



**Senate Finance Committee  
Interested Party Testimony, House Bill 110 (Oelslager)  
Mike Grauwelman, Montgomery County Land Bank  
Tuesday, May 18, 2021**

Chair Dolan, Vice Chair Gavarone, Ranking Member Sykes, and members of the Senate Finance Committee: thank you for the opportunity to provide interested party testimony on House Bill 110, the main operating budget for FY2022-2023.

My name is Mike Grauwelman, and I am the Executive Director for the Montgomery County Land Bank, and am also here today as a Board member of NAIOP of Ohio and a member of the Board of the Ohio Land Bank Association.

NAIOP is a national commercial real estate developers association with over 18,000 members whose mission is to educate and advocate for its membership at federal, state and local levels of government.

Ohio Land Bank Association is a statewide organization representing 57 Ohio county land banks that provides education, networking, and advocacy for its membership. The Ohio Association and its legislative authorities are seen as a model by other states to address distressed real estate. This body and its prior leadership can take pride in this acknowledgement.

While we recognize the budget bill thoughtfully considers many of Ohio's most pressing needs, I wish to speak to you today about one policy priority: brownfields funding. These former industrial and commercial sites are unusable for new development in their current condition, and found in every county of the state. These blighted properties discourage investment and create barriers in the form of risk (time / schedule and liability) to developers and ultimately job creation.

Current brownfield remediation programs are insufficient to meet demand and do not adequately address the financial challenges to incent development. These issues prevent the reuse of viable locations for development driving them to green-fields away from labor pools, and where they may unnecessarily generate additional public service and infrastructure expenses.

Both NAIOP Ohio and the Ohio Land Bank Association support the amendment SC2343 that has been submitted for your consideration in the Budget Bill. This amendment would dedicate excess liquor profits returned to the state from JobsOhio as the source of funding for CORF.

NAIOP has been concerned that Ohio is failing to meet the need of these legacy sites with necessary resources, and effectively abandoning many brownfield sites and forsaking economic development opportunities. Without a flexible state funding program these sites will remain vacant and abandoned, and continue to pose a blighting influence and a health and safety threat to communities, the full use of public infrastructure investments, and result in further impact to neighboring property values and investment. By failing to address these sites, community and economic development is inhibited. Local government services are spread over wider geographic areas, increasing taxpayer costs, and challenging the creation of efficient and sustainable communities. Many of Ohio's communities are not prepared technically or financially to address the challenges posed by these properties. The creation of land Banks and their unique authorities (foreclosure, environmental indemnity) by the state has helped create a solution to this technical challenge. The proposal will allow the Land Banks to help fill the financial gap.

NAIOP has felt strongly that steps need to be taken to address the reduction of state monies allocated toward brownfield redevelopment. Since the Clean Ohio Revitalization Fund was historically funded from the state's liquor profit revenue it seems that this amendment will simply return some of the funds to the program. I have also provided additional written testimony from the NAIOP State Board for your information.

Additionally, the Ohio Land Bank Association has seen its members increasingly take on the responsibility of addressing vacant and abandoned commercial and industrial sites. This role is fitting given the indemnity provided under the Ohio Revised Code in its enabling Land Bank legislation. By design the state created an organization to assist in making these sites productive again by providing these unique (environmental indemnity, tax foreclosure) tools. Since Land Banks were established after the original Clean Ohio Fund was created, the proposal would amend the list of entities eligible to be a recipient of funds to include land banks. The funds will also significantly close the gap in brownfields funding ensuring that many more sites will be repositioned to generate market interest. Every community has them...some known and those unknown. Only with additional means to address these liabilities will they begin to fully come to light and reused for public benefit.

Finally I would add that many of our Brownfield sites are historic and exist in the same neighborhoods as the population most severely impacted by the COVID crisis. Namely those citizens that work in the service industry and live in our inner suburban and urban areas. This proposal has a dual impact socially...removing a blighting influence and assisting those areas impacted by COVID.

In conclusion, Chairman Dolan I wish to thank you and the members of the committee for your time and attention today as we have outlined a policy priority that can enhance economic opportunity for the state and assist Ohio's communities in returning blighted properties to productive use. I am happy to answer any questions you or members of the committee may have.