

**TUESDAY, MAY 13, 2025**

Senate Government Oversight and Reform Committee  
Interested Party Testimony, House Bill 96  
Kohrman Jackson & Krantz LLP  
Wednesday, May 14, 2025

Chair Manchester and Ranking Member Weinstein,

Kohrman Jackson & Krantz LLP, a full-service law firm with offices in Cleveland and Columbus, appreciates the opportunity to present Interested Party Testimony to the Senate Government Oversight and Reform Committee on the provisions concerning brownfield site incentives in House Bill 96. We appreciate your leadership as the Senate considers its approach to the biennial budget (the ***“Budget”***), and are pleased to briefly describe the importance of brownfield site remediation and demolition grants to the future economic development and growth of our cities.

As you know, a brownfield site is generally a property for which improvements or redevelopment is encumbered by the presence of a hazardous substance, pollutant, or contaminant. The Ohio Environmental Protection Agency’s (OEPA) [database](#) of voluntary listings has 432 sites in its inventory, but the Greater Ohio Policy Center has previously estimated that Ohio has closer to 9,000 brownfields.

As passed by the Ohio House of Representatives on April 8<sup>th</sup>, the Budget would provide \$125 million in appropriations for brownfield remediation grants in fiscal years 2026 and 2027, respectively (or \$250 million over the biennium) and \$21.5 million in appropriations for demolition grants in each fiscal year (or \$43 million over the biennium). These levels represent significant decreases from FY 2024-2025 levels. Under the proposed Budget, brownfield remediation grants would be reduced by 28.57% from the current biennium (from \$350 million to \$250 million), and brownfield demolition grants would be reduced by 71.33% from the current biennium (from \$150 million to \$43 million).

This reduction in brownfield grant funding is not due to a reduction in projected state revenues following reforms to the Ohio income tax in 2023. In the Governor’s FY 2026-2027 Executive Budget released February 3, 2025, the [blue books](#) showed projected total state revenues increasing from \$28.44 billion in FY 2025 to \$30.57 billion in FY 2027.

Nevertheless, the \$293 million in total grant funds included in H.B. 96 for the next biennium represents a significant investment into a critical program that is not yet a permanent line item under current law.

At the project level, the benefits of a Brownfield grant are likely to be multiples on the grant dollars allocated. U.S. EPA studies in 2017 [estimated](#) that each brownfield grant dollar invested on assessment and cleanup activities leveraged \$17.79 in subsequent investment. While precise estimates of the appropriate multiple can be debated, the evidence from the Projects we have

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been involved in suggest that the multiplier effect is significant and worthy of continued state support.

For example, in downtown Cleveland, an approximately \$5.1 million brownfield grant helped to facilitate the completion of all financial components for the transformative Erieview Tower and Galleria redevelopment. The grant, which allowed the Developer to address asbestos on affected floors, catalyzed approximately over \$200 million in expected redevelopment in a critical area of downtown Cleveland that connects downtown to the eastern side of the City. The project is comprised of 227 W-branded luxury apartments by Marriott, A 210-room W-branded luxury hotel, A 38th-floor fine-dining restaurant, a 15,000-square-foot ballroom, renovated office spaces across 12 floors, enhanced by world-class amenities, and connected retail Galleria.

Elsewhere in Northeast Ohio, Ohio Brownfield programs have catalyzed development plans that KJK has advised on for the Breakwater Residences Project, a \$50+ million, 193-unit housing development in Ohio City's Gordon Square, as well as the Pearl Road Residences Project, an over \$8.5 million historic redevelopment of otherwise unusable buildings at 4209 & 4221 Pearl Road.

With even moderate levels of contamination, the risk of development is simply too great for developers to bear without the financial and technical support provided by the Ohio Brownfield Programs. The attainment of brownfield demolition and remediation grants assuage concerns of liability while enabling further sources and public and private capital. Complementary sources of funds include, but are not limited to, property tax incentives (including tax increment financing, Enterprise Zone tax abatements, and ORC §5709.87 tax abatements specifically available to contaminated properties), private debt, municipal debt, New Markets Tax Credits, and Opportunity Zone Tax Credits. The result is a remediated site for occupancy and a myriad of positive network effects in the surrounding area.

Examining impacts on residential property values surrounding brownfield sites, Hanninger, Ma, and Timmins [estimated](#) the increased property value impacts of cleanup activities on residential brownfield sites between 5.0% and 11.5%, controlling for inflation and differences in brownfield characteristics (2017). As the authors note, brownfield sites are disproportionately blighted and unattractive sites that will [render](#) their surrounding areas increasingly undesirable places to live and work if left unaddressed. As a result, the sites become increasing priorities for economic development even when they contain low levels of environmental contamination.

Remediated sites throughout Cleveland and Columbus since the program's inception have resulted in significant job creation, removal of blight, reduced legacy cost burdens, increased property values, reductions in crime and poverty, enhanced sustainability outcomes, and increased neighborhood appeal.

We are grateful for the recognition of the importance of the Brownfield funds in the Budget and support continuation of funding to unlock the potential of commercial and industrial brownfields across Ohio. As the Greater Ohio Policy Center and various partners in the business community have expressed, we also support the following enhancements to help Ohio remain competitive and provide the business community with greater confidence to proceed on potential projects.

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1. Reinsert language that was removed in late 2024 that would limit grant requests to 75% of a project's cost to that the BRP remains a state-local partnership.
2. Reinstate the need of a designated lead applicant in each county. This was also removed in 2024 and has the potential to create a disorganized and uncoordinated application process when groups are seeking clean-up and assessment grants.
3. Provide designated lead applicants with permissive authority to review applications and prioritize funding projects at the local level. Providing such authority reduces the 'jamming' of the application portal and create more opportunities for all counties to access funds.

Thank you very much for the opportunity to provide Interested Party Testimony. We appreciate your continued support of funding for brownfields and consideration of these provisions to help them realize their full potential. We are pleased to serve as a resource to the Committee and appreciate your service to our great State.

**Sincerely,**



**RICH A. MOREHOUSE**

cc: Jon Pinney (Managing Partner); Peggy Beistel (Senior Counsel); Charlie Bolton (Transaction Adviser)

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