borrow money from TLDA for water, wastewater, solid waste, and other capital improvements.

HOW ARE THE FUNDS USED?

For water, wastewater, and solid waste projects approved by the Tennessee Department of Environment and Conservation (TDEC).

For other capital projects approved by other state agencies before final TLDA processing.

WHAT ARE THE TERMS?

The local government must adopt user rates to cover all costs of operation and maintenance, including debt service and depreciation.

The local government must authorize the loan and pledge taxes to back the loan in case of deficiency.

The loan must be backed by sufficient state-shared taxes and reserve funds set aside by the borrower.

Monthly payments are required. Interest only is required during construction. Principal repayment begins when the project is operational or when 90 percent of the construction cost is depleted, whichever occurs first.

The loan period is 30 years or the useful life of the project, whichever is less.

The interest rate prior to issuing the bond varies. For the past several years, funding for this program has been based on one-year notes. Since the interest rate to the borrower is based on the interest rate of the notes, it can fluctuate from year to year.

The cost of issuing the bond is about 2 percent.

A reserve fund is required.

The local government can prepay a TLDA loan before issuing the bond, but it cannot prepay after TLDA issues the bond.

Submit water, wastewater, and solid waste projects to TDEC for approval. Turn in other types of projects to the appropriate state agency for consideration.

TDEC (or an appropriate state agency for projects other than water, wastewater, or solid waste) notifies TLDA of technical feasibility and the local government’s interest in a TLDA loan.

TLDA contacts the local government for financial information. A meeting may be necessary.

The local government completes TLDA’s loan application and passes a resolution authorizing the loan request.

After approval by TDEC, the loan package is reviewed by the Division of Bond Finance and is then presented to the TLDA Board at a public meeting.

After TLDA Board approval, the loan is sent to the Tennessee attorney general for approval.

During construction, pay requests from the local government are sent to the state agency that originally approved the project (i.e., to TDEC for water, wastewater, and solid waste projects). The agency reviews and certifies payment requests to the Division of Bond Finance. Loan repayments are sent to that division from the local government.

Application may be made any time of the year.

No.

CONTACT

Tennessee Local Development Authority
Division of Bond Finance
James K. Polk Building
505 Deaderick Street, 16th Floor
Nashville, Tennessee 37243-0273
Phone: (615) 741-4272
Fax: (615) 741-5986

TENNESSEE LOCAL DEVELOPMENT AUTHORITY LOAN PROGRAM

HOW TO APPLY

WHEN TO APPLY

IS TECHNICAL ASSISTANCE AVAILABLE?
TENNESSEE LOCAL DEVELOPMENT AUTHORITY LOAN PROGRAM

In 1978, state lawmakers established the Tennessee Local Development Authority (TLDA) Loan Program primarily to make loans to local governments for water, wastewater, and solid waste projects. Loans also can be secured for purposes such as airports, capital projects, and rural firefighting equipment. In 1990, the law was amended to let TLDA issue bonds and make the proceeds available for loans to local governments for other capital projects.

CONTACT
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Division of Bond Finance
James K. Polk Building
505 Deaderick Street, 16th Floor
Nashville, Tennessee 37243-0273
Phone: (615) 741-4272
Fax: (615) 741-5986

WHO QUALIFIES?
County governments, metropolitan governments, incorporated towns or cities, and any special districts may borrow money from TLDA for water, wastewater, solid waste, and other capital improvements.

HOW ARE THE FUNDS USED?
For water, wastewater, and solid waste projects approved by the Tennessee Department of Environment and Conservation (TDEC).
For other capital projects approved by other state agencies before final TLDA processing.

WHAT ARE THE TERMS?
The local government must adopt user rates to cover all costs of operation and maintenance, including debt service and depreciation.

The local government must authorize the loan and pledge taxes to back the loan in case of deficiency.

The loan must be backed by sufficient state-shared taxes and reserve funds set aside by the borrower.

Monthly payments are required. Interest only is required during construction. Principal repayment begins when the project is operational or when 90 percent of the construction cost is depleted, whichever occurs first.

The loan period is 30 years or the useful life of the project, whichever is less.

The interest rate prior to issuing the bond varies. For the past several years, funding for this program has been based on one-year notes. Since the interest rate to the borrower is based on the interest rate of the notes, it can fluctuate from year to year.

The cost of issuing the bond is about 2 percent.

A reserve fund is required.

The local government can prepay a TLDA loan before issuing the bond, but it cannot prepay after TLDA issues the bond.

Submit water, wastewater, and solid waste projects to TDEC for approval. Turn in other types of projects to the appropriate state agency for consideration.

TDEC (or an appropriate state agency for projects other than water, wastewater, or solid waste) notifies TLDA of technical feasibility and the local government’s interest in a TLDA loan.

TLDA contacts the local government for financial information. A meeting may be necessary.

The local government completes TLDA’s loan application and passes a resolution authorizing the loan request.

After approval by TDEC, the loan package is reviewed by the Division of Bond Finance and is then presented to the TLDA Board at a public meeting.

After TLDA Board approval, the loan is sent to the Tennessee attorney general for approval.

During construction, pay requests from the local government are sent to the state agency that originally approved the project (i.e., to TDEC for water, wastewater, and solid waste projects). The agency reviews and certifies payment requests to the Division of Bond Finance. Loan repayments are sent to that division from the local government.

Application may be made any time of the year.

No.
TENNESSEE MUNICIPAL BOND FUND

The Tennessee Municipal League (TML) is composed of Tennessee cities and professional staff. One of the League’s entities is the Tennessee Municipal Bond Fund (TMBF), which provides member municipalities with low-interest programs for financing capital project needs.

CONTACT

Tennessee Municipal Bond Fund
226 Capitol Boulevard, Suite 502
Nashville, Tennessee 37219
Phone: (615) 255-1561
Fax: (615) 255-7428

ALTERNATIVE LOAN PROGRAM

The Alternative Loan Program (ALP) is a special financing arrangement established by TMBF to purchase capital outlay notes. The program was developed to assist TML member cities whose financing needs do not fit other TMBF loan programs.

WHO QUALIFIES?

TML member cities.

HOW ARE THE FUNDS USED?

A wide variety of public projects is eligible for financing through the ALP. Those projects include, but are not limited to:

- water plants and water lines;
- wastewater treatment plants and sewer facilities;
- school construction and renovations;
- street and road paving;
- public building construction, expansion, renovation, and improvement;
- equipment purchases, such as firetrucks, sanitation trucks, and landfill and road material; and
- any public-purpose project that qualifies for tax-exempt financing.

WHAT ARE THE TERMS?

Although loans of any size will be considered, those under $1 million are particularly well-suited for the ALP because they are not as time-consuming or costly as bond financing. However, larger requests are frequently received.

The maximum repayment period is 12 years.

The program offers both fixed and variable rate loans.

TENNESSEE MUNICIPAL BOND FUND

There is no application fee. If an application results in a loan closing, there is a legal fee for processing loan documents. This fee usually runs between $500 and $1,000.

Application processing time is one to two weeks.

Contact the TMBF office at (615) 255-1561.

Application may be made any time of the year.

Yes. TMBF offers a complete, detailed, financial advisory service for member cities.

VARIABLE RATE LOAN POOLED PROGRAM

For any capital project eligible for tax-exempt financing.

The loan term is subject to the project’s life expectancy.

The tax-exempt, variable rate is re-marketed every seven days. The rate generally ranges from 3.25 percent to 4.25 percent. Borrowers have the option of an interest rate cap or ceiling.

There is a minimum loan amount of about $1 million.

Closing costs are nominal and considerably less than comparable bond issues.

At closing, borrowers execute a loan agreement for the amount of funds requested. Borrowers typically have up to 36 months to withdraw funds. Interest is paid only on the withdrawn amount.

Completing a loan usually takes three to five weeks.

Loans are prepayable any time with no prepayment penalty.

Contact the TMBF office at (615) 255-1561.

Submit an application, annual financial reports for the last three years, and the city’s current yearly budget.

Application may be made any time of the year.

Yes. TMBF offers a complete, detailed, financial advisory service for member cities needing assistance.
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IS TECHNICAL ASSISTANCE AVAILABLE?

Yes. TMBF offers a complete, detailed, financial advisory service for member cities.

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SUBMIT AN APPLICATION, ANNUAL FINANCIAL REPORTS FOR THE LAST THREE YEARS, AND THE CITY’S CURRENT YEARLY BUDGET.

Yes. TMBF offers a complete, detailed, financial advisory service for member cities needing assistance.
<table>
<thead>
<tr>
<th>Agency Name</th>
<th>Address</th>
<th>Phone</th>
<th>Fax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Resource Group, Inc.</td>
<td>P.O. Box 1543, Fayetteville, Arkansas 72702-1543</td>
<td>(501) 443-2700</td>
<td>(501) 443-5036</td>
</tr>
<tr>
<td>Economic Development Administration</td>
<td>771 Corporate Drive, Suite 200, Lexington, Kentucky 40503</td>
<td>(606) 224-7426</td>
<td></td>
</tr>
<tr>
<td>USDA Rural Development</td>
<td>3322 West End Avenue, Suite 300, Nashville, Tennessee 37203-1804</td>
<td>(615) 783-1345</td>
<td>(615) 783-1301</td>
</tr>
<tr>
<td>Tennessee Department of Economic and Community Development</td>
<td>Rachel Jackson State Office Building, 320 Sixth Avenue North, Sixth Floor, Nashville, Tennessee 37243-1533</td>
<td>(615) 741-6201</td>
<td>(615) 741-5070</td>
</tr>
<tr>
<td>Tennessee Department of Environment and Conservation</td>
<td>Division of Community Assistance, Life &amp; Casualty Tower, 401 Church Street, Eighth Floor, Nashville, Tennessee 37243-1533</td>
<td>(615) 532-0445</td>
<td>(615) 532-0199</td>
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<td>Tennessee Local Development Authority</td>
<td>Division of Bond Finance, James K. Polk Building, 505 Deaderick Street, 16th Floor, Nashville, Tennessee 37243-0273</td>
<td>(615) 741-4272</td>
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University of Tennessee does not discriminate on the basis of sex, race, color, national origin, age, handicap, or veteran status in provision of education opportunities or employment opportunities and benefits.

The University of Tennessee does not discriminate on the basis of sex or handicap in its educational programs and activities, pursuant to requirements of Title IX of the Education Amendments of 1972, Public Law 92-318, and Section 504 of the Rehabilitation Act of 1973, Public Law 93-112, and the Americans With Disabilities Act of 1990, Public Law 101-336, respectively. This policy extends to both employment by and admission to the University.

Inquiries concerning Title IX, Section 504, and the Americans With Disabilities Act of 1990 should be directed to Gary W. Baskette, Director of Business Services, 4th Floor Administration Building, Knoxville, Tennessee 37996-0212, (423) 974-6622. Charges of violation of the above policy should also be directed to Mr. Baskette.

Authorization # R18 18320-35-000-94