



Mid-Ohio Regional
Planning Commission

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William Murdock, Executive Director of MORPC
House Bill 64: Ohio Developmental Services Agency Budget
Interested Party Written Testimony
Ohio Senate Finance-Workforce Subcommittee
May 19, 2015

Chairman Beagle, Vice Chair Williams and members of the Senate Workforce Subcommittee. Thank you for the opportunity to present this interested party written testimony on the Development Services Agency Budget, as part of the 2016-2017 Operating Budget (HB64).

My name is William Murdock and I am the Executive Director of the Mid-Ohio Regional Planning Commission (MORPC). MORPC is voluntary association of over 50 Central Ohio political subdivisions that envision and embrace innovative directions in a variety of fields such as: transportation, energy, housing, land use, the environment and economic prosperity. We are committed to collaborating and creating new strategies that continue to enhance our region.

MORPC serves the fastest growing region in Ohio, which will only continue to grow in the years to come. Central Ohio's population will increase by a full 25% in 2050, while the rest of Ohio will experience a 3% decline. In order to prepare for such substantial growth and the future challenges that are a result of the increase in population, MORPC has partnered with Columbus 2020 and the Urban Land Institute of Columbus and created insight2050. Insight2050 is a collaborative initiative among both public and private partners designed to help communities proactively plan for the challenges we face as a region in the next thirty plus years.

A vital component of that future development relies on a healthy and sustainable environment for our local governments, residents and businesses. Therefore, we have long supported the remediation and redevelopment of brownfields and other contaminated sites to create economic benefits and opportunities for local governments and communities throughout Central Ohio.

We were pleased to see the House pass *Section. 610.20* from the Operation Budget that creates a Service Station Cleanup Fund. We believe this program will provide critical dollars to create shovel-ready redevelopment sites by cleaning up archaic gas stations in our rural, suburban, and urban communities.

William Murdock, AICP
Executive Director

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To make this program as effective as possible, and to utilize taxpayers' dollars in the most fiscally responsible way, we support three recommendations for consideration in the Budget. We join other interested parties in believing that these three proposed efficiencies will help maximize dollars and enhance the program's outcome, while retaining the original purpose of the program.

- 1. Expand the definition of property owner** *to include organizations that have entered into an agreement with a political subdivision.* Relatively few cities, villages, townships, or counties outright own blighted service stations due to their high risk. Organizations such as county land banks, community development corporations, and other nonprofits, and some private sector developers are more tolerant than local governments of financial risks and are better prepared to manage the challenges associated with these contaminated sites.
- 2. Clarify the definition of cleanup or remediation** *to include the acquisition of a class C release site, demolition performed at a site, and the installation or upgrade of the minimum amount of infrastructure that is necessary to make a site operational after other clean up measures.* Adding specifics to this definition will ensure properties are shovel-ready immediately and will not be abandoned halfway through the redevelopment process, due to the lack of final-phase remediation funding.
- 3. Adjust the grant amounts for property assessment from \$500,000 to \$100,000 and cleanup from \$2,000,000 to \$500,000.** Gauging the appropriate costs in a program for environmental clean-up is essential for ensuring projects are completed successfully and that projects are not over-subsidized. Average assessment costs for small sites like a service station usually range from \$50,000 to \$125,000 and cleanup and remediation of these sites often can be accomplished with \$250,000 to \$600,000.

We believe these three efficiencies will enhance the operations and impact of this imperative program.

In 2013, The Greater Ohio Policy Center conducted an economic impact analysis of state funding used to cleanup and prepare contaminated sites for redevelopment. Greater Ohio is a nonpartisan think tank respected for their research. They found:

- For every \$1 of state funding invested in a contaminated site, the Return on Investment was \$4.67 in new economic activity
- For every 1 job created or sustained through remediation activities, 1 additional job was indirectly created or sustained.

We are very pleased to see a commitment by the state of Ohio to assist communities in priming sites that will directly support local governments and businesses in Central Ohio.

Providing support for the cleanup of sites is an important strategy to further economic growth and support long-term fiscal sustainability by positioning abandoned sites for redevelopment. This is a key finding of insight2050, which analyzed and is creating tools for Central Ohio to prepare for the impacts of population growth and changing demographics. Insight2050 will create a first of its kind, in the region, map-based infill and redevelopment directory that illustrates vacant and underutilized land that could be used for development. With this tool, communities of all sizes across Central Ohio will fully leverage this new program.

However, in order for the program to be effective, it is essential to broaden its scope. Columbus has only one abandoned gas station that would qualify for the program. How effective can a program be if the largest city in the State has only one gas station that qualifies?

In Central Ohio, broadening the scope of the program would assist especially needed projects for mixed-use projects in high poverty areas that could catalyze new development and on resident and residential projects in community job centers to bring affordable housing options for today's workforce. For example, the Trolley Barn on Columbus' Near East Side has sat vacant for decades. With cleanup assistance to make the project economically feasible, a developer would be positioned to execute a mixed-use project and lay a foundation for future growth in the neighborhood

Central Ohio has much economic redevelopment potential locked-up in contaminated sites and remediating these locations will help future businesses thrive and create places where people want to live, work and raise a family. We hope that the Service Station Cleanup Fund is the first of several programs that leverage the investments needed for these sites, which are located throughout our region.

Thank you for your consideration and please do not hesitate to contact me, at 614-233-4101 or at wmurdock@morpc.org, with any questions or concerns.