**House Finance Agriculture, Development & Natural Resources Subcommittee**
**Interested Party Testimony, House Bill 166 (Oelslager)**
**Jason Warner, Greater Ohio Policy Center**
**April 11, 2019**

Chairman Hoops, Ranking Member Hicks-Hudson, and members of the House Finance Agriculture, Development, and Natural Resources Subcommittee: thank you for providing me with this opportunity to provide interested party testimony on House Bill 166, the main operating budget for FY2020-2021.

My name is Jason Warner and I am the Manager of Government Affairs at the Greater Ohio Policy Center. 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.

While Greater Ohio recognizes the budget bill thoughtfully considers many of Ohio's most pressing needs, I wish to speak to you today about one policy priority: brownfields funding. These former industrial and commercial sites are unusable for new development in their current condition, and they are found in every county of the state – in both rural and urban communities. These blighted properties discourage investment and create barriers to job creation across the state.

Ohio was once a national model for brownfield redevelopment; however, brownfield redevelopment is down in Ohio after the sunset of the Clean Ohio Revitalization Fund (CORF). Current brownfield programs in Ohio often target specific site types or only offer loans, both of which have limited redevelopment possibilities and are not community-responsive. As a result, private development continues to pass over brownfields for less costly sites that do not include an environmental component. Without state investment, Ohio's older communities remain at an economic disadvantage to tackle blight and cannot access the economic potential locked in these sites which are often located in prime locations. Communities are unable to reactivate their downtowns, provide housing for their residents, and attract economic activity through industry and job growth.

The average cost of remediating one brownfield acre can be between \$15,000 and \$35,000. Research by GOPC and others shows that the high cost of brownfield remediation is more than paid back through the economic output of the cleanup itself. GOPC found that for every one dollar invested by the state, CORF generated an additional \$4.67 in new economic activity. In cleanup alone, CORF contributed an annual \$1.4 billion to Ohio's GDP. Additionally, new construction and ongoing tax revenues from the new businesses or homes on the remediated site contribute to the state's economy.

Ohio has the potential to bring in millions of dollars in additional tax revenue, provide jobs, and spur economic activity in Ohio's communities if we seize the opportunity to redevelop the thousands of environmentally brownfields sites throughout Ohio. **GOPC recommends a funding allocation of $50 million annually for a statewide brownfield grant program, which would be flexible, sustainable, and complementary to existing environmental remediation programs.**

Today I would like to share with you our recommendation for how this money could potentially be generated.

GOPC has worked with public and private sector stakeholders to solicit feedback on potential funding sources for our recommended $50 million program. I am attaching a white paper GOPC has produced with potential funding sources. Today, I would like to highlight one recommendation in the white paper: the allocation of returned liquor profits from JobsOhio to the CORF program.

The Clean Ohio Revitalization Fund (CORF) was originally funded by bonds backed by the state liquor sales. When JobsOhio was established, the state transferred the state-owned liquor agency to provide operating capital for the organization, with profits earned from sales returned to each year to state. In 2018, the returned profits to the state's GRF were $48.1 million. Estimates show this number will continue to rise through FY21. As identified in Ohio law, these returned liquor profits can be used to: pay off bonding debts from the creation of JobsOhio; fund the GRF; or, fund the Clean Ohio Revitalization Fund (CORF).

The program structure of the CORF program still exists in Ohio law; however, funding has not been allocated since it was last bonded in 2008. **As the original CORF program was funded by the state liquor sales, Greater Ohio recommends the legislature allocate the returned liquor profits to fund the CORF program.** While minor tweaks to the program's structure would be necessary to ensure its sustainability, public and private stakeholders acknowledge CORF as a community-responsive and successful state-operated program that leveraged a more than 4:1 return for every state dollar invested.

In conclusion, I wish to thank the members of the committee for your attention and time today as I have outlined a policy priority that can enhance economic opportunity for the state and assist Ohio's communities in returning blighted properties to productive use.

Chairman Hoops, I am happy to answer any questions you or members of the committee may have. My colleague, Aaron Clapper, is also present and may answer any questions I am unable.