

**THE UNIFIED GOVERNMENT OF ATHENS-CLARKE COUNTY  
COMMISSION AGENDA ITEM**

**SUBJECT:** Resolution to Amend East Downtown Tax Allocation District (TAD)  
Redevelopment Plan to Include Mandatory Distribution of Tax Increment to East  
Athens Neighborhood

**DATE:** January 3, 2024

**BUDGET INFORMATION:**

REVENUES:

EXPENSES:

ANNUAL:

CAPITAL:

OTHER:

FUNDING SOURCE:

**COMMISSION ACTION REQUESTED ON:** February 6, 2024

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**PURPOSE:**

To request the Mayor and Commission adopt a resolution to amend the East Downtown tax allocation district (TAD) to include a 30% mandatory distribution of yearly tax increment to the East Athens neighborhood (**Attachment #1**).

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**HISTORY:**

1. In 1985, the State of Georgia General Assembly adopted the Redevelopment Powers Law, authorizing local governments to exercise redevelopment powers.
2. In 2006, the voters of Athens-Clarke County approved a referendum to allow the county the right to exercise redevelopment powers under the "Redevelopment Powers Law" (O.C.G.A. 36-44). These redevelopment powers allow the creation of Tax Allocation Districts (TADs) within Athens-Clarke County.
3. In July 2013, the Downtown Athens Master Plan was developed as a comprehensive development plan for downtown Athens for the next 18 to 20 years. The plan strongly recommended the establishment of a Tax Allocation District in the east end of Downtown where there is a potential for considerable infill that will accomplish the goal of connecting the downtown core to the connecting river. It also stated that a TAD is needed both to encourage the appropriate urban density and to build the added infrastructure required to support it.

4. On June 5, 2018, the Mayor and Commission (M&C) approved the 2018 Comprehensive Plan during regular session. This plan included a land use goal to develop incentives to reuse existing development before new development in greenfields, including TAD's.
5. On March 20, 2019, Attorney Dan McRae discussed tax allocation districts at the Mayor & Commission work session.
6. On May 7, 2019, during the M&C regular voting session, Mayor Girtz requested the Planning Commission develop policies and practices that will encourage mixed-income development across zones allowing for single family and multi-family residential units, including public infrastructure cost participation with inclusion of affordable units, along with identified sources of funding, such as Tax Allocation Districts, and other funds.
7. On October 3, 2019, Attorney Dan McRae and ACCGov Manager Williams discussed the proposed tax allocation districts at the Clarke County Board of Education meeting, seeking their support and participation.
8. On October 8, 2019, at their regularly scheduled work session, the M&C reviewed the proposed tax allocation district boundaries. Two proposed tax allocation districts were presented: Newton Bridge and the Downtown River District. The proposed Newton Bridge Tax Allocation District extended along Newton Bridge Road from the North Oconee River near Holland Youth Sports Complex and encompassed areas along Chase Street and Barber Street near Tracy Street. The proposed Downtown River District Tax Allocation District included parcels on Danielsville Road near Nowhere Road, the east section of the downtown core, and extended to parcels on Oconee Street and Wilkerson Street. The M&C directed that the boundaries of the Downtown River District be expanded to include river access and extend closer to the bypass, as well as include Bethel Homes and areas along North Avenue.
9. On October 22, 2019, the M&C received redevelopment plans for the Newton Bridge and Downtown River District Tax Allocation Districts at a special called session.
10. On October 29, 2019, a public hearing was held pursuant to O.C.G.A. Section 36-44-7(b) to obtain citizen input and comments regarding the formulation and adoption of redevelopment plans for the Newton Bridge and Downtown River District Tax Allocation Districts. Mayor Girtz explained his decision to remove consideration of a resolution to adopt the two redevelopment plans off the November 5, 2019 agenda in favor of revisiting the process in 2020 to allow more time for public input and Commissioner consideration.
11. On May 26, 2020, at a special called work session, tax allocations were discussed and six prospective redevelopment areas were presented to Mayor & Commission for initial consideration and further discussion.

12. On June 26, 2020, public input began on the proposed redevelopment areas. Residents were asked to identify projects they would like to see funded through TAD funds in and around the proposed areas.
13. On July 9, 2020, at the regularly scheduled work session, staff presented M&C with data for each redevelopment area based on evaluation criteria. Staff took descriptions provided for each prospective redevelopment area and created polygons to provide a basis for initial analysis. Most residential zoned properties were excluded from the polygons, where possible and based on M&C feedback. Redevelopment areas were evaluated based on the following categories:
  - Underdeveloped parcels;
  - Mixed-use development activity;
  - Recent development activity;
  - CCSD-owned property locations;
  - Proximity to Opportunity Zones;
  - Percentage of the tax digest; and
  - Nuisance property cases.
14. M&C further requested the public input period be extended through July 31, 2020.
15. On July 31, 2020, the public input period closed. A total of 101 responses were received; 88 responses from the original public input tool and 13 from the simplified survey.
16. On August 18, 2020, staff shared public input results with the M&C at the regularly scheduled agenda setting session. M&C expressed an interest in pursuing all six redevelopment areas as tax allocation districts this year.
17. On August 24, 2020, Manager Williams presented an overview of TADs and the six proposed redevelopment areas at the joint meeting of the Mayor & Commission and the Clarke County Board of Education.
18. On September 1, 2020, Mayor & Commission voted to approve six redevelopment areas and associated tax allocation district boundaries and goals. Those goals included:
  - a. Public Infrastructure Needs;
  - b. Housing Opportunities;
  - c. Economic Development Partnership Opportunities; and
  - d. CCSD and Youth Development
19. On September 2, 2020, Commissioner Thornton requested a potential redevelopment area in the vicinity of Nellie B. Avenue.

20. On September 16, 2020, Mayor Girtz directed a special called meeting to be scheduled for September 17, 2020 to consider an amendment to the East Downtown redevelopment area and tax allocation district boundaries.
21. On September 17, 2020, the M&C approved an amendment to the redevelopment area and associated boundaries for the East Downtown proposed tax allocation district.
22. On November 4, 2020, Manager Williams and Attorney Dan McCrae presented the draft redevelopment plans to the Mayor and Commission at a special called meeting.
23. On November 5, 2020, Manager Williams and Attorney Dan McCrae presented the draft redevelopment plans and associated draft school impact analyses to the Clarke County School District Board at their regularly scheduled work session.
24. On November 9, 2020, a public hearing was held pursuant to O.C.G.A. Section 36-44-7(b) to obtain citizen input and comments regarding the formulation and adoption of the six redevelopment plans.
  - a. No public input was given for TAD #1.
  - b. No public input was given for TAD #2.
  - c. No public input was given for TAD #3.
  - d. 7 residents spoke in support of TAD #4.
  - e. 2 residents spoke in support of TAD #5.
  - f. 1 resident spoke in support of TAD #6.
25. On November 10, 2020, the Mayor & Commission adopted the redevelopment plans during a special-called session.
26. On December 10, the Clarke County Board of Education voted to approve participation in the Mall TAD only.
27. On December 31, 2020, the six TADs were created.
28. In February 2021, the Georgia Department of Revenue certified the tax allocation increment base for each of the six TADs.
29. On May 11, 2023 and May 17, 2023, staff and the East Downtown TAD Advisory Committee held an open house session at Heard Park to collect input from the residents and business owners of the East Downtown TAD about what they would like to see TAD funds used for within the four goals set by the Mayor and Commission in the district.

30. On October 21, 2023, staff attended a meeting hosted by the Inner East Athens Neighborhood Association to collect input about what they would like to see TAD funds used for within the four goals set by the Mayor and Commission in the district.
31. On September 4, 2023, District 9 Commissioner Ovita Thornton inquired to ACCGov Attorney Judd Drake if it was possible to reserve a percentage of tax increment from the East Downtown TAD for the East Athens Neighborhood.
32. On September 5, 2023, Attorney Drake replied to Commissioner Thornton that he spoke with Dan McRae, ACCGov's TAD Attorney, and confirmed that it is possible for the Mayor and Commission to amend the Redevelopment Plan for the East Downtown Tax Allocation District (TAD District Number 4) by Resolution to incorporate a mandatory distribution level.
33. At the Mayor's request, Manager Blaine Williams has directed staff to initiate an agenda item report about the amendment to the Redevelopment Plan for the East Downtown TAD to incorporate a mandatory distribution level.

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**FACTS & ISSUES:**

1. A Tax Allocation District (TAD) is an area where redevelopment costs are financed by using the positive incremental increases in property taxes generated by resulting new development in the area. When a TAD is created, the Georgia Department of Revenue sets the base value for the district. Any growth in the property tax revenues resulting from increases in property values above the base values are collected in a special fund and used for eligible redevelopment costs in the TAD.
2. The Redevelopment Powers Law provides that the tax increment generated from increases in property taxes must be spent within the district. The school district must consent to commit their portion of the future property tax increments to the TAD by formal approval of the redevelopment plan, in order to use their increment for the intended purposes.
3. The redevelopment plan also required the submittal of a school system impact analysis to the Clarke County Board of Education to advise the school district on any impact the TAD may have on their enrollment.
4. As defined in the Georgia Redevelopment Powers Law (O.C.G.A 36-44), TAD funds can only be spent within the district boundaries that the increment was accrued in and can only be spent on the items listed below:
  1. Public works and facilities;
  2. Telecommunications infrastructure;
  3. Street/streetscape improvements;
  4. Parks and open space amenities;
  5. Transit facilities and public parking structures;
  6. Pedestrian access and safety improvements;

7. Site preparation; and
  8. Capital costs of any business, commercial or industrial building, or facility.
5. Once the resolution is adopted, no further action steps are needed to finalize the distribution policy.
  6. The East Athens Neighborhood is defined as the parcels located within the TAD that are north of the river, **Attachment #2**.
  7. This recommendation is consistent with the following Mayor and Commission Strategic Commitment:
    - Good Neighbors
    - Identify and Close Gaps in Partnership with the Community
    - Quality, Stable, Affordable Housing for All
    - Safely Move Around Athens
    - Built and Natural Infrastructure

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**OPTIONS:**

1. Mayor & Commission adopt a resolution to amend the East Downtown tax allocation district (TAD) to include a 30% mandatory distribution of yearly tax increment to the East Athens neighborhood.
2. Mayor & Commission deny the resolution to amend the East Downtown tax allocation district (TAD) to include a 30% mandatory distribution of yearly tax increment to the East Athens neighborhood.
3. Mayor and Commission defined option.

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**DEPARTMENT RECOMMENDED ACTION:** Option #1

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**DEPARTMENT:** Economic Development

Prepared by: Caitlin Dye

  
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Ilka McConnell

1/12/24

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Date:

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**ADMINISTRATIVE COMMENTS:**

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**ADMINISTRATIVE RECOMMENDATION:** Option #1



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Manager

January 11, 2024



Date:

**ATTACHMENTS:**

Attachment #1: Resolution

Attachment #2: East Athens Neighborhood Map

# East Athens Neighborhood

-  TAD Parcels Downtown Side of the River
-  TAD Parcels North of the River

