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COUNTY FINANCES

Franklin County sales-tax hike to fund economic development

By **Josh Jarman** *The Columbus Dispatch* • Monday December 2, 2013 7:20 AM

Franklin County officials say the pinch that residents will feel in their wallets next year because of a sales-tax increase will help fund renewed economic-development efforts that will create jobs and boost the region's economy.

That, they say, should mean more people working, and more money in people's wallets. Call it the circle of life.

The details are far from ironed out, but Jim Schimmer, the county's economic-development director, said a portion of the temporary quarter-penny sales-tax increase that the commissioners approved to start next year will pay for business loans, infrastructure upgrades, worker training and other development aid.

The county is expected to place a little more than \$4 million in the fund next year to create a flexible cash reserve that they can match to the needs of businesses looking to move to or expand in Franklin County — or to the needs of the local governments that seek to attract them.

Although the sales-tax rate increase that will fuel the fund is expected to drop off the books on Dec. 31, 2018, Schimmer said he expects the fund to sustain itself for far longer. He said the county already operates a number of smaller revolving-loan funds; when money is paid back to the county, it is made available for future loans.

He envisions a similar system for the new program.

Schimmer said the fund should balance pushing for innovation from the companies the county does business with, and holding those companies accountable for the jobs they say they'll create.

"When you do innovative things, you take a risk," Schimmer said. "Still, it doesn't do anyone any good if we don't monitor for compliance."

Franklin County will look at other successful programs and add its own stamp, said Erik Janas, a deputy county administrator.

He and Schimmer met with officials from Cuyahoga County this year to learn how they structure their economic-development fund, and they plan to meet with the leaders of a Montgomery County fund this month.

They expect to have Franklin County's program ready for the commissioners' approval by April 1. That's also when the county will start receiving the increased sales-tax revenue from the state, which disburses sales-tax collections three months after the taxes are collected.

The county also will give a portion of the increased tax revenue to organizations such as Columbus 2020 and Experience Columbus. They are to receive \$300,000 and \$625,000 more, respectively, in next year's budget to boost economic development, county Administrator Don Brown said.

Scott Peacock, spokesman for Experience Columbus, said it will use the additional money to boost Columbus' image nationally, to attract more large conferences, and to help the Greater Columbus Sports Commission bring high-profile sporting events to the county. Visitors from outside the county spend more than \$7 billion in Columbus each year, which helps employ more than 61,000 people, Peacock said.

Commissioner John O'Grady said establishing the economic-development fund and increasing what the county gives to groups such as Experience Columbus shows that the commissioners are committed to doing what they said they would do with the increased tax revenue. He said it's not enough for the county to provide social services; it has to increase business and job growth to help pay to address the increasing strain those services are feeling.

"We need to stop talking about competing with other cities and start actually competing" for jobs and tourist spending, O'Grady said.

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