

Pollution Prevention Loan Program Instruction Packet

The objective of the Pollution Prevention Loan Program is to provide low interest capital improvement loans for the construction and/or purchase of equipment to complete pollution prevention activities at small and medium sized non-retail businesses or facilities (businesses with 500 employees or

This worksheet contains information to help an applicant complete the Pollution Prevention Loan Program (PPLP) Technical Review Worksheet (TRW). Background information on PPLP, a timeline for loan approval, important definitions, and general instructions for completing a TRW are included.

PROGRAM SPECIFICATIONS

Use of Funds

Funds received from the Pollution Prevention Loan Program are take-out financing and may be used for part of the costs of acquisition or renovation of machinery and equipment for pollution prevention. In addition, soft costs related directly to the fixed asset expenditure may be included. Examples of eligible soft costs include architectural/engineering costs, installation costs for machinery, and financing costs for bank loans. Pollution Prevention Loan Program Funds may not be used for working capital, refinancing, rolling stock, inventory/receivable financing, and/or speculative real estate development.

Environmental Improvement

Companies must be able to demonstrate measurable environmental improvements through pollution prevention to be eligible for the Pollution Prevention Loan Program.

Eligibility

Eligible borrowers include any operating non-retail business entity that demonstrates that its fixed asset expansion will retain jobs for Ohio citizens, is located in the State of Ohio, generates pollution or waste, and meets the definition of a small or medium sized business. Eligible borrowers must be willing to make “benchmarks” (i.e., describing current pollution generation and pollution that will be prevented) and describe the improvements of the pollution prevention project funded under this program. This description will be made publicly available. The Pollution Prevention Loan Program may lend funds to businesses engaged in commerce, manufacturing, research and development or distribution. Preference is given to industrial and manufacturing companies retaining high-paying jobs.

Loan Amounts

Loan amounts range from \$25,000 to \$350,000 per facility up to 75% of the project cost. The maximum participation by the program in any one project is



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75% of the total fixed asset costs of facilities serving as collateral for the State loan.

Interest Rate

The interest rate is currently set at 2/3 of prime and is a fixed rate. The loans also carry a 0.25% annual servicing fee which reduces with the principal. Preferential interest rates are available on a case-by-case basis in "distressed" areas of the State.

Terms

The term on the loan will be based upon:

- ◆ the useful life of the assets being financed, and
- ◆ the term of the bank loan in the project.

The term on a loan cannot exceed seven years for machinery or equipment financing. The loan term cannot exceed the term of the bank loan.

Project Completion Period

Pollution prevention projects must be completed within two years after receiving the loan.

Private Financing Requirements

The State requires that a conventional lender and the business itself participate in the project to the maximum extent possible. Preference will be given to projects which maximize these sources. The minimum amount of private lender participation

required in the project is 5% of the Pollution Prevention Loan Program eligible project costs.

TECHNICAL REVIEW WORKSHEET

The Technical Review Worksheet (TRW) is used to determine if projects meet the goals of the program. Applicants should refer to the definitions listed below when completing the TRW.

Section 1. General Information

Provide the following information in this section:

- ◆ The name of the project; the name(s) of the project manager, key individuals and/or consultants;
- ◆ the name, address, and phone number of the company;
- ◆ the total cost of the project and the amount of loan requested.

The total cost of the project should only include the costs of pollution prevention equipment and the associated soft costs.

Section 2. Type of Pollution

Identify the waste streams of the facility targeted for the project. Identify the category of pollution targeted in the pollution prevention project. Provide information on the amount of pollution currently generated and an estimation of how much pollution will be prevented annually and per unit of production. Vendors of new equipment can help project the pollution to be prevented.

Section 3. Project Information

This section is used to identify how the project will meet the program specifications and technical requirements of the Pollution Prevention Loan Program. Applicants should review the definitions listed below before completing this section and then mark the "yes" or "no" box as appropriate. Attach additional pages as necessary to explain answers.

Section 4. Project Description

Companies must provide a clear description of the project which includes a discussion of the environmental and economic advantage(s) of the project compared to previous technology and how the project will accomplish one or more of the following:

- ◆ minimize, reduce or eliminate the generation of pollution or wastes;
- ◆ increase energy efficiency and/or water conservation; and/or
- ◆ improve process economics.

Section 5. Certification

By signing the TRW in the certification section, the applicant agrees that the information contained in the TRW is true and accurate and that a preliminary workplan of project activities is included with the TRW. Signing the TRW also commits the applicant to provide Ohio EPA with a summary of activities upon completion of a project for which a PPLP loan is awarded. The TRW must be certified or the TRW will not be reviewed.

PRELIMINARY WORKPLANS

Preliminary workplans are required of all applicants. This workplan should list specific activities to be completed, timeframes for completion and anticipated results related to the pollution prevention project. Detailed project descriptions and items described in Sections 3 and 4 of the Technical Review Worksheet should be included in the preliminary workplan. A format for this workplan is not being specified. Applicants are provided the flexibility to provide preliminary workplan information in whatever format they desire.

PROJECT SUMMARIES

Companies selected to receive loans are required to provide a description of pollution generated at the inception of the project and pollution prevented at the completion of the project.

Project summaries are due to the Ohio EPA Office of Pollution Prevention upon completion of the funded project. Summaries should describe activities completed and results achieved, including a description of the types and amounts of pollution prevented. Summaries must not contain any confidential or trade secret information. Summaries will be provided to the public upon request and be used to publicize the program. Summaries should be sent to the Office of Pollution Prevention.

APPLICATION AND REVIEW PROCESS

Process Steps

Time Line

1. Contact the Office of Pollution Prevention to request a Pollution Prevention Loan Program (PPLP) Technical Review Worksheet (TRW). Request is logged into database.	Usually sent out the same or next business day as contacted.
2. Contact the Regional 166 Agency, to inform them of your intent. These addresses and phone numbers are attached.	
3. Complete a TRW and return this information to the Ohio EPA, Office of Pollution Prevention for review.	
4. Ohio EPA will perform a technical review of the information provided on the TRW, and log that information into a TRW database.	The technical review usually takes less than one week if TRW is complete.
5a. If the TRW meets the minimum criteria, a letter will be forwarded to the regional 166 agency that the applicant is eligible for financial review. The applicant receives a copy of this letter.	Same day as completion of technical review.
5b. If the TRW is not approved, the worksheet will be forwarded, marked "Disapproved," with an explanation letter to the applicant. A copy of this letter will be forwarded to the regional 166 agency. Applicants receiving disapproval letters are encouraged to reapply.	Explanation letters take from 1 day to 2 weeks to be completed explaining why the proposal is ineligible.
6. When the TRW is approved, the regional 166 agency will provide the facility with the PPLP Guidelines and Procedures and initiate the financial review of PPLP. It may be necessary for the applicant to contact the regional 166 agency upon receiving TRW approval. The applicant needs to complete the loan application. The list of Ohio's Regional 166 Loan Agencies is included on page 4 of the instructions.	A loan application needs to be completed and provided to the Ohio Department of Development at least two weeks prior to the Development Finance Advisory Board (DFAB) Meeting.
7. Completed loan applications are reviewed by Development Finance Advisory Board (DFAB). This includes an environmental enforcement review.	Last Thursday of every month.
8. Applications approved by DFAB are reviewed by the Controlling Board.	Within four weeks after the DFAB meeting.
9. Loan funds are made available to qualified applicant.	When approved by Controlling Board.

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DEFINITION OF TERMS

Cross-media: the transfer of environmental contaminants, pollutants or releases, toxic chemicals, industrial waste or hazardous waste from one environmental medium, such as the air or water, to another, such as the land. An example of a cross-media transfer is the disposal of air or water pollution control sludges in a landfill or incinerator.

Distressed area : a county or city of more than 50,000 residents with a five-year mean unemployment rate of 25% higher than the national mean, a per-capita income level at, or below 80% of the national per-capita income, and at least 20% of persons below the poverty level.

Medium sized business: any business with 500 employees or less and more than 100 employees.

Multi-media: involving or considering air, water or land in reference to actual or potential releases to the environment; not limited to a single environmental medium.

Pollution control: any effort to capture, collect, treat or otherwise manage any waste or contaminant after it has been generated or released. These activities commonly involve “end-of-the-pipe” management. The term does not include source reduction or environmentally sound recycling.

Pollution prevention: the use of source reduction techniques in order to reduce risk to public health, safety, welfare and the environment and, as second preference, the use of environmentally sound recycling to achieve these same goals. Pollution prevention avoids cross-media transfers of waste and/or pollutants and is multi-media in scope. It addresses all types of waste and environmental releases to the air, water and land. Examples of pollution prevention include process modifications, input substitutions, materials recovery, closed-loop recycling and use of less toxic or non-toxic materials. Examples which do not constitute pollution prevention include sending waste or toxic chemicals off-site for

management, incineration, energy recovery, treatment to reduce volume and/or toxicity before a waste is disposed, bankruptcy or reduction in production volume, and installation of pollution control equipment.

Recycling: to use, reuse or reclaim a material (Ohio Administrative Code 3745-50-10).

Small sized business: any business with 100 or fewer employees.

Source reduction: any effort to reduce, at the source, the quantity of industrial waste generation, hazardous waste generation, toxic chemical use or any release into the environment, through changes in the waste generating or other production process. Source reduction measures include, but are not limited to, process modifications, feedstock purity, good operating and management practices, increases in the efficiency of machinery, and recycling within a waste generating or other production process.

Regional 166 Agencies

Applicants should contact the appropriate Ohio Department of Development Regional 166 Agency early on in the process. Below is a list of these agencies with addresses, phone numbers and the counties they cover.

Cleveland Area Development Finance Corporation

200 Tower City Center
50 Public Square
Cleveland, Ohio 44113-2291
216-621-3300
Counties: Cuyahoga, Lake, Lorain

Cascade Development

One Cascade Plaza, 8th Floor
Akron, Ohio 44308-1191
330-376-5550
Counties: Ashland, Medina, Summit, Wayne

Columbus Countywide Development

941 Chatham Lane, Suite 207
Columbus, Ohio 43221
614-645-6171
Counties: Delaware, Fairfield, Fayette, Franklin, Knox, Licking, Madison, Muskingum, Pickaway, Union

Lawrence Economic Development Council

P.O. Box 488, 101 Sand Road
Southpoint, Ohio 45680
740-894-3838
Counties: Adams, Brown, Gallia, Highland, Jackson, Lawrence, Pike, Ross, Scioto, Vinton

Buckeye Hills Regional Development District

Route 1, Box 299-D
Marietta, Ohio 45750
740-374-9436
Counties: Athens, Belmont, Guernsey, Hocking, Meigs, Monroe, Morgan, Noble, Perry, Washington

County Corp

1600 Miami Valley Tower
40 West Fourth Street
Dayton, Ohio 45402-1828
937-225-6328
Counties: City of Dayton

Citywide Development Corporation

8 North Main Street
14th Floor
Dayton, Ohio 45402-1916
937-226-0457
Counties: Champaign, Clark, Darke, Greene, Miami, Montgomery, Preble, Shelby

Development Sources, Incorporated

1776 Mentor Avenue
Cincinnati, Ohio 45212
513-632-8292
Counties: Adams, Brown, Butler, Clermont, Clinton, Hamilton, Highland, Warren

Mahoning Valley Economic Development Corporation

4319 Belmont Avenue
Youngstown, Ohio 44505-1005
330-759-3668
Counties: Ashtabula, Columbiana, Geauga, Mahoning, Portage, Trumbull

Toledo Port Authority Economic Development Business Financing

One Maritime Plaza
Toledo, Ohio 43604-1866
419-243-8251
Counties: Defiance, Fulton, Henry, Lucas, Ottawa, Sandusky, Van Wert, Williams, Wood

Stark Development Board Finance Corporation

116 Cleveland Avenue, NW
Suite 600
Canton, Ohio 44702-1730
330-453-5900
Counties: Carroll, Coshocton, Harrison, Holmes, Jefferson, Stark, Tuskarawas

West Central Partnership

WSU-Lake Campus
7600 SR 703
Celina, Ohio
419-586-0355
800-237-1477
Counties: Allen, Auglaize, Hancock, Hardin, Mercer, Paulding, Putnam, VanWert

Contact the Ohio Department of Development for counties not specifically listed at 614-466-4551.

For assistance on the Pollution Prevention Loan Program Technical Review Work-sheet, contact William Narotski at 614/728-1264, or send e-mail to bill.narotski@epa.state.oh.us

This is the 52nd in a series of documents Ohio EPA has prepared on pollution prevention. For more information, call the Office of Pollution Prevention at (614) 644-3469.

The Office of Pollution Prevention was created to encourage multi-media pollution prevention activities within the state of Ohio, including source reduction and environmentally sound recycling practices. The Office analyzes, develops, and publicizes information and data related to pollution prevention. Additionally, the Office increases awareness of pollution prevention opportunities through education, outreach, and technical assistance programs directed toward business, government, and the public.

Office of Pollution Prevention WWW address: www.epa.state.oh.us\opp