



Oct. 26, 2020

Dear Economic Growth and Zoning Committee Members:

The Mt. Lookout Community Council (MLCC) has been following the discussions of the Property Tax Working Group and has reviewed the group's recommended changes to the City's tax abatement policy. Based on the input our community members have shared with us and the City over the past several years regarding the negative impact tax abatements are having on Mt. Lookout, we support the recommended changes and request they be approved and passed into law. While we would ultimately like to see a tiered abatement structure put in place to redirect tax abatements from our community to neighborhoods that need financial incentives to attract new development, we feel that the changes currently being proposed are a solid first step.

New construction spurred by enticing tax abatements has been the top-most concern expressed by residents and property owners to the Mt. Lookout Community Council. Participation in MLCC meetings has soared with people expressing significant concerns regarding developers and home-builders replacing moderate-sized, legacy homes with over-the-top, new construction that is not compatible nor consistent with the community. Concerns raised by residents and property owners also include:

- Sale prices of newly-constructed houses in Mt. Lookout are generally between \$800K to \$1.5M, whereas neighboring houses sell between \$300K and \$500K. This differential has a significant impact on the tax liability for those owning existing housing. Examples:
 - On Grace Avenue, a newly built home at 1271 Grace has an annual tax liability of \$3,800. Next door, the existing home (built in 1865 and is a quarter of the size of the new house) has an annual tax liability of \$11,200.
 - On Tannehill Lane, a recently built 4,000 sq ft new home sold for \$1.5M and has an annual tax liability of \$5,100. Annual property taxes for a neighboring 3,400 sq ft home is \$21,200. An older home located a few houses down (built in 1939 and is 2,750 sq ft) has an annual tax liability of \$14,300.
- The incursion of new construction and the associated tax increases on neighboring properties are forcing some long-time residents and families to leave their homes and our community.
- The number of newly-built homes is skyrocketing in Mt. Lookout. Owners will use community services (schools, emergency services, etc.) but will not pay their fair share for 10 to 15 years due to the tax abatements granted to them. As a result, existing property owners are forced to subsidize the new owners' home purchases and residencies in Mt. Lookout.
- New construction is creating unwanted infill. The attractiveness of the Mt. Lookout community is being permanently changed through the removal of old growth trees and green space long enjoyed by whole community to provide space for new construction.
- New development and infill are negatively altering one of Cincinnati's most highly-desired neighborhoods that has long been prized for its charm and character.

Residents and property owners understand that Mt. Lookout is a desirable place to live and this will continue to attract new home construction to our community. However, the tremendous financial benefits offered through the current tax abatement program artificially inflates demand in our neighborhood and is leading to speculative

construction and overdevelopment. The PTWG's proposed changes to the City's tax abatement policy are needed to help temper this growing trend and negative impact on our community.

It is for these reasons that the board members of the Mt. Lookout Community Council request your approval of the proposed changes to the City's tax abatement policy, particularly in relation to the recommended tax abatement caps.

We thank the Economic Growth and Zoning committee, as well as the chairs of the Property Tax Working Group, for listening to the concerns of our community and working to make changes that are to the benefit of all residents and property owners of the Greater Cincinnati community.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Prevost", with a long horizontal flourish extending to the right.

Dan Prevost
MLCC President