



Exhibit A-1

BROWNFIELD REDEVELOPMENT FUND

Commercial and Industrial Redevelopment Program

Program Description Summary

Please review the Brownfield Redevelopment Fund Program Description Summary for eligibility and appropriateness for your project. Applications for assistance are available after meeting with the County's Brownfield staff to discuss project.

Program Purpose: The Cuyahoga County Brownfield Redevelopment Fund (BRF) Commercial and Industrial Redevelopment Program is specifically designed to overcome environmental barriers to the full re-use of abandoned, idled or underutilized commercial, industrial, and institutional properties¹ within Cuyahoga County. The primary focus is directed toward urban and “first-ring” suburban communities. Job creation and an increase in property values are expected outcomes of remediation and redevelopment.

Eligible Applicants: Local municipal corporations of Cuyahoga County, non-profit community development corporations (CDC's) on behalf of a for-profit project, and private developers/businesses are eligible, however, in all cases; the applicant must be the borrower and must own the property. Commitment of end user in form and substance satisfactory to the County must be provided at time of application. Projects with tax-exempt end uses, including educational facilities or institutions, including properties used or proposed for use as a charter schools, are not eligible. Parties responsible or potentially responsible for the environmental contamination at a site are not eligible for assistance.

Project Eligibility: Sites with prior commercial, industrial or institutional usage which are eligible for the Voluntary Action Program (the “VAP”) of the State of Ohio qualify for the BRF program. Former gas stations will only be considered if part of a larger, comprehensive redevelopment project. Former municipal solid waste facilities do not qualify. The applicant must have a completed VAP Phase I Environmental Site Assessment and the appropriate subsequent environmental assessments (e.g., Asbestos Survey, VAP Phase II

¹ “Institutional Property” means property currently or formerly owned or controlled by the State that is or was used for a public or charitable purpose, however “Institutional Property” does not mean property that is or was used for educational purposes.

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Environmental Site Assessment, etc.), which identify the environmental problem, and propose a remediation plan. Funding for cleanup to prepare a site for VAP eligibility under Section 3746.02 of the Ohio Revised Code and the rules promulgated there under will be considered.

The Loan Agreement between the County and the successful applicant will require the borrower to obtain a “No Further Action Letter” for the project site from a Certified Professional pursuant to Section 3746.11 of the Ohio Revised Code and the rules promulgated thereunder.

The Loan Agreement between the County and the successful applicant will require the borrower to obtain a final clearance and completion report. The County will request a reliance letter of completion from an Ohio VAP Certified Professional and all appropriate licensed professionals. All Certified Professionals must meet the qualifications under the O.A.C. 3745-300-05. The borrower is responsible for the cost of a Certified Professional.

Eligible Activities:

“As-Is” and “As complete” property appraisals, property acquisition, environmental site assessments, cleanup and costs associated with obtaining a No Further Action Letter and/or a Covenant Not to Sue under the Ohio Voluntary Action Program if such covenant is sought, asbestos abatement and/or lead-based paint abatement, site clearance and demolition are eligible costs.

Property acquisition costs cannot exceed 50% of requested County funding. Eligible acquisition costs must have been incurred within one year prior to the date of application.

Loan Amount-Security:

Maximum loan terms may range up to 15 years. Early loan pay downs and repayments are not penalized and are highly encouraged. All borrowers must enter into and agree to loan documents as prepared by the County. There are two separate programs for public and private borrowers, as outlined below.

1. Municipal Redevelopment Program

Eligible Applicants/Borrowers: Cuyahoga County Municipalities

Funding Amount: Eligible applicants may apply for funding up to \$1 million to support locally sponsored projects, which if approved, will be provided as a combination of loan and subsidy in accordance with the Loan Subsidy Schedule by Municipality (See Attachment A).

Property acquisition costs cannot exceed 50% of requested County funding. Eligible acquisition costs must have been incurred within one year prior to the date of application.

Loan Security: Loans made to municipalities must be backed by their non-tax revenues or some other form of guaranty deemed acceptable by Cuyahoga County.

Borrower Obligations: The borrower must obtain an Ohio VAP No Further Action Letter certifying that the remediation has been conducted and completed in accordance with all applicable standards by a certain date. The borrower must demonstrate that funding commitments are secured and sufficient to finance the total project. A separate Development Agreement must be executed with the end-user indicating job creation numbers and real estate property tax revenues from the project. The Development Agreement will indicate that repayment of the subsidy may be required if the developer/business does not fulfill the conditions of the agreement.

2. Private Redevelopment Program

Eligible Applicants/Borrowers: Private Developers, Businesses, and Non-Profit CDC's (On Behalf of a For-Profit Project).

Funding Amount: Eligible applicants may apply for funding up to \$1 million per project, which, if approved, will be provided as a combination of loan and forgivable loan in accordance with the Loan Forgiveness Schedule by Municipality (Attachment B). The forgivable portion of the loan is reduced in equal amounts over a five-year period following the completion of the remediation and issuance of a No Further Action Letter on the project.

Loan Security: The County will require, at a minimum, a shared first priority lien on the property and/or a standby letter of credit in favor of, and on terms satisfactory to the County.

Borrower Obligations: The project will require a resolution of support from the local municipality. The borrower must oversee the remediation. The borrower must own and operate the project for a minimum of five years after the completion of remediation. The borrower must obtain a VAP No Further Action Letter by a certain date. The borrower must also create and/or retain a specified number of jobs at the site. The borrower must demonstrate that funding commitments and equity sufficient to finance the total project have been secured. The borrower could be required to repay the full amount of the loan if it moves, sells, fails to complete the project, fails to obtain a No Further Action Letter, or fails to create the specified number of jobs required by the

County or fails to measurably impact job creation or property values to the satisfaction of the County.

For Both Municipal Redevelopment Program and Private Redevelopment Program:

Funding Priority: Projects are given consideration on a first come/first serve basis, based on available funds.

**Pre-Application/
Interview Process:** A pre-application/interview process is required. It is designed to facilitate the formal financing process, and best utilize limited resources. If staff believes the project meets the basic criteria of the program, a general term sheet will be issued, subject to further approvals, and an application will be issued to the prospective borrower.

Loan Approval Process: A member of the Cuyahoga County Department of Development (DOD) staff will guide applicants through the process and serve as the primary contact person.

The documents normally required from applicants to process the application include, but are not limited to, “as is” and “as complete” property appraisals, financial statements for the three most recent years including the balance sheets, and operating statements of the applicant company or copies of tax returns for the three most recent years. Interim statements are required, if the most recent annual financial statement is more than six months old. Five to ten-years of operating proformas, including a summary of the assumptions used in preparing the projections, are also required. The County may require such additional environmental and financial information as it deems necessary to evaluate the applicant and the project.

The DOD staff reviews applications to determine their administrative and technical completeness, reviews the project, judges which costs are considered for funding under the program, determines which funding sources are available and appropriate and completes a credit and collateral analysis.

Once the DOD is satisfied with the project eligibility, commitment of funding for the entire project, ability to repay debt and completeness of the application, the Cuyahoga County Community Improvement Corporation Economic Development Loan Committee and/or Economic Development Commission reviews the project for a funding recommendation to the County Council.

All project funding support requires final approval by the County Council.

Disbursement of Funds: Disbursement process is outlined in agreements with borrowers. The borrower must submit invoices to the BRF program staff for the work for which financing assistance has been approved prior to the disbursement of any loan funds. A performance holdback may be required to ensure that the project is fully completed according to established standards.

Additional Subsidy For Green/Sustainable: If the project obtains LEED Certification or obtains at least two (2) green/sustainable initiatives from Attachment C, an additional five percent (5%) of loan forgiveness may be allowed by the County. The borrower must identify in the loan application the intent to seek the additional forgiveness. The borrower must meet the terms outlined in the loan agreement including submission of LEED certification or contractor or engineer certification of two initiatives completed at the project. County staff will verify completion before forgiveness can be approved.

Contact: Laura Clark at (216) 698-2575

ATTACHMENT A: LOAN SUBSIDY SCHEDULE BY MUNICIPALITY

The Subsidy percentage has been calculated based on the municipality’s tax duplicate and median income averages. *Denotes “first-ring” suburb

<u>CITIES</u>	<u>SUBSIDY %</u>	<u>ADDITIONAL SUBSIDY % FOR GREEN/SUSTAINABLE PROJECTS</u>
Bay Village	15%	5%
Beachwood	15%	5%
Bedford	30%	5%
Bedford Heights	30%	5%
Berea	35%	5%
Brecksville	15%	5%
Broadview Heights	15%	5%
*Brooklyn	30%	5%
*Brook Park	25%	5%
Cleveland	40%	5%
*Cleveland Heights	35%	5%
*East Cleveland	40%	5%
*Euclid	40%	5%
*Fairview Park	30%	5%
*Garfield Heights	40%	5%
Highland Heights	15%	5%
Independence	15%	5%
*Lakewood	40%	5%
Lyndhurst	15%	5%
*Maple Heights	40%	5%
Mayfield Heights	30%	5%
Middleburg Heights	15%	5%
North Olmsted	15%	5%
North Royalton	15%	5%
Olmsted Falls	30%	5%
*Parma	40%	5%
Parma Heights	40%	5%
Pepper Pike	15%	5%
Richmond Heights	15%	5%
Rocky River	15%	5%
Seven Hills	15%	5%
*Shaker Heights	25%	5%
Solon	15%	5%
*South Euclid	35%	5%
Strongsville	15%	5%
University Heights	35%	5%
*Warrensville Heights	40%	5%
Westlake	15%	5%

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<u>VILLAGES & TOWNSHIPS</u>	<u>SUBSIDY %</u>	<u>ADDITIONAL SUBSIDY % FOR GREEN/SUSTAINABLE PROJECTS</u>
Bentleyville	15%	5%
*Bratenahl	15%	5%
*Brooklyn Heights	25%	5%
Chagrin Falls	15%	5%
Chagrin Falls Township	15%	5%
*Cuyahoga Heights	25%	5%
Gates Mills	15%	5%
Glenwillow	30%	5%
Highland Hills	40%	5%
Hunting Valley	15%	5%
*Linndale	40%	5%
Mayfield	15%	5%
Moreland Hills	15%	5%
*Newburgh Heights	40%	5%
North -Randall	30%	5%
Oakwood	30%	5%
Olmsted Township	30%	5%
Orange	15%	5%
Valley View	15%	5%
Walton Hills	15%	5%
Woodmere	30%	5%

ATTACHMENT B: LOAN FORGIVENESS SCHEDULE BY MUNICIPALITY

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Bedford	30%	5%
Bedford Heights	30%	5%
Berea	35%	5%
Brecksville	15%	5%
Broadview Heights	15%	5%
*Brooklyn	30%	5%
*Brook Park	25%	5%
Cleveland	40%	5%
*Cleveland Heights	35%	5%
*East Cleveland	40%	5%
*Euclid	40%	5%
*Fairview Park	30%	5%
*Garfield Heights	40%	5%
Highland Heights	15%	5%
Independence	15%	5%
*Lakewood	40%	5%
Lyndhurst	15%	5%
*Maple Heights	40%	5%
Mayfield Heights	30%	5%
Middleburg Heights	15%	5%
North Olmsted	15%	5%
North Royalton	15%	5%
Olmsted Falls	30%	5%
*Parma	40%	5%
Parma Heights	40%	5%
Pepper Pike	15%	5%
Richmond Heights	15%	5%
Rocky River	15%	5%
Seven Hills	15%	5%
*Shaker Heights	25%	5%
Solon	15%	5%
*South Euclid	35%	5%
Strongsville	15%	5%
University Heights	35%	5%
*Warrensville Heights	40%	5%
Westlake	15%	5%

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Moreland Hills	15%	5%
*Newburgh Heights	40%	5%
North -Randall	30%	5%
Oakwood	30%	5%
Olmsted Township	30%	5%
Orange	15%	5%
Valley View	15%	5%
Walton Hills	15%	5%
Woodmere	30%	5%

ATTACHMENT C

GREEN/SUSTAINABLE BUILDING INITIATIVES

The completed project must obtain either LEED certification or at least two of the following initiatives to achieve the additional 5% forgiveness:

- Placing a minimum of 50% of parking underground
- Use open-grid paving on 50% of the parking area
- Install a vegetated roof covering 50% of the roof area
- Install an Energy Star-compliant roof covering 75% of the roof area
- Reduce fixture potable water usage through automatic water control systems
- No potable water use for irrigation
- 50% of building energy use from renewable sources
- Divert 50% of construction and demolition waste (non-hazardous materials)
- Use 20% of local/regional materials
- Daylighting 50% of work space
- Purchase a minimum of 5% of recycled content
- Install operable windows and zoned lighting controls within 15 feet of the perimeter
- Use low emitting paints