

Explanation of "Redevelopment Powers" Question

*Bartow County, Georgia
May 22, 2018 Special Election*

The election ballot contains the question "Shall the Act be approved which authorizes Bartow County, Georgia to exercise all redevelopment powers allowed under the 'Redevelopment Powers Law,' as it may be amended from time to time?" Bartow County has provided this explanation of what powers are being requested and how they are used.

Georgia's Redevelopment Powers Law was adopted by the General Assembly in 1985 and gives local governments (cities and counties) the authority to use the increased property tax revenue in specially defined areas to promote economic development. The specially defined area is called a "tax allocation district" or TAD. As public improvements and private investment take place in a TAD, the taxable value of the property in the district increases. Increased property values mean increased property tax revenues. The county collects those additional revenues, and uses those increased property tax collections to pay back the costs of the infrastructure or other redevelopment costs in the district. Those costs can be incurred either by the developer or by the local government and may be financed by bonds or loans or funded directly.

When a TAD is created, the State Department of Revenue sets the "base value" for the district. The base value is the assessed value before any redevelopment investment occurs. Any growth in the property tax revenues resulting from increases in property values above the base value is collected in a special fund and used for redevelopment costs in the TAD. Only property taxes generated by the incremental increase in the values of these properties are available for use by the TAD. Creation of a TAD does not reduce or redirect any property taxes currently being collected in the district. The purpose is to spur redevelopment activity and only use new tax revenues to pay for redevelopment costs.

Local jurisdictions do not forgo receiving increased property tax revenue, but rather choose to invest in their future tax revenues in new economic development. TADs are established in slow or no growth area where a disproportionately low amount of property tax revenues are generated. Typically, areas designated as TADs don't pay their fair share of property taxes, forcing higher-wealth areas to carry the cost of services to those areas. TADs are essential for catalyzing development that would otherwise not occur. TADs would be another tool in the economic development toolbox for Bartow County.

As of 2013 there were 63 TADs established across Georgia. Communities including Atlanta, Rome, Marietta, Woodstock, Dalton, Troup County, Fulton County, Gwinnett County, Augusta, Statesboro, Gainesville, Griffin and Brunswick have approved their use by approving the same ballot language. The largest and best known TAD is the Atlantic Station redevelopment of a former steel mill in Atlanta, where the investment of \$1.6 billion in private money created increased property tax revenue that funded \$200 million in public investment. Locally, Cartersville previously approved use of TADs in a prior election and a \$3 million TAD was used on Main Street for the redevelopment of a former landfill property into the Main Street Kroger Marketplace.