



Senate Bill 8 – Opportunity Zones
Senate Ways and Means Committee
Interested Party Testimony (Written) | Aaron Clapper, Greater Ohio Policy Center
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Chairman Terhar, Vice Chair Roegner, Ranking Member Williams, and members of the Senate Ways and Means Committee: Greater Ohio Policy Center appreciates this opportunity to provide interested party testimony regarding SB 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. The Department of Treasury estimates that around \$500 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 eager to place their funds in projects and communities with a guaranteed return on investment.

Ohio has 320 designated Opportunity Zones 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. Opportunity Zone investments are not guaranteed in every community – therefore, the Ohio General Assembly should 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.

Submitted,

Aaron Clapper
Project Manager