



Air Quality Development Authority

**TESTIMONY
TO THE
OHIO HOUSE AGRICULTURE COMMITTEE
BY
CHRISTINA O'KEEFFE
EXECUTIVE DIRECTOR
OHIO AIR QUALITY DEVELOPMENT AUTHORITY**

February 19, 2025

Introduction

Chairman Creech, Vice Chair Newman, Ranking Member Miller, and members of the Committee, my name is Christina O’Keeffe, and I am the executive director of the Ohio Air Quality Development Authority (or OAQDA). We respectfully request \$3,996,000 in FY 2026 and \$4,773,000 in FY 2027 to ensure the agency’s efficient operations in the next biennium, supporting our programmatic growth. This funding is essential to meet the increasing demands of Ohio businesses seeking our financial assistance, which drives economic relief and promotes a strong economy in our communities.

Proven Track Record of Success

For more than 50 years, OAQDA has been a non-regulatory state agency, governed by a seven-member board, focused on the mission to enable economic growth and a healthier Ohio by financing air quality improvement projects for businesses and communities throughout the state. We issue air quality revenue bonds and other financing to unlock savings on utility bills, protect and create new jobs, create healthier workplaces, and retain more wealth locally.

The results are significant. For every **\$1 invested in an OAQDA-financed project, Ohio receives a return of \$8.41 in benefits**. Each project tells a compelling story. It may be the neighborhood dry cleaner, who eliminated toxic chemicals that help him and his daughter, working by his side, and their customers breathe easier, or the mid-size manufacturer, who upgraded their building expansion with clean air and energy-saving features that meet environmental standards as a supplier to keep their book of business. Our website is filled with these customer stories, videos, and case studies. In the last five years alone, OAQDA has partnered on nearly 100 projects to finance a total of \$1.3 billion. A map and some projects are included in Exhibit A.

This recent financing activity adds to our entire bond and loan portfolio, which currently stands at \$3.5 billion, involving banks, investors, and other private capital providers who use our bonds to direct private capital into hundreds of projects throughout the state. OAQDA performs robust due diligence on applications through our signature programs, including the Clean Air Improvement Program and Small Business Assistance Program, to qualify these clean air improvements for financing and the related tax benefits. Additional responsibilities given to OAQDA by the 133rd General Assembly include the program administration of the Solar Generation Fund, which involves approval, monitoring, and verification of payments for certain solar facilities as required by statute.

To fulfill our mission, OAQDA is a proven and adaptable state partner in meeting our customers where they are in the project development process and achieving their high service standards. We accomplish these tasks with efficiency and focus by a small, dedicated staff. The core functioning of OAQDA is fully supported by revenues generated through the issuance of project

bonds, loans and other financial assistance from federal awards. No general revenue funds are included to support our operating costs.

Challenges and Priorities in the Next Biennium

OAQDA continually monitors industry and market trends to anticipate and align its programs to meet the needs of Ohio businesses. Most notable are the economic challenges of communities and businesses as they face ongoing inflationary pressures, rising electricity prices, and higher interest rates in accessing capital for infrastructure and projects. As a result, many are exploring more creative, lower-cost financing options and incentives beyond their reliance in recent years on traditional borrowing to fill these gaps. Greater needs come from rural communities and regions like Appalachia, where the economic headwinds are more persistent.

Many manufacturers, small businesses, and developers turn to OAQDA for help. We currently have close to \$1 billion in active project application requests and another billion in inquiries being fielded every day. OAQDA is ready to meet the growing demand from our business community. OAQDA is a recipient of federal funding awards, which expands the ability to provide financial and technical assistance to more clean air improvement projects across the state. Targeted market sectors include advanced manufacturing suppliers, small businesses, multi-family housing, and local governments. This effort can further maximize the return of benefits to Ohio, alleviating the economic barriers many are facing.

This budget request is consistent with authorizations by the General Assembly in 2021 and 2024 to ensure OAQDA has sufficient personnel to meet the rising business demands for its financing programs. Preferring its small, agile structure that better serves customers, OAQDA seeks a modest increase in the number of positions and payroll spending authority, as reflected in the operating line of the budget request, which is required to manage at least a fivefold increase in the number of projects forecasted in 2026 – 2027. This approach includes our continued use of professional service providers to augment our capacity and expertise. It demonstrates our commitment to focusing on governmental efficiency while achieving high customer service and successful project compliance, all to maximize the funding and impact for Ohioans.

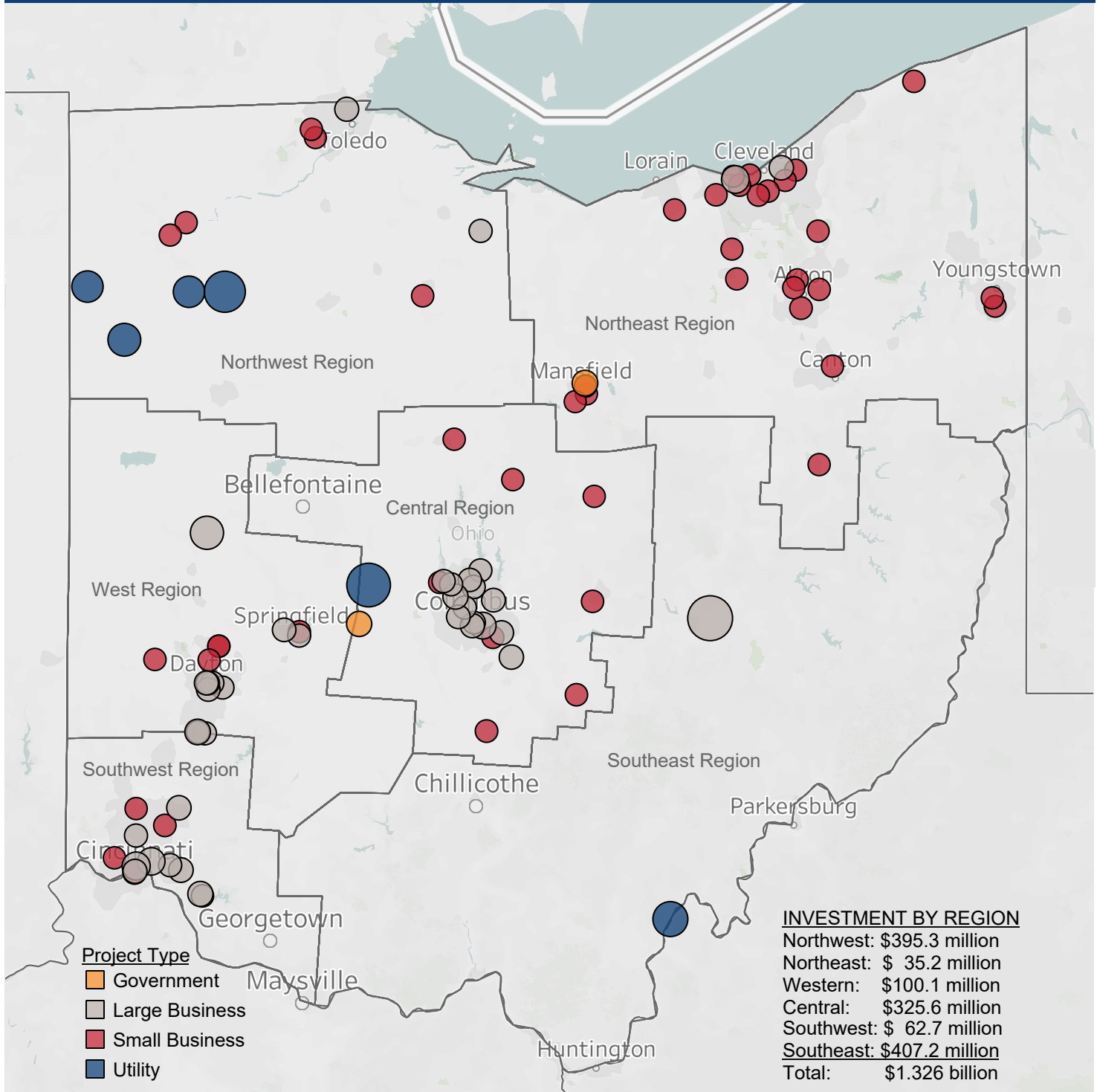
Conclusion

Consistent with our purpose over the past five decades, OAQDA will fulfill its mission with efficiency and cost-effectiveness while meeting the increasing demands of businesses and communities. Our ability to expand our financing into more areas of the state with the modest increase in our spending authority for operating costs will enable more benefits for Ohioans, especially those significantly impacted by negative economic conditions.

Thank you, Mr. Chairman. I will be happy to answer any questions.

EXHIBIT A

Investment by Project and Region in Past Five Years



Data includes financing by OAQDA in partnership with private lenders for total investment into air quality facility projects between calendar years 2019 – 2024.

OAQDA – Project Examples

District 18

Borrower Name: Henry's Dry Cleaners

Program: Small Business – Clean Air Resource Center (CARC)

Financial Assistance: \$47,134 bond financing, \$19,636 grants

Address: 11601 Kinsman Ave, Cleveland, OH 44120

Date Approved: January 2018

Bondholder: Emerson Capital

Project Summary:

This project involves the installation of dry-cleaning equipment that now utilizes a synthetic hydrocarbon fluid cleaning solution, thereby eliminating the use of perchloroethylene (PERC), a more toxic solvent that is a known carcinogen. In addition to improving the working conditions and indoor air quality, the project preserved and created 2 jobs.

District 33

Borrower Name: City's Towne and Country Cleaners

Program: Small Business – Clean Air Resource Center (CARC)

Financial Assistance: \$136,427 bond financing, \$20,000 grants

Address: 1608 W Market St, Akron, OH 44313

Date Approved: August 2023

Bondholder: Farmer's National Bank of Canfield

Project Summary:

This project involves the installation of dry-cleaning equipment that now utilizes a synthetic hydrocarbon fluid cleaning solution, thereby eliminating the use of perchloroethylene (PERC), a more toxic solvent that is a known carcinogen. In addition to improving the working conditions and indoor air quality, the project preserved and created 5 jobs.

District 53

Borrower Name: Duber Automotive

Program: Small Business – Clean Air Resource Center (CARC)

Financial Assistance: \$98,484 bond financing, \$35,366 grants

Address: 32915 Pin Oak Parkway, Avon Lake, OH 44012

Date Approved: April 2017

Bondholder: Huntington National Bank

Project Summary:

This project involves the installation of a new custom-made downdraft paint booth, which included a filtration system that is rated at 99% efficiency for 10-micron particulates. In addition to improving the working conditions, indoor air quality, and cycle times in the shop, the project preserved and created 7 jobs.

Borrower Name: Ridge Cleaners

Program: Small Business – Clean Air Resource Center (CARC)

Financial Assistance: \$44,500 bond financing, \$18,573 grants

Address: 32805 Pin Oak Parkway, Avon Lake, OH 44012

Date Approved: July 2017

Bondholder: Huntington Technology Finance, Inc.

Project Summary:

This project involves the installation of dry-cleaning equipment that now utilizes an organic based solvent; thereby eliminating the use of perchloroethylene (PERC), a more toxic solvent that is a known carcinogen. In addition to improving the working conditions and indoor air quality within the 5,000 square-foot facility, the project preserved 35 jobs.

District 80

Borrower Name: Trimbach's Body Shop

Program: Small Business – Clean Air Resource Center (CARC)

Financial Assistance: \$148,930 bond financing, \$20,000 grants

Address: 4880 Gibson Dr, Tipp City, OH 45371

Date Approved: June 2024

Bondholder: PNC Bank

Project Summary:

The project involves the replacement of an older existing spray paint booth with a new downdraft spray booth to support the growth of the family-owned business, which has been in business for over 50 years. The project included preservation of 14 jobs.

District 82

Borrower Name: Mercury Cleaners

Program: Small Business – Clean Air Resource Center (CARC)

Financial Assistance: \$75,098 bond financing, \$27,905 grants

Address: 123 E 2nd St, Defiance, OH 43512

Date Approved: April 2019

Bondholder: State Bank & Trust Company

Project Summary:

This project involves the installation of dry-cleaning equipment that now utilizes a synthetic hydrocarbon fluid cleaning solution, thereby eliminating the use of perchloroethylene (PERC), a more toxic solvent that is a known carcinogen. In addition to improving the working conditions and indoor air quality, the project preserved and created 5 jobs.

Borrower Name: Blue Harvest Solar Park

Program: Clean Air Improvement Program (CAIP)

Financial Assistance: \$53,000,000

Address: 21359 SR 613, Village of Continental, OH 45831

Date Approved: July 2023

Bondholder: Private Investor

Project Summary:

The project involves a 50 megawatt solar facility located in Monroe Township in Putnam County. Letters of support for the project include the Board of Commissioners of Putnam County, Monroe Township, and Continental Local Schools. The project includes the creation of 250 construction jobs and three onsite permanent positions. The developer is providing payments to local landowners, both where the facility leases property and for nearby neighbors, in the amount of \$580,000 annually. Additionally, local government partners receive annual payments of \$449,000 annually, or a total of \$13.5 million for the life of the project, which benefits Putnam County, Monroe Township, Continental School District, roads, bridges, and health & fire departments.

District 85

Borrower Name: Cargill

Program: Clean Air Improvement Program (CAIP)

Financial Assistance: \$75,000,000

Address: 2400 Industrial Dr, Sidney, OH 45365

Date Approved: April 2021

Bondholder: Private Investors (public offering)

Project Summary:

The project involves solid waste facilities to recycle soybean meal and hull waste as part of the company's expansion of its Sidney site. The facilities reduce the emission of particulate matter into the atmosphere and re-incorporate the particles into the product, as well as reducing volatile organic compound (VOC) emissions. The project also includes creating and preserving of over 300 jobs.

District 95

Borrower Name: Belmont and Noble Correctional Institutions (Johnson Controls)

Program: Clean Air Improvement Program (CAIP)

Financial Assistance: \$10,698,869 bond financing

Address: 68518 Bannock Uniontown Road, St. Clairsville, OH 43950 (Belmont)
15708 McConnellsville Road, Caldwell, OH 43724 (Noble)

Date Approved: March 2018

Bondholder: SunTrust Equipment Finance & Leasing Corp

Project Summary:

The project includes energy conservation measures including highly efficient boilers, water pumps, LED lighting, utility meters, building management systems, water conservation systems, and HVAC upgrades. The equipment and upgrades involves oversight by the Ohio Facilities Construction Commission to

achieve over \$1 million in annual energy savings at these state facilities, guaranteed under a performance contract with a private energy service company (ESCO).

District 98

Borrower Name: Dayton Power & Light Refunding

Program: Clean Air Improvement Program (CAIP)

Financial Assistance: \$200,000,000 bond financing

Address: 47201 Co Rd 273, Conesville, OH 43811

Date Approved: August 2015

Trustee: SunTrust Bank

Project Summary:

This project was a bond refunding for projects that included installation of pollution control equipment (e.g. scrubbers) on the Conesville Generating Station in Coshocton County. The project helped the company comply with federal air emission regulations to remove flue gas particulates.

Borrower Name: Brillhart's Body Shop

Program: Small Business – Clean Air Resource Center (CARC)

Financial Assistance: \$67,551 bond financing, \$25,603 grants

Address: 15 Walnut St, Coshocton, OH 53812

Date Approved: January 2018

Bondholder: First Federal Leasing

Project Summary:

This project involves the installation of a new custom-made downdraft paint booth, which includes a filtration system that is rated at 99% efficiency for 10-micron particulates. In addition to improving the working conditions, indoor air quality, and cycle times in the shop, the project preserved and created 2 jobs.

Borrower Name: Gault's Plaza Cleaners

Program: Small Business – Clean Air Resource Center (CARC)

Financial Assistance: \$85,120 bond financing, \$17,024 grants

Address: 855 Coshocton Ave, Suite 19, Mount Vernon, OH 43050

Date Approved: December 2020

Bondholder: Park National Bank

Project Summary:

This project involves the installation of dry-cleaning equipment that now utilizes a synthetic hydrocarbon fluid cleaning solution, thereby eliminating the use of perchloroethylene (PERC), a more toxic solvent that is a known carcinogen. In addition to improving the working conditions and indoor air quality, the project preserved and created 11 jobs.