



Wednesday, May 10, 2023

Keith Jones, Director, Stonehenge Capital
Testimony – Hearing, General Government Committee, Ohio Senate

- Chair Rulli, Vice Chair Schuring, Ranking Member DeMora, and Members of the Senate General Government Committee,
- Thank you for the opportunity to testify today in support of amending House Bill 33 to include the continuation and expansion of the Ohio New Markets Tax Credit (NMTC) Program.
- My name is Keith Jones, and I'm a Director at Stonehenge Capital. Stonehenge Capital is a national leader in community development based right here in Columbus, Ohio. Since our founding in 1999, we have managed over \$2 billion in economic development investment funds targeting the country's most distressed and overlooked communities. Stonehenge Capital has been selected to receive thirteen federal NMTC Program awards from U.S. Treasury since Congress enacted the program in 2000, making our firm one of the most successful community development entities in the country.
- In Ohio alone, my team has invested nearly \$100 million through the Ohio and federal NMTC Programs as well as the Ohio Rural Business Growth Program.
- The NMTC Program was created as a pro-growth initiative to unleash the power of the private sector to revitalize rural and urban communities suffering from high unemployment and poverty. The tax credit's flexibility allows for local market forces to decide which projects and businesses are financed.
- Stonehenge Capital's team of investment professionals is committed to developing new partnerships to source and underwrite qualified businesses. We prioritize investments that reflect the criteria of our Economic Impact Scorecard. This scorecard was developed in coordination with our NMTC Advisory Board and extends past the federal NMTC Program's metrics by measuring criteria such as minority impact.
- Most recently, Stonehenge Capital supported Connect Housing Blocks, a start-up manufacturer based in a low-income community in Columbus. The business manufactures modular housing components used in the affordable housing sector. Stonehenge Capital's investment will finance specialty equipment that will transform steel coils into the structural components needed in the construction process. Connect Housing Blocks projects to create 300 new, full-time positions through the investment, all of which will earn above the living wage for the area.
- My team frequently receives referrals of businesses in need of "last mile" project financing from sources that range from banks to economic development groups in the state. The Ohio NMTC Program provides a cost-effective solution for taxpayers that allows businesses like Connect Housing Blocks to bridge the financing gap.
- The program has been transformational for Ohio, and the data shows that investor demand far exceeds the amount of tax credits historically authorized by the state. The need and potential impact are even greater in the current economic environment, in which small businesses are strained by the rising cost of capital.
- On behalf of Stonehenge Capital, I strongly urge the General Government Committee to include the expansion of the Ohio New Markets Tax Credit Program in House Bill 33.



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The Honorable Michael A. Rulli
Chair
General Government Committee
Ohio Senate
1 Capitol Square, 1st Floor, 143
Columbus, Ohio 43215

Chair Rulli, Vice Chair Schuring, Ranking Member DeMora, and Members of the Senate General Government Committee,

On behalf of Stonehenge Capital, I am writing in strong support of amending House Bill 33 to include the continuation and expansion of the Ohio New Markets Tax Credit (NMTC) Program.

Stonehenge Capital is a national leader in community development based in Columbus, Ohio. Since our founding in 1999, we have managed over \$2 billion in economic development investment funds targeting the country's most distressed and overlooked communities. Our team has invested in a variety of small businesses, real estate developments, historic rehabilitation projects, renewable energy installations, and film and entertainment productions in 37 states across the country to date. Stonehenge Capital has received thirteen federal NMTC Program awards from U.S. Treasury since Congress enacted the program in 2000, making it one of the most successful community development entities in the country.

In Ohio alone, Stonehenge Capital has invested nearly \$100 million through the Ohio and federal NMTC Programs as well as the Ohio Rural Business Growth Program. Our team of investment professionals is committed to developing new partnerships to identify businesses seeking gap financing. Stonehenge Capital is actively on the ground in Ohio's low-income communities to ensure that we support businesses that best fit the program's stated public policy goals. We have a track record of doing so across the state, sourcing and financing small businesses in distressed tracts across Cincinnati, Norwood, Cleveland, Toledo and more.

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The Ohio NMTC Program has allowed the private sector to forge new relationships with hard-to-reach Ohio small businesses like Connect Housing Blocks. The program has been transformational across Ohio, and the need and potential impact is even greater in the current economic environment. On behalf of Stonehenge Capital, I strongly urge the Senate General Government Committee to include the expansion of the Ohio New Markets Tax Credit Program in House Bill 33.

Sincerely,

A handwritten signature in black ink that reads 'Lynn Kelly' in a cursive script.

Lynn Kelly
Vice President, Government Relations, Stonehenge Capital