

May 18, 2021

**Senate Finance Committee
Interested Party Testimony, House Bill 110 (Oelslager)**

Written Interested Party Testimony

Dear Chairman Dolan, Vice Chair Gavarone, Ranking Member Sykes, and members of the Senate Finance Committee: thank you for the opportunity for LaBella Associates to provide interested party testimony on House Bill 110, the State of Ohio Fiscal Year 2022-2023 Operating Budget.

My name is Matthew Hammer, and I am the Regional Environmental Manager of LaBella Associates in Mayfield Heights Office. I submit this testimony, specifically in support of **funding for brownfield redevelopment**, with my colleague at LaBella, Mark Gregor. Mr Gregor has over 35 years of experience working with the US Environmental Protection Agency brownfield grant programs and state brownfield funding and incentives programs as well as advocacy for effective state and federal legislation to advance brownfield cleanup and redevelopment.

LaBella Associates is a nationally recognized design professional corporation with over 1,200 employees and offices in 12 states. We are a full service engineering, architectural, environmental, and planning professional consulting firm which allows us to address any aspect of the built or natural environment.

In the context of the budget bill currently under review LaBella supports and respectfully recommends consideration of amendment SC2343, which would refund the Clean Ohio Revitalization Fund (CORF). This amendment would dedicate the excess liquor profits returned to the state from JobsOhio as the source of funding for CORF. SC2343 is similar to Senate Bill 84, which is currently under consideration in the Senate Agriculture and Natural Resources Committee. LaBella has previously provided testimony in support of Senate Bill 84.

This proposed funding strategy does not impact JobsOhio's funding levels, and the funding currently provided by JobsOhio to finance brownfield remediation for commercial and industrial development projects would also not be affected. LaBella's work has included several recent comprehensive site due diligence projects for large JobsOhio development sites.

Through our environmental practice we perform hundreds of environmental site assessments and dozens of brownfield cleanup projects each year. We frequently represent businesses, developers, lenders, and local governments faced with the challenge of trying to prepare environmentally impaired brownfield properties for



reuse and redevelopment. We work with a number of Ohio communities that are facing the need to have sites ready for development that have cleared the due diligence process, including environmental assessment and cleanup. Often in distressed communities it is not possible to marshal enough local funding to effectively address brownfield properties which, in turn, continues the cycle of disinvestment, declining property tax revenues, job losses, and economic stagnation.

Existing Ohio funding programs for environmental investigation and cleanup, while helpful, do not adequately address the needs of Ohio's most distressed urban communities still struggling with years of underperforming real estate markets and job losses as well as smaller communities that are unable to effectively compete for funding. Re-establishing the CORF program will once again provide these communities with a greatly needed environmental assessment and remediation funding mechanism to advance brownfield redevelopment.

Based on our experience in other states, LaBella believes that a restored CORF program along with existing programs like those of JobsOhio will uniquely position Ohio to out compete other states in the region for economic development projects and business reshoring opportunities by accelerating both shovel ready site preparation and brownfield site cleanup. Across the country states that have established complimentary brownfield programs that target community, municipal, and private sector interests have consistently outperformed others in successful brownfield redevelopment. For example the State of Wisconsin Economic Development Association has estimated that, collectively, the Wisconsin brownfield programs leverage \$27.25 in additional investment for each dollar of state brownfield funding expended. According to Redevelopment Economics, the New York State tax credit incentive associated with just one of the state's programs, the Brownfield Cleanup Program, results in \$8.24 to \$9.64 in additional investment for each state dollar expended.

At the national level, the Northeast Midwest Institute has calculated that the US Environmental Protection Agency's (USEPA) brownfield grant programs have leverage \$17.79 of additional investment for each dollar of USEPA brownfield grant funding spent on brownfield sites. Through federal fiscal year 2020 the USEPA estimates that this leverage ratio is more than \$20 for each grant dollar expended.

Coming out of the Covid-19 pandemic, with its significant impact on many already distressed areas, it is particularly important for Ohio communities and businesses to have the tools needed to advance brownfield sites into economically productive, job creating reuses.

In 2019 LaBella also offered supporting testimony for Ohio's adoption of the federal bona fide prospective purchaser defense (BFPD), and we commented that it was important to address both legal liability and financial needs in order to re-activate



brownfield redevelopment in Ohio. Together with the BFPD, new funding for the CORF program will meet that financial need.

Once again, we appreciate the opportunity to provide testimony. **We request that SC2343 be adopted as a part of House Bill 110.** A revived CORF will help meet pent up demand among our client base for brownfield assessment and cleanup funding in Ohio especially in the communities most in need of revitalization.

If you have any questions, please contact us via email/phone at mhammer@labellapc.com, 330-414-6666.

Sincerely,

Matt Hammer, P.G.
Regional Environmental Manager

Mark Gregor M.S., M.P.A.
Manager of Municipal
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