

Ryan Waller

From: Ryan Waller
Sent: Friday, August 03, 2018 4:31 PM
To: 'mustangsoa954@gmail.com'; Kelly Shaw
Cc: Andy Lent; Ryan Waller
Subject: RE: Questions on Abatement
Attachments: Tax Abatement Comparison 60.pdf; Tax Abatement Comparison 55.62.pdf

Importance: High

Good afternoon, all.

I hope this find everyone well. We appreciate the questions below and hope that this email is helpful in responding to those questions.

The tax abatement program was adopted via a resolution at the July 16th City Council meeting, was signed and is in full effect. The attached spreadsheets provide application of this new program as requested below. Please note that you will find two different scenarios – one using the suggested 60% rollback number below and one using the current rollback rate of 55.62%. Also, for illustration purposes only (given the requested comparisons values of \$500k and \$1mil) we used a recently approved plat where those valued homes have been suggested.

In response to the second question, the consultants that performed the blight assessment noted the relationship between the non-residential uses and the residential uses in the neighborhood bordered by N. 5th Street on the west, E. Euclid Avenue on the north, E. 9th Street on the east, and E. Ashland Avenue on the south that created the existence of blight. The example that they specifically referenced is the dust, truck traffic and noise that is generated by the non-residential uses in that particular neighborhood. In this particular neighborhood, the consultants calculated the percentage of blight as 26%. It has been shared during council meetings that while references are made to percentages there are no guidelines from the State or other entities (including the Iowa Supreme Court) stipulating a required percentage threshold.

Thank you again for the email.

Have a great weekend.

Sincerely,

Ryan



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From: Kelly Shaw
Sent: Thursday, August 02, 2018 12:44 PM
To: Andy Lent <alent@indianolaiowa.gov>; Ryan Waller <rwaller@indianolaiowa.gov>
Cc: mustangsoa954@gmail.com
Subject: Fw: Questions on Abatement

Dear Andy and Ryan,

Please see the email below from Mr. Steven Richardson regarding the tax abatement program that is in the process of being passed by Council in August. Mr. Richardson's numbers look accurate to me. Though the 60% rollback is not as aggressive as the Iowa Legislature's current rollback, per his question the 60% figure can be used to make comparisons at the \$500K and \$1MK price points per his question.

Ryan, I believe you are better positioned to answer the second question from Mr. Richardson. While I recall Chuck Burgin's presentation, I don't believe I've seen the legal opinion from the attorney to explain the second question. I recall the blight study found that the city had a blight percentage at 16% and change, below the state suggested rate of 25% for a more aggressive abatement, so I'm curious about these questions, too.

Please copy Mr. Richardson, cc: here, and myself to your response. Mr. Richardson is a former council member in Indianola, and state representatives in the Iowa House, so he should be familiar with the language surrounding abatements and Iowa law.

Thanks in advance,

Kelly

From: Steven Richardson <mustangsoa954@gmail.com>
Sent: Wednesday, August 1, 2018 6:42 PM
To: Kelly Shaw
Subject: Questions on Abatement

Hi Kelly,

I have a question regarding the tax abatement passed by the City Council. If someone would choose to build a one million dollar house under the abatement program, what would the aggregate tax savings be for that house and owners? If my rough calculations are correct, and they are rough, the aggregate savings to the owners would be around \$65,000 in 5 years. I based that number on a 60% residential rollback, a \$37.50 aggregate tax rate for City, County, Schools and misc, taxing entities. Could you ask the proper number cruncher and get me the correct number? I would also like the info on a 500,000 home too. Of course the numbers would change as the State changes the rollback percentages in future years.

Second question: I live on 6th Street Place right next to Dayton Park. Based on the state law as to what constitutes a blighted area, can the city tell me specifically what it is in our neighborhood that triggers the blighted label? I believe there has to be more than one of the criteria met in order to get the designation, so I would like to know what was pinpointed in our neighborhood. Did anyone ask how does that designation affect our property values?

Thanks for your consideration

Steve Richardson