



Ohio Municipal League

Our Cities and Villages ★ Bringing Ohio to Life

April 28, 2016
Ohio 2020 Tax Policy Study Commission

Good morning Chairman Peterson, Chairman McClain and members of the 2020 Tax Policy Study Commission, my name is Kent Scarrett and I am the Executive Director for the Ohio Municipal League.

I thank you for the opportunity to testify before you today in support of the current Ohio Historic Preservation Tax Credit program and to share with you the desire of our members that the program would continue in its current form. I would also like to share with you our member's opposition to the proposal that the program be converting to a grant system.

As you have heard or will hear from witnesses who will be before you this morning or from conversations you may have had previously with those interested in the program, the Historic Preservation Tax Credit program is one of those programs offered by the state of Ohio that really works for our local governments and is a tremendous tool and opportunity for cities and villages all across the state who struggle with tight budgets, "seasoned" building stock and more ways to foster greater economic development opportunities for their residents, their geographic region of the state and for the state as a whole.

The program, which distributes about \$60 million annually to vetted and approved projects, presents communities large and small with a viable mechanism to breathe

new life into buildings that have weathered time and have functioned through multiple uses through the decades. The Ohio Historic Preservation Tax Credit is a tool for municipalities to bolster opportunities for job creation locally not only when a restoration project is complete but also during construction and other related aspects of a structure's rehabilitation project. To our members, that's a "win-win."

I can appreciate that you have probably been inundated with statistics surrounding the program that has been available to communities since 2007 but I would like to just reiterate that the program has had 15 previous rounds of funding distributed through the Ohio Development Services Agency with 44 applicants currently being considered for the upcoming 16th round. Since the nine years of the programs operation, there have been 284 projects approved to rehabilitate 398 of Ohio's historic buildings in 52 communities with the program projected to leverage nearly \$4.4 billion in private development funding and federal tax credits. This is a good program that produces roughly a \$6.02 return on investment for every dollar awarded through the tax credit.

The league and our members greatly appreciated the consideration given by the members of the Ohio Senate last year when there was an amendment inserted into the state operating budget that would have changed the tax credit program over to a grant program and (in our members view) the wise decision by this body to remove that un-vetted language, preserving the functioning structure of the current program. We appreciate the time and continued consideration being given by the 2020 Tax Policy Study Commission members to review the effectiveness and efficiencies of the Ohio Historic Preservation Tax Credit Program and hope you will agree with municipal leaders across Ohio that if it isn't broke, there's no need to "fix it" and that a grant system closes the door to communities that otherwise would have been on a level playing field with all of the other projects submitted for participation in the program.

Chairman Peterson and McClain, thank you for this opportunity to share the league's position with you and the commission members on this critical issue and I would be happy to try and answer any questions you or your commission members may have.