

**2008**

**Scrap Tire Grant**

**Application**



**Ohio Department of Natural Resources**

**Division of Recycling & Litter Prevention**

Sean D. Logan, Director

Derek H. Anderson, Chief

November 16, 2007

Dear Grant Applicant:

I am pleased to announce the release of the 2008 Division of Recycling & Litter Prevention grant applications. Our grant programs reflect the direction and priority of the Ohio Department of Natural Resources as we work to develop and expand recycling and litter prevention opportunities within the State of Ohio. Since 1981, the division has funded close to 4,000 grants reflecting a total investment of nearly \$200 million dollars.

This year the division will be offering two new and/or expanded grant options. These new grant opportunities are targeted specifically at public college and university recycling and waste reduction programs, and local governments seeking to implement litter cleanup projects. In the 2008 grant cycle, we will be offering the following grants:

- College and University Recycling and Waste Reduction Grant
- Community Development Grant
- Litter Clean Up Grant
- Market Development Grant
- Scrap Tire Grant

Every year when we begin our grant process, we reflect on the past to gain a greater understanding of how we can better serve our potential grantees. We are committed to making the necessary adjustments, which allows the division to be more responsive and accessible to you and your local recycling and litter prevention needs.

Division staff is available to assist you with the grant application process. If you have any questions regarding the materials contained within this grant package, please refer to the contact information located in the application, or by calling the division at (614) 265-6333.

Sincerely,

*Derek H. Anderson*

Derek H. Anderson, Chief  
Ohio Department of Natural Resources  
Division of Recycling & Litter Prevention

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## PROGRAM INTRODUCTION

Ohio Revised Code (ORC) Chapter 1502 authorizes the chief of the Division of Recycling & Litter Prevention (division), with the approval of the director of the Ohio Department of Natural Resources (department), to award grants to establish or expand private manufacturing facilities that utilize scrap tire material, develop civil engineering projects, or to foster market development research. This application addresses all 2008 Scrap Tire Grant application requirements. The chief of the division reserves the right to grant exceptions or impose additional requirements when situations warrant. Applicants will be made aware of any additional requirements.

Scrap Tire Grant (STG) funding (ORC 1502.12) is available to design and establish projects to **strengthen markets for scrap tire material collected in Ohio**. Applicants may represent multiple cooperating enterprises. Projects that impact the largest market area and have the potential to substantially expand the current scrap tire market will receive increased consideration.

## WHO CAN APPLY

Agencies of the state, as established in ORC Sections 343, 1502 and all applicable sections of the ORC, can apply for scrap tire grant funding. An agency of the state may be a municipal corporation, county, township, state college or university, solid waste management district or authority, park districts created under section 511.18 and 1545.04 of the ORC, or a board of education or joint vocational school district. An agency of the state, as previously outlined, must **apply on behalf of** Ohio businesses or non-profit organizations. For purposes of this grant program, Ohio businesses and non-profit organizations will be referred to as **cooperating enterprises**.

## FUNDING PROCESS

Grant awards will be made based upon five factors:

1. Comprehensiveness and quality of the grant proposal.
2. The amount and type of scrap tires utilized.
3. The amount of funds requested and amount of match funds committed to the project.
4. The amount of regional and local funds available to promote the project.
5. If applicable, the applicant's history of program implementation and expenditure of grant funds.

If any part of the request is not satisfactorily justified, the division may reduce or eliminate the dollar amount of the request.

## PROJECT CATEGORIES

The Scrap Tire Grant is designed to provide financial assistance to create or increase markets for **scrap tires and scrap tire material**. Scrap tire grant funding is available in three different project categories:

### 1. Civil Engineering - project example

Projects could include scrap tire material for use in civil engineering applications, such as bridge abutments, new construction of athletic complexes, ground tire rubber used for paving projects. (Grant funds for paving projects should cover expenditures over and above costs incurred by normal rubber modified asphalt application)

### 2. Manufacturing or Processing - project example

Projects could include facilities that use crumb rubber to manufacture value-added products, scrap tire processing equipment, including shredders and conveying systems.

### 3. Research and Development - project example

Laboratory tests of products made from tire-derived materials.

## PROJECT FUNDING LEVELS

- **Civil Engineering projects (non-paving)** –  
non-paving projects – maximum of \$75,000  
paving projects – maximum of \$150,000
- **Manufacturing or Processing projects** –  
more than 1,000,000 scrap tires annually - maximum of \$350,000  
500,000 - 1,000,000 scrap tires annually - maximum of \$250,000  
less than 500,000 scrap tires annually - maximum of \$150,000
- **Research and Development projects** –  
maximum of \$75,000

## MATCH FUNDS

Applicants must demonstrate that the grantee, or cooperating enterprise if applicable, will provide a financial contribution to the project equal to the amount requested in division grant funds. The match must be a cash contribution or a documented line of credit, secured from an accredited lending institution or agency, and dedicated to the project. Applicants securing a line of credit from an accredited lending institution or agency should attach a letter from the institution or agency verifying that approval has been received. Agencies of the state may use existing capital improvement funds as a matching contribution.

## ALLOWABLE COSTS

Grant and match funds may be used **only** for allowable costs in the following categories:

- **Equipment** - purchase equipment needed to successfully complete the grant project, or to lease under a lease-to-purchase agreement.
- **Other** - all other allowable expenses needed to successfully complete the grant project.
- **Personal Services Contracts** - costs for contracts entered into by the grantee, or cooperating enterprise if applicable, for products, equipment or services to successfully complete the grant project.

## UNALLOWABLE COSTS AND PROJECTS

**Any grant-related expenditure made prior to the effective date of the grant agreement will not be reimbursed.**

Costs **not** allowed to be incurred with grant **or** project match funds include, but are not limited to:

- Costs related to harvesting scrap tires from, or operating monofills and monocells.
- Projects that utilize equipment or processes that have not yet been advanced to the commercialization stage or that have not been demonstrated to operate effectively under pilot project conditions.
- Civil engineering projects that involve resurfacing of an existing running track or athletic field.
- Tire collection, storage or retreading operational equipment and expenses.
- Indirect costs, overhead costs, building purchases and land acquisition.
- Costs to design or produce promotional materials.
- Costs to acquire computers, copiers, or other office equipment.
- Beautification projects and any food or entertainment costs.
- Costs related to salary and benefits.
- Other costs excluded in ORC Chapter 1502.

## APPLICATION PROCEDURES

Applicants must submit a STG application by **February 1, 2008**. Applicants will be certified as eligible by the division's Advisory Council, by authority of ORC Chapter 1502. Certification does not mean that an applicant will receive a grant, only that the division will consider the application in its review process. Applicants not certified by the council will be notified that their project will not be given further consideration. In addition to the final application forms and required attachments, the applicant shall submit an STG Endorsement Page that acknowledges that the project is in the best interest of their citizenry and local material markets. Following a comprehensive review of all applications, the department will announce grant awards in **May 2008**. At that time, all applicants will be notified of the department's decisions. If the division determines that two or more applications appear to be competitive in nature, the division reserves the right to request additional information and documentation from the applicants.

## IF YOU RECEIVE A GRANT

### The Grant Agreement

The grant agreement specifies the total grant award and stipulates exactly how the grant funds will be administered. All grant recipients must enter into this agreement with the department to authorize receipt and expenditure of grant funds.

- Use grant funds only for approved and allowable activities.
- If there is a cooperating enterprise, the grantee will enter into a sub-grant agreement with the cooperating enterprise and provide a copy of the agreement to the division.
- Submit required reports by stated deadlines.
- Establish an accounting system adhering to State of Ohio accounting and audit guidelines.
- Maintain interest earned on grant funds within a separate account and expend such funds for project use only.

### Grant Timeline and Performance Period

The grant agreement will become effective once **all** parties have signed the agreement. The effective date of the grant agreement will be **July 1, 2008**, or the date, on which the agreement is signed by the director of the Ohio Department of Natural Resources, **whichever is later**. **Grant and match funds cannot be expended prior to the effective date**. The scheduled close out date is June 30, 2010. The maximum grant period is 24 months; however, the grantee may request to close out the grant early. Upon close out, the grantee must submit all required grant final reports.

### Payment Schedule

Subject to cash availability, grantees will receive an advance grant payment, to be used for program costs according to the grantee's approved application and grant agreement. The remaining grant balance will be held in reserve until completion of the approved project to reconcile the grant at close out.

## SCRAP TIRE GRANT APPLICATION CHECKLIST

### INSTRUCTIONS

**Applications must be U.S. postmarked or delivered to the division by February 1, 2008.** Use the following checklist to insure that your application is complete and acceptable. Applications must include all of the following items:

- One complete set (the original and one CD) of all application forms for every proposed project, including financial documentation - printed on recycled-content paper. Required forms are: the STG Application Overview, and a project-specific narrative with no more than three double-sided pages, as outlined in the STG project application format.
  
- An original letter from the cooperating enterprise, if applicable, confirming the potential responsibilities and commitments of their role.
  
- Most recent Dunn & Bradstreet Business Information Report ([www.dnb.com](http://www.dnb.com)) for the cooperating enterprise, if applicable. A Projected Income Statement reflecting financial status for a start-up company.
  
- A General Fund Five Year Forecast for an Ohio school district applicant or the most recent Audited Financial Statement for a college and university applicant. A current departmental budget report for agencies of the state.
  
- If applicable, an original letter from an accredited lending institution or agency, verifying an established line of credit to satisfy the Scrap Tire Grant match requirements.

### SCRAP TIRE GRANT APPLICATION OVERVIEW

Applicant (Grantee): \_\_\_\_\_ County: \_\_\_\_\_

Please check only one project type:

\_\_\_\_ Civil Engineering    \_\_\_\_ Manufacturing/Processing    \_\_\_\_ Research & Development

Grant Funds Requested: \$ \_\_\_\_\_ Match Funds Committed: \$ \_\_\_\_\_

Applicants **must** complete the following:

Projected tons of tires utilized annually in this project: \_\_\_\_\_

Projected number of Passenger Tire Equivalents (PTEs) utilized in this project: \_\_\_\_\_

Projected additional permanent employees as a result of this project: \_\_\_\_\_

**Grantee** Authorized Official Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Federal Tax ID #: \_\_\_\_\_

**Grantee** Contact Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

**Cooperating Enterprise (If Applicable):** \_\_\_\_\_

Authorized Official Name: \_\_\_\_\_

Cooperating Enterprise Contact Person: \_\_\_\_\_

Address (Project Location): \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Federal Tax ID #: \_\_\_\_\_ Current # of Employees: \_\_\_\_\_

## SCRAP TIRE GRANT CIVIL ENGINEERING APPLICATION

Please answer the following questions as outlined using no more than three, double-sided pages. Attach the applicable financial information identified in question nine to your application.

Applicant (Grantee): \_\_\_\_\_

Cooperating Enterprise (If Applicable): \_\_\_\_\_

- 1) Project description - provide a one-page narrative explaining the purpose and overview of the project.
- 2) Provide a detailed breakdown of the total expenditures required for the proposed project. **Clearly identify which expenditures will be paid with division grant funds and matching funds.** Explain if additional funds will be expended beyond required match.
- 3) List all permits, licenses and authorizations required for the project. If permits, licenses and authorizations are yet to be secured, provide a timeline for their receipt, and a description of possible regulatory steps the grantee, or cooperating enterprise if applicable, will implement to meet compliance.
- 4) Identify source and location of materials utilized as project feedstock – list suppliers and project installation contractors.
- 5) Diversion of materials - identify the type of scrap tire construction material proposed for project. Please list detailed specifications.
- 6) List any experience with scrap tires the grantee, or cooperating enterprise if applicable, may possess.
- 7) Benefits and economic impact - list all possible economic benefits of proposed project for the local, regional, and state economy. Provide an explanation as to how the successful implementation of this project will benefit Ohio's scrap tire market.
- 8) Project goal - explain the process that led you to choose this company for the proposed project. Discuss why you feel the contracted company is particularly qualified to successfully achieve the project objectives. Identify location of the facility or project site. If the grantee is facilitating the project, list what qualifications the grantee, or the assisting agency, possesses to complete the project.
- 9) Provide a financial profile - cooperating enterprises must include a Dunn & Bradstreet Business Information Report for existing companies or Projected Income Statement for start-up businesses. Cooperating enterprise financial statements must be certified by an independent accounting firm, or by the CEO. School district applicants must include a General Fund Five Year Forecast and institutions of higher learning must include an Audited Financial Statement. *(Please attach to application)*

## SCRAP TIRE GRANT MANUFACTURING OR PROCESSING APPLICATION

Please answer the following questions as outlined using no more than three, double-sided pages. Attach the applicable financial information identified in question nine to your application.

Applicant (Grantee): \_\_\_\_\_

Cooperating Enterprise (If Applicable): \_\_\_\_\_

- 1) Project description - provide a one-page narrative that will discuss the purpose and overview of this project. Please include projected annual local, state, and federal tax generation from the project. This would be limited to payroll and/or sales tax.
- 2) Provide a detailed breakdown of the total expenditures required for the proposed project. **Clearly identify which expenditures will be paid with division grant funds and matching funds.** Explain if additional funds will be expended beyond required match.
- 3) List all permits, licenses and authorizations required for the project. If permits, licenses and authorizations are yet to be secured, provide a timeline for their receipt and a description of possible regulatory steps the grantee, or cooperating enterprise if applicable, will implement to meet compliance.
- 4) Identify source and location of materials utilized as project feedstock. Please provide detailed material specifications.
- 5) Describe the grantee, or cooperating enterprise if applicable, including history, primary product line, and trends affecting the market.
- 6) List any experience with manufacturing or processing scrap tires or scrap tire material the grantee, or cooperating enterprise if applicable, may possess.
- 7) Sales and distribution - what are the grantee's plans for strategic activities to promote the product? Please include a detailed project "payback" schedule as well.
- 8) Benefits and economic impact - list all possible economic benefits of proposed project for the local, regional, and state economy. Provide an explanation as to how the successful implementation of this project will benefit Ohio's scrap tire market
- 9) Provide a financial profile - cooperating enterprises must include a Dunn & Bradstreet Business Information Report for existing companies or Projected Income Statement for start-up businesses. Cooperating enterprise financial statements must be certified by an independent accounting firm, or by the CEO. School district applicants must include a General Fund Five Year Forecast and institutions of higher learning must include an Audited Financial Statement. *(Please attach to application)*

## SCRAP TIRE GRANT RESEARCH AND DEVELOPMENT APPLICATION

Please answer the following questions as outlined using no more than three, double-sided pages. Attach the applicable financial information identified in question nine to your application.

Applicant (Grantee): \_\_\_\_\_

Cooperating Enterprise (If Applicable): \_\_\_\_\_

- 1) Project description - provide a one-page narrative that will discuss the purpose and overview of this project.
- 2) Provide a detailed breakdown of the total expenditures required for the proposed project. **Clearly identify which expenditures will be paid with division grant funds and matching funds.** Explain if additional funds will be expended beyond required match.
- 3) List all permits, licenses and authorizations required for the project. If permits, licenses and authorizations are yet to be secured, provide a timeline for their receipt and a description of possible regulatory steps the grantee, or cooperating enterprise if applicable, will implement to meet compliance.
- 4) Research plans - explain the methods, procedures, and equipment to be used. Briefly outline the data to be developed or collected. Include a research completion date. Provide documentation of related prior research.
- 5) Identify source and location of materials utilized as project feedstock. Please provide detailed material specifications.
- 6) Research credentials - explain how the entity conducting the research is particularly qualified to successfully achieve the proposed objectives. List any past experience with scrap tire material.
- 7) Potential applications of research results - discuss the importance of the proposed research to Ohio's scrap tire recycling market, possible economic benefits of proposed research and provide a brief comparison of this end-product with counterpart products not made of recycled material.
- 8) Transferability - briefly summarize how the project results could be used by other businesses as a tool for success in expanding Ohio's scrap tire market.
- 9) Provide a financial profile - cooperating enterprises must include a Dunn & Bradstreet Business Information Report for existing companies or Projected Income Statement for start-up businesses. Cooperating enterprise financial statements must be certified by an independent accounting firm, or by the CEO. School district applicants must include a General Fund Five Year Forecast and institutions of higher learning must include an Audited Financial Statement. *(Please attach to application)*

## SCRAP TIRE GRANT ENDORSEMENT PAGE

I, the undersigned **Authorized Official\***, hereby authorize the grant applicant named below to file a grant application with the Ohio Department of Natural Resources to acquire 2008 Scrap Tire Grant funds pursuant to Chapter 1502.12 of the Ohio Revised Code. I further certify:

That the \_\_\_\_\_ is authorized to enter  
*(Eligible entity applying for a grant)*

into an agreement with the Ohio Department of Natural Resources to implement said Scrap Tire Grant program.

That the applicant, and cooperating enterprise if applicable, is in compliance with all health codes, environmental codes and permit requirements, or is actively seeking compliance and permitting.

That these funds, if awarded, will be used locally to supplement and not replace existing funding.

That these funds, if awarded, will be used to provide services that the Authorized Official has determined are needed locally.

That, if these funds are awarded and the grant agreement is fully executed, the required local match necessary to implement said grant program will be provided.

That other state grant funds will not be used as match for the Scrap Tire Grant award and that this grant's local match is not used for any other state grants.

Pursuant to ORC 2909.33, the grant applicant, and cooperating enterprise if applicable, has not provided material assistance to an organization listed on the Terrorist Exclusion List of the State Department of the United States.

Pursuant to ORC 9.24 the grant applicant, and cooperating enterprise if applicable, does not owe delinquent taxes nor past due monies to the State of Ohio or any political subdivision of the state, nor owe monies to the State of Ohio for the administration or enforcement of environmental laws and;

That \_\_\_\_\_, is designated as the grant application's  
*(Authorized Official's name – type or print)*

Authorized Official, and is authorized to request revision to this application as allowed by the Ohio Department of Natural Resources, and to sign all grant documents.

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 further certify that the information in this grant application is true, accurate, and complete.

\_\_\_\_\_  
*(Authorized Official's signature)*

\_\_\_\_\_  
*(Date)*

**\*Authorized Official:** the signatory authority for the grantee or their designee.

## MAILING ADDRESS

Ohio Department of Natural Resources  
Division of Recycling & Litter Prevention  
Attn: Grant Management Coordinator  
2045 Morse Road, Building C-2  
Columbus, OH 43229-6693

Direct program questions to Matt Dummitt at 614-265-7003, or [matthew.dummitt@dnr.state.oh.us](mailto:matthew.dummitt@dnr.state.oh.us)

**Applications must be U.S. postmarked by February 1, 2008, or delivered to the division by that date.**

## IMPORTANT DEFINITIONS

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

**Athletic Complex** – a multi-use area of enclosed land constructed, equipped, or marked for sports.

*Note: An athletic complex, as it pertains to this grant, should use scrap tire material in multiple athletic field surfaces.*

**Audited Financial Statement (for higher educational institutions)** - an annually submitted financial report submitted by Ohio's 2-year and 4-year colleges and universities, per the Ohio Administrative Rule 126:3-1-01. The statement includes the institution's annual income, expenditures, current debt, long-term debt, and debt capacity.

**Civil Engineering** - projects that involve the design and construction of public works.

**Contact Person** - the individual(s) responsible for administering the grant and overseeing grant progress on behalf of the grantee, and the cooperating enterprise if applicable.

*Note: The Authorized Official and Contact Person may be the same individual for the grantee and the same individual for the cooperating enterprise.*

**Cooperating Enterprise** - a business or company whose principal place of business is located in the State of Ohio. This enterprise will be a sub-grantee of the applicant.

**Cooperating Enterprise Authorized Official** - the individual who is usually the principal owner of the business, or the individual who may officially serve on his or her behalf.

**Disposal** - the placement of used tires into or on any land or water except as an integral part of systematic reuse or conversion in the regular course of business.

**Energy Recovery** - energy in the form of steam, hot water, or electricity that is recovered from processed scrap tires and is either used or sold.

**General Fund Five Year Forecast** - (ORC 5705.391) a financial forecast which reflects three years of general operations, Disadvantaged Pupil Impact Aid funds, historical revenues and expenditures, as well as a forecast of the present fiscal year and four additional fiscal years.

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

**Manufacturing** - the process of turning scrap tires or recyclable feedstock into a new product.

**New Finished Product** - a product resulting from manufacturing or processing scrap tires. Examples of new, finished products include rubberized railroad crossing mats, playground material and floor mats. Feedstock produced from scrap tires, such as ground rubber, is not a new finished product.

**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 and rear agricultural tire. One hundred PTEs equals approximately one ton.

**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 scrap tires or recyclables into feedstock used in a manufacturing process.

**Pyrolysis** - the chemical decomposition of a substance by heat in the absence of oxygen.

**Retreading** - the process of recapping used tire casings with new tread to produce recapped or retreaded tires for sale to the public.

**Rubber-Modified Asphalt** - asphalt used for paving that contains a measurable amount of ground rubber.

**Scrap Tire** - any unwanted or discarded tire regardless of size, in which the original generator, original owner, or manufacturer of the tire no longer wants to use, or is unable to use the tire for its original purpose, or the tires fail to meet manufacturers specifications.

**Tire Processor** - an entity that alters, converts, or reprocesses scrap tires.

**Total Project Cost** - the sum of all costs that must be incurred to perform the project, including in-kind costs for personnel, equipment, real estate, and professional service fees.

**Value-Added Product** - a product derived from scrap a tire that is not a fuel. This product may be feedstock, such as ground rubber.