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### **Senate Bill 39 Transformational Tax Credit Sponsor Testimony:**

Thank you Chair Dolan, Vice Chair Burke, Ranking Member Skyes and members of the committee, for the opportunity to provide testimony on Senate Bill 39.

Senate Bill 39 is designed to provide a unique tax credit that will help to transform Ohio's downtowns with new and robust economic development.

Senate Bill 39 authorizes a nonrefundable tax credit to insurance carriers who contribute to the multi-use transformational project. The tax credit is 10% of the total cost of the project and is intended to incentivize insurance companies to invest in significant new construction projects in Ohio's downtowns.

For the project to qualify as transformational it must meet certain criteria. Some of which are as follows:

- It must have a positive economic on an area not less than a quarter mile radius from which the transformational project is located.
- The total cost of the project must exceed 50 million dollars
- It must be a multi-use project with combination of retail, office, residential with either 15 stories or more of height or 350,000 square feet or more in size.

After the application is submitted to Director of Development Services. The Director shall consider the economic impact of the project particularly the return on investment the tax credit will stimulate on increased sales, income, lodging and property taxes. Moreover, the applicant will have to provide evidence that the project will generate more new taxes than is reflected in the tax credit. This will ensure that there will be a net tax gain from the project.

In summary, the essence of the bill to incentivize insurance companies to invest capital in the transformation project. This will significantly help build the capital stack of these mega projects and will greatly enhance their chances of becoming a reality.

In closing, Senate Bill 39 serves as a catalyst to foster exponential economic growth in Ohio's downtowns and help to transform them into magnets where businesses will want to locate and people will want to live.

Thank you again for allowing me to give sponsor testimony. At this time I would be glad to entertain any questions you may have.