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Testimony before the Ohio House Local Government Committee May 7th, 2025 on H.B. 154

Chair King, Vice Chair Kishman, Ranking Member Sims, and members of the House Local Government Committee. Thank you for the opportunity to testify in support of House Bill 154.

My name is Max Upton. I currently serve as the Economic Development and Community Development Director for the City of North Olmsted and am before you today in that capacity. I previously served in similar roles for the City of Lorain, Midtown Inc. in Cleveland's business district, and taught Economic Development Finance at my alma mater Cleveland State University. Recently, I was appointed to the Ohio Economic Development Association as an at-large director, but I am not here on their behalf. I am also a veteran with service in Afghanistan and am a proud husband and father of three. This is a long way of me saying that I have a vested interest in the success and the economic development of our state.

I stand before you today in support of HB 154 due to that experience and to bring the perspective of an active practitioner in the field. The city I currently serve is a middle class outer-ring suburb of Cleveland that has over 90% of its land currently developed. We are in the process of consolidating six former elementary schools into one, which has allowed for the redevelopment of dozens of acres of land in our community. We are also the home to the Great Northern Mall, which is facing significant headwinds in our changing economy. These circumstances I've listed present significant and complex redevelopment challenges for our city. HB 154 represents no threat to our redevelopment and codifies best practices statewide.

First, I would like to address the issue of municipal and school district coordination. North Olmsted Mayor Jones gave my team the directive to work collaboratively and directly with our school district each step of the way, and we have done so successfully. HB 154 extends the collaboration mandated for highly abated projects in industrial and commercial redevelopment to residential. HB 154 levels the playing field and represents no meaningful imposition on our team and results in a better process for the whole community. Should a project merit 100% abatement, the tool is still there if needed.

Secondly, I would like to address the need for maximum abatement. I referenced earlier redeveloping our schools for new housing. North Olmsted is in a competitive area where developers can go next door to a township with open land or to a bordering county with lower taxes. Despite these competitors, and despite the additional costs of demolishing old schools,

North Olmsted was able to attract new housing developers without maximizing abatements. We held an open process for our first project and received bids from five developers with inquiries from even more. Modernizing our zoning codes and working collaboratively with developers were much more important factors in lowering costs than offering direct incentives. In fact, if Ohio could assist us with the statewide lack of building inspectors, that also could have helped significantly.

Our greatest challenge for this new housing project actually was concern from our residents. Many of our residents are struggling with property taxes. Too many times our residents have seen new projects come in and they have not felt the benefits. They resent seeing new housing sharing their roads, sewers, and schools without paying their fair share. Communicating to residents throughout our city that the project was not fully abated was essential to gaining public support.

Madame Chair, I will close with sharing with the committee one of the core principles of economic development that local communities have to keep in mind.

The driving forces of every deal are location and market demand, not what government incentives are available. Government should only step in if it brings real and tangible benefits to our communities and the help financially is essential to get a deal done. Real barriers exist to projects happening, but many of those are not directly financial. It is the job of government to smooth those bumps as much as possible while protecting our communities.

While it is my goal is to bring jobs and prosperity to my city, there is a balance to be struck between municipalities, our schools, and our taxpayers. HB 154 maintains the same level of tools, but gives a fairer playing field for all communities and our residents. Thank you for the opportunity to testify and I welcome any questions.