



## **Innovative Financing for Water Infrastructure and Urban Brownfields: Towards a Sustainable Midwestern Growth Model**

**March, 2016**

### **Background**

Ohio cities, like their counterparts across the Midwest, are facing an infrastructure investment crisis. With support from the Ohio Water Development Authority, Greater Ohio Policy Center (GOPC) analyzed the severity of these needs and the difficult choices that cities are making in our 2015 report, [\*An Assessment of Ohio Cities' Water and Sewer Infrastructure and Brownfield Sites Redevelopment: Needs and Gaps\*](#). Water and sewer rates are rising sharply and pushing the limits of affordability, driven by EPA requirements to decrease combined sewer overflows and the need to replace aging infrastructure. Many cities lack the ability to issue significant debt or are pushing the limits of debt capacity, leading to deferred maintenance and a lack of resources to undertake major system upgrades. For brownfields, the wind-down of the Clean Ohio Fund eliminated a large portion of available redevelopment funding and other programs are limited to specific project circumstances. Without improved infrastructure financing, cities will not be able to achieve sustainable growth and attract new economic activity.

### **Project Description**

***Phase II of our project will explore and recommend new financing programs to help address unmet infrastructure and redevelopment needs in both large and small cities.*** Aging infrastructure poses a threat to human health and the overall quality of life, but also creates an opportunity for new creative strategies. Approaches to water infrastructure are changing rapidly, with “green” alternatives to traditional storm water capture and filtration becoming more commonplace and cities exploring how to reuse vacant or abandoned property for this purpose. New technologies are making it possible to generate electricity from wastewater treatment so utilities can lower costs.

GOPC will identify best practices in infrastructure financing from other states and cities that can be adapted to Ohio. We will also interview practitioners who have successfully implemented green infrastructure programs to understand their costs and benefits. Some examples of financing tools include credit enhancements or loan guarantees for cities without debt capacity, state infrastructure banks or other methods to pool financing needs, additional state investments in revolving loan funds or grant programs, incentives for regionalization and shared services among water and sewer systems, improved funding for integrated watershed management, and public-private partnerships. We will also assess how brownfield remediation and redevelopment fits into a larger infrastructure modernization program and what types of separate funding streams are needed to address brownfield redevelopment.

The research will culminate in a report during the 4<sup>th</sup> Quarter of 2016 that will be disseminated on GOPC's website, presented to key stakeholders, and by other means as determined jointly by GOPC and OWDA.

### **About the Greater Ohio Policy Center**

The Greater Ohio Policy Center (GOPC) is a non-profit, non-partisan organization with a mission to champion revitalization and sustainable growth in Ohio. We use education, research and outreach to develop and advance policies and practices that create revitalized communities, strengthen regional cooperation, and preserve Ohio's open space and farmland. We are based in Columbus, Ohio and operate statewide.