

This program is not currently accepting applications.

BROWNFIELD LOAN PROGRAM

Program Guidelines

Section 1 – Program Description

- 1.1 The Ohio Water Development Authority created the Brownfield Loan Program in 1995 pursuant to Ohio Revised Code Section 6123.032 for the purposes of providing financial assistance for the undertaking of any “voluntary action” (as defined in Ohio Revised Code Section 6123.01) and thereby providing funding for the remediation of contaminated property, through direct loans.
- 1.2 Program is funded from the Strategic Initiatives Fund, dependent upon available funds.

Section 2 – Eligible Borrowers

- 2.1 Local government agencies or private entities that meet the following criteria:
 - Own or control the eligible brownfield site located within the State of Ohio
 - Authorized to incur debt and enter into legally binding agreements
 - Financially sound and have the ability to repay the loan
 - Currently in environmental compliance
 - Participation in Ohio EPA’s Voluntary Action Program
 - Current on all taxes, loan payments, or other indebtedness to the State of Ohio or any political subdivision
- 2.2 Properties that meet the definition of a brownfield are as follows: a property where expansion or redevelopment is complicated by known or potential releases of hazardous substances or petroleum.
- 2.3 The borrower must demonstrate that it possesses all necessary legal access to the property to complete the project.
- 2.4 A site is ineligible if it meets any of the following criteria: listed or proposed listing on the US EPA National Priorities List; or a federal or state agency is planning or conducting a response or enforcement action.

Section 3 – Eligible Project Costs

- 3.1 The maximum loan amount for a Phase II Environmental Assessment is \$500,000, dependent upon available funds.

- 3.2 The maximum loan amount for Phase II Environmental Assessment and remediation is \$5,000,000, dependent upon available funds.
- 3.3 Phase I and other environmental assessments may be eligible for reimbursement when part of a Phase II or remediation loan.
- 3.4 In accordance with Ohio Revised Code Section 4115, prevailing wage rates apply to all activities that are part of the assessment and remediation.
- 3.5 Eligible costs include the following:
- Activities necessary to prepare the site for remediation activities, removal and disposal of hazardous substances, application preparation, legal counsel related to the application and/or project implementation, consulting fees, *VAP-certified professionals (environmental sampling, Assessments, monitoring), and Ohio EPA fees (NFA).*

Section 4 – Loan Terms

- 4.1 Term
- Assessment loan
 - Maximum of 5 years amortization
 - Remediation loan
 - Maximum of 15 years amortization
- 4.2 Loan Fees
- Application Fee: \$1,500 for a private entity pursuing a remediation loan.
 - Loan Administration Fee of 0.35% of the loan amount or \$400 minimum.
 - The loan administration fee will be disbursed from loan proceeds.
 - Legal Fee of \$15,000 is non-refundable and due 30 days after Board approval.
 - If the applicant alters the proposed structure or security for the loan after Board approval, then the applicant will be responsible for additional legal fees incurred by OWDA.
- 4.3 Contract Interest Rate
- Equal to the 10-year treasury rate plus 10 basis points or 1.50% whichever is greater at the time of loan approval for the term of the loan.
 - The contract interest rate will be set on the first day of the month that the loan will be presented to the Board for approval.
- 4.4 Capitalized Interest Rate
- Same rate as the contract interest rate
 - Accrues on disbursed loan amount until 6 months prior to the first repayment date.
- 4.5 Repayment
- Begins 12-months after the project is in service on January 1 or July 1
 - Payments due January 1 and July 1 of each year during the repayment period
 - Sale of subject property triggers repayment of outstanding principal in full
- 4.6 Repayment Rate
- Choice of equal annual repayments or equal annual principal with amortized interest repayments

- 4.7 Late Payment Penalty
- 5 day grace period
 - Payments received less than 30 days after the payment date:
 - Will be charged the default rate (contract interest rate plus 3%) on the default amount from the due date until the date of payment.
 - Payments received more than 30 days after the payment date:
 - Will be charged the default rate (contract interest rate plus 3%) on the default amount from the due date until the date of payment plus a late charge of one percent (1%) on the amount of each default; additional one percent (1%) for each additional 30 days.
- 4.8 Prepayment of loan
- No prepayment penalty on assessment or remediation loans.
- 4.9 Loan Security
- Security is determined on a case-by-case basis.
 - At a minimum, OWDA requires security in the following form:
 - A mortgage in the first lien position (shared with a senior lender or solely to OWDA) on the subject property
 - A deposit control account naming OWDA as the beneficiary in the event of default; funds remain in the account until maturity of the loan and borrower does not have access to them until maturity
 - Personal guarantees from owners, major stockholders, members, partners, or other persons with similar interests
 - Corporate guarantees from parent or affiliate companies
 - Other comparable credit enhancement
- 4.10 Commencement
- The loan agreement must be executed within six months of Board approval. If the loan agreement is not executed, the applicant will need to reapply.
 - OWDA loan will not close prior to senior lender closing.

Section 5 – Application Process

- 5.1 Applicant will contact OWDA to schedule an informational meeting to discuss the project prior to submitting an application.
- 5.2 OWDA application requirements:
- Certified engineer's itemized cost estimate to determine eligibility
 - Financial documents to evaluate loan repayment and security
 - Proposed project schedule
 - For public entities, pass legislation authorizing signing of the loan agreement
- 5.3 Board presentation and approval
- OWDA will invite the Applicant to present their project to the OWDA Board prior to loan approval.

Section 6 – Modification and Interpretation

- 6.1 The project guidelines are subject to modification pending developments in federal, state, and OWDA policy. OWDA makes no representation that underwriting or competitive decisions from a prior year will be determinative in future application rounds. Identical year-over-year submissions may receive differing treatment, with or without notice to an applicant, due to new insights gained during prior review periods, shifts in policy, the need for consistent in-year interpretation, increased applicant competition, or any other reason OWDA deems necessary. The projects approved under these guidelines are made at the sole discretion of OWDA. OWDA will resolve all conflicts, inconsistencies, or ambiguities, if any, in these guidelines or which may arise in administering, operating, or managing the program. This includes the interpretation of requirements and guidelines. OWDA may modify or waive, on a case-by-case basis, any provision of these guidelines that is not required by law. All such modifications or waivers are subject to written approval by the OWDA Board.

Section 7 – Authorization

Ohio Revised Code	Section 6123.032, 6123.01 Ref 3746.01
OWDA Board Action	Motion October 26, 1995 Resolution 39-09 Resolution 103-10 Motion September 27, 2012 Motion October 29, 2015 Motion September 28, 2017 Motion January 25, 2018 Motion February 28, 2019 Motion March 26, 2020 Motion September 30, 2021 Motion January 29, 2026