# COUNTY AGENDA REQUEST

| | | | |
|---|---|---|---|
| Department: | Main Street Fayetteville | Presenter(s): | Mayor Greg Clifton / Brian Wismer |
| Meeting Date: | Wednesday, October 3, 2012 | Type of Request: | New Business |

Wording for the Agenda:

Fayetteville Mayor Greg Clifton and Director of Community Development Brian Wismer will discuss both the City of Fayetteville's Redevelopment Powers Referendum that will be voted on during the November 6, 2012 General Election, and the city's request to allow the consumption of alcohol on the Historic County Courthouse's lawn when authorized for use by the city.

Background/History/Details:

There are two items to be discussed for this request.

The first discussion is to provide information about the City of Fayetteville's Redevelopment Powers Referendum, which, if approved by voters during the November 6, 2012 General Election, will give the city government authority under the "redevelopment powers law" to create development finance tools that can help revitalize older commercial areas. These development finance tools, referred to as TAD's (Tax Allocation Districts) are intended to finance a portion of the up-front costs to redevelop aging commercial centers, without creating a liability to the taxpayer. Financing offered within a TAD could supplement traditional financing to help push a redevelopment project forward.

The second discussion is to seek the Board's direction on allowing the City of Fayetteville, under certain conditions, to serve vinous or malt alcoholic beverages on the Historic County Courthouse's lawn when authorized for use by the City. This request is due, in part, to the upcoming "Chili Fest" which will occur on October 20, 2012, and the city would like the Board to consider revising its ordinance to accommodate the consumption of alcoholic beverages for this and similar events.

What action are you seeking from the Board of Commissioners?

No action is expected from this meeting. The discussion pertaining to the upcoming referendum is for informational purposes only. The discussion about revising the County's ordinance to allow for the consumption of alcohol at the Historic County Courthouse will require the Board's direction.

If this item requires funding, please describe:

Not applicable.

| | | | |
|---|---|---|---|
| Has this request been considered within the past two years? | No | If so, when? | |
| Is Audio-Visual Equipment Required for this Request?* | Yes | Backup Provided with Request? | Yes |

**** All audio-visual material must be submitted to the County Clerk's Office no later than 48 hours prior to the meeting. It is also your department's responsibility to ensure all third-party audio-visual material is submitted at least 48 hours in advance.***

| | | | |
|---|---|---|---|
| Approved by Finance | Not Applicable | Reviewed by Legal | |
| Approved by Purchasing | Not Applicable | County Clerk's Approval | Yes |
| Administrator's Approval | Yes | | |

Staff Notes:

# CITY OF FAYETTEVILLE
# REDEVELOPMENT POWERS REFERENDUM

| | |
|---|---|
| ( ) YES<br><br>( ) NO | **Shall the Act be approved which authorizes the City of Fayetteville to exercise redevelopment powers under the 'Redevelopment Powers Law,' as it may be amended from time to time, for the purpose of improving economic and social conditions in the depressed areas within the city?** |

## What is it??

On November 6, Fayetteville citizens can elect to give their City government the authority under the "redevelopment powers law" to create development finance tools that can help revitalize older commercial areas.

## Give me a real-world example of how it can be used in Fayetteville??

Fayetteville has a number of aging commercial centers (strip malls) that are in great need of redevelopment. The cost of redeveloping some of these sites makes it unlikely that anything will happen without any project incentives. Using TAD's is a way to finance a portion of the upfront costs of development without creating a liability to the taxpayer (you). The difference a TAD makes can be just enough to push a redevelopment project forward.

## How have other Cities used these powers??

Over 40 cities and counties in Georgia have used these powers to bring redevelopment projects to their communities. The most common use is the creation of a TAD (tax allocation district) around an older commercial center or area.

When a TAD is created, that area is placed under a property tax freeze with respect to taxes paid to the City, County, and school board. When the property is redeveloped, and the assessed property value rises, the additional taxes levied on *that* development will instead be used to pay for infrastructure and other development costs.

## Anything else??

- This does not create a new tax.
- This does not increase your property tax.
- This does not create new debt for the City's general fund.
- This does not create new condemnation powers.
- The property owner within a TAD must be a willing participant.
- This <u>does</u> create opportunities for redevelopment that would not happen without a TAD or similar financing tool.
- The Mayor and City Council fully support this referendum because of the potential benefits and outcomes for the City and its residents.

# Redevelopment Powers Referendum

November 6, 2012

# Background

- 1985, Georgia Assembly adopted GA Redevelopment Powers Law
- Purpose: to foster public/private partnerships at the local level by creating a financing tool that will spur economic growth in underutilized areas; specifically Tax Allocation Districts (TAD's)
- Local authority granted by public referendum majority vote

# Background

- First used in GA - 1992
- Most notable example – Atlantic Station
- Also used in Marietta, Smyrna, Macon, Savannah & others
- Commonly used throughout the U.S.
  - All 50 states have used in some form
  - TIF's (tax increment financing)

# Background

- Referendum in Fayetteville failed in 2010
  - Minimal voter education efforts
  - Ballot text does not describe in user-friendly manner
- Referendum placed on November 6, 2012 ballot
  - Increased effort from City staff to provide accurate information to voters
  - Endorsement is permitted for elected officials and private advocate groups

# Ballot

- The ballot in November will read as follows:

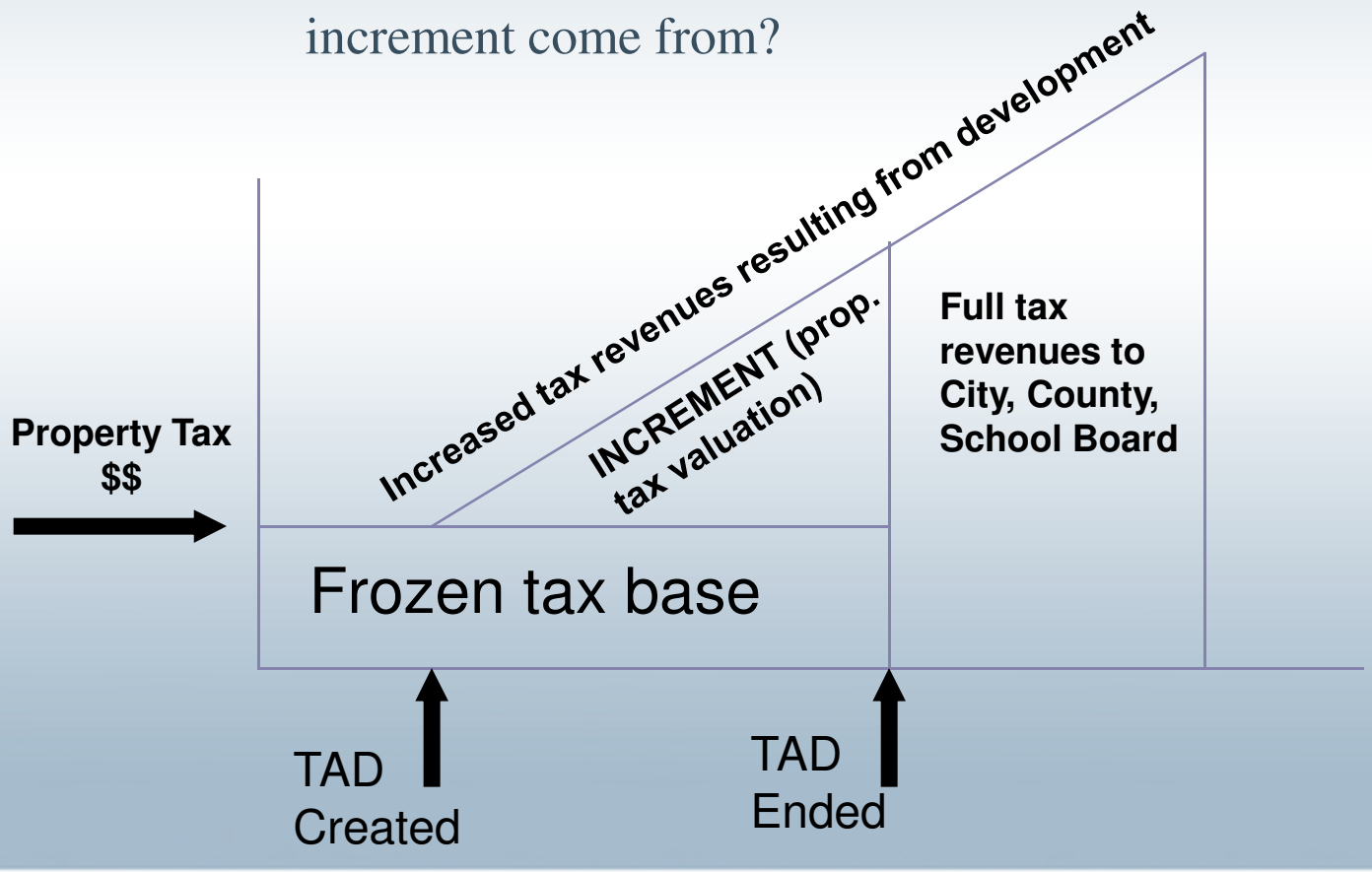
| | |
|---|---|
| **( ) YES**<br>**( ) NO** | **Shall the Act be approved which authorizes the City of Fayetteville to exercise redevelopment powers under the 'Redevelopment Powers Law,' as it may be amended from time to time, for the purpose of improving economic and social conditions in the depressed areas within the city?** |

# What is a TAD ?

- A Tax Allocation District (TAD) is a tool to create bond financing for infrastructure and other redevelopment costs in deteriorating or underutilized areas (primarily commercial)
- Property taxes received by local govt. entities from TAD site are frozen at current levels through the bond term
- Bonds are serviced from the increased property tax revenues that are created from the redevelopment project within the TAD.

# How do TAD's work ?

- Tax Increment Financing
  - Where does the increment come from?



# What Properties Are Eligible for a TAD ?

- Must currently be served by sewer in some capacity
- Deteriorating areas that have experienced physical or economic decline, or even stagnation
- Areas with inadequate infrastructure to accommodate redevelopment

# How do TAD's work ?

- City & willing property owners define the redevelopment area boundaries
- Redevelopment plan is adopted
  - Scope of work
  - Cost/benefit analysis
  - Revenue projections
  - Mutual consent from County and School Board
- Base tax digest for TAD area established
- Increased property values resulting from redevelopment (the increment) are taxed and placed in separate fund to service bonds
- City, County, School Board receive full property tax revenues once bonds are retired.

# Common Features of TAD's

- Nationally recognized as a conservative financing tool
- Typically used to finance 5% - 15% of project costs
- Value of all TAD's can not exceed 10% of the total Tax Digest
- Does not create a debt obligation to the City's general fund
- Does not decrease current tax revenues
- Does not increase property taxes on homeowners

# Common Features of TAD's

- Developer must complete the project to receive the benefits
- No defaults in GA for over 13 years; $450 Billion financed
- Many TAD bond funds have surpluses beyond debt service

# Potential TAD targets

- 690-692 North Glynn shopping center
- Old Wal-Mart shopping center
- Banks Station shopping center
- The Villages undeveloped commercial property

**Sec. 3-87. Drinking in public.**
It shall be unlawful for any person to consume any vinous liquors or alcoholic beverages in or upon any street, alley, sidewalk, park or other public way or public place within the county or within any public building thereon, except that the Fayette County Chamber of Commerce, the Fayette County Economic Development Authority, the City of Fayetteville, and Fayette Senior Services may serve vinous liquors or alcoholic beverages ~~within the buildings~~ on their respective property leased from, or authorized for use by, the County provided that:

1. the event, if catered, ~~is catered and the caterer is~~ uses a duly licensed caterer by the City of Fayetteville;
2. alcohol is not served at an event more than four (4) times during any calendar year;
3. the event is solely related to the operation, fund raising, or raising awareness of the programs and services offered by the respective organization;
4. the organization notifies the Fayette County Marshall no later than two (2) days prior to the event; and
5. ~~there are no direct sales of alcoholic beverages to the patrons of the event~~.

**Sec. 3-167. Drinking in public.**
It shall be unlawful for any person to consume any malt or alcoholic beverages in or upon any street, alley, sidewalk, park or other public way or public place within the county or within any public building thereon, except that the Fayette County Chamber of Commerce, the Fayette County Economic Development Authority, the City of Fayetteville, and Fayette Senior Services may serve malt or alcoholic beverages ~~within the buildings~~ on their respective property leased from, or authorized for use by, the County provided that:

1. the event, if catered, ~~is catered and the caterer is~~ uses a duly licensed caterer by the City of Fayetteville;
6. alcohol is not served at an event more than four (4) times during any calendar year;
7. the event is solely related to the operation, fund raising, or raising awareness of the programs and services offered by the respective organization;
8. the organization notifies the Fayette County Marshall no later than two (2) days prior to the event; and
9. ~~there are no direct sales of alcoholic beverages to the patrons of the event~~.