

Chairman Dolan, Vice Chairman Cirino, Ranking Member Sykes and members of the Senate Finance, thank you for the opportunity to submit proponent testimony on Sub. House Bill 33. Specifically, we are here to advocate in support of the continued funding for the Brownfield Remediation Fund (BRF) and the Building Demolition and Site Revitalization Fund (BDSR).

My name is Shawn Carvin, Executive Director of the Ohio Land Bank Association (OLBA). The OLBA is a statewide nonprofit organization with the purpose of supporting the work of and advocating on behalf of all county land reutilization corporations, commonly known as land banks, across Ohio. County land banks are leaders in addressing vacant, abandoned property and returning it to productive use. Currently, 67 counties have a county land bank. We hope to see communities address legacy commercial and residential blight and post-industrial, environmentally contaminated sites to create shovel-ready properties for future economic and community development.

Vacant, abandoned, and distressed properties often have a low market value and contribute to neighborhood decline because they can generate crime, pose safety hazards, and cause the property values of surrounding homes to be devalued. These property types can have title defects, liens, or other liabilities, which means that conventional for-profit developments are not able to acquire these properties to help redevelop. That's why the Ohio General Assembly allowed for the creation of land banks as a vehicle to help acquire these types of properties, to return them to productive use.

Two years ago, the Ohio legislature recognized the major inventory of vacant and blighted properties across the state and established the Brownfield Remediation Fund (BRF) and the Building Demolition and Site Revitalization Fund (BDSR), providing \$350 million to assess and cleanup environmentally contaminated sites, called brownfields, and \$150 million to address commercial and residential properties. The language and funding in Sub HB 33 mimics what the Ohio Senate put forward in the last budget.

#### **Building Demolition and Site Revitalization Program**

Land banks are uniquely positioned to address demolition work as they have large inventories of properties, are exempt from environmental liability that private parties are subject to and have the ability to act on behalf of a local government to perform nuisance abatement demolition.

When the Demolition applications were due in February 2022, much of the blighted residential inventory at that time was included. Now, the greatest remaining need is to address commercial demolition. **When the legislature created the Demolition Program, it was the first significant investment ever toward vacant commercial properties.**

Commercial properties include buildings that were used for retail, office, manufacturing, industrial, industrial warehousing, institutional, or other non-residential or mixed-use purposes. The demolition funding was not limited to tearing down buildings - the Ohio Department of Development (ODOD) also allowed for interior rehab such as asbestos removal and removing walls in order to make abandoned structures into productive sites again.

Residential properties are able to be abated through locally established ordinances, as pursuant to ORC 3767, but commercial demolition requires much more due diligence. Commercial demolitions must go through a more rigorous review, and it is often harder to get an order for demolition as buildings often exist in corporations making the notification process far more cumbersome. In the last round of funding made available, the guidelines and rules were released on December 21st and the applications were due on February 28th, so it was challenging for some counties to turn around necessary documents in that timeframe. 87 counties still applied for \$174 million, but counties are now better prepared to apply for funding to address problem properties in their communities.

Through a cursory review of six county land banks of differing size, including Hamilton, Lucas, Clark, Trumbull, Ashtabula and Monroe Counties, they anticipate 8 million sq. ft. of commercial property in need of demolition, or \$80 million. In addition, there are a handful of residential properties still in need of cleanup in those counties. This is far less of a need in most communities because of previous funding, but in the 6 counties we reviewed we found an additional \$8 to \$9 million in residential demolition needs.

#### **Brownfield Remediation Program**

We support the legislative intent of this program — which is to allow units of local government, including counties, townships, municipal corporations, port authorities, or conservancy districts or park districts, or other similar park

authorities, to apply for this program. Other applicants, such as land banks, nonprofits or organizations for profit—are also eligible if they enter into an agreement with a unit of local government to work in conjunction on the project for the purposes of this program. This is important as the local jurisdictions will take a comprehensive approach and prioritize projects based on local needs.

Unfortunately, the State does not have a statewide database of all eligible brownfield sites. By way of quick example, of the \$350 million awarded in the program last year, a small portion of the funding was awarded to allow for *assessment work only* for 181 properties.

Some of these properties include the South Avenue & Kuhlman Drive Fill Area. This 21-acre property was primarily used for landfilling operations between 1950 and 1957. The property remains vacant and unimproved. Because of its use as a former disposal facility, the site must undergo cleanup prior to any redevelopment. After the cleanup efforts are completed, the Lucas County Solid Waste Management District plans to develop the site into a residential curbside recycling process facility. Another project in need of remediation is 700 Liverpool Drive in Medina. This 240,000-square-foot building was constructed in the early 1970s for the manufacture of lawn maintenance equipment. Brownfield Remediation Program funds allowed for a comprehensive assessment of the site to provide a framework for cleanup needed. They now seek cleanup funds to address the remedial action required so that the owners can redevelop the site for future use.

Past research by the Greater Ohio Policy Center shows that for every dollar the state invests, there is a five dollar return in private investment. By that calculation - the legislature's previous support of these two programs could contribute more than \$1 billion to the state's GDP.

Chair Dolan, Vice Chair Cirino, Ranking Member Sykes, and members of the Senate Finance Committee, thank you for your time today. I would be happy to answer any questions.