

## POTENTIAL FINANCING AND ECONOMIC BENEFITS FOR COMMUNITY-BASED BROWNFIELDS PROJECTS

### A. USEPA

1. Brownfields Assessment Demonstration Pilot Grants
2. Targeted Brownfields Site Assessment Grants
3. Brownfields Revolving Loan Funds
4. Federal Taxpayer Relief Act (PL105-34).
  - a) Taxpayer can deduct all cleanup costs in year in which they were incurred.
  - b) Land must be used for a business or the production of income (this includes residential rental property).
  - c) Hazardous substances must be at least potentially present on the property.
  - d) Also certain geographical restrictions.

### B. USDOT

1. Transportation and Community and System Preservation Pilot Program Grants (TCSP)
2. Reverse Commute/Access to Jobs Grants

### C. HUD

1. CDBG funds.  
**Must meet one of the national program objectives:**
  - a. Benefit low and moderate income persons.
  - b. Prevent or eliminate slums or blight.
  - c. Address conditions that present a serious and immediate threat to the health or safety of the community.

**Eligible activities include:**

- a. Economic Development
- b. Land acquisition
- c. Site preparation and assessment.
- d. Demolition/Clearance/Remediation of property.

- e. Acquisition and Construction of Public Facilities.
- f. Rehabilitation of Public Real Property.

**CDBG Float Funds:**

Float funds may be used by entitlement communities to finance short term (no more than 2.5 years), low-interest loans to fund any CDBG eligible activity.

- 2. Section 108 Loan Guarantees
- 3. Brownfields Economic Development Initiative (BEDI) grants
- 4. Economic Development Initiative (EDI) grants.
- 5. Empowerment Zones/Enterprise Communities.

**D. State Funds:**

1. Ohio

a) Ohio Department of Development Grant Program.

- 1. Available to governmental and non-profit entities and community-based organizations.
- 2. Grant may be used to purchase properties which are then enrolled in the Voluntary Action Program.
- 3. The city or group can then lease the site to an interested third-party for cleanup.
- 4. The third-party may be eligible for low-interest loans for the actual cleanup costs.

b) Ohio Water Pollution Control Loan Fund (OEPA).

- 1. Used for projects which will result in water quality benefits.
- 2. Eligible costs:
  - (i) Phase I and Phase II site assessments.
  - (ii) Actual cleanup costs including sampling and lab work.

3. Amounts up to \$3 million.
4. Available to political subdivisions and private parties.
5. Terms:
  - (i) Repayment period of up to 20 years.
  - (ii) Rate: Below bond market rate.
6. Short-term loans of up to five years at 3.2 percent are also available.

c) Ohio Pollution Prevention Loan Program

1. Incentive for businesses to relocate to redeveloped areas.
2. Low interest loans (2/3 of Prime Rate) to incorporate pollution prevention devices.
3. Amounts up to \$350,000.

d) Urban Redevelopment Loan Program (ODOD)

1. Funds available to municipalities or nonprofit economic development organizations.
2. Funds to be used to acquire real estate for assembly into developable parcels and to remediate property to entice business investment into the area.
3. Specially targeted for distressed urban areas.
4. Maximum loan amount is \$5 million dollars.
5. Project must be used primarily for manufacturing, distribution, warehousing, high technology, or commerce or service businesses paying at least the minimum wage.

e) Competitive Economic Development Program (ODOD, Division of Housing and Community Partnerships).

1. Funds received from HUD Community Development Block Grant.

2. Aimed at creating jobs for low and moderate-income persons.
  3. Loan up to \$500,000 for Brownfields remediation if full-time permanent jobs are created.
  4. Terms are negotiable.
- f) Ohio Water Development Authority.
1. Local governments eligible for loans to cover planning and construction. Land must be used for a public purpose.
  2. Private entities also eligible.
    - (i) Requires showing of financial resources.
    - (ii) Requires evaluation of potential effectiveness of the remediation.
- g) Ohio Tax Incentives.
1. Brownfield Site Cleanup Tax Credit Program.
    - a) Operates through Ohio Department of Development.
    - b) In priority investment areas, parties are eligible for a tax credit of 15% of eligible costs of a cleanup under the Voluntary Action Program.
    - c) Must receive the Covenant Not to Sue first.
    - d) Eligible costs include:
      - (i) Phase I and Phase II property assessments.
      - (ii) Cleanup activities, including lab work.
  2. Ohio EPA - Voluntary Action Program Tax Exemptions.
    - a) Operates through Ohio Department of Taxation.
    - b) Must obtain CNS first.
    - c) Gives a ten-year property tax exemption for the

increase in value of land and facilities as a result of the cleanup.

Example: If you clean up an abandoned, contaminated property with a full market value of \$0.00, and following the cleanup the full market value is \$500,000.00, you are exempt from property tax on the \$500,000.00 or ten years.

- d) The exemption will pass to any purchaser of the property. Increases marketability of the land.

### **CONTACT INFORMATION**

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