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## Regional tax sharing plan debated

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by Laura Freeman

Reporter

Hudson -- A proposal for regional land use planning and revenue sharing among 16 counties in Northeast Ohio is getting closer to becoming a reality after more than two years in the works.

One of its strongest proponents, Hudson Mayor William Currin, and one of its critics, Hudson business owner Alex Keleman, debated the plan May 7 at the Country Club of Hudson.

The Regional Prosperity Initiative began in spring 2006 with a Regional Economic Revenue study commissioned by the Northeast Ohio Mayors and City Managers Association, which Currin chairs.

An action plan for implementing a regional revenue and resources sharing program is scheduled for completion in June.

It would be a voluntary opt-in program for communities, and it could begin in 2011.

Currin said a regional approach to land use and attracting businesses is necessary to reduce competition with neighbors and save resources and funds.

Keleman believes there are still a host of questions that need answered about the proposal, including what will it cost the city of Hudson and who will be in charge.

Currin said Keleman assumes Hudson will be a net contributor but that is not a good assumption.

"If we don't see growth in the city or growth compared to other communities, there is no contribution," Currin said.

Team NEO, which financially supports the plan, is the representative for the region and responsible for attracting and retaining businesses to the district, Currin said. They also are the fiduciary agent for the RPI.

The Regional Prosperity Initiative would create a regional database for land use, future growth and increased coordination and cooperation for regional planning, Currin said.

Keleman said the RPI would turn Northeast Ohio advantages into liabilities by making the region less attractive to manufacturing, driving up housing prices and slowing employment growth.

Currin said communities that contribute to the RPI would also be recipients. The contributions would be based on new economic growth.

Currin said 60 percent of new property taxes would stay in a community, and 40 percent would be considered for a pool to be shared by participating communities.

With income tax, 80 percent would stay in the community, and 20 percent considered for the pool.

"Hudson will [be able to] grow the commercial and industrial tax base faster and smarter," Currin said.

Keleman said the RPI membership lacked businessmen and economic development experts, but Currin argued that members sought input and advice from those experts for the plan.

Keleman said he wants to start the discussion in the community before details are finalized and perhaps too late to change.

"I want to at least have a dialogue," Keleman said. "I

didn't know schools were a part of this plan. It's a good idea to develop the region by sharing school funding? How does that help economic development?"

Currin said cities develop a commercial and industrial tax base to support school systems.

Keleman said schools will lose by diverting funds to share with others in the region, decrease state funding and making future levies harder to pass.

Hudson School Superintendent Steve Farnsworth, who was present in the audience, said superintendents have offered input to the plan and support it, but admitted that it would make school levies harder to pass because some Hudson property taxes would go to a regional pool.

"If we can't say that all the revenue is coming to Hudson, it's harder to pass a levy," he said.

"However, all [superintendents] said we are in favor because we understand the need for a vibrant business economy in our community.

"The more business and commercial property, the less burden on the homeowner."

Keleman said that even though revenue will only be from increased value in commercial and industrial areas, it will be like "a foot race with one foot in a bucket" with a portion of the growth going into a pool and shared with other communities.

"I don't want Hudson money going to other cities with other priorities," Keleman said. "We're rewarding bad management, and they'll have someone else to bail them out."

Currin said people who live in Hudson work in other communities, so they already pay taxes to other cities. He says what helps the region, helps Hudson.

Keleman said he wanted to see more details.

"There's enough flesh on the bones to see what direction they are going," Keleman said. "Is that the way we want them to go?"

Currin said the RPI hasn't really run into any opposition.

"When we release the actual plan we may have disagreements with different aspects," he said.

Currin said the plan was built with input from more than 8,000 people from all sectors of the community.

He said the plan, hopefully, will be on the Regional Prosperity Initiative website [www.neorpi.org](http://www.neorpi.org) by July for everyone to view.

Keleman encouraged residents to visit the website to educate themselves about the proposal.

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