

Madeira, Sycamore Township may team up for tax effort

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MADEIRA Madeira may have found a way to raise revenue without raising taxes in the city and Sycamore Township may have found a way to more easily fund its economic development.

Madeira City Council will conduct a public hearing Monday, January 28 on a proposal to create with Sycamore Township two joint economic-development zones in the township's Kenwood area overseen by a board of directors that would levy a new 0.75 percent income-tax on people who work and businesses that operate in east and central Kenwood.

Neither the remainder of Sycamore Township nor Madeira would be subject to the new income tax.

In exchange for Madeira collecting the income tax in the Kenwood East Joint Economic-Development Zone and the Kenwood Central Joint Economic-Development Zone and distributing it, Madeira would receive 10 percent of the taxes collected, after costs were subtracted.

State law prohibits townships from levying income taxes, but Sycamore Township would receive 90 percent of the taxes collected by Madeira in the joint economic-development zones, after costs were subtracted.

"Madeira would expect to receive in excess of \$200,000 annually from the combined joint economic-development zones," Madeira Mayor Rick Brasington said.

Madeira City Council was to hold first reading of an ordinance creating the zones at a meeting at 7:30 p.m. tonight in council chamber at city hall off Miami Avenue.

Madeira's final vote could come after the January 28 public hearing, also scheduled to begin at 7:30 p.m. in council chambers.

Sycamore Township also would have to pass legislation – and convince township voters to create the districts.

"Madeira residents would not vote on this; it would be voted on by residents of Sycamore Township, since the businesses are in Sycamore Township," Brasington said.

Sycamore Township would use its proceeds from the zones' income taxes for infrastructure, including the maintenance and construction of streets and access roads, traffic signals, walkways, landscaping, storm-water improvements and an increase in police and fire services in the zones.

"A long-favored residential community, in the past two decades the Kenwood area of Sycamore Township has become a regional powerhouse for business development," according to paperwork associated with the proposed joint economic-development zones in Kenwood.

"(Sycamore) township ranks among the Tri-state's top-tier office and retail locations with its access to interstate highway interchanges and numerous retail and office developments – all in an attractive setting."

A prime example is the Kenwood Towne Center, the paperwork says.

"The area's third-largest regional mall hosts three anchors and more than 180 specialty retailers and draws more than 1.3 million visitors per month," the paperwork says.

"In order to develop, plan and encourage commercial development, Sycamore Township must continue to provide the necessary infrastructure."

In a proposed contract between Madeira and Sycamore Township, the city agrees not to try and annex any township land, although the governments may explore sharing services in the joint economic-development zones.

The contract is to last 40 years with three, 10-year renewal terms that will start automatically unless stopped by Madeira and Sycamore Township, which can agree at any time to discontinue the contract.

Like other cities, Madeira is working to absorb the loss of a significant amount of state funds due to the elimination of the estate tax in 2013, the phase-out of the tangible personal-property tax and a reduction in Local Government Fund monies.

That's in addition to the drop in county property valuations.

Brasington described the borders of the joint economic-development zones in Kenwood this way: "The east zone is east of Interstate 71 including the FBI building, UBS (Wealth Management Americas) and the area with Bob Evans, Panera (Bread), the businesses across Galbraith Road and then across Montgomery Road to include Red Lobster and Outback (Steakhouse) and the office building," Brasington said.

"The central zone is the Kenwood Towne Center and Sycamore Plaza; basically east of Kenwood Road and south of Galbraith bordered by Interstate 71."

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