



# Delaware County Commissioners

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## HOUSE DEVELOPMENT COMMITTEE

### SUB. HOUSE BILL 147 – OPPONENT TESTIMONY

February 25, 2026

Aric I. Hochstettler  
Deputy County Administrator and General Counsel

Chair Hoops, Vice Chair Lorenz, Ranking Member Brownlee, and Members of the House Development Committee.

My name is Aric Hochstettler, Deputy County Administrator and General Counsel for the Delaware County Board of Commissioners (the “Board”). Thank you for the opportunity to provide testimony stating concerns with Substitute House Bill 147.

In 2006, the Board established the Delaware County Port Authority, now known as the Delaware County Finance Authority (“DCFA”). As is the case with many port authorities in other counties throughout the state, DCFA serves a vital role in furthering the county’s economic development strategies, offering incentives and financing programs that support job creation and community investment. One example of the programs DCFA administers is the sales tax exemption program, which offers a sales tax exemption on construction materials purchased for development projects. Substitute House Bill 147 would establish criteria defining what the bill refers to as “minimally acceptable investments,” which, if met, would entitle an applicant to a sales tax exemption, regardless of whether the investment meets the locally determined economic development strategies. This restraint on local policymakers is the primary concern with the bill.

Last week, this Committee heard proponent testimony from a representative of Schottenstein Real Estate Group, in which the witness testified specifically about how DCFA’s sales tax exemption program is working as currently administered, being a good example of a public-private partnership that can and does encourage development and infrastructure investment. Why then is this legislation needed? The answer given by the proponent is that not all port authorities administer their program similar to DCFA. In the world of economic development, that should not come as a surprise, since sales tax exemptions are only one component of a comprehensive incentive program.

For example, the proponent cited a mixed-use development in Delaware County known as Slate Ridge, in the vicinity of the intersection of Home Road and US Route 23. The Slate Ridge development has included the use of tax increment financing, community reinvestment area agreements, and special assessments, in addition to the sales tax exemption through DCFA. The Board works collaboratively with DCFA and other local partners to develop economic development goals and strategies, including identifying targeted industries and appropriate incentive structures. All of this is done utilizing the tools the General Assembly has provided for local governments with the ability to tailor the economic development program to local desires and comprehensive land use planning. The “minimally acceptable investments” definition in Substitute House Bill 147 recognizes none of these individualized local priorities, instead establishing an arbitrary dollar amount for the private investment and indeterminate public infrastructure obligations. This makes for bad public policy.

The Committee should not advance Substitute House Bill 147 without hearing additional evidence about what the bill is truly attempting to address. Other port authorities in the state may have legitimate reasons for not approving sales tax exemptions similar to DCFA’s program, but whatever those reasons may be, the bill will undermine DCFA’s program that is promoted as a positive example. Not all developments costing at least twenty-five million dollars are equal; depending on the development, there will be varying levels of community benefit, locally determined development goals, and return on the investment of public dollars. We urge caution in applying a one-size-fits-all approach.

Despite these concerns, if the Committee determines it would be beneficial to have a more uniform approach to sales tax exemption programs throughout the state, then there are several common sense revisions that should be considered. First, instead of establishing only a dollar amount threshold for the private investment component of a development, the bill could require that the development further specified statewide public interests or require port authorities to determine these public interests at the local level. Second, the public infrastructure component should have additional criteria to ensure that an exemption program does not convey undue benefit for insubstantial infrastructure investments.<sup>1</sup> Finally, port authorities should not be held to have “unreasonably refused” to enter an agreement merely by failing to approve an application within thirty days. As written, such failure allows the applicant to apply to the tax credit authority, which then is required to grant the exemption if the criteria have been met, regardless of the port authority’s basis for denying or refusing to act on the application. The bill could instead provide for a true appeal process that would review the application to determine that it meets any established financial commitments, furthers the stated public interests, and includes substantial public infrastructure improvements.

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<sup>1</sup> The Board would also like the Committee to note that public infrastructure improvements to be dedicated to a public entity upon completion are already eligible for a sales tax exemption, so when considering Substitute House Bill 147, the context is appropriately limited to the extent to which the exemption extends to the private improvements within the development. Obligations for public infrastructure improvements are typically subject to separate agreements with the governmental entities having jurisdiction over the improvements, not part of the sales tax exemption pursued through a port authority.

Chair Hoops and members of the Committee, thank you again for the opportunity to provide testimony on Substitute House Bill 147. I would be happy to address any questions about the bill or the positions stated herein.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Aric I. Hochstettler', with a long horizontal flourish extending to the right.

Aric I. Hochstettler  
Deputy County Administrator and General Counsel  
Delaware County Board of Commissioners