

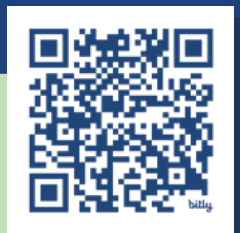


# GIVING OHIO THE EDGE

STRENGTHENING PARTNERSHIPS  
FOR A HEALTHIER FUTURE

**2023 ANNUAL REPORT**

OHIO AIR QUALITY DEVELOPMENT AUTHORITY





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# A MESSAGE TO OUR COMMUNITY

As we look back on the success of 2023, we do so with a firm focus on the future as we work with the DeWine administration and Ohio's Legislature, to position Ohio to be a leader in the global marketplace. Exciting progress is underway and OAQDA is making significant strides to build a healthier and more prosperous Ohio.

At the intersection of a strong economy and healthy environment, OAQDA furthered its mission this past year by enhancing key partnerships and growing the agency's capacity to meet the evolving and complex market needs of Ohio's businesses and communities.

Under the strategic guidance of Governor Mike DeWine and Lt. Governor Jon Husted, and in partnership with the Ohio EPA, Ohio competed for and is maximizing new federal financial resources. This initiative advances our ability to create Ohio jobs, reduce harmful air contaminants and achieve better public health outcomes. Our impact improves the competitive advantage of Ohio manufacturing suppliers like Innomark in Springboro, eliminates the use of carcinogens for healthier workplaces at Dry Cleaning World in Akron and incorporates energy-saving innovations for an apartment development in Rocky River. OAQDA is a driver of Ohio's economy.

## In 2023, working with Ohio's economic development network led by JobsOhio and in partnership with local communities, OAQDA:

- Issued more than \$431 million in air quality revenue bonds
- Created or preserved 1,800 new jobs
- Reduced medical costs by at least \$4.9 million
- Awarded \$80,000 in grants and nearly \$1,450,000 in financing to small businesses
- Reduced annual energy bills for businesses by \$256,000
- Supported more underserved communities

Aligned with strategic partners, OAQDA continues to enhance and expand its offerings to support business growth and development in underserved communities – an opportunity identified in the 2023 [Market Needs Assessment](#). The report also identified business sectors where OAQDA can make an even more meaningful impact including industrial manufacturing and component suppliers, small businesses, large-fleet transportation, multi-family housing and local governments.

Ohio is a place of endless opportunity fueled by innovation. For more than 50 years, OAQDA has financed innovations, which have helped businesses to grow while improving air quality and enhancing health and quality of life. Our work is not done. We look forward to working with the business community, Ohio's economic development network and our federal, state and local government partners to build a healthier and more prosperous future for all Ohioans.



**JAMES S. SIMON,**  
Chairman

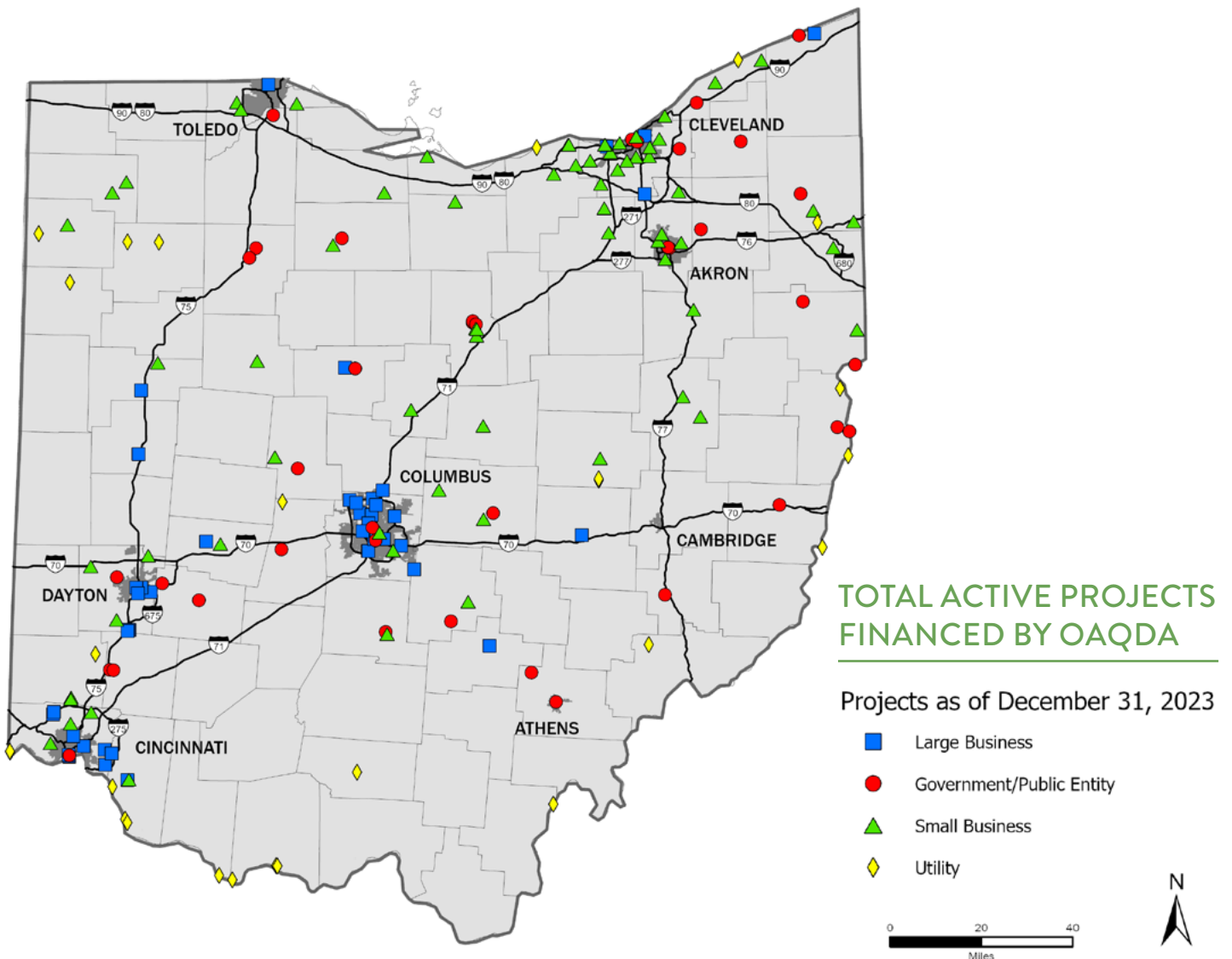


**CHRISTINA O'KEEFFE,**  
Executive Director

# LEVERAGING A STRONG FOUNDATION FOR A HEALTHIER FUTURE

The Ohio Air Quality Development Authority (OAQDA) is a valuable partner that can help strengthen Ohio communities and businesses. Through innovative and forward-looking programs, OAQDA is leveraging its experience over the past 50+ years in financing clean air projects and aligning with strategic allies to harness additional financial resources aimed at alleviating the economic barriers faced by Ohioans in transitioning to clean technology projects. Our benefits are significant and long-lasting.

In 2023, OAQDA was proud to issue **more than \$431 million in revenue bond financing for 15 projects** to improve air quality and support greater economic prosperity in Ohio. Additionally, OAQDA provided more than **\$80,000 in grant assistance to small businesses**, helping them to achieve their compliance with federal environmental regulations. Partnerships with lenders and capital providers, who purchase OAQDA bonds and invest in these clean air projects help achieve powerful impacts on Ohio's environmental, economic and public health benefits. The ability of OAQDA to mobilize private capital has been a hallmark of its programs since its inception in 1970.





## RESEARCH FINDS SUPPORT FOR OAQDA TO GROW PROGRAMS, EXPAND FINANCING TO TARGET SECTORS

In 2023, OAQDA partnered with Sustainable Capital Advisors to conduct a Market Needs Assessment which included recommendations on achieving greater benefits for Ohio. The effectiveness of current programs was evaluated, along with market gaps and emerging trends. The report indicated great opportunity for OAQDA to serve as a catalyst to attract new investments and mobilize funding into Ohio, while also being a convener to align state and local partners on clean air opportunities. A particular focus is on traditionally underserved communities, such as Appalachian Ohio. Read the [Executive Summary](#).

As demonstrated in its Market Needs Assessment, OAQDA's existing programs are highly impactful. **Every dollar invested in an OAQDA-bonded project returns \$8.41 in benefits to local communities in Ohio.** More importantly, OAQDA has proven to be agile and adaptable to evolve as market conditions change, such as with inflationary pressures and escalation in supplier costs felt by businesses and communities in recent years. By anticipating the market needs for targeted sectors, OAQDA is preparing financial assistance to support small businesses, manufacturers, multi-family housing, community-based organizations and local governments with the tools to prosper and grow.

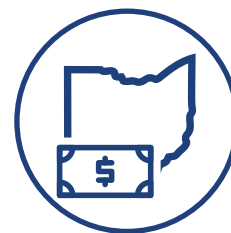
A key focus in 2023 was competing for new federal funding opportunities. By joining forces with its national, state and local partners, OAQDA developed and submitted applications for highly competitive programs to unlock additional resources for Ohio. As part of its program design, the keys to success include:



Utilizing partnerships across sectors to drive changes in the market



Building long-lasting programs delivered through regional and local networks



Mobilizing private capital and public incentives into a leveraged state-revolving fund

*If you are interested in learning more or sharing details about a potential project that would benefit from OAQDA's financial tools, please reach out by scanning the QR code and completing a brief survey.*





# IMPROVING AIR QUALITY

Protecting the air we breathe and creating safer, healthier communities is at the heart of the mission of OAQDA. The impact the Authority has made on air quality over the past 50+ years is significant, working with the private sector to implement pollution control technologies, energy efficiency and clean generation.

*In 2023, the 15 projects that received financial assistance will eliminate millions of pounds of harmful air pollutants, generate clean energy and remove harmful chemicals from our air.*

More than **615 MILLION POUNDS** of carbon dioxide emissions avoided annually

More than **413,000 POUNDS** of sulfur dioxide emissions avoided annually

Nearly **368,000 POUNDS** of nitrogen dioxide emissions avoided annually

**622 MILLION kWh** of clean energy generated annually

**REPLACED 3 DRY CLEANING MACHINES** that used Perchloroethylene (PERC), a harmful chemical

# ENHANCING PUBLIC HEALTH



At the core of a healthy community is ensuring that each individual person has access to clean air, which studies show significantly reduces the incidents of health issues and related medical costs. Projects supported by OAQDA positively impact public health by reducing the burden on Ohio's families and medical institutions by decreasing respiratory diseases such as chronic obstructive pulmonary disease (COPD) and asthma. By investing in projects that reduce air pollutants, OAQDA is tracking significant savings associated with healthier communities.

*For 2023 projects, the public health costs avoided as a result of a healthier environment are estimated to be between **\$4.9 MILLION TO \$11.2 MILLION** annually.*

# ACHIEVING ECONOMIC PROSPERITY



OAQDA works at the intersection where environmental protection and economic prosperity converge. OAQDA offers valuable economic development tools that strengthen Ohio communities by supporting the retention and expansion of businesses, helping them compete locally and globally and achieve their environmental and compliance goals.

*OAQDA projects create and retain valuable jobs and support improved cash flow through energy cost savings, improved operating efficiencies and more.*

**678 PERMANENT JOBS** *created and retained*

**1,194 CONSTRUCTION JOBS** *created*

**\$431 MILLION BONDS** *issued*

**\$80,000 SMALL BUSINESS GRANTS** *issued*

**73% of 2023 projects SUPPORTED UNDERSERVED COMMUNITIES**



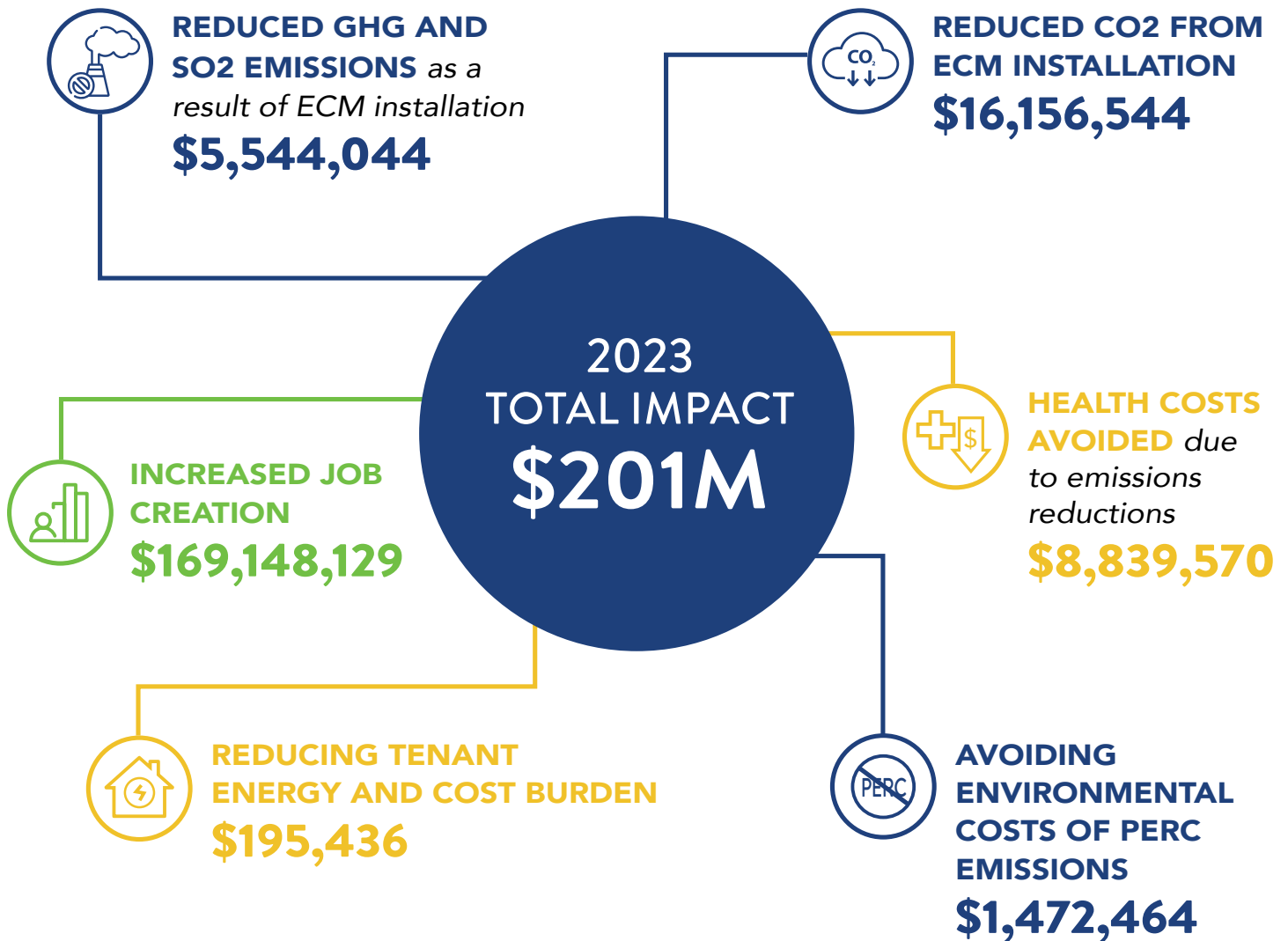
**ENERGY COST SAVINGS**  
*of **\$256,000** EACH YEAR*  
*based on average Ohio rates in 2023*



# OUR SOCIAL RETURN ON INVESTMENT

OAQDA verifies the performance data on its projects to ensure the improvement to air quality. To further measure its impact, OAQDA utilizes a tool known as the Social Return on Investment (SROI) calculator, developed in partnership with the Voinovich School of Leadership and Public Service at Ohio University (OU). It calculates the total community value of the investments made into clean air projects. The monetary value associated with reducing greenhouse gas emissions, health and energy costs, as well as economic growth opportunities are captured in the total benefits realized by investing in OAQDA projects.

FOR EVERY \$1 INVESTED in OAQDA projects, there is **\$8.41 CREATED** IN TOTAL VALUE FOR OHIOANS



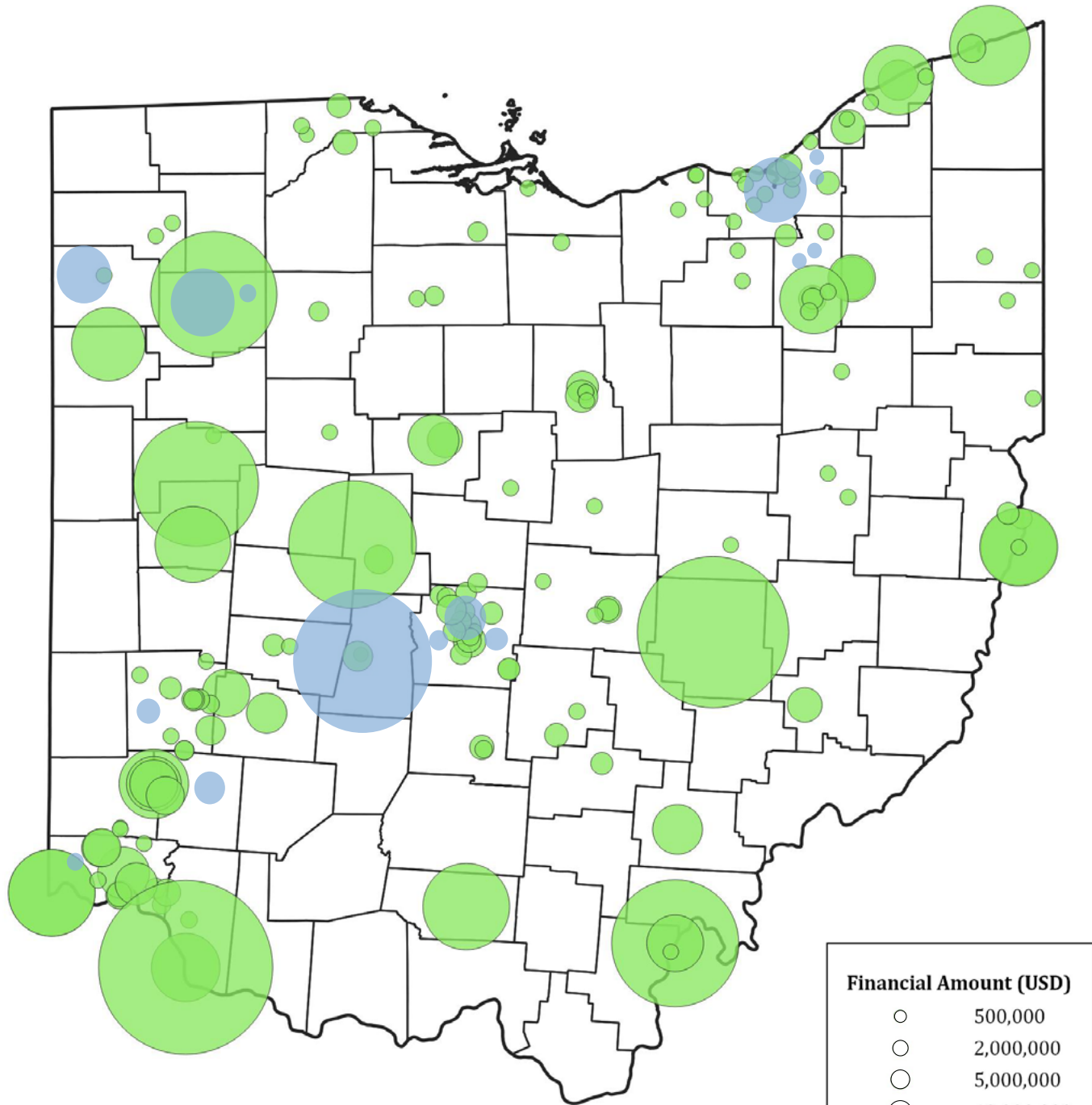
# FINANCIAL SUPPORT IN 2023

CLEAN AIR IMPROVEMENT PROGRAM PROJECT NAME	PROJECT TYPE	FINANCING AMOUNT	COUNTY
<b>Blue Harvest Solar Park</b>	Utility Scale Solar	\$53,000,000	Putnam
<b>Dayton Realtors</b>	Energy Efficiency	\$2,000,000	Montgomery
<b>DLZ Corporation</b>	Energy Efficiency Renewable Generation	\$1,610,906	Franklin
<b>FF Preston Pointe</b>	Energy Efficiency Renewable Generation	\$14,250,000	Franklin
<b>Innomark</b>	Energy Efficiency	\$8,500,000	Warren
<b>Madison Fields Solar</b>	Utility Scale Solar	\$275,000,000	Madison
<b>Premier Produce One</b>	Energy Efficiency	\$3,000,000	Franklin
<b>RR Hilliard Partners II, LLC</b>	Energy Efficiency Renewable Generation	\$19,950,000	Cuyahoga
<b>Timber Road Solar Park</b>	Utility Scale Solar	\$53,000,000	Paulding

SMALL BUSINESS PROJECT NAME	PROJECT TYPE	FINANCING AMOUNT	GRANT AMOUNT	COUNTY
<b>CarPro Auto Sale LLC</b>	Pollutant Reduction <i>[Pollutant type: VOCs]*</i>	\$108,228	\$20,000	Franklin
<b>City's Towne and Country Cleaners</b>	Pollutant Reduction <i>[Pollutant type: PERC]*</i>	\$136,427	\$20,000	Summit
<b>HighGrain</b>	Energy Efficiency	\$951,672	N/A	Hamilton
<b>Morris Buick GMC Cadillac</b>	Pollutant Reduction <i>[Pollutant type: VOCs]*</i>	\$150,000	\$20,000	Cuyahoga
<b>Yong-A Cleaners</b>	Pollutant Reduction <i>[Pollutant type: PERC]*</i>	\$58,588	\$11,718	Cuyahoga
<b>YS Cleaners</b>	Pollutant Reduction <i>[Pollutant type: PERC]*</i>	\$45,000	\$9,000	Summit

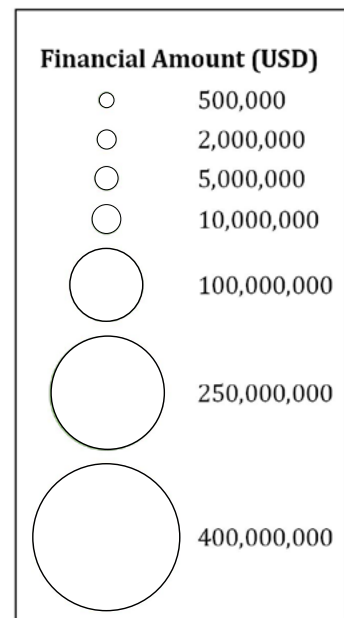
\*Pollutants regulated by the Clean Air Act: Volatile Organic Compounds (VOCs), Perchloroethylene (PERC)

# INVESTMENT MAP



## OUR INVESTMENT ACROSS OHIO

- = TOTAL ACTIVE PROJECTS THROUGH 2022
- = 2023 PROJECTS



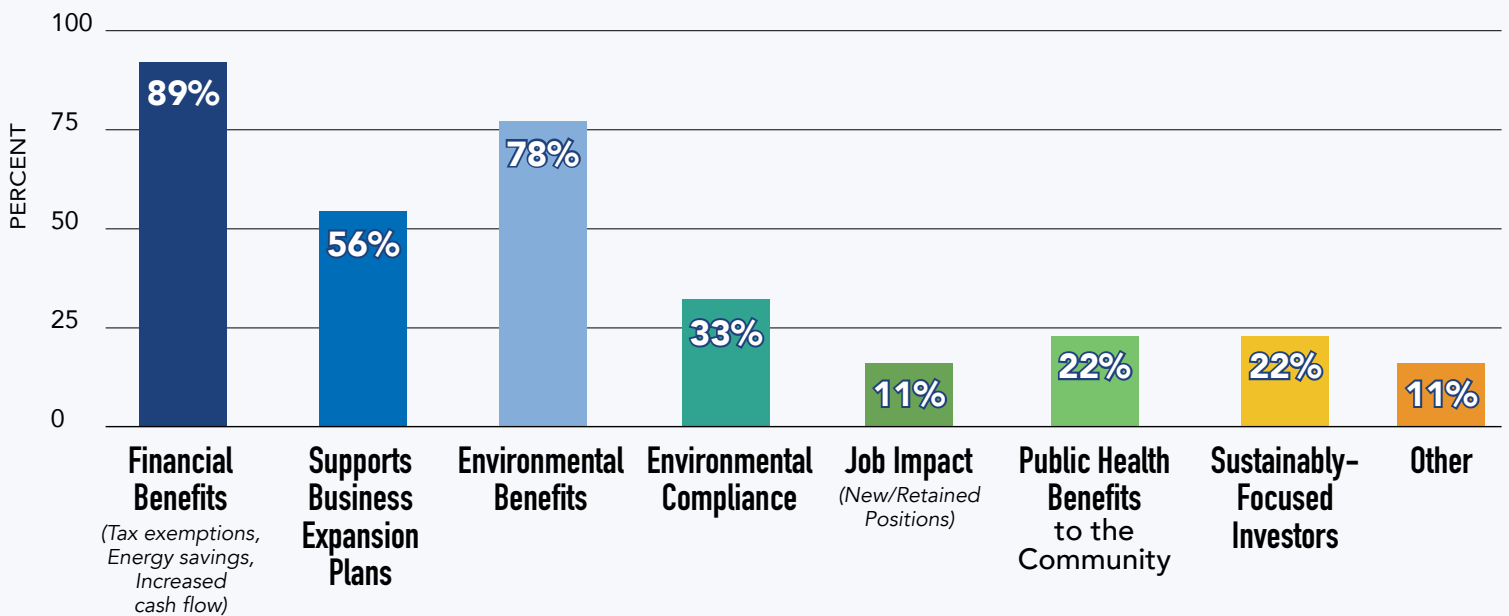
# CUSTOMER SURVEY RESULTS

OAQDA consistently seeks to understand the needs of its Ohio customers and works to ensure the experience of accessing its programs is positive. Recently, OAQDA conducted its annual satisfaction survey of customers who shared the benefits and impact of working with OAQDA to support their sustainability projects.

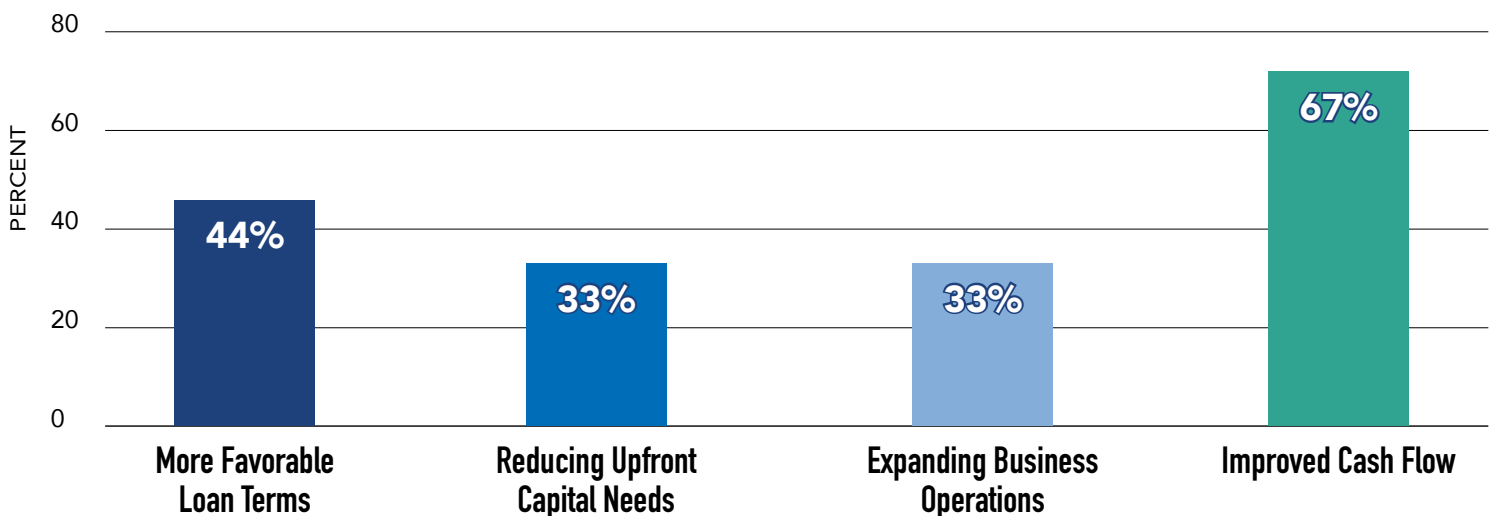
**100% OF CUSTOMERS RATED OAQDA'S CUSTOMER SERVICE**

**5/5** ★ ★ ★ ★ ★

## WHY DID YOU CHOOSE TO WORK WITH OAQDA?



## HOW DID OAQDA FINANCING IMPROVE THE VIABILITY OF YOUR PROJECT?



# OVERVIEW OF OAQDA PROGRAMS AND PROJECT CASE STUDIES

## CLEAN AIR IMPROVEMENT PROGRAM (CAIP)

OAQDA's signature program for its bond financing is known as the Clean Air Improvement Program or CAIP. It supports larger companies and public entities to make investments in cleaner, more efficient technologies such as pollution control, recycling or solid waste disposal, energy efficiency, clean transportation infrastructure and renewable energy.

Historically, OAQDA's role in this program is to serve as a conduit bond issuer, creating a partnership with investors and lenders to unlock their private capital in support of air quality improvement projects to reduce harmful air emissions, achieve economic prosperity and improve public health. Increased cash flow and lower up-front capital costs are realized through tax benefits that occur while the OAQDA bonds remain outstanding for qualified projects.

As OAQDA focuses on doing more for communities in Ohio, it is making available additional financial products aimed at credit enhancement to unlock private capital for qualified projects. These tools include loan loss reserves with participating banks or lending institutions and enhanced security of clean air improvements at buildings through Property-Assessed Clean Energy (PACE). Learn more on page 21.

In qualifying projects, the Authority works proactively with the project owners to ensure desired performance-based outcomes are achieved and benefit local communities through detailed reporting.

FOR 2023, OAQDA ISSUED BONDS FOR PROJECTS TOTALING \$430,310,906.

**CLEAN AIR IMPROVEMENT PROGRAM**  
**ELIGIBLE PROJECTS**

- NEW CONSTRUCTION OR RETROFIT ENERGY EFFICIENCY MEASURES
- HIGHLY EFFICIENT WHOLE-BUILDINGS
- RENEWABLE ENERGY GENERATION
- CLEAN TRANSPORTATION
- CRITERIA POLLUTANT, GREENHOUSE GAS REDUCTION, RECYCLING OR SOLID WASTE DISPOSAL

## 2023 CAIP SUCCESSES

# PREMIER PRODUCEONE, INC. BECOMES FIRST GREEN BUSINESS CERTIFIED PRODUCE COMPANY IN OHIO

## COLUMBUS (FRANKLIN COUNTY)

[Premier ProduceOne, Inc.](#) is known for delivering fresh produce to restaurants in Ohio and surrounding states. With the support of \$3 million in OAQDA's bond financing through the CAIP program, the company now boasts that it is the first green business certified produce company in the state, having met the economic, environmental and social standards set forth by [Green Business Bureau](#), a third party-certification network. The project renovated and upgraded the company's existing warehouse to incorporate energy-efficient components such as new LED lighting, rooftop units, as well as high-efficiency heat pumps, fans and thermostats, which are expected to provide significant energy savings for the business and reduce harmful emissions.



“ We engineered the building in a way that allows the savings we are projecting. LED lighting is critical and some of the design aspects to support refrigeration is critical. ”

— GARY PAVLOSKY, PRESIDENT & CO-FOUNDER, PREMIER PRODUCEONE

### FAST FACTS:

- Creates and preserves 252 full-time equivalent permanent jobs
- Reduces utility costs by \$6,586 annually



- Achieves Green Business Certification
- Provides a combined energy savings of 56%
- Reduces energy use by 62,547kWh annually
- Reduces carbon dioxide emissions by 118,197 pounds annually



- Provides between \$992 and \$2,239 in public health costs avoided annually



## 2023 CAIP SUCCESSES

# OAQDA FINANCES INNOMARK'S COMPETITIVE ADVANTAGE TO MEET CUSTOMER REQUIREMENTS

## SPRINGBORO (WARREN COUNTY)

In November 2023, OAQDA issued \$8.5 million in bonds to fund air quality upgrades for a building expansion for [Innomark](#) in Springboro. As a creative design house, Innomark provides visual displays, store décor, packaging and more as a supplier to many well-known retail brands. The company utilized OAQDA's bond financing not only to generate valuable energy cost savings, but also to meet the demands of the brands they serve that prioritize sustainability-related practices and require supply chain partners to follow similar practices. Many clients require Innomark to report on their efforts and OAQDA's financing and reporting to validate performance will help the company meet the environmental requirements of today's retail industry. The company will save on energy costs based on the improvements, which include a new building envelope with added wall insulation and 40,995 square feet of energy-efficient windows, replacement of 17 rooftop HVAC units and utilization of LED lighting.

### FAST FACTS:

- Creates and preserves 72 permanent full-time jobs
- Maintain business as a supplier to meet procurement environmental requirements
- Estimated utility cost savings of \$17,710



- Results in a 30.4% energy savings
- Reduces carbon dioxide emissions by 405,446 pounds annually
- Reduces nitrogen oxides by 258 pounds annually



- Provides between \$8,155 and \$18,398 in public health costs avoided annually



**Springboro company awarded \$8.5 million**

“Innomark's drive toward minimal environmental impact complements our customers' requirement to incorporate sustainability reporting into our business relationships. By working with OAQDA, we are able to meet our goals and verify our impact.”

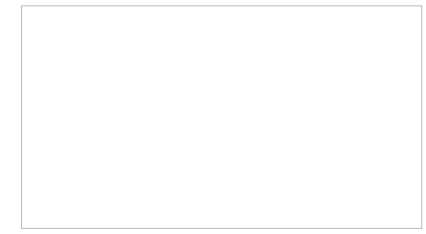
- STEVE ZICK, EXECUTIVE VICE PRESIDENT, INNOMARK



# ROCKY RIVER HILLIARD APARTMENTS OFFERS NEW HOUSING THAT INCLUDES ENERGY SAVINGS TO RESIDENTS

## ROCKY RIVER (CUYAHOGA COUNTY)

Rocky River Hilliard Apartments LLC secured \$20 million in bond financing to facilitate environmental enhancements for a five-story apartment complex comprising 71 units, thereby expanding the local housing capacity. This initiative not only aims to provide energy-efficient solutions but also will transfer the resulting cost savings to residents. The project's focus on energy efficiency involves upgrading to LED lighting, installing a high-efficiency HVAC and hot water system, enhancing insulation, and integrating a solar electricity system on the roof. These enhancements are expected to lead to substantial utility bill reductions and decreased operating expenses, directly benefiting the residents.



“It was a pleasure working with the professionals at OAQDA. The future residents of the Hilliard Apartments will greatly benefit from our collaboration. Importantly, the collaboration will allow for sustainable clean energy for the project, the City of Rocky River and various project stakeholders. By utilizing OAQDA, we are looking to implement the energy savings methods learned into future projects, which will have a positive domino effect on the overall environment.”

— RYAN J. TERRANO MANAGING MEMBER OF RR HILLIARD PARTNERS II, LLC

### FAST FACTS:

- Creates and preserves 6 permanent full-time equivalent jobs
- Creates 35 full-time equivalent construction jobs
- Saves residents 50% on utility bills
- Achieves utility cost savings of \$92,032



- Produces 214,500 MWh of electricity annually
- Provides clean, energy-efficient affordable housing



- Provides between \$8,743 and \$19,729 in public health costs avoided annually





# PRESTON POINTE SERVES THE DEMAND FOR SUSTAINABLE AFFORDABLE HOUSING

## COLUMBUS (FRANKLIN COUNTY)

The need for affordable housing in central Ohio continues to be a challenge. [Preston Pointe](#) is answering the call by building an apartment complex that is highly energy-efficient and powered by solar with the support of \$15 million in OAQDA's bond financing through CAIP. Project owner, Finance Fund, is a mission-guided non-profit that provides resources to low- and moderate-income communities. They collaborate with partners around the state to both finance and develop real estate, including affordable residential for communities to improve their quality of life. The two- and three-story apartment buildings in downtown Columbus will include 50 new affordable housing apartments that feature creatively designed interiors that are functional and efficient. The OAQDA-financed projects include a solar photovoltaic system, high-efficiency windows and doors, energy-efficient HVAC systems and LED lighting. The building is seeking LEED Silver certification.

“ A 30-year loan is huge for us on a project like this, keeping operating expenses low, and therefore allowing us to keep the rents low and attractive to lower-income residents. ”

— JEFF MORHMAN, EXECUTIVE VP OF REAL ESTATE, FINANCE FUND



### FAST FACTS:



- Creates and preserves 17 permanent full-time equivalent jobs
- Creates 27 full-time equivalent construction jobs
- Serves affordable housing demand from a growing workforce
- Saves \$95,112 in annual utility bills



- Achieves total combined energy savings, including energy generated, of more than 606,000 kWh per year
- Generates 106 MWh of electricity per year



- Provides between \$9,006 and \$20,323 in public health costs avoided annually
- Provides clean, safe housing options for families in central Ohio
- Saves residents up to 63% on energy costs
- Lowers utility costs by 53%

# MADISON FIELDS SOLAR “AGRIVOLTAICS” PROJECT PROVIDES CONTINUED REVENUE FOR LOCAL FARMERS

## PIKE TOWNSHIP (MADISON COUNTY)

The [Madison Fields Solar Project](#) received \$275 million in air quality revenue bonds to construct a large-scale solar array in Madison County. The project is designed to be integrated with the farming community by using a model known as “agrivoltaics”, an innovative way to use the land for both agriculture and solar energy generation. The 180-megawatt solar generation facility received widespread community support for its anticipated economic and environmental impacts. Not only does the project support clean energy generation, it also allows the local governments and farmers to earn additional revenue from the project. Madison Fields Solar LLC worked with The Ohio State University’s Extension Service on the project, allowing power production to seamlessly co-exist with agricultural practices.

### FAST FACTS:



- Supports many community-based organizations and initiatives, like 4-H groups and camps, county fairs and FFA
- Community receives \$3 million over the lifetime of the project
- Creates 2 full-time permanent jobs
- Creates 596 full-time temporary construction jobs



- Generates 404,000 MWh of clean energy annually



- Provides between \$3.8 million and \$8.6 million in public health costs avoided annually

# OVERVIEW OF OAQDA PROGRAMS AND PROJECT CASE STUDIES

## CLEAN AIR RESOURCE CENTER (CARC)

Small businesses are the backbone of Ohio's economy. There are nearly 1 million small businesses in the state and many serve as the main employer within their community. For this reason, OAQDA is focused on supporting these neighborhood businesses to help them grow and prosper while improving workplace conditions for employees and customers.

As the Ohio small business ombudsman, OAQDA recognizes it can be challenging to navigate federal environmental regulations and pay for the cost of compliance. The Clean Air Resource Center (CARC) targets financial assistance for small businesses like printers, dry cleaners and auto body shops to help them invest in valuable environmentally-friendly upgrades.

**OAQDA funded six projects in 2023, totaling \$1,449,915 in financing and \$80,718 in grants** for small businesses, supporting business growth, creating jobs and creating healthier working environments. OAQDA funded the installation of **three low-emission spray paint booths in body shops**, reducing the amount of volatile organic compounds (VOCs) in Ohio communities. The results improve employee and public health from otherwise being exposed to harmful air pollutants, which also contributes to smog and ground-level ozone.

Additionally, **three more Ohio dry cleaners utilized CARC last year to eliminate the use of the carcinogenic solvent Perchloroethylene (PERC)**, an extremely toxic environmental pollutant that is being regulated to protect those who may be exposed to it over longer periods. The family-owned businesses were able to upgrade equipment, preserving jobs and the health of their employees.

## EXPANDING OPPORTUNITIES FOR SMALL BUSINESSES

*In 2023, OAQDA's small business program was expanded and now allows projects to utilize financing to make energy-efficient improvements. Additionally, **OAQDA added two credit enhancement tools** to attract private capital for qualified projects:*

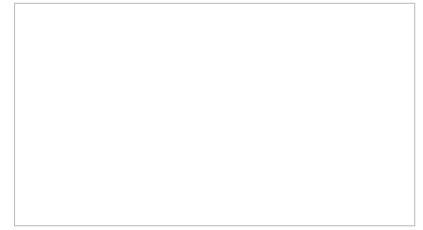
### PROPERTY ASSESSED CLEAN ENERGY (PACE)

- Allows political subdivisions to approve special assessments on property for energy improvements approved by OAQDA's financing
- Enhances the security of transactions for projects in traditionally underserved communities and spurs new development

### LOAN LOSS RESERVE

- Removes barriers to capital for projects in traditionally underserved areas
- Provides partial risk coverage to lenders to provide more favorable terms for borrowers

# HIGHGRAIN BREWERY REVITALIZES EMPTY BUILDING USING OAQDA FOR ENERGY- EFFICIENT UPGRADES



## SPRINGFIELD TOWNSHIP (HAMILTON COUNTY)

HighGrain Brewery, established for four years and experiencing growth in Cincinnati, expanded to a second location in Springfield Township. This location, a former unused bowling alley, now serves as both production space and a community hub. The brewery received \$950,000 in bond financing from OAQDA to implement energy-efficient upgrades, reflecting their dedication to reducing their environmental impact. Additionally, they utilized Commercial Property Assessed Clean Energy (C-PACE) financing through the local Energy Special Improvement District for the project.

As part of better serving targeted market sectors like small businesses as identified in its market needs research and assessment, OAQDA initiated an expansion of its program for small businesses to include energy efficiency measures. HighGrain is among the first projects to utilize the financing for this expanded project eligibility that achieves greater air quality improvements in Ohio. The energy-saving improvements to the building include an energy-efficient HVAC system, LED lighting, a more insulated building envelope and high-efficiency plumbing fixtures used for hot water use.

“HighGrain is a business that we've been really happy to partner with because they put a lot of importance on clean energy and sustainability. Working with OAQDA has been really valuable in helping them meet their mission of clean energy and being sustainable in their operation, and also bridging the financial needs for the project.”

— KATHLEEN KENNEDY, ASSISTANT TOWNSHIP ADMINISTRATOR, SPRINGFIELD TOWNSHIP



### FAST FACTS:



- Creates and retains 85 full-time permanent jobs



- Reduces energy consumption and eliminates associated air pollutants
- Reduces water use through high-efficiency plumbing fixtures



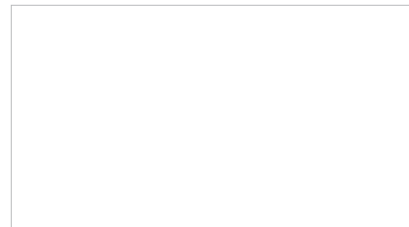
- Improves public health through reduced emissions
- Enhances redevelopment in the downtown community and provides new gathering space for residents



# INVESTMENT IN DRY CLEANING WORLD HELPS IMPROVE AIR QUALITY FOR BUSINESS AND COMMUNITY

## AKRON (SUMMIT COUNTY)

YS Cleaners operates Dry Cleaning World, a family-owned business managed by Mark Jeong that has been operating for 38 years in Summit County. The small business received \$45,000 in bond financing along with a \$9,000 grant. It used this financial assistance to replace an outdated dry-cleaning machine with a new Realstar dry-cleaning machine that uses an environmentally friendly solution. A significant impact is the elimination of PERC, a hazardous chemical that is a known carcinogen and is often used in the dry-cleaning process. As a result of this project, YS Cleaners is demonstrating its commitment to protecting the employees and customers within the Akron community.



“When I see people like Mark make a rather sizable investment into their business to be more environmentally correct, it just points out that he is a good citizen.”

— FREDERICK “SKIP” WILKE, CUSTOMER

### FAST FACTS:



- Preserves 2 permanent full-time jobs



- Allows Dry Cleaning World to comply with federal Clean Air Act regulations
- Eliminates usage of perchloroethylene (PERC), a hazardous chemical that contaminates the environment



- Protects the health of the employees, customers and residents of the community by eliminating the use of PERC

- PERC can cause cancer, respiratory and liver damage, birth defects and other harmful effects.
- The average dry cleaner uses 120 gallons per year of PERC. A single leak of PERC can contaminate more than 2.5 million gallons of ground water. Learn more the dangers of PERC [in this blog](#).

# SOLAR GENERATION FUND

OAQDA is the program administrator of the Solar Generation Fund Program, created by the Ohio General Assembly to incentivize certain solar facilities for generating clean, solar power produced in Ohio through 2028. In this role, OAQDA issues credits for each megawatt-hour (MWh) of electricity generated by these facilities after verification of performance, which is coordinated by the Public Utilities Commission of Ohio. Below is the list of projects approved under the program.

- **Highland Solar (Highland County)** is a 300-megawatt solar-powered electric generation facility operated by Hecate Energy Highland LLC.
- **Hillcrest Solar (Brown County)** is a 200-megawatt solar project operated by Innergex.
- **Willowbrook Solar I, LLC (Highland and Brown Counties)** is a 150-megawatt solar-powered electric generation facility owned by RWE Solar Development, LLC.
- **Hardin Solar Center (Hardin County)**, composed of Hardin Solar I, LLC and Hardin Solar II, LLC, is a 320-megawatt solar project owned by Invenergy.
- **Vinton Solar Energy LLC (Vinton County)** is a 125-megawatt solar project owned by Invenergy.

In 2023, operational projects approved through the Solar Generation Fund reported **674,849 megawatt-hours generated**. For credits that were retired on qualified solar electricity generation in 2022, the Authority approved disbursement of **\$2,190,330 in payments** in 2023. As the additional approved solar facilities become operational, the total generation will increase.



# ADDING NEW FINANCING TOOLS

## CREDIT ENHANCEMENT

*In 2023, OAQDA worked to develop new financial tools to help Ohio businesses and communities enhance their access to better lending options for qualified projects. This effort is a result of market-driven research and recommendations from its [Market Needs Assessment](#) to address financing gaps for clean technology projects within underserved communities.*

### ▶ PROPERTY ASSESSED CLEAN ENERGY (PACE)

Within its programs, OAQDA now offers PACE as an option to help attract investment and better support business growth across Ohio, especially in traditionally underserved communities. As a complementary tool to PACE financing currently offered through Energy Special Improvement Districts in Ohio, OAQDA also can work directly with local governments and property owners to offer PACE in its financial transactions involving its revenue bonds for qualified projects. At the discretion of local governments, a special assessment can be levied on a property to repay and secure upfront funding from a participating lender for qualified clean air improvements that save or generate clean energy. With the PACE tool, borrowers receive better financing terms and local governments can help spur economic development opportunities through local business retention efforts.

### ▶ LOAN LOSS RESERVE FUND

As OAQDA works to reach Ohioans with clean technology and innovative projects in more traditionally underserved communities across Ohio, it is vitally important to remove barriers to accessing low-cost capital. OAQDA, in partnership with the Ohio Department of Development, is launching new loan loss reserve funds to share the financial risk with participating lenders for qualified projects. Additionally, lenders, who may be less familiar with the performance of clean technology, will benefit from OAQDA's technical validation of the project performance and energy savings that may offset debt service. Borrowers will benefit from the ability to access capital for their project, especially if located in underserved communities and gain access to more favorable borrowing terms. This new financing tool will be fully operational in 2024.

# UNITING KEY PARTNERSHIPS TO COMPETE NATIONALLY

A primary focus is expanding and deepening strategic relationships to position Ohio as a leader in harmonizing a strong economy and a healthy environment for all Ohioans. Working collaboratively with state and local partners from both public and private sectors, OAQDA is developing beneficial plans to maximize federal funding opportunities to maintain and grow the competitive advantage of Ohio businesses and communities. These additional funding resources will strengthen OAQDA's ability to expand its impact, especially in underserved communities, as well as further catalyze Ohio's economy by deploying clean technologies and innovation.

With support from Governor Mike DeWine and Lt. Governor Jon Husted, OAQDA and Ohio EPA collaborated on a joint application for the Solar for All program, which is administered by the US EPA and intended to deploy solar technology innovation for the residential sector. Additionally, OAQDA is working with national partners to apply for funding through the National Clean Investment Fund, also implemented by the US EPA for subsidized financial assistance for clean air projects involved with advanced manufacturing, small businesses and communities. A critical step for both applications was collecting letters of support in the targeted sectors listed below.

The strength of OAQDA's multi-sector partnerships is profound. The Authority was pleased with its strong support from stakeholders, securing 160 letters from over 60 organizations to include as part of the federal funding applications, improving Ohio's chances of obtaining significant awards. Announcements are expected in spring 2024.

## ▶ TARGET PARTNER SECTORS



**Economic  
Development**



**Appalachian  
Development**



**Manufacturing/  
Industrial**



**Small Business**



**Multi-family  
Residential  
Development**



**Lending  
Institutions**



**Local  
Governments**



**Utilities**





*"Ohio's collaborative approach -- bringing together private and public entities to best leverage financial opportunities for clean technologies -- will significantly benefit the state. This funding will allow OAQDA to help finance residential and community solar projects in low-income and disadvantaged communities, with the potential to help Ohio achieve true market transformation. I welcome the impact this grant opportunity will have on Ohio's diverse energy portfolio, energy use and development of high-paying jobs for Ohioans."*

**— GOV. MIKE DEWINE**

OAQDA engaged with numerous strategic stakeholders in 2023. The team shared details about resources and assistance, ways to overcome market barriers and other opportunities.



Midwest Regional Sustainability Summit, Cincinnati



Summit on Sustainability, Mid-Ohio Regional Planning Commission



Ohio Housing Conference, Columbus



Regional Growth Partnership Meeting, Northwest Ohio region

# LOOKING AHEAD

As OAQDA embarks on a transformative 2024, the agency seeks to deepen its already well-established partnerships and diversify the tools and programs available to support projects throughout Ohio, with a particular emphasis on the state's most underserved communities.

The Market Needs Assessment, carried out in collaboration with Sustainable Capital Advisors, not only evaluated the significant influence of OAQDA's existing programs but also played a crucial role in pinpointing market trends and financing opportunities for eligible projects across various sectors. These sectors include industrial manufacturing and component suppliers, small businesses, transportation focusing on large fleet electric vehicles or alternative cleaner options along with their associated fueling infrastructure, multi-family housing and local governments. This strategic focus on specific sectors builds upon OAQDA's impressive 50-year history of improving air quality.

Providing low-cost and effective financial tools for businesses and communities for clean-air projects will increase economic prosperity and enhance the health and well-being of all Ohioans.

## OAQDA-FINANCED PROJECTS GENERATE HIGH-IMPACT RESULTS BY:



Reducing Ohio's energy burden, including more severe levels in Appalachia and within certain urban neighborhoods.



Supporting economic development opportunities to help Ohio manufacturers, suppliers and small businesses grow in their communities. Strategies include helping them achieve energy cost savings, making operational improvements and meeting the corporate sustainability requirements of customers.



Improving public health in regions with greater incidences of respiratory diseases and related healthcare costs impacting quality of life.

***The findings of the Market Needs Assessment illustrate the need for additional financial tools, such as credit enhancement and subsidized lending, that can fill market and project financing gaps. To achieve this, OAQDA is actively broadening its reach and programs, positioning Ohio to maximize the potential of federal funding in strengthening its competitive advantage.***

## OAQDA BECOMES A STATE ENERGY FINANCING INSTITUTION (SEFI) TO UNLOCK FEDERAL FUNDING

OAQDA has been selected by the U.S. Department of Energy (DOE) to serve as a State Energy Financing Institution (SEFI).

With the involvement of OAQDA in providing its financial assistance, Ohio businesses and communities can benefit from federal loans or loan guarantees to support the deployment of qualifying clean energy technology.

### **OAQDA is already underway implementing additional recommendations from the Market Needs Assessment, including:**

- *Tailoring financial packages of federal and state incentives to support energy efficiency and clean air improvements involving manufacturers, small businesses and multi-family housing development*
- *Integrating credit enhancement tools, such as PACE and loan loss reserves, to strengthen the ability for borrowers to access financing and more favorable terms*
- *Improving access to federal tax credits and lending options for municipalities, townships, counties and school districts to help fund energy efficiency, onsite solar generation, EV infrastructure and other clean technology improvements*

*As OAQDA advances these exciting initiatives, it does so with support from state and local partners. As 2023 was a year that laid the foundation for growth, the years ahead will demonstrate what is possible when Ohio moves forward together.*

## **TELL US ABOUT YOUR PROJECT!**

*Share a potential project OAQDA should know about.*

**SCAN OR EMAIL: [INFO@OAQDA.OHIO.GOV](mailto:INFO@OAQDA.OHIO.GOV)**



# 2023 AUDITED FINANCIAL STATEMENTS

**OHIO AIR QUALITY DEVELOPMENT AUTHORITY**  
**STATEMENT OF NET POSITION - ENTERPRISE FUNDS**  
**DECEMBER 31, 2023**

	Air Quality Development	Solar Generation	Total Business-Type Activities
<b>Assets:</b>			
Current Assets:			
Cash and cash equivalents	\$ 2,999,538	\$ -	\$ 2,999,538
Investments	1,272,477	-	1,272,477
Accrued interest receivable:			
Investment income	36,229	-	36,229
Prepaid items	3,167	-	3,167
Restricted assets:			
Cash and cash equivalents	1,001,096	-	1,001,096
Cash and cash equivalents with fiscal agent	-	38,132,285	38,132,285
<b>Total Current Assets</b>	<b>5,312,507</b>	<b>38,132,285</b>	<b>43,444,792</b>
Noncurrent Assets:			
Investments	4,775,338	-	4,775,338
Net pension asset	68,798	-	68,798
Capital assets, net	228,993	-	228,993
<b>Total Noncurrent Assets</b>	<b>5,073,129</b>	<b>-</b>	<b>5,073,129</b>
<b>Total Assets</b>	<b>10,385,636</b>	<b>38,132,285</b>	<b>48,517,921</b>
<b>Deferred Outflows of Resources:</b>			
Pension and OPEB	486,986	-	486,986
<b>Liabilities:</b>			
Current Liabilities:			
Accounts payable	318,676	-	318,676
Accrued wages and benefits	26,158	-	26,158
Lease liability	37,833	-	37,833
<b>Total Current Liabilities</b>	<b>382,667</b>	<b>-</b>	<b>382,667</b>
Noncurrent Liabilities:			
Net OPEB liability	23,381	-	23,381
Net pension liability	690,256	-	690,256
Lease liability, net of current portion	178,098	-	178,098
<b>Total Noncurrent Liabilities:</b>	<b>891,735</b>	<b>-</b>	<b>891,735</b>
<b>Total Liabilities</b>	<b>1,274,402</b>	<b>-</b>	<b>1,274,402</b>
<b>Deferred Inflows of Resources:</b>			
Pension and OPEB	27,761	-	27,761
<b>Net Position:</b>			
Net investment in capital assets	13,062	-	13,062
Restricted for:			
Solar generation subsidies	-	38,132,285	38,132,285
Project improvements credit enhancement	1,001,096	-	1,001,096
Net pension asset	68,798	-	68,798
Unrestricted	8,487,503	-	8,487,503
<b>Total Net Position</b>	<b>\$ 9,570,459</b>	<b>\$ 38,132,285</b>	<b>\$ 47,702,744</b>

*The figures are from the 2023 Financial Statements prepared as part of the annual audit. The notes to the financial statements are an integral part of the statement. A full copy can be requested from OAQDA.*

**OHIO AIR QUALITY DEVELOPMENT AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET POSITION - ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Air Quality Development	Solar Generation	<i>Reclassifications and Eliminations</i>	Total Business-Type Activities
<b>Operating Revenues:</b>				
Project administration fees	\$ 1,341,914	\$ -	\$ -	\$ 1,341,914
Small business ombudsman fees	145,389	-	-	145,389
Small business assistance program fees	79,106	-	-	79,106
Solar generation remittances	-	20,259,237	-	20,259,237
Interstate solar generation recovery	117,155	-	(117,155)	-
Total operating revenues	<u>1,683,564</u>	<u>20,259,237</u>	<u>(117,155)</u>	<u>21,825,646</u>
<b>Operating Expenses:</b>				
Salaries and employee benefits	911,172	-	86,771	997,943
Professional fees	702,505	-	43,730	746,235
Travel	2,666	-	-	2,666
Research grants and projects	136,032	-	-	136,032
Solar facilities subsidies	-	2,190,330	-	2,190,330
Program administration expenses	-	256,274	(256,274)	-
Office supplies and other expenses	75,837	-	-	75,837
Depreciation and amortization	47,589	-	-	47,589
Rental expense	5,330	-	8,618	13,948
Total operating expenses	<u>1,881,131</u>	<u>2,446,604</u>	<u>(117,155)</u>	<u>4,210,580</u>
Operating income (loss)	(197,567)	17,812,633	-	17,615,066
<b>Nonoperating revenues/(expenses):</b>				
Intergovernmental grant	1,001,096	-	-	1,001,096
Investment earnings:				
Interest revenue	160,780	-	-	160,780
Change in fair value of investments	168,974	-	-	168,974
Interest expense	(700)	-	-	(700)
Total nonoperating revenues/(expenses)	<u>1,330,150</u>	<u>-</u>	<u>-</u>	<u>1,330,150</u>
Change in net position	1,132,583	17,812,633	-	18,945,216
Net position, January 1, 2023	<u>8,437,876</u>	<u>20,319,652</u>		<u>28,757,528</u>
Net position, December 31, 2023	<u>\$ 9,570,459</u>	<u>\$ 38,132,285</u>		<u>\$ 47,702,744</u>

The figures are from the 2023 Financial Statements prepared as part of the annual audit. The notes to the financial statements are an integral part of the statement. A full copy can be requested from OAQDA.

# OHIO AIR QUALITY DEVELOPMENT AUTHORITY

The Ohio Air Quality Development Authority is comprised of five members appointed by the Governor with the advice and consent of the Ohio Senate. Two members serve in an ex-officio capacity, representing the Ohio Environmental Protection Agency and the Ohio Department of Health.

## CURRENT AUTHORITY MEMBERS



**James "Jim" Simon**  
Chairman, Akron



**Michael H. Keenan**  
Vice Chairman, Dublin



**Michael F. Curtin**  
Marble Cliff



**Cara Dingus Brook**  
Logan



**Ty Marsh**  
Columbus

## EX-OFFICIO MEMBERS

**Anne Vogel**  
Director, Ohio Environmental  
Protection Agency

**Bruce T. Vanderhoff, M.D.**  
Director, Ohio Department  
of Health

## EXECUTIVE DIRECTOR



**Christina O'Keeffe**





**CHRISTINA O'KEEFE,  
EXECUTIVE DIRECTOR**

Ohio Air Quality Development Authority

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