



Exhibit A-2

BROWNFIELD REDEVELOPMENT FUND

Brownfield Prevention/Site Expansion Program

Program Description Summary

Please review the Brownfield Redevelopment 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) Brownfield Prevention/Site Expansion Program is specifically designed to overcome environmental barriers to the full re-use of abandoned, idled or underutilized commercial, industrial, and institutional¹ properties 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: Private businesses expanding operations to an adjacent parcel that is an abandoned, idled or underutilized commercial, industrial, or institutional property are eligible to apply, however, in all cases; the applicant must be the borrower and must own the property. Projects with tax-exempt end uses are not eligible. The borrower must agree to own and operate the project in the community for at least five (5) years after the completion of the cleanup. Parties responsible or potentially responsible for the environmental contamination at the 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. The applicant must have a completed VAP Phase I Environmental Site Assessment and recommended Phase II environmental assessments (e.g., Asbestos Survey, VAP Phase II Environmental Site Assessment, etc.) that identify the environmental problem, and a remediation plan. Locations with no prior development and former municipal solid waste facilities do not qualify. 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. Funding for cleanup to prepare a site for VAP eligibility

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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under Section 3746.02 of the Ohio Revised Code will be considered. Gas Stations will only be considered if part of a larger, comprehensive redevelopment project.

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. 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 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 loan amount. Eligible acquisition costs must have been incurred within one year prior to the date of application.

Parking lot expansions will not be considered.

Loan Amount-Security:

Funding Amount: Eligible applicants may apply for a forgivable loan up to \$500,000. The borrower is eligible for \$35,000 in loans for every new full-time or new full-time equivalent job created within a three (3) year period after completion at the project. The loan may be forgiven in equal amounts over a 5-year period, provided the No Further Action Letter is received and the jobs are created.

Loan Security: The County will require, at a minimum, a shared first priority lien on the property and/or a standby irrevocable 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 obtain an Ohio VAP No Further Action Letter. The borrower must oversee the cleanup, and own the property and remain in the community for at least five (5) years after the completion of the cleanup. The borrower must also create a specific 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 measurably impact job creation or property values to the satisfaction of the County.

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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 for an 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-year 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

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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 completed to established standards.

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