

March 28, 2023

To: Members of the House Finance Committee

Re: Ohio New Markets Tax Credit (OHNMTC) expansion

Chair Edwards, Vice Chair LaRe, and members of the Ohio House Finance Committee,

On behalf of Cleveland Development Advisors (CDA), an affiliate of the Greater Cleveland Partnership, I write today to encourage this committee to support the expansion of the Ohio New Markets Tax Credit to meet the increasing demand for affordable growth capital for Ohio small businesses.

Cleveland Development Advisors was established in 1989 to support and serve developers, businesses, and community groups in Cleveland and Northeast Ohio. CDA works to identify, position, and invest in projects across the city, especially in neighborhoods that may not otherwise attract investment, and thereby help to prove the market, build wealth, and lead to additional private sector investment.

Each year since the OHNMTC program launched in 2009, \$10 million in tax credits has leveraged \$25.6 million of new private investment for a total of \$307 million in Ohio investment. The existence of a state NMTC has also made Ohio a magnet for the federal NMTC, increasing the average annual amount by 229%.

With current demand for the credits at three times the supply, the time is right to expand the program from \$10 million to \$30 million annually, while raising the per-business investment limit from \$2.56 million to \$5 million.

The OHNMTC program has been an incredible benefit to Northeast Ohio. Recent projects that have been made possible by the program include:

- **University Hospitals Rainbow Center for Women & Children:** a newly constructed facility of UH Rainbow Babies & Children's Hospital and UH MacDonald Women's Hospital which serves as a federally designated medical/dental facility for an underserved area. This urban health center houses 46 exam rooms plus group care/community rooms and co-locates social services.
- **The Lincoln Electric Company's Welding Technology Center:** a new facility located on the company's Euclid, Ohio campus. The new Center will focus on the training of welding educators and industry leaders to address the rising demand for welding education and career pathways in welding and advanced manufacturing.

Thank you for your time and attention to this important matter. If you have any questions or need additional information, please contact me at yittu@greatercle.com. We are excited and encouraged by these efforts to bring further economic opportunity to our region and the entire State of Ohio.

Sincerely,



Yvette M. Ittu
President and CEO

