

## **Sterling, Andrew**

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**From:** Gary Votes [garyvotes@yahoo.com]  
**Sent:** Friday, February 11, 2011 1:48 PM  
**To:** Sterling, Andrew  
**Subject:** DUAB Needs to Deny Gary's Request for Exemptions: Press Release on Gary Population Decline  
**Attachments:** Gary Residents Warned DUAB.doc

----- Forwarded Message -----

**From:** Gary Votes <garyvotes@yahoo.com>  
**To:** Vernon Smith <h14@in.gov>; Ragan Hatcher <rhatcher@ci.gary.in.us>; earleen Rogers <s30@iga.in.gov>; edcharbonneau@comcast.net  
**Sent:** Fri, February 11, 2011 11:09:44 AM  
**Subject:** Press Release on Gary Population Decline

Good morning,

I have prepared a press release on Gary's population decline. The report caught many of us off-guard inasmuch as the 2009 estimates from the Bureau of the Census, had Gary's population estimated at 95,707, just one year ago.

You will recall that I testified before the DUAB that if DUAB granted another tax cap extension to Gary it would result in people moving out of the city. We were right! (unfortunately).

I believe we can use this census report to encourage DUAB to vote **AGAINST** another year of property tax cap exemptions for Gary. For them to do otherwise is the height of irresponsibility. We have demonstrated that their actions have been counter productive and have seriously hurt the people of the city of Gary.

I would invite you to read the attachment and comment on it before I send it out.

Our data was correct. Our position was correct. Our projections were correct.

(My doctorate dissertation was entitled "Talcott Parsons' Economic Sub-Systems Model and Theories of County to County Migration." It dealt with economic models and what it took to attract and keep a population base. I am waiting for 2010 Summary Tape File I which is due out in June 2010. I will be able to make better projections on the demographics related to the overall 2010 census. This will enable me to take a closer look at changes in Miller and compare the data to the city of Gary.

It should be noted that Gary's middle class who could afford to move, have moved, leaving behind people who are much poorer and unemployed, thus causing even greater demand for public services. It is not the time to levy trash collection fees, fire hydrant fees, storm water sewage fees, on people struggling to pay existing taxes. One report suggested that Gary's property tax collection was now less than 70 percent.)

Please note that I am not releasing this statement with any affiliation with the MCC or my position with the MCC. It would be nice if the organization could benefit from that exposure based on its stand against the DUAB. But that is not the reason for doing this. Your comments and opinions are invited and respected.

Best always,

Richard Barnes, Ph.D.  
Gary, IN

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## PRESS RELEASE

For Immediate Release: 2/10/11 For more information, contact: Richard Barnes, Ph.D.

Phone: (219) 938-7360

### Gary Residents Warned DUAB of Potential Population Decline in Gary

(Gary, IN) Testimony given to the Distressed Unit Appeals Board (DUAB) in January 2010, by Gary resident Dr. Richard Barnes, warned that granting the City of Gary exemption from property tax caps would result in people leaving the city and that the decision of the DUAB to grant Gary an exemption would be, as Barnes predicted, counter productive.

**The 2010 Census count for the City of Gary reports a 22 percent decline** from the 2000 census of 102,746 and now **has Gary's population at 80,294**, resulting in Gary being only the second largest city in northwest Indiana after Hammond. Gary's population estimate for 2009 from the Bureau of the Census was 95,707, an estimate it now appears, was too high.

In 2010, Barnes presented the DUAB with a 1956 study conducted by Charles Tiebout (pronounced TEE-boo) showing the relationship of high property taxes to out-migration.

Tiebout proposed the idea that consumers actually shop around and compare their cost for public services before making a decision as to where they might reside. Property taxes become a consideration for

people in deciding where they are going to live and what services they receive in exchange for their property tax dollars

The "Tiebout Hypothesis" was later tested by Dr. Wallace Oats who found that in communities that have a higher tax rate than their neighbors, they will see a decline in property values as people decide to move and live elsewhere, reducing the demand for housing in that community.

"As a result of the DUAB vote," said Barnes, "Gary now has a property tax rate that is 50 percent higher than any other city in Indiana. We knew that people would be moving out of Gary if DUAB ignored the pleas of the Gary taxpayers, and our observations and predictions were correct."

In 2010, Dr. Barnes is quoted in testimony before the DUAB, "By granting the City of Gary yet another year of exemption from tax caps and creating a disparity in property tax levels between Gary and adjoining cities, DUAB runs the risk of creating a downward spiral in property values and continued out-migration from which the City of Gary may never recover."

Barnes said DUAB is now faced with yet another decision in 2011 as to whether or not Gary should be given another exemption from property tax caps. "Doing so," added Barnes, "would keep Gary's property taxes unfairly high and result in even further decline in the city's population and the quality of life."

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