

# Tax Allocation Districts Redevelopment Plans

Wednesday, November 4, 2020



## PURPOSE

- Describe TADs and Benefits of Using Them
- Provide Overview of Redevelopment Plans
- Describe Goals & Allocations for Use of TAD Funds
- Discuss Criteria for Qualification for Each Redevelopment Area
- Describe Key Dates & Next Steps
- Questions

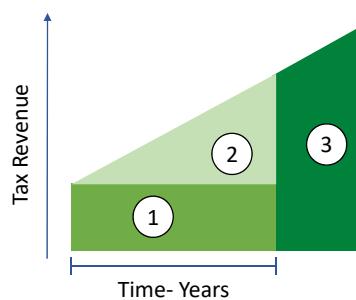


## TAX ALLOCATION DISTRICTS (TADS)

- A TAD is a tool for redevelopment.
- It uses increases in property taxes (called “positive tax increment” in Georgia) in a specific area to pay the costs of redeveloping the area.
- Within the defined geographic area, the local government has additional powers for redevelopment.
- In other states, TADs are called TIF districts.



## TADs ONLY USE NEW TAX REVENUE FROM THE DISTRICT



- 1) Revenues from the existing tax digest are not affected by a TAD.
- 2) TADs draw on new revenues from taxable additions to the tax digest.
- 3) When the TAD is terminated, the addition of new revenues to old revenues can be a positive gain to the taxing authorities.



## BENEFITS TO USING TADS

- TAD financing has been used to successfully address site-specific development problems while achieving broader economic development objectives, resulting in greater, long-term economic benefits to cities where they are located.
- Funds can be used toward improving public infrastructure.
- Cities with TADs can produce new annual sales tax revenues by attracting new customers for existing and new businesses.
- Private development that would not have otherwise occurred without the tax allocation district designation can be attracted by this incentive.
- Redevelopment is effectively supported without tapping into general funds or additional taxes.



## “BUT FOR” TEST

“But for” test when creating TADs:

(i.) The redevelopment area on the whole has not been subject to growth and development through private enterprise and would not reasonably be anticipated to be developed without the approval of the redevelopment plan or includes one or more natural, historical, or cultural assets which have not been adequately preserved or protected and such asset or assets would not reasonably be anticipated to be adequately preserved, protected, or improved without the approval of the redevelopment plan; and

(ii.) The improvement of the area is likely to enhance the value of a substantial portion of the other real property in the district.

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## CONSIDERATIONS FOR WHERE A TAD CAN BE LOCATED

- A TAD has to be an area that is:
  - An “urbanized area” as determined by the U.S. Bureau of the Census, or
  - An area presently served by sewer,

AND

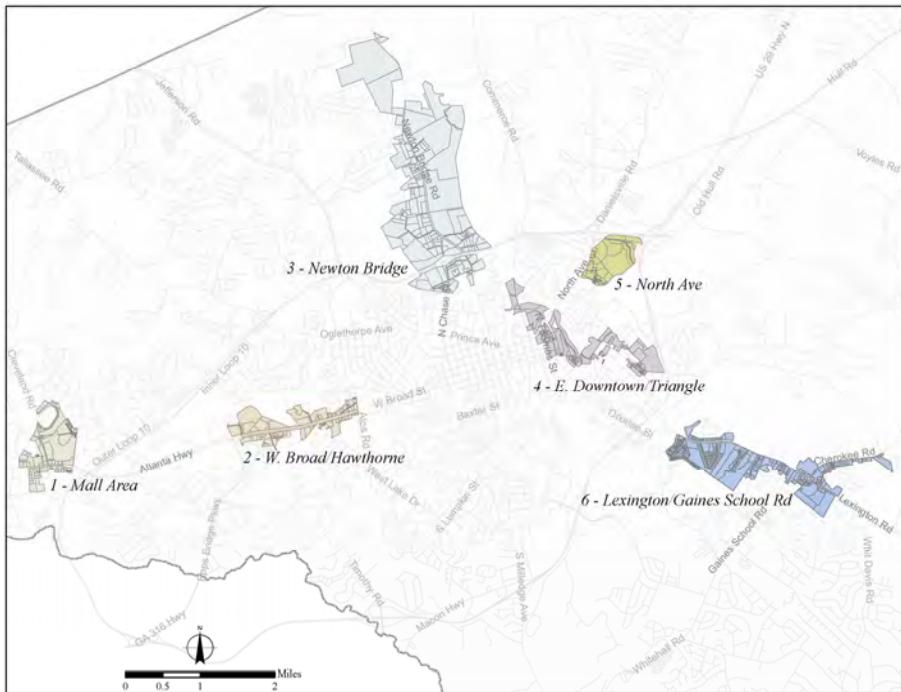
- That qualifies as:
  - “a blighted or distressed area”,
  - “a deteriorating area”, or
  - An “area with inadequate infrastructure”.



## SIX PROSPECTIVE TAX ALLOCATION DISTRICTS- BOUNDARIES & GOALS APPROVED ON SEPTEMBER 1, 2020 & SEPTEMBER 17, 2020

- TAD #1: Mall Area
- TAD #2: West Broad / Hawthorne Area
- TAD #3: Newton Bridge Road Area
- TAD #4: East Downtown / N. Oconee River Area
- TAD # 5: North Avenue / Loop 10 Area
- TAD #6: Lexington Highway / Gaines School Road Area





## OVERVIEW OF REDEVELOPMENT PLANS

- 20-year plans
- All would be considered Area TADs, with only two TADs containing private enterprise projects (TAD #3 and #4).
- Each Redevelopment Plan includes a policy that, in the event that private sector capital projects receive TAD Funds, Community Benefit Agreements shall be developed to accompany such projects that contain certain community benefit principles (developed with community input).
- All Redevelopment Plans note the Unified Government by ordinance will create a Citizen Advisory Committee for each TAD to make recommendations regarding use of TAD funds.



## GOALS & PRIORITIES FOR USE OF TAD FUNDS TO PAY REDEVELOPMENT COSTS

- These were approved by the Mayor & Commission on September 1, 2020 for all TADs.
- Each proposed tax allocation district's Citizens Advisory Committee will recommend the percentage of available TAD Funds to be applied to each goal, subject to approval by the Mayor and Commission of ACC.
- The Citizens Advisory Committee will review and comment on as necessary each application for TAD Funds, whether for private enterprise Redevelopment Projects or ACC Redevelopment Projects.
- Ultimately, the Mayor and Commission of ACC will approve, deny or modify each application and each specific redevelopment project.

## GOALS & PRIORITIES FOR USE OF TAD FUNDS TO PAY REDEVELOPMENT COSTS (CONTINUED)

- **Public Infrastructure Needs:** This goal area includes bike and pedestrian facilities, parks and greenspace, intersection improvements, live stream pipe replacement, stormwater facilities and other public spaces, facilities and infrastructure.
- **Housing Opportunities:** This goal area targets residential development opportunities to provide at least 20% of dwelling units at permanently affordable at 80% of Area Median Income.
- **Economic Development Partnership Opportunities :** This provides for infrastructure support that creates opportunities for job creation, innovation, incubators, accelerators and similar spaces to provide high wage employment in ACC. Private enterprise redevelopment projects are encompassed by "Economic Development Partnership Opportunities."
- **CCSD and Youth Development:** This goal area provides the opportunity to collaborate with youth support providers, including the Clarke County School District to create optimal spaces for youth development and support of School District needs.

## CRITERIA EVALUATED FOR EACH REDEVELOPMENT PLAN

- Each area was evaluated for evidence of conditions of blight as defined under the Redevelopment Powers Law.
- One or more conditions of blight was described in each Redevelopment Plan.
- Conditions varied for each TAD, but, generally, the following was considered:
  - Inadequate pedestrian and bike infrastructure
  - Bus stop levels
  - Road conditions
  - Inadequate utility infrastructure (at present or following redevelopment)
  - Slower growth in property tax digest of area compared to ACC
  - Commercial vacancies



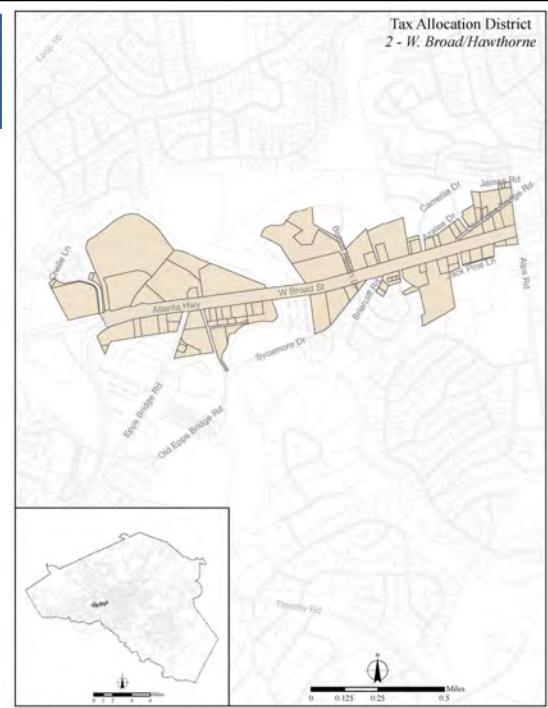
### TAD #1: Mall Area

- Qualification criteria includes:
  - Inadequate pedestrian and bike infrastructure
  - Bus stop levels
  - Slower growth in the property tax digest in the Redevelopment Area than is occurring in ACC as a whole
  - Shortage of safe, decent housing that is affordable for persons of low and moderate income
  - Inadequate utility infrastructure
    - Water lines
    - Sewer lines
    - Cable and electric



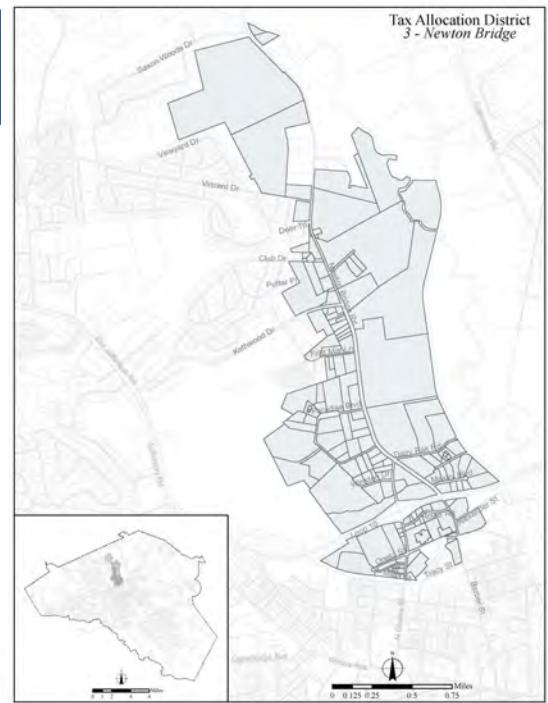
## TAD #2: West Broad/ Hawthorne

- Qualification criteria includes:
  - Inadequate pedestrian and bike infrastructure
  - Bus stop levels
  - Road conditions
  - Inadequate utility infrastructure
    - Water lines
    - Sewer lines & capacity
    - Cable & electric



## TAD #3: Newton Bridge

- Qualification criteria includes:
  - Inadequate pedestrian and bike infrastructure
  - Bus stop levels
  - Road conditions
  - Inadequate utility infrastructure
    - Water lines
    - Sewer lines & capacity
    - Cable & electric



## TAD #3: Newton Bridge

- Private enterprise projects include:
  - Southern Mill
  - General Time



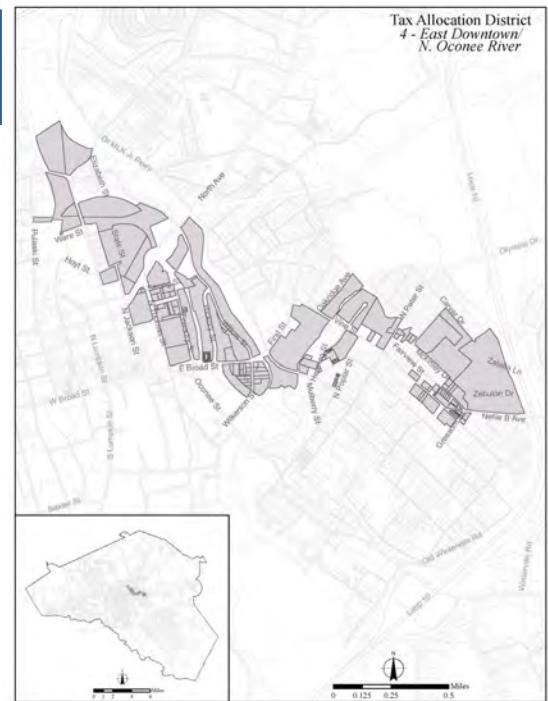
Pictured Above: Southern Mill layout from Southern Mill website



Pictured Above: General Time layout from website

## TAD #4: East Downtown / N. Oconee River

- Qualification criteria includes:
  - Inadequate pedestrian and bike infrastructure
  - Bus stop levels
  - Road conditions



## TAD #4: East Downtown

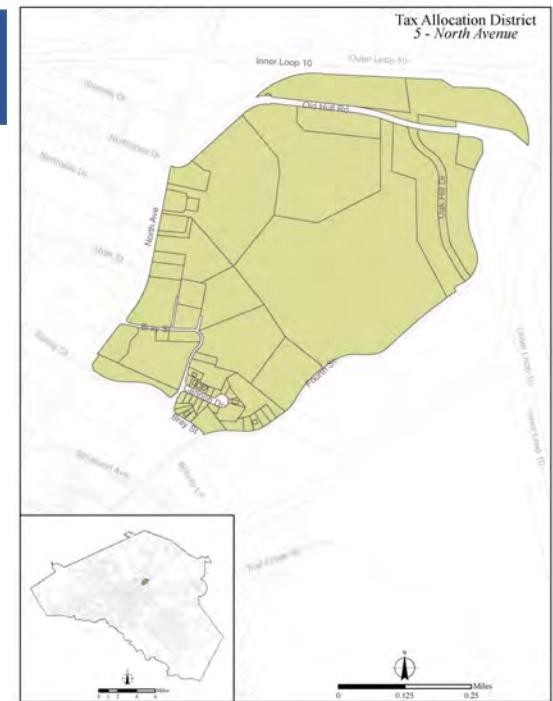
- Notable project included:
  - The Classic Center Arena



*Pictured Above: Rendering from Classic Center website*

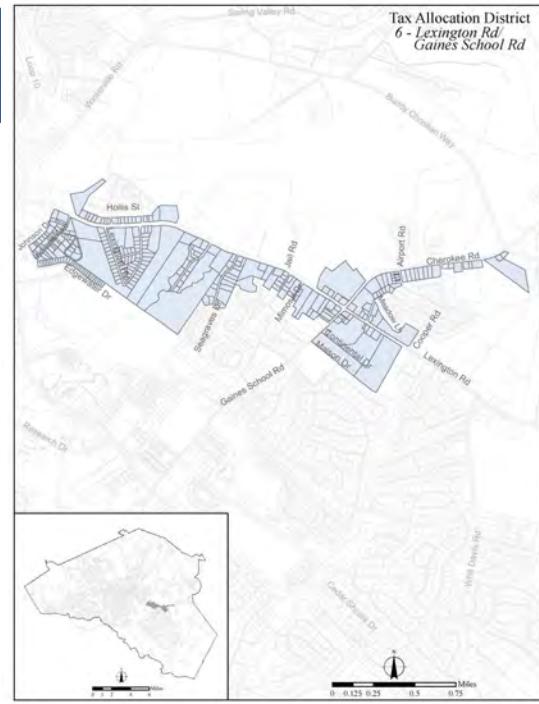
## TAD #5: North Avenue

- Qualification criteria includes:
  - Inadequate pedestrian and bike infrastructure
  - Bus stop levels
  - Road conditions
  - High commercial vacancies
  - Inadequate utility infrastructure
    - Cable & electric



## TAD #6: Lexington Rd / Gaines School Rd

- Qualification criteria includes:
  - Inadequate pedestrian and bike infrastructure
  - Bus stop levels
  - Road conditions



## SCHOOL SYSTEM ROLE WITH TAX ALLOCATION DISTRICTS

- The Clarke County School Board must consent to contribute their increment to the tax allocation district.
- A School System Impact Analysis has been conducted and included in each Redevelopment Plan, in accordance with Redevelopment Powers Law.



## SCHOOL SYSTEM IMPACT ANALYSIS

- Addresses the financial and operational impact on the school system
- Includes, but not limited to:
  - An estimate of the number of net new public school students that could be anticipated as redevelopment occurs;
  - The location of school facilities within the proposed redevelopment area;
  - An estimate of E-SPLOST projected to be generated by the proposed redevelopment, if any; and,
  - A projection of the average value of residential properties resulting from redevelopment compared to current property values in the redevelopment area



## OVERALL KEY DATES & NEXT STEPS

11/5/2020 @ 6:00 pm	Presentation of All Redevelopment Plans to the Board of Education for Consideration
11/9/20 @ 6:00 pm	Public Hearing Held at Special Called Mayor & Commission Meeting for Public Comment on Redevelopment Plans
11/10/20 @ 5:30 pm	Adoption of Redevelopment Plan at Mayor & Commission Special Called Session
11/12/20 @ 6:00 pm	Board of Education Vote on Participation in Each TAD
11/13/20-11/15/20	Redevelopment Plans Submitted to the Department of Revenue
12/31/20	If Approved, TADs Created



## QUESTIONS?

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