



**Senate Finance Committee
Interested Party Testimony, Am. Sub. House Bill 166 (Oelslager)
Jason Warner, Greater Ohio Policy Center
Thursday, June 13, 2019**

Chairman Dolan and members of the Senate Finance Committee, thank you for once again providing Greater Ohio with this opportunity to provide interested party testimony on House Bill 166 (HB166).

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 not included in the budget: brownfield 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.

Greater Ohio recommends a funding allocation of up-to \$50 million annually for a statewide brownfield grant program, which would be flexible, sustainable, and complementary to existing brownfield programs.

As the original brownfields remediation program was supported by the state liquor sales, Greater Ohio recommends the legislature allocate the returned liquor profits to fund the "CORF" program.

Ohio was once a leader in brownfield redevelopment, with the Clean Ohio Revitalization Fund, or CORF, recognized as a national model for a successful brownfield program; however, brownfield redevelopment is down in Ohio after the sunset of the Clean Ohio Revitalization Fund in 2013. 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.

The average cost of remediating one brownfield acre can be between \$15,000 and \$35,000. Research by Greater Ohio and others shows that the high cost of brownfield remediation is more than paid back through the economic output of the cleanup itself. In 2013, Greater Ohio published *Investing in Brownfields: The Economic Benefits of the Clean Ohio Revitalization Program* which found that for every one dollar invested by the state, the CORF program generated an additional \$4.67 in new economic activity. In cleanup alone, CORF contributed \$1.4 billion annually 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.

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. 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 each year to the state. In Fiscal Year 2019, the returned profits to the state's GRF were \$36.8 million. Estimates provided in the Governor's Blue Book 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 (which has already occurred); fund the GRF (which has been the practice since 2013); or, fund CORF.

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.

If I could also briefly address one change the Senate made to the budget this week as well. The Senate substitute bill zeroed out line item 775451, the public transportation line item in the Department of Transportation budget. This line item, which included \$6.5 million per year of the biennium, funds three important programs: (1) a supplement for federal funding for the Public Transit Assistance Program, (2) support for the Elderly and Disabled Fare Assistance Program, and (3) operating costs for the ODOT Office of Transit. This funding, along with the previously approved funding for public transit in the transportation budget (HB62) is vitally important for transit system operations and Greater Ohio would respectfully request that the Senate restore this funding.

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

Chairman Dolan, I am happy to answer any questions you or members of the committee may have.