

Transportation and Logistics Incentives

If you have any questions about this client alert, or if you think that the Program could provide an opportunity for you, please contact:

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Substitute House Bill 554, an economic stimulus bill enacted in June 2008, contained provisions related to transportation and logistics incentives. In connection therewith, Governor Ted Strickland, Lt. Governor Lee Fisher and Ohio Department of Transportation Director Jim Beasley recently announced the creation of the Logistics and Distribution Stimulus Program (the "Program"), which will provide for \$100 million in total funding for certain logistics, distribution and infrastructure projects. The stated goal of the Program is to create a seamless multimodal transportation infrastructure across the state, linking rails, roads, waterways and airports.

The most significant aspects of the Program are as follows:

- Financial assistance in the form of State loans not to exceed the lesser of \$10 million or 75% of total project costs.
- Public, private for-profit and private not-for-profit organizations are eligible for funding from the Program. To be eligible, applicants must make a fixed asset investment that will create jobs and improve Ohio's position as a leader in the transportation and logistics industry.
- Eligible projects include, but are not limited to, road, rail line, air or port improvement projects that

expand connectivity to logistics and/or intermodal centers, reduce chokepoints and freight bottlenecks, enhance the flow of freight and/or improve access to new markets for Ohio businesses.

- Loan funds may be used for the purchase of land or buildings, purchase of machinery and equipment, building construction and/or renovation costs, purchase of ongoing business' fixed assets and general construction costs.
- To be eligible for Program funding, applicants must provide a match investment of at least 25% of the total project costs.
- Interested applicants must submit a letter of intent before submitting a formal application. Each letter of intent will be reviewed by members of the Logistics and Distribution Stimulus Review Team, which includes representatives from Ohio Department of Development, Ohio Department of Transportation and Ohio Rail Development Commission. The Review Team will provide comments on the letter of intent prior to the submission of a formal application.

The Ohio Department of Development anticipates that Program loans will be approved beginning in early 2009.

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