

2017

Market Development Grant

Application Handbook



**Ohio Environmental Protection Agency
Craig W. Butler, Director**

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PROGRAM INTRODUCTION

The Ohio Revised Code (ORC) 3736 authorizes the Director of the Ohio Environmental Protection Agency (Agency) to award Market Development Grants for the purpose of supporting recyclable material markets in the State of Ohio. The Director reserves the right to grant exceptions or impose additional requirements when situations warrant. This funding provides opportunities to financially support market development projects; specifically, to develop the infrastructure for strengthening end-product markets involving the following targeted materials collected in Ohio:

- **aluminum**
- **construction & demolition debris**
- **electronics**
- **gypsum board**
- **glass**
- **organic material (i.e. food waste)**
- **old corrugated cardboard**
- **paint**
- **paper**
- **plastic (#1 - #7)**
- **shingles**
- **wood waste**

Projects that impact the largest Ohio market area and consume the largest volume of recyclable materials will receive increased consideration.

WHO CAN APPLY

Private sector businesses and non-profit organizations who are located and registered to conduct business in Ohio may seek market development funding. However, businesses and non-profit organizations applying for funds must secure a public sponsor to serve as the grant applicant. Those eligible to serve as sponsors include an agency of the state, as established by the Ohio Revised Code (i.e. municipal corporation, county, township, village, state agencies, or departments, state colleges and universities and solid waste management district or authority).

FUNDING CRITERIA

The Agency will consider the following elements in the process of application review:

- Demonstration of positive economic and environmental impact regionally or statewide
- Assurances that the project will accomplish stated goals and is transferable
- Potential for evolution into a permanent service or program without future Agency funding
- Past grant performance (project implementation, expenditures and submission of reports)
- Consistency with the strategic goals of the local and state solid waste management plans
- Qualifies as an eligible project and includes one or more targeted materials
- Financial need of the applicant
- Availability of grant funds
- Submission of required forms and comprehensive responses to all applicable questions
- No outstanding financial or compliance issues

ELIGIBLE PROJECTS

| Project Category | Maximum Grant Request | Project Examples – <i><u>examples are illustrative and not all-inclusive</u></i> |
|--|-----------------------|---|
| Construction & Demolition Debris (C&DD) Recycling | \$250,000 | C&DD operations seeking equipment to pre-process material received at their site of operations. |
| Glass Recycling | \$250,000 | Collection and processing of mixed or color separated glass. Also any manufacturing of a finished product that uses glass as a base material. |
| Manufacturing & Processing | \$250,000 | Manufacturing or processing facilities seeking to expand their capabilities to process base material or manufacture a finished product. |
| Material Recovery Facility (MRF) Recycling- Private | \$250,000 | A private sector owned and operated material recovery facility seeking funds to expand operational capacity. |
| Organics Recycling | \$250,000 | Facilities capable of handling or seeking to handle food waste and proposing to install an “in-vessel” or similar processing system. |

MATCH FUNDS

Market Development grant projects require a **one hundred percent (100%) match**. Applicants and cooperating enterprises if applicable must provide a financial contribution to the project equal to the amount requested in grant funds. The match must be a cash contribution, documented line of credit secured from an accredited lending institution or loan from the banking industry or government agency which is dedicated to the project. Applicants securing a line of credit or loan from an accredited lending institution or agency should attach a letter to their application package from the institution or agency verifying that approval has been received.

ALLOWABLE COSTS

Grant funds may be expended **only** for allowable costs described below:

Equipment

- purchase of equipment

Goods & Services

- site improvements directly related to the project
- purchase tools and supplies necessary to implement the project

Personal Services Contract

- contracts covering the costs necessary for services of public or private contractors; such costs shall not include salaries or benefits of existing or “in-house” employees

UNALLOWABLE COSTS

Costs **not** allowed to be reimbursed with grant funds include, but are not limited to:

- recycling of hazardous waste
- employee's salaries or benefits
- land acquisition
- materials not generally found in the municipal solid waste stream
- costs excluded by ORC 3736 or not identified under "Allowable Costs"

APPLICATION PROCEDURES

Applicants are required to submit both an original (written) application for the proposed project by U.S. mail, and one application as an email attachment to the Recycling & Litter Prevention (Division of Environmental & Financial Assistance) mailbox address: recycle@epa.ohio.gov

The subject line of the email message should state "2017 Market Development Grant Application" as well as the name of your business or organization. Both the written and electronic applications must be U.S. postmarked or delivered to the office by no later than February 3, 2017. Mailed application documents and materials should be sent to: Ohio Environmental Protection Agency, Recycling & Litter Prevention (Division of Environmental & Financial Assistance), Attention: Marie Barnett, Grants Administrator, P.O. Box 1049, Columbus, Ohio 43216-1049. Additional program information can be received by emailing marie.barnett@epa.ohio.gov, or by calling (614) 705-1019.

IF YOU RECEIVE A GRANT

Grant Agreement - The grant agreement will specify the total grant award and will stipulate exactly how the grant funds will be spent. All grant recipients must enter into this agreement with the Agency to authorize receipt and expenditure of grant funds. In addition, the private sector business or non-profit organization will be required to enter into a contract with their sponsor.

Administration Meeting - Grantees will be required to attend a mandatory grant administration meeting in June 2017.

Timeline and Performance Period - The effective date of the grant agreement will be **July 1, 2017** or the date, on which the agreement is signed by the Director of the Ohio EPA, whichever is later. Grant and match funds cannot be expended prior to the effective date. The maximum grant period for the grant is 24 months. The scheduled expiration date for the grant period is **June 30, 2019**. Grantees may request to close out the grant early. Upon close out, the grantee must submit all required grant final reports and supporting documentation such as invoices and proof of payment.

Payment Schedule - Subject to cash availability and after final execution of the grant agreement, grantees will receive electronic payments for fifty percent (50%) of the amount of the grant award.

The remaining balance will be held in reserve to reconcile the grant at closeout.

APPLICATION CHECKLIST

Applicants are encouraged to utilize the following checklist to ensure the completeness of their Market Development Grant application package.

- One complete set of all application forms shall be mailed to Ohio Environmental Protection Agency, Recycling & Litter Prevention (Division of Environmental & Financial Assistance), Attention: Marie Barnett, Grants Administrator, P.O. Box 1049, Columbus, OH 43216-1049
- One complete set of all application forms shall be emailed in Word format to recycle@epa.ohio.gov
- Market Development Grant Application Cover Sheet with original authorized signature.
- Market Development Grant Executive Summary - limit to one double-sided page in narrative form.
- Market Development Grant Project Details Format - provide comprehensive responses to all applicable questions in the format outlined, limit to three double-sided pages.
- Submission of Financial Documents - provide the cooperating enterprises' Profit and Loss (P&L) Statement, Income Statement, Balance Sheet, and a Cash Flow Statement
- The cooperating enterprise's most recent Dunn & Bradstreet Business Information Report (www.dnb.com) for the existing business; or an Income Statement reflecting the cooperating enterprise's financial status for a start-up company.
- If applicable, an original letter from an accredited lending institution or agency, verifying an established line of credit or loan to satisfy the match requirements and those monies are reserved within the line of credit to account for the match amount.

APPLICATION COVER SHEET

Applicant: _____ Tax ID: _____

County: _____ Solid Waste District: _____

Authorized Official: _____ Title: _____

Address: _____

City: _____ Zip Code: _____

Phone: _____ Email: _____

Grantee Contact Person: _____ Title: _____

Address: _____

City: _____ Zip Code: _____

Phone: _____ Email: _____

Name of Cooperating Enterprise: _____

Contact Person: _____ Title: _____

Address: _____

City: _____ Zip Code: _____

Phone: _____ Email: _____

| Project Type | Grant Funds Requested | Match Funds Committed | Total |
|------------------------------------|--|-----------------------|-------|
| | | | |
| Targeted Material(s) | Annually Projected Tons Processed (TPY) | | |
| Jobs Created & Retained | FTE | PTE | |
| Created: | | | |
| Retained: | | | |

AUTHORIZED SIGNATURE FOR APPLICANT AGENCY

Upon submission of this grant application, the applicant will be bound by its contents. In the event the Ohio EPA accepts this proposal, the applicant will fully comply with the contents and conditions outlined in the grant proposal. I, the undersigned Authorized Official of the grant applicant, certify that the applicant possesses all necessary authority to undertake the proposed activities identified in this application. I certify the information in this grant application is accurate and complete.

(Authorized Official's Printed Name)

(Authorized Official's Title)

(Authorized Official's signature)

(Date)

EXECUTIVE SUMMARY

Applicants should provide an overview of the proposed project, the project's purpose and scope, and the specific methods and technologies that will be incorporated to implement the project. If applicable, this section should describe the business' history, primary product line, current industry trends impacting the business and the specific location where the project will be conducted. The summary should include a timeline in narrative form for the major project events including securing of permits and licenses, construction of facilities and completion of service contracts. Include the number and type of jobs you anticipate being created or retained as a result of this project. Applicants should demonstrate the financial and operational rationale for the requested funding and provide supporting information. State how the proposed project supports the strategic and educational goals of the local and state solid waste management plans.

PROJECT DETAILS FORMAT

Responses must be titled and listed in the order in which they are provided in this format.

1. **Project Budget and Match Commitment** - provide a detailed breakdown of the total expenditures required for the proposed project. **Clearly identify which expenditures will be paid with Agency grant funds and matching funds.** Explain if additional funds will be expended beyond required match.
2. **Service Area** - define the project's site of operation and service area, based on population and geographical area and explain how the target service area was determined.
3. **Diversions Rate** - state the tonnage of material being diverted from the baseline amount of waste generated in the service area or being received by a facility.
4. **Sustainability** - describe the long-term commitment to continue the project operationally and financially.
5. **Performance** - state anticipated tons collected and recycled and the project's goals and methods employed to measure and evaluate the project.
6. **Material Description** - identify type and quantity of materials utilized as feedstock for this project - classify as post-consumer, post-commercial or post-industrial. Provide data on total volume and calculations for percentage of recycled content. Name the sources and locations of materials utilized as project feedstock. List any required material specifications.
7. **Facility Details** - include contact information, actual location of the facility and equipment, and any construction drawings.
8. **Income Statement** - submit a financial statement of business showing the details of revenues, costs, expenses, losses and profits for the past three years.
9. **Sales Projections & Product Distribution** - provide a three-year estimate of future sales. Discuss the company's method of product distribution. Project an investment "payback" schedule.
10. **Markets** - define the targeted material or product market, describe the company's growth potential within the market and discuss the barriers to market entry.
11. **Financial Statements/Reports** – Attach a financial profile of the company that includes the following: A Dunn & Bradstreet Business Information Report for existing companies or a Projected Income Statement certified by an independent CPA for start-up businesses.
12. **Acknowledgement of Funding Source** – Explain how you will identify Ohio EPA's financial participation in your project (i.e., display of the Ohio EPA Recycle Ohio logo).

IMPORTANT DEFINITIONS

Applicant/Grantee Authorized Official - the person designated by the Applicant (grantee) to administer the grant and sign the grant reports and revisions.

Baseline - a standard or benchmark, such as annual total tons or participation rate, against which the performance of a program or project can be measured.

Construction & Demolition Debris (C&DD) - waste building materials from construction, remodeling, repair and demolition of homes, commercial buildings and other structures.

Contact Person - the individual(s) responsible for coordinating the grant.

Cooperating Enterprise - a business whose principal place of operations is located in Ohio.

Deconstruction - a systematic and cost-effective process or processes involved in the removal of residential and commercial structures and their base components.

Diversion Rate - the total tons per year of diverted waste/recycled material versus the total tons of waste generated in a service area or being accepted by a facility.

Grant Agreement - contract between the grantee and the Agency that documents the grant award and stipulates exactly how grant and match funds will be spent.

Manufacturing - the process of turning recyclable feedstock into a new product.

Match Funds - those funds provided by the grantee or cooperating enterprise for use toward proposed project expenses.

Material Recovery Facility (MRF) - a facility accepting post-consumer, commercial and/or industrial recyclable materials for recovery.

Passenger Tire Equivalent (PTE) - one PTE equals the weight of one passenger tire (approximately 20 pounds). There are five PTEs to one semi-truck tire and ten PTEs to one off-road or rear agricultural tire. One hundred PTEs equals approximately one ton.

Payback Schedule - the term or time period in which a project will generate revenue or cost savings equaling the original investment.

Personal Services Contracts - contractual agreement for temporary work, directly related to the project, rendered to the grantee or cooperating enterprise if applicable, by companies and individuals not on the grantee or cooperating enterprise's payroll.

Processing - the conversion of recyclables into feedstock used in a manufacturing process.

Recycling - the collection, separation, recovery and sale or reuse of materials that would otherwise be disposed or processed as waste.

Scrap Tire - any unwanted or discarded tire regardless of size.

Sustainability - those projects determined to have both the financial and operational ability to maintain a current level of service without the infusion of external funding sources.

Total Project Cost - the sum of all costs that must be incurred to perform the project.