

# Liberty Interchange costs rising

**Officials not sure funds are available**

By **CHRIS DUMOND**  
Journal News

**LIBERTY TOWNSHIP** — As cost estimates for the Liberty Interchange increase and the threat of removing one of the project's funding tools looms in the state legislature, local officials say a quick decision on whether to move forward is crucial.

The construction of the interchange is expected to create about 8,000 jobs. Of those, 6,000 are expected to be office jobs with an annual salary of about \$33,500.

The planned improvements include a new interchange at Hamilton-Mason Road and Interstate 75, widening Hamilton-Mason and extending Cox Road to the

Green Crest Golf Course, if not all the way to Ohio 63.

The effort to realize those plans is no easy task, said Butler County Transportation Improvement District Director John Fommer.

"It's a complex project set against the background of an ever-changing real estate market and a need for refined cost estimates," Fommer said. "There are a lot of moving pieces and we need to be sensitive to making a timely decision with adequate information."

Recent construction cost revisions brought the project from a 2002 estimate of \$38.9 million to \$49 million or more. Excluding the cost of extending Cox Road to Ohio 63, the estimate increased from \$15.9 million to \$26 million, a nearly 64 percent jump.

County Finance Director Tim Williams said those increases

throw a serious kink into plans to fund construction through Tax Increment Financing districts.

When land is developed and property values go up, so do property tax revenues. TIFs redirect the difference in pre- and post-development tax revenues from commercial developments to a pot of money used to pay back bonds issued for the construction of infrastructure like the Liberty Interchange.

Williams said projections from the TIF initially showed the Liberty Interchange TIF could generate \$38 million. Now, he said, the county is faced with a double whammy — the reality that construction is going to be a lot more expensive and the prospect that earlier estimates on how much the TIF could bring in were overly optimistic.

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**LIBERTY INTERCHANGE COST ESTIMATE**

	<b>2002 Estimate</b>	<b>2004 Estimate</b>
Cox Road	\$2.54 million	\$2 million
Hamilton-Mason Road	\$7.37 million	\$11.8 million
Interchange	\$5.98 million	\$12.5 million
Total interchange proper	\$15.89 million	\$26 million
Extend Cox Road to Ohio 63	\$22.97 million	Not available
<b>Total project*</b>	<b>\$38.86 million</b>	<b>\$49.28 million</b>

\*Total project cost assumes no change in estimate for extending Cox Road to Ohio 63.

SOURCE: Butler County Finance Department

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# Liberty

## Interchange costs Rising, funds unsure

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County and Liberty Township officials have proposed using two other tax tools to help bridge the gap, but state lawmakers could soon eliminate one of those.

### Setting rid of the RID

Residential Incentive Districts are nearly identical to TIFs, except that they are used in residential areas. However, some local legislators claim the RIDs were only meant to be used to improve blighted housing areas, not for transportation projects in boom areas like Liberty Township. State Senator-elect Gary Cates, 4th, said counting on RIDs for project funding is risky.

"It's too early to say anything definitive, but as far as the RID goes, its future is uncertain," Cates said. "I would say, proceed cautiously. These things are likely to change and there's no guarantee that existing

RIDs would be grandfathered."

State Rep. Shawn Webster, R-53rd, agreed.

"All I'd like to see is legislation carried out as it was intended," Webster said. "Those were intended for blighted areas. I don't really consider the Liberty Interchange area blighted. I think it's a real possibility (that the law could be changed). Legislators really don't like their legislation manipulated beyond their intent."

Liberty Township Trustees are slated to consider the establishment of 11 RIDs before the end of the year in order to redirect property tax revenue from 2004 housing development. Three of those are up for consideration Monday.

However, the trustees' vote must be unanimous and that is not assured.

Whether the county misses out altogether on RID money for Liberty Township or just for 2004, County Commissioner Michael Fox said he's disappointed in those who got in the way of his efforts earlier in the year to establish RIDs.

"The county was right to push to establish these RIDs quickly," Fox said. "The delays will be costly

and funding for needed projects will be greatly reduced, meaning that some will not be built. Those who protested that we were going 'too fast' were wrong and they should be held accountable for failing to act. Going at their pace has proved to be costly."

He said it doesn't make sense to him that local legislators would move to take the funding tool away from the county. Fox, a former legislator himself, said lawmakers complaining that the loopholes are being exploited should have done a better job writing the legislation.

### Alternative funding options

Fonner doesn't see the elimination of RIDs as a project-killer.

"I don't think it's going to have a real significant impact on this project," he said. "The TTD board has been stressing the importance of developer involvement in the projects, particularly in the extension of Cox Road. As you look to the development community for investment in this infrastructure, it takes some pressure off the public sector tools."

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opening of their land to development because of the interchange work, some TTD board members who protested that we were going 'too fast' were wrong and they should be held accountable for failing to act. Going at their pace has proved to be costly."

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land could be developed. Because the money generated by the TIF will be used to pay back bonds issued to fund construction, it's important to know an adequate stream of money will be available, he said.

If that money isn't there, payments must come out of the general fund. Fonner said that's something everyone is trying to avoid.

Williams said it could be another month or more before commissioners know the outcome of that study.

Meanwhile, engineers are still working with the Butler County Engineer's office and ODOT on the road designs. It could be two years before construction drawings are finalized, Fonner said.

Still, he said, county leaders should make a decision by the first part of next year on whether to move forward with the project.

"That decision is essentially a financial one," he said. "The TIF, which is paying for this stuff, was put in place by the commissioners. It's their checkbook and they're ultimately the ones who need to make that decision."

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