

Testimony of Gregory B. Horn  
City Manager  
Centerville, Ohio  
In Opposition to HB 50  
Before the House Local Government Committee  
March 1, 2011

Mr. Chairman and Members of the Committee:

My name is Greg Horn and I am the City Manager for the City of Centerville, Ohio, a southwestern Ohio community of approximately 23,000 residents, located 10 miles south of the City of Dayton, within Montgomery and Greene Counties. I have been a City Manager for 33 years, serving three Ohio cities for the past 31 of those years. I am a past president of the Ohio City-County Management Association and the Dayton Area Managers Association.

I am testifying today in opposition to HB 50. HB 50, as proposed, would literally eliminate the last practical opportunity for geographic growth for Ohio's cities and villages which utilize the Type II Expedited Annexation process. In 2001, after nearly two years of debate and negotiation the Ohio General Assembly adopted SB 5 which was considered to be comprehensive annexation reform for our state. I, like many of my colleagues in municipal government, was not enamored with the final legislation and felt that all annexation options other than the type II expedited format were tilted in favor of the townships. Nonetheless, that was the framework we were left to work within.

The arguments made in establishing the definition of ownership in SB 5, as it exists today, were that oftentimes public institutions such as universities and school districts did not want to have to take sides and become embroiled in annexation issues, believing they were in large part political issues. Through SB 5 the ownership definition was specifically designed to allow such entities to sign an annexation petition if they desired (allowing them to be single owners themselves), or if they chose not to sign, they would not be counted in opposition against a neighboring property owner who wanted his or her property to be annexed. This language was carefully crafted after negotiation by all the parties and after more than a year of discussions that sought to balance the interests of all owners. SB 5 attempted to avoid roadblocks to economic development, perhaps in some

cases by even a small dedicated parkland that could effectively cut off a city or village's development if its Board or Commission chose not to sign an annexation petition.

Throughout the discussions, it was often mentioned that schools which required utilities or other needed municipal services did not want to be the "bad guys" if it meant some of their teachers would have to begin paying an earnings tax. School Boards realized they would have little to gain by being forced to take sides in these often heated issues.

Dramatically changing the definition of ownership now 10 years later as HB 50 proposes by requiring all political entities owning property to sign, will eliminate the only truly effective method of annexation remaining for most of Ohio's municipalities. Landowners desiring annexation will be held hostage inadvertently by public entities that see little to gain or lose by being part of the annexation process. This legislation, if passed, will create sterile zones around municipalities where other governmental entities own property, creating additional boundary irregularities and service issues by preventing annexations where third party governmental approvals are required.

HB 50 creates further complications by not clearly defining what entities could be impacted. For example, new community authorities are, by definition, quasi-governmental entities established in order to collect additional taxes for various developments. Other types of entities like Community Improvement Corporations (CICS) are also quasi-governmental, and presumably, if they own property in order to operate buildings and offices for economic development, they would need to sign.

Essentially, by including all governmental entities in a more broad based definition of ownership, more particularly those entities that may have nothing to gain, HB 50 will simply stop the ability to encourage economic development at a time when such development is absolutely vital to the future of Ohio.

If I sound cynical regarding this proposed legislation it is with good cause. During my 31 years of service in this state I have never been involved with an annexation that a neighboring Township has embraced. In the 1980s, I was a City Manager in a community that annexed several hundred acres across an interstate highway. At the request of the property owners, the City extended water, sewer and municipal electric utilities to the area. These actions ultimately led to the location of several new industries and businesses and with the help of Governor Voinovich and the State of Ohio we attracted a 2.5 million square foot Meijer distribution center. If HB 50 had been law at that time I am confident that development would never have happened.

In the early 1990's, the community which I presently serve purchased over 400 acres of land to develop a golf course and residential homesites. The City's senior legal counsel reviewed the plan and opined that under the annexation laws at that time that the City's \$7+ million land purchase and annexation, since wholly owned by the City, contiguous to the City, and wholly within Montgomery County, would merely be an administrative annexation approval. Our Township Trustees filed suit against the City, in reality suing their own residents since Centerville was and still is part of the Township. After 2 years

of litigation, costing our residents over \$1 million in legal fees, construction delays and carrying costs - the Ohio Supreme Court ultimately ruled unanimously in our favor. Today we have a 27-hole championship facility surrounded by nearly 900 homes realizing \$300,000,000 of development. If HB 50 had been the law it never would have happened.

Moving fast forward to 2006, our City welcomed a 270+ acre 100% owner annexation petition into Greene County on our eastern border. Another Township saw fit to sue our City, the land owners and the proposed developer. Their administrator boasted in the newspaper that they would tie us up for years in the courts. After 3 years of litigation and over a quarter of a million dollars wasted by all parties on legal feels; the court decision was ultimately handed down in favor of Centerville and the land owners. Ironically, this all took place with a Type II expedited annexation under our existing law.

I find it extremely ironic that we are all gathered here today to consider this piece of legislation with the political atmosphere that exists. Two task forces travelled the state the past year pledging to gather ideas on how Ohio could operate more effectively in this challenging economic climate. The goals were to look “outside of the box” if you will, to truly examine our governmental structure in Ohio and how we could better deliver services. We heard testimony on the need to streamline government, the need to collaborate, affiliate, and consolidate. The case was made time and time again that we have too many political jurisdictions, entities, agencies, authorities, all competing for our limited tax dollars, all tripping over each other with far too much duplication. So what is the answer? What do we do? We introduce legislation like HB 50. We attempt to legislate to make township government more permanent, more everlasting.

Townships throughout Ohio’s history have been a place holder. They began as a unit of measurement, evolved into assisting with rural road and cemetery services. Traditionally they were lessened in size and scope as our villages grew into cities and our cities grew into urban centers, growing methodically from their core outwardly.

Now Townships have become a means to an end – an end in and of themselves. While the vast majority of our country operates without any townships and the duplication and extra governmental cost, we in Ohio are encouraging and promoting the new and improved urban townships, 20, 30, 40, even 60,000 population in size. We have heard the rhetoric that township government is grass roots and closer to the people, but our new urban townships don’t fit the mold. Urban townships through their own organization representing 20 townships now above 25,000 in population (known as CLOUT) constantly lobby for more authority, more regulatory control, and more taxing options. Look at the current Ohio Township Association website: More zoning control to “mirror municipal authority,” the ability to adopt their own subdivision regulations, expanded planning authority, new firearms control measures, more support from their county engineers, veto authority for TIFS, increased authority for utilizing JEDDS, municipal water and sewer services without annexation, expanded cell tower authority, impact fee authority on developers, expanded wind farm regulatory control, relief from indigent burial responsibility, the authority to charge fees to heavy commercial vehicle owners

that use township roads, and the authority to set speed limits and road weight limits. They also want the right to establish their own courts. But they only want financial audits every 4 years instead of every two years and they want bond limits lowered on their fiscal officers.

Perhaps most surprisingly I didn't see anywhere that the urban townships want responsibility for county roads, bridges and culverts, or state roads, traffic signals and related storm sewer systems. Nor did I see where they want the right to pay for county prosecutors, jail fees, planning services, etc., etc., etc.

Mr. Chairman and distinguished members of this committee, does this sound like we are headed in this state toward increased regionalization, collaboration and consolidation?

When will the important issues come before this committee to truly bring structural change to our archaic Ohio local government system? Under Ohio law, Villages are required to become Cities and take on significant responsibility when reaching a population of 5,000. When will our "urban townships" of 20, 30, 40 and even 60,000 residents be required to merge or incorporate and take on their share of responsibility in this state?

HB 50, as proposed, only serves to exacerbate the local government problems and structural inequities that already exist. It will only lessen the rights of private property owners and create an obstacle for the economic development that Ohio so desperately needs. I submit to you that HB 50 will only be one more nail in the coffin of Ohio's cities and villages. Please help us stop this nonsense and vote no.

I thank you for your time.

Respectfully submitted,

Gregory B. Horn  
City Manager