



Chairman Hoops, Vice Chair Lorenz, Ranking Member Abdullahi, and Members of the House Development Committee, thank you for the opportunity to once again provide testimony before you all on key economic development Programs in Ohio. My name is Mike Sikora, and I serve as Board President for NAIOP of Ohio, the leading state organization for the commercial real estate development industry.

The NAIOP of Ohio Board has determined its priorities for the State Operating Budget (House Bill 96) to focus on proven Programs that will help Ohio remain a national leader in economic development. As the state's leading commercial real estate association, we respectfully ask for your affirmative support for the following policy and funding initiatives:

#### **Transformational Mixed-Use Development (TMUD)**

The TMUD Program creates more opportunities for mixed-use developments of scale to transform more neighborhoods, communities and regions in our state. This highly competitive Program has a rigorous application process that, perhaps most importantly, requires proof of an anticipated return on investment on the State's investment, in order to receive an award; yet, it is significantly oversubscribed each round, causing many worthy projects to not receive funding and remain unable to move forward.

- Amount Requested: \$150 million per year of the Biennium.
- Policy Requested: Reauthorization of the Program in permanent state law, clarifying the applicable standard for satisfying the "but for" test for eligibility under the TMUD Program, and allow TMUD Tax Credit Certificates to be transferred to insurance companies, financial institutions, and individuals, trusts, and pass-through entities, in order to maximize the pool of available buyers and thereby increase their overall value at no additional cost to the State.

#### **Opportunity Zone Tax Credit Program**

This Program supports the development of historically underserved areas through targeted investments. NAIOP would like to see the Program continue its momentum and attract more investments in those areas, creating a multiplying effect by pairing well with the Federal Opportunity Zone Program that was created by the 2017 Tax Cuts and Jobs Act. In order to sustain the existing development momentum and investments being made in those communities, it is vital that this Program receives additional funding; otherwise, the Program will once again run out of funding, which will quash that momentum.

- Amount Requested: \$75 million per year of the Biennium, with any funding remaining available from the first year of the biennial cycle rolling over to the second year of the cycle.

#### **Historic Preservation Tax Credit (HPTC)**

This well-established Program has a proven track record of economic return on investment as Ohio grapples with a housing shortage and reduced overall demand for office space as this Program is well suited to facilitate the adaptive reuse of office space to residential.

- Amount Requested: Governor DeWine allocated \$120 Million per year of the Biennium in his introduced version of the budget. We appreciate his prioritization of this Program and ask that the legislature maintains this amount.

- Policy Requested: Adjusting the criteria to eliminate 90% building vacancy as a factor and increasing the percentage applicants are permitted to request from 25% to 35% for all but the three largest cities broadens eligibility and fosters the preservation and adaptive reuse of historic buildings, while strengthening the communities where those buildings are located.

### **Brownfield Remediation Program**

The Brownfield Remediation Program has supported the clean-up and redevelopment of numerous contaminated properties. The market has proven that there is a need and justification for additional funding to support the cleanup of contaminated sites throughout Ohio to ready them for productive use and to facilitate development of those sites moving forward.

- Amount Requested: \$100 Million per year of the Biennium.
- Policy Requested: Focus grants on economic development projects in order to generate even greater economic return by cleaning up brownfield sites all throughout Ohio and repurpose them in a way that puts them into productive use.

Being mindful and prudent of public funds for the progression of economic development activity in Ohio, NAIOP has targeted these key initiatives to support a thriving economic environment that enables the development community to create jobs, vibrancy, and a high quality of life. With the backing of over 550 members who are among Ohio's top commercial real estate professionals who work for over 380 companies statewide, we encourage your affirmative support of the above initiatives, and we thank you and your colleagues for what you do to support economic development in Ohio.

Chairman Hoops and members of the committee, thank you for allowing me to provide testimony and I am happy to answer any questions.