

JOBSOHIO UNVEILS REVITALIZATION PROGRAM FOR BROWNFIELDS

On October 22, Kristi Tanner, a managing director of JobsOhio, presented Ohio’s new [Revitalization Program](#) to redevelop brownfield sites and other sites that support future job creation and tax revenue. Many in the brownfield redevelopment community have been anxiously awaiting the roll-out of the new program, which will replace Clean Ohio.

According to Ms. Tanner, JobsOhio will begin discussing potential projects now, but awards under the new program are not likely to commence until March 2014.

Under the new program, the amount of available funding will be comparable to funds under Clean Ohio—approximately \$43 million annually; however, the State is making a major shift away from Clean Ohio’s grant-based program to a low-interest loan program through JobsOhio.

CLEAN OHIO PROGRAM

Clean Ohio was Ohio’s centerpiece program for brownfield redevelopment for the past decade. With up to \$3 million in available cleanup funds per project, it provided one of the largest incentives in the country for redevelopment of brownfield properties. Since 2002, Clean Ohio provided over \$400 million in grants for brownfield redevelopment projects.

Clean Ohio’s basic program consisted of the Clean Ohio Revitalization Fund (CORF), which offered larger grants through a competitive selection process, and the Clean Ohio Assistance Fund (COAF), with small grants awarded on a rolling basis. The chart below provides a summary of the major elements of each fund:

Clean Ohio Revitalization Fund (CORF)
Competitive Pool—awards once or twice per year
Complete Application—Phase I, Phase II, and Proposed Remedy
All brownfield properties were eligible
Up to \$3 million in grants for cleanup
Eligible costs = demolition, purchase, infrastructure, and cleanup costs
Required to complete Voluntary Action Program (VAP)

Clean Ohio Assistance Fund (COAF)
Non-Competitive Selection Process—awards on a rolling basis
Only available in eligible areas
Up to \$300,000 for Phase II Assessments
Up to \$750,000 for cleanup
Eligible costs = demolition and cleanup costs only
Required to meet VAP Phase II standards or complete VAP if awarded cleanup funds

Historically, COAF was largely used to fund Phase II assessments with very few cleanup grants awarded. CORF, with its larger \$3 million dollar cap on cleanup grants, was very attractive and resulted in projects applications exceeding the available funds in most rounds.

Many liked the openness of CORF's selection process. CORF used a competitive pool where all projects were pitted against one another using a public scoring methodology. Funding was awarded annually or semi-annually.

Projects were selected through the Clean Ohio Council with heavy local community involvement; however, the program had a serious drawback in that an applicant could spend as much as \$30,000 just to develop the application (assuming Phase I and Phase II were already complete) with no funding guarantee.

Still, as one of the best brownfield incentive programs in the country, CORF allowed many projects to move forward that may not have otherwise occurred, providing funding for over 70 projects in Northeast and Central Ohio alone.

JOBSOHIO REVITALIZATION PROGRAM

Under the new JobsOhio Revitalization Program, the State has made major changes to the structure and process for selection. Here are the basic elements of the new program:

Incentives Available

- **Up to \$200,000 for Phase II Assessments.** JobsOhio had suggested that \$300,000 for Phase II Assessments under COAF was excessive; however, the data generated during the Phase II investigation must be sufficient to satisfy Ohio EPA standards under its brownfield cleanup program—VAP. Depending on the size of the project, \$200,000 may not be sufficient to generate enough data to satisfy VAP in all cases.
- **Up to \$500,000 for asbestos and lead paint.** This represents a new incentive opportunity and appears to target existing structures that may be idle due to asbestos and/or lead paint issues. The funds can be used for asbestos abatement, demolition, site preparation, and disposal of universal waste.

- **\$5 million cleanup loan with possibility of \$1 million cleanup grant.** As the biggest change under the new program, JobsOhio has shifted from a grant cleanup-funded model to a loan model. Developers and companies may be able to secure up to \$1 million in grant funding by demonstrating need and coupling the grant with a loan. JobsOhio did not provide details on the requirements for securing grant funding.

Selection Process

- **Open funding versus competitive pool.** JobsOhio has done away with CORF's competitive pool process wherein CORF scored all grant applications and funded the top projects. The new application process will be more flexible and less costly than Clean Ohio. Projects will be eligible to receive awards throughout the year and will not compete with one another, and JobsOhio will likely notify an applicant that it will receive an award before requiring it to complete the more detailed aspects of the application, thereby deferring the application costs until the incentive package is secure.
- **Criteria for selection.** The JobsOhio selection process will utilize three basic criteria:
 - *Jobs*—Retained or created, with priority for projects with higher-than-average wages and targeted industries (generally must retain or create 20 jobs)
 - *Investment*—Private versus public, capital investment in addition to site preparation, with priority for JobsOhio-targeted industry projects
 - *Certainty of completion*—Requires end user commitment to the project, completeness of redevelopment plans, and funding sufficient to complete the project

CONCLUSION

Because the new program focuses on job retention and creation, cities attempting to clean up vacant properties to attract development will have to look elsewhere for incentives. Also,

residential development projects will find it more difficult to attract State brownfield funds. Funding may be available for residential projects at the local level.

The most likely users of the new program will be commercial/industrial clients looking to expand onto brownfield properties. The potential

to secure \$200,000 in grant funds for Phase II assessments and potentially as much as \$1 million in cleanup grant funds still makes Ohio's program one of the better incentive programs in the country.

More details on the program are likely to be forthcoming before the end of the year.

ADDITIONAL INFORMATION

For additional information on the JobsOhio Revitalization Program, contact your Tucker Ellis attorney or:



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