



Ohio returns to funding spec-based commercial & industrial development

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In 2020, Ohio's development officials are again awarding large amounts of grant funding to commercial and industrial development projects that don't have known end users. JobsOhio is now in the midst of launching a \$50 million per year grant and loan program for spec-based opportunities. Such projects often originate from local communities or developers eager to prepare sites for future business use. These types of projects lack a business prospect waiting in the wings. They are pursued from a "if we build it, they will come" mindset.

A spec-based site opportunity may take the form of a vacant industrial building, a city-owned set of parcels in the central business district, a former brownfield or a large tract of undeveloped land near an existing industrial park. The site appears ideal for development, if only an end user would come forward and invest his or her money to connect the site to far-off utility lines, level the ground, remove the dilapidated factory and so on.

During the past few decades, state development officials have gotten deeply involved to award grants in support of spec-based development. The Clean Ohio Revitalization Fund, Job Ready Sites program, and the Industrial Site Improvement Fund all are recent historical examples of Ohio providing grants to prepare sites for future commercial and industrial development. In the first two instances, Clean Ohio and Job Ready Sites, the state issued millions of dollars in bonds specifically to help fund spec-based site development

Until this year, JobsOhio viewed such spec-based development funding with a skeptical eye. During the last decade, JobsOhio had grant funding available on a "pilot" basis for spec-based site development, but often directed potential users to loan-based

programming. As compared to state efforts during previous decades, JobsOhio did not market and deploy spec-based site development grants on as wide a basis across Ohio. Local leaders were left with limited funding approaches to prepare sites in their communities. However, the emphasis is now shifting at the state level.

This month, JobsOhio officials are crossing the state to launch the Ohio Site Inventory Program (OSIP), an updated version of previous spec-based grant programs.

Key highlights of the OSIP include:

- JobsOhio will award up to \$250 million in grants and loans through 2024, with \$50 million allocated each year, to spec-based development opportunities. An end user doesn't need to be identified.
- Grant funds will reimburse local governments, non-profits, developers, port authorities and businesses up to \$2 million for site preparation, demolition, construction, infrastructure (e.g., utilities and roads) and environmental clean-up, including asbestos removal.
- Spec-based developable sites should be at least 30 acres in contiguous area and spec-based buildings must align with common site selection criteria (e.g., clear ceiling height, column spacing).
- This support cannot exceed 50% of a site's total project cost.
- Applicants must have control of the site, completed a Phase I environmental assessment and show demonstrated demand for the site's future end use.
- Eligible end uses include warehousing, industrial, office (including mixed use), R&D and business parks. Ineligible uses are those involving recreational parks, future multi-family housing, retail, hospitals and parking decks.

We expect further details regarding application deadlines and the timing for this year's \$50 million allocation to be forthcoming.

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