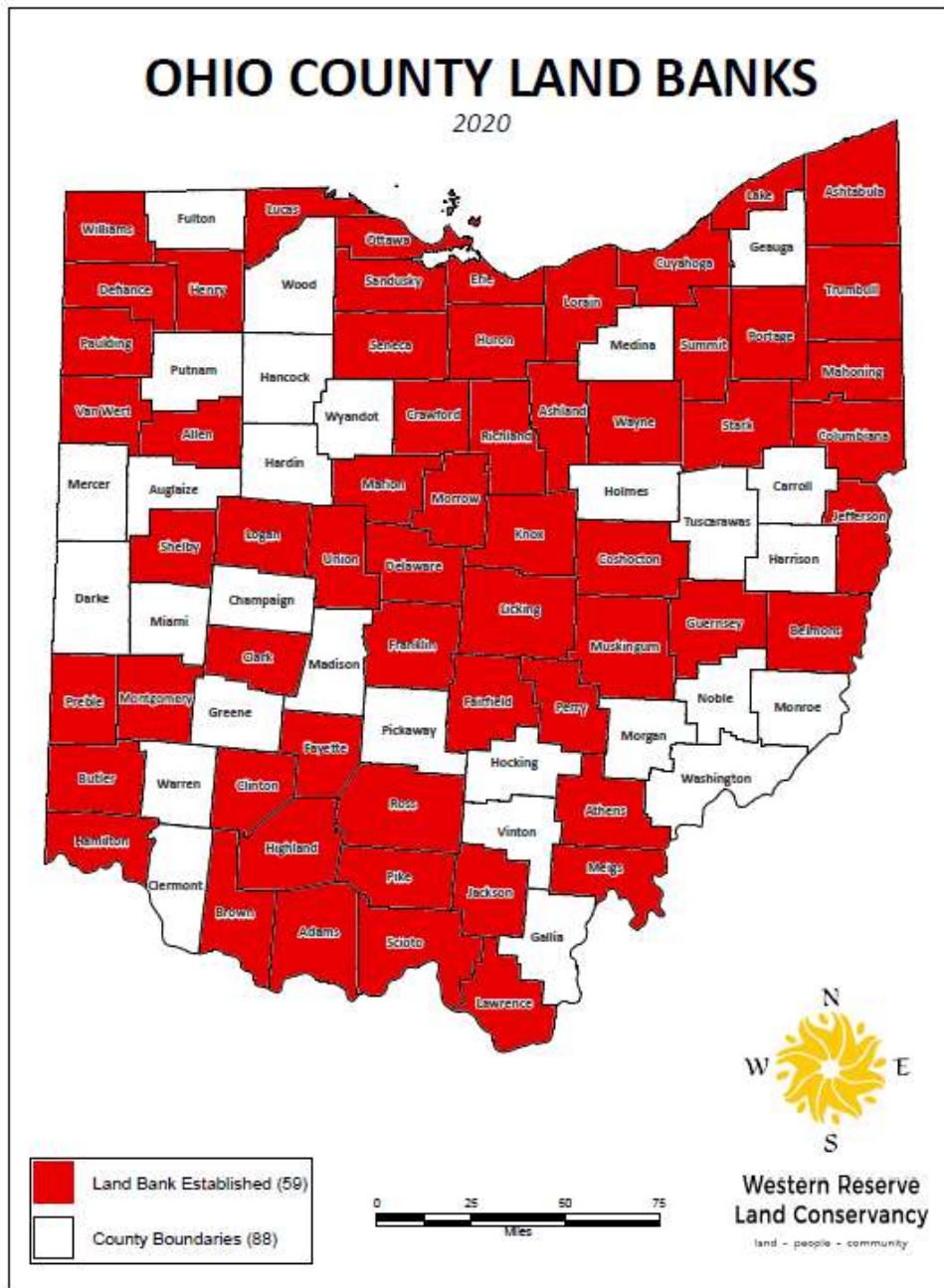
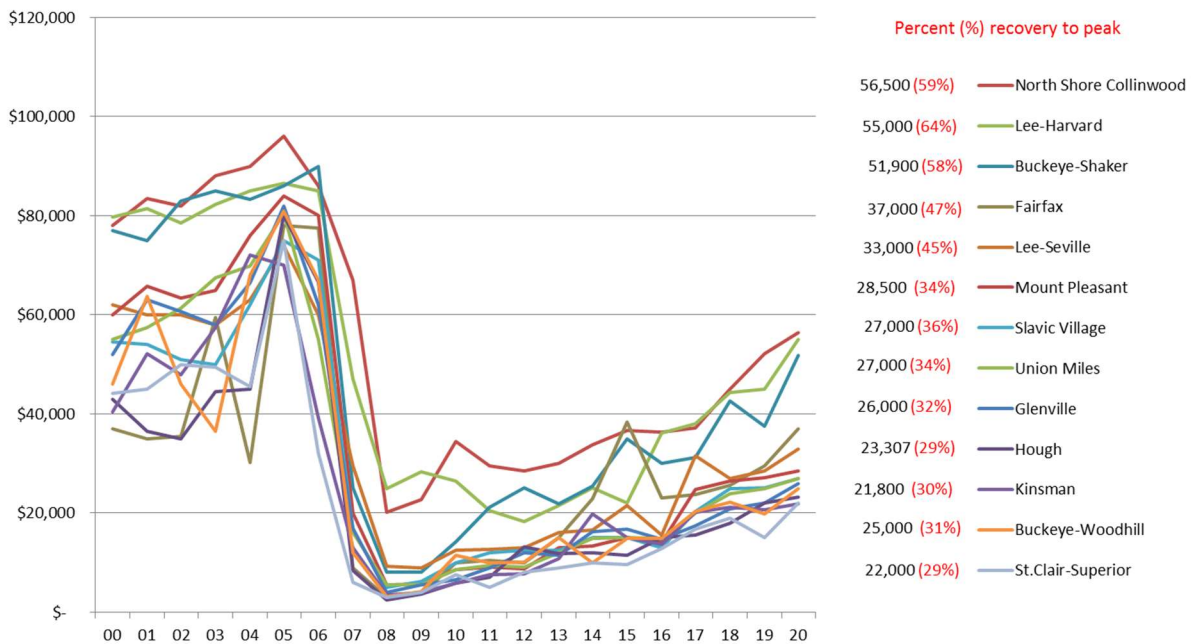


Ohio County Land Reutilization Corporations, commonly referred to as county land banks, have played a critical role in the past eight years in helping to eliminate blight, re-purpose thousands of vacant properties, stabilize housing values and restore lost property tax revenue for Ohio communities. This tool, created by SB 353 in December of 2008, has grown from one county land bank—Cuyahoga—to 59 land banks today.



The work of blight removal, was kicked off in January of 2012 by then Attorney General Mike DeWine who committed the majority of the landmark “Robo-Signing” settlement to Ohio communities for the removal of distressed properties. The blight fighting effort received a second boost in federal assistance through the repurposing of Hardest Hit Funds in June of 2013, and a second commitment in January of 2016. These combined efforts raised approximately \$400,000,000. When added to commitments made at the local level in places like Cuyahoga and Richland counties the total raised approaches \$450 million dollars. These funds have helped county land banks demolish over 40,000 vacant and abandoned residential structures. It is undeniable that the foreclosure crisis of 2004-2009, and the ensuing “Great Recession” played a major role in causing much of this abandonment--and destabilizing communities all over Ohio. Billions of dollars in equity were lost by Ohio property owners whose subprime and predatory mortgage loans went into default and foreclosure. An even greater tragedy was experienced by adjacent and adjoining property owners in those same communities: they never took out a bad mortgage, but suffered the same losses as a result of the abandonment and blight caused in their neighborhood by these risky mortgages. The graph on the following page depicts the dramatic drop in property values on the East side of Cleveland during the foreclosure crisis.

Median Price - Arms Length Sales 2000 - Sept 30, 2020 Thirteen Eastside Cleveland Neighborhoods



Source: NEO CANDO at Case Western Reserve University.
 Arms Length Sales = sales on 1-3 family residential property that exclude: 1) transfers at a Shf Sale,
 2) \$0 transfers and 3) transfers to a bank or Federal agency. 1-3 family includes condominiums; includes vacant lots > \$100K.
 Prepared by Frank Ford, Western Reserve Land Conservancy, 10-8-20.

Land banks focused initially on these vacant and abandoned residential properties, in part because they were easier to acquire, and in part because the dollars made available by the state and the federal government limited demolition dollars to residential properties. Unfortunately, land banks have been unable--except on a limited basis, and based on their own resources-- to deal with millions of square feet of vacant and abandoned commercial and industrial properties.

Commercial and industrial properties in Ohio have been ceasing their operations—and facing abandonment—for decades. From small machine shops to the ubiquitous retail properties--with ground floor retail and apartments above, to the giant industrial complexes in cities like Youngstown, Cleveland, Dayton and Toledo, properties have been abandoned by the thousands in Ohio communities. They stand as a reminder of what made Ohio great, but because so many have been vacant for so long all they do now is remind these communities of their economic decline. They have long since stopped paying property taxes, but are a drag on community resources as they are often magnets for criminal activity, such as arson fires and violent crimes. While many of these facilities (because of zoning requirements) are located outside of traditional neighborhoods, a significant number, especially old schools and old hospitals are located within residential communities and pose a special risk to those adjoining neighborhoods. For many of these properties there is no market-based re-use solution, no incentive for private investment to save them. Quite simply, many of these properties require demolition. But the cost of these demolitions can run in the millions of dollars, not just because of the size of some of these structures—but because of the environmental issues these properties pose. (A notable example of this problem is the New Boston Coke facility, a former steel plant and coal tar distillation plant in Portsmouth, Ohio which closed over 20 years ago. The 22-acre site is located directly on the Ohio River. It is adjacent to the Portsmouth water filtration plant.

It is an environmental nightmare and the cost of removing the building and cleaning the site may run upwards of 40 million dollars. Community leaders have struggled for year to find a way to clean this site, but their pleas have been ignored.)

It is worth noting that in spite of the substantial progress made on the removal of blighted residential structures in Ohio, the problem is far from being resolved. A study done by the Western Reserve Land Conservancy in 2013 estimated that there were over 100,000 vacant and abandoned residential structures in the state of Ohio. A more recent study in 2019, responded to by less than a third of Ohio counties revealed that 25,891 residential units still await demolition. Based on further contacts with county land banks and local building departments, and expanding the demolition need to the thousands of abandoned house trailers— this number, while reduced significantly, is still in excess of 50,000 units. So the need for blight removal dollars is still there. While there has been progress with residential units there has been virtually none with commercial and industrial properties.

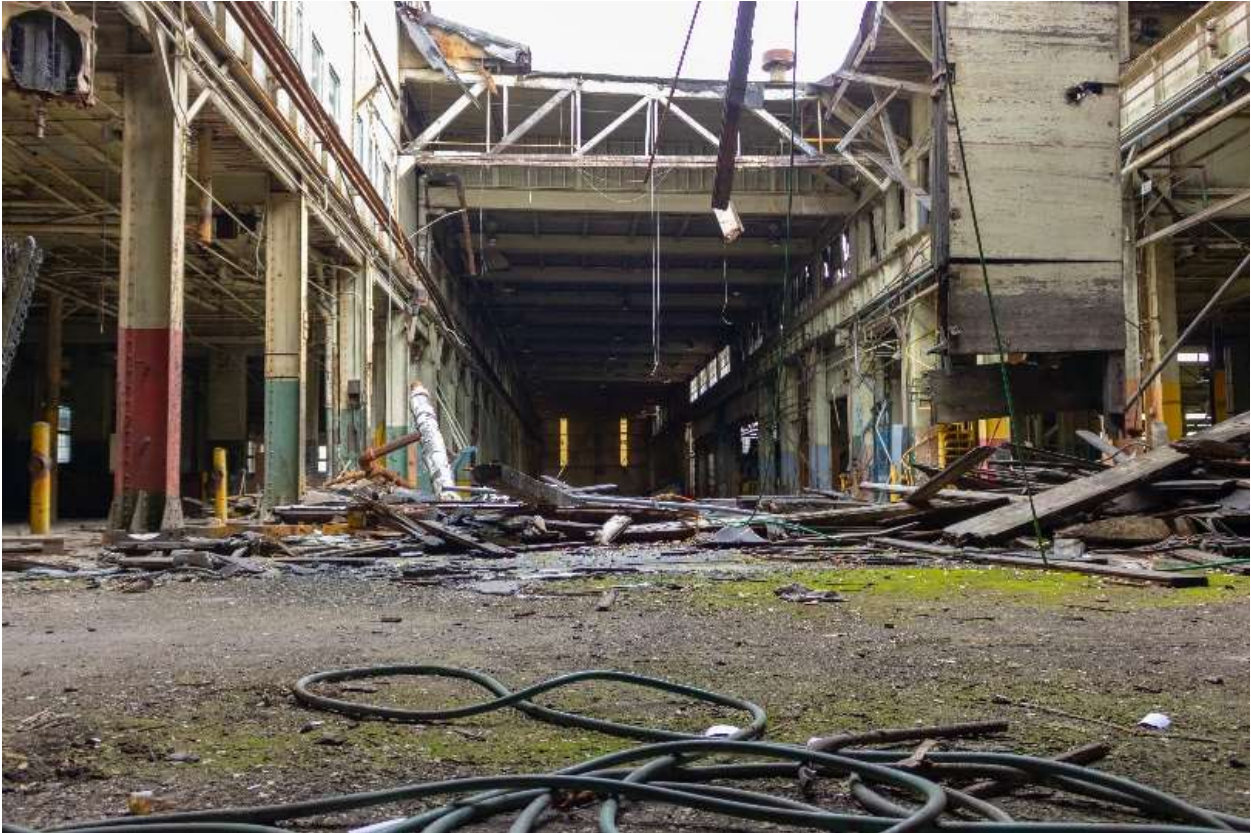
We estimate the number of abandoned commercial and industrial units/buildings in the state of Ohio to be approximately 10,000 buildings. We believe the total square footage of these buildings approaches 100,000,000 square feet. A recent survey by Western Reserve Land Conservancy received responses from 29 of the land bank counties—which at that time totaled 56 counties. That survey obtained responses from about one third of Ohio counties and revealed almost 4,500 abandoned buildings with approximately 40,000,000 square feet of space. They range from the smaller commercial structures with ground floor retail and one or two floor of

apartments, to industrial complexes in excess of 1,000,000 square feet. The cost of demolishing these buildings, using an \$8.00 per square foot demolition cost, (an average based on what the Cuyahoga County land bank spends on demolition) would be \$800,000,000—but that is not the only cost facing these communities. It is actually considerably higher than that as many of these buildings have asbestos issues. In addition, some are even more toxic than that as we cite in this paper with examples like the New Boston Coke Plant in Warren, or the abandoned St. Joe’s hospital complex. Some of these examples include:

- The abandoned Wagner manufacturing site in Sydney, Ohio. This complex has been abandoned since 2008, when the last owners of the company, Master Vision Polishing, walked away from the property. Estimates for demolition and remediation run between 2.2 and 2.5 million.



- The Baron Steel Manufacturing Plant in Toledo, Ohio. Built in 1904 and closed in 2003, this facility is responsible for 250,000 square feet of abandoned industrial space.



- The Republic Rubber Factory in Youngstown as well as the RRI Tire Recycling facility in that city. Both of these facilities have been abandoned for over 20 years.

Republic Rubber



RRI Tire



- The abandoned St. Joe's Hospital in Warren, Ohio. This hospital was abandoned by its' third owner in 2010. It is 274,000 square feet and is a major blighting influence in the northwest neighborhood of Warren. The cost to remediate and demolish this building, according to Warren city officials, is estimated to be 4.5 million dollars.



- In Pomeroy, Ohio, a community of 1,900 people in Meigs County, there are two abandoned hospitals—the old Veterans Administration Hospital—closed in 2001, and the old Meigs General Hospital closed in 2003—both awaiting demolition.

General Hospital



VA Hospital



- In Bucyrus Ohio, the Ponderosa Restaurant has been vacant for more than 20 years. As it is along a heavily-travelled state route, it provides an instant negative impression to area visitors.

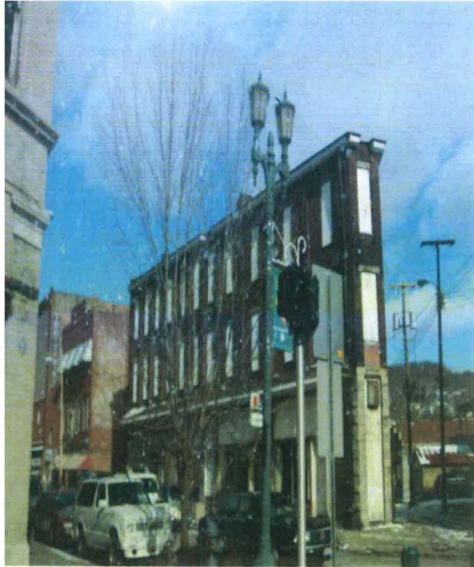


- In Coalton, Ohio, a gymnasium from the long since demolished Coalton School was intended to be used as a recreation/community center. Due to insufficient funding, the building was never repurposed and has since fallen into disrepair. Abandoned schools are a particular problem throughout Ohio as many of these are located within residential communities.

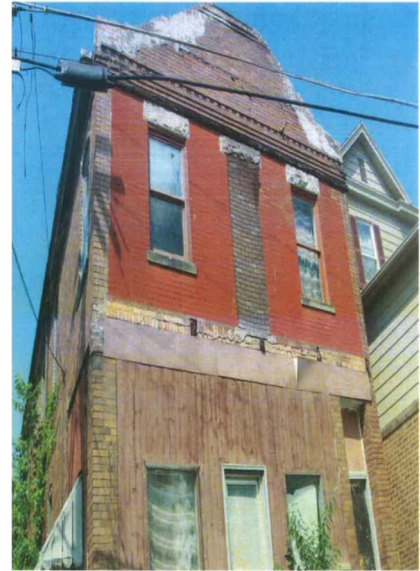


- In East Liverpool, Ohio, there are various abandoned commercial buildings in the center of town. Buildings like these—ground floor retail with apartments above—are the most common abandoned commercial properties in smaller Ohio communities.

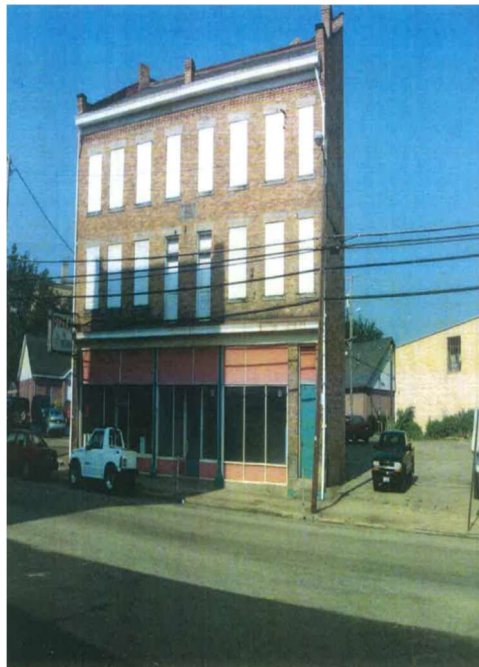
Dresden Avenue



Webber Way



Dresden Avenue



201 Ravine Street



- Galion, Ohio, also contains many abandoned commercial buildings, along with larger abandoned industrial buildings.



- In Mansfield, Ohio, there are a variety of hazardous abandoned buildings including a school that has already been the site of multiple fires, a junkyard containing radioactive materials, a bio-waste management facility, and numerous small commercial buildings from now-defunct businesses.

Bio-waste facility



Abandoned school



Various other structures



- In Martinsville, Ohio, an abandoned auto repair shop has been offered to the county land bank. However, the land bank is reluctant to take it as they do not have sufficient funding for necessary environmental cleanup and demolition.



- Mingo Junction, Ohio contains a variety of abandoned commercial buildings in the center of town.



- In Oak Hill, Ohio, a dilapidated former dairy bar needs to be demolished before an adjoining property owner can take ownership.



- In Sandusky, Ohio, there is an abandoned 20,000-foot winery. The city has been aggressive in removing many of its' abandoned commercial structures, but is out of funding for these kinds of projects.



- In Steubenville, Ohio, there are various large abandoned commercial structures that are completely overgrown and in a state of utter disrepair.



- In Wellston, Ohio, one side of E. 2nd street is completely vacant and blighted with the exception of a single building.



- In Wellsville, Ohio, there are various abandoned buildings that once had shops on the first floor and residences located above.



Request

The Ohio County Land Bank Association asks on behalf of its' members and Ohio communities for a commitment of at least 200 million dollars to begin to deal with the nightmarish conditions that so many of these abandoned structures pose for Ohio cities, villages and townships. Because the blighted property problem continues to be an issue with residential structures, we are looking for funding that is flexible that we would generally characterize as nuisance abatement funding. This funding would have to include environmental clean-up dollars as so many of these properties pose environmental risks. The nuisance abatement categorization might also give these land banks the flexibility to save properties by preserving them, as opposed to demolishing them. County land banks have rehabilitated thousands of Ohio single family homes through innovative programs like the Deed in Escrow program in Cuyahoga County, and many counties have asked that monies allocated allow that flexibility as well.