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Sent: Thursday, December 16, 2021 7:26 AM
To: earlhamcityhall@mchsi.com
Cc: Melissa Pearson
Subject: RE: 2018 Urban Revitalization Plan

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Mary Sue,

I'll send you an engagement letter for the Council's formal approval at their next Council meeting. In the meanwhile, I can go ahead and draft the Amendment.

Did the Council discuss what exemption schedule they wanted to offer to commercial properties?

There are two maximum exemption options set out in the Iowa Code:

- A. 3-year, 100% exemption
- B. 10-year declining percentage exemption:
 - 1. 80%
 - 2. 70%
 - 3. 60%
 - 4. 50%
 - 5. 40%
 - 6. 40%
 - 7. 30%
 - 8. 30%
 - 9. 20%
 - 10. 20%

Recall that the percentage refers to the percent of actual value added by the improvements which is exempt from taxation.

The Council can choose to offer a lesser exemption under either option. The Council can also offer both options, and allow commercial properties owners to select which option they want to apply for.

Did the Council discuss offering tax abatement to only commercial properties, or do they want to make abatement available to properties assessed as industrial as well?

Industrial properties and commercial properties are eligible for the same maximum exemption options (shown above).

Please let me know (1) whether the City wants to make tax abatement available to both commercial and industrial properties, and (2) what exemption schedule(s) the City wants to make available for these properties.

If you have any questions or would like to discuss, please let me know!

Best,

Jenna H. Bishop Sabroske
Associate Attorney