Proponent Testimony – SB 235
House Finance Committee
November 16, 2016

Chairman Smith, Vice Chair Ryan, Ranking Member Driehaus, and members of the House Finance Committee, thank you for the opportunity to testify before you today in support of SB 235.

My name is Jason Kershner. I am the Vice President of Government Affairs for the Cincinnati USA Regional Chamber, representing nearly 4,000 businesses and 300,000 employees.

The Chamber works day in and day out to build a competitive region that enables businesses to be successful, better our collective economy for all and grow the vibrancy and economic prosperity of our region. This work is done collaboratively locally and across the state with individuals and organizations that are similarly driven. It is through these types of collaborations that the state and our local communities, in partnership with the private sector, have retained and attracted businesses to Ohio, growing the number of jobs in the state, and helping citizens prosper.

These economic development efforts have resulted in huge wins for the state - thousands of jobs and new investment. Ohio's economy, however, holds considerably more growth potential. A key factor in business attraction efforts for economic development efforts is site readiness. To continue the momentum of business attraction, Ohio needs more pad-ready sites to market to businesses looking to locate or grow in Ohio.

Senate Bill 235 will support Ohio's economic growth by removing an impediment to making a site ready for development. The bill suspends taxation on the potential increase in the taxable value of a vacant industrial or commercial property until one of the four conditions occur: (1) the property is sold or rezoned, (2) a certificate of occupancy is granted, (3) ten years passes, or (4) commerce occurs on the site.

Adding infrastructure, such as sewer and water mains and extensions, electrical meters, upgraded facilities, and other site ready infrastructure needs makes sites more attractive to site selectors and businesses looking to relocate or expand in Ohio. Currently, in Cincinnati alone, we believe there are 2,367 parcels vacant that are prime for redevelopment. Adding infrastructure or redeveloping these sites is a costly enterprise. But, making these sites more marketable for new businesses would be a benefit to every level of government – given the potential for increases in revenue from job creation, sales and property taxes.

Senate Bill 235 provides a new and innovative way to increase private development by lowering the *initial* cost burden. It imposes no increased burden on the political subdivision and no loss to current tax revenue, as taxes are already being and will continue to be collected. If the site remains untouched and undeveloped, then there will not be an opportunity for increased taxes at that site. Additionally, the bill addresses a major concern of developers, which is the inability to create budgets and plan due to fluctuating tax rates based on improvements to the site and assessment cycles.

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To build into the existing momentum of economic growth and furthering our collective investments and efforts to make Ohio the best state to do business, the Chamber encourages this committee to favorably report SB 235. Ohio needs to be better than its peers in attracting businesses and site readiness is a key factor in competitiveness. The status quo is putting Ohio in a position where it misses opportunity. We need new and innovative tools in the economic development toolbox, such as SB 235. We need creative initiatives and bold leadership to provide an unparalleled edge over competitive states and regions vying to attract the same businesses and job growth opportunities.

Thank you to the bill sponsors, Senators Beagle and Coley, for their work on this legislation, as well as the co-sponsors, Senators Seitz, Patton and Eklund.

Thank you for your consideration and I am happy to answer any questions.