



A Study of Fiscal Feasibility for a Proposed City of Stonecrest

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Foreword

Over the last several years, the Carl Vinson Institute of Government (CVIOG) has conducted a number of feasibility studies for proposed incorporations. Those studies, like this one, have been designed to provide the groups and legislators that have commissioned them an opportunity to investigate the potential fiscal feasibility of an area being considered for municipal incorporation. Essentially what the study seeks to determine is whether the services sought to be provided by a hypothetical city along with the necessary administrative apparatus can be adequately funded by the revenues that would be available. The House of Representatives Governmental Affairs Committee of the Georgia General Assembly has required by committee rule that bills proposing incorporation be introduced in the first year of a biennial session, and that a feasibility study be conducted before they can be considered in the second year and has named the Institute of Government as one of the two university institutions qualified to conduct the study.

It is important to note the limitations of these types of studies. They cannot predict every possible variable that may occur in the future with a potential impact on the costs of government. Additionally, the study is not intended to be a model budget for a new city. A newly elected city council will endeavor to represent their constituencies and will have a set of priorities that may impact both taxing and spending patterns.

Estimates given in this report are based on tax levies and service levels for a city not yet created; and, thus, they should not be viewed as certainties. While it is our hope that this report assists with the public consideration of a potential municipal incorporation, it should not be construed to constitute a position either for or against the establishment of a City of Stonecrest by the Carl Vinson Institute of Government.

Executive Summary

We are confident that looking at currently available revenues and analyzing comparable municipal government spending that our study reflects a realistic assessment of likely fiscal feasibility. Based on our analysis, we find that likely currently available revenues exceed likely expenditures for the services identified to be provided, and therefore have concluded that a city comprised of the Stonecrest study area desiring to provide planning and zoning, code enforcement, and parks facilities is fiscally feasible.

Table 1: Summary of Estimated Revenues and Estimated Expenditures		
	Study Area	Per Capita
Annual Operating Expenses	\$7,535,765.21	\$150.01
Annual Capital Expenses	\$374,453.43	\$7.45
Total Annual Expenses	\$7,910,218.64	\$157.46
Total Annual Revenues	\$9,848,152.00	\$196.05
Amount of Revenue exceeding Expenses	\$1,937,933.36	\$38.59

Introduction

Subsequent to the completion of an incorporation study for a significantly different proposed municipality contemplating provision of a wider array of services comprised of some of the same territory in the same general area, the Stonecrest City Alliance (hereinafter “SCA”) and State Senator Ronald Ramsey, Sr. engaged the Carl Vinson Institute of Government to study a different, smaller boundary area with a smaller population within unincorporated DeKalb County. This study is intended to aid their consideration of the fiscal feasibility of the area’s possible incorporation into a city aimed at providing only three primary municipal services: planning and zoning, code enforcement, and maintenance and operation of parks facilities. Stonecrest, or the “study area,” as it is referred to in this report, is situated in southeast DeKalb County. The study area’s southern boundary starts on the eastern side of Snapfinger Road where it meets the intersection of the boundaries of DeKalb, Rockdale, and Henry Counties. The southern boundary continues east, tracking the Rockdale County border and stops at Interstate I-20. The area includes territory between I-20 and Covington Highway to the west of the City of Lithonia as well as other areas directly north of the City of Lithonia. *See Appendix A for a map of the study area.*

As mentioned above, this study examines the fiscal feasibility of a city providing only three primary services. Cities and counties in Georgia are authorized to provide a variety of municipal services within their jurisdictions. The State Constitution provides that counties may not provide services within the boundaries of a city and that a city may not provide services in the unincorporated area of a county without a contract with the respective local government or unless otherwise provided by law.¹ It is commonplace for counties to provide services to city residents and for cities to provide service outside their boundaries through a variety of intergovernmental arrangements. State law also provides that municipalities, in addition to holding regular public meetings and holding municipal elections, must provide either directly or by contract a minimum of three services from a list of eleven statutorily specified services.² Thus, it has been implicitly assumed for purposes of this study that

¹ See Constitution of Georgia, 1983, Art. IX, Sec. II, Para. III.

² See O.C.G.A. § 36-30-7.1; the list of services includes law enforcement, fire protection, road and street construction and maintenance, solid waste management, water supply or distribution or both, waste-water treatment, storm-water collection and disposal, electric or gas utility systems, enforcement of building,

DeKalb County will continue to provide some of the municipal services it currently provides to the area and that a new city would replace the county's service provision for the three services examined. The precedent for this type of incorporation is Peachtree Corners, located in Gwinnett County. Peachtree Corners, incorporated in 2012, offers a limited range of municipal services, namely planning and zoning, code enforcement, and road maintenance and construction.

This report provides estimates of revenues and expenditures a potential City of Stonecrest, if incorporated, could anticipate in providing certain municipal services for a single fiscal year. The revenue estimates are primarily based upon actual revenues collected for the unincorporated area by DeKalb County in calendar year 2013 as well as projections for franchise fees, the Homestead Option Sales Tax, and the Community Development Block Grant.

To determine the likely operational expenses associated with providing parks, planning and zoning, code enforcement, basic administrative costs, as well as capital costs associated with those services and administration, we primarily looked at two comparison governments in the metropolitan Atlanta area, Peachtree Corners and Smyrna, but also utilized data from other metro Atlanta area cities. Peachtree Corners and Smyrna were selected at the outset of the study because they are similar in size to the study area and are located in metropolitan Atlanta. Peachtree Corners provides a limited range of municipal services, namely planning and zoning, code enforcement, and road construction and maintenance, thus making it a logical choice for comparison. The fiscal years of 2012 and 2013 were used from Smyrna to estimate costs while fiscal year 2014 was used from Peachtree Corners because they constituted the best available data during the time the study was conducted. Peachtree Corners contracts out much of its services while Smyrna provides municipal services through its own directly employed city staff. For each city that was used to establish cost estimates, CVIOG faculty examined its financial documents and conducted interviews with city staff to inquire as to the proper allocation of certain costs and to clarify figures and line items reported in their financial documents.

housing, plumbing, and electrical codes and other similar codes, planning and zoning, and recreational facilities.

I. Revenues

The revenue estimates outlined below include all major revenue sources a city representing the study area would have collected had it existed in 2013 and assessed taxes and fees at rates similar to DeKalb County in that same year. In calculating these estimates, we applied metrics used in prior research that were accepted by stakeholders in some of the most recent incorporation studies. Thus, this report uses similar revenue estimation methodologies as those provided in both Georgia State University’s 2007 report, *“The Fiscal Impact on DeKalb County with Possible Incorporation of Dunwoody, Georgia,”* and the Carl Vinson Institute’s 2008 report, *“Revenue and Expenditure Analysis of a Proposed City of Dunwoody,”* to the extent possible. The method for determining how much revenue was assigned as coming from the study area is described in Table 2.

Table 2: Study Area Revenue Estimates		
Revenue Source	Data Source	Amount
Occupation Taxes	Ratio of assessed value of commercial property in study area to DeKalb unincorporated area	\$1,319,493
Alcoholic Beverage Excise Taxes	Ratio of assessed value of commercial property in study area to DeKalb unincorporated area	\$409,295
Personal Property Taxes	Allocated on proportion of city millage to total millage rate	\$23,464
Hotel/Motel Taxes	Ratio of assessed value of commercial property in study area to DeKalb unincorporated area	\$93,541
Hotel/Motel Taxes (restricted to tourism)	Ratio of assessed value of commercial property in study area to DeKalb unincorporated area	\$155,902
Business License – Alcoholic Beverages	Ratio of assessed value of commercial property in study area to DeKalb unincorporated area	\$131,472

Table 2: Study Area Revenue Estimates (continued)		
Revenue Source	Data Source	Amount
Bank Shares Taxes	Ratio of assessed value of commercial property in study area to DeKalb unincorporated area	\$72,104
Intangible	Allocated on proportion of city millage to total millage rate	\$5,355
Development Fund	Ratio of assessed value of residential & commercial property in study area to unincorporated area	\$406,813
Zoning and Variance Fees and Permits	Ratio of assessed value of residential & commercial property in study area to unincorporated area	\$7,150
Insurance Premiums	Ratio of population in study area to DeKalb unincorporated area	\$2,557,363
Homestead Option Sales Taxes (restricted to capital)	Calculation pursuant to O.C.G.A. § 48-8-104	\$188,873
State Grant-Community Development Block Grant	Average amount awarded to cities in 2014. <i>See Appendix G.</i>	\$482,652
Miscellaneous	This represents a number of small revenue sources. <i>See Appendix B.</i>	\$3,177
Franchise Fees	Regression with data set of 32 cities. <i>See Appendix H.</i>	\$3,842,567
Real Property Taxes	2013 Actuals from Tax Commissioner for portion of millage in Unincorporated DeKalb Special Tax District for Parks Services	\$146,590
Real Property Taxes - Penalties	Ratio of Penalties to Property Taxes in Unincorporated DeKalb	\$2,340
Total Revenue Estimate		\$9,848,152

Relies on FY 2013 data unless otherwise indicated. *See Appendix C for county revenue data detail.*

A. Methodologies Utilizing Ratios of Assessed Real Property Value

A number of taxes currently collected in the unincorporated area of DeKalb County are generated solely by commercial activity. In order to obtain estimates of how much revenue would be generated by these taxes, a comparison was made between the assessed value of commercial property in the study area and the unincorporated area of the county. Assuming that the ratio of commercial real property value is a proxy for commercial activity, this ratio was applied against actual 2013 collections for several revenue sources which are described below. Actual county revenues used to tabulate the different revenue estimations were provided by DeKalb County. Appraised values for the real property in the study area were provided by the DeKalb Tax Commissioner, as were the tax digest values for the county’s unincorporated area. To determine revenue from heavy equipment taxes, the same approach was taken utilizing the ratio for industrial property. *See Appendix B.* Table 3 illustrates the ratios of residential, commercial, industrial, utility and total assessed property value of the study area to the unincorporated area in DeKalb County.

Table 3: 2013 Property Values in Study Area and Unincorporated DeKalb			
	Study Area	Unincorporated DeKalb County	Percent Study Area to Unincorporated
AV Residential Prop	\$452,605,501	\$6,331,511,671	7.15%
AV Commercial Prop	\$382,058,780	\$3,745,344,698	10.20%
AV Com & Res	\$834,664,281	\$10,0706,856,369	8.28%
AV Industrial Prop	\$105,597,342	\$829,292,441	12.73%
AV Utility Prop	\$0	\$286,113,789	0.00%
Total Assessed Value	\$940,261,623	\$11,192,262,599	8.40%

Occupation Taxes

Occupation taxes are levied on persons and entities engaged in occupations or trades for profit-making purposes. DeKalb County levies an occupation tax in the unincorporated area.

Alcoholic Beverage Excise Taxes

Alcoholic beverage excise taxes are collected on individual retail sales of alcoholic beverages.

Personal Property Taxes

Personal property taxes are levied on personal property owned by commercial businesses.

Hotel/Motel Taxes

Hotel/motel taxes are collected based on a percentage of the nightly room rate charged by hotels within the jurisdiction of a city or county that levies the tax. DeKalb County levies a tax of 8% of the nightly room rate. Pursuant to state law, however, only the revenue generated by a 3% tax may be spent for general fund purposes; the remaining revenue must be spent on activities promoting tourism, generally by contract with a non-profit. Thus, some of the funds identified in the table are restricted to this purpose. The presence of at least 9 hotels in the study area was verified. *These are listed in Appendix D.*

Alcoholic Beverage Licenses

In order to sell alcoholic beverages in Georgia, a proprietor must have both a local and state license to sell either in packages or by the drink. Local licenses are renewed annually and each year's renewal is accompanied by payment of a fee.

Bank Shares Taxes

Cities and counties are permitted to levy a tax on depository financial institutions having offices located in their respective jurisdictions.

Intangible Taxes

Intangible taxes (recording taxes) are collected on property that is sold at the time its deed is recorded. This number was obtained by applying the relative millage rate the study area would collect for property taxes to the total millage rate levied for all purposes applicable to real and tangible personal property having the same taxable situs as the subject of the intangible tax.

Development Fund

This amount represents fees charged for permits related to development (e.g., plumbing, electrical, HVAC, and building inspections).

Zoning and Variance Fees and Permits

This figure represents fees charged of applicants for zoning changes and variances. This figure was obtained by applying the ratio of assessed value of commercial and residential property in the study area to the unincorporated area against the revenue generated by these activities in the unincorporated area.

B. Methodologies Utilizing Ratios of Population of the Study Area to the Unincorporated Area

Estimating revenue from insurance premium taxes depends directly upon the number of individuals purchasing insurance. For this revenue source, an assumption was made that this behavior is fairly constant across the unincorporated population of DeKalb County, and thus the ratio of the population of the study area to the entire unincorporated area was applied to the actual revenues. Table 4 gives the population figures for the study area and unincorporated DeKalb County.

Table 4: 2010 Population figures for Study Area and Unincorporated DeKalb			
	Study Area	Unincorporated DeKalb County	Percent Study Area to Unincorporated
Population	50,234	511,619	9.82%
Median Household Income	\$38,892	\$36,000	
Poverty Rate	18.3%	17.59%	

Population figures for the study area were supplied by the Georgia General Assembly Office of Congressional and Legislative Reapportionment; other figures for populations, median household income, and poverty rate came from the 2010 Census and the American Community Survey, 2007-2011 estimates utilizing 2010 Blocks and Block groups that approximated the study area.

Insurance Premiums Tax

Insurance premiums taxes are collected on policies written for both property and casualty and life insurance policies purchased by those insured within the jurisdiction of a city or unincorporated areas of a county. The figure given above is based on the ratio of the population of the study area to the population of the unincorporated area.

C. Homestead Option Sales Tax (restricted to capital)

The Homestead Option Sales tax is a one cent countywide sales tax originally enacted to provide for county property tax rollback that is levied on the sales of most goods. The HOST tax has been amended over time to allow up to twenty percent of its proceeds to be spent on capital needs and to provide that newly incorporated cities receive a portion of the proceeds from the countywide levy to use for their capital needs. A very specific formula found in O.C.G.A. § 48-8-104 provides for the calculation of the amount to be distributed to a new municipality based on both the level of funds to be spent in a given year on capital as determined by the county and the relative size of the residential homestead real property tax digests of the applicable local governments. The intent behind the statutory changes that allow cities in DeKalb County to receive distributions seems to reflect a desire to equalize the benefit of the tax rollback to municipal taxpayers that pay property taxes to cities instead of the county for certain services but do not receive HOST rollbacks on the amount of property taxes they pay to the city. Thus, the “equalization payments” made to cities under the statute are proportional to the size of the city’s residential homestead digest.

Another variant in the HOST proceeds calculation is the capital factor set by the county, which determines the amount of the overall proceeds that can be spent by the county on capital needs. Using the most recent HOST certification from the DeKalb Tax Commissioner to establish the total homestead digest for the county and each qualified municipality, a calculation of the 2014 HOST proceeds amount was applied against a capital factor of 20%. The homestead tax digest for the study area was calculated based on tax information provided by the DeKalb Tax Commissioner’s Office. CVIOG calculated the total amount of distributions likely due to all qualified municipalities to determine the total

amount of equalization payments. *Appendix F contains these calculations using the spreadsheet utilized by the Georgia Department of Revenue as well as the most recent county certification letter.*

It should be noted that the incorporation of any other cities in DeKalb County will decrease the amount of HOST proceeds received by the study area city as well as other existing DeKalb cities by virtue of the operation of the statutory HOST formula. As noted above, the HOST formula distributes the capital outlay proceeds based on the equalization calculations. Additionally, in the event the amount of the capital outlay proceeds exceeds the equalization payments due to each qualified municipality, the difference between the equalization payment and the capital outlay proceeds is divided up among all the qualified municipalities based on their share of the homestead digest to the total digest. Thus, new cities place a greater demand on a finite amount of sales tax revenue to be divided up among multiple cities.³

D. Community Development Block Grant

Community Development Block Grants (CDBG) are awarded by the federal and state governments to local governments meeting certain criteria. To obtain an estimate for what a city comprised of the study area might expect to receive from such grants, data from all the awards granted to cities in 2014 were averaged. *The data used for these calculations is shown in Appendix G.*

E. Franchise Fees

Some revenue sources are unique to municipal corporations in Georgia. Franchise fees are essentially rental compensation by a private utility company for use of a city's public rights-of-way. For estimating the electric, natural gas, cable and telephone franchise fees, the authors utilized a regression model with franchise fees paid to 30 cities in Georgia in 2013, which was the latest data available. The data was only available as a total number for

³ It also should be noted that distributions are made from the previous year's tax collections, so a new city would have to wait to begin collecting this distribution.

franchise fees, and not broken down by type. *The regression output is shown in Appendix H.*

Franchise Fees - Cable

Federal and state law allows cities and counties to enter into franchise agreements with cable companies to compensate the local government for their use of the public rights-of-way. These fees are usually 5% of the revenue derived from cable television services.

Franchise Fees - Electric

Franchise fees for electric utilities are the result of contracts between municipal corporations and electric utility providers that occupy a city's right-of-way. These agreements typically provide that 4% of the gross sales of electric power within a city's limits less sales taxes and fuel costs be paid annually to the city to compensate the city for use and occupancy of public property. The sole electric utility provider in the study area is Georgia Power. Pursuant to recent rulings by the Georgia Public Service Commission, half of the annual franchise fee paid by Georgia Power to municipal corporations is collected from the rate base of all Georgia Power customers statewide (as a cost of doing business) and the other half is collected as a fee solely on the electric bills of customers within the municipality collecting the fee. Thus, collection of the electric franchise fee would result in an increase of less than 2% in the electric bills of city customers.

Franchise Fee - Natural Gas

Atlanta Gas Light is the only natural gas distribution utility occupying public rights-of-way in the study area. Franchise fees paid to municipal corporations are paid out of the rate base of all AGL customers as a cost of doing business.

Franchise Fees - Phone

Since only landline telephone service requires occupancy of the municipal right-of-way, movement away from landline service to internet-based and cell telephony services is making this a diminishing revenue source for municipal corporations.

F. Real Property Taxes

The figures given here represent the amount of real property taxes that would be paid by study area residents to the county for parks. This is currently being provided through the

county special service tax district. It should be noted that because statutory county homestead exemptions and the Homestead Option Sales Tax credit must be applied to the taxable value of residential homestead property to determine the amount of revenue generated by application of a particular millage rate in county special districts, this specific millage rate does not directly equate to a municipal millage rate. In other words, the method utilized here demonstrates the amount of property tax revenue being generated in the study area for the county that would become available to a municipality that took over the provision of those municipal services currently being provided by the county if the amount of property tax collections remained constant but was instead collected by a city.

Penalties

The ratio of penalties to real property taxes in the unincorporated area for calendar year 2013 was applied to the study area property taxes.

Motor Vehicle Taxes

Revenues from Motor Vehicle taxes were not included given that recent changes in State law make it unlikely that new cities will receive TAVT revenue. *See Appendix E.*

II. Expenditures

The expenditure estimates below are based primarily on expenditures incurred by comparable governments that provide services similar to those contemplated to be provided by a city comprised of the study area. In calculating these estimates, CVIOG first established two primary comparable governments, the cities of Peachtree Corners and Smyrna. These cities were selected based on several factors. Although there are demographic differences between the study area and the comparable governments, both cities are located in the metro Atlanta area and are close in population to the study area. Peachtree Corners' similar approach to limited service delivery makes it a logical choice. Profile data for the study area and the comparison cities is given below in Table 5.

Table 5: 2010 Demographic Profile of Study Area and Primary Comparison Cities			
	Study Area	Smyrna	Peachtree Corners
Population	50,234	51,265	38,011
Race-White	4%	46.6%	49%
Race-Black	95.4%	31.6%	19%
Race-Asian	.54%	4.9%	8%
Race-Other	.06%	16.9%	9%
Hispanic ethnicity*	2.5%	14.9%	15%
Median Income	\$38,892	\$55,989	\$94,812
Poverty %	18.3%	12.8%	12.9%

*Hispanic is recognized as an ethnicity rather than a race in Census Data. Persons indicating Hispanic ethnicity are also counted as belonging to a racial group by the Census.

Population figures for the study area were supplied by the Georgia General Assembly Office of Congressional and Legislative Reapportionment; other figures for populations and median income and poverty rate came from the 2010 Census and the American Community Survey, 2007-2011 estimates utilizing 2010 Blocks and Block groups that approximated the study area.

For most of the cost estimates given, the figures were derived by averaging the per capita costs of expenditures made by the two comparison cities. The fiscal years of 2012 and 2013 were used for Smyrna and the fiscal year of 2014 was used for Peachtree Corners. In some instances, it was not possible to allocate costs to one or more departments because of the way a city had aggregated its costs. To determine how best to interpret the budget and other financial documents of each city, faculty from CVIOG interviewed the Finance Directors of both Peachtree Corners and Smyrna. The explanation for how each estimate was derived is included below. The summary of the expenditures is given in Table 6 below.

To determine services on which to estimate expenditures, it was assumed that a city comprised of the study area would provide code enforcement, planning and zoning, and parks and recreation only. Police, road maintenance, storm water, fire and rescue, E-9-1-1, sanitation, and other general countywide services would continue to be provided by the county.⁴ This means that new city residents would continue to pay general county taxes, the

⁴ This would also include general county government operations, all health and welfare services, all court and judicial services, animal control, public libraries, and the services of the office of the sheriff, the tax commissioner, and the tax assessor.

police special district tax, the fire service district tax, assessments for Grady Hospital, and any existing unincorporated or countywide bonded indebtedness just as they are now. However, it was assumed that a portion of the millage in the unincorporated county special district tax paid toward parks would cease to be collected from city taxpayers by the county and replaced by a municipal levy.⁵

Table 6: Summary of Expenditure Estimates	
City Council	\$403,227.43
Administration (City Manager and City Clerk)	\$546,550.41
General Operations/Administrative Services (includes IT, Finance, and Human Resources)	\$1,370,302.12
Facility Leases	\$230,175.88
Legal Department	\$189,818.14
Community Development	\$234,106.24
Planning & Zoning	\$210,885.33
Code Enforcement	\$379,593.62
Building Inspections	\$370,676.44
Municipal Court	\$9,382.23
Parks	\$3,046,256.16
Tourism	\$155,902.32
Contingency Fund	\$388,888.89
Total Operating Costs	\$7,535,765.21
Capital for Park Acquisition**	\$267,470.00
General & IT Start-Up*	\$106,983.43
Total Annual Expenditures	\$7,910,218.64
Excess Based on Revenue Estimates	\$1,985,037.98

*This figure represents one-time costs for furniture and financial software purchased for general government purposes in Peachtree Corners.

**Park Acquisition is a one-time cost. See pages 21-22 for more detail.

City Council

These costs were determined by averaging the 2012 and 2013 fiscal years of Smyrna with the 2014 fiscal year of Peachtree Corners, calculating a per capita cost and multiplying

⁵ The provision of public school services and taxes levied to fund those services by the DeKalb Board of Education would be unaffected by municipal incorporation.

this per capita cost by the study area population to arrive at an estimate for the proposed new city. Peachtree Corners has six council members and a mayor. Smyrna has seven council members and a mayor. However, Smyrna also counts two additional employees in their budget. In addition to salaries and benefits, these costs also include items such as education and training, travel, and dues and fees.

City and Fiscal Year Budget	Dept. Budget	Per Capita
Smyrna - FY 12	\$447,488	\$8.73
Smyrna - FY 13	\$454,353	\$8.50
Peachtree Corners - FY 14	\$264,052	\$6.85
Average Per Capita Expenditure		\$8.03
Study Area Estimate		\$403,227.43

Administration (City Manager and City Clerk)

These costs were determined by averaging the 2012 and 2013 fiscal years of Smyrna with the 2014 fiscal year of Peachtree Corners, calculating a per capita cost and multiplying this per capita cost by the study area population to arrive at an estimate for the proposed new city. Smyrna does not break out their budget for City Manager and City Clerk separately. Therefore, actuals from those two budget categories for Peachtree Corners were combined to give a more accurate comparison. These budget lines included costs not just for salaries and benefits but also for other discretionary items typically paid for out of a city manager’s budget.

City and Fiscal Year Budget	Dept. Budget	Per Capita
Smyrna - FY 12	\$576,560	\$11.25
Smyrna - FY 13	\$662,194	\$12.39
Peachtree Corners - FY 14	\$347,019	\$9.00
Average Per Capita Expenditure		\$10.88
Study Area Expenditure Estimate		\$546,550.41

General Operations/Administrative Services

This figure represents ongoing operational costs for Information Technology, Finance and Human Resources. These costs were determined by averaging the 2012 and 2013 fiscal

years of Smyrna with the 2014 fiscal year of Peachtree Corners, calculating a per capita cost and multiplying this per capita cost by the study area population to arrive at an estimate for the proposed new city. First year expenses for IT can be expected to be higher than subsequent years, thus additional capital for IT startup is included in the General Start-up portion of capital expenditures later in the report. The finance amount included represents all traditional finance functions: accounting, purchasing, contract administration, risk management, and payroll.

City and Fiscal Year Budget	Dept. Budget	Per Capita
Smyrna - FY 12	\$1,451,311	\$28.31
Smyrna - FY 13	\$1,651,701	\$30.91
Peachtree Corners - FY 14	\$871,863	\$22.62
Average Per Capita Expenditure		\$27.28
Study Area Expenditure Estimate		\$1,370,302.12

Facility Leases

It is assumed that the study area will lease its facilities. To estimate the expense the study area would incur to lease facility space, the issue was analyzed a couple of different ways.

Peachtree Corners leases the space that houses their city operations. They lease 12,662 square feet which equates to 0.33 square feet per capita. The amount of leased space per capita in Peachtree Corners was then multiplied by the population of the study area to calculate the square footage of leased space that the study area could expect to need to lease.

City and Fiscal Year Budget	Leased Space Sq. Ft.	Per Capita Sq. Ft.
Peachtree Corners - FY 14	12,662	0.33
Population of Study Area		50,234
Study Area Estimate of Square Footage Needed		16,499.69

Information from the 2014 fiscal year actuals spent on lease expenses divided by the total leased space in Peachtree Corners yielded an expense per square foot. This was applied against the estimated amount of square footage of 16,499.69 for the study area.

City and Fiscal Year Budget	Dept. Budget	Per Sq. Ft.
Peachtree Corners - CY 12	\$161,572	\$12.76
Study Area Expenditure Estimate		\$210,542.36

Alternatively, the number of employees in Smyrna who were employed in similar functions as those the study area would require, was calculated on a per capita basis. This was then applied to the population of the study area to determine the number of employees needed in a city the size of the study area. The amount of square footage per employee was then calculated. This was done for both 125 square feet per employee and 225 square feet per employee. A survey of the asking rent for lease space in the study area showed a range with many of the available office buildings running between \$14 and \$18 per square foot per year.

Facility Leases			
No. of employees per capita			.00113
Study area population			50,234
Employees needed			56.83
@125 sq. ft./employee			7,104.19
@225 sq. ft./employee			12,787.55
	Square footage	Price per sq. ft.	Total Lease Expense
Low end:	7,104.19	\$14.00/ sq. ft.	\$99,458.71
High end:	12,787.55	\$18.00/ sq. ft.	\$230,175.88

The summary analysis uses the most expensive lease estimate in order to be insure possible expenses are included. This number would include all maintenance costs.

Legal Services

These costs were determined by averaging the 2012 and 2013 fiscal years of Smyrna with the 2014 fiscal year of Peachtree Corners, calculating a per capita cost and multiplying this per capita cost by the study area population to arrive at an estimate for the proposed new city. Significant litigation could cause these costs to be higher.

City and Fiscal Year Budget	Dept. Budget	Per Capita
Smyrna – FY 12	\$200,633	\$3.91
Smyrna – FY 13	\$260,585	\$4.88
Peachtree Corners – FY 14	\$98,148	\$2.55
Average Per Capita Expenditure		\$3.78
Study Area Expenditure Estimate		\$189,818.14

Community Development

These costs were determined by averaging the 2012 and 2013 fiscal years of Smyrna with the 2014 fiscal year of Peachtree Corners, calculating a per capita cost and multiplying this per capita cost by the study area population to arrive at an estimate for the proposed new city. Smyrna combines all of its Community Development functions including Planning and Zoning, Code Enforcement and Building Inspections into one cost center so the relative percentages spent by Peachtree Corners on each function was allocated to the Smyrna expenses. Peachtree Corners contracts these services with the private sector.

City and Fiscal Year Budget	Dept. Budget	Per Capita
Smyrna – FY 12	\$199,952	\$3.90
Smyrna – FY 13	\$189,984	\$3.56
Peachtree Corners – FY 14	\$251,553	\$6.53
Average Per Capita Expenditure		\$4.66
Study Area Expenditure Estimate		\$234,106.24

Planning and Zoning

These costs were determined by averaging the 2012 and 2013 fiscal years of Smyrna with the 2014 fiscal year of Peachtree Corners, calculating a per capita cost and multiplying this per capita cost by the study area population to arrive at an estimate for the proposed new city. Peachtree Corners contracts for these services with the private sector.

City and Fiscal Year Budget	Dept. Budget	Per Capita
Smyrna – FY 12	\$171,236	\$3.34
Smyrna – FY 13	\$180,221	\$3.37
Peachtree Corners – FY 14	\$226,730	\$5.88
Average Per Capita Expenditure		\$4.20
Study Area Expenditure Estimate		\$210,885.33

Code Enforcement

These costs were determined by averaging the 2012 and 2013 fiscal years of Smyrna with the 2014 fiscal year of Peachtree Corners, calculating a per capita cost and multiplying this per capita cost by the study area population to arrive at an estimate for the proposed new city. Peachtree Corners contracts for these services with the private sector.

City and Fiscal Year Budget	Dept. Budget	Per Capita
Smyrna – FY 12	\$308,225	\$6.01
Smyrna – FY 13	\$324,397	\$6.07
Peachtree Corners – FY 14	\$408,114	\$10.59
Average Per Capita Expenditure		\$7.56
Study Area Expenditure Estimate		\$379,593.62

Building Inspections

These costs were determined by averaging the 2012 and 2013 fiscal years of Smyrna with the 2014 fiscal year of Peachtree Corners, calculating a per capita cost and multiplying this per capita cost by the study area population to arrive at an estimate for the proposed new city. Peachtree Corners contracts for these services with the private sector.

City and Fiscal Year Budget	Dept. Budget	Per Capita
Smyrna – FY 12	\$300,984	\$5.87
Smyrna – FY 13	\$316,777	\$5.93
Peachtree Corners – FY 14	\$398,527	\$10.34
Average Per Capita Expenditure		\$7.38
Study Area Expenditure Estimate		\$370,676.44

Municipal Court

This figure represents the expenses incurred by Peachtree Corners in FY2014. The costs for Smyrna were not used due to the fact that Smyrna has its own Police Department and thus the nature and volume of their case load would be radically different than a city only prosecuting code offences. Peachtree Corners operates its own municipal court with an appointed Judge. The staff for Court Operations is the same staff that operates Business License and Code Enforcement, so cost is included in those respective departments.

City and Fiscal Year Budget	Dept. Budget	Per Capita
Peachtree Corners – FY 13	\$7,200	\$0.19
Study Area Expenditure Estimate		\$9,382.23

Parks

In order to calculate an expenditure estimate for park maintenance, CVIOG calculated the per acre expenditure made by Smyrna and Marietta. Peachtree Corners does not have responsibility for maintaining its parks, therefore Marietta was used. The per acreage expenditure for Smyrna and Marietta was then applied to the park acreage in the study area.

The study area contains 9 parks that are currently located in unincorporated DeKalb County. These parks, along with amenities, are listed in Table 7. Four of these parks are areas which consist primarily of unimproved land or whose only amenities are nature trails. This includes the 2,000+ acre Arabia Mountain Park in the southern part of the study area. It was assumed that maintenance and operating costs associated with passive use parks are negligible. A total of 453.9 acres comprise all parks exclusive of Arabia Mountain and were used as a basis for calculating park maintenance expenses.

Table 7: Study Area Park Amenities				
Park	Acres	Fields/Courts	Rec Centers/ Picnic shelters	Playground Structures
Arabia Mountain	2,220.8			
Brown's Mill	62.2	6 baseball 2 football 2 tennis	1-picnic 1 Rec. Center Aquatic Center	
Everett	112.2			
Fairington	14.5	3 soccer		
Gregory Moseley	28.2	1 multi-use	1 - picnic	1
Lyons	48.0			
Miner's Creek	80.8			
Salem	11.0	1 multi-use	1 - picnic	2
Southeast Athletic	97.0	5 baseball 8 soccer		
Total	2,674.7			

City and Fiscal Year Budget	Dept. Budget	Acres	Cost Per Acre
Smyrna – FY 12	\$2,544,771	327	\$7,782
Smyrna – FY 13	\$1,844,415	327	\$5,640
Marietta – FY 12	\$2,464,487	406.3	\$6,066
Marietta – FY 13	\$2,543,854	406.3	\$6,261
Average Per Acre Expenditure		453.9	\$6,437
Study Area Expenditure Estimate			\$3,046,256.16

Tourism

Because a portion of the hotel/motel tax is dedicated to be spent on tourism by state law, many jurisdictions tend to use that portion of the tax for their tourism budget. Similarly, the estimated revenue figure for hotel/motel taxes restricted to tourism has been used as the estimated expenditure amount.

Contingency Fund

These are funds used by cities to cover unforeseen expenditures. For the purposes of this study, it was assumed that the new city would build up its contingency fund to the equivalent of two months operating costs over a period of three years.

Capital for Park Acquisition

To the figure for annual capital was added the cost for a newly incorporated city to acquire the parks from DeKalb County as determined by the number of acres and the statutory formula set forth in O.C.G.A. § 36-31-11.1, which is \$267,470. This statute was passed to resolve an impasse between Dunwoody and DeKalb County over the costs of park acquisition, and by virtue of its wording would apply if the study area were incorporated.⁶

General Start-Up

A new city would likely incur some one time general start-up costs. Peachtree Corners’ start-up costs included expenditures for furniture and software.

City and Fiscal Year Budget	Budget	Per Capita
Peachtree Corners - FY 13	\$82,100	\$2.13
Study Area Expenditure Estimate		\$106,983.43

⁶ DCA data does not segregate land acquisition costs from other parks-related capital costs, consequently only the statutorily-derived parks acquisition cost figure was used.

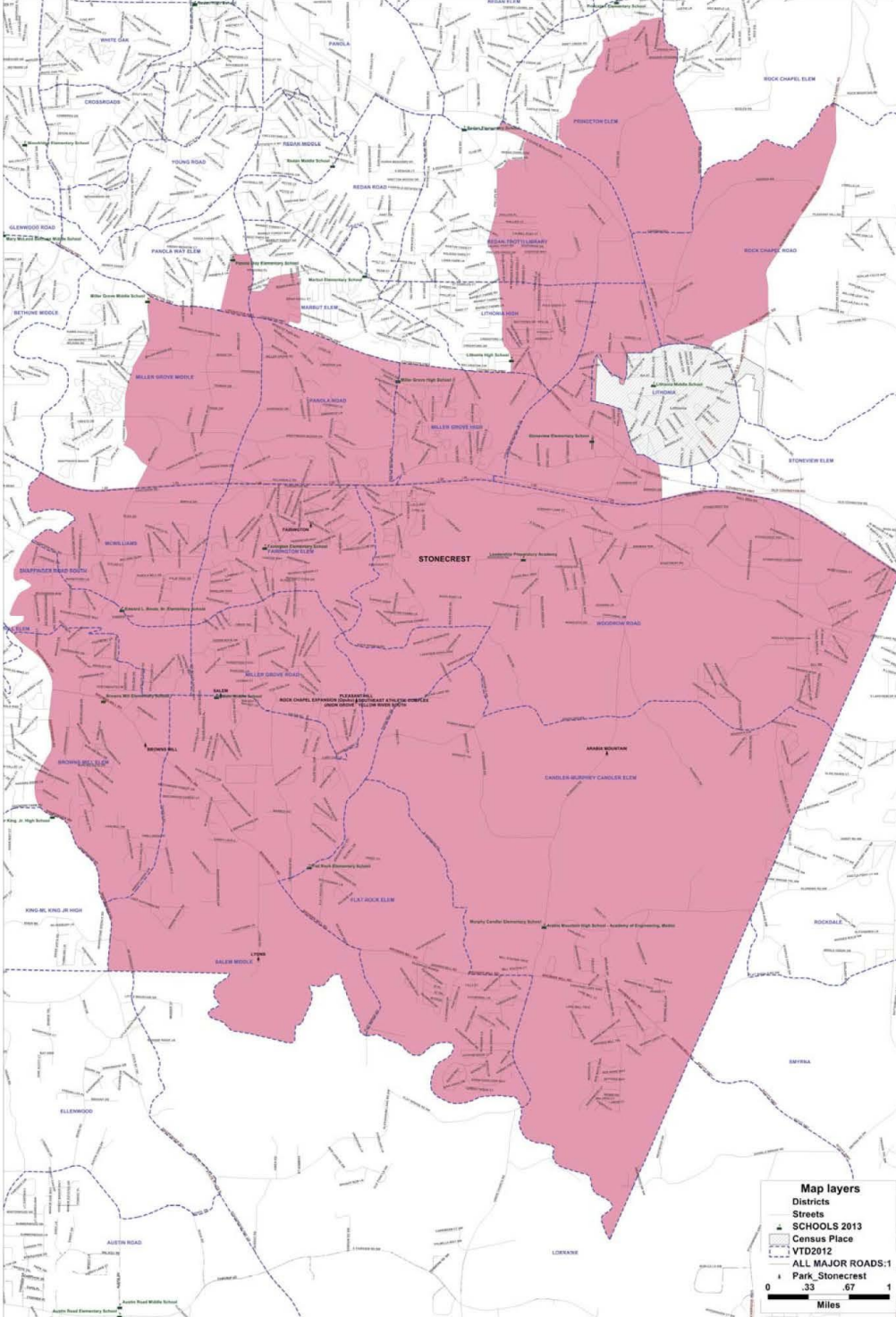
Appendix A

client: stonecrest
 type: local
 plan: Stonecrest-prop4-2014

Proposed City of Stonecrest



District	Population	18+ Pop	% 18+ Pop	% TOTAL BLACK	% TOTAL BLACK VAP	Hispanic Origin	% Hispanic Origin
STONECREST	9637419	7160475	74.3%	31.19%	29.43%	852436	8.85%
	50234	35626	70.92%	95.39%	94.64%	1253	2.49%



Appendix B

Miscellaneous Revenues

The following table provides greater detail for the revenue sources which individually are fairly small.

Revenue Source	Methodology	Study Area Estimate	Data Source
Utility Taxes	Ratio of assessed value of utility property in study area to unincorporated area	\$0	DeKalb Revenue Report by Fund year through December 2013(Unincorporated)
Heavy Equipment Taxes	Ratio of assessed value of industrial property in study area to DeKalb unincorporated area	\$0.49	DeKalb Revenue Report by Fund year through December 2013(Unincorporated)
Qualifying Fees	3% of gross annual salary/elected official	\$3,176.07	Pursuant to O.C.G.A. § 21-2-131
Investment Income	Ratio of Population in study area to unincorporated area	\$0	DeKalb Revenue Report by Fund year through December 2013(Unincorporated)
Total Miscellaneous			\$3,176.56

Utility Taxes

Property owned by public utilities is assessed by the state and a local millage rate is applied to that assessment.

Heavy Equipment Taxes

Taxes are assessed on certain heavy equipment typically used in industrial environments. An assumption was made that the assessed value of industrial property serves as a proxy for the presence of such equipment. The ratio of assessed value of industrial property to the assessed value of industrial property in the unincorporated area

was applied to the revenue generated from heavy equipment taxes in the unincorporated area.

Qualifying Fees

State law, O.C.G.A. § 21-2-131 provides that municipalities collect qualifying fees for those seeking elected office at a rate of 3% of gross annual salary for the elected office being sought.

Investment Income

Normally local governments are able to derive some revenue from interest obtained on investments of funds typically made for limited periods of time. As there was no revenue from such investments in the 2013 actual revenue data from DeKalb County, we did not estimate a figure.

Appendix C

2013 Unincorporated County Revenue Figures and Data Sources

Revenue Source	Unincorporated County Revenue Figure	Data Source
Occupation Taxes	\$12,935,0071.37	DeKalb Revenue Report by Fund year through December 2013
Beverage Excise Taxes	\$4,012,341.10	DeKalb Revenue Report by Fund year through December 2013
Personal Property Taxes	\$691,790.76	DeKalb Revenue Report by Fund year through December 2013
Hotel/Motel Tax/	\$916,991.78	DeKalb Revenue Report by Fund year through December 2013
Hotel/Motel Tax (restricted)	\$1,528,319.64	DeKalb Revenue Report by Fund year through December 2013
Business License - Beverages	\$1,288,830.77	DeKalb Revenue Report by fund year through December 2013
Bank Shares Tax	\$706,838.46	DeKalb Revenue Report by Fund year through December 2013
Intangible	\$191,730.38	DeKalb Revenue Report by Fund year through December 2013
Development Fund	\$4,911,428.00	DeKalb Revenue Report by Fund year through December 2013
Zoning and Variance Fees and Permits	\$86,324.52	DeKalb Revenue Report by Fund year through December 2013
Insurance Premiums	\$26,046,015.12	DeKalb Revenue Report by Fund year through December 2013

Appendix D

Hotels in the Study Area

1. Microtel Inn and Suites by Wyndham
2980 Evans Mill Rd.
Lithonia, GA 30038

2. Fairfield Inns and Suites – Atlanta East
7850 Stonecrest Square
Lithonia, GA 30038

3. Hyatt Place – Atlanta East
7900 Mall Ring Road
Lithonia, GA 30038

4. Hilton Garden Inn
7890 Mall Ring Road
Lithonia, Georgia 30038

5. Economy Lodge
6707 Millwood Lane
Lithonia Georgia, 30038

6. Red Roof Inn – Lithonia
5400 Fairington Road
Lithonia, GA 30038

7. Super 8 Motel – Decatur
5354 Snapfinger Park Drive
Decatur, Georgia 30035

8. Quality Inn and Suites – Decatur
5300 Snapfinger Park Drive
Decatur, Georgia 30035

9. Holiday Inn Express and Suites
7846 Stonecrest Square
Lithonia, Georgia 30038

Appendix E



Georgia Department of Revenue Title Ad Valorem Tax Fee Local Distribution Guidance

October 30, 2013

Summary

Georgia code section 48-5C-1(c)(3) provides for a two-step distribution of Local Title Ad Valorem Tax Fee (“TAVT”) proceeds on a monthly basis. Over time, as annual ad valorem taxes phase out, the first step distribution will gradually increase, eventually comprising the majority of motor vehicle property taxes.

Under the statutory structure, cities formed on or after January 1, 2013 will not receive a first step distribution. Further, cities formed during 2012 will not receive first step distributions for months during which no annual ad valorem tax was collected by such cities in 2012.

Shift from Annual Ad Valorem Tax to TAVT

Motor vehicles purchased and titled in Georgia prior to March 1, 2013 are generally subject to annual ad valorem taxes pursuant to Chapter 5 of Title 48.¹ Vehicles purchased on or after March 1, 2013 are subject to TAVT and are exempt from annual ad valorem tax. Thus, as Georgia taxpayers purchase new motor vehicles, the annual ad valorem tax revenue collected will decrease gradually each year.

Collection of Annual Ad Valorem Tax and Distribution of TAVT

In the initial years of TAVT, a significant percentage of motor vehicle tax revenue will still derive from annual ad valorem taxes. Accordingly, it is important to note that both taxes are in effect and funding local governments at this time. But, because people trade-in or otherwise dispose of their “annual ad valorem tax vehicles” in exchange for a “TAVT vehicle,” the total amount of annual ad valorem tax collected by counties and cities will steadily decrease each year.

The first step distribution of TAVT proceeds, distributed on a monthly basis, is designed to offset the reduction in annual ad valorem taxes collected in subsequent years. This reduction offset amount is calculated by comparing the 2012 annual ad valorem taxes collected in a given month to the amount collected in the same month of the current year.² In other words, the first step distribution is designed to ensure that a city (or county)

¹ Vehicles purchased between January 1, 2012 and February 28, 2013 are eligible to “opt-in”, in which case those vehicles are exempt from annual ad valorem tax. O.C.G.A. § 48-5C-1(b)(1)(A).

² O.C.G.A. § 48-5C-1(c)(3)(A).

is made whole as to the annual ad valorem tax it collected in 2012.

The first step distribution, referred to above as the “reduction offset amount,” is made to four subcategories within a jurisdiction: (1) the county governing authority, (2) the cities, (3) the county board of education, and (4) the independent school districts (“Distributees”).³ The second and fourth distributee categories could have multiple distribution sources because more than one city or independent school district may exist within a particular county.

The Issue

For a “new” city which collected no annual ad valorem tax in a given month during 2012, there is no figure or record available upon which to compare subsequent year annual ad valorem tax revenue. Thus, the reduction offset amount will always be zero, and the first step distribution to such “new” city will also be zero.

This issue could also affect a city formed during 2012. For example, a city formed in July of 2012 would not have a record of annual ad valorem taxes collected in January through June of 2012. Thus, no reduction offset amount could be determined for January through June of subsequent years, and such city would not receive a first step distribution of local TAVT proceeds in those months of future years.

First Step Distribution Shortfall⁴

Compounding this issue is the circumstance where the TAVT proceeds available in a current month are insufficient to fully offset the reduction in annual ad valorem tax proceeds made to the *eligible* distributees during the first step distribution.

In this case, a pro rata allocation is made to the eligible distributees. The remaining deficit from the first step distribution is carried over to the next month. In that next month, the TAVT proceeds are first used to satisfy the prior month deficit. Only after satisfying the prior month deficit is the next month’s first step distribution made. Accordingly, in the case of a first step distribution shortfall, cities formed after January 1, 2013 will not receive any TAVT revenue for that month.

The Second Step Distribution⁵

The second step distribution is made only if local TAVT proceeds remain after making the first step distribution. All distributees would be eligible to receive funds, if any remain, in the second step distribution. The distribution methodology for the second step distribution is set by statute.⁶

Conclusion

Under the statutory structure of O.C.G.A. § 48-5C-1(c)(3)(A), cities formed on or after January 1, 2013 will not receive a first step distribution. Further, cities formed during 2012 will not receive first step distributions for months during which no annual ad valorem tax was collected by such cities in 2012.

³ O.C.G.A. § 48-5C-1(c)(3)(A)

⁴ *Id.*

⁵ O.C.G.A. § 48-5C-1(c)(3)(B)

⁶ *See Id.*

Appendix F

HOST Calculations and County Certification Letter



CLAUDIA G. LAWSON

Tax Commissioner
DeKalb County, GA

Office of the Tax Commissioner

Robert Goodman, Assistant Tax Commissioner

July 18, 2014

Mrs. Gwen Patterson-Brown
Interim Chief Financial Officer
DeKalb County Government
1300 Commerce Drive
Decatur, GA 30030

RE: Requested Digest Information

Dear Mrs. Patterson-Brown:

The information below is being provided in accordance with O.C.G.A. § 48-8-104(d)(2).

The net M&O homestead digest for each municipality:

Avondale	\$98,016,163
Brookhaven	\$1,183,983,672
Chamblee	\$233,078,723
Clarkston	\$11,257,513
Doraville	\$ 41,233,740
Dunwoody	\$1,227,966,997
Lithonia	\$1,222,204
Atlanta	\$689,436,953
Pine Lake	\$4,834,472
Stone Mountain	\$15,275,124
Decatur	\$646,346,159

The net Total M&O homestead digest § 48-8-104(d)(2)(E): \$8,261,518,003

The net Bond homestead digest for each municipality:

Avondale	\$107,896,163
Brookhaven	\$1,272,731,144
Chamblee	\$264,738,163
Clarkston	\$15,445,645
Doraville	\$52,939,748
Dunwoody	\$1,318,176,997
Lithonia	\$2,564,352
Atlanta	\$774,027,187
Pine Lake	\$6,914,472
Stone Mountain	\$24,076,740
Decatur	\$696,866,159

The net Total Bond homestead digest § 48-8-104(d)(2)(E): \$9,533,106,933

4380 Memorial Drive, Suite 100, Decatur, Georgia 30032 (404-298-4000)

The values above have been reduced by the appropriate exemption amounts including the “freeze” exemption. The Homestead Option Sales Tax (HOST) factor has not been applied since it is not an exemption but a tax credit to homesteaded properties. As of this date, municipality qualification has not been determined therefore all municipalities are provided. Additionally, the “taxes levied for county purposes on only that portion of the county tax digest that represents net assessments on qualified homestead property after all other homestead exemptions have been applied” which is \$139,487,465.00.

If you need additional information to complete the certification as required by O.C.G.A. § 48-8-104, please don't hesitate to contact me at (404) 298-3020.

Sincerely,

Robert Goodman
Assistant Tax Commissioner

Estimated Homesteaded Taxes
M&O Digest 07/18/2014
As Requested

DISTRICT	DISTRICT NAME	GROSS DIGEST	EXEMPTION	NET DIGEST	MILLAGE	TAX BEFORE HOST	HOST FACTOR	TAX AFTER HOST	HOST CREDIT ISSUED (57.7%)
4	Unincorporated	5,328,665,060	1,223,617,949	4,105,047,111	0.01953	80,171,570.49	0.423	33,912,571.39	46,258,999.10
14	Avondale Estates	114,285,436	17,436,153	96,849,283	0.01278	1,237,733.77	0.423	523,561.48	714,172.29
20	Brookhaven	1,371,666,782	204,008,166	1,167,658,616	0.01189	13,883,460.97	0.423	5,872,703.12	8,010,757.85
24	Chamblee	103,727,951	17,866,961	85,860,990	0.01235	1,060,383.22	0.423	448,542.18	611,841.04
24A	Chamblee Annex	180,866,322	33,648,589	147,217,733	0.01235	1,818,138.87	0.423	769,072.69	1,049,066.18
34	Clarkston	16,845,004	5,587,491	11,257,513	0.01462	164,584.68	0.423	69,619.22	94,965.46
44	Doraville	54,502,404	14,457,784	40,044,620	0.01216	486,942.79	0.423	205,976.83	280,965.96
44A	Doraville Annex	2,174,360	985,240	1,189,120	0.01216	14,459.69	0.423	6,116.48	8,343.21
50	Dunwoody	1,381,632,340	153,665,343	1,227,966,997	0.01189	14,600,527.58	0.423	6,176,023.25	8,424,504.33
54	Lithonia	3,142,524	1,920,320	1,222,204	0.01494	18,259.73	0.423	7,723.90	10,535.83
61	Atlanta	829,013,576	140,841,423	688,172,153	0.00902	6,207,312.44	0.423	2,625,693.48	3,581,618.96
61A	Atlanta Annex	1,324,800	60,000	1,264,800	0.00902	11,408.49	0.423	4,825.80	6,582.69
74	Pine Lake	7,322,408	2,490,256	4,832,152	0.01537	74,270.19	0.423	31,416.35	42,853.84
74A	Pine Lake Annex	12,320	10,000	2,320	0.01537	35.66	0.423	15.08	20.58
84	Stone Mountain	25,882,739	11,057,095	14,825,644	0.01260	186,803.40	0.423	79,017.81	107,785.59
92	Decatur	747,222,425	113,341,306	633,881,119	0.00957	6,066,242.34	0.423	2,566,021.07	3,500,221.27
92A	Decatur Annex	14,219,896	1,754,856	12,465,040	0.00957	119,290.45	0.423	50,459.84	68,830.61
S1	Lenox Park (Brookhaven)	18,129,164	1,804,108	16,325,056	0.01189	194,104.90	0.423	82,106.36	111,998.54
T104	Tad #1 (Unincorporated)	5,882,608	2,595,876	3,286,732	0.01953	64,189.93	0.423	27,152.38	37,037.55
T114	Tad #1 (Avondale Estates)	760,960	110,000	650,960	0.01278	8,319.30	0.423	3,519.06	4,800.24
T204	Tad #2 (Unincorporated)	667,440	205,440	462,000	0.01953	9,022.88	0.423	3,816.68	5,206.20
T304	Tad #3 (Unincorporated)	80,440	10,000	70,440	0.01953	1,375.69	0.423	581.92	793.77
TAV1	TAD Avondale Estates	630,480	114,560	515,920	0.01278	6,593.47	0.423	2,789.03	3,804.44
TSV1	TAD Stone Mountain	608,880	159,400	449,480	0.01260	5,663.44	0.423	2,395.64	3,267.80
Grand Total		10,209,266,319	1,947,748,316	8,261,518,003		126,410,694.37		53,471,721.04	72,938,973.33

Estimated Homesteaded Taxes
M&O Digest 07/18/2014
As Requested

DISTRICT	DISTRICT NAME	GROSS DIGEST	EXEMPTION	NET DIGEST	MILLAGE	TAX BEFORE HOST	HOST FACTOR	TAX AFTER HOST	HOST CREDIT ISSUED (57.7%)
4	Unincorporated	5,328,665,060	338,036,645	4,990,628,415	0.00168	8,384,255.49	0	8,384,255.49	0
14	Avondale Estates	114,285,436	7,766,153	106,519,283	0.00001	1,065.06	0	1,065.06	0
20	Brookhaven	1,371,666,782	116,240,694	1,255,426,088	0.00168	2,109,116.52	0	2,109,116.52	0
24	Chamblee	103,727,951	7,836,961	95,890,990	0.00001	959.04	0	959.04	0
24A	Chamblee Annex	180,866,322	12,019,149	168,847,173	0.00168	283,662.93	0	283,662.93	0
34	Clarkston	16,845,004	1,399,359	15,445,645	0.00001	154.54	0	154.54	0
44	Doraville	54,502,404	3,571,776	50,930,628	0.00001	509.32	0	509.32	0
44A	Doraville Annex	2,174,360	165,240	2,009,120	0.00168	3,375.19	0	3,375.19	0
50	Dunwoody	1,381,632,340	63,455,343	1,318,176,997	0.00168	2,214,537.76	0	2,214,537.76	0
54	Lithonia	3,142,524	578,172	2,564,352	0.00001	25.57	0	25.57	0
61	Atlanta	829,013,576	56,311,189	772,702,387	0.00001	7,727.46	0	7,727.46	0
61A	Atlanta Annex	1,324,800	0	1,324,800	0.00168	2,225.66	0	2,225.66	0
74	Pine Lake	7,322,408	420,256	6,902,152	0.00001	69.06	0	69.06	0
74A	Pine Lake Annex	12,320	12,320	0	0.00168	20.7	0	20.7	0
84	Stone Mountain	25,882,739	2,356,799	23,525,940	0.00001	235.19	0	235.19	0
92	Decatur	747,222,425	63,841,306	683,381,119	0.00001	6,833.50	0	6,833.50	0
92A	Decatur Annex	14,219,896	734,856	13,485,040	0.00168	22,654.85	0	22,654.85	0
S1	Lenox Park (Brookhaven)	18,129,164	824,108	17,305,056	0.00168	29,072.48	0	29,072.48	0
T104	Tad #1 (Unincorporated)	5,882,608	433,300	5,449,308	0.00168	9,154.90	0	9,154.90	0
T114	Tad #1 (Avondale Estates)	760,960	760,960	0	0.00001	7.62	0	7.62	0
T204	Tad #2 (Unincorporated)	667,440	95,440	572,000	0.00168	960.96	0	960.96	0
T304	Tad #3 (Unincorporated)	80,440	80,440	0	0.00168	135.14	0	135.14	0
TAV1	TAD Avondale Estates	630,480	14,560	615,920	0.00001	6.16	0	6.16	0
TSV1	TAD Stone Mountain	608,880	58,080	550,800	0.00001	5.53	0	5.53	0
Grand Total		10,209,266,319	676,159,386	9,533,106,933		13,076,770.63		13,076,770.63	0.00
M&O Homesteaded Taxes before HOST						126,410,694.37			
Bond Homesteaded Taxes before HOST						13,076,770.63			
Total Homesteaded Taxes before HOST						139,487,465.00			

Example from 48-8-104

(2) For illustration purposes, a hypothetical example of the calculation of the equalization amount is provided below.

	Example	Calculated using Example data	Dekalb/Dunwoody Actual Calculation
First, calculate the homestead factor in accordance with division (c)(2)(B)(i) of this Code section as follows:			
(A) Capital factor certified by county as required by subsection (d) of this Code section	0.150	0.150	0.200
(B) Net amount of sales and use tax collected in the special district pursuant to this article for the previous calendar year (2009)	\$50 million	\$ 50,000,000.00	\$ 104,616,861.38
(C) Taxes levied for county purposes on only that portion of the county tax digest that represents net assessments on qualified homestead property after all other homestead exemptions have been applied	\$100 million	\$ 100,000,000.00	\$ 126,410,694.37
(D) Calculation of homestead factor using figures above = $(1 - 0.150) \times (\$50 \text{ million} / \$100 \text{ million})$	0.425	0.425	0.662
Next, calculate the 15.0 mills equalization amount in accordance with paragraph (1) of this subsection as follows:			
(E) Unincorporated county millage rate	15.0 mills	15.00	19.53 mills
(F) Minus the incorporated Difference: county millage rate for qualified municipality "Y"	(10.0 mills)	(10.00)	(19.04) mills
Difference:	= 5.0 mills	5.00	0.49 mills
(G) Times homestead factor (calculated above)	x 0.425	0.425	x 0.662
(H) Equals the equalization millage:	= 2.125	2.125	0.321 mills
(I) Times net homestead digest for qualified municipality "Y"	\$200 million	\$ 200,000,000.00	\$ 303,112,133.00
(J) Equals the equalization amount payable to municipality "Y"	\$425,000	\$425,000.00	\$ 97,421.70
6 equal payments of (J) above:			16,236.95

(3) In the event the total amount payable in a calendar year to all existing municipalities as certified by the county pursuant to subparagraph (d)(2)(B) of this Code section plus the total equalization amount payable to all qualified municipalities in the special district exceeds the capital outlay proceeds calculated based on a maximum capital factor of 0.200, the commissioner shall pay to the governing authority of each qualified municipality a share of such proceeds calculated as follows:

Amount from county certification letter (B) above plus Equalization amount of all municipalities: \$ 18,430,816.53
 Does this amount exceed Capital outlay proceeds (A) below? **NO**
 If yes, continue calculation below. If no, go to (5) below

(A) Determine the capital outlay proceeds based on a maximum capital factor of 0.200;

Capital outlay proceeds = Capital factor (A) times Net Sales & Use tax (B) from left: \$ 20,923,372.28

(B) Subtract the amount certified by the county as payable to existing municipalities pursuant to subparagraph (d)(2)(B) of this Code section:

Amount from county certification letter: \$0.00

(C) The remaining amount equals the portion of the capital outlay proceeds that may be used by the commissioner to pay equalization amounts to qualified municipalities.

Total: \$ 20,923,372.28

The commissioner shall calculate each qualified municipality's share of such remaining amount by dividing the net homestead digest for each qualified municipality by the total homestead digest for all municipalities.

Net Homestead Digest for municipality from Certification letter: \$ 303,112,133.00

Total Homestead Digest for all municipalities: \$ 8,261,518,003.00

Divide Net Homestead Digest by Total Homestead Digest: 4%

Total (C) above times calculated percentage above: \$ 767,671.03

(4) In the event the incorporated county millage rate for a qualified municipality is greater than the unincorporated county millage rate, no payment shall be due from the governing authority of the qualified municipality to the governing authority of the county.

(5) In the event the amount of capital outlay proceeds exceeds the sum of the equalization amounts due all qualified municipalities plus the total amount certified under subparagraph (d)(2)(E) of this Code section as due all existing municipalities, the commissioner shall distribute to each qualified municipality a portion of such excess equal to the net homestead digest for such municipality divided by the total homestead digest.

Capital outlay proceeds = Capital factor (A) times Net Sales & Use tax (B) from left: \$ 20,923,372.28

Amount from county certification letter (A) above plus Equalization amount (J) from left: \$ 18,430,816.53

Does amount of Capital outlay proceeds exceed amount from (3) above? **YES**
 If yes, continue calculation below. If no, go back to (3) above.

Amount of excess = Capital outlay proceeds minus amount from (3) above: \$ 2,492,555.75

Net Homestead Digest for municipality from Certification letter: \$ 303,112,133.00

Total Homestead Digest for county: \$ 8,261,518,003.00

Divide Net Homestead Digest by Total Homestead Digest: 4%

Total (C) above times calculated percentage above: \$ 91,450.98

*Highlighted rows contain data from the county certification letter

Appendix G

Community Development Block Grant Awards		
2014 CDBG Annual Competition Awards		
Recipient	Project Description	Amount
Americus, City of	Multi Activity Program	\$783,731.00
Ashburn, City of	Sewer Improvements	\$500,000.00
Baconton, City of	Sewer Improvements	\$443,168.00
Barnesville, City of	Sewer Improvements	\$500,000.00
Blackshear, City of	Sewer Improvements	\$479,945.00
Bowdon, City of	Sewer Improvements	\$500,000.00
Buena Vista, City of	Water Improvements	\$491,920.00
Camak, City of	Sewer Improvements	\$500,000.00
Camilla, City of	Sewer Improvements	\$500,000.00
Chauncey, City of	Water Improvements	\$500,000.00
Cochran, City of	Sewer Improvements	\$500,000.00
Colquitt, City of	Multi Infrastructure Improvements	\$500,000.00
Commerce, City of	Boys and Girls Club	\$500,000.00
Cornelia, City of	Water Improvements	\$500,000.00
Donalsonville, City of	Sewer Improvements	\$468,727.00
East Dublin, City of	Sewer Improvements	\$500,000.00
Forsyth, City of	Water Improvements	\$500,000.00
Fort Oglethorpe, City of	Sewer Improvements	\$500,000.00
Geneva, City of	Neighborhood Revitalization	\$500,000.00
Girard, City of	Water Improvements	\$500,000.00
Glennville, City of	Sewer Improvements	\$500,000.00
Grady County	Drainage/Streets Improvements	\$489,167.00

Graham, City of	Water Improvements	\$444,164.00
Griffin, City of	Water/Sewer Improvements	\$500,000.00
Hawkinsville, City of	Water/Sewer Improvements	\$500,000.00
Hazlehurst, City of	Sewer Improvements	\$500,000.00
Jesup, City of	Boys and Girls Club	\$498,207.00
Kite, City of	Water Improvements	\$387,352.00
Lakeland, City of	Sewer Improvements	\$500,000.00
Leary, City of	Sewer Improvements	\$500,000.00
Leesburg, City of	Water Improvements	\$455,822.00
Louisville, City of	Sewer Improvements	\$500,000.00
Ludowici, City of	Sewer Improvements	\$500,000.00
Manchester, City of	Sewer Improvements	\$500,000.00
Milan, City of	Sewer Improvements	\$498,882.00
Millen, City of	Drainage/Streets Improvements	\$500,000.00
Oglethorpe, City of	Multi Activity Program	\$800,000.00
Patterson, City of	Sewer Improvements	\$348,737.00
Riceboro, City of	Sewer Improvements	\$380,159.00
Richland, City of	Sewer Improvements	\$500,000.00
Scotland, City of	Sewer Improvements	\$181,414.00
Shellman, City of	Sewer Improvements	\$500,000.00
Shiloh, City of	Water Improvements	\$500,000.00
Summerville, City of	Sewer Improvements	\$500,000.00
Sylvania, City of	Sewer Improvements	\$500,000.00
Thomaston, City of	Water Improvements	\$500,000.00
Thomasville, City of	Sewer Improvements	\$500,000.00
Thomson, City of	Multi Infrastructure Improvements	\$500,000.00
Unadilla, City of	Sewer Improvements	\$500,000.00

Warrenton, City of	Sewer Improvements	\$500,000.00
Waynesboro, City of	Multi Activity Program	\$800,000.00
Winder, City of	Boys and Girls Club	\$500,000.00

Recent CDBG Employment Incentive Program/Redevelopment Awards		
Recipient	Project Description	Amount
Oakwood, City of	Economic Development	\$500,000.00
Quitman, City of	Economic Development	\$132,500.00
Vienna, City of	Redevelopment	\$323,804.00
Waynesboro, City of	Economic Development	\$250,000.00
West Point, City of	Economic Development	\$353,486.00

Appendix H

The regression model with the highest explanatory power expressed franchise fees as a function of population, assessed value of residential property, assessed value of commercial property, and had dummy variables for Augusta, Savannah, and Athens-Clarke County. The adjusted R^2 for this model was .9987.

Regression Output						
Independent Variable	Coefficient	Std. Error	t	P > t	95% Conf. Interval	
Intercept	-661,585	214,047.1	-3.09084	0.005158	-1,104,375.161	-218,795
Population	84.61366	6.310315	13.40879	2.33883E-12	71.55978282	97.66754666
Assessed Value of Residential Property	-0.00087	0.000222	-3.90906	0.000704906	-0.001325365	-0.000408049
Assessed Value of Commercial Property	0.001691	0.0003	5.635392	9.78528E-06	0.001070071	0.002311324
Augusta dummy	28034644	2571780	10.90087	1.4657E-10	22714512.3	33354776.01
Savannah dummy	55730806	1229529	45.32695	5.32906E-24	53187331.68	58274281.31
Athens-Clarke County dummy	16701590	707438.3	23.60855	1.26399E-17	15238142.62	18165038.03