

THE PORT

Making Real Estate Work

**Senate Finance Committee
Opposition Testimony, House Bill 166
Laura Brunner, Port of Greater Cincinnati Development Authority
May 23, 2019**

Thank you for the opportunity to submit testimony on the portion of House Bill 166 that deals with exempting pre-development residential property from real estate tax increases.

My name is Laura Brunner, and I am the President and CEO of the Port of Greater Cincinnati Development Authority. The Port is an economic development agency that strategically redevelops underutilized real estate to improve property values and promote job creation throughout Hamilton County. The Port also manages the Hamilton County Land Reutilization Corporation, or Landbank, which acquires vacant, blighted properties across Hamilton County and works to get them back into occupied, tax-productive status.

The relevant language in HB 166 exempts real estate from the increase in property taxes that can come from subdividing and developing residential lots for a period of time. This exemption lasts until the County Auditor's next sexennial reappraisal, or until construction starts, whichever is earliest. This means a developer can buy a piece of farmland, subdivide and plat it, install streets, sewer, and utilities, all of which increase the value of the land, without paying taxes on the increase, until the developer sells the land or construction begins. This amounts to a significant government subsidy for new residential development on previously undeveloped land.

Because of our work, we are intimately familiar with the high residential vacancy rate throughout Hamilton County. We have many vacant residential parcels throughout our County, the overwhelming majority of which are already platted and supported by existing infrastructure like streets, utilities, and sewers. We work constantly to find people, homes, and businesses to occupy these vacant lots and vacant houses, and return them to the tax rolls. It is not easy, but our County administration and elected officials on both sides of the aisle have deemed it a priority in order to keep Hamilton County economically strong.

To foster economic strength, Ohio does not need more greenfield development. We have plenty of land that is already developed, ready to be built upon, and vacant houses waiting to be rehabbed. This bill would deprive local governments of tax dollars in order to subsidize private development. At the same time, it would create a significant liability for local governments in the form of maintenance costs for the new roads, sewers, and other infrastructure that accompanies new greenfield development.

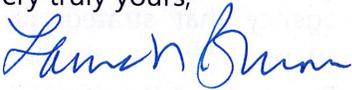
Where Ohioans need more houses, we should incentivize the construction and rehab of houses on lots that already have sewers and utilities and roads. Lawmakers should not bankroll private



development of greenfields through the tax subsidy provided by the proposed bill. The Port and Landbank have many lots to sell that meet all these criteria already. And we are a County that has suffered less population and job loss than many counties in Ohio. Other counties, hit harder by industrial decline and population loss, have even more available land than Hamilton County. Let us keep people and jobs and houses in Ohio, and bring new ones, through development that makes sense, in cities and towns that are ready to welcome them.

Thank you for allowing me to provide opposition testimony on this matter. I am happy to answer any questions you have about my testimony or the negative effects this provision would have on the economic vitality of Ohio.

Very truly yours,



Laura N. Brunner, President/CEO