

# **SB 225 Proponent Testimony**

**Heritage Ohio**

**Joyce Barrett, Executive Director**

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Thank you Chairman Dolan, Vice Chair Gavarone and Ranking Member Sykes

I am here to support SB 225 and the changes proposed to the Ohio Historic Preservation Tax Credit.

I am Joyce Barrett, Executive Director of Heritage Ohio, the statewide nonprofit which supports historic preservation and downtown revitalization through the Main Street Approach™

Heritage Ohio has promoted historic tax credits since the early 1990s, and was a prime advocate of the legislation in 2006 of Sub-HB 149 and its companion bill SB 66, which became the Ohio Historic Preservation Tax Credit Program

This program has been a huge success for the revitalization of our historic buildings, with 354 projects completed to date.

Total investment for these projects stands at \$4.9 Billion of total investment, with \$624 million in credits.

This means for every one dollar of tax credits you have seen a \$7.86 invested. And those dollars are buying materials, paying professional services and skilled labor with the result that 1/3 of the tax revenue comes back to the state in income BEFORE the credit is paid out.

All Historic Tax credits projects have to be 100% certified complete before credits dollars are allocated. The result: not one failed project.

Until Senator Schuring's TMUD bill this was the ONLY tax credit which required economic impact analysis as part of the allocation process.

Three provisions in this proposal we are fans of:

### **1. 35 % for small town projects**

Since 2015, Heritage Ohio has led a partnership with the Department of Development and State Historic Preservation Office to educate communities about the OHPTC program, and have made presentations in 65 county seats—taking the message to Ohio's smaller communities that this program is also for them. Now with the proposed 35% credit for smaller communities, they have a better chance to make these projects pencil out since construction costs are very similar in large and smaller communities, but rents are significantly less in smaller communities. Historic buildings always bring surprises, these subsidies help to reduce, but do not eliminate the risk.

### **2. Raising the Aggregate cap to \$120/ million a year**

The proposed \$120 million per year will be very welcome in trying to meet Ohio's demand. Some application rounds have only been able to fund 1/3 of the applicants resulting in viable projects not moving forward. Increasing the cap means more projects can be accomplished in more communities and accelerate the revitalization in our cities.

Remember, these projects payback with increased property, sales, and income tax.

### **3. Per project cap of \$10 million**

Increasing the per project cap to \$10 both stimulates the large projects while the cap allows more money to be spread around the state.

What is great about OHPTC is you can **see the results** in communities large and small all across Ohio. Previously vacant or underutilized buildings become income producing, tax paying assets. Plus they have a catalytic effect on neighboring businesses and buildings.

Historic rehabilitation is a proven revitalization strategy. Since 1980 when the National Main Street Center was founded, reinvestment in Ohio's downtown commercial historic buildings has worked.

Finally, Ohio has the third most national register listed properties in the country - they are one of Ohio's "nature resource" that we can capitalize on to attract and retain our youth, our talent, and our entrepreneurs with revitalized downtowns and Main Streets of all sizes.

Effective downtown revitalization supports local businesses and labor and attracts new residents, businesses and industry. The Ohio Historic Preservation Tax Credit program is important to this effort.

Thank you, Senator Schuring, for your stewardship of Ohio's Historic Preservation Tax Credits, an economic development program that is important to Ohio's future.