



Board of Trustees

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Senate Ways & Means Committee September 20, 2017 Proponent Testimony: HB 69 TIFs

Chairman Eklund and members of the Senate Ways & Means Committee, thank you for the opportunity to testify in support of HB 69. My name is Denise Franz King, a Trustee of Washington Township in Franklin, Delaware and Union Counties. With me today is our Fire Chief Alec O'Connell. Our township includes all of the 47,000 residents of the City of Dublin and residents of the unincorporated area in NW Franklin County. Our fire department which serves the City of Dublin, is responsible for protecting \$5.8 billion in real estate. Traditionally we have been great partners with the City of Dublin and want to remain so.

As the former Vice Mayor of the City of Dublin during the years when it was the fastest growing city east of the Mississippi, I understand the use of Tax Increment Financing (TIF) from both the city and township perspectives. When I served on City Council, Dublin had a few TIFs and they were of shorter duration. The staff explained to Council that when a newly developed property increased in value, the increase in property taxes would be captured and used by the city for road projects that directly benefitted that development. Council never asked the staff where the funds came from. It turns out the source was levies supporting fire and emergency services provided by the township. When the public votes "Yes" on a fire levy, they believe they are funding fire and emergency medical services. But when a development is covered by a TIF agreement, the majority of the fire levy is diverted for city improvements. This is not what the voters were promised.

Now, 20 years later, Dublin has enacted over 40 TIFs containing \$209 million in assessed valuation, many for 30 years. Despite two years of meetings, the city has no plans to stop or slow down its use of

TIFs. Despite many discussions, the city has now diverted 12% of the annual fire levy proceeds. This amounts to a \$2.4 million annual cut that will continue for decades even if HB 69 is adopted. However, the bill will avert future losses from residential TIFs.

Meanwhile, millions of feet of commercial space, apartments and nursing homes have been constructed or are underway in Dublin. (See Bridge Street District fly-over video: <http://bridgestreet.dublinohiousa.gov/videos/>. Even before most of the new space is occupied, the number of fire and EMS runs has increased by 24% in the last three years.

The township's fire department will receive no additional tax revenues for responding to emergencies at dozens of new multi-story buildings. Instead, the burden will fall to the residents and businesses who do pay the fire levy. Every five years the township puts a renewal levy on the ballot. But in 2020, as a result of the TIFs, we will be forced to either ask for a sizeable real estate tax increase or reduce services and increase response times. In addition, if we ask for an increase, we will lose the 12.5% rollback, compounding the number of mills we need to ask the voters to support. In this way TIFs are a hidden tax increase. The city with its enviable \$90 million annual income tax stream, nearly \$2000 per resident, can afford to make the township whole as the City of New Albany does for Plain Township. At a minimum the city should stay within their own healthy revenues. Diverting revenues from first responders to pay for a \$19 million pedestrian bridge is difficult to explain.

On every other issue, the township and the city are excellent partners: we lease space in a water tower for a fire station, we have joint dispatching, maintenance and fueling agreements and are a partner with numerous city events. We want that relationship to continue, but the use of TIFs to this extent is unfair to the voters and our firefighters.

HB 69 is a narrowly drafted bill which simply adds township fire & EMS levies to the list in current law that cannot be used to fund residential TIFs. The majority of TIFs will be unaffected. Rep. Cupp's bill does not impact any city with its own fire department, only those served by township departments. And it provides the option of a negotiated solution. On behalf of public safety, our taxpayers and firefighters, I ask you to favorably recommend HB 69. Thank you. I would be happy to respond to questions.

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