



**Testimony of
Ilene Shapiro, Summit County Executive**

**Before the Ohio Senate Ways and Means Committee
Hearing on Senate Bill 8: Authorize Tax Credit for Investment in Opportunity Zone
February 27, 2019**

Thank you Chairman Terhar for the opportunity to address the Committee this morning regarding the importance of Senate Bill 8, which will provide an additional state tax incentive to encourage investments in Ohio Opportunity Zones. My name is Ilene Shapiro, and I am the County Executive for Summit County, the fourth largest County in the State of Ohio.

Since their creation in the Tax Reform Act of 2017, much of the country has been interested in the potential of Opportunity Zones and Opportunity Funds to encourage investment in areas still struggling after the Great Recession. As our economy has slowly improved, a large proportion of private investment has been directed to the coasts and other metropolitan areas where economies are once again thriving. In acknowledgment of the fact that many areas continue to struggle, including much of the Midwest, Opportunity Zones were created to drive investment to areas that are still running behind.

I have the pleasure of serving the men and women of Summit County on a daily basis. Like many other parts of Ohio and the Midwest, we are still recovering from the Great Recession and many of our residents are still lacking opportunities for meaningful employment. Seeing the Opportunity Zone program as a literal opportunity for Summit County to bring investment and jobs to our most underserved areas, the County, City of Akron, City of Barberton, Greater Akron Chamber and Development Finance Authority of Summit County all requested that the same 21 census tracts in the County be designated as Opportunity Zones. Ultimately, we were successful in having 16 census tracts designated as Opportunity Zones, all of which are within Senator Sykes' District in the Cities of Akron, Barberton and Cuyahoga Falls.

Since the designation, the County and its local economic development partners have been compiling a community portfolio focusing on the 16 Opportunity Zone census tracts, highlighting the advantages of investing in Summit County and identifying potential investments in those tracts areas. We have also been meeting with law firms, accounting firms and bankers to identify potential investors and spread the word about the opportunities for investment in Summit County. We have been doing this important ground work as the federal government is finalizing the regulations governing Opportunity Zones. However, as much as we are trying to "hit the ground running," without additional support through a state-level incentive, our concern is that we will continue to face an uphill battle.

Some early analyses of Opportunity Zones have suggested that without additional interventions the Opportunity Zone program will still push investments to those areas that are already attractive to capital.

And, while dollars will continue to flow to cities like New York and Seattle, areas such as Ohio and the rest of the Midwest may not benefit from the program as intended. As a result, several states are considering additional state-level incentives that pair with the federal Opportunity Zone program to encourage investment in their state. Senate Bill 8 is one of these efforts, and the state-level incentive to invest in Ohio Opportunity Zones is vital to ensuring that we compete for these investments and bring these dollars to Ohio.

In Summit County, the Opportunity Zones encompass areas that are defined by one or both of two characteristics: high populations of underserved individuals and high concentrations of businesses. However, these areas also are characterized by another common thread- in recent years we have seen great difficulty drawing private capital for development projects necessary to move these communities forward. And while we have accomplished many important projects in the census tracts now designated as Opportunity Zones, we have had to scratch and claw to make these projects a reality. In short, we need all the tools we can get in our toolbox, and the additional incentive provided by Senate Bill 8 gives us a much better chance to attract capital into our community.

In conclusion, I would urge this Committee to give full consideration to the adoption of Senate Bill 8. It is imperative for both the residents of Summit County and the rest of Ohio that we remain economically competitive and take steps to attract as much investment into Opportunity Zones in Ohio as possible. Thank you for your time this morning, and your attention to this important issue.