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# Liberty seeks earnings tax

By Jennifer Edwards  
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## Move would affect workers in development district

**LIBERTY TWP.**—People who work in this Butler County township might soon pay an earnings tax to help fund construction of a new highway exit and other road improvements.

Liberty Township leaders said Monday they hope to establish a special tax district as early as next year — but it means most workers in the district would see a 1.5

percent earnings tax taken from their paychecks.

Liberty leaders have been working since at least 2002 to form a joint economic development district, or JEDD, to help raise money for an eastward interchange off Ohio 129 at Interstate 75 and other secondary road improvements.

The proposed \$35 million to \$40 million exit, which also means Cox Road will be ex-

tended north to Ohio 63 in Monroe, is needed to attract more businesses to offset demand on residential taxes, leaders say. Liberty's population stands at 33,000 and is projected to rocket to more than 80,000 over the next several years.

"It's all part of balancing our growth as a community," Trustee President Christine Maticic said. "If you don't

have the infrastructure you are not going to attract businesses... the finances of this whole thing will help our residents."

The JEDD is composed of 958 acres zoned for commercial development, scattered throughout the township.

Lakota School District, the largest employer in the township, is exempt from the taxing district.

The school district was not included because township officials feared there would be too much opposition to the deal if Lakota's workers were included, Maticic said.

Most of the land in the district, 90 percent, is undeveloped, township officials say.

There are two ways to form a JEDD and impose the earnings tax: voluntarily with 51 percent of the property own-

ers and businesses agreeing to it, or a public vote.

Liberty officials say they want the approval of the majority of the 122 property owners and 115 businesses involved because it's the least challengeable and it's their businesses that are affected.

But the township cannot seek that until trustees take an official vote on the project and draft an agreement for the property owners to sign.

See **LIBERTY TWP.**, Page C5

# Liberty Twp.: Earnings tax is proposed

From Page C1

So far, the township has several letters of intent from large property owners agreeing to the deal, Maticic said.

Because townships cannot impose earnings taxes, they must partner with neighboring cities to form JEDDs. Liberty is working with Middletown and Mason. Middletown will serve as administrator of the JEDD by collecting the earnings tax and distributing it among all three entities, with most going to Liberty, officials said.

Mason got involved because the new exit would flood its streets with vehicles.

Liberty officials project the tax district will generate \$5 million to \$10 million annually by 2020 – assuming all 958 acres would be developed in ways similar to those at other commercial and industrial parks in the area. The amount depends on how many businesses move in the district, how many people they hire and their salaries.

The township has not done projections on how many employees work in the 115 businesses in the district, but they forecast the JEDD could generate about \$519,000 to \$1 million in 2006.

Imposing the tax will require a series of public hearings and other actions over the next several weeks in Liberty, Middletown and Mason.

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## What it means

**To Liberty Township:** A joint economic development district would offer a new source of tax revenue to be used for a highway exit east off Interstate 75 at Ohio 129. The interchange is needed to spur business development in Liberty, which is mostly residential.

**To Mason:** The district would offer a new source of money for this Warren County city to widen roads that undoubtedly will congest further when the new exit is built.

**To Middletown:** This financially struggling Butler County city would gain new funds for economic development and/or road improvements.

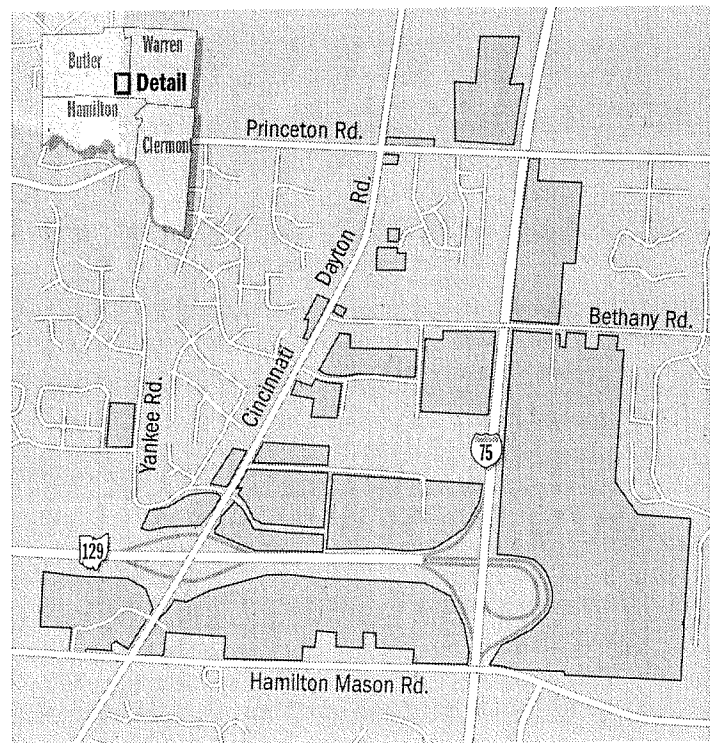
**To Liberty workers:** Employees in the 115 businesses in the district would pay a 1.5 percent earnings tax

**To homeowners:** In theory, more taxes from commercial development would ease their property tax burden.

**To property owners in the proposed district:** The tax funds could speed development of their land.

## Liberty Township JEDD parcels

The joint economic development district (shaded areas on the map) will encompass 958 acres zoned for commercial development in Liberty Township. If 51 percent of the business and property owners in the proposed district agree to the deal, an earnings tax would be taken from their workers.



The Enquirer/Randy Mazzola