



HB64: Operating Budget—FY 2016-2017

Interested Party Testimony on the Ohio Development Services Agency Budget

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Chairman Smith, Vice Chair Schuring, Ranking Member Driehaus, and members of the House Finance Committee. Thank you for the opportunity to offer interested party testimony on the Development Services Agency Budget, as part of the 2016-2017 Operating Budget (HB64).

My name is Alison Goebel and I am the Associate Director of the Greater Ohio Policy Center. Greater Ohio is a nonpartisan nonprofit that is valued for its data-driven research. Our mission is to champion revitalization in Ohio to create economically competitive communities. My organization has long supported the remediation and redevelopment of brownfields and other contaminated sites to create economic benefits and opportunities for Ohio's communities.

We were pleased to see that the Operating Budget proposes the creation of a Service Station Cleanup Fund (*Sec. 610.20*). We believe this program will provide critical dollars to create shovel-ready redevelopment sites by cleaning up obsolete gas stations in our rural, suburban, and urban communities.

To make this program as effective as possible, and to utilize taxpayers' dollars in the most fiscally responsible way, we make three recommendations for consideration in the Budget. We believe these three proposed efficiencies will help maximize dollars and improve the program's outcomes, while retaining the original spirit and goals of the proposed program.

- 1. Expand the definition of property owner** *to include organizations that have entered into an agreement with a political subdivision.* Relatively few cities, villages, townships, or counties outright own blighted service stations due to their high risk. Organizations such as county land banks, community development corporations, and other nonprofits, and some private sector developers are more tolerant than local governments of financial risks and are better prepared to manage the challenges associated with these contaminated sites.
- 2. Clarify the definition of cleanup or remediation** *to include the acquisition of a class C release site, demolition performed at a site, and the installation or upgrade of the minimum amount of infrastructure that is necessary to make a site operational after other clean up*

measures. Adding specifics to this definition will ensure properties are shovel-ready immediately and will not be abandoned halfway through the redevelopment process, due to the lack of final-phase remediation funding.

- 3. Adjust the grant amounts for property assessment from \$500,000 to \$100,000 and cleanup from \$2,000,000 to \$500,000.** Gauging the appropriate costs in a program for environmental clean-up is essential for ensuring projects are completed successfully and that projects are not over-subsidized. Average assessment costs for small sites like a service station usually range from \$50,000 to \$125,000 and cleanup and remediation of these sites often can be accomplished with \$250,000 to \$600,000.

We believe these three efficiencies will improve the operations and impact of this important program.

Before I conclude, I would like to note some of the economic benefits remediation creates. In 2013, my organization conducted an [economic impact analysis](#) of state funding used to cleanup and prepare contaminated sites for redevelopment. We found:

- For every \$1 of state funding invested in a contaminated site, the Return on Investment was \$4.67 in new economic activity
- For every 1 job created or sustained through remediation activities, 1 additional job was indirectly created or sustained.

We are very pleased to see a commitment by the state of Ohio to assist communities in priming sites that will directly support local economic development efforts. Ohio has much economic redevelopment potential locked-up in contaminated sites and remediating these locations will help businesses thrive and create places where people want to live. We hope that the Service Station Cleanup Fund is the first of several programs that leverage the investments needed for these sites, which are located in so many of Ohio's communities.

Thank you for your time and consideration. I'd be pleased to answer any questions.

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