



# Perkins Township Board of Trustees

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Timothy Coleman, Jeffrey Ferrell, James Lang

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March 28, 2022

Honorable Chair Derek Martin, Vice Chair Craig Riedel, Ranking Member Lori Sobecki, and Members of the House Ways and Means Committee

**Re: *House Bill 501***  
***Tax Incentive Financing, ORC Section 5709.41***

Dear Chair, Vice Chair, Ranking Member and Committee Members:

Please be advised that Perkins Township, Erie County supports the approval of House Bill 501, and the following comments are provided with respect to that section of this Bill dealing with Tax Increment Financing.

As the Committee is aware, the State provides its local political subdivisions with various tools that can be used to encourage economic development within their communities. Those tools include Enterprise Zone (EZ) tax abatements, Community Reinvestment Areas (CRAs), and Tax Increment Financing (TIF). Townships and municipalities are able to use these to foster economic development thereby encouraging new development or redevelopment projects that result in increased tax base over time, providing for the retention or expansion of employment opportunities, and ensuring that local communities can be competitive on the national level as we compete with investment and employment opportunities with other states. The decision as to whether to offer such economic development incentives is made locally, and in the case of townships is then reviewed by the county, and then sent for approval to the State.

The use of such economic development incentives along with JobsOhio's various programs has enhanced Ohio's ability to attract investment and employment opportunities. No better example of that ability to attract major and game-changing investment is Intel's decision related to its development proposal in suburban Columbus.

The Ohio Revised Code (Section 5709.40) provides that townships as well as municipal corporations may use Tax Increment Financing for public improvements such as infrastructure like roads, water or sewer lines, etc. as well as for the demolition of private property. The Revised Code (Section 5709.41) provides that municipalities may use Tax Increment Financing proceeds for public improvements *and* for private improvements. That authority to municipalities confers a significant advantage to them when the redevelopment of commercial or industrial property is being considered. While we support the fact that a small village or city can use that section of the ORC to foster economic development projects, it only seems reasonable that townships with much larger populations be afforded use of the same tools.

The goal of any Tax increment Financing programs is to encourage economic development and growth. That occurs through the transfer of a portion or all of the real property tax generated that can be used to pay for public infrastructure or private improvements that can attract or enable private development. The property owner is still required to make all property tax payments as if there was no Tax Increment Financing program. Instead of the property owner paying taxes on the increment or enhanced valuation of the property due to the completion of the project, that funding is then used to retire the expense related to the identified public or private improvement. As part of the process of reviewing any requests for the use of Tax Increment Financing, Perkins Township works closely within Perkins Local Schools in order to determine their agreement on an acceptable level of exemption under the TIF.

It is noted for the Committee's information that Perkins Township has effectively used Tax Increment Financing in the past and that has resulted in utility services being made available to sites that led to economic development projects occurring. Some examples of this include the development of a large medical facility (NOMS) on State Route 4/ Hayes Avenue, opening up of a large new commercial area on U.S. Route 250/ Milan Road (including Menards, Discount Drug Mart and Aldi's), and the redevelopment of former commercial properties on Perkins Avenue (a new Kroger Supercenter).

It is further noted that a former General Motors parts plant is located on a 128 acre property fronting on State Route 4 in Perkins Township. Since the closing of GM's operations, this property has changed ownership on a couple of occasions. This facility contains over one million square feet of floor area. Due to the configuration of that building, the current owner is interested in demolishing sections of the building and creating new separate buildings within the remaining overall structure. The Township has offered the use of Tax Increment Financing under Section 5709.40 of the ORC to aid in demolition of parts of the building and to provide for utility improvements. The developer has indicated that while that economic development incentive is welcomed, it would only generate about one-tenth of the estimated cost of redeveloping this property (about \$19 million). As a result, the developer is now seeking annexation of this property to the City of Sandusky since the city can offer Tax Increment Financing under Section 5709.41 of the ORC which would generate approximately three times as much funding since it can also be used to offset costs with private construction thereby


potentially making the project more feasible. Needless to say, the loss of territory through annexation has been the cause of some concern to residents as well as the Board of Trustees.

The above example is probably one of a great number of similar examples that can be found in townships throughout the State whether those properties involve closed malls, partially vacant or derelict shopping plazas or abandoned industrial facilities. The re-purposing of those vacant, underutilized or derelict properties to remove blight, provide for new business opportunities as well as job creation is seen as being crucial to the future of our township communities.

In conclusion, Perkins Township strongly supports the approval of the proposed amendment to the ORC to provide townships with the same authority as a municipality related to Tax Increment Financing tools.

Thank you for your consideration of our comments.

Respectfully submitted,



Gary Boyle, AICP  
Township Administrator

cc: Board of Township Trustees  
Senator T. Gavarone  
Representative DJ Swearingen  
M. Myers, Director of Governmental Affairs, OTA  
A. Byington, Community Development Director, Perkins Township