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From: Koryzno, Edward (Treasury)
Sent: Wednesday, February 06, 2013 10:07 AM
To: Lutz, Shannon (TREASURY)
Cc: Dempkowski, Angela (Treasury)
Subject: Weekly call with Ed Kurtz

Please reschedule today's phone call with Ed to perhaps Friday morning.

Sent from my iPhone

THOUGHTS FROM THE EFM AFTER 6 MONTHS ON THE JOB

There are many significant issues facing the city going forward. Let me reflect on some of the more obvious ones.

LAND USE AND PROPERTY TAXES

1. Property taxes will continue to decline over the next three to four years with the projected decline in 2014 estimated to be 17%.
2. Much of the redevelopment is being done by the non-profit sector and will not be subject to property taxes.
3. The neighborhoods continue to decline with another 1,700 parcels turned over to the Land Bank and now exempt from taxes. (Note: we were able to demo 600 homes this fiscal year but added another 1,700 to the potential list of demos.) The City would need $50 to $60 million dollars for demo alone.
4. With a few exceptions, Wards 3 and five could effectively be renamed "Land Bank City".
5. Approximately 36% of the city's housing stock is either vacant, or in poor to substandard condition.
6. In addition to the residential properties there are a significant number of commercial properties that need to be demoed.
7. The proposed elimination of the personal property tax will also have a negative impact on the cities revenue. Other than public safety, only 80% of the lost revenue will be recovered.
8. Banks are now doing what they accused their customers of doing. They are walking away from foreclosed properties that they own and dumping them on the City and eventually the land bank.
9. It costs the City and the Land Bank approximately $1.2 million per year to mow all the vacant property twice.
10. By the time the Land Bank receives the properties (3 years), they are basically stripped of all electrical, plumbing, etc and are not salvageable
11. The people of the City passed a 6 mil property tax increase exclusively for public safety. However, by the end of the six years it will be offset by the continued decline in property values.

IN SUMMARY, PROPERTY MANAGEMENT WILL HAVE TO BE A TOP PRIORITY FOR THE CITY OVER THE NEXT SEVERAL YEARS.

INCOME TAX

1. Income taxes which we initially projected to increase slightly, will now, with the announced closing of Delphi East probably decline.
2. The City is considering the possibility of raising the income tax. But this process requires legislative action and a vote of the people. This could be the straw that breaks the Camel's back.

FEES

1. The City has implemented fees for street lighting and garbage pick up. (The Garbage fee replaced a 3 mil property tax for that purpose. If a property was