

2012

Scrap Tire Grants

Application



Ohio Department of Natural Resources
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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 Scrap Tire Grant (STG) funding to design and establish projects that strengthen markets for scrap tire material collected in Ohio. Projects that impact the largest market area and have the potential to substantially expand the current scrap tire market will receive increased consideration. In addition, the division has allocated funding for a Tire Amnesty Grant (TAG) to financially assist local communities that establish and operate programs to provide opportunities to economically and environmentally manage scrap tires. This funding is available to design and establish scrap tire amnesty drop-off collection projects to collect scrap tires, increase education and have designated collection events in Ohio. Applicants must ensure that the scrap tires collected as a result of their TAG project will be used as feedstock for a viable and technologically proven scrap tire end-use market or beneficial use as designated by the Ohio Environmental Protection Agency.

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, health districts as defined by 3709.01 of the ORC, soil and water conservation districts or a board of education or joint vocational school district. An agency of the state, as previously outlined, may 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 on the following criteria:

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

PROJECT CATEGORIES

Funding is available in four 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. **Tire Amnesty – project example**

Projects could include a drop off effort during a specified period of time, designated collection events, or community collection drives. Project managers are encouraged to have a prevention and awareness component that captures the law and encourages the citizens of proper tire disposal. Applicants can use up to 10% of the grant award for the production awareness materials.

4. **Research and Development - project example**

Laboratory tests of products made from tire-derived materials.

PROJECT FUNDING LEVELS

■ **Civil Engineering or Paving projects**

10,000 – 15,000 PTEs - maximum of \$150,000

5,000 – 10,000 PTEs - maximum of \$100,000

less than 5,000 PTEs - maximum of \$50,000

■ **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

■ **Tire Amnesty Projects**

15,000 – 20,000 PTEs: maximum of \$20,000

10,000 – 15,000 PTEs: maximum of \$15,000

5,000 – 10,000 PTEs: maximum of \$10,000

■ **Research and Development projects**

maximum of \$75,000

MATCH FUNDS

STG applicants must demonstrate that they, or their cooperating enterprise, 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, with an attached 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.

TAG applicants are not required to demonstrate that the grantee will provide a financial contribution to the project. TAG applicants are encouraged to enter into partnerships with local businesses, conservation groups, or other entities to maximize the scope of the overall program.

ALLOWABLE COSTS

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

- **Equipment** - purchase or lease-to-purchase equipment needed to successfully complete the grant project. *(not applicable for Tire Amnesty Grant)*
- **Goods & Services** – supplies directly related to or needed to successfully complete the project.
- **Personal Services Contracts** - costs for contracts entered into by the grantee, or cooperating enterprise, 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:

- Costs related to harvesting scrap tires from, or operating monofills and monocells.
- Projects that utilize equipment 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.
- Equipment and expenses related to tire collection, storage or retreading operations.
- Indirect costs, overhead costs, building purchases and land acquisition.
- Costs to design or produce promotional materials.
- Costs associated with office equipment, employee salaries/benefits or entertainment.
- Other costs excluded in ORC Chapter 1502.

APPLICATION PROCEDURES

Applicants are required to submit by no later than **February 3, 2012** both an original (written) application for the proposed project by U.S. mail, and one application as an email attachment to the DRLP mailbox address: DRLP@dnr.state.oh.us In addition, the subject line of the email message should state “2012 Scrap Tire Development Grant Application” and the name of your community and cooperating enterprise. Following a comprehensive review of all applications, the department anticipates announcing grant awards in **May 2012**.

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 department to authorize receipt and expenditure of grant funds.

Administration Meeting

Grantees will be required to attend a mandatory grant administration meeting in June 2012.

Timeline and Performance Period

The grant agreement will become effective once all parties have signed the agreement. The effective date of the STG and TAG agreements will be July 1, 2012 or the date, on which the agreement is signed by the director of the Ohio Department of Natural Resources, whichever is later. The maximum grant period for the STG is 24 months with a scheduled expiration date of June 30, 2014. The schedule close out date for the TAG is June 30, 2013, as the maximum grant period for the TAG is 12 months.

Grant and match funds cannot be expended prior to the effective date. Grantees 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 to reconcile the grant at closeout.

PROGRAM QUESTIONS

All mailings and questions should be directed to:

Ohio Department of Natural Resources
Division of Recycling & Litter Prevention
Attention: Grants Administrator
2045 Morse Road – Building B-1
Columbus, Ohio 43229-6693
(614) 265-6333
www.ohiodnr.com/recycling

APPLICATION CHECKLIST

Applicants are encouraged to utilize the following checklist to ensure the completeness of their grant application package.

- One complete set of all application forms shall be mailed to ODNR – Division of Recycling & Litter Prevention.
- One complete set of all application forms shall be emailed in Word format to DRLP@dnr.state.oh.us
- Scrap Tire Grant Application Cover Sheet with original authorized signature.
- Scrap Tire Grant Executive Summary - limit to one, double-sided page in narrative form.
- Scrap Tire Grant Project Details Format - provide comprehensive responses to all applicable questions in the format outlined, limit to three, double-sided pages.
- 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 to satisfy the match requirements and those monies are reserved within the line of credit to account for the match amount.
- 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.

SCRAP TIRE GRANT APPLICATION OVERVIEW

Applicant (Grantee): _____ County: _____

Please check only one project type:

Civil Engineering
 Manufacturing/Processing
 Tire Amnesty
 Research & Development

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

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: _____ **Title:** _____

Grantee Contact Name: _____ **Title:** _____

Address: _____

City/State/Zip: _____

Phone: _____ Fax: _____

Email: _____

Cooperating Enterprise (If Applicable): _____

Cooperating Enterprise Contact Person: _____

Address (Project Location): _____

City/State/Zip: _____

Phone: _____ Fax: _____

Email: _____

Federal Tax ID #: _____ Current # of Employees: _____

AUTHORIZED SIGNATURE FOR APPLICANT AGENCY

Upon submission of this grant application, the applicant will be bound by its contents. In the event the Division of Recycling & Litter Prevention 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 further certify the information in this grant application is true, accurate, and complete.

(Authorized Official's signature)

(Date)

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.

- 1) Project description - provide a one-page narrative explaining the purpose and overview of the project, including applicant name and cooperating enterprise. If applicable, indicate whether you are involved in a balanced growth initiative and how it related to this proposed project.
- 2) Project budget - 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. Provide a description of possible regulatory steps the grantee, or cooperating enterprise will implement to meet compliance.
- 4) Identify source and location of materials utilized as project feedstock and list the name of suppliers and 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 and cooperating enterprise 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 plan - 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.
- 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)*

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.

- 1) Project description - provide a one-page narrative that will discuss the purpose and overview of this project, including applicant name and cooperating enterprise, if applicable. Indicate whether you are involved in a balanced growth initiative and how it relates to this proposed project.
- 2) Project budget -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. Provide a description of possible regulatory steps the grantee, or cooperating enterprise 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, and cooperating enterprise, 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.

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.

- 1) Project description - provide a one-page narrative that will discuss the purpose and overview of this project, including applicant name and cooperating enterprise, if applicable. Indicate whether you are involved in a balanced growth initiative and how it relates to this proposed project.
- 2) Project budget - 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. Provide 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 - 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) 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.

TIRE AMNESTY GRANT APPLICATION**Applicant:**

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Tire Collection Project Details

1. Provide the month(s) of project.
2. Specify the actual type of project (ie. amnesty drop-off or public collection).
3. Include the estimated number of scrap tires to be collected as a result of the project.
4. Clarify the type(s) of scrap tires which will be collected (passenger, light truck, semi-truck and/or agricultural).
5. If a fee is to be charged for collected scrap tires, state the unit cost(s) for each type of tire collected.
6. Please explain if the proposed scrap tire recycling collection program is an existing or new program?
7. Name the individuals and/or businesses you anticipate will transport the scrap tires collected and are the transporters listed on the "Registered Scrap Tire Transporters" list? If they are not included on the list, please explain.

www.epa.state.oh.us/portals/34/document/facility_lists/scrap_tire_transporters.pdf
8. Name the individuals and/or businesses you anticipate will process the scrap tires collected and are the processors listed on the "Licensed Scrap Tire Facilities" list? If they are not included on the list, please explain.

http://www.epa.state.oh.us/portals/34/document/facility_lists/lic_tire.pdf
9. If you anticipate that any portion of the scrap tires collected will be temporarily stored at the collection site, please explain.
10. Name any individuals or privately owned businesses in your service area that currently accept any scrap tires for recycling.
11. Please identify proposed outreach (prevention and awareness) activities for this project:
(Please Attach)

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. An athletic complex 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.

Balanced Growth Initiative – is a voluntary, incentive-base strategy to protect and restore Lake Erie, the Ohio River, and Ohio's watersheds to assure long-term economic competitiveness, ecological health, and quality of life. For more information see www.balancedgrowth.ohio.gov

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

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

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.

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.

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, by companies and individuals not on the grantee or cooperating enterprise's payroll.

Processing - conversion of scrap tires 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.

Rubber-Modified Asphalt - asphalt used for paving that contains ground rubber.

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

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.

Transitional Civil Engineering Projects – These projects involve the usage of tire material in construction back fill, athletic running tracks and various roadway paving.

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