



**WRITTEN TESTIMONY TO THE HOUSE ECONOMIC AND WORKFORCE DEVELOPMENT
COMMITTEE**

SB 39

APRIL 2, 2019

Chair Zeltwanger, Vice Chair Powell, Ranking Member Sobecki, and members of the House Economic and Workforce Development Committee, thank you for the opportunity to write in support of SB 39.

SB 39 would authorize a nonrefundable insurance company tax credit for contributing capital for the construction of what are known as “transformational mixed-use developments”, or TMUDs. These are multiple-purpose developments that include at least one large building and is expected to have a transformational economic impact on the surrounding area.

The construction and use of TMUDs within municipalities can have a substantial impact within a municipality. The potential economic development of these kinds of buildings is broad as revenues can be generated from retail, entertainment or dining sales, job creation, increased property values and revenue from sales, income and lodging taxes.

Mixed-use buildings play a crucial role in revitalizing municipal downtowns. The millennial workforce looks for benefits like walkability and access to local amenities when deciding where to live. The millennial workforce no longer follows jobs: jobs follow them. “Placemaking” is vital. Municipalities must create downtowns that attract the workforce so job creators will follow. If Ohio wants to stay competitive, investing in TMUDs will be increasingly important.

This tax credit will significantly incentivize developers to select Ohio communities to build their mixed-use development buildings. This new incentive compliments the success of the Historic Preservation Tax Credit, which continues to make Ohio municipalities more competitive by breathing new life into existing structures. These types of buildings not only create jobs and generate revenue, but they also attract a workforce and a residential community that desires greater access to resources and services.

We appreciate the foresight of this proposal as well as Sen. Schuring’s recognition of the benefit of such a tax credit would have in both municipalities and the state as a whole. We urge your support of this legislation.

Respectfully,

Kent Scarrett
Executive Director
Ohio Municipal League