



Senate Bill 8 – Opportunity Zones
House Economic and Workforce Development Committee
Interested Party Testimony (**Written Testimony**)
Aaron Clapper, Project Manager – Greater Ohio Policy Center
May 6, 2019

Chair Zeltwanger, Vice Chair Powell, Ranking Member Sobeki, and members of the House Economic and Workforce Development Committee: Greater Ohio Policy Center appreciates this opportunity to provide interested party testimony regarding Senate Bill 8, a bill to authorize tax credits for investments in an Ohio Opportunity Zone.

Greater Ohio Policy Center (GOPC) is a statewide non-profit organization that champions revitalization and sustainable growth in Ohio's cities and metros. GOPC is highly respected for its data-driven, nonpartisan policy analysis, research expertise, and policy development, and regularly provides expert analyses to public, private and nonprofit leaders at the local, state and national level. Our mission is to improve the communities of Ohio through smart growth strategies and research for a revitalized Ohio.

Opportunity Zones are of interest to investors, developers, and community leaders with one common goal: recognizing otherwise unrecognized capital gains and sparking economic development in low-income census tract communities. The Department of Treasury estimates that around \$100 billion of the \$5 trillion in unrecognized gains will flow into Opportunity Zones. While guidelines and regulations are still being implemented at the federal level, many investors are beginning to invest their capital gains into Opportunity Zones within projects and communities that have a guaranteed return on investment.

Ohio has 320 designated Opportunity Zones comprised of low-income census tracts in 73 counties throughout the state. These Zones are not just designated in strong-market urban cores. Therefore, Greater Ohio encourages policymakers to consider how Opportunity Zones can leverage revitalization in all of Ohio's communities. For instance, many of Ohio's Opportunity Zones are in Ohio's legacy cities – those cities that were once industrial economic engines that have since lost jobs. As well, almost every community that is a designated Opportunity Zone is filled with brownfield sites, contaminated commercial and industrial sites requiring clean-up and mitigation before they can become parcels of productivity. Strategic investment in Opportunity Zones can enhance revitalization in Ohio's legacy cities, and encourage brownfield redevelopment to promote economic activity and job growth.

While it is important for Ohio to enact policies to attract Opportunity Zone investments, it is just as important for Ohio's communities to have the tools and resources to leverage those funds. Last month, the Ohio Development Services Agency opened an online portal to showcase Ohio's Opportunity Zones. This online portal will serve as a useful tool to place Ohio on the Opportunity Zones radar; however, Opportunity Zone investments are not guaranteed in every community, and are not guaranteed to come to Ohio. Therefore, the Ohio General Assembly should complement the strides Ohio has taken and implement policies that put Ohio and its communities at a competitive advantage to attract investment and utilize Opportunity Zones alongside their other economic development strategies. Senate Bill 8 is the first step in doing this.