

Testimony in Support of HB 252 to the Ohio House Economic and Workforce Development Committee

From

Tom Vanderhorst, Executive Director of External Services with the City of Hamilton, Ohio

Thank you for allowing me to speak with you today in support of House Bill 252 Creating the Land Reutilization Demolition Program. My name is Tom Vanderhorst and I am the Executive Director of External Services for the City of Hamilton, Ohio. The departments of Economic Development, Building, Health, Planning and Resident Services all report to me and I can honestly say the City's as-built structures are both an asset and a drain on our community.

Hamilton current has about 120 vacant commercial structures and numerous vacant houses despite years of active demolition activity via other Land Bank funding mechanisms. While the City has utilized State created programs to demolish approximately 495 vacant homes between 2012 and 2019, past programs have not permitted the City to address some of the more impactful commercial properties due to past program restriction. Unfortunately, many large commercial structures take an enormous amount of resources to address due to their size and mediation requirements and they are also often shielded using shell LLC's and suspect property transfers preventing current enforcement tools from effectively addressing the blight. For that reason, I will focus my testimony on just commercial properties within the City of Hamilton. Below, I have selected four commercial that could be addressed should the City become eligible for this new funding to demolish commercial building:

Street Address	Owner	# of Fires	Notes
551 N 6th Street	State of Ohio Forfeited Land Sale	2	This State-owned property is a significant building that need demolished and has been a harbor to homeless persons and has been the site of two arsons
999 Laurel Ave	CTP Funding LLC	0	This property is owner by an LLC with this vacant building with a collapsing roof being its sole asset
850 S Erie Ave	Health Care Industries Inc	0	This property is owned by a shell LLC involving someone in our community who has been an ongoing Code Enforcement offender
400 Dayton St	Simfall LLC	1	This former paper mill was the site of a significant fire within the last 12 months

Without the means to address these blighted properties, our City's economic development is hamstrung as the land occupied by these derelict commercial properties have become valuable re-develop opportunities as we are running out of greenfields. Hamilton has been fortunate to attract some great new businesses nearly filling our Enterprise Park to capacity making these vacant commercial properties our only opportunity to grow. Even with the most creative of financing tools, it still isn't enough to allow us to compete with undeveloped sites despite many of these properties having better infrastructure than greenfields. So, your help couldn't come at a better time for Hamilton.

Hamilton's turn of the century building stock is both an opportunity and a threat. While the City has actively participated in many public-private partnerships to save older buildings where feasible, we are also forced to deal with many absentee property owners who do not care for their buildings pushing the risk to the City. I have included pictures of the fire at the former French Bauer Building, owned by the State due to its property tax delinquency, and the former Mohawk paper Mill, that is owned by an out-of-state absentee landlord, illustrating the high costs burdened to the City. The fires, both occurring within the last twelve months, shows the significant impact these vacant buildings have on our community. These building are also, in many cases, situated within neighborhoods because they were built prior to the implementation of strict zoning regulations and a comprehensive land use plan. This means, in many cases, they also jeopardize the residential properties adjacent to them.

In closing, thank you for past support provided to Hamilton for some of our more impactful projects such as the ODSA money provided for the South Hamilton Crossing and the ODNR grant for the beltline bike path trailhead. Just the fact that you're talking about creating a new \$50M program to address blight in addition to the Moving Ohio Forward and the Hardest Hit programs tell me two things. One is that you know many cities, such as Hamilton, face an unfair competitive disadvantage due to some of their derelict, aging building stock. Two, that the past programs have been impactful. Given those details, I would ask that in addition to creating the new fund, that the matching requirement be reduced or eliminated due to the size and costs associated with commercial demolitions. The property listed at 999 Laurel Avenue alone would cost the City \$750,000 to demolish making even a 50% match almost insurmountable. Eliminating the match for commercial properties or reducing it to a maximum amount would allow us a greater opportunity to address some of these more impactful derelict properties.

Thank you for the opportunity to speak with you this afternoon. What questions do you have for me?

**Fire at 551 N 6th Street (2nd Fire)
October 2018**







