

Senate Finance Committee
Interested Party Testimony, Sub. House Bill 33 (Edwards)
Written Only Testimony – Prepared by AECOM
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Chair Dolan, Vice Chair Cirino, Ranking Member Sykes, and members of the committee, thank you for the opportunity to present interested party testimony on Substitute House Bill 33 (HB33).

We have performed brownfield redevelopment services in Ohio for over 20 years with AECOM, an engineering and architectural consulting firm with more than 50,000 employees worldwide. We are located in AECOM's Cleveland office and work closely with our Columbus and Cincinnati offices on many brownfield redevelopment and Ohio Voluntary Action Program projects. We have helped our clients obtain more than \$20 million dollars in Ohio brownfield grant funding, first through the Clean Ohio Fund and more recently through the Ohio Brownfield Remediation Program. These grants catalyzed redevelopment activities such as acquisition, environmental assessments, sampling, asbestos abatement, demolition, and remediation on brownfield sites. These properties would not have been redeveloped without these grant funds.

Brownfield Market Demand in Ohio

We commend the Legislature for establishing the \$350 million Brownfield Remediation Program (BRP) in the FY22-23 main operating budget and thank the Ohio Department of Development (ODOD) for its successful administration of the new program. We ask that the Senate support the renewed \$350 million budget funding for the BRP. The initial funding for the BRP was very generous and clearly showed Ohio's renewed interest in supporting brownfield redevelopment. It created the framework for a new program that should be renewed to maximize its potential impact. We are very familiar with the ongoing demand for these funds and were not surprised at how quickly the available funds were fully allocated to Ohio brownfield sites.

The BRP provided \$350 million to 313 projects in 83 of Ohio's 88 counties. The program was quickly and clearly oversubscribed; with the third and final round of funding completely allocated within minutes, it is obvious that there is great demand for continued brownfield funding. Many of Ohio's neediest communities had shelved their brownfield projects more than 5 years prior with the sunset of the Clean Ohio brownfield programs and did not have sufficient time to update those projects and request BRP funding. Several Appalachian communities we work with reported that they were unable to react quickly enough, especially given COVID-related staff shortages, to submit BRP applications due to the aggressive program schedule.

The BRP awarded 125 assessment grants. Renewal of this program will allow these projects to compete for additional remediation funding. Most of these assessed brownfield properties will not be returned to productive use without additional funding. Such cleanup funding is essential to eliminating the public health and safety concerns posed by brownfield sites, especially in Ohio's poorer communities that are predominately impacted by environmental justice concerns.

Brownfield projects typically take several years to complete; more than one year of Ohio funding is necessary to support these projects. A renewed BRP program that offers a clear and predictable multi-year schedule, like that offered by the prior Clean Ohio brownfield funding, would best support public entities and other interested applicants in prioritizing and preparing future brownfield grant applications.

The BRP also indirectly increased the capability of Ohio's land banks to engage in commercial/industrial brownfield redevelopment. The largest applicant sector for the Brownfield Remediation Program were Ohio's land banks. This burgeoning capacity building of Ohio's land banks will cease without continued public funding. Renewing this program would allow these organizations to continue to allocate staff resources to address blighted properties and see their brownfield redevelopment projects through to completion.

We saw the brownfield redevelopment market nearly stall without the aid of Ohio funding. Public funding is necessary to subsidize brownfield redevelopment in Ohio's Rustbelt real estate market. Businesses and developers cannot afford to finance the additional environmental costs associated with brownfield redevelopment projects and need state funding to offset these costs. The absence of Ohio brownfield funding will negatively impact Ohio's urban centers and instead promote development on previously undeveloped land, known as greenfields, that lack the available infrastructure and workforce of brownfield sites. Ohio brownfield grant funds have the added benefit of providing many jobs associated with brownfield redevelopment.

Addressing the Ongoing Need for Additional Brownfield Funding

We are providing our testimony today to encourage the Senate Finance Committee to retain the House of Representatives' inclusion of an additional \$350 million to successively fund the Brownfield Remediation Program in the FY24-25 budget. The Clean Ohio Fund made Ohio a top contender in the country's economic development and site selection competition. The BRP has been a critical and welcome revival of these necessary incentives; the BRP was funded at an impressive level that showed Ohio was once again open for business. Please continue to enhance Ohio's business climate with continued funding for the Brownfield Remediation Program.

Conclusion

Chair Dolan, thank you for the opportunity to share our thoughts regarding House Bill 33. Please retain the \$350 million funding renewal for the Brownfield Remediation Program in the FY 24-25 budget. Thank you for your time and attention to this important issue.