

Effects of a Tax Increment Financing (TIF) Agreement of Chester Crossing on the Big Walnut Joint Fire District



Chief Benjamin Lovell, OFC, FO, BS

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The current Big Walnut Joint Fire District Fire Station 2 is located at 38 S. Portland St. in Chesterville. It is only 2 miles away from Chester Crossing but it is unmanned, staffed by firefighter/EMTs who come from home to respond to emergencies. It is over 100 years old and is approximately 1,000 square feet in size. It has 1 bay, a bathroom, and a desk. Station 1 is manned 9am to 5pm with 2 firefighter/EMTs and is 12.7 miles away. An architect was hired to design a new fire station, but it is 1 million dollars overbudget.

Introduction

Morrow County is a rural county that is quickly being sought after for development by internal and external sources, specifically the areas protected by the Big Walnut Joint Fire District (BWJFD). We provide fire suppression, basic life support EMS, rescue, hazmat response and fire prevention and inspections to 3 townships and 2 villages that provide rapid access to Interstate 71. All this undeveloped area makes our fire district a prime target for rapid development. This proposed planned urban development is becoming a catalyst for change for the BWJFD. This is a complex and convoluted issue that continues to change on a monthly basis. The decisions that the BWJFD makes on this issue will affect Chester Township and Chesterville for 30 years. This report is not meant to act as a debate for or against growth within our community, rather a discussion of what will happen if the community outgrows its public safety force's ability to deliver needed services.

Background

Bonecutter Development LLC is planning to construct a 164.54 acre planned urban development (PUD) now known as "Chester Crossing" within the State Route 95 corridor. On 10/28/19 Bonecutter Development LLC submitted a Tax Increment Financing (TIF) Agreement proposal to the Morrow County Commissioners requesting a 100% TIF of all properties. (A TIF is an agreement between a party and the county/township that allows for a reduced property tax bill. Schools are exempt. Most TIFs are on commercial and light industrial property, residential are seldom if rarely TIFed.) No parcels of real property were listed in Exhibit A. It can be reasonably assumed that the intent was to request a TIF of the Chester Crossing PUD, plus any of the additional properties owned by Bonecutter Development LLC along the State Route 95 corridor. The current Morrow County Commissioners countered with and passed a 75/25 TIF that provided a reduction of tax dollars to Bonecutter Development, LLC. The remaining dollars would be distributed to the schools and BWJFD and MCEMS. In my meeting in September 2020 Mr. Bonecutter made his case for a larger TIF, potentially 100%. I was told by Mr. Bonecutter that a 100% TIF "would have no effect on the fire department". This statement is true, from a certain perspective. The current fire levy would remain as is, and there would be no lowering of fire levy money received, therefore a result of "no effect". However, as this property is developed, future levy revenue for the FD would be lost, therefore revenue needed to provide for the increase in services for that development would not be received. The Morrow County Commissioners, in a prepared statement on December 9, 2019 stated *"Rock, you've asked for a non-school, 100% 30 year TIF. As we understand it, that means that Highland and Tri-Rivers will receive their normal level of school funding as if the TIF didn't exist, but that assessments against the additional value created on your PUD parcels, that would have normally gone to the Big Walnut Fire District, Emergency Medical Services, County Road repairs, Chester Township, OSU*

Extension, Developmental Disabilities, and the County Hospital, would only be available to support your personal development expenses. However, leaving out ANY support for our safety forces, especially from what we learned from the Big Walnut Joint Fire District after creating the Dollar Tree TIF, that is a major concern for us". (MC Commissioners, SR95 TIF Meeting, Opening Comments, 12-09-19).

Ohio House Bill 69 protects fire departments from “district” tifs

Enter Ohio House Bill 69 of the 132nd General Assembly, an Act passed into law effective March 23, 2018, to “...require reimbursement of certain township fire and emergency medical service levy revenue forgone because of the creation of a municipal tax increment financing district, to authorize subdivisions to remove territory from existing joint economic development zones (JEDZs), to authorize townships to enter into enterprise zone agreements with retail businesses with the approval of the affected school district, to allow a county or transit authority to levy sales tax in increments of 0.25%, to modify the procedures by which resolutions proposing the levy of property taxes are submitted to electors, and to increase the appropriation for the Medicaid Local Sales Tax Transition Fund”. This Act, according to the Ohio Legislative Service Commission, as published on December 13, 2017 stated, “*Municipalities that create new tax increment financing (TIF) districts would be required to reimburse townships for fire and emergency medical service (EMS) levy revenue foregone due to the districts, if the townships provide the services*”. The OLSC also states that “*H.B. 69 would require a municipal corporation receiving service payments in lieu of taxes from a tax increment financing (TIF) incentive district created on or after the effective date of the bill to reimburse levy revenue of a township forgone because of the TIF district, for levies to provide fire, emergency medical, and ambulance services. The 2nd requirement would apply only if the township provides these services in the incentive district. The change would be applicable in tax year 2018 and thereafter. Because real property taxes are paid a year in arrears, the change would affect revenues of municipal corporations and townships starting in FY 2019*”. House Bill 69 directs that no TIF can be legally binding if it directs funding away from township fire and EMS services. Unfortunately, HB69 does not address a “parcel TIF”, and this is treated as exempt from HB69.

A 100% Parcel TIF would have negative effects

In my opinion, a parcel TIF as originally proposed by Bonecutter LLC on Chester Crossing would have a disastrous, long term effect on public safety response in the area; specifically, the BWJFD and Morrow County Emergency Medical Services. With the impending arrival of Chester Crossing, a projected 153 million dollar planned urban development (Project Overview, Rock’s Edge, Plan4Land, Feb 17, 2019) there will be a planned increase of 500 total dwelling units (email via Rockwell Bonecutter, August 25th, 2019). This includes 306 apartment units, 30 patio homes,

and 164 condos, 60 of these units are age restricted housing. According to a study performed by the Washington Township Fire Department (Franklin County), geriatric citizen housing can generate 0.6 emergency calls per citizen, per year. The current population of Chester Township is 2042 residents. Just the 1st PUD would yield a potential increase of 1500 residents for a total of 3542. This is a projected 58% population increase. It should also be noted that Bonecutter Development LLC owns an additional 194 acres along the State Route 95 corridor, which would likely be developed as well and potentially bring another estimated 1765 people. If the St. Rt. 95 corridor is fully developed, there would be a total of approximately 5600 people living in Chester Township. This would be a population increase doubling of what it is today.

Regarding property, the Morrow County Auditor has evaluated the property values in Chester Township at \$42,578,680 (2019 Evaluations). An increase of 153 million dollars would be a potential 359% percent increase in taxable property. The BWJFD is funded through a fire levy that is calculated off property tax. If a parcel TIF was enacted on property tax, this 359% increase in property would yield zero dollars in additional fire levy funding to accommodate the rise in emergency calls. The current residents of Chester, Harmony and Bennington Townships and Marengo and Chesterville villages would be forced to pay for all fire, EMS and law enforcement responses made into Chester Crossing, and all future St. Rt. 95 development for the next 30 years. This includes fires, medical emergencies, fire inspections, motor vehicle crashes, fuel spills, police reports, noise complaints, smoke alarm battery checks, well-being checks, community paramedicine, 911 calls to senior living facilities, etc. The result of this parcel TIF would be first responders would be unable to meet the needs of the community.

3rd and 4th order effects of this unfunded mandate.

As emergency calls increase, so does the commitment increase on our firefighters. Although BWJFD is staffed with 2 firefighters from 9am to 5pm Monday through Friday, we do rely on members volunteering their time to come in for emergencies that exceed the abilities of these 2 firefighters, or after duty hours aka “paid per call”. An increase in calls for service often results in lack of members to participate. Taking time away from family activities or job responsibilities a few times a week puts enough strain on paid per call firefighters. When it increases to 2 to 3 times a day, paid per call members may elect to stay at home with their families rather than respond to the emergency. In order to counter this, BWJFD would need to hire more part time firefighters who would stay in the station during the day and at night to respond to the calls. Due to the loss of revenue caused by the TIF, BWJFD would not be able to afford this cost, and as a result cannot meet the increasing service demand. An inability to meet the emergency needs of the public will eventually be reflected in a low ISO score, therefore resulting in higher homeowner’s insurance premiums for the 3 townships that are protected by BWJFD. New Chester Crossing residents and property owners would find great difficulty getting business and

homeowner's insurance. An inability to meet the emergency needs of the public will result in higher requests for aid to neighboring fire departments. The communities of Mount Gilead, Johnsville, Cardington and others will find their fire apparatus in Chester Township rather than their own communities and will soon begin to question their local elected officials.

Conclusion

The primary responsibility of a fire department is to protect lives and property, and that is accomplished by meeting the needs of the community. The BWJFD protects an area that is ripe for development, and will find itself protecting populations that explode due to rapid development and expansion. We have prided ourselves on keeping taxes low on the community while delivering world class service to our residents and visitors in our fire district. The arrival of this PUD and potential additions will increase our run volume. A parcel TIF of Chester Crossing and any other PUDs will create an unfunded mandate on the Big Walnut Joint Fire District and Morrow County EMS. This parcel TIF would allow for an estimated 58% increase in population with the construction of Chester Crossing and an approximate 137% increase in people if all of Bonecutter LLC's properties are fully developed. This will potentially generate a 150-200 fire/rescue call increase. EMS calls can be assumed to be 4X as many, potentially 800 more EMS calls per year. This means that BWJFD would be first due into potentially 1000 more calls a year. It will cause a 359% increase in valued property in Chester Township because of Chester Crossing alone. This is not accounting for the full development of the State Route 95 corridor and properties owned by Bonecutter Development LLC. The BWJFD would be responsible for protecting nearly 40% of all real property valuation in all of Morrow County, at a potential total of \$334,034,180. A 100% TIF would result in BWJFD receiving a zero increase in finances to keep up with expected service demands.

I am of the position that any requests for a 100% TIF in any Morrow County parcel are summarily rejected due to the financial devastation it will cause to safety services.

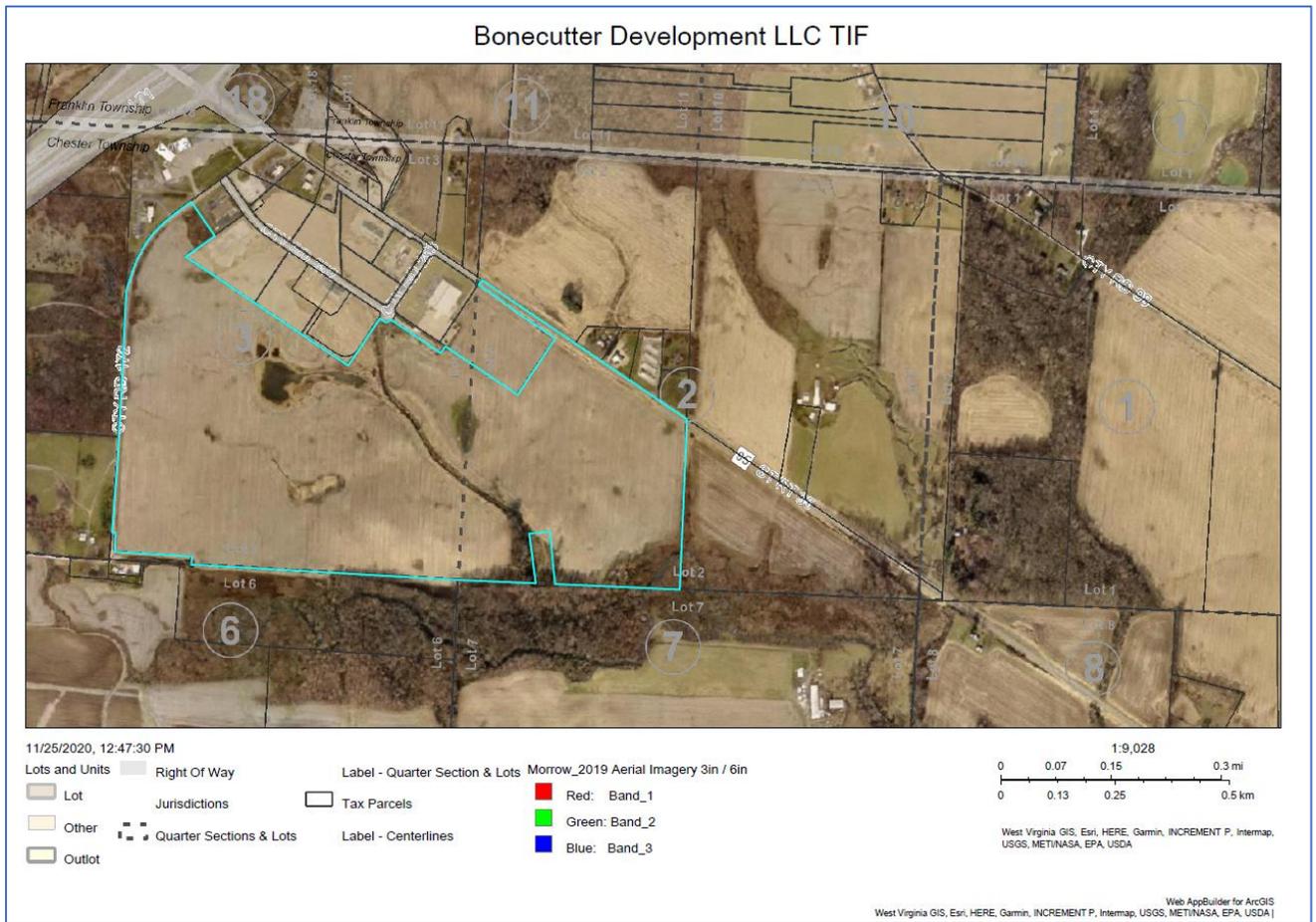
Chief Benjamin Lovell CFO, FO, BS

Chester Township/Chesterville

Big Walnut Joint Fire District

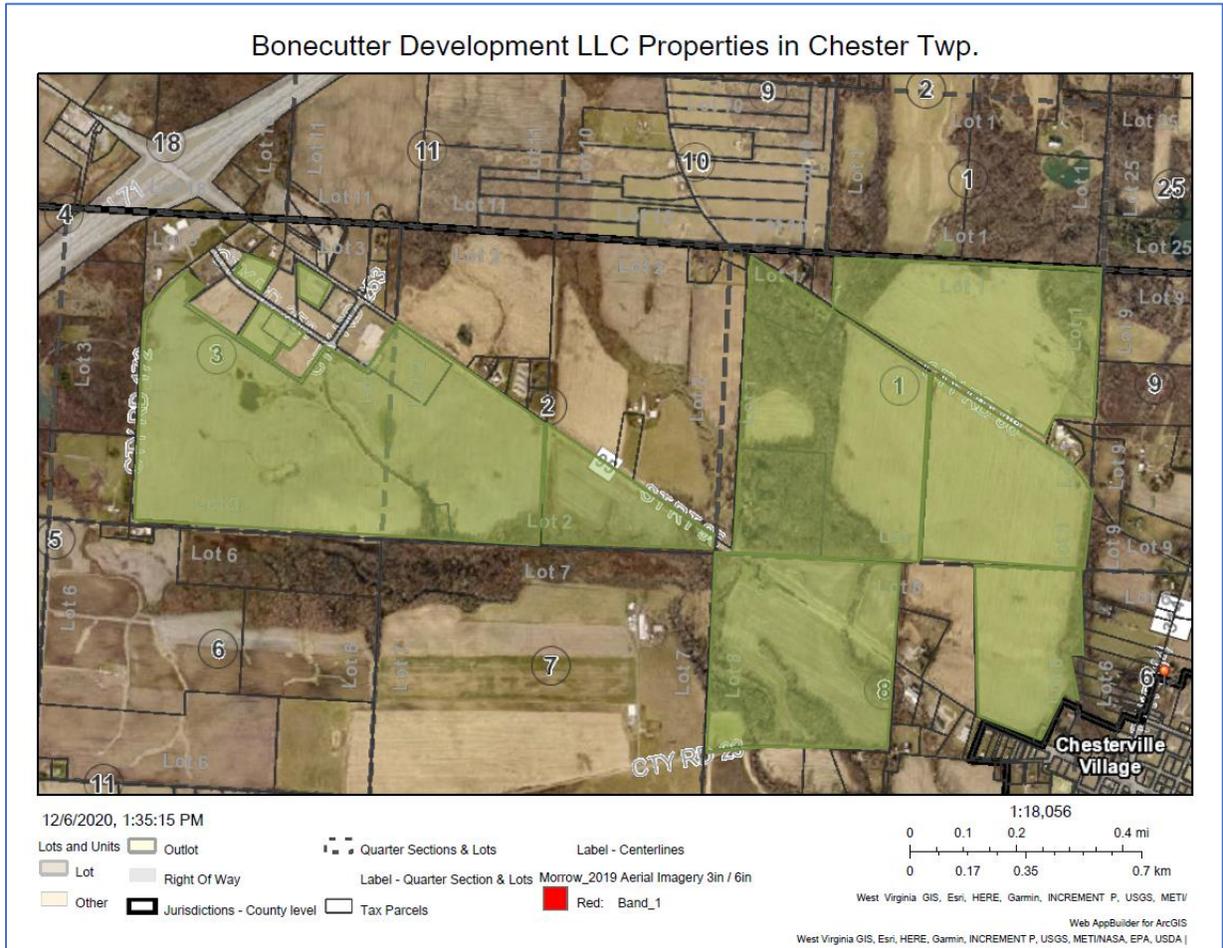
October 21, 2021

Annex A- Chester Crossing PUD



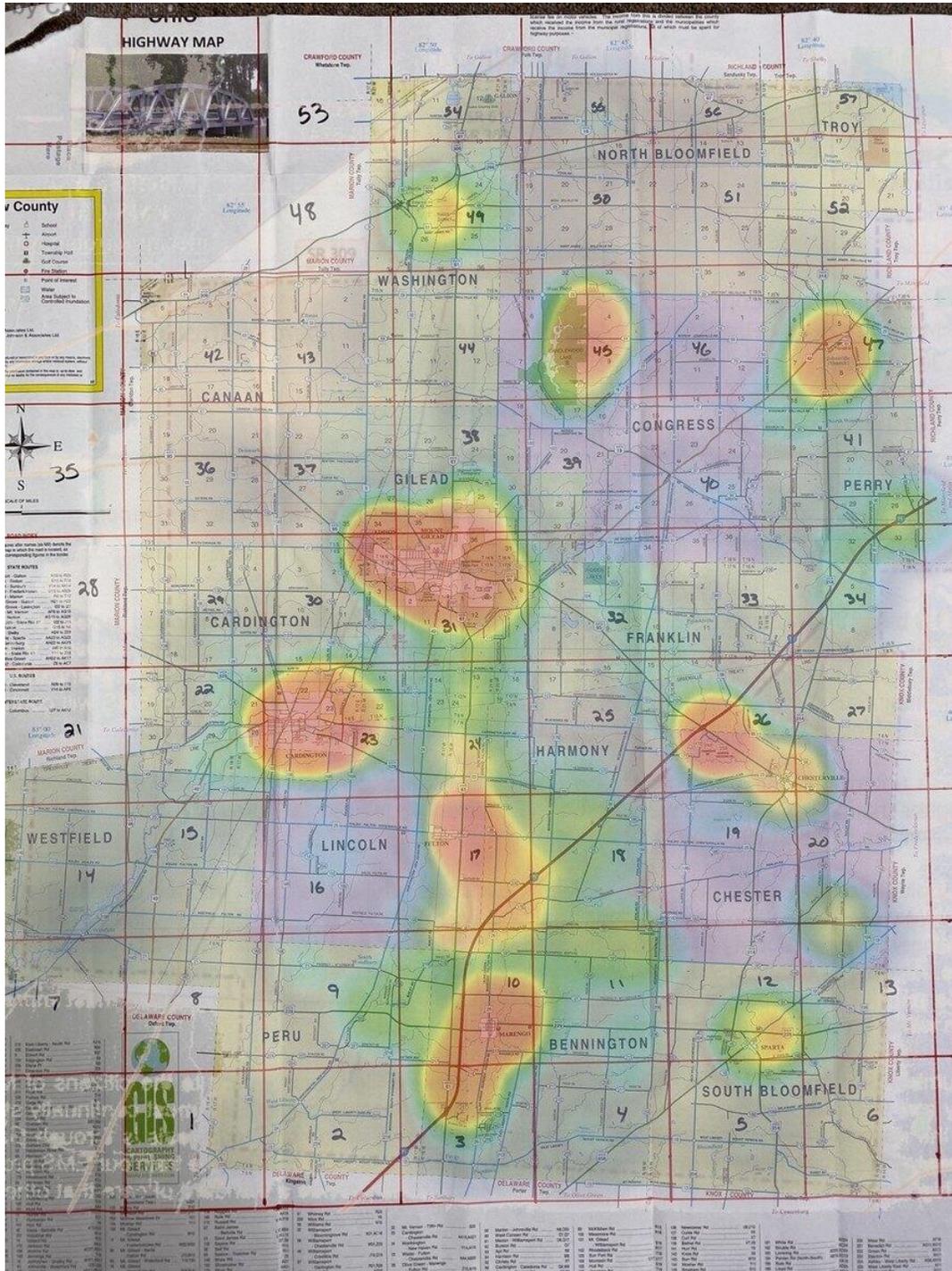
Annex B- Bonecutter Development LLC Property Ownership in Chester Township

The map below is a depiction of the properties currently owned by Bonecutter Development LLC (highlighted in light green). It is reasonable to assume that these parcels will be developed in the same manner that Chester Crossing is proceeding.



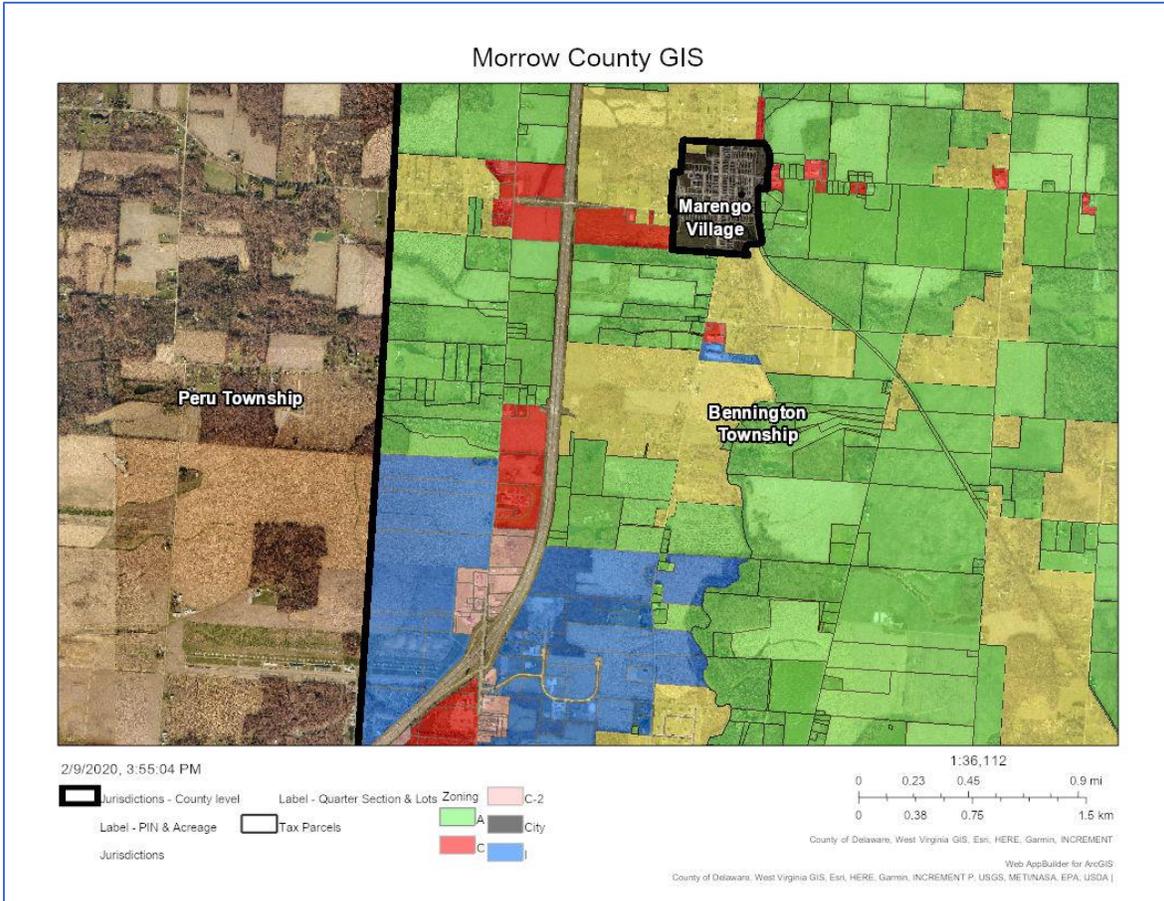
Annex C- EMS Calls in 2019

This is a heat map of EMS calls in 2019. As can be seen, there is a heat signature at not only Chesterville, but right where the planned Chester Crossing PUD is located.



Annex D- Bennington Township Zoning

This map shows the zoning of Bennington Township. Once a TIF is passed in Chester Township, Bennington may be next for this. Consider the amount of residential, light commercial and industrial development that can be developed in these areas.



Annex D- Biographical Sketch of the BWJFD

- 29 Members (2 chief officers, 6 captains, 21 firefighters)
 - 26 Firefighter level 2
 - 3 Firefighter level 1
 - 6 paramedics
 - 17 EMT-Basics
 - 6 fire inspectors
 - 4 hazmat technicians
 - 7 heavy rescue technicians
 - 9 ice rescue technicians
 - 9 swiftwater operations
 - 1 certified rescue technician
 - 4 fire instructors
- 2 Fire Stations (Marengo, Chesterville)
 - Station 1 Marengo- 2 firefighters on duty 9am to 5pm, volunteer after hours
 - Station 2 Chesterville- unmanned station, volunteer 24 hours (construction of new fire station 2 on hold due to 1-million-dollar cost overrun)
- 2 engine/rescues, 2 engine/tankers, 2 brush trucks, 1 ambulance
- Deliver fire suppression, basic EMS, hazmat response, heavy vehicle/machinery rescue, fire inspections
- Annual budget- \$340,000 annually
 - Written or received \$850,000 in grants in the last 10 years.
- Coverage area- 75 square miles
 - Bennington & Chester Townships including Marengo and Chesterville
 - Harmony Township- contracted entity
- Population- 8,232 (U.S. Census Bureau)
- Average calls per year- 375
 - Overlapping calls in 2021- 32
 - No response calls (no available personnel to respond)
 - 2021-4
 - 2020-5
- Call times per day:

