

## The Benefit of Brownfields:

Analysis of the Brownfield Remediation Fund's Round 1 Awards & Preliminary Programmatic Recommendations

White Paper by the Greater Ohio Policy Center (GOPC)

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## **Background**

In 2021, the state Main Operating Budget [i] included a new \$350 million grant program for assessing and cleaning up environmentally contaminated sites. The Brownfield Redevelopment Fund (BRF) provided Ohio's communities with the first significant investment in brownfield grant dollars since the sunset of the Clean Ohio Revitalization Fund (CORF) in 2013.

The Ohio Department of Development (ODOD) began to accept applications in December 2021; by June 2022 the Round 1 awards had been announced [ii]. In total, Round 1 awarded \$252 million to 190 projects located in 58 of Ohio's 88 counties.

Awards from Rounds 2 and 3 applications have not been announced as of October 1, 2022.

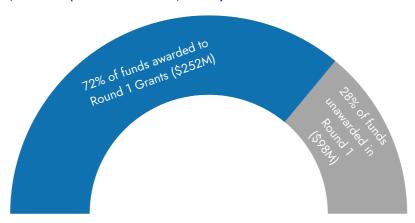
## **Analysis of Round 1 of the Brownfield Remediation Fund**

All charts and visualizations were created by Greater Ohio Policy Center, based on data provided by the Ohio Department of Development in August 2022.

### Grant Dollars by Project Type (Assessment & Cleanup/Remediation)

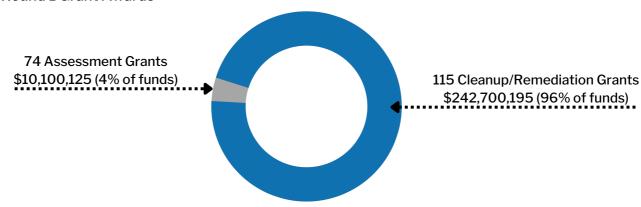
Round 1 of the Brownfield Remediation Fund awarded \$252 million of the \$350 million available for the full program. Round 1 grant dollars account for 72% of the total funds available through the BRF.

Funds Committed, to date (as of October 1, 2022)



Of the \$252 million, \$10.1 million were assessment grant dollars (4% of the total allocation to date) and \$242.7 million were cleanup/remediation dollars (96%). Seventy-four (74) projects were awarded assessment dollars, and 115 projects were awarded cleanup/remediation grant dollars.

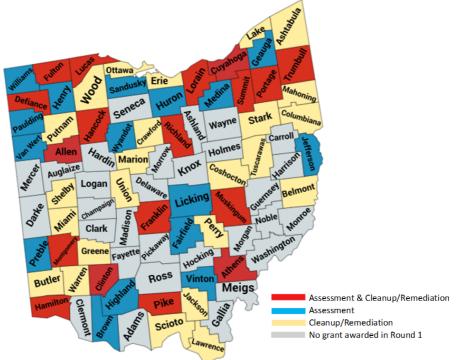
#### **BRF Round 1 Grant Awards**



#### Grant Awards to Ohio's Counties

Fifty-eight (58) of Ohio's 88 counties received a grant in Round 1.

10.1 million Ohioans, or 86% of the state's population, lives in the 58 counties that received at least one award.



The map above identifies counties that received an assessment grant, a cleanup/remediation grant, and counties that received both.

Nineteen (19) of the 58 counties received both an assessment and cleanup/remediation grant. Twenty-four (24) counties received a cleanup/remediation grant, and 16 counties received only an assessment grant. Counties that received only an assessment or a cleanup/remediation grant may have received more than one grant.

#### Round 1 Awards to Counties [iii]:

Assessment grants only	16 counties
Clean up only grants	24 counties
Assessment and clean up grants	19 counties

## Grant Distribution by County Population Size

A visualization of grant dollars, based on county population size, is below. GOPC utilized four groupings of counties:

Counties with a population over 400,000 Counties with a population of 150,000 to 399,999 Counties with a population of 70,000 to 149,999 Counties with a population 69,999 and below Seven counties with populations above 400,000 received a total of \$175.1 million in Round 1 grant dollars [iv]. The \$175.1 million is 69.5% of the total grant dollars awarded in the first round.

Nearly 70% of all awarded cleanup grants in Round 1 and one-fourth of all assessment grants from Round 1 went to these seven counties.

Of the \$175.1 million that these seven counties received, \$172.5 million was for cleanup and \$2.6 million for assessments.

Eleven counties with populations between 150,000 and 399,999 received BRF Round 1 grant dollars [v]. These counties received \$30.9 million, which was 12% of all awarded grants in Round 1. Of the \$30.9 million that these eleven counties received, \$28.9 million went for cleanup and \$2.05 million for assessments.

Counties with a population of 70,000 to 149,999 were awarded \$22.4 million in Round 1 grant dollars, with \$21.6 million for cleanup/remediation grants and \$753,631 for assessment grants [vi]. Twelve counties with populations between 70,000 and 149,999 received BRF Round 1 grant dollars.

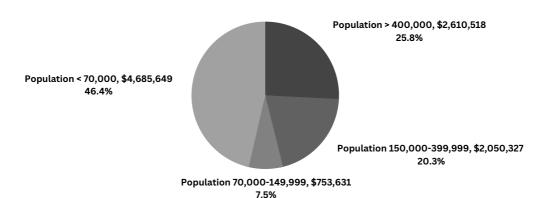
Twenty-eight counties with populations below 70,000 received BRF Round 1 grant dollars [vii]. Counties with a population below 70,000 were awarded \$24.3 million in Round 1 grant dollars, with \$19.6 million for cleanup/remediation grants and \$4.7 million for assessment grants. The \$24.3 million was 10% of the total awards made in Round 1.

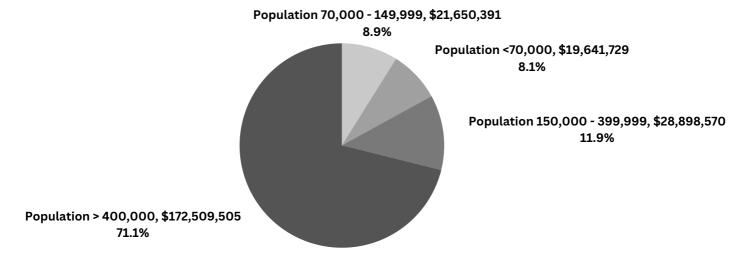
Total

Round 1 Awards, by population parameter

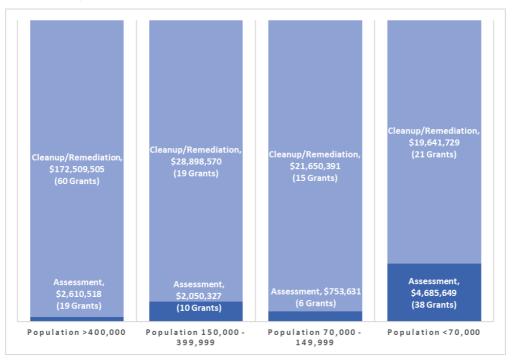
	Cleanup/remediation grants received (amount)	Number of Grants Awarded (Cleanup/Remediation)	Assessment grants received (amount)	Number of Grants Awarded (Assessment)	Total Amount Received of BRF Round 1	Number of Grants Awarded (Cleanup & Assessment)	Percent of total Round 1 awards
Counties with +400k population (7 total)	\$172.5M	60	\$2.6M	19	\$175.1M	79	69%
Counties with 150k- 399,999 population (11 total)	\$28.9M	19	\$2.05M	10	\$30.9M	29	12%
Counties with 70k- 149,999 population (12 total)	\$21.6M	15	\$753,631	6	\$22.4M	21	9%
Counties with population <70k (28 total)	\$19.6M	21	\$4.7M	38	\$24.3M	59	10%

Assessment Grant Dollars by County Population Total Assessment Grants: \$10,100,125





Total BRF Round 1 Funding by County Population Total Round 1 Funding: \$252,800,320

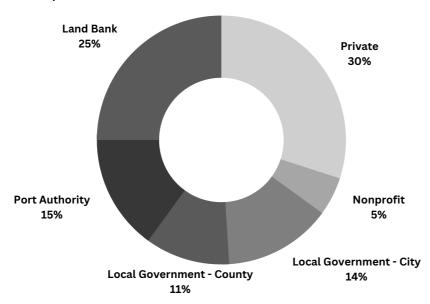


## Round 1 Applicants/Grantees

The Ohio Department of Development (ODOD) specifies eligible applicants as units of local government, including counties, townships, municipal corporations, port authorities, or conservancy districts or park districts, or other similar park authorities. Additionally, other eligible applicants include county land reutilization corporations (land banks), nonprofit organizations, or organizations for profit. Land Banks, nonprofit, and for-profit organizations must enter into an agreement with a unit of local government to work in conjunction on the project for the purposes of this program.

Below, GOPC has identified the recipients for the 190 projects awarded grant dollars in Round 1 of the BRF.

#### **BRF** Round 1 Recipients



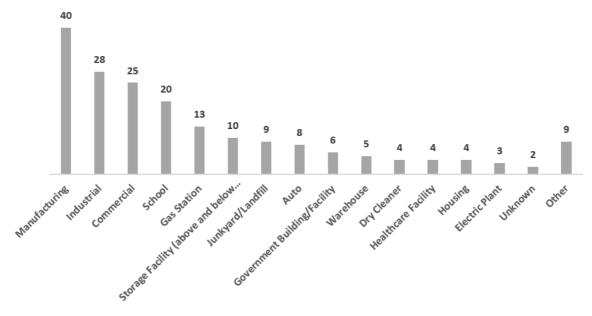
It is important to note that a unit of local government is also a signatory, and in some cases, co-applicant for the grants awarded to the private sector, land banks, and nonprofit organizations.

In total, 60% of primary applicants/grantees awarded funds in Round 1 consisted of land banks, nonprofits, and the private sector. The remaining 40% was comprised of local governments (including city and county) and Port Authorities.

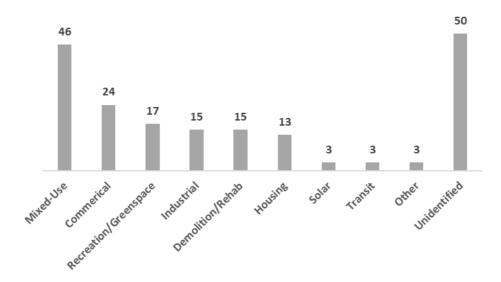
# Previous Site Types Receiving Round 1 Grants and Anticipated Future Use

As part of the application process, applicants were required to identify past uses on the site of the project. Identification of past (and in some cases, current) use on the site allowed for open-ended responses. GOPC compiled the site types, categorized into the below chart.

#### Past/Current Site Types of BRF Round 1 Awards



Many applicants volunteered expected future uses of sites, after clean-up. These are not guaranteed end-uses but show the diversity and creativity of of uses that may occur on BRF-funded sites.



## **The Need for More Funding Remains**

The \$350 million allocated in 2021 is a solid start to addressing the numerous acres of unusable or under-utilized land in Ohio. But these funds will not fully address the backlog of sites Ohio currently has, or sufficiently address new properties that are becoming contaminated.

The need for additional funding is still acute because:

- 74 projects were awarded assessment grants in Round 1, and will be primed to apply for cleanup/remediation grants, should grant funding become available. Nearly half of the assessment dollars were awarded to projects in counties with less than 70,000 residents.
- Communities with limited staff have had time to identify projects to submit applications. Communities that may have been unable to apply for funding during the Brownfield Remediation Fund application rounds in 2022 may now be ready to apply for future available funding. This includes communities that may have taken longer to identify brownfields sites, align stakeholders, acquire access to properties with known contamination, and engage the private sector to assist with the process of assessing the site, remediating, and identifying a redevelopment plan.
- All signs suggest that demand outstripped available funding through the Brownfield Remediation Fund. GOPC makes this conclusion after observing the window for applications to Round 3 close just three days after its opening; meaning the agency would not accept more applications if it knew that funds had likely run out.

# Recommendation to Continue Strengthening Ohio's Redevelopment Outcomes

The 190 projects in Round 1 are on track to return life to sites that will increase property taxes collection, and, depending on the end use, produce new sales and income taxes. These projects, and those that will be funded through Rounds 2 and 3, will activate unused land and diminish the need to consider unsustainable greenfield development. But, as outlined above, there is still need for additional cleanup/remediation funds.

GOPC recommends policymakers, in the FY2023-24 Main Operating Budget, fund a brownfield grant program at, or above, the \$350 million investment made in the FY 2022-23. An additional \$150 million, for a total of \$500 million, would significantly increase the opportunity for communities to access grant dollars to remediate blighted brownfields and redevelopment the sites into community-responsive tools for economic and community development.

To ensure the success of additional brownfield remediation grant funds, GOPC suggests the following modifications to the current BRF program.

# Establish a Structured Timeline for Application Rounds and Grant Announcements

GOPC recommends additional funds should be available in two funding rounds per year. For example, for a \$500 million allocation:

Suggested future rounds	Suggested application due dates	Amount eligible to apply for
Round 4a	December 1, 2022	\$125M
Round 4b	April 1, 2023	\$125M
Round 5a	December 1, 2023	\$125M
Round 5b	April 1, 2024	\$125M

A structured timeline for when rounds open and close, as well as a timeline for grant announcements, will help applicants take full advantage of a brownfield grant program. With a predictable timeline, applicants would have the opportunity to think strategically about certain projects that may require both an assessment and cleanup. For example, a project may be awarded assessment dollars in Round 4a, complete the assessment, and prepare an application for a cleanup grant in Round 5a. Such timelines are doable and would allow communities to take full advantage of both grant types by allowing a brownfield site to be assessed and remediated in the span of the program.

The current "First come-first served" legislative policy could remain in place within each Round.

#### **Conclusion**

As outcomes from Rounds 1-3 of the Brownfield Remediation Fund become available, GOPC will be tracking the actual impact of the \$350 million allocated in 2021. Early signs suggest the funding was extremely popular, but unlikely to fully address current needs.

Ohio was a national model for brownfields redevelopment previously [viii]. GOPC found that the previous program, Clean Ohio Revitalization Fund (CORF) yielded a return of nearly \$5 for every \$1 of CORF funds. Cleanup/remediation is a labor-intensive process and during its tenure, CORF contributed \$1.4 billion annually to the state's GDP through the remediation and redevelopment of brownfields. Additionally, the new end uses on remediated sites include highly-paid jobs in the fields of medicine, medical research, military research and development, manufacturing.

Investing in brownfields is a guaranteed way to generate increased property, income, and sales taxes. Continuing to invest in brownfields, should be a top priority for state policymakers in 2023 during the FY 2023-24 budget.

#### **End Notes**

- [i] Main Operating Budget FY 2022-2023 (Am. Sub. House Bill 110-GA133)
- [ii] Round 1 of the BRF accepted applications first-come, first-served from December 2021 through January 31, 2022. Governor DeWine announced the first batch of Round 1 grantees in April 2022, totaling roughly \$60 million. In June 2022, the second (and final) batch of Round 1 was announced, for a total of \$192 million. Round 1 awarded a total of \$252 million dollars.

The BRF legislative language stipulated a \$1 million set-aside for each county. Round 2 opened in March 2022 to counties that did not exhaust their \$1 million set-aside in Round 1. Round 3, similar to Round 1, was open to all eligible applicants on a first-come, first-served basis. Round 3 opened July 2022, only to close 3 days later.

Non-governmental applicants applying in Rounds 1 and 3 were required to submit letters of support from their local government.

- [iii] \*Only Assessment grant recipients: Brown, Fairfield, Geauga, Henry, Highland, Huron, Jefferson, Licking, Medina, Paulding, Preble, Sandusky, Van Wert, Vinton, Williams, Wyandot \*Only clean up grant recipients: Ashtabula, Belmont, Butler, Columbiana, Coshocton, Crawford, Erie, Greene, Jackson, Lake, Lawrence, Mahoning, Marion, Miami, Ottawa, Perry, Putnam, Scioto, Shelby, Stark, Tuscarawas, Union, Warren, Wood
- \*Assessment and clean up grant recipients: Allen, Athens, Clinton, Cuyahoga, Defiance, Franklin, Fulton, Hamilton, Hancock, Lorain, Lucas, Montgomery, Muskingum, Pike, Portage, Richland, Summit, Trumbull
- [iv] Butler, Cuyahoga, Franklin, Hamilton, Lucas, Montgomery, Summit
- [v] Fairfield, Greene, Lake, Licking, Lorain, Mahoning, Medina, Portage, Stark, Trumbull, Warren
- [vi] Allen, Ashtabula, Columbiana, Erie, Geauga, Hancock, Miami, Muskingum, Richland, Scioto, Tuscarawas, Wood
- [vii] Athens, Belmont, Brown, Clinton, Coshocton, Crawford, Defiance, Fulton, Henry, Highland, Huron, Jackson, Jefferson, Lawrence, Marion, Ottawa, Paulding, Perry, Pike, Preble, Putnam, Sandusky, Shelby, Union, Van Wert, Vinton, Williams, Wyandot
- [viii] From 2002-2013, when the Clean Ohio Revitalization Fund (CORF) was operational in the state, the CORF program invested nearly \$800M in brownfield revitalization funds and produced a nearly five to one return on investment, annually contributing more than \$1 billion to the state's GDP in clean-up costs.



#### **About Greater Ohio Policy Center**

The Greater Ohio Policy Center (GOPC) is a statewide nonprofit organization with a mission to improve Ohio's communities through smart growth strategies and research. Our vision is a revitalized Ohio. GOPC is highly respected for its datadriven, nonpartisan policy analysis, research expertise, and policy development, and regularly provides expert analyses to public, private, and nonprofit leaders at the local, state, and national level.

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