



City of CHARLOTTE

MEMORANDUM

TO: Mayor Lewis and City Council Members

FROM: Gregg Guetschow, City Manager

SUBJECT: City Manager Report

DATE: September 20, 2019

Carmel Township Tax Sharing. I met with Carmel Township Supervisor Steve Willard last week in an effort to work out a solution to the challenge of complying with the tax sharing provisions of the development cooperation agreement between the Township and City. As previously reported, this agreement provides for sharing with the Township a portion of property taxes generated on properties annexed to the City. The change in state law affecting the taxation of personal property triggered a provision of the development cooperation agreement that could not easily be implemented given the lack of information about how to distribute the replacement revenue the City receives from the state. The solution to which Mr. Willard and I tentatively agreed was based on the average taxable value attributable to industrial personal property as a percentage of real property taxable value for the five years preceding the change in state law: 64%. If approved by Council and the Township board, tax sharing payments would be based on an assumed personal property value equal to 64% of the real property value of industrial properties. I have asked the City Attorney to prepare an amendment to the development cooperation agreement which will be presented to Council after it has been reviewed by Township officials and their legal counsel.