

## **HB 96 Proponent Testimony / Interested Part**

### **David Williams, Board Chair, Heritage Ohio Inc.**

Thank you Chair Hoops, Vice Chair Lorenz, Ranking Member Abdullahi, and members of Development Committee

I am Dave Williams, Board Chair of Heritage Ohio, and Vice President of Real Estate Development at Cross Street Partners.

Heritage Ohio is the statewide nonprofit that supports historic preservation and downtown revitalization through the Main Street Approach™.

We are here to encourage your support for proven economic development tools that are essential for the redevelopment of our Ohio towns and cities, large and small. These include the Ohio Historic Preservation Tax Credit (OHPTC); the Transformative Mixed Use Development Credit (TMUD); Opportunity Zones; and Brownfield funding.

Each of these tools, either separately or combined, is needed as we revitalize our legacy communities. For example, since 2007, the OHPTC program has helped adaptively reuse 442 of Ohio's historic buildings, with 718 projects approved in 91 communities. These once-vacant and underutilized buildings are now income-producing, tax-paying community assets.

Total investment for these completed projects has passed \$6 Billion, with \$733 million in credits paid out. This is a return on investment of 8:1. These dollars are buying materials and hiring skilled labor with the result that approximately 1/3 of the tax revenue comes back to the state in income BEFORE the credit is even paid out.

All Historic Tax Credit projects are certified as 100% complete before any credit dollars are taken. Like TMUD, this is a tax credit which requires an economic impact analysis as part of the allocation process. We know from professional studies and experience that these projects pay back

with increased local and state revenues. You can see the catalytic effect these rehabilitated buildings have had in our communities.

But in some cases, historic tax credits alone are not enough. In Van Wert, where Van Wert Forward and the Van Wert Foundation is restoring their downtown block by block, it required eight different sources of funding, including Historic Tax Credits, New Market Tax Credits, Ohio Opportunity Zone and TMUD, among others. For the Dayton Arcade, a \$164,000,000 mixed-use adaptive reuse of a building that sat vacant for 30 years, 48 sources of funding were required over three phases.

Without these programs, projects like these and many others will not happen.

Ohio has the third-highest number of historic properties on the national register in the nation. This is one of Ohio's "natural resources" that we can capitalize on to attract and retain businesses to our communities, as well as our youth, our talent, and our entrepreneurs, with beautiful and vibrant downtowns and main streets of all sizes.

We have a number of suggested improvements for OHPTC but key ones are:

1. Raise the aggregate cap to \$120 million a year and the per project cap to 10 million to address inflation.
2. Provide a 35% credit for small projects or ones that are in jurisdictions of 300,000 residents or less to assist with the challenges projects in smaller communities face.
3. Permit a rolling application process and permit projects to automatically be resubmitted the following year if they meet the minimum score requirement.

Thank you for your time and consideration, and I will be happy to answer any questions.