

Proponent Testimony for HB113 On Annexation; Local Government Committee

Julie Reese

Bethel Township (Miami County) Trustee, former Bethel School Board member

Good morning Chairwoman King, Vice Chair Kishman, Ranking Member Sims, and members of the Local Government Committee. Thank you for the opportunity to testify in support of HB113 on annexation reform.

My name is Julie Reese. I am a Trustee in Bethel Township, Miami County, and am formerly a school board member of the Bethel Local School District. I am also a Farm Bureau member and a member of the Cattlemen's Association and the American Hereford Association. My family moved to the Township in 1972 and I am a graduate of Bethel Local Schools.

I became a Trustee a little over three years ago. I saw our rural, conservative way of life slipping away from our citizens because the city to our South, Huber Heights, is permitted, by law, to steal our farmland via annexation and turn it into high-density housing.

They annex because it is a financial windfall for them - they get 2.25% city income tax from every new house, but the burdens associated with annexation fall on the Township and Bethel Schools because Huber Heights is not required to educate the students that result from the annexation, they come to our school.

Why should you care?

Farmland is disappearing at an alarming rate and once developed, it is gone forever. If cities want to expand, they can develop land already within their boundaries, revitalize their brown space, or build upward, not outward.

Annexation has caused a fundamental shift in the culture and a downward slide in the quality of life for Bethel Township residents. The Township should have a say in an issue that so significantly affects their way of life.

What do I most like about the changes proposed in the bill and what is missing?

I like that HB113 gives a voice to counties and school districts.

More importantly, the changes would require the municipality to educate the students produced by annexation. The burdens for building new schools and absorbing the additional traffic will no longer be foisted on the school district and the Township that have no say in the matter.

I like the fact that the school district has to approve Community Reinvestment Areas, but I do not understand why it is CRA specific – why not include any type of tax abatement?

The bill does not retroactively cover the annexation that is about to continue to devastate our school district. I would like that the municipality be required to educate the students for any territory that has been annexed within the last year. Municipalities like Huber Heights should get the burden for the school challenges that result from the recent annexation for which only they profit. It is a just solution and it is what is best for the students.

Three minutes are not nearly enough to express the complexities of the annexation issue. I have attached a Q&A sheet to my testimony to provide additional info should you be interested.

In closing, House Bill 113 is a crucial step in protecting our students and the quality of life of our citizens. I respectfully encourage you to approve House Bill 113 in its entirety with an additional clause to retroactively include recent annexations.

Thank you Chairwoman King and committee members for hearing my testimony today. I truly appreciate the work you do on our behalf and I will be glad to answer any questions you may have for me.

Bethel Township - Type 2 Expedited Annexation Q&A

How is annexation initiated? The "Type 2 Expedited" annexation process is used almost exclusively because it gives all of the power to the municipality. Typically the developer approaches the farmland owner and offers them a big bag of cash to annex their property to the municipality. The land owner then signs a contract and the lawyers take over from there.

Who currently votes on annexation? The City Council of the municipality votes on which services to supply (water, sewer, etc) and then on whether or not to annex. The Township Trustees (equivalent gov't body to the City Council) have no vote on annexation and no rights to say how the land will be developed. The County Commissioners (of the Township's county) have a vote based on a finite list of "technical" criteria, such as the correctness of paperwork and the meeting of the 5% contiguous border rule. They must vote yes if the list is met – they are not permitted to consider quality of life issues, destruction to the school district, or the impact to traffic.

Once annexation has occurred, in a type 2 expedited annexation, the land remains shared between the Township and the municipality unless an agreement is reached to conform the boundaries to the municipality. If shared, the citizens are residents of both entities. They would be permitted to vote on both city and Township ballot issues. If the boundaries are conformed the residents become only residents of the city, not of the Township, and therefore are not permitted to vote on Township ballot issues. The municipality can prevent the Township from conforming the boundaries, if they wish, by refusing to come to an agreement with the Township. The Township has no say in this case.

Why does the Township have zero say in any of the annexation decisions?

Current law gives all of the power to the municipality's City Council. Why, in a country where it is believed that "taxation without representation" is fundamentally wrong and the right to vote is sacred, that neither the citizens of the Township nor the citizens of the municipality have any say in a major change of their boundaries and the manner in which the land will be developed?

Why are Township citizens denied the right to implement their own land use plan and control their growth so that infrastructure updates don't lag behind development?

The municipality's City Council does not represent the Township, we do not elect them, nor can we vote them out of office. We cannot referendum their decisions, which is the normal way citizens can express disagreement with a resolution. Why do they, and they alone, get to speak for us on such an important issue?

This is "annexation without representation" and I believe should be unconstitutional. Giving citizens the right to have a say in their future through public vote is the American way.

Why don't the citizens of the municipality get a vote? I do believe that if the Huber Heights citizens had the right to vote on the issue, that the most recent annexation would not have passed. When you talk to the Huber folks, they are dismayed at the traffic situation as it is today and the failing infrastructure (water lines in particular) the city is experiencing. I think they would like to slow or stop the growth until they get caught up with the amount of building that has occurred in recent years. While Bethel gets the traffic burden for those heading to the school and other parts North, Huber gets all of the traffic for shopping, dining, medical care, banking, pet services, etc. as we have very few businesses in the Township. Those in Carriage Trails 1.0 complain of very low water pressure despite the newness of the infrastructure. In other parts of the city, water infrastructure is failing (leaks) because it is aging.

Where does the tax money go?

- If the boundaries are not conformed to the municipality, the residents pay county property taxes which get split between the city and the Township (very little money). If the boundaries are conformed, the Township gets no property tax money from the land.
- If there is a TIF put on the property, the school portion is negotiable, but typically the school wants their full cut. Since taxes are collected in arrears, the school tax cut isn't received until 12-18 months after the students are already in school. The school district income tax levy applies to everyone in the district, regardless of whether the resident is living in the Township or the municipality.
- The city income tax, which goes 100% to the city, is the lucrative tax and is why the municipality wants to annex and build very high density housing. Huber Heights income tax is 2.25%. They have over 2,000 homes built on annexed land thus far and are about to build another 1,480 at a rate of 5-7 per acre. We have about 2,000 homes in the township, on larger lots and farms.

What is the impact to the School District? The District boundaries typically do not change when land is annexed. In our case, they did not change, so we are responsible for all of the students from the additional houses in the annexed area. Our schools more than doubled in size (from ~850 to ~2,000) in about a 10 year period.

- Recently, we have been getting 120-130 new enrollees per year (about 5 classrooms worth).
- While we do get the school taxes for the District from the new houses, those taxes are at a level intended to basically keep the school operating. They do not provide enough to satisfy construction due to a constant need of additional classrooms.
- An additional nearly 300 acres were recently annexed, for which 1,480 houses are planned along with a business district. This means our school is set to about double in size again over the next 10-12 years.
- Huber Heights has no responsibility for the school challenges - we get all of the burden.

In addition to the challenge of keeping up with classroom space, new teachers/staff, supplies, etc, we have lost our small school advantages. Over 70% of the students at our school come from houses on the annexed land. Many do not share the Township's conservative values. The school, which used to have very few problems, now is saddled with discipline issues, liberal teachings, a cultural shift, and other problems that come with larger schools. We also now experience a higher student-to-teacher ratio, a constant shortage of classroom space, and the loss of the "family" feeling we used to value so much. Many parents are now home-schooling their kids due to the changes in the District. This is a hit to our Township culture and quality of life.

What is the impact to the students and staff of the School District?

- The students are in trailers or converted spaces not meant as classrooms to meet the classroom space needs. Both are an expensive and temporary fix that crowds the students into increasingly cramped spaces, diminishing the quality of their education. This situation not only impacts students' ability to learn but also hinders our teachers' ability to teach effectively.
- There is an increasing number of non-English-speaking students, requiring teachers to use tools like Google Translate to communicate basic needs and lessons. These students also face challenges in adapting socially and culturally, adding another layer of difficulty for teachers and staff. The state provides no additional help, funding or otherwise, to address these issues. In addition, English speaking students are suffering because much time is spent by the teacher using the translation tools, thereby cutting into valuable teaching time.
- Students and families on the annexed land reside in Huber Heights but do not go to Huber Heights schools – they go to Bethel Schools out in the Township. This creates a sort of "limbo" for these families and students, because they "have a foot in both camps" rather than belonging to one or the other.

- It is difficult finding and retaining teachers and support staff (kitchen, bus drivers, etc) in the chaotic environment of playing musical classrooms each year as the enrollment numbers change, using non-classroom spaces for educational purposes, and trying to teach so many students that do not speak English.

Why doesn't the school plan ahead for the annexation by building more classrooms? Bethel Schools opened a new High School in 2017 (22 classrooms, cafeteria) which was funded 100% by the residents. We then opened a new K-5 for 1,000 students in 2023 funded by the District so far, but expecting money from the state in another 7-8 years(!), which we had planned to use to construct another building. We are still out of classroom space but since we have received none of the state monies and we get no additional funding to build new classrooms, we cannot begin construction on a new building.

The District took state money to build the K-5 which was supposed to be a 20% Bethel – 80% state split. We originally were told it would be 7-8 years before we would see the 80%. We went ahead and borrowed against future tax revenue to build the K-5, expecting to be reimbursed in 7-8 years. The District also put up some of its own funding to increase the size of the school to hold 1,000 students, even though the state said they would only pay the 80% for a school for just over 800 students, based on their 10 year projections (which we knew would be incorrect due to coming of additional annexation).

The plan was to build another building (7-8/9-12) using the 80% reimbursement funding. It takes about 3 years to build a facility which means we should have had the additional building by the 10th or 11th year from the start date. However, the state has reimbursed zero% of the monies and is still quoting a 7-8 year timeframe, even though 5 years have already passed. As such, the District does not have the funding nor the borrowing power to build another building in order to be ready for the additional 1,200-1,500 projected students that will result from the most recent ~300 acre annexation. At best, we may be able to add a few classrooms by diverting funds from other needed projects.

What is the impact to traffic and road infrastructure? With the additional students come massive amounts of additional vehicles into the Township. We have state routes, county roads, and township-maintained roads in our Township. Our small country roads are not intended for the exponential increase in traffic that has occurred (we now have nearly as many houses on the annexed land as we do on Township land). The Township does not get any revenue from the houses on the annexed property, so we do not get any additional tax monies to maintain our roads. We get the burden of the additional wear-and-tear on our roads, but no help in maintaining them. The quantity of vehicles makes it nearly impossible to travel on our roads during certain times of the day (when school starts/ends, school events start/end) and has increased the traffic throughout the day. What used to be the low-vehicle, slow-paced, leisurely lifestyle that we enjoyed, is now gone, thereby decreasing our quality of life.

What is the impact to our farmers and future farmers? Due to the increase in vehicle numbers, our farmers are being put in more danger. It seems as though the folks that are buying the houses on the annexed land are more “city” minded and are less farmer-friendly.

Farmland is disappearing at an alarming rate (not just in our Township, but across the state). Farmers are getting discouraged and this will continue more so with every acre of farmland that gets developed and more influx of vehicles. What farmer wants to farm in a “city” environment? Who wants to drive farm equipment on roads where they nearly get into an accident every time they venture out? And not to mention getting “the bird” for just being on the road because they are slow moving. We need a farmland preservation strategy to make it easier for the average citizen to save our tillable acreage, not laws that make it easy to annex and destroy our farmland. I would not want to become a country that cannot supply enough food for its people.

What is the impact to the quality of life of the citizens of Bethel Township? Annexation has caused a fundamental shift in the culture and a downward slide in the quality of life for Bethel Township. The school used to be the focal point of the community and had much to offer to the families of the Township. With the

culture shift that has happened, many families are now home-schooling their kids. The traffic has also had a major impact to our quality of life. The leisurely drive is no longer the case as there are so many vehicles on our roads. Our farmers also have to contend with all of the traffic, which is not as “farmer friendly” and just by sheer numbers, is fraught with accident potential. See the individual questions for more detail of the impact to the school, the traffic, and our farmers.

Why do cities choose annexation over developing land already within their boundaries, revitalizing brown space, or building upward, not outward? It is more profitable to develop unimproved land rather than demolishing old structures and infrastructure. Also, in our specific case, we believe that it is easier to sell houses which are in the Bethel Local School District. Bethel LSD was a small school with excellent test scores and a reputation for quality education.

What if? Had Huber Heights developed the land that already existed within their boundaries, our school would not be struggling and our citizens’ quality of life would still be intact.

Had Huber Heights been required to take the previous 1,000+ students and the projected 1,200 to 1,500 students coming soon, it is less likely that the annexation would have happened. But, if it had, the Township residents would not have been taxed with a 30 year bond to build new schools for Huber Heights’ students. And again, our school would not be struggling and our citizens’ quality of life would still be intact.

Had either option above been the case, the Township would not have the additional vehicle traffic which has also impacted our citizens’ quality of life. And without the additional wear and tear on our roads from those vehicles, the Township would not need additional funding to maintain and repair roads more frequently.

Why is it so easy to annex, but very difficult to petition against it? This is an excellent question. It only takes the majority of a City Council (5 for Huber Heights) to vote yes to pass a resolution to annex, but it is very difficult for the citizens to petition for a referendum just to get it put on the ballot. In fact, municipalities can make the referendum process even more difficult than the state specifies by adding more stringent requirements to their city charter.

Why is it so hard for a Township to become a village or to incorporate to stop annexation? Another good question. It should be as easy for citizens to vote to change their status as it is for a municipality to pass a resolution to annex.

Why shouldn’t land owners be allowed to “do as they wish with their land”? It is frequently said that an owner should be allowed to do as they wish with their land. They should only be able to do as they wish based on the *zoning rules that apply to the land*. Zoning rules exist to protect both the land owner and the Township citizens. Our residents moved to Bethel Township for a reason – to enjoy a slow-paced, country lifestyle. They wanted to send their kids to a small conservative school where typically the teacher-student ratio is lower and education is more personalized. Their interests should be considered when the parcel next door changes from farmland to high-density housing developments.

How many housing units are expected on the recently annexed ~300 acres? Huber Heights is planning 1,480 units along with an unknown amount of businesses. Based on past trends, the school can expect an estimated 1,200-1,500 additional students over the next 10+ years.