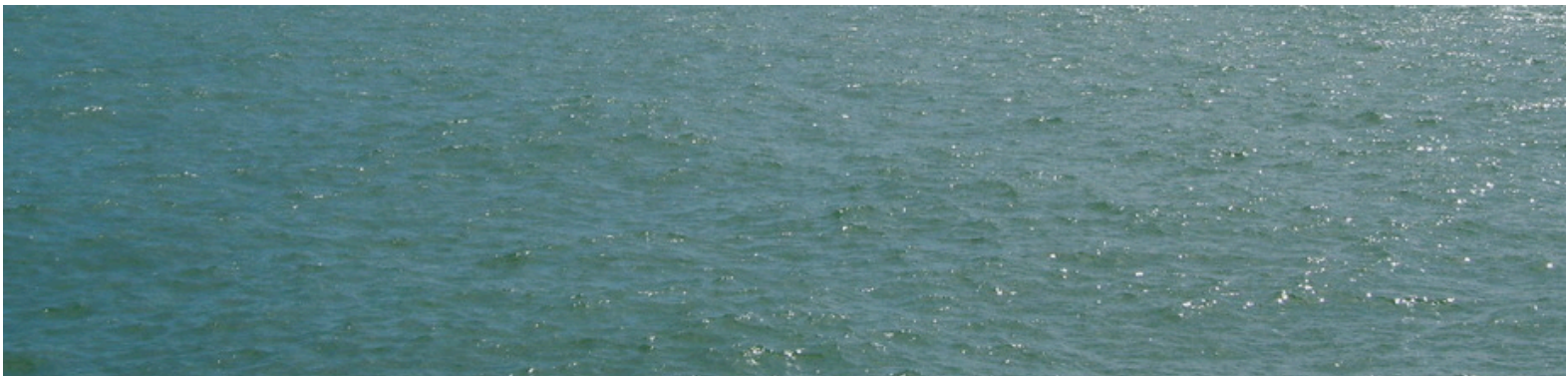




Building Ohio's Balanced Growth Initiative: Incentives and State Agency Alignment

Enabling Source Water Protection:
Aligning State Land Use and Water Protection Programs



About Enabling Sourcewater Protection:

Under cooperative agreement with the US Environmental Protection Agency, the **Smart Growth Leadership Institute** and the **Trust for Public Land**, in partnership with the **Association of State Drinking Water Administrators** and the **River Network** have selected several state partners for a project focused on Protecting Drinking Water Sources through alignment of state land use and drinking water programs.

By working with state program managers, recognized national experts in land use, land conservation, and water quality protection, the project aims to help states work across political and programmatic boundaries to better align planning, economic development, regulation and conservation to protect drinking water sources at the local and watershed levels. Protecting drinking water sources through better land use management requires strong collaboration among state agencies and between all levels of government and concerned stakeholders.

About the project team:

The **Smart Growth Leadership Institute (SGLI)**, a project of Smart Growth America, was created by former Maryland Governor Parris N. Glendening to help state and local leaders design and implement effective smart growth strategies. SGLI manages the Governors' Institute on Community Design, a national, non-partisan program created specifically to assist governors, their cabinet, and top staff as they make investments in their communities and guide growth and development in their states.

The Trust for Public Land (TPL) is a private non-profit organization that works nationwide to conserve land for people to enjoy as parks, gardens, and other natural places, ensuring livable communities for generations to come. Since 1972, TPL has completed more than 3,000 conservation real estate transactions in 46 states, conserving more than 2 million acres.

The **Association of State Drinking Water Administrators (ASDWA)** supports states in their efforts to protect public health through the assurance of high quality drinking water and provides advice, counsel, and expertise to organizations and entities having an interest in drinking water including Congress and EPA.

The **River Network** is a national nonprofit organization working for clean and healthy waters. River Network is unique among national organizations because it supports grassroots groups working for watershed protection. The network consists of thousands of organizations, including grassroots watershed associations, statewide conservation groups, large river basin groups, Native American tribes, fishing and boating associations, businesses, state and federal governmental agencies and other national environmental organizations.

The final point and ultimate conclusion of our groups was that we must fundamentally change the manner in which we make land use, energy use and development decisions in the Lake Erie watershed. Our predisposition to view activities in isolation has resulted in a less than healthy Lake Erie ecosystem that cannot support healthy natural communities of aquatic plants and animals.

OLEC Lake Erie Protection and Restoration Plan, 2000

With these words, the Ohio Lake Erie Commission introduced the idea that in order to protect its key water resource, the state must address land use planning in the Lake Erie basin. Over the next nine years, the Ohio Lake Erie Commission (OLEC) went on to develop a new approach based on voluntary regional planning for conservation and development. Known as the Balanced Growth Initiative, it began with grants to four pilot Watershed Planning Partnerships in four sub-watersheds in the basin. In 2009, the Ohio Water Resources Council (OWRC) approved expansion of this pilot into a statewide program.

The Enabling Source Water Protection program selected Ohio for a technical assistance grant in part because state agencies had already put so much thought and research into the relationship between land use and water. The Balanced Growth Initiative is a national model of watershed-based, multi-jurisdictional land use and water quality protection planning. It incorporates a number of best practices, from its watershed scope to its emphasis on identifying development areas near existing communities and infrastructure. Our goal in working with staff of OLEC and OWRC was to develop ideas to improve program uptake and effectiveness, in order to ensure that the program could deliver on its promise of improved water quality – including a cleaner source of drinking water for millions of people in Ohio and parts of several other states and Canadian provinces.

Project methodology

The project team began work with a site visit, during which they met with the State Assistance Working Group (SAWG) and conducted interviews with several state and local stakeholders. Subsequently, the team conducted further interviews and reviewed Balanced Growth Initiative documents and related reports. This research contributed to wide-ranging preliminary report to OLEC staff, entitled “Refinements and Considerations for Ohio’s Balanced Growth Initiatives” (2009). The team then conducted two meetings on site. The first was an open forum with speakers addressing the intersection between economic development, redevelopment and water quality protection. The second meeting was a day-long workshop designed to elicit feedback on the report and focus the project team on the topics where a more focused analysis and action plan would be most valuable.

Comments on the preliminary report and discussions at the meeting on March 26th pointed the project team toward two critical program areas. First, how can program incentives be changed to more effectively encourage communities to engage in Balanced Growth planning, approve Balanced Growth plans, and adopt them into local land use plans? Second, what can the state do to align its own actions and decisions with specific Balanced Growth plans and with the overall intent of the program?

Incentives

The State's promise of incentives worked together with local governments' internal needs to motivate participation in the Balanced Growth pilot. The initial list of 36 state programs balanced support for conservation in PCAs with support for development in PDAs, signaling the importance of balanced attention to each of these program goals. Representatives of pilot watersheds report that they successfully used these incentives to persuade reluctant local governments to join the Balanced Growth partnership.

The SGLI/TPL project team analyzed the existing incentives to determine whether they effectively supported the Balanced Growth Initiative's short- and long-term goals. We compared the current suite of incentives to several criteria for effective incentives. Based on this analysis, we recommend changes to the existing incentives, including the development of some new incentives.

State Alignment

The state has committed to align its programs and policies in support of Balanced Growth plans. The process of achieving this requires long-term, cross-agency collaboration and a substantial effort to reform existing spending programs, policies and traditions around the relationship between state and local government. Unless it is willing to make good on this commitment, the Balanced Growth plan will suffer twice. The state will not be able to present itself as a credible partner, and state investments will continue to drive new growth and investment onto green fields and away from existing communities.

This report contains three main sections. Two sections provide analysis of existing efforts in the areas of incentives and program alignment, and a final section includes recommendations.

Next Steps

In the summer of 2009, OWRC approved a statewide expansion of the Balanced Growth program, and both the Ohio Public Works Commission and OLEC identified funding for several more Balanced Growth plans. In preparation for issuing a Request for Proposals to select those projects, OWRC issued a new draft of the *Balanced Growth Strategy* that provides updated program guidance. This draft will be finalized shortly.

During this same time period, several agencies and the Governor have begun to pursue more integrative approaches to economic development, land use, transportation, energy and environmental protection. By providing a framework for local governments to work across jurisdictional lines and understand the relationship between water, land use and the economy, the Balanced Growth program may offer a unique forum for testing innovations that emerge from this new, collaborative approach.

The project team hopes that the following analysis and recommendations will inform both the Balanced Growth program and the broader effort to align state policies in support of sustainable prosperity for Ohio.

Section I. Incentives

At the core of the Balanced Growth Initiative is a strong reliance on state incentives to encourage the voluntary participation of the majority of local governments in a sub-watershed. This section briefly analyzes the current Balanced Growth incentives and determines how they compare to key elements of an effective state-level incentive program. This analysis is the basis for several recommendations in Section III designed to strengthen the suite of incentives as a whole.

To date, pilot watersheds and state agencies have used the term “incentives” primarily to refer to the Special Incentives; however, the other types of incentives on the list above are significant, both in terms of encouraging participation and preparing effective plans. Actions the state takes to directly reward or support participation in Balanced Growth planning include:

- Grants that support Balanced Growth planning;
- Technical assistance from state agencies to support and “coach” Watershed Planning Partnerships (WPPs) through plan development;
- Technical assistance on Best Local Land Use Practices (BLLUP) designed to support program understanding and plan implementation, provided through OLEC;
- Incentives offered for Watershed Action Plans, of which Balanced Growth Plans qualify for partial endorsement;
- Other efforts to streamline regulations for participating jurisdictions; and
- The special financial and technical incentives (“Special Incentives”) included on pages 20-24 of the *2007 Balanced Growth Strategy*.

Understanding how all of these incentives work together – including whom they motivate and when – highlights strengths and weaknesses in the current structure. Table 1, below, outlines the key types of incentives analyzed and have listed some considerations regarding their effectiveness.

Table 1. Effectiveness by Incentive Type

Incentive Type	Acts by	Considerations
Funding for planning process	Enabling creation of WPP and mobilization of member jurisdictions.	Unlikely that jurisdictions would mobilize for this work on this scale without special funding
Ohio Lake Erie Commission (OLEC) Technical Assistance	Supporting WPP	Promise of collaborative process rather than firm, fixed rules for plan development is attractive to WPPs and member jurisdictions: Will this be sustainable as the program expands?
BLLUP Technical Assistance	Supporting local jurisdictions	Builds interest in participation; Staffing inadequate to provide hands-on technical assistance for implementation
SAWG Technical Assistance	Supporting local jurisdictions	Mostly untested – potential for significant impact

Incentive Type	Acts by	Considerations
Special Incentives	Rewarding local jurisdictions and land owners	Most proposals for incentives still conceptual, many programs do not function as strong incentives
Streamlining	Facilitating development in PDAs.	Potentially a powerful implementation tool according to focus group research. Requires careful interagency coordination.

A. Analysis of Special Incentives

Many of the special incentives described in the *2007 Strategy* had not been further developed or implemented as of mid-2009. It is therefore difficult to develop an assessment of the effectiveness of individual special incentives. Nevertheless, it is possible to assess effectiveness of the list as a whole according to several basic criteria. In order to be effective, a statewide incentive program should:

- Reward and support key participants.
- Establish effective criteria for eligibility.
- Reward implementation as well as planning.

1. Reward and support key participants.

By this criterion, the incentives function quite well. Completion, acceptance and implementation of Balanced Growth plans require the involvement of at least four distinct groups: local governments, property owners, land developers, and voters. Ensuring that the suite of incentives benefits all of these groups will allow the Planning Partnerships to successfully engage them in the planning process.

The existing list of incentives helpfully directs rewards to a wide range of participants, including local governments, non-profits, business owners, and landowners.

- Eighteen of the thirty-six listed incentives are available to local governments. Many of these are also available to or pass money through to land owners and other organizations.
- Thirteen incentives provide some benefit to land owners, including some that are also available to local governments.
- Five are economic development incentives that directly benefit businesses and indirectly benefit local governments and land owners.

An annotated list of the special incentives is included as Appendix A.

The heart of Maryland's Smart Growth program, established in 1997 under then Governor Parris Glendening, is a commitment on the part of the state to stop incentivizing growth outside of locally-designated Priority Funding Areas (PFAs). The state placed no restrictions on development, but limited state infrastructure investments to Priority Funding Areas with the intention of supporting and catalyzing growth there. This targeting of infrastructure funds was accompanied by a package of other incentives and investment policies designed to promote public and private investments, including:

- Rural Legacy Program, which provides funding for the protection of large, strategic tracts of land;
- Brownfield Clean-up and Liability Reform;
- Job Creation Tax Cut for jobs created in PFAs;
- Live Near Your Work Program in PFAs;
- a Smart Growth infrastructure fund to better support PFAs;
- a change to school construction policy that increased redevelopment;
- a historic redevelopment tax credit available to individuals and businesses; and
- a home ownership program for teachers.

These incentives balance support for local governments with incentives for landowners and business owners that directly reward individual investments in PFAs.

2. Establish effective criteria for eligibility

A key characteristic of a strong incentive – whether it consists of extra points, dedicated funding, prioritization for funding or technical assistance – is that it is uniquely available to program participants. In other words, adoption of Balanced Growth plans should earn access to these incentives that is not available in places that have not adopted these plans.

On the whole, the program does not make a strong enough distinction between Balanced Growth adopters and other communities.

- Two of the existing incentives – those that provide discounted loan rates for drinking water, wastewater and storm water treatment projects only to Balanced Growth jurisdictions – are strong incentives in this sense.
- Five of the incentives set aside some resources for Balanced Growth applicants or allow Balanced Growth plans to count as partial completion of other plans that bring

additional incentives. For instance, the Lake Erie Conservation Reserve Enhancement Program would dedicate an undetermined amount of its \$1 million annual funding to supporting eligible practices in PCAs.

- Thirteen incentives commit to including extra points for Balanced Growth jurisdictions in existing scoring systems.
- Three of the proposals are not incentives according to this criterion. Two of these simply point out that information from Balanced Growth plans could be used to complete Hazard Mitigation Plans, which have additional benefits for communities. The last, 208 Planning, has a special function in Balanced Growth Watersheds – as an implementation mechanism – but no special rewards.
- Twelve more are unclear, primarily because they do not specify whether they offer special access to Balanced Growth communities, or are simply programs that are especially suitable for communities seeking to implement PCAs and PDAs.

Moving forward, the Balanced Growth Initiative will be more credible and more compelling if all of its advertised incentives meet this goal, even if that means starting with a far more limited list.

3. Reward implementation as well as planning.

The suite of incentives provides rewards for participation in planning partnerships and adoption of Balanced Growth plans. Local governments who undertake these actions have access to the full range of incentives currently offered.

There are currently no incentives for implementation of Balanced Growth plans through adoption into local land use laws. In a program where the ultimate goal of water quality protection cannot be achieved unless plans are implemented, and where that implementation is completely voluntary, it is crucial to develop significant rewards that are only available to communities once implementation has commenced.

In its current form, the program signals that planning alone is enough to achieve the state's goals, but local governments, citizens and especially developers know that land use laws are the only rules that must be followed, and the program will lack credibility if it does not encourage and reward legally enforceable implementation.

B. Clean Ohio: A case study in development of more robust incentives

The Clean Ohio program offers a useful case study in the effort that may be required to adjust existing programs to create stronger incentives for Balanced Growth planning. The program aligns well with Balanced Growth goals, providing funding for land conservation and development in existing communities. Personnel in charge of the four funding streams (Green Space Conservation, Farmland Preservation, Recreational Trails and Brownfields Revitalization) are all aware of the consonance with Balanced Growth and one has already begun the process of changing the rules to favor applicants in Balanced Growth areas. (See Farmland Preservation,

below.) The other streams are likely to require further negotiation to become strong incentives. The three largest funding streams are addressed here.

Green Space Conservation Fund

Clean Ohio Open Space funds are distributed through 19 regional Natural Resource Assistance Councils (NRAC), each of which use a state template as starting points for their own rating criteria and application process. Currently, none of the application forms provides special considerations for Balanced Growth Plans, but almost all of them would likely give a high rating to an application for acquisition of land identified as PCAs, based on points available for level of coordination, community planning, and regional significance.

The response of one NRAC chair, when asked how he thought Balanced Growth might be incorporated into these criteria, was to point to the existing credits and explain how a Balanced Growth plan would meet those criteria. In other words, Balanced Growth plans may offer one of the best ways to meet these criteria, but there are other ways to earn the same points. There is no presumptive prioritization of Balanced Growth applicants.

The pilot programs create an opportunity to focus on one or two of the regional NRACs and promote priority consideration for Balanced Growth plans on a limited scale. Rather than attempting to change the statewide criteria, which would require legislative action, Balanced Growth program staff could meet with affected NRACs to directly communicate the relevance and significance of Balanced Growth planning for open space conservation.

Brownfield Revitalization Fund

Funding for brownfields redevelopment supports a key Balanced Growth strategy – redevelopment of existing sites in order to avoid greenfield development – and cleans up potential sources of surface and ground water pollution. Currently, these funds are distributed almost entirely in large cities, where the Balanced Growth Initiative has not been piloted. However, Ohio Department of Development (DOD) staff members indicate that there are brownfields in high-growth/low-density areas, too. If the Balanced Growth Initiative can be tailored to suit cities, and/or if PDAs were awarded enough additional consideration to raise the standing of projects in smaller, high-growth communities, this funding could become a more significant incentive.

DOD staff have assumed that applicants in Balanced Growth PDAs would qualify for points that are currently awarded to projects in communities with adopted strategic plans, as described in question 20 of in the Revitalization Fund Application for Funding, Part B – Selection Methodology. Changing the DOD criteria to explicitly provide points to applicants in PDAs would require legislative action, which would in turn require the commitment and interest of DOD leadership or key legislators.

Farmland Preservation

The Farmland Preservation Advisory Board uses a single set of criteria to evaluate projects from around the state. These criteria are primarily legislatively defined, but the Director does have some authority to make changes. The Chair of the Farmland Preservation Advisory Board is pursuing a ruling from the Attorney General on whether adding consideration of Balanced Growth status is within the Director's existing authority. If it is not, the Chair has indicated that he hopes to pursue a legislative change.

Lessons

In working with other state agencies to develop incentives, it is important to be very clear about what makes something an incentive. It may be that elevating Balanced Growth plans to the same level as other plans mentioned in the Clean Ohio applications is a significant benefit. However, if the intent was to give Balanced Growth communities something they could not earn any other way – even if it is simply a point or two in a larger scoring system – then there appears to be a gap between that intention and the understanding of Clean Ohio personnel.

Section II. Aligning state actions in support of Balanced Growth

The fundamental principal to guide the actions of state agencies is that if local governments can agree on areas where development is to be encouraged (PDAs) and areas which are to be conserved (PCAs), *the State of Ohio will support those decisions by aligning State programs to support those decisions and conversely will not utilize State programs to violate these locally based decisions.*

(Emphasis added. 2007 Strategy, p. 2)

From the beginning, the Balanced Growth Task Force emphasized the need to understand the impact State policies have on local land use decisions and private sector location decisions. Intentionally or not, the State already plays an enormous role in local land use outcomes.

Balanced Growth will not succeed – and the State’s investments in it will be squandered – if the State’s regulations, actions and investments work against local intentions. State infrastructure investments dwarf current Balanced Growth incentives, both in financial terms and in terms of their impact on where growth goes, and many local governments are keenly aware that all of their PCA and PDA designations are at the mercy of state investments.

There are two areas where the state could begin to organize its alignment efforts.

- Changing infrastructure investment policy may be the most urgent need; it is certainly the most complicated.
- Coordinating state agencies would have multiple benefits for the state and local governments, and could be shaped to create an additional incentive for Balanced Growth.

Infrastructure Policy

Public agencies can never afford to spend money where it undermines other investments or creates avoidable costs. Many of Ohio’s current infrastructure policies do exactly that. By facilitating land conversion rather than modernizing or expanding infrastructure in existing communities, these policies directly influence a community’s ability and willingness to draw development into growth areas while protecting existing open space.

Recent changes to the criteria for major capacity expansion, as well as the agency’s 2008-2009 Strategic Guidance indicate that ODOT, at least, is beginning to explore the need to use transportation investments to actively support local land use plans.

One state, Maryland, also use infrastructure pricing to create *disincentives* to growth in protected areas by requiring that developers or

To promote Turnaround Ohio initiatives including ‘Fix it First,’ ODOT must adapt its current policies and practices to ensure that transportation investment decisions maintain a safe system and help encourage smart growth and development.

(ODOT 2008-2009 Business Plan, p21)

local governments shoulder the costs there. Attracting development to PDAs is important, but it is equally important to create disincentives to planning and development that do not meet program goals. Not only will these disincentives facilitate achievement of the program goals, they are also a fiscally sound approach; it does not make financial sense for the state to invest its scarce resources – or to encourage local government to do the same – to preserve certain areas for open space or to revitalize PDAs, while at the same time continuing to invest other state funds in development that makes it difficult to maintain these boundaries.

State Agency Coordination

The multi-agency commissions and working groups that support the Balanced Growth Initiative are potentially one of the program's biggest strengths. Growth and development are shaped by an array of public policies, which are "owned" by a number of different agencies. The State Program Inventory is a comprehensive summary of these policies, but only state agency officials can move beyond that list to ensure that agency processes and policy approaches do not undermine Balanced Growth goals.

Many states have found that cross-departmental collaboration can dramatically speed up the alignment of state policies to achieve desired growth and development patterns. Increasing the scope of multi-agency coordination could be expected to have the following benefits:

- better understanding of the full range of agency decisions that impact growth in general and Balanced Growth plans in particular;
- better understanding of which policies work at cross-purposes;
- opportunity to make performance expectations clear in a semi-public forum; and
- opportunity to coordinate investments to achieve better outcomes for less money.

Section III. Recommendations

The following recommendations emerge from the preceding analysis of current incentives, analysis of current governance practices in Ohio, and knowledge of current practice in other states. The intent of all of these recommendations is to

- strengthen the Balanced Growth program, and
- enhance the State's ability to make good on its commitment to support Balanced Growth plans through alignment of its policies.

Recommendation #1: Build a strong state-level advisory and technical assistance program:

State technical assistance supports the Balanced Growth program in at least four ways. It serves as an incentive to participation and adoption, it gives the state an opportunity to ensure that plans are effective, it supports implementation of plans, and it gives the state an opportunity to learn about local needs and obstacles. Many states create planning divisions, offices or departments to provide this technical assistance. In recognition of Ohio's more limited resources, the Project Team identified four of the most essential tasks:

A. Maintain a collaborative advisory relationship with Planning Partnerships.

As part of the pilot process, OLEC staff members have supported Planning Partnerships by advising them on how to apply the criteria and requirements of the *Planning Framework (2004)*, helping to determine which data were necessary and acceptable, and making judgments on issues that were not anticipated in the *Planning Framework*. OLEC staff and the pilot watersheds did not frame this collaboration as technical assistance – it was simply part of the piloting process, designed to test the Initiative and develop it further. In the March workshop, however, pilot watershed participants indicated that this flexible collaboration was a valuable asset. Being able to promise local governments that the Planning Partnership would design the process may have dispelled local officials' fears that they were ceding control to a state or regional body.

Maintaining a flexible collaborative relationship between OLEC staff and Planning Partnerships is therefore important, even if it means limiting program growth. OWRC, OLEC and other staff responsible for administering the Balanced Growth program in the future must weigh the value of this flexibility for participants against the ongoing cost of staff time and the need for consistency across the state, i.e. written plan requirements.

B. Expand Best Local Land Use Practices Assistance with an Emphasis on Implementation.

The *Best Local Land Use Practices* (BLLUP) materials and technical assistance have been instrumental in helping local governments understand how different land use techniques can help accomplish water quality protection goals and have therefore also been critical outreach tools for the program.

Successful outreach and expansion of the Balanced Growth program may not be enough, however. As articulated above, effective implementation of Balanced Growth plans will also require incorporation of these plans into local and county comprehensive plans and land use ordinances. Planning capacity at the local level varies greatly, and many local governments would need significant technical assistance in order to successfully revise plans or codes to be consistent with their Balanced Growth plans. With one person currently available to provide the BLLUP technical assistance, the state cannot provide the direct, ongoing coaching many local governments would need to adopt new or revised plans and codes.

Expanding this technical assistance function would have a significant impact on the long-term success of the Balanced Growth program, whether through creation of a new position or a contract with a university technical assistance provider such as the OSU Extension program. The current BLLUP technical assistance provider notes that her success is dependent upon the trust she has been able to establish with local governments. In identifying potential technical assistance providers, therefore, the ability to develop trust at the local level would be as important as expertise and experience in local land use planning in Ohio.

Each of Delaware's three counties is assigned a designated "circuit-rider" planner, who provides primary assistance to local governments and serves as a liaison to state government. These professionals work for the Office of State Planning Coordination, an office designed to support municipal and county governments as they make land use decisions. Every municipality and county in the state is required to develop and regularly update land use plans, and the circuit riders are one of the resources available to local governments to help them through this process.

One of the benefits of having designated liaisons for each county is the trust they can develop through ongoing, supportive relationships. Circuit-rider planners work to understand local concerns and local politics, and they actively demonstrate the state's role of supporting and guiding, overcoming concerns about state interference with local land use powers.

For more information, see
<http://stateplanning.delaware.gov/services/circuit.shtml>.

C. *Provide Future Growth Projections for Balanced Growth Planning Areas.*

Provide Planning Partnerships with consistent data regarding future population and economic growth and require them to use it. The *2009 Strategy* encourages local governments to incorporate such projections, but it is in the state's interest to require the use of consistent information. Doing so will increase the probability that

a Balanced Growth plan will designate realistic growth areas that do not promote more land conversion than needed.

Without a designated planning office, OWRC might consider partnering with a university, such as OSU Extension, to use ODOD data to generate these reports at an appropriate geographic scale.

Maryland's Department of Planning employs demographers and GIS specialists who generate growth projections for local governments seeking to define or expand growth areas, known as Priority Funding Areas, or PFAs. Local governments work with planners to build these estimates. The law that established PFAs required that each one accommodate no more than 20 year's worth of projected growth, based on the state-provided projections.

D. Develop the SAWG's role as liaisons and technical advisors for Balanced Growth communities.

In order to ensure that the advice and technical assistance provided by the state to Planning Partnerships and local governments is as effective as possible, a concerted effort should continue to be made to coordinate such assistance across agencies through the State Assistance Working Group.

As explained in the *2007 Strategy*, the SAWG will give planning partnerships "special access to state agencies [which] should assist in identifying sources of support, obtaining agency guidance on utilizing support and making the agencies aware of the local watershed intentions." This is a powerful incentive for local governments, as well as a crucial forum for inter-agency learning, and we strongly recommend that this group's work continue to be funded and staffed to serve local governments in Balanced Growth areas over a longer post-endorsement period.

Recommendation #2: Increase Value of Incentives

A. Reward Implementation

Currently, the Balanced Growth Initiative helpfully identifies state funding and technical assistance resources that can support implementation, such as funding for acquisition of PCAs, or loans for business development in PDAs. In recognition of the importance of legal implementation of the advisory Balanced Growth plans, some of incentives in the final suite should be conditioned upon incorporation of Balanced Growth plans into local comprehensive plans or zoning codes.

Incentives that provide funding for infrastructure or land acquisition would not only be valuable as persuasive tools, but they would be more likely to achieve better returns on investment if they are support adopted comprehensive plans and zoning codes. For instance, the Main Street grants, recommendation #7, below, could be available to in PDAs that have been designated in zoning codes consistent with adopted comprehensive plans. The rationale would be that these grants are intended to leverage other investment, which should be guided, coordinated and enforced by local plans.

B. Fine-tune existing special incentives to grant Balanced Growth adopters benefits that are unavailable to other applicants.

As noted above, many of the current Special Incentives appear to give Balanced Growth adopters few benefits that they could get for other reasons. The apparent breadth of the current list of Special Incentives has some benefits, including the engagement of multiple state agencies, the ability to support multiple stakeholders, both public and private, and the ability to appeal to different communities based on their local priorities and interests; however, many of these benefits may evaporate when participants realize that they have gained very little advantage over other applicants. The program needs some high-value, higher-profile incentives that speak to the importance of Balanced Growth plans as distinct from other plans.

In Massachusetts, the Smart Growth Zoning Overlay District Act of 2004 – more commonly known as 40R – establishes two levels of incentives for communities that plan for growth areas and incorporate affordable housing. Communities that adopt a state-approved “smart growth overlay district” as part of a zoning code receive cash awards of between \$10,000 and \$600,000. In addition, because the Commonwealth’s most persistent issue is housing affordability, there is a \$3000/per unit bonus for each unit of planned affordable housing that subsequently receives a building permit. Additional state discretionary funds are also available to communities with approved smart growth districts. The role of these bonuses is not simply to reward affordable housing, but to reward it in the most affordable locations – those with good walking and transit access to a variety of services and jobs.

Given the work involved with obtaining real advantages for Balanced Growth adopters in existing programs, as noted above in the discussion of Clean Ohio, OWRC and OLEC should work through the SAWG to determine which of the current Special Incentives, if any, can be most quickly confirmed as true incentives.

C. Treat Balanced Growth adopters as partners in innovation.

The federal government is currently developing new approaches to economic and community development, environmental protection, housing and transportation investments that emphasize integration of functions and funding streams. This is evidenced at the federal level by the new

Sustainable Communities

Partnership between HUD, EPA, and DOT, as well as by Office of Management and Budget guidance issued in August, 2009, which requests all federal agencies to identify place-based policies. (Orzag et al. 2009)

It is important to note the urgency of this effort. The prosperity, equity, sustainability, and livability of neighborhoods, cities and towns, and larger regions depend on the ability of the Federal government to enable locally-driven, integrated, and place-conscious solutions guided by meaningful measures, not disparate or redundant programs which neglect their impact on regional development.

(From OMB guidance on Place-based Policies, August 2009)

The State of Ohio is also taking steps to redesign existing policies to account for their impacts on growth, economic development, the environment and energy use. ODOT's 2008-2009 Strategic Guidance, mentioned in the discussion of Infrastructure policy in the last Section, is one such effort. In determining how to implement that guidance, the Department has convened representatives from several agencies and the Governor's office to design cross-disciplinary strategies.

Balanced Growth communities could be ideal partners in developing these innovations. In other words, in developing an integrated approach to investment programs, the state could benefit from working with communities that have achieved the goals of Balanced Growth planning, including regional collaboration, broad agreement about where growth should and should not go, and some public understanding of the relationship between infrastructure, development and environmental impacts.

In light of these new directions in state government, OLEC and OWRC should consider devoting resources to the development of new Special Incentives that turn to pilot regions as partners in innovation. Ideally, these incentives would channel significant infrastructure and economic development spending in ways that support growth in PDAs.

Recommendation #3: Create a more robust role for SAWG staff in the endorsement process.

The Balanced Growth program rightfully emphasizes the importance of support from state agencies, but SAWG representatives feel that they did not have the information they needed to understand and interpret pilot Balanced Growth plans before they were asked to sign off on them. Understanding individual Balanced Growth plans is an important step towards identifying and modifying policies that might support or interfere with them. An endorsement process that

treats the SAWG's role as an afterthought misses an opportunity to educate and engage important allies.

- Require Planning Partnerships to present their final draft Plans to a full meeting of the SAWG, and give SAWG members an opportunity to ask questions about the process and results of the plan. While the *2009 Strategy* reiterates the expectation that state agency personnel will meet with the Planning Partnerships during the planning process, this presentation of the final plan to the complete group is an important step in building mutual understanding of the benefits and concerns associated with a plan.
- Request SAWG members to inform their agencies about Balanced Growth plans, with comments about highlights and concerns relating to that agency's activities.
- Transfer the responsibility for preparing the final staff report on each plan to the SAWG. During the pilot round these reports were prepared by the same OLEC staff that were involved in assisting Watershed Planning Partnerships with the interpretation of planning guidance. There is value in having a group that was not involved in plan development comment on whether the plan appropriately meets program guidance. At a minimum, the SAWG could prepare an advisory statement to append to a more complete staff report.

In the schedule for pilot plan endorsement, the SAWG had three weeks to review the plans, the Planning Partnerships had one month to respond, and OLEC had another month to review final plans before voting to endorse them. OLEC staff noted that the six-month review and comment period seemed too long and that they wished to shorten it. Any effort to do that should recognize that the SAWG review might actually take more time, not less. If the SAWG is expected to completely understand and share Balanced Growth plans with relevant staff within their agencies, they will either need more time or will need advance information about the developing plans.

Recommendation #4: Streamline planning and permitting requirements and processes to facilitate development in Priority Development Areas

A. Minimize permit requirements in Priority Development Areas

One of the key impediments to redevelopment or development within existing communities is that the permitting requirements are often more onerous than they would be for Greenfield development. As explored in Wendy Kellogg's focus group research (2005), the state could streamline its permitting requirements (and/or create incentives for local governments to streamline their permitting) in order to make development/redevelopment in Priority Development areas more straightforward and predictable for developers.

Specifically, the State should use all permitting – such as community and individual septic permits, stormwater and drinking water permits, ODOT access permits and Level of Service requirements – both to encourage local governments to participate in the Balanced Growth program and to encourage local governments to develop in PDAs. This should be achieved

by creating expedited permitting processes for developments in PDAs, while requiring higher burden of proof for permits outside of PDAs.

A first step in determining how to reduce the permitting burden on developers in PDAs would be to convene a group of state and local officials and developers to undertake the following tasks:

- Create a list of development requirements that complicate or delay development, especially in the context of areas likely to have been defined as PDAs (i.e., adjacent to existing infrastructure and other development).
- Establish a preliminary priority for each item based on Kellogg's developer focus group work (2005).
- Test level of developers' concern with each item; evaluate local and state perceptions of the ability to streamline.

B. Reconcile overlapping planning requirements

In addition to streamlining permitting, the state could assist Balanced Growth program participants by coordinating planning processes – both voluntary and required – that local governments must navigate. The experiences of pilot Planning Partnerships has raised concerns that the work involved in Balanced Growth plans may overlap with other planning processes. Overlap with the Watershed Assessment planning process, for instance, has been resolved to allow Balanced Growth plans to qualify for partial completion of Watershed Assessment Plans. Understanding and reducing any other overlap would serve as an incentive to local governments and watershed groups to participate in Balanced Growth planning – and could create additional incentives to participate in other state programs.

OLEC and OWRC could convene state and local officials with representatives of the Watershed Planning Partnerships to discuss where overlaps occur and where they could be streamlined. The following topics should be explored at this meeting:

- Are pilot watershed planning partnership representatives aware of overlap between work they did and work required for other plans or permits?
- Was data assembled for other planning and permitting processes suitable for and readily available for Balanced Growth planning? What adjustments were necessary to make it suitable?
- In the opinion of pilot planning partnerships, do Balanced Growth plans serve as a replacement for any other voluntary or state-required plans in terms of the purposes served?
- With more information about the pilot watersheds' data collection, analysis and planning work, do state permitting agencies see any overlap with their programs?
- Do any of these questions suggest opportunities for streamlining to agency staff?

C. Create a coordinated multi-agency review process for projects in PDAs.

In addition to removing or reducing certain permitting requirements, the state could offer a streamlined permitting process for projects in Priority Development Areas. One way to do this would be to create a cross-agency council that would provide coordinated and simultaneous review of submitted projects, thereby reducing the number of different applications required for each project. An additional benefit to this structure is that it would serve to increase cross-agency collaboration and improve agencies' understanding of each other's permitting requirements and potential conflicts or tensions among them. The SAWG would be an ideal entity to take on this function.

Delaware's Preliminary Land Use Service, or PLUS, provides expedited, advance review of development proposals. Applying primarily to large projects, the reviews provide developers and local governments with a preview of the State's concerns and alternative approaches to resolve those concerns. The enabling legislation allows the Office of State Planning Legislation to compel representatives from any agency to attend PLUS reviews, but infrastructure and permitting agencies are most commonly involved. Developers may choose to alter their plans based on these comments before applying for local permits and approvals.

PLUS adds value for developers in two ways. First, it provides feedback early enough in the development process to give developers an opportunity to change their plans before completing local reviews. Second, it brings the developer and local government together with representatives of several state agencies, providing the developer with more a more coherent, streamlined version of the state's concerns and reducing the time required for applications to multiple agencies.

PLUS adds value for the state by creating a more collaborative relationship with developers. It also assures that the concerns of various agencies will be expressed in the framework of overarching state goals.

For more information, see
<http://stateplanning.delaware.gov/plus/plus.shtml#about>.

Recommendation #5: Create a Smart Site Program to facilitate economic development in PDAs

Ohio EPA and the Department of Development could establish a collaborative effort to identify and market "smart sites" in PDAs, ie. infill and redevelopment opportunities, brownfields, and sites near transit. Building on the Department of Development's existing Ohio InSite web tool, a

Smart Sites program would add another level of functionality to highlight sites that meet multiple State goals. As well as showing where these sites are located, this effort could also:

- Identify Balanced Growth incentives available to developers in PDAs;
- Identify other state and federal funding available to developers for redevelopment of those sites;
- Draw attention to the economic value of regional planning and focused investment.

Pennsylvania's online site locator is similar to Ohio InSite, with the addition of a special page for KOZ (Keystone Opportunity Zone) sites, where state and local governments have agreed to eliminate taxes in order to promote site development and reuse. Pittsburgh's Cool Sites Locator is a non-profit effort targeted at businesses seeking to use a downtown location to create an exciting, cutting-edge image in order to attract and retain younger knowledge workers.

See New Jersey's Brownfield Site Mart (<http://www.njsitemart.com>), Pittsburgh's Cool Space Locator (<http://www.coolspacelocator.com/>), and Pennsylvania's Site Finder (www.pasitefinder.state.pa.us).

Recommendation #6: Develop New Models and Guidance for Communities with Failing Septic Systems

State and federal policies guiding replacement of failing septic systems have caused more than one state growth management program to falter. Many rural communities struggle with failing septic systems, which pollute groundwater and cause water quality problems for surrounding water bodies. The most common response to this problem has been to replace these systems with centralized wastewater treatment, which can lead to additional, uncontrolled growth in areas that would prefer to remain rural.

By developing a new approach to failing septic systems, Ohio could avoid spending SRF funding in ways that exacerbate land conversion in PCAs and PAAs. A new approach could also be much more cost-effective for local and state governments.

Elements of this approach should include:

- Create indicators or other measures to determine when communities with failing septic systems might be good candidates to connect to a centralized system, and which should consider alternatives. Areas planned for moderate densities or higher (greater than one unit/acre), would be better candidates for centralization. Areas with rural densities (less than one unit/twenty acres) would be excellent candidates for septic replacement.

- Communities wishing to retain a rural character could create a municipal septic management district responsible for the repair, replacement, and maintenance of homeowners' septic systems. The homeowner would pay a fee for this service, similar to the sewer fee paid by homeowners on centralized treatment systems.
- Only those areas with a municipal septic management district would be eligible to receive state loan or grant monies (e.g., SRF funds) to repair or replace failing septic systems. Alternatively, septic management districts could qualify for lower interest rates. The New Jersey Environmental Infrastructure Trust offers a 75% loan rate discount on these loans. (See <http://www.njeit.org/smartgrowth.htm>.) The district might also have taxing authority, similar to a stormwater district.
- In addition to enabling municipal septic management district, the state should encourage the use of decentralized systems, such as package plants and other "decentralized" waste water treatment systems that can allow for higher density developments while reducing the sprawl-inducing impacts of extended sewer lines.

For more information contact Lynn Richards at the US EPA Development, Community and Environment Division (richards.lynn@epa.gov).

Recommendation #7: Create a fund for planning and retrofit of local “Main Streets”.

As Ohio's Department of Transportation undertakes a comprehensive reevaluation of its transportation priorities and programs, it should create a competitive grant program to support planning and multi-modal transportation improvements in existing town, county and city commercial centers. In recognition of the important role transportation facilities play in economic development and community livability, these grants should be designed to support local efforts to create more vibrant and more compact downtowns accessible by several different modes of transportation.

This program would be a vital component of a statewide effort to focus transportation spending on place-based economic development, but it has special relevance to implementation of Balanced Growth plans. Development and redevelopment of existing centers – be they urban downtowns or village Main Streets – will be the key to the success of PDAs. Transportation facilities that signal a vibrant, people-oriented place (as opposed to one meant to move cars through as fast as possible) will make these centers more appealing places in which to invest time and money.

Oregon's Department of Transportation teams up with the state Department of Land Conservation and Development to award Transportation and Growth Management Grants in two categories, Transportation System Planning and Integrated Transportation and Land Use Planning. This second category funds local government planning processes to create more pedestrian-friendly neighborhoods, to reduce reliance on state highways for local transportation, and increase opportunities for travel using transit, biking or walking. This fund gives priority to communities participating in the Oregon Main Street program, in order to help revitalize downtowns that have suffered from sharing their main thoroughfare with the state highway department.

For more information, visit <http://www.oregon.gov/LCD/TGM/grants.shtml>.

Recommendation #8: Pilot “Balanced Economic Growth” Strategies

The OWRC could oversee an effort, led by the Department of Development, to develop a place-based approach to regional economic growth strategies. Every community could benefit from this approach, but it would have the most impact in areas where economic development and environmental protection are seen as competing values. Rather than trying to attract as much development as possible, regardless of location, and a more intentional asset-based strategy would identify, protect and develop important natural, cultural and human resources.

In the United States, this approach to economic development has been articulated best by the Appalachian Regional Commission (ARC), and this recommendation has special relevance to southeastern Ohio. Because of this, the Governor's Office of Appalachia would be a key partner, along with ODOD Division of Tourism and ODNR.

This region, where open space has tremendous scenic and water quality values that have not been leveraged into economic benefits, is the part of the state where asset-based development and Balanced Growth plans will have the most obvious overlap. Reluctance to participate in Balanced Growth there may hinge on the fear that it will hamper economic development. Demonstrating that this approach to growth has real economic value would make it more attractive, as would the availability of specific assistance to realize that value.

This strategy holds promise for all types of communities, however. Any city, town or region can benefit from identifying local assets and resources and engaging the public in plans to protect, enhance and leverage them for economic benefit.

The ARC identifies several steps to asset-based development:

- Asset mapping – Identify unique assets and physically map them to help community members think about how they relate.
- Strategic planning – Engage local political leaders, business leaders and the public with technical experts to design economic strategies around these assets.
- Education and Training – Support entrepreneurs and develop local residents’ skills to suit the jobs and industries identified in the strategic plan.
- Financing – Identify sources of capital - including public and private lending, public and private grants – that meet the particular needs of the asset-based industries being developed.
- Marketing – “Package” the region as a unique place and communicate the value of its assets. (ARC 2005)

Maine’s Quality of Place Initiative advances a statewide economic growth strategy that acknowledges, relies on and develops Maine’s celebrated beauty, its historic towns and villages, its clean air and water, and its unique culture. Asking the question, “How do we need to change to stay the same?”, the Governor’s Council on Maine’s Quality of Place described the need for a new approach to economic development in December 2007. Inspired by a Brookings Institution report that identified Quality of Place as Maine’s chief asset, the Quality of Place Council developed three recommendations, including Regional Landscape Conservation, Downtown and Community Revitalization, and Asset-based Development Strategies.

In the spring of 2009, the Governor, the Council, the Department of Community and Economic Development and six regional councils launched “Mobilize Maine,” the first phase of the asset-based development strategy. This effort will identify local economic assets, such as natural areas, historic downtowns, manufacturing clusters and educational institutions. As the name suggests, the program emphasizes public outreach. The identified assets will form the basis for six regional economic development strategies.

For more information see
<http://www.maine.gov/spo/specialprojects/qualityofplace/mobilizemaine.htm>.

Given the lack of dedicated funding, as well as the highly-localized nature of this type of planning, it would be appropriate to develop this incentive by piloting it in one or two Balanced Growth planning areas. While this planning would be an important tool no matter when it is

offered, aligning it with Balanced Growth planning work would increase its value as an incentive and as an economic development plan. This approach might involve:

- **Identifying the right region.** The ideal region has abundant open space with important water quality and quantity values. Because it is abundant and economic activity is not, the inherent values of the land are invisible by the local market.
- **Engaging the public.** Reach out to the public to identify local assets.
- **Mapping assets.** Include these assets as elements to be considered in the designation of PDAs and PCAs. Identify any important relationships among these assets or between assets and other features.
- **Strategic Planning.** Develop a plan for the protection and development of these assets, including any required infrastructure and/or needed land use protections. Incorporate these needs into Balanced Growth Plans.
- **Prioritizing priorities.** Use the economic development overlay to identify PDAs and PCAs with essential economic values.

Where to Start

Many of these recommendations will take collaborative effort. As noted above, Ohio profits from several inter-agency Commissions and working groups with an interest in working together to improve the State's economic performance, environmental protection and quality of life. Many of these recommendations align well with ongoing efforts, and could be adopted and led by any one of these groups. It will be especially beneficial, however, to continue to engage all key infrastructure agencies and the Department of Development, each of which holds an important piece of the State's share of the Balanced Growth puzzle.

In order to pursue this engagement and build momentum for other recommendations here, OWRC and OLEC should first address the need to organize inter-agency coordination. Whether this task falls to the SAWG or a new, higher-level group, emphasizing the role of collaboration will signal a commitment to Balanced Growth principles and the change needed to align state policies with desired land use and environmental outcomes.

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Appendix A.

Analysis of Current Special and Technical Incentive

Program & Agency*	Purpose*	Incentives*	Recipient	To Resolve/Comments
Programs that provide additional or unique resources to Balanced Growth communities.				
Clean Water Act Section 319 Implementation Grants Program (OEPA)	To provide financial assistance to local governments, soil & water conservation districts, local watershed groups, and others to implement watershed management actions designed to eliminate impaired waters and reduce non-point source pollution in Ohio.	OEPA provides additional scoring/credit for projects that are proposed in watersheds where a Balanced Growth Plan has been completed.	local gov't	Publicize scoring/credit language with pilot watersheds.
Water Pollution Control Loan Fund (OEPA)	To provide financial and technical assistance to public and private entities for the planning, design, and construction of wastewater treatment facilities and non-point source pollution control actions.	Align to support PCAs and PDAs including: • Funding for best water quality management practices for land development; • Fund for municipal storm water best management practices; • Funding for land and water conservation and restoration actions with water quality benefits; Additional priority points for qualifying Balanced Growth projects.	local gov't, developers, landowners	Clarify number of priority points.
Watershed Coordinator Grant Program (ODNR, OEPA)	To provide non-profits, and local governments with six year declining grants to employ watershed coordinators to plan and implement non-point pollution programs via stakeholder compiled watershed action plans.	Additional points to applicants that indicate they have or are working on a Balanced Growth Plan or proposed projects in PCAs. Endorsed Balanced Growth Watershed Plans will be considered as a partial endorsement in the Watershed Action Plan program leading to added incentives.	local gov't, non-profits	Clarify number of additional points. Note that this also serves as a stepping stone to another plan with additional incentives.
Streams & Storm Water Program (ODNR)	The technical assistance in the areas of site development, storm water management, stream mitigation, rehabilitation and restoration (mitigation review and design assistance.)	Prioritize staff resources toward watersheds with endorsed Watershed Balanced Growth Plans.	local gov't	Clarify commitment.

Program & Agency*	Purpose*	Incentives*	Recipient	To Resolve/Comments
National Flood Insurance Program	The NFIP provides subsidized flood insurance in communities that adopt and enforce flood damage reduction regulations. Also, communities participating in the NFIP have access to all aspects of disaster assistance. The CRS rewards those communities that are doing more than the minimum National Flood Insurance Program requirements to help their residents prevent or reduce flood losses.	Discounts to flood insurance premium rates on flood insurance policies sold for properties within the community.	land owners	Determine amount of discount. Clarify whether this is different than the rate available to other communities "doing more than the minimum."
Lake Erie Protection Fund (OLEC)		Priority for projects to develop and implement Balanced Growth watershed plans.	planning partnerships	
Clean Ohio Agricultural Easement Purchase Program (ODA)	To preserve productive farmland for future generations.	Modify to support PCAs.	land owners	Establish priority of sites in BG watersheds (ODA is currently pursuing this).
Recycling Market Development Grant Program (ODNR)	To provide grants to Ohio businesses, through their local city, county or solid waste management district for costs associated with the development of Ohio markets for scrap tires and other waste material collected in Ohio.	Additional points to applicants that indicate they have or are working on a Balanced Growth Plan or proposed projects in PCAs.	businesses	Determine number of additional points.
Scrap Tire Grant Program (ODNR)	To provide grant funds to Ohio businesses and educational institutions, thru their local government sponsor for costs associated with the development of markets for scrap tires or scrap tire material .	Additional points to applicants that indicate they have or are working on a Balanced Growth Plan or proposed project s in PCAs	businesses	Determine number of additional points.
Land & Water Conservation Fund Program (ODNR)	To provide financial assistance to local governments to acquire and/or develop properties for outdoor recreation .	Additional points to applicants that indicate they have or are working on a Balanced Growth Plan or proposed projects in PCAs.	local gov't (land owner)	Determine number of additional points.
Nature Works Program (ODNR)	To provide financial assistance to local governments to acquire and/or development properties for outdoor recreation .	Additional points to applicants that indicate they have or are working on a Balanced Growth Plan or proposed projects in PCAs.	local gov't (land owner)	Determine number of additional points.
Clean Ohio Trails Program (ODNR)	To provide financial assistance to local governments to acquire and/or development recreational trail properties .	Additional points to applicants that indicate they have or are working on a Balanced Growth Plan or proposed project s in PCAs.	local gov't (land owner)	Determine number of additional points.


Program & Agency*	Purpose*	Incentives*	Recipient	To Resolve/Comments
Recreational Trails Program	To provide financial assistance to all levels of local government and non-profits to acquire and/or develop recreational trail properties.	Additional points to applicants that indicate they have or are working on a Balanced Growth Plan or proposed projects in PCAs.	local gov't, non-profit (land owner)	Determine number of additional points.
Ohio Lake Erie Conservation Reserve Enhancement Program (CREP) (ODNR)	To improve water quality by reducing sediment pollution and field runoff throughout six of the northwest Ohio's watersheds that drain into Lake Erie through the installation of filter strips, riparian buffers, wetland, hardwood trees, wildlife habitat and field windbreaks.	Set aside an undetermined amount of funds from each fiscal year allocation of \$1 million toward PCAs, for eligible practices within eligible agricultural land use.	land owner	Determine suballocation. Not available outside Lake Erie basin.
Grassland Restoration Program (ODNR)	To provide grants to individuals and organizations for costs associated with prairie restoration projects on private land in Ohio.	Provide additional points to applicants that are working on a Balanced Growth Plan or propose priority projects in a focus area.	land owners, organizations	Determine number of additional points.
Wetland Restoration Program (ODNR)	To provide grants to individuals and organizations for costs associated with wetland restoration projects on private land in Ohio.	Provide additional points to applicants that are working on a Balanced Growth Plan or propose priority projects in a focus area.	land owners, organizations	Determine number of additional points.
Water Supply Revolving Account (OEPA)	To provide financial and technical assistance to community public water systems and non-profit non-community water systems for the planning, design, and construction of drinking water infrastructure.	Utilize priority point system for potential loan projects to recognize consistency with balanced growth plans.	water systems	Determine number of additional points.
Small City Program (ODOT)	The program provides federal funds [for transportation] to cities with populations of 5,000 to 24,000 that are not located within Metropolitan Planning Organizations.	Participating in and meeting the Balanced Growth Initiative will be criteria that goes into selection of projects.	local gov't	Will Balanced Growth plans be on par with other existing community plans?
Transportation Enhancements (ODOT)	Federally funded, community based projects that expand travel choices and enhance the transportation experience.	Participating in and meeting the Balanced Growth Initiative will be criteria that goes into selection of	local gov't	Will Balanced Growth plans be on par with other existing community plans?
Fresh Water Loan Group (OWDA)	The program provides market rate loans to local governments that are making improvements to their drinking water treatment, wastewater treatment or storm water treatment systems.	Additional ½ percent discount on loans.	local gov't	
Community Assistance Loan Program (OWDA)	The program provides below market rate loans to local governments that are making improvements to their drinking water treatment or wastewater treatment systems.	Additional ½ percent discount on loans.	local gov't	

Program & Agency*	Purpose*	Incentives*	Recipient	To Resolve/Comments
Programs that DO NOT provide additional or unique resources for Balanced Growth communities.				
Floodplain Mgmt. Tech Asst. Program (ODNR)	To provide technical and planning assistance to local governments in order to reduce flood loss and preserve natural benefit and function of floodplain resources in Ohio.	FEMA approved flood mitigation plans result in local community eligibility for a full array of pre-and post- disaster mitigation funds and assistance. Inclusion of strategies & actions to address flood risk and protect floodplain resources in Balanced Growth Plans can easily be incorporated into mitig. plans.	local gov't	Clarifies role of BG plan in achieving other plans with additional incentives, but does not offer unique benefit to BG communities.
Dam Safety Tech Asst. (ODNR)	To provide technical asst. to communities in the location and extent of dam failure inundation areas .	FEMA approved hazard mitigation plans result in local community eligibility for a full array of pre- and post- disaster mitigation funds and assistance. Inclusion of strategies and actions to address dam failure risk in Balanced Growth Plans can easily be incorporated into mitigation plans.	local gov't	Clarifies role of BG plan in achieving other plans with additional incentives, but does not offer unique benefit to BG communities.
208 Planning (aka State Water Quality Management Plan) (OEPA)	To meet requirements in federal regulations; to apply knowledge of water quality problems and threats in a region developing plans that identify what steps will be taken, by what entities and by when to help improve and maintain good water quality. Nine specific planning "elements" are covered in the plan.	Provides a mechanism to strengthen local land use and sewer infrastructure planning ; OEPA review of wastewater discharge permits and sewer PTIs in PDAs. "Specific prescriptions" regarding wastewater treatment and disposal options would be binding upon OEPA in permitting actions; permits must be consistent with approved 208 plans.	n/a	Implementation mechanism.

Program & Agency*	Purpose*	Incentives*	Recipient	To Resolve/Comments
Programs with unclear applicability or function.				
Dam Safety Linked Deposit Program (OWDA)	To provide below market rate loans to individuals or home owner associations to protect dam structures.	Below market rate loans for the removal of dams.	home owners, home owners' associations	Determine loan discount.
Dam Safety Loan Program (OWDA)	To provide below market rate loans to local governments to protect dam structures.	Below market rate loans for the removal of dams.	local gov't	Determine loan discount.
Ohio Agricultural Easement Donation Program (ODA)	Allows land owners to donate development rights to their land to the State of Ohio or local governments for the purpose of protecting productive farmland from conversion use of the land.	Align for protection of PCAs.	Land owner	Determine whether there is any mechanism for prioritizing BG sites.
Agricultural Security Area (ODA)	ASAs are a partnership. Local governments commit not to initiate, approve, or finance any non-farm development activity, such as extending water and sewer lines, building new roads, housing subdivisions, commercial or industrial facilities, etc., with the ASA during a 10-year term. Landowners commit not to undertake any non-agricultural development on their farmland.	Align for protection of PCAs.	Land owner/local gov't	Determine whether there is any appropriate mechanism for prioritizing BG sites for access to this program.
Coastal Management Assistance Grant Program (ODNR)	To provide financial assistance to local governments, state agencies, non-profits and educational institutions for projects that preserve, protect and enhance Lake Erie coastal resources or improve public access to them.	Technical and/or financial support for Balanced Growth Plan or proposed Projects in PCAs.	local gov't, non-profits, schools	Determine whether there is any special consideration for BG watersheds. Incentive not available statewide.
166 Direct Loan Program (ODOD)	Provides long-term, fixed-rate, low-interest loans to businesses willing to commit to create new jobs or preserve existing employment opportunities in the state of Ohio. Businesses that are engaged in, but not limited to, manufacturing, research and development and distribution are eligible. Retail projects are ineligible.	Strongly encouraged for businesses planning to expand within Priority Development Areas (PDAs.)	Businesses	Any special access for projects in PDAs? Align to assure no relocation.

Program & Agency*	Purpose*	Incentives*	Recipient	To Resolve/Comments
Ohio Job Creation Tax Credit (ODOD)	This is a refundable state franchise or income tax credit that minimizes expenditures to encourage business expansions and/or relocations in Ohio. Business must create at least 25 new full-time positions at a facility in Ohio and pay a minimum of 150 percent of the federal minimum wage (in certain circumstances, as few as 10 new full-time positions may be eligible.) The tax credit must be a major factor in the company's decision.	Tax credit would be strongly encouraged for businesses planning to expand within Priority Development Areas (PDAs.)	Business/in dividual	Any special access for projects in PDAs? Align to assure no in-state relocation.
Rapid Outreach Grant (ODOD)	Grant could be used as an incentive to attract business expansion and could be used for infrastructure needs, the purchase of machinery and equipment and the purchase of land, building or renovation. Retail projects are ineligible.	Strongly encouraged for businesses planning to expand within Priority Development Areas (PDAs.)	Business	Any special access for projects in PDAs? Align to assure no relocation.
Roadwork Development (629) Account (ODOD)	Grant funds are available for public roadway improvements, including engineering and design costs. This fund is available for projects primarily involving manufacturing, R&D, high technology, corporate headquarters, and distribution activity. Projects must typically create or retain jobs. Grants are usually provided to the local	Strongly encouraged for businesses planning to expand within Priority Development Areas (PDAs.)	Local gov't	Any special access for projects in PDAs? Align to assure no relocation.
Statewide Geologic Mapping Program (ODNR)	To perform the necessary field, laboratory and administrative tasks to map and make public reports on the geology and mineral resources of each county in Ohio	Technical (geological) information in support of Balanced Growth Plan.	planning partnerships	Unclear whether this is a service uniquely available to BG communities.
Remapping of Ohio's Lake Erie Coastal Erosion Area (ODNR)	To prepare an updated designation of lake Erie coastal erosion areas.	Technical (geological) information in support of Balanced Growth Plan.	planning partnerships	Unclear whether this is a service uniquely available to BG communities.
Side-scan Sonar Substrate Mapping Program (ODNR)	To document changes in the Lake Erie nearshore environment and in selected Lake Erie tributaries.	Technical (geological) information in support of Balanced Growth Plan.	planning partnerships	Unclear whether this is a service uniquely available to BG communities.

* These columns are directly from the Balanced Growth Strategy, pp 20-24



Enabling Source Water Protection: Aligning State Land Use and Water Protection Programs is a joint project of the Trust for Public Land and The Smart Growth Leadership Institute, in partnership with the Association of State Drinking Water Administrators and River Network and in cooperation with the U.S. Environmental Protection Agency Office of Ground Water and Drinking Water.

For more information about this project, visit www.landuseandwater.org

