

Economic Development Using Authorities & Other Special Tools



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Billy Peppers, DCA

Community Involved Economic Development



- ❑ Some things don't make business sense
- ❑ Some things are just too complicated
- ❑ Some things require mechanisms to bridge gaps
- ❑ How do you factor community into a deal?

What we know about Economic Development ...

- ❑ Banks want to be paid back
- ❑ Developers want return on investment
- ❑ What makes sense on paper doesn't always look good when complete
- ❑ The Private-Sector is Usually Smarter about Development



What We Also Know ...



- New is Easier
- Rehabilitation & Preservation is more expensive in many cases
- Downtown is a hard place to redevelop
- Certain aspects of communities don't make business sense, but are very valuable

Case In Point ... The Baldwin



The Baldwin, Milledgeville



The Financial Plan for The Baldwin

<u>Source</u>	<u>Amount</u>	<u>Use</u>	<u>Amount</u>
DD RLF	\$ 250,000	Construction/rehab	\$ 250,000
Georgia Cities	\$ 250,000	Construction/rehab	\$ 250,000
GCF Green Fund	\$ 150,000	Construction/rehab	\$ 150,000
CDBG Redevelopment Loan	\$ 500,000	Construction/rehab	\$ 500,000
Century B & T	\$1,277,500	Construction/soft costs	\$1,277,500
Owner Equity	\$ 369,046	Acquisition	\$ 185,000
		Development/soft costs	\$ 184,046
<u>Historic tax credits</u>	<u>\$ 759,448</u>	<u>Construction/rehab</u>	<u>\$ 759,448</u>
Total Project Cost:	\$3,545,953		\$3,545,953

A Second Case Study ... Nashville, GA



Creativity in Legal Authority



Funding Mechanisms for Development

- Special Tax Districts
- Business Improvement Districts
- Community Improvement Districts
- Tax Allocation Districts
- Intergovernmental Agreements

Special Tax Districts ...

- ❑ Should provide a supplemental service
- ❑ Created by local government
- ❑ Easiest to create, can be politically difficult



Business Improvement Districts

- ❑ Assessment approved by majority of local property owners in a district
- ❑ Can be used on private projects
- ❑ Effective Program for Downtown Development
- ❑ Funds can be allocated to the public sector



Community Improvement Districts

- Assessment approved by local property owners in a district
 - Majority + Property Value
- For public projects
- Requires Legislative Approval of the tool
- Most effective in long-term projects & enhancements



Tax Allocation Districts

- ❑ Most Lucrative Special Tax District by value
- ❑ Hardest to implement
- ❑ Most political
- ❑ Longest-term financing
- ❑ Requires the most up-front planning
- ❑ Requires voter approval of the use of the tool



Questions to Ask ...

- What is the Plan?
 - Master Planning
 - Community Visioning
- What Public Role is Needed?
 - Lead Development
 - Assist Development
 - Get out of the Way of Development
- How Many Layers are Needed?



The Woodstock Case Study ...



Billy Peppers, EDFP

Director, Office of Downtown Development

60 Executive Park South, NE

Atlanta, GA 30329

404-679-3101

billy.peppers@dca.ga.gov



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