



SENATE WAYS AND MEANS COMMITTEE

HB 469

November 14, 2018

Chair Eklund, Vice Chair Terhar, Ranking Member Williams, and members of the Senate Ways and Means Committee, thank you for the opportunity to write in support of HB 469.

HB 469 would make available a nonrefundable insurance company tax credit for contributing capital for the construction of what are known as “transformational mixed-use developments”, or TMUDs. TMUDs are multiple-purpose developments that, among other criteria, include at least one building that is 20 or more stories high; have estimated development costs exceeding \$400 million; the proposed land for development is seven acres or less; and – as the name implies – the project site has more than one intended “use” such as retail, residential, recreational, parking or office use.

The construction and use of TMUDs within municipalities can have a substantial impact in the way of economic development. The potential economic development in a project such as this is described in one of the final criterion for tax credit eligibility within the bill: regarding “retail entertainment and dining sales, job creation, property values, connectivity, and revenue from sales, income, lodging and property taxes.”

Mixed-use buildings are playing a crucial role in revitalizing municipal downtowns across the country and in some municipalities across our state. An entire workforce of young talent looks for benefits like walkability and access to local amenities when they decide where to live. For the millennial workforce, they no longer follow the jobs: the jobs come to where they are. Municipalities are learning that “placemaking” is vital: create downtowns that attract young talent, and the workforce and job creators will follow. If Ohio wants to stay competitive with the rest of the nation, investing in the kinds of development that attract millennial workers the way mixed-use buildings are proven to do will be increasingly important.

The Ohio Municipal League supports the creation of this tax credit, as it will significantly incentivize developers to select Ohio communities to build their mixed-use development buildings. This new incentive compliments the success of the Historic Preservation Tax Credit, which continues to make Ohio municipalities more competitive by breathing new life existing structures. These types of buildings not only create jobs and generate revenue, but they also attract a workforce and a residential community that desires greater access to resources and services.

The League would greatly appreciate the consideration of expanding the legislation to include tiered funding for smaller and mid-sized municipalities who may not see buildings of the size and cost outlined in the bill constructed within their downtowns.

We appreciate the foresight of this proposal and for Rep. Schuring and Rep. Patton's recognition of the benefit of such a tax credit would have in both municipalities and the state as a whole, and we urge your support of this legislation.

Respectfully,

A handwritten signature in black ink, appearing to read "K. Scarrett", with a stylized flourish at the end.

Kent Scarrett
Executive Director
Ohio Municipal League