



**Senate Finance Committee
Interested Party Testimony, Senate Bill 225 (Schuring)
Jason Warner – Director of Strategic Engagement, Greater Ohio Policy Center
Tuesday, November 9, 2021**

Chairman Dolan, Ranking Member Sykes, and members of the Senate Finance Committee. Thank you for affording Greater Ohio Policy Center (GOPC) the opportunity to provide interested party testimony on Senate Bill 225, related to the Ohio Historic Preservation Tax Credit and the Ohio Opportunity Zone Tax Credit programs.

GOPC has been a long-standing advocate for the Ohio Historic Preservation Tax Credit Program (HPTC), which provides a tax credit in order to leverage the private redevelopment of historic buildings.

Ohio has beautiful historic downtowns and commercial corridors that give our communities character. Applications for the state HPTC always outstrip available credits, which is why we are very pleased that SB 225 proposes to double the aggregate cap over the next two years.

As Ohio's leading advocates for legacy city issues, we know that many communities have large buildings that have falling into disuse, but could really catalyze and attract substantial private investment in surrounding blocks. That was certainly been the case in Chillicothe with its Carlisle Building and the Piqua Hotel in Piqua. We are in favor of doubling the project cap to \$10 million in order to make the financing of key buildings, like those, possible.

At GOPC we work very closely with Ohio's smaller legacy cities. Like their larger counterparts, their real estate markets remain modest and fragile. The challenges of property values and gaps between the cost of a project and its appraised value is particularly difficult for smaller locations. We support increasing the credit amount to 35% for communities with 71,000 or fewer residents.

We think Ohio's historic properties hold such potential and we are pleased that this bill proposes to make it easier for the private market to renovate and return these properties to productive, tax-generating use.

The bill also proposes to double the amount of tax credits available under the Ohio Opportunity Zone Tax Credit from \$50 million per year to \$100 million per year. We know it is incredibly important to bring risk to manageable levels in any real estate project. This adjustment to the OZ tax credit, in conjunction with the expansion to the OHPTC makes Ohio's an even friendlier environment for individuals and companies interested in redeveloping Ohio's real estate and returning it to productive use.

GOPC commends Sen. Schuring for the introduction of SB225 as legislation that will have a long-term, positive impact on communities throughout Ohio – particularly Ohio's small-and-midsized legacy cities, cities with an industrial past who have lost population since their 20th century peaks but hold tremendous opportunity for growth with investment.

Thank you for your consideration of our thoughts on Senate Bill 225.



Jason Warner
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Greater Ohio Policy Center