**TESTIMONY OF MICHAEL J. SIKORA III ON BEHALF OF NAIOP OF OHIO**

**IN SUPPORT OF SENATE BILL 8**

**MAY 8, 2019**

Chairman Zeltwanger, Vice-Chair Powell, Ranking Member Sobecki, and members of the Economic and Workforce Development Committee.

Thank you for the opportunity to present testimony in support of Senate Bill 8. I am Mike Sikora, an attorney, title agent, and business owner with offices in Downtown Cleveland and Downtown Columbus. My law practice is focused entirely on real estate matters throughout Ohio.

NAIOP Ohio is made up of many of the top developers and owners of commercial real estate in Ohio and numerous other commercial real estate professionals, including lawyers, brokers, engineers, architects, and title professionals. NAIOP Ohio respectfully requests your favorable consideration of this Bill that would grant an Ohio income tax credit to investors who invest in Ohio Opportunity Zones. The Federal Opportunity Zone incentive is a community investment tool established by Congress in December of 2017 to encourage long-term investments in low-income urban and rural communities. There are 320 Ohio census tracts designated as Opportunity Zones, which are some of our State’s most distressed communities.

Passage of this Bill would be beneficial for Ohio’s commercial real estate industry because the 10% income tax credit would make more projects economically feasible for developers. Moreover, this Bill would attract developers and investors to areas that have historically not seen much commercial real estate development. This Bill would essentially accelerate growth and prosperity in markets that many developers had not previously considered, encouraging more development within our State.

The available 10% tax credit would encourage economic development and make businesses more comfortable moving into these Opportunity Zones. That should bring more jobs, promote entrepreneurship in those areas, and enable Ohio families in those areas improve their quality of life.

If this Bill would become law, Ohio would be one of the first states to provide economic development incentives for investing in Opportunity Zones, which would further support the federal initiative. Moreover, the passage of this Bill would give Ohio favorable national attention and would make Ohio one the most attractive states for Opportunity Zone investments. Ohio would then have a competitive advantage to land a greater share of the estimated 6.3 trillion dollars in capital gains available for Opportunity Zone investments. This worthwhile incentive would be a factor viewed favorably by national developers and investment funds when considering where to invest their time, money, and other resources.

Senate Bill 8 has the support of NAIOP Ohio because it will spur economic development and help rejuvenate and revitalize our state’s most distressed communities and help keep economic development moving forward positively in our State. Thank you for your time and consideration.