

Mary Sue Hibbs

From: Jennifer Movall <Jennifer@sc-ic.com>
Sent: Thursday, August 16, 2018 10:35 AM
To: Mary Sue Hibbs
Subject: Commercial Urban Revitalization Plan

Mary Sue,

It is my understanding that the City would like to have commercial properties under an Urban Revitalization Plan. As we discussed, when we were hired (by Shive Hattery) to do the blight assessment for the urban revitalization plan it was for the residential properties only. Since the Plan, that the City is in the process of adopting, is based on residential blight it is difficult to add commercial property unless a blight assessment is done on the commercial property. The State does not like mixed use plans which is what this one would be if we added commercial properties with an economic development designation to an existing Urban Revitalization Plan based on blight. In previous discussions with Jason Comisky and Jenna Bishop, about a different City, there are two options that you have:

Option 1 – Conduct a blight assessment on the commercial property in Earlham. If a blight finding is found, then you could amend the existing Urban Revitalization Plan to add commercial property to the plan. With this option, you would have the cost of the commercial blight assessment and the changes to the Plan. You may also have to resend all of the notifications.

* Option 2 – Do a separate Urban Revitalization Plan for the commercial property in Earlham. For this option, you would only have the cost of the new plan but you would have to do all of the notifications.

There are several different abatements that can be provided for commercial property under an economic development designation:

1. All qualified real estate is eligible to receive a 100% exemption from taxation on the actual value added by the improvements. The exemption is for a period of 3 years.
2. All qualified real estate is eligible to receive a partial exemption from taxation on the actual value added by the improvements. The exemption is for a period of ten years. The amount of the partial exemption is equal to a percent of the actual value added by the improvements, determined as follows:
 - a. For the first year, 80%
 - b. For the second year, 70%
 - c. For the third year, 60%
 - d. For the fourth year, 50%
 - e. For the fifth year, 40%
 - f. For the sixth year, 40%
 - g. For the seventh year, 30%
 - h. For the eighth year, 30%
 - i. For the ninth year, 20%
 - j. For the tenth year, 20%

The two listed above are what is allowed by State Code, but the City could decide to do a lesser abatement, they just can't offer a more aggressive abatement.

Please let me know if you have additional questions and what direction the Council decides to take.

Have a good day,