

Public Infrastructure Improvement Programs

Various programs exist to fund (in whole or part) infrastructure improvements for community and project-driven needs. While each program is governed by differing parameters/guidelines, the underlying theme of creating new full-time jobs is involved in most programs. Infrastructure improvements include construction of water lines, sewer lines, public roads or rail spurs. In most cases, application(s) for funding are made by the local community (city/township/county) on behalf of the project.

The Regional Chamber will work with you to determine eligibility for, explain and secure the programs highlighted below.

Public Infrastructure Program	Road	Water	Sewer	Rail
Public Roadwork Development Fund (629)	Yes	No	No	No
Business Development Account (412)	Yes	Yes	Yes	Yes
Ohio CDBG	Yes	Yes	Yes	No
Ohio Rail Commission	No	No	No	Yes
Economic Development Administration (EDA)	Yes	Yes	Yes	Yes
County CDBG	Yes	Yes	Yes	Yes
Ohio Issue 2 New Construction	Yes	Yes	Yes	No
Township TIF	Yes	Yes	Yes	Yes
County TIF	Yes	Yes	Yes	Yes
Ohio CDBG Water/Sanitary	No	Yes	Yes	No

PUBLIC ROADWORK DEVELOPMENT FUND (629)

Primarily manufacturing, research and development, high technology and distribution firms are eligible. Project must create or retain jobs for Ohioans; project will not go forward without receipt of roadwork development funds; before use of roadwork development funding is considered, all other public or private sources of financing must be considered. As a general rule, ODOD will grant an average of \$1,000 for each job created or retained. The grant figure could be higher or lower depending on a number of factors, such as the distress level of the community, contribution of the community, project total investment, or type of job created.

Eligible Uses In general, funds from the program may be used for the design, upgrade, and/or construction of public roadways serving an eligible project.

Ineligible Uses Routine repair, resurfacing or maintenance of existing public roadway.

This summary is prepared as a reference, and should not be construed as the actual law. For more information, contact the Youngstown/Warren Regional Chamber.

BUSINESS DEVELOPMENT ACCOUNT (412):

This program provides infrastructure grant assistance to companies and/or communities for projects creating or retaining jobs.

- Eligible: Primarily manufacturing, research & development, high technology and distribution firms. The project must create or retain jobs. Use/receipt of 412 monies must be necessary for project to go forward, after all other avenues of financing (public and/or private) have been exhausted.
- Eligible Uses: Include on- or off-site infrastructure improvements including water & sewer improvements, road improvements and rail work. These funds can also be utilized in an alternate manner at the discretion of the Director of ODOD under special conditions.

OHIO COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM:

Candidates for grant consideration are industrial and commercial firms with projects which include the construction of infrastructure, including the construction of public roads, water lines and sewer lines. Private investment projects are considered on a competitive basis. Thresholds include:

- A project must create and/or retain full-time, permanent jobs;
- Maximum participation is 1 job for each \$15,000 in funding, to be competitive, however projects should be 1 job for every \$10,000 in funding;
- Projects must create and/or retain full-time, permanent jobs; at least 51% of the full-time, permanent jobs created and/or retained must be available¹ to persons from households of low and moderate income².
- Maximum grants of 25-30% of project costs up to \$500,000;
- Job creation attributable to the CDBG formula funds must take place within 18 months of project completion;
- After analyzing all pertinent information, the grantee must document that without CDBG assistance the proposed project will not proceed

¹Jobs are considered available to low/mod persons only when both: (1) Special skills that can only be acquired with substantial (i.e., one year or more) training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business nevertheless agrees to hire unqualified persons and provide them training; and (2) the assisted business takes actions that would ensure that low and moderate income persons receive "first consideration" for filling such jobs.

²For example, low and moderate income are currently classified as a family of four with total annual earnings of \$35,850

OHIO RAIL COMMISSION

Funding for rail spurs for industrial projects where the State share is \$1,000 per job created up to a maximum of 60% of project cost. Priority is given to projects with local government support, as demonstrated by tax abatements, easements, land/road improvements, utilities or other incentives. Priority also given to projects which project a significant volume of rail use.

U.S. DEPT. OF COMMERCE - ECONOMIC DEVELOPMENT ADMINISTRATION (EDA):

Projects must be a regional priority, as established by the local authority (EDATA) listing. This program is utilized for major projects which include significant private sector job creation. A time frame of several years for project completion is not uncommon in this program.

COUNTY ANNUAL CDBG FORMULA PROGRAM:

Each County receives an annual allocation of Community Development Block Grant funds from the State, which are used to fund 6-to-8 infrastructure projects. Projects must benefit residents who are low/moderate income or used to create employment opportunities for individuals from low/moderate income households, or alleviate specified slum/blight conditions.

OHIO CDBG WATER & SANITARY SEWER COMPETITIVE PROGRAM:

A maximum fund of \$500,000 requiring a 1/3 local funding match; 51% of the beneficiaries must be classified as low/mod income level; 60% of the beneficiaries must be residential users. Funding is highly competitive and awarded once per year. Each County is allowed to submit one proposal.

OHIO ISSUE 2 NEW CONSTRUCTION:

Project must be priority proposed by the Issue 2 Committee and approved by the State of Ohio; program allows for grant up to 50% of total project costs. Applications are made by the communities.

TOWNSHIP TAX INCREMENT FINANCING (TIF):

Commercial and industrial projects are eligible. Under Ohio Revised Code Section 5709.73-75; new project(s) are not placed on the tax rolls, but instead make Payments-In-Lieu-Of-Taxes (PILOT) equal to normal (100%) real estate taxes; PILOT used to repay Township bonds funding public improvement, for up to 30 years; when debt is retired project(s) to on tax rolls.

COUNTY TAX INCREMENT FINANCING (TIF):

Under Ohio Revised Code Section 5709.78-81; same as above but County issues the bonds. For example: a commercial strip plaza development with 20 new stores, with an average value of \$200,000, each has a total market value of \$4 million and an assessed value (35%) of \$1.4 million; with a tax rate of (say) \$54/\$1000 assessed value, the annual PILOT would be \$75,600, sufficient to retire approximately \$895,000 in bond financing assuming 5% interest for 20 years and fees total 5%. Primary concern: certainty and timing of PILOT payments to repay bond debt.