

11
4-15-23



**STATEMENT OF MORGAN BABCOCK
TMP COORDINATOR
CARLYLE COUNCIL**

Re: City Council- Docket Item #11 Text Amendment #2022-00012—April 15, 2023

Thank you, Mayor Wilson, and members of Council. I am testifying today on behalf of the Carlyle Council TMP. Our TMP is the oldest and largest in the City. I presented comments at the December Planning Commission meeting and at their March 30th meeting. Although staff has done a great job of addressing our questions and concerns since December, there is still an important unanswered question causing immense concern about the proposed hefty fee increase for commercial properties.

1. Assessment Rates

We have questions about the methodology used for the new Land Use assessment rates for commercial, residential and hotel properties (see page 12). For example, the new rate for commercial property will be .31/sq. ft., a 60% increase from the current rate of \$.19/ sq. ft. that our office and retail properties pay. Yes, we understand a 15% rate reduction would be applied if we signed up for the new TMP because we are in an enhanced transit area, however that would still be a 45% increase. On the flip side, the rates for residential and hotel properties will fall from our current rates. However, Carlyle's TMP is comprised of **80%** commercial property so this will have a huge fiscal impact for our commercial properties during a time when the office space market is facing serious challenges.

For context: Carlyle's Commercial assessments are over \$721,000 for 2023. If we chose to opt into this new program the new fee would be approximately \$1.58 million, over a \$432,000 increase. With the 15% discount that is still an increase of over \$324,000. How is that financially feasible for any commercial property?

Staff has provided one example of a commercial property, that is paying the proposed \$.31/ sq.ft., but has not provided any others. It is unclear if Staff even knows how many commercial properties have TMPs in the City. We feel that more property owners are not protesting this increase due to the lack of communication about this new policy. If the commercial property TMPs in the City knew that this large increase was being proposed, they would be advocating here today. Please explain how the new Land Use rates were calculated.

Conclusion

We appreciate that the new proposal now specifies how multi-phase TMPs would transition to the new policy. We are pleased that staff have indicated that Carlyle can keep our reserve funds if we opt into this new policy. We are just apprehensive about the large financial increase for most of our property owners. Although we do not need to opt into this program, it is sad that this updated TMP policy does not pay more attention to the existing 106 TMPs in the City. Staff does not even know if the National Science Foundation has a TMP. It would have also been nice if a preview application to switch to the new policy was available. Lastly, there is still the unresolved issue of whether the City will take over TMP services at the Duke Street Tunnel that is City owned.

Thank you for listening and I am happy to answer any questions you may have.