

April 2010



Environmental
Protection Agency

Voluntary Action Program

2009 Legislative Report



Woodward Opera House, Mount Vernon

Ted Strickland, Governor
Lee Fisher, Lt. Governor
Chris Korleski, Director

Voluntary Action Program Annual Report to the Legislature

Summary of Activities in 2009

- ✓ 54 No Further Action (NFA) letters were issued by certified professionals (CPs).
- ✓ 24 covenants not to sue (CNS) were issued by Ohio EPA.
- ✓ 607 acres were reported being cleaned up for possible redevelopment.
- ✓ Eight properties notified VAP of entry into the Memorandum of Agreement (MOA) track.
- ✓ One covenant not to sue was voided.
- ✓ The program staff initiated audits of nine NFA Letters.
- ✓ According to county auditors' reports to the Ohio Department of Development, 213 properties received more than \$90 million in tax exemptions.
- ✓ The total program cost for 2009 was \$2.59 million.

Overview

Ohio's Voluntary Action Program (VAP) was created in September 1994 and, with the adoption of rules, became fully implemented in early 1997. The program was created to allow companies a way to investigate possible environmental contamination, clean it up if necessary, and receive a promise from the State of Ohio (covenant not to sue or CNS) that no more cleanup is needed. Prior to the creation of this program, valuable land sat idle because fears of immense liability and cleanup costs scared off potential developers, businesses and banks. Some developers had abandoned plans to clean up their contaminated properties because Ohio EPA, which must focus its efforts on the worst sites, could not make those properties a priority. By creating this program, Ohio recognized the need to remove the environmental and legal barriers that stalled redevelopment and reuse of contaminated properties.

The program is getting sites cleaned up. In 2009, Ohio EPA received 54 No Further Action (NFA) letter notices, 49 of which requested a covenant. Twenty-four NFA letters received a CNS, resulting in more than 607 reported acres being cleaned up for possible redevelopment that year. Certified Professionals (CPs) use the standards developed by Ohio EPA to clean up thousands of other sites that do not necessarily go through the formalized NFA letter process or get submitted for state liability release.

The VAP implemented an Environmental Insurance Program (VAP-EIP) in July 2009. The VAP-EIP allows VAP volunteers to purchase certain environmental insurance coverages such as third-party liability protection and protection from unknown contamination that is discovered during or after the cleanup at a 10 percent discount. Three environmental

insurance carriers signed MOAs with Ohio EPA to provide VAP-EIP insurance: ACE Insurance, Great American Insurance Company and Navigator's Insurance Company. More information about the VAP-EIP can be found at

www.epa.ohio.gov/portals/30/vap/docs/VAP%20INS/EIWebPagedesign.pdf

Ohio EPA's Division of Emergency and Remedial Response reorganized in the first quarter of 2009. This resulted in combining the VAP under a section that oversees both voluntary and enforcement-related cleanup. Though the two programs differ in their missions, procedures and guidance, the reorganization allows the division to combine the resources of technical staff (such as risk assessors, engineers and QA/QC reviewers) under one unit. Combining resources allows better allocation of staff to both VAP and enforcement projects, thus increasing efficiency and potentially reducing costs.

The VAP recently revised language in the template used for preparing all VAP covenants not to sue (CNS). The purpose of this revision is to streamline the rather complicated summary of applicable standards and to clarify the scope of the liability release in the CNS. The summary of applicable standards has been categorized into four groups:

- generic numeric standards determined in accordance with OAC Rule 3745-300-08;

Definitions

VAP (Voluntary Action Program) - A program created to give companies a way to undertake a cleanup project and be assured the property meets specific environmental standards developed by Ohio EPA without direct oversight from the Agency, and to receive a promise from the State of Ohio that no more cleanup is needed.

MDB (Multidisciplinary Board) - An advisory council created by statute that is comprised of representatives from a wide variety of groups knowledgeable about and vested in the cleanup of contaminated sites to assist Ohio EPA in developing the VAP rules and standards.

NFA letter (No Further Action letter) - A document that describes any environmental problems found at the site, how those environmental problems were investigated and how the site meets applicable standards.

CP (Certified Professional) - A qualified, experienced professional such as an engineer, geologist or environmental scientist, who is certified by Ohio EPA to issue NFA letters

CNS (Covenant Not to Sue) - Legal action issued by the director of Ohio EPA that protects the property owner or operator and future owners from being legally responsible to the State of Ohio for further investigation and cleanup.

MOA (Memorandum of Agreement) - Agreement signed with U.S. EPA stating that sites cleaned under Ohio's VAP also receive comfort that U.S. EPA would not ask for additional cleanup if the volunteer incorporates public involvement and upfront oversight from Ohio EPA.

AAI (All Appropriate Inquiry) - Rule adopted by U.S. EPA that establishes environmental due diligence methods for investigating the previous ownership, uses and environmental conditions of a property in order for purchasers to receive protection from federal cleanup liability.

- property-specific risk assessment standards developed in accordance with OAC Rule 3745-300-09;
- background standards determined in accordance with ORC 3746.06(A) and OAC Rule 3745-300-07(H); and
- standards for residential (potable) use of ground water in the designated clean zone under the property per ORC 3746.06(B).

Grouping the applicable standards in this manner will make drafting of the standards in the CNS easier for Ohio EPA and should make for a better understanding of the CNS applicable standards for the volunteer and other interested parties. The scope of the liability release in the CNS has been clarified to encompass all hazardous substance exposure pathways. Previously, the CNS placed limitations on the release of liability granted that may have excluded any release unaccounted for by the no further action letter (NFA). With the changes to the CNS liability language, liability encompasses all hazardous substance or petroleum releases that have occurred on the property that is subject to the NFA letter. The CNS liability release will continue to apply to a property that has undergone a rule-compliant voluntary action. This liability protection applies even if the NFA letter had not identified a particular release, as long as it is demonstrated that the property remains compliant with the applicable standards upon which the CNS was based.

The VAP will continue to use the “opportunity to cure” process, detailed in ORC 3746.12(B), to address any noncompliance with the applicable standards at a property that has received a CNS. That process affords volunteers and other responsible parties the opportunity to return the property to compliance under a compliance schedule agreement, before a CNS is revoked.

One CNS was automatically voided in 2009. The current property owner of Globe Lot, 5025 Carthage Avenue, Norwood, did not maintain the use restriction that was a condition of receiving the CNS, issued in 2002. The required ground water extraction system, which served to hydraulically control ground water to prevent contamination from potentially posing an unacceptable off-property risk, became non-operational and inaccessible due to construction and development activities. The volunteer has since submitted a new NFA letter demonstrating the site is protective of human health and the environment; that NFA letter is currently under review.

Attached to this report is the “2008 Brownfield Tax Exemptions Program Report” from the Ohio Department of Development. This report shows that 213 properties received more than \$90 million in tax exemptions on the increase in the assessed value of land, buildings, fixtures and structures on properties that were issued NFA letters by CPs.

This report provides an update of the program activities for 2009. Please contact the Ohio EPA Voluntary Action Program at (614) 644-2924 with questions.

24 Properties Receive Covenants Not to Sue

During 2009, Ohio EPA issued 24 covenants not to sue (CNS). The following are some examples of sites that received a CNS.

Woodward Opera House – Mount Vernon (Knox County)

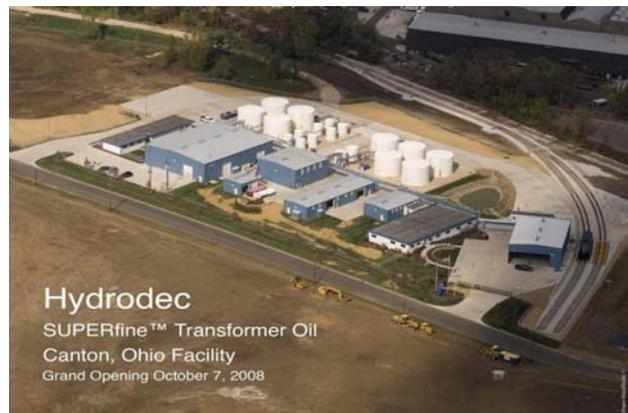


The city of Mount Vernon received a Clean Ohio Revitalization Fund (CORF) grant of \$191,400 for asbestos abatement at the historic Woodward Opera House. Woodward Hall opened at the southwest corner of South Main and West Vine in 1851. Two additional buildings increased the square footage, and a unique horseshoe balcony was added.

Efforts to restore The Woodward began in the mid 1970s and gained momentum when the Knox Performing Arts Coalition, Inc. was formed in 1994. Asbestos and lead paint assessment and abatement started in 2003. By the middle of 2007, all visibly identified asbestos and exterior lead-based paint was removed. The work regarding lead-based paint was not included in the CORF grant.

Stein Industrial Park – Canton (Stark County)

The City of Canton, with help from a \$298,000 Assessment Grant and a \$699,000 Cleanup Grant from the Clean Ohio Assistance Fund, has successfully turned around a 43-acre underutilized and deteriorating industrial site and created the Stein Industrial Park. The property has been used for commercial and industrial purposes since the 1910s. National Iron & Metal operated a scrap metal recycling facility for 85 years in the northern and eastern portions of the property. The southern and central portions of the property were used for a variety of commercial enterprises including truck repair, sand blasting, welding and asphalt and paving.



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The cleanup consisted of removing soils contaminated with total petroleum hydrocarbons, lead and polychlorinated biphenyls. Two new industries have moved their operations to the new industrial park. The Hydrodec Company is an oil recycling facility and the Pull-A-

Part facility conducts auto recycling on the facility. Absolute Auto & Truck Technicians, Inc. is also located here.

Westgate Village Shopping Center – Toledo (Lucas County)



The property, located on West Central Avenue, consists of approximately 21 acres that had previously been used as a community strip mall shopping center. A previous tenant had operated a dry cleaning operation that was identified as the source of contamination at the property. The city of Toledo received \$750,000 in Clean Ohio Assistance Funds for site remediation and demolition. The environmental professional identified chemicals associated with dry cleaning in the areas of concern: PCE, TCE and associated degradation products. Some contaminated soil was excavated and removed from the site for disposal. The ground water was also treated for contamination.

The property has undergone redevelopment and now includes a Costco Wholesale store as well as several other national and local retail establishments.

McArthur Lumber & Post – McArthur (Vinton County)

The wood treatment facility, located on 28 acres on St. Rte 93, has been in operation since 1961. McArthur Lumber & Post, Inc. operated the facility from 1961 to 1994. Since 1994, Appalachia Wood Inc has owned and operated the facility under the old name.

Creosote was the primary chemical used to treat the wood until 1981, along with pentachlorophenol, which was used in the late 1960s until 1978. Currently the facility uses chemicals such as chromate copper arsenate and alkaline copper quarternary to pressure-treat the lumber. The property was the subject of an enforcement letter issued by Ohio EPA, but was able to demonstrate sufficient evidence of its entry into the VAP to continue voluntary cleanup activities. The Vinton County Board of Commissioners received a \$230,093 grant from the Clean Ohio Assistance Fund to determine if the chemicals used on the site have impacted ground water or pose a health threat. The property is located above the aquifer that is the primary source of drinking water for the City of McArthur.



Results of the assessment showed levels of volatile organic compounds, semi-volatile compounds, total petroleum hydrocarbons and metals that exceeded standards for soil and shallow ground water. As a result, more than 11,000 tons of soil was excavated, and shallow ground water was treated with potassium permanganate oxidizer. Soils now meet commercial/industrial direct contact standards, and ground water meets unrestricted potable use standards. An environmental covenant for continued commercial/industrial use is in place.

Buck Creek Development Area - Springfield (Clark County)



As part of the ongoing project to revitalize the downtown Springfield Buck Creek corridor, approximately four acres along Cedar and Cliff Streets received a covenant not to sue. The city of Springfield received \$749,150 from

the Clean Ohio Assistance Fund and \$901,401 from the Clean Ohio Revitalization Fund for demolition and remediation activities on the entire 50-acre property.

This area of the Buck Creek corridor had been used for commercial and industrial purposes since 1886. Properties along Cedar Street were residential until the 1950s when parking lots and commercial buildings were constructed. A railroad company, a beer warehouse and a railroad freight house formerly occupied a portion of the property. Areas of concern formerly housed a repair shop, machine shop, an automotive sales, storage and repair shop, and areas where motor oil drums and potential asbestos-containing material were kept. The environmental professional identified volatile organic compounds, metals, polycyclic aromatic hydrocarbons and polychlorinated biphenyls as potential chemicals of concern.

The results of sampling and a property-specific risk assessment indicate that the site meets the standards for commercial and industrial use. An environmental covenant restricting the use of the property for commercial and industrial purposes only has been put in place.

The Springfield Regional Medical Center is projected to be completed in 2011. In the meantime, development is moving forward on a \$20 million project to renovate three area downtown buildings. Springfield development and realty company, Midland Properties, has teamed with a Colorado company to turn Buck Creek into a usable waterway, with an adjacent natural climbing wall. The Greater Springfield Chamber of Commerce is spearheading the first phase of a multi-block center city park, costing \$2 million, and hopes to assist in more park development in the next 10 years. That development is aimed at connecting all of the projects together with walkable green space.

Summary of Covenants Not to Sue Issued in 2009

NFA #/Type	Name	Address	Ohio EPA District	Start Date	End Date	CP	Volunteer	Acres
06NFA241 90-day	Lucent Technologies Inc. Columbus Works	6200 E Broad St, Columbus, Franklin	C	6/30/2006	8/13/2009	White, B	Investment Properties of America Columbus Works	147.91
08NFA315 30-day	Jeffrey Place	275 E First Ave, Columbus, Franklin	C	10/10/2008	9/15/2009	Savage, B	City of Columbus	32.36
09NFA373 90-day	Techneglas Inc.	727 East Jenkins Ave, Columbus, Franklin	C	9/8/2009	12/30/2009	Knecht, M	City of Columbus	46.37
07NFA283 30-day	1268 N 4th St.	1268 N 4th St, Columbus, Franklin	C	12/26/2007	2/3/2009	Hullinger, J	Network Restorations LLC	0.40
09NFA354 90-day	Northland Villag	1649 Morse Rd, Columbus, Franklin	C	3/12/2009	9/29/2009	Lashley, N	Menards	16.07
08NFA300 30-day	Woodward Opera House	Main and Vine Sts, Mount Vernon, Knox	C	6/19/2008	2/11/2009	Lashley, N	City of Mount Vernon	0.35
09NFA327 90-day	LRC Surety Products Inc.	271 5th St NW, Carrollton, Carroll	NE	1/13/2009	12/22/2009	Pinto, D	SSL Americas Inc	4.98
08NFA307 30-day	Lincoln China	901 Commerce St, Wellsville, Columbiana	NE	8/22/2008	2/11/2009	Knecht, M	Village of Wellsville	1.58

NFA #/Type	Name	Address	Ohio EPA District	Start Date	End Date	CP	Volunteer	Acres
09NFA375 90-day	PMX	1121 East 260th St., Euclid, Cuyahoga	NE	9/21/2009	12/21/2009	Garvey, J	Fogg-West 140th Properties LLC	78.28
08NFA317 90-day	Bud Ind Inc.	4605 E 355th St, Willoughby, Lake	NE	10/20/2008	5/6/2009	Coonfare, M	Bud Ind. Inc.	10.49
08NFA304 90-day	Stein Industrial Park	1501 Belden Ave. SE, Canton, Stark	NE	7/8/2008	5/27/2009	Smith, J	City of Canton	44.02
08NFA323 90-day	Ashland Distribution Co.	1610 E Highland Rd, Twinsburg, Summit	NE	12/5/2008	11/19/2009	Sauer, N	Ashland Inc	5.23
09NFA349 30-day	Buckeye Pipeline Co.	4416 North Dixie Hwy, Lima, Allen	NW	3/6/2009	10/14/2009	Fay, D	Buckeye Pipe Line Co., LP	4.95
08NFA299 90-day	ODOT Dist 3 Hq.	906 N Clark St, Ashland, Ashland	NW	6/17/2008	2/4/2009	Knecht, M	Ohio Department of Transportation	3.95
08NFA306 90-day	Maumee Riverfront Development	1968 Miami St, Toledo, Lucas	NW	7/28/2008	2/13/2009	Momenee, M	River Road Redevelopment LLC	42.17
08NFA314 30-day	Westgate Vlg Shopping Center	3330 W Central Ave, Toledo, Lucas	NW	10/6/2008	8/6/2009	Fay, D	Westgate Village Shopping Ctr LLC	21.65
08NFA309 90-day	McArthur Lumber & Post	31310 St. Rte. 93, McArthur, Vinton	SE	9/4/2008	6/30/2009	Pandey, A	Vinton County	32.51
08NFA288 90-day	Mercy Hospital, Hamilton	100 Riverside Dr, Hamilton, Butler	SW	2/8/2008	1/22/2009	Mignery, T	City of Hamilton	7.22

NFA #/Type	Name	Address	Ohio EPA District	Start Date	End Date	CP	Volunteer	Acres
09NFA361 90-day	Buck Creek Development Area	Cedar St, Cliff St, W North St, Springfield, Clark	SW	4/1/2009	12/7/2009	Kasper, C	City of Springfield	4.31
08NFA303 90-day	Center Hill Landfill	5700 Center Hill Rd, Cincinnati, Hamilton	SW	7/1/2008	2/12/2009	Fennell, S	Cincinnati Port of Development Auth	65.79
08NFA290 90-day	Johnson Diversey	3630 E Kemper Rd, Sharonville, Hamilton	SW	2/25/2008	7/27/2009	Lozier, W	Johnson Diversey Inc	20.41
07NFA273 90-day	American Laundry Machine Inc.	5050 Section Ave, Cincinnati, Hamilton	SW	10/4/2007	1/26/2009	Luessen, M	Norwood Venture I LLC	6.45
08NFA312 90-day	Kmart Facility, Former	4400 Ridge Ave, Cincinnati, Hamilton	SW	9/12/2008	10/15/2009	White, B	VH Deerfield, LLC	9.60
09NFA328 90-day	Fort Piqua Hotel	100 W High St, Piqua, Miami	SW	1/15/2009	9/3/2009	Franz, B	City of Piqua	0.40

VAP Memorandum of Agreement Track

The MOA-Track program incorporates public involvement and up-front oversight into the existing VAP process. Volunteers who follow this track of the VAP obtain both a CNS from Ohio EPA and comfort that U.S. EPA will not require any additional cleanup at the site. Eight properties entered the MOA Track in 2009. The original VAP process, known as the Classic VAP Track, is also available to volunteers who do not feel the need for federal comfort and prefer not to incorporate up-front Agency oversight or public involvement into the voluntary cleanup process.

VAP staff created procedures and documents to assist volunteers and certified professionals through a voluntary action that meets both the traditional VAP requirements and the additional public involvement and Ohio EPA review requirements for the MOA track. Detailed information about the VAP's MOA Track process, including a copy of the MOA between Ohio EPA and U.S. EPA, can be found on the program Web page at

<http://www.epa.state.oh.us/LinkClick.aspx?fileticket=CfTA7pqI4ns%3d&tabid=2293>

Properties that Entered the MOA Track in 2009

Property Name, Address	Volunteer	Date Entered MOA Track
Republic Steel Enduro Div, Massilon, Stark Co.	City of Massillon	3/31/2009
ODOT Dist 4 Ravenna, Portage Co.	Ohio Dept. of Transportation	6/16/2009
Flats East Bank Neighborhood, Cleveland, Cuyahoga Co.	Cuyahoga Co Dept. of Development	6/30/2009
St Ignatius Lease Parcel, City of Cleveland, Cuyahoga Co.	City of Cleveland	8/19/2009
US DOD DLA/DNSC Warren Depot, Trumbull Co.	US Dept. of Defense	8/27/2009
US DOD Defense Fuel Support Plt, Cincinnati, Hamilton Co.	US Dept. of Defense	9/11/2009
Navistar Intl Trans Corp, Springfield - Lagonda Ave, Clark Co.	City of Springfield	9/29/2009
Cooper Standard Automotive, Inc. - New Lexington, Perry Co.	Cooper Standard Automotive, Inc.	12/24/2009

Audits of No Further Action Letters

Ohio EPA annually audits at least 25 percent of all No Further Action (NFA) letters submitted to the Voluntary Action Program in each calendar year. These audits can be limited to a review and analysis of the documents pertaining to the NFA letter to determine compliance with program requirements (Tier I Audit), or be expanded to include sampling and analysis of soils, surface water, air, sediments or ground water (Tier II Audit). Audits are conducted to determine if the properties meet applicable standards after completion of the remedial activities. Audits also are conducted to ensure that certified professionals and certified laboratories that performed work in support of the NFAs possess the qualifications necessary to perform work under the VAP and that their work results in NFAs that are consistent with applicable standards.

OAC 3745-300-14 describes the procedures for selecting and conducting audits of NFA letters. The rule establishes three “pools” of NFA letters to prioritize their selection for audits. These are the mandatory, priority and random audit pools. The *mandatory audit pool* includes NFA letters meeting one of six criteria that provide reason to believe the NFA letter was issued fraudulently or that performance of the certified professional who issued the NFA letter or the certified laboratory that performed analyses in support of the NFA letter was inadequate. The *priority audit pool* includes NFA letters that included a risk assessment or employed an engineering control (such as a fence) or institutional control (such as a deed restriction) as a remedial activity. The *random audit pool* includes all other NFA letters, including those from the priority audit pool that are not selected during the initial random selection as described below. Properties were selected according to criteria and procedures described in OAC 3745-300-14.

In addition to auditing all NFA letters in the mandatory audit pool, OAC 3745-300-14 requires Ohio EPA to audit at least 25 percent of NFA letters for properties where remedial activities occurred and 25 percent of those where no remedial activities occurred. Letters are randomly selected from the priority audit pool and the random audit pool to meet the 25 percent quota.

In 2009, the VAP initiated audits of nine of the 49 NFA letters requesting a CNS that were submitted to Ohio EPA during the previous year (2008). The following table summarizes the name and address of the properties audited, the NFA number, the basis for selecting the property for audit and the status of the audit.

NFA Letters Received in 2008 Selected for Audit in 2009

Property Name	Address	NFA No.	Ohio EPA District	Audit Pool	Status
Bud Industries	4605 E 355th St, Willoughby, Lake	08NFA317	NEDO	Priority	Pending
Stein Industrial Park	1501 Belden Ave. SE, Canton, Stark	08NFA304	NEDO	Priority	Pending
Globe Lot Property	5025 Carthage Ave., Norwood, Hamilton	08NFA297	SWDO	Priority	Pending
Kmart Facility	4400 Ridge Ave, Cincinnati, Hamilton	08NFA312	SWDO	Priority	Pending
VF Holdings	West Canal Rd, Independence, Cuyahoga	08NFA285	NEDO	Priority	Pending
Dilley Sand Pit	10207 State Rte 43, Streetsboro, Portage	08NFA289	NEDO	Priority	Pending
Hamilton Die Cast	999 East Ave, Hamilton, Butler	08NFA293	SWDO	Priority	Pending
Zayre Department Store	4417 Northfield Rd., Warrensville Hts, Cuyahoga	08NFA292	NEDO	Priority	Pending
Baker Electric	7100 Euclid Ave, Cleveland, Cuyahoga	08NFA286	NEDO	Random	Pending

VAP REVENUES FOR CALENDAR YEAR 2009

Certified Professional Fees	\$	193,000.00
Certified Laboratory Fees	\$	61,572.65
No Further Action (NFAs) Fees	\$	202,316.45
Technical Assistance Cost Recovery	\$	519,166.56
CP Training Reimbursements	\$	6,025.00
AGO Collected	\$	-
Misc. - Intra-governmental, photocopying, etc.	\$	12,760.00
TOTAL REVENUE	\$	994,840.66



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2008 Brownfield Tax Exemptions Program Report

ORC Section 5709.87

Each year the Ohio Department of Development (Development) is required to provide the information received from County Auditors regarding properties that received or are receiving tax exemption under Ohio Revised Code (ORC) Section 5709.87. This report fulfills the annual compilation and reporting requirement to the Director of the Ohio Environmental Protection Agency (EPA) for the 2008 calendar year.

Section 5709.87 exempts real property taxation to properties that are issued No Further Action (NFA) letters from Certified Professionals. The NFA letters are issued upon successful completion of “voluntary actions,” a series of measures established by EPA’s Voluntary Action Program that may be undertaken to identify and address potential sources of property contamination by hazardous substances or petroleum. The NFA letters also confirm that the property complies with applicable use standards, *i.e.* residential, commercial, or industrial. The EPA is required to notify the Ohio Department of Taxation (Taxation) when NFA letters are issued, and Taxation is required to notify the appropriate county auditor of the issuance.

ORC Section 5709.87(C)(1)(a) states that “upon receipt by the tax commissioner of a certification for property under division (B) of this section, the commissioner shall issue an order granting an exemption from real property taxation of the increase in the assessed value of land constituting property that is described in the certification, and of the increase in the assessed value of improvements, buildings, fixtures, and structures situated on that land at the time the order is issued as indicated on the current tax lists.”

The terms of ORC Section 3746.35(B)(1) designate that each affected county auditor is required to report to the Director of Development requested information about applicable properties. Properties are applicable if they are within the auditor’s county and receive exemption from real property taxation under ORC Section 5709.87.

2008 Report Requirement & Compilation Process:

As required by ORC Section 3746.35(B)(2), “the director of development shall compile the information provided to the director under division (B)(1) of this section applicable to the preceding tax year into a report covering all of the counties in the state in which are located properties receiving a tax abatement under section 5709.87 of the Revised Code for the preceding tax year and shall forward the report to the director of environmental protection. The sole responsibility of the director of development in preparing the report is to compile the information submitted to the director by the county auditors under division (B)(1) of this section.”

In April 2009, Development sent a reminder notice to all applicable county auditors requesting the following information by May 1, 2009:

- (a) The owner and address of the property as stated in the records of the county auditor;



- (b) The amount of valuation of the property that was exempted from real property taxation under ORC Section 5709.87;
- (c) A cover letter signed by the Auditor certifying the information provided in (a) and (b).

Development then followed up in May with a phone call to each county auditor who did not report requesting again the required information outlined in the statute. The results below reflect all information received.

The Director of Development compiled the information submitted by the county auditors for 2008. Overall, 27 county auditors reported to Development. Eleven of these counties reported that no valuation of property was exempted from real property taxation under ORC Section 5709.87 because there was no identified increase in the assessed value of land in question. In addition, fourteen county auditors did not respond to the Department's requests for information about applicable exemptions. Table I summarizes the information received for 2008. The total reported estimated value of property value exempted under ORC Section 5709.87 is \$90,153,290.

ORC Section 5709.88

Each year Development is also required to provide the information received from municipal corporations and counties regarding properties that received a tax exemption under ORC Section 5709.88. This report is provided in compliance with the annual compilation and reporting requirement to the Director of the EPA for the 2008 calendar year.

ORC Section 5709.88 allows the negotiated exemption of a portion of the value of new buildings and improvements to the properties, including personal property investments, that are issued No Further Action (NFA) letters by Certified Professionals and enter into agreements with a municipal corporation or county under ORC Section 5709.88 of the Revised Code. ORC Section 5709.882 requires that each affected municipal corporation or county report to the Director of Development annually information about applicable properties. The Director of Development must then compile this information for the Director of the Ohio Environmental Protection Agency pursuant to ORC Section 3746.35(C).

2008 Report Requirement & Compilation Process:

As required by ORC Section 3746.35 (C), "the director of development shall compile the information provided to the director by municipal corporations and counties under division (A) of section 5709.882 of the Revised Code applicable to the preceding calendar year into a report covering, by county, all of the municipal corporations and counties in this state in which are located properties receiving a tax abatement pursuant to an agreement entered into under section 5709.88 of the Revised Code and shall forward the report to the director of environmental protection. The sole responsibility of the director of development in preparing the report is to compile the information submitted to him by municipal corporations and counties under division (A) of section 5709.882 of the Revised Code."

Development relies upon the municipal corporations and counties that enter into tax incentive agreements to comply with applicable statutes and provide copies of such agreements to Development. For 2008, a review of the records received by Development's Office of Grants & Tax Incentives from municipal corporations and counties indicate that there were no reported agreements providing tax exemptions



**Department of
Development**

Ted Strickland, Governor
Lee Fisher, Lt. Governor

Lisa Patt-McDaniel, Interim Director

pursuant to ORC Section 5709.88 related to the projects listed by the EPA as having completed environmental remediation activities.

Accordingly, Development reports no such agreements for 2008.

**Table I:
2008 Compiled Information: County Auditor Reports as required by ORC Section 3746.35(B)(1)**

County Name	2008 Number of Abatements Listed	2008 Amount Exempted
Adams	1	DNR
Allen	3	DNR
Auglaize	1	\$280,000
Butler	7	\$820,120.00
Clark	5	\$0.00
Clinton	2	\$0.00
Columbiana	1	DNR
Cuyahoga	56	\$12,124,950.00
Delaware	2	DNR
Erie	1	\$32,330,960.00
Fairfield	2	DNR
Fayette	1	DNR
Franklin	27	\$14,980,900.00
Gallia	1	\$0.00
Hamilton	21	\$20,643,740.00
Hancock	1	\$1,797,090.00
Hardin	1	\$52,360.00
Hocking	1	\$12,690.00
Huron	1	\$0.00
Lake	1	\$0.00
Licking	4	\$4,680,600.00
Lucas	11	\$39,000.00
Mahoning	5	\$136,500.00
Mercer	1	
Miami	3	\$6,700.00
Montgomery	8	DNR
Muskingum	1	\$0.00
Putnam	1	DNR
Richland	3	\$170,130.00
Ross	2	DNR
Sandusky	1	\$0.00
Scioto	3	\$57,390.00
Seneca	1	\$0.00
Stark	5	DNR
Summit	12	\$2,020,160.00
Trumbull	6	\$0.00
Tuscarawaus	4	\$0.00
Warren	4	DNR
Wayne	1	DNR
Williams	1	\$0.00
TOTALS	213	\$90,153,290.00
DNR - County Auditor Did Not Report Amount Exempted		