Office of the City Manager

Worthington Schools

November 15, 2016

Verne Riffe Center
77 S. High Street, 13th Floor
Columbus, OH 43215
Attn: Representative Ryan Smith

Re: Am. Sub. SB 235

Dear Representative Smith:

We write on behalf of the City of Worthington, Ohio, and the Worthington Schools, to make you aware of the concerns that we have regarding Am. Sub. Senate Bill 235. As written, the bill would authorize property tax exemptions for the increase in value of property planned for commercial or industrial development while the property is in the pre-development stage. The bill passed the Senate earlier this year, and it is our understanding that proponent testimony will be heard today by the House Finance Committee, with all testimony being heard as early as tomorrow.

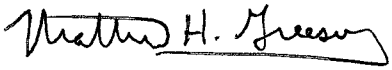
Here are our primary concerns:

1) While the foregone property tax revenue would certainly hurt municipalities and other service providers, Ohio schools will be severely impacted;
2) Who determines if a newly developable property is "planned"? What is the definition of "planned"?
3) TIF Districts will be negatively impacted. The accumulated impact of multiple parcels not producing a benefit to the TIF District could be substantial;
4) Since the schools will have already been hurt by the tax freeze, it may be harder to get them to support new economic development incentives such as CRAs and TIFs;
5) If the bill is amended to provide municipalities with the ability to "opt-out", passing legislation by the end of calendar year 2016 would be challenging;
6) Municipalities must still serve the property. Some services, such as for police and fire, can increase in demand during vacancy and redevelopment. Plan review, inspection and other property development and building code services increase during the construction period; and
7) The bill takes away incentive for developments to be completed in a timely manner. If the developer doesn't have a tenant identified with a clear timeline, there would be incentive to drag out the project and delay getting the Certificate of Occupancy, further delaying the payment of taxes.

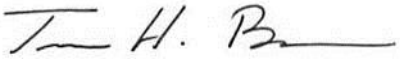
We are very concerned that Am. Sub. Senate Bill 235 will hinder State, regional, and local development efforts. We believe that all tax incentives should be targeted, deliberate, and expected to advance the economic well-being of the constituency. This bill lacks the key performance metrics and accountability that the State of Ohio has continually promoted and emphasized within the economic development landscape. The proposal is divorced from local objectives and lacks public input and scrutiny. This bill will have a lasting negative impact on economic development initiatives and will weaken public school systems across Ohio.

We firmly oppose the passage of this bill and welcome the opportunity to discuss our concerns in person. Please do not hesitate to contact either of us. Thank you for your continued support and accessibility on these important matters.

Sincerely,



Matthew Greeson
City of Worthington, Ohio
City Manager



Trent H. Bowers, Ed. D.
Worthington Schools
Superintendent