

The Construction Conversation

Ohio's Legislative, Administrative, and Judicial Two-Way Newsletter

December 2025

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Legislative: General Assembly Elections

The year 2026 brings elections of all House of Representatives' 99 seats, and 17 of 33 seats in the Ohio Senate. While many are open or contested districts, the likelihood is that both House and Senate will begin 2027 with continued Republican majorities. (Cont'd p. 2.)

Administrative: REDD Program

The first of Ohio's Residential Economic Development District grants are available to support workforce housing through the Ohio Department of Development, a new program created in the House Bill 96 budget. (Cont'd p. 2.)

Administrative: Historic Tax Credits

The State awarded more than \$73 million in historic tax credits for thirty-three projects under the Ohio Historic Preservation Tax Credit Program administered by the Ohio Department of Development. (Cont'd p. 2.)

Administrative: Wright Pat Construction

The U.S. Congress passed the National Defense Authorization Act with \$60 million in funding for two construction projects at the Wright Patterson Air Force Base in Dayton, Ohio. (Cont'd p. 2.)

Judicial: Substantial Performance

The test under Ohio law for whether a contractor breached its contract is whether the contractor achieved "substantial performance", for which "the part

unperformed must not destroy the value or purpose of the contract." (Cont'd p. 3).

Administrative: Income Credit Projects

The Ohio Tax Credit Authority announced state income tax credits from 2,347 new jobs, and 8,592 retained jobs, creating an estimated \$148 million in new payroll due to construction investments of over \$1.1 billion. (Cont'd p. 3).

Administrative: Water Projects

The Ohio Water Development Authority approved over \$29 million through its Fresh Water Loan Fund Program, providing low interest loans for eleven drinking water and wastewater infrastructure projects. (Cont'd p. 3).

Administrative: Board of Building Appeals

The Ohio Board of Building Appeals may reverse or modify the order of any building code enforcing agency if the Board finds that the order is contrary to law. (Cont'd p. 3).

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Legislative: General Assembly Elections **(Cont'd)**

February 4th is the deadline for candidates to file for the May 5th Primary.

At this early stage, 50 Republican and 28 Democratic incumbent Representatives (78 total) have declared their candidacies, with 59 seats unopposed. Only 21 of 99 (one-fifth) seats are contested.

In the Senate, 6 Republican and 3 Democratic incumbent Senators are declared, with 7 unopposed. 8 seats are contested, with 16 not on the ballot of a total of 33 Senate districts, one-third of the House districts.

From campaign finance filings in July, 2025, the Republican Senate caucus reported \$2.1 million on hand, compared to only \$259,000 for the Democrats.

The House Republican caucus reported \$1.9 million on hand, compared to only \$65,000 for the Democrats.

The legislative schedule will end the second week of June, 2026, after which legislators will return home to campaign.

Administrative: REDD Program (Cont'd)

For 2026, the General Assembly appropriated \$10 million, with \$15 million to follow in 2027.

Local governments within 20 miles of a major project radius can apply for housing infrastructure, or in collaboration with a housing developer.

"Major economic development project" means either one expected to create at least seven hundred new permanent jobs,

or attract at least seven hundred million dollars in private investments. Revised Code 122.636.

"Major workforce housing project" means a project that reserves at least one hundred units.

Administrative: Historic Tax Credits **(Cont'd)**

The projects are located in seven of Ohio's largest cities, along with projects in Bowling Green, Lakewood, Marysville, Mount Sterling, Springfield, Trotwood, and Wadsworth.

By example, \$2 million in tax credits will support \$21 million in the renovation of Marysville's 1891 water works plant, converting it into a 72-unit apartment building.

In Akron, two B.F. Goodrich rubber plant buildings from 1915 will be renovated into 128 housing units for a total project investment of \$47 million.

The 1928 YMCA Building in Warren, Trumbull County, will receive \$3.5 million in tax credits to fund 42 residential units with a total project cost of \$20 million.

Administrative: Wright Pat Construction **(Cont'd)**

\$15 million of the appropriation will pay to design and refurbish the Base's primary airfield.

The appropriation also will fund \$45 million to construct the 711th Human Performance Wing's Research Laboratory, a part of the U.S. Air Force School of Aerospace Medicine.

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The Laboratory is the primary scientific research and development center for the U.S. Air Force. The Laboratory dates its beginning to 1917 at the U.S. Army Air Corp's historic McCook Airfield in downtown Dayton.

Judicial: Substantial Performance

The performance need not be perfect; "slight departures, omissions and inadvertences should be disregarded."

The burden of proof of any damages is upon the property owner. Without actual damages, there is no cause of action against a contractor.

A Court of Appeals recently reviewed the workmanship of a concrete contractor who poured a new driveway for a homeowner. After the owner paid in full, the driveway showed holes and spalling. When the concrete contractor refused to replace the driveway, the owner sued.

The Court of Appeals held that the construction workmanship was defective, based on some evidence at trial.

However, the Court held that the measure of damages is the cost of repair. Because the owner did not offer proof of how much the repair would cost, the Court sent the case back to trial for determination.

Iannetta v. JDL Concrete, 11h Dist. Lake,
2025-Ohio-5472

Administrative: Income Credit Projects (Cont'd)

Projects by example include Net World Sports of London (Madison County) establishing its first U.S. headquarters and production facility, creating 55 new position

and generating \$2.8 million in new annual payroll for its sports, fitness, and leisure equipment business.

SencorpWhite, Inc will relocate its Massachusetts headquarters to Hamilton (Butler County), creating 230 new positions, for a tax credit of \$3.5 million.

Crusoe Energy Systems will construct a new data center facility in Springfield, creating 20 full-time positions with a tax credit of \$16 million.

Supply Technologies will consolidate five U.S. facilities at Union (Montgomery County) to create a single central kitting and cross-docking facility, generating \$3 million in new payroll.

Administrative: Water Projects (Cont'd)

The City of Columbus received the largest loan of \$56.8 million at 4.45% to develop a preliminary engineering report to identify safety issues.

Columbus has the largest amount of loans from the Fresh Water Loan Fund, financing 33 projects for over \$265 million.

Administrative: Board of Building Appeals (Cont'd)

The Board also may determine the fair interpretation or application of such laws, and grant a variance from the law if the variance will not be contrary to the public interest where a literal enforcement of the law will result in unnecessary hardship. R.C. 3781.19.

While any person may pull a building permit, Ohio statute declares such permit to be on the project owner's behalf, R.C. 3791.04(A)(1).

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The building department's approval of plans and specifications is a "license" and the failure to approve plans or specifications as submitted or to inspect the unit is "an adjudication order denying the issuance of a license" requiring an "adjudication hearing". R.C. 3791.04(E).

The Board of Building Appeals typically holds meetings at the Division of Industrial Compliance, 6606 Tussing Road, Reynoldsburg, OH, three times a month, in-person and by electronic link. The Board typically hears an average of 5 items per meeting, scheduled for 15 to 30 minutes each.

Attending the meeting are the owner's representative, the building department's representative, and often a local fire official. Each party states their position, and Board members make all efforts to mediate a consensus solution among the parties. Otherwise, the Board will announce a decision, typically unanimously, but otherwise reflecting the majority opinion.

The Board is made up of five members appointed by the Governor to a four-year term. One member shall be an attorney-at-law; one shall be a registered architect; one shall be a professional engineer; one shall be a fire prevention officer; and one shall be a person with recognized ability in the plumbing or pipefitting profession.

The Executive Director of the Board is Susan R. Steer, who can be reached at 614-644-2616, susan.steer@com.ohio.gov

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The Construction Conversation Call-In

on

**Wednesday, January 14, 2026
3:30 pm**

Luther L Liggett is inviting you to a scheduled Zoom meeting.

Topic: December Construction Conversation
Time: **Wednesday, January 14, 2026 03:30 PM Eastern Time (US and Canada)**
Join Zoom Meeting

<https://us02web.zoom.us/j/87069875073?pwd=c1Wj96b6rnoMgh7xLRZiWObt2RYBNE.1>

Meeting ID: 870 6987 5073
Passcode: 429528

One tap mobile
+16469313860, 87069875073# US

Join instructions
https://us02web.zoom.us/join/87069875073/invitations?signature=7Mx-AZaiwNQUIsVAJF-RnwvJTgjrKf2_hmoVINV7vOw

