Local News
Abatement worries unite schools
Coalition to negotiate with Columbus on future tax breaks
Wednesday, October 29, 2003
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THE COLUMBUS DISPATCH

On the heels of losing millions of dollars in state aid, several central Ohio school districts are banding together so they won’t miss out on more — this time in tax abatements meted out by the city of Columbus.

Columbus has proposed expanding its enterprise zone in two areas — north of Morse Road and southeast of I-270 — to cover almost the entire city, with much of the new areas falling in suburban school districts. Approval by the Ohio Department of Development is expected this year.

School treasurers are worried they could lose a bundle if the city grants too many abatements in their territory. New or expanding businesses could qualify for abatements of up to 75 percent of their real-and-personal property taxes for as long as a decade.

The Hilliard district, 30 percent of which is in Columbus, already is losing $100,000 annually to Columbus abatements, Treasurer Mike Watson said. Columbus, Olentangy and South-Western also are missing out on revenue.

While districts such as Worthington aren’t losing any...
taxes now, the potential is there, Superintendent Rick Fenton said. Seventy percent of its taxes come from Columbus.

"We want to protect our tax base," Fenton said.

The 11 school districts are forming a collective bargaining unit — the Mutual Association of Suburban School Districts for Cooperative Economic Development — to negotiate a uniform agreement with Columbus when it grants abatements.

The coalition, which becomes official Nov. 12, is asking the city to reimburse each district for any abatement within their boundaries.

"Abatements are a big problem for school districts," said Mark Cassell, an assistant professor of political science at Kent State University.

"The authority that makes the call on tax abatements — in this case the city — is not going to take the primary hit financially," said Cassell, author of a study on enterprise zones being released today by Policy Matters Ohio, a Cleveland research group.

The coalition is made up of the Canal Winchester, Central Ohio Joint Vocational, Dublin, Eastland-Fairfield Career and Technical Schools, Hamilton, Hilliard, New Albany-Plain, Olentangy, Upper Arlington, Westerville and Worthington districts.

Columbus Public Schools opted out of the consortium and will continue to make recommendations to the city on a case-by-case basis, said Stephanie Hightower, board president.

"We have a broader focus than the other districts," Hightower said. "We want to work with the mayor in the overall development of the city and assist efforts to bring in new businesses, which mean jobs for our students and tax revenue for the district."

Other Columbus-area districts opted out of the coalition because their districts include too little of the city to justify joining.

Mark Barbash, director of the city’s Department of Development, said Columbus might not be able to make every school district whole for every abatement. But he
supported the creation of the coalition and said the city is willing to discuss the issue.

Still, district treasurers might be overestimating how the enlarged enterprise zone will affect their districts, Barbash said.

The effect will vary depending on where the abatements are granted, Barbash said.

The city grants about 10 percent of the abatement requests it receives each year and currently has 62 abated businesses. Seven more are under consideration in the enlarged enterprise zone.

Ohio’s 21-year-old enterprise-zone program was designed to help urban communities with a high level of poverty and large numbers of minorities attract businesses, Cassell said.

His study found that while lower-income communities are more likely to participate in the program, higher-income areas reap most of the jobs and investment associated with the program.

Dispatch reporter Jeffrey Sheban contributed to this story.

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