



**DOWNTOWN DEVELOPMENT
AUTHORITY**

August 08, 2022 at 9:00 AM

950 Senoia Road, Tyrone, GA 30290

Billy Campbell, Chairman
Jeni Mount, Vice-Chairman

Luci McDuffie, Treasurer
Ernie Johnson
John Kaufman
Nathan Reese
Adam She

Brandon Perkins, Town Manager
Phillip Trocquet, Town Planner
Ciara Willis, Secretary
E. Allison Ivey Cox, Town Attorney

AGENDA

The meeting can be accessed live at www.tyrone.org/youtube. If you do not plan to attend, please send any agenda item questions or comments to Town Manager Brandon Perkins (bperkins@tyrone.org).

I. CALL TO ORDER

II. INVOCATION

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENTS: *The first public comment period is reserved for non-agenda items. Comments are limited to three (3) minutes. Please state your name & address. Comments that require a response may not be answered during this time. The DDA or staff may respond at a later date.*

V. APPROVAL OF AGENDA

VI. APPROVAL OF MINUTES

1. Approval of minutes from June 13, 2022.

VII. PRESENTATIONS

2. Presentation from Mr. Tom Owens on bonds as a DDA financial tool.

VIII. OLD BUSINESS

IX. NEW BUSINESS

3. Consideration to approve the purchase of a custom-branded event tent from EZ-UP. -
Phillip Trocquet, Community Development

X. PUBLIC COMMENTS

XI. STAFF COMMENTS

XII. BOARD COMMENTS

XIII. EXECUTIVE SESSION

XIV. ADJOURNMENT

TYRONE DOWNTOWN DEVELOPMENT AUTHORITY

Section [PN], Item 1.

MINUTES

June 13, 2022 at 9:00 AM

Billy Campbell, Chairman
Jeni Mount, Vice-Chairman

Luci McDuffie, Treasurer
Ernie Johnson
John Kaufman
Nathan Reese
Adam She

Brandon Perkins, Town Manager
Phillip Trocquet, Town Planner
Ciara Willis, Secretary
E. Allison Ivey Cox, Town Attorney

Absent:
Brandon Perkins, Town Manager

Also present was:
Dee Baker, Town Clerk

I. CALL TO ORDER

Chairman Campbell called the meeting to order at 9:00 am. The meeting was also available via YouTube Live.

II. INVOCATION

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENTS: *The first public comment period is reserved for non-agenda items. Comments are limited to three (3) minutes. Please state your name & address. Comments that require a response may not be answered during this time. The DDA or staff may respond at a later date.*

V. APPROVAL OF AGENDA

A motion was made to approve the agenda.

Motion made by Treasurer McDuffie, Seconded by Vice-Chairman Mount.
Voting Yea: Chairman Campbell, Board Member Johnson, Board Member Kaufman, Board Member Reese

VI. APPROVAL OF MINUTES

1. Approval of minutes from May 9, 2022.

A motion was made to approve the minutes from May 9, 2022.

Motion made by Vice-Chairman Mount, Seconded by Board Member Kaufman.
Voting Yea: Chairman Campbell, Treasurer McDuffie, Board Member Johnson, Board Member Reese

VII. OLD BUSINESS

2. Approval of the DDA's FY2023 Operating Budget. -Brandon Perkins, Town Manager

A motion was made to approve the DDA's FY2023 operating budget.

Motion made by Board Member Kaufman, Seconded by Board Member Reese.

Voting Yea: Chairman Campbell, Vice-Chairman Mount, Treasurer McDuffie, Board Member Johnson

Mr. Trocquet discussed the FY2023 operating budget for the Tyrone Downtown Development Authority. The board did not request any amendments to the budget.

3. Consideration of an official logo for the DDA. -Phillip Trocquet, Town Planner

A motion was made to approve Logo A as the official logo for the Tyrone DDA.

Motion made by Board Member Kaufman, Seconded by Vice-Chairman Mount.

Voting Yea: Chairman Campbell, Treasurer McDuffie, Board Member Johnson, Board Member Reese

A motion was made to approve a combination of Logo A and Logo B as the second official logo for the Tyrone DDA.

Motion made by Vice-Chairman Mount, Seconded by Treasurer McDuffie.

Voting Yea: Chairman Campbell, Board Member Johnson, Board Member Reese, Board Member Kaufman

Mr. Trocquet presented a variety of new logo options that could be used as the official logo for the DDA. The designs included horizontal and vertical logos on mock-up shirts and business cards in a document packet. The board agreed that the DDA would have two official logo designs. The board selected Logo A as the primary design that would be used on embroidered items. In addition to Logo A, the second logo would incorporate work and play icon images in the design.

VIII. NEW BUSINESS

4. Consideration of a contract with Southern Outdoor Cinema, LLC in the amount of \$1,499.00 to provide all necessary equipment and a technician to host a movie in the park for the July "First Friday" event.

A motion was made to approve a contract with Southern Outdoor Cinema, LLC in the amount of \$1,499.00 to provide all necessary equipment and a technician to host a movie in the park for the July "First Friday" event.

Motion made by Board Member Kaufman, Seconded by Board Member Reese.
Voting Yea: Chairman Campbell, Vice-Chairman Mount, Treasurer McDuffie, Board Member Johnson

Board Members also discussed potential options to purchase an outdoor movie screen that could be used by the DDA and the Tyrone Recreation Department.

IX. PUBLIC COMMENTS

X. STAFF COMMENTS

Mr. Trocquet stated that Mary Burkholder from BAE Economics could hold a virtual presentation for the DDA about the town-owned fire station. However, her services would incur a fee.

Attorney Cox shared that Tom Owens from Raymond James could speak with the board about bonds at a future meeting.

XI. BOARD COMMENTS

Chairman Campbell commented on the June “First Friday” event. He stated that the event was a resounding success and that he was looking forward to the July “First Friday” event.

XII. EXECUTIVE SESSION

XIII. ADJOURNMENT

A motion was made to adjourn.

Motion made by Treasurer McDuffie, Seconded by Board Member Kaufman.
Voting Yea: Chairman Campbell, Vice-Chairman Mount, Board Member Johnson, Board Member Reese

The meeting adjourned at 9:38 am.

By: _____
Billy Campbell, Chairman

Attest: _____
Ciara Willis, Secretary



DDA ITEM AGENDA REQUEST FORM

Meeting Date: 08/08/2022

Staff Contact: Phillip Trocquet

Agenda Section: Presentations

Department: Community Development

Staff Report:

Item Description:

Background/History:

The DDA is situated to receive certain Town properties suited for economic development in the future. One of these key properties is the old Tyrone fire station. Learning about the economic development tools the DDA can utilize to catalyze these properties and future initiatives is important.

Findings/Current Activity:

Mr. Tom Owens from Raymond James has experience working with DDAs and financial tools such as Bonds for forwarding economic development goals.

Is this a budgeted item? _____ **If so, include budget line number:** _____

Actions/Options/Recommendations:

What Can Downtown Development Authorities Do?

Town of Tyrone Downtown Development Authority

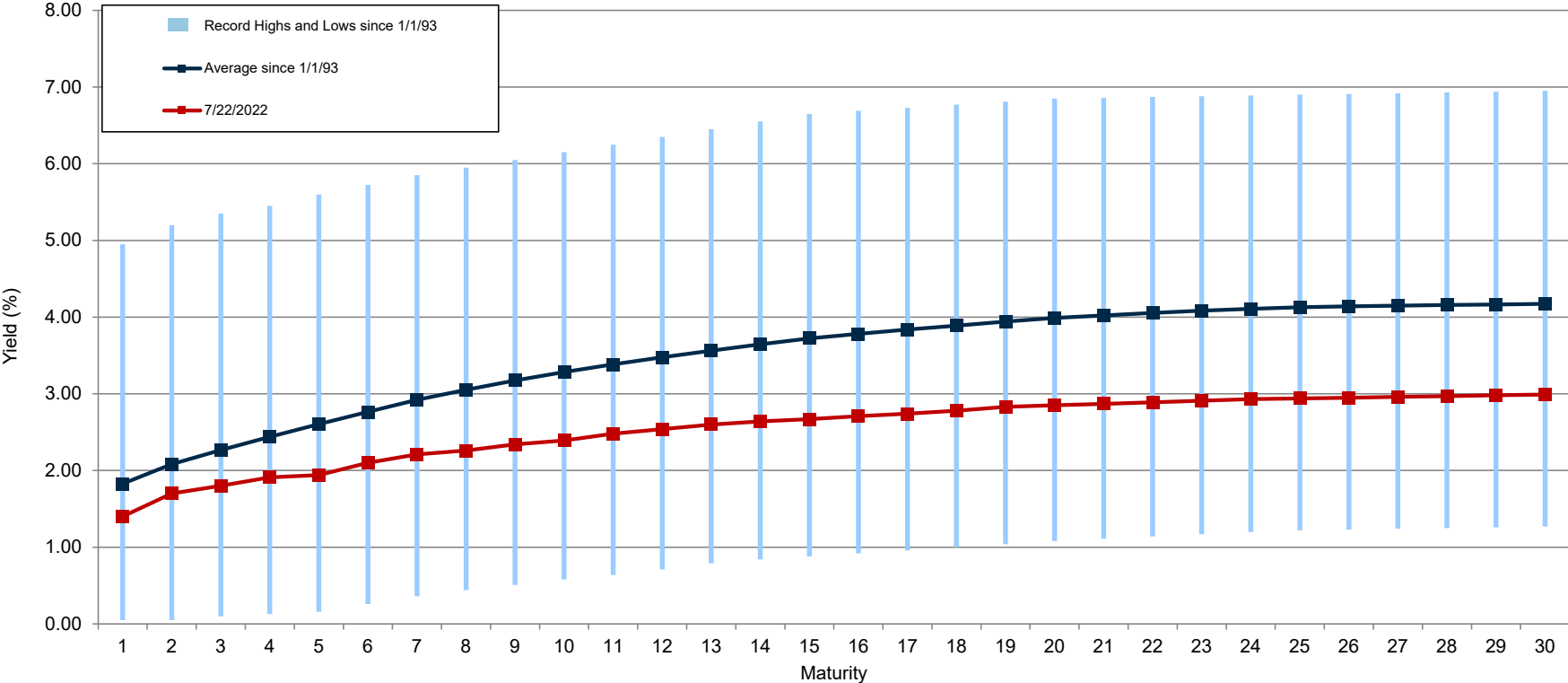
Tom Owens, Managing Director
(404) 240-6854
3050 Peachtree Road, Suite 702
Atlanta, Georgia 30305
Tom.Owens@raymondjames.com



HISTORICAL AAA MMD RATES

Section [PN], Item 2.

- The graph below shows the range between the record highs and lows of AAA MMD at each maturity since 1993, along with average rates over this time frame and the current rates.
- AAA MMD rates set multiple record lows throughout the entire curve on August 7th, 2020.



	1	5	10	15	20	25	30
Record Low since 1/1/93	0.05	0.16	0.58	0.88	1.08	1.22	1.27
Record High since 1/1/93	4.95	5.60	6.15	6.65	6.85	6.90	6.95
Average since 1/1/93	1.83	2.60	3.28	3.72	3.99	4.13	4.17
Current (07/22/22)	1.40	1.94	2.39	2.67	2.85	2.94	2.99

Downtown Development Authorities - Legislative Purpose

The **revitalization and redevelopment of the central business districts** of the municipal corporations of this state develop and promote for the public good and general welfare **trade, commerce, industry, and employment opportunities** and promote the general welfare of this state by creating a climate favorable to the location of new industry, trade, and commerce and the development of existing industry, trade, and commerce within the municipal corporations of this state.

Revitalization and redevelopment of central business districts by financing **projects under this chapter will develop and promote** for the public good and general welfare **trade, commerce, industry**, and employment opportunities and will promote the general welfare of this state.

It is, therefore, in the public interest and is vital to the public welfare of the people of this state, and it is declared to be the public purpose of this chapter, so to revitalize and redevelop the central business districts of the municipal corporations of this state. No bonds, notes, or other obligations, except refunding bonds, shall be issued by an authority under this chapter unless its board of directors adopts a resolution finding that the project for which such bonds, notes, or other obligations are to be issued will promote the foregoing objectives.

ODOM et al. v. UNION CITY DOWNTOWN DEVELOPMENT AUTHORITY et al.

A taxpayer challenged Union City's attempt to use the Downtown Development Authorities Law to finance street improvements and construction and refurbishing of **governmental buildings**.

From the Supreme Courts Ruling...

The construction of a new city hall, the refurbishing of an existing city building into a jail and police station, and the improvement of city streets are all obviously projects which are for public use. Furthermore, such projects are in the public interest, and tend to promote the public good and general welfare. Thus, if just the literal wording of the DDAL is considered, it might appear that [Union City's] project falls within the ambit of the DDAL. However, as we conclude below, the apparent broad scope of the DDAL is significantly limited by the narrower breadth of the constitutional provision pursuant to which it was enacted.

[Union City] argued that the Project falls within the parameters of Art. IX, Sec. VI, Par. III, because it is intended to develop employment opportunities by enhancing the general business climate and inducing the development of trade, commerce, and industry in the City's downtown business district.

Although the Project arguably would provide employment opportunities both in the course of its construction and operation and also within the trade, commerce, and industry the Project is designed to lure in the City... ...we interpret the general term "employment opportunities" in Art. IX, Sec. VI, Par. III to be limited by its antecedents, so that it means opportunities which are the result of trade, commerce, and industry directly financed by an authority

We conclude that appellees' attempted application of OCGA Ch. 36-42 (Code Ann. § 69-1501b et seq.) is unauthorized by Art. IX, Sec. VI, Par. III, and for that reason the agreement between the City and the Authority is unconstitutional.

The creation of “development” authorities is authorized by the State Constitution.

Article IX. Section VI, Paragraph III.

The **development of trade, commerce, industry and employment opportunities being a public purpose** vital to the welfare of the people of this state, the General Assembly may create development authorities **to promote and further such purposes** or may authorize the creation of such an authority by any county or municipality or combination thereof under such uniform terms and conditions as it may deem necessary. The General Assembly may exempt from taxation development authority obligations, properties, activities, or income and may authorize the issuance or revenue bonds by such authorities which shall not constitute an indebtedness of the state within the meaning of Section V of this article.

The “Development Authorities Law” outlines the purpose and powers of Development Authorities.

§ 36-62-9. Purposes of chapter;

The purposes of this chapter are **to develop and promote trade, commerce, industry, and employment opportunities for the public good** and the general welfare and to promote the general welfare of the state.

The Town of Tyrone **Public Facilities Authority** can issue bonds for purely public purpose projects.

- ✓ The municipal complex was financed through the PFA in 2019.
- ✓ Secured by an intergovernmental contract with the city (limited to 15-mill charter limit).
- ✓ No mortgage of property is necessary
- ✓ Intergovernmental contract is irrevocable and not subject to annual appropriation

DDAs may do the following:

- Develop and promote downtowns,
- Make long-range plans or proposals for downtowns,
- Purchase, lease and sell property,
- Finance projects

What can we finance to **develop trade, commerce, industry and employment opportunities**.

Typically, statutory DDAs issue bonds for three purposes:

- 1) Issue revenue bonds secured only by revenues derived from the financed project.
- 2) Issue revenue bonds secured by payments from a local government. (Or a combination of 1 and 2)
- 3) Assist in the abatement of property taxes for a new or expanding private company.

“Conduit” Bonds

The Authority acts merely as a pass-through and is not liable for payment of the bonds.

Examples

- ✓ 501(c)3 Borrowers
- ✓ Student Housing – University Foundations
- ✓ Not-for-profit borrowers generally are able to take advantage of tax-exempt interest rates and avoid registration by using a municipal conduit issuer.
- ✓ Taxable Private Activity Bonds
- ✓ Industrial Development Bonds – issued for a private business, typically for manufacturing that are tax-exempt if they meet certain requirements.

NEW ISSUE BOOK-ENTRY ONLY

RATING: S&P: A+
(See “RATING”)

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Series 2019 Bonds (defined below) (including any original issue discount properly allocable to the owner of a Series 2019 Bond) is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2019 Bonds, and such interest is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that the interest on the Series 2019 Bonds is exempt from present State of Georgia income taxation. For a more detailed description of such opinions of Bond Counsel, see “TAX MATTERS” herein.

\$18,335,000
DEVELOPMENT AUTHORITY OF BIBB COUNTY
Revenue Bonds,
(USG Real Estate Foundation IX, LLC Project)
Series 2019

Dated: Date of Issuance

Due: June 1, as shown on the inside cover

The Development Authority of Bibb County (the “Issuer”) is issuing \$18,335,000 in aggregate principal amount of its Revenue Bonds (USG Real Estate Foundation IX, LLC Project), Series 2019 (the “Series 2019 Bonds”). The proceeds of the sale of the Series 2019 Bonds will be loaned to USG Real Estate Foundation IX, LLC, a Georgia limited liability company (the “Company”), the sole member of which is University System of Georgia Foundation, Inc., a Georgia nonprofit corporation (the “Foundation”), pursuant to the terms and provisions of a Loan Agreement and Assignment of Gross Revenues and Certain Agreements and Accounts, to be dated as of April 1, 2019 (the “Loan Agreement”) between the Issuer and the Company. The Company will use the proceeds of the Series 2019 Bonds to (a) provide funds to finance the cost of the construction and equipping of a 310 bed student housing facility and related amenities, more particularly described herein (the “Project”), on the Macon campus of Middle Georgia State University (the “University”), a unit of the University System of Georgia (the “University System”); (b) fund capitalized interest on the Series 2019 Bonds; and (c) pay the costs associated with the issuance of the Series 2019 Bonds. See “THE PROJECT” and “PLAN OF FINANCING.”

Pursuant to a Rental Agreement between the Company and the Board of Regents of the University System of Georgia (the “Board of Regents”), the Company will rent the completed Project to the Board of Regents on an annually renewable basis for use by the University. The Board of Regents will make fixed rental payments for the use and occupancy of the Project in an amount the Company estimates will be sufficient to pay, among other things, the principal of and interest on the Series 2019 Bonds when the same becomes due and payable. See “FINANCING STRUCTURE – Rental Agreement.”

The Series 2019 Bonds are being issued under and pursuant to the Constitution and laws of the State of Georgia and a Trust Indenture, to be dated as of April 1, 2019 (the “Indenture”), between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”). The Series 2019 Bonds and any Additional Bonds (as defined herein) that may be issued are payable solely from the Trust Estate. The Trust Estate includes all rights, title and interest of the Issuer in and to (a) the Loan Agreement (except for the Issuer’s Unassigned Rights (as herein defined)); (b) the Gross Revenues (as defined herein); (c) a Leasehold Deed to Secure Debt, Security Agreement and Assignment of Rents and Leases, to be dated as of April 1, 2019, from the Company in favor of the Issuer (except for the Issuer’s Reserved Rights (as herein defined)); (d) amounts held in any and all funds created under the Indenture; (e) moneys and securities and interest earnings thereon from time to time delivered to the Trustee under the terms of the Indenture; and (f) proceeds (cash and noncash) of any and all of the foregoing. See “SECURITY FOR THE SERIES 2019 BONDS.”

The Series 2019 Bonds are subject to optional, mandatory and extraordinary redemption prior to maturity under certain circumstances described herein and as set forth in the Indenture. See “THE SERIES 2019 BONDS.”

Interest on the Series 2019 Bonds will be payable on June 1 and December 1 of each year, commencing December 1, 2019. The Series 2019 Bonds are issuable in the form of fully-registered bonds in the denomination of \$5,000 or any integral multiple thereof. The Series 2019 Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Purchases will be made in book-entry only form and no physical delivery of the Series 2019 Bonds will be made to Beneficial Owners (as herein defined). Payment of principal of and interest on the Series 2019 Bonds will be made by the Trustee to Cede & Co., as nominee of DTC, and will subsequently be disbursed to Direct Participants (as herein defined) and thereafter to Beneficial Owners (as herein defined). See “THE SERIES 2019 BONDS.”

THE SERIES 2019 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE. THE SERIES 2019 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OR OBLIGATION OF THE BOARD OF REGENTS, THE UNIVERSITY, THE FOUNDATION, THE STATE OF GEORGIA (THE “STATE”), BIBB COUNTY, GEORGIA (THE “COUNTY”), OR ANY MUNICIPALITY OR POLITICAL SUBDIVISION THEREOF. NO OWNER OF THE SERIES 2019 BONDS SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE OR ANY MUNICIPALITY OR POLITICAL SUBDIVISION THEREOF TO PAY THE SERIES 2019 BONDS OR THE INTEREST OR PREMIUM THEREON OR ANY OTHER COST RELATING THERETO OR TO ENFORCE PAYMENT THEREOF AGAINST ANY PROPERTY OF THE STATE OR ANY MUNICIPALITY OR POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER.

The Series 2019 Bonds are offered when, as, and if issued by the Issuer and accepted by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice and the approval of legality by Kutak Rock LLP, Atlanta, Georgia, Bond Counsel. Certain legal matters will be passed on for the Issuer by its counsel, Sell & Melton LLP, Macon, Georgia; for the Company and the Foundation by their counsel, Stover Legal Group, LLC, Atlanta, Georgia; and for the Underwriter by its counsel, Butler Snow LLP, Atlanta, Georgia. Delivery of the Series 2019 Bonds to DTC in New York, New York, is expected on or about April 17, 2019.

RAYMOND JAMES®

Dated: April 4, 2019

Backed by local taxes

- ✓ A city government can pledge up to 3-mills of property tax to secure development authority bonds
- ✓ Generally Taxable
- ✓ Project often benefits from the use of the sponsoring governments good credit.

Examples

- ✓ Purchase of property to development or Industrial Park (backed by local gov't)
- ✓ Stadiums
- ✓ Generally private projects for use in "trade, industry of commerce"
- ✓ Limited ability to make public improvements if part of a larger private development (i.e., underground Atlanta)

NEW ISSUE - BOOK ENTRY ONLY

RATINGS:
RATING: Moody's: "Aa2"
(See "RATINGS" herein)

In the opinion of Butler Snow LLP, Atlanta, Georgia, as Bond Counsel, under existing laws, regulations and judicial decisions, interest on the Series 2019 Bonds is exempt from present State of Georgia income taxation. However, interest on the Series 2019 Bonds is not excludable from gross income for federal income tax purposes. See "LEGAL MATTERS - Opinion of Bond Counsel" herein.

\$4,020,000

DOWNTOWN DEVELOPMENT AUTHORITY OF SNELLVILLE, GEORGIA
Taxable Revenue Bonds (Cobblestone Project), Series 2019

Dated: Date of Issuance

Due: July 1, as shown on the inside cover

The Downtown Development Authority of Snellville, Georgia Taxable Revenue Bonds (Cobblestone Project), Series 2019 (the "Series 2019 Bonds") are being issued by the Downtown Development Authority of Snellville, Georgia (the "Authority") in order to (1) finance and carry out a project consisting of the acquisition, financing, and leasing of five commercial buildings and related property (the "Project") to be located on land owned by the Authority; and (2) pay the costs of issuance of the Series 2019 Bonds.

The Series 2019 Bonds are special limited obligations of the Authority payable solely from and secured by a pledge by the Authority of the "Trust Estate" under a Trust Indenture, dated as of May 1, 2019 (the "Indenture"), between the Authority, as issuer, and Regions Bank, as trustee (the "Trustee"). The Trust Estate consists primarily of amounts to be paid to the Authority pursuant to an Intergovernmental Contract, dated as of May 1, 2019 (the "Contract"), between the Authority and the City of Snellville, Georgia (the "City"). Under the terms of the Contract, among other matters, the City has agreed to make payments to the Authority in amounts sufficient to enable the Authority to pay the principal of and interest on the Series 2019 Bonds on each semiannual Interest Payment Date (defined below) and each redemption date (the "Contract Payments"). As of the date of issuance, the Series 2019 Bonds will be the only outstanding bonds secured by the Trust Estate (defined below) pledged under the Indenture. The City's obligation to make the Contract Payments in accordance with the Contract is absolute and unconditional and will not expire so long as any of the Series 2019 Bonds remain outstanding and unpaid. The City has agreed in the Contract that, to the extent funds are not otherwise lawfully available for such purpose, it will levy an annual ad valorem tax on all taxable property located within its territorial limits subject to ad valorem taxation for the purpose of developing trade, commerce, industry, and employment opportunities (the "Economic Development Millage"), as now existent and as the same may be extended, at such rate or rates upon the assessed value of the taxable property in the City, as may be necessary to produce in each year revenues which will be sufficient to enable the City to make the Contract Payments; provided, however that the Economic Development Millage shall not exceed three mills per dollar upon the assessed value of the taxable property in the City. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS" herein.

The Series 2019 Bonds will be delivered in fully registered form in the name of Cede and Co., as the nominee for The Depository Trust Company ("DTC"), New York, New York. Individual purchases of the Series 2019 Bonds must be made in book-entry form only in authorized denominations of \$5,000 and any integral multiple thereof. Individual purchasers ("Beneficial Owners") of the Series 2019 Bonds will not receive physical delivery of the Series 2019 Bonds. Transfers of the Series 2019 Bonds will be effected through a book-entry system as described herein.

Interest on the Series 2019 Bonds will be payable on January 1, 2020 and semiannually thereafter on each January 1 and July 1 (each an "Interest Payment Date"). So long as DTC or its nominee is the registered owner of the Series 2019 Bonds, disbursements of payments of principal and interest on the Series 2019 Bonds to DTC will be the responsibility of the Trustee; disbursements of such payments to DTC Participants will be the responsibility of DTC; and disbursements of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants as described herein. See "THE SERIES 2019 BONDS - Book-Entry Only System of Delivery of Bonds" herein.

The Series 2019 Bonds are subject to optional redemption, and, if applicable, mandatory redemption under certain circumstances prior to maturity as described herein. See "THE SERIES 2019 BONDS - Redemption" herein.

This cover page contains certain limited information for reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision. Capitalized terms used, but not defined, on this cover page shall have the meanings assigned thereto in this Official Statement.

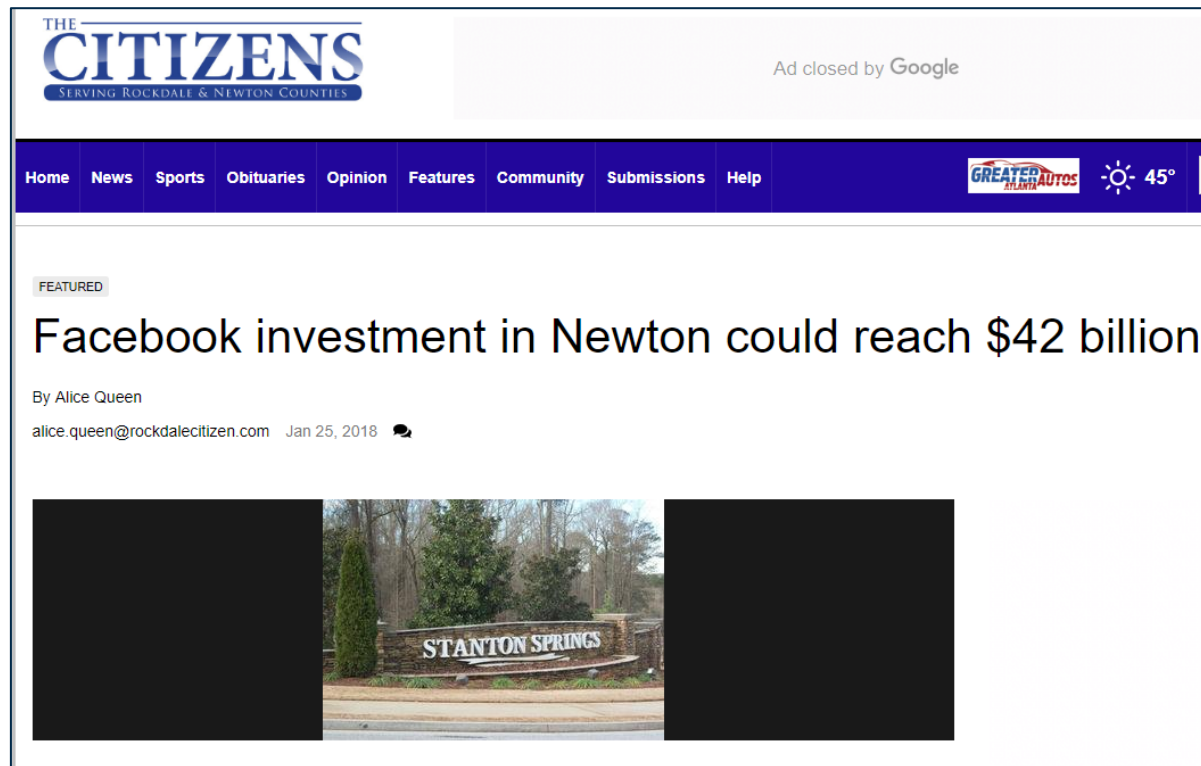
The Series 2019 Bonds are offered when, as and if received and accepted by Raymond James & Associates, Inc., the Underwriter, subject to the approval of legality by Butler Snow LLP, Atlanta, Georgia, as Bond Counsel. Certain legal matters will be passed upon for the City by Powell & Edwards, Attorneys at Law P.C., Lawrenceville, Georgia, and Butler Snow LLP, Atlanta, Georgia, Disclosure Counsel. It is expected that the Series 2019 Bonds will be available for delivery through DTC on or about May 29, 2019.

RAYMOND JAMES®

Dated: May 14, 2019.

A local incentive for a private company to build or expand a facility.

“Bond for Title” arrangement to temporarily “abate” the taxable value of the company’s property in exchange for developing trade, industry, commerce or employment opportunities.



Appendix A

Tax-Backed Authority Bonds

Authority

Development Authority Law (O.C.G.A. § 36-62-9 and § 48-5-220(20))
Downtown Development Authority Law (O.C.G.A. § 36-42-9 and § 48-5-350)
Odom v. Union City Downtown Development Authority (251 Ga. 248 (1983))
Nations v. Downtown Development Authority of Atlanta (256 Ga. 158 (1986))

Purpose

To provide financial assistance to development authorities, municipal development authorities of joint county and municipal development authorities for the purpose of developing trade, commerce, industry and employment opportunities in the State.

To authorize counties to levy up to one mill of property taxation, and municipalities up to three mills, as well as other special levies to secure bonds issued by authorities for such purposes.

- ✓ Authorizes cities and counties to provide credit enhancement to economic development project financings issued through development authorities and downtown development authorities.
- ✓ Counties may pledge up to one mill of ad valorem taxation, and **municipalities up to three mills**, to support payment of bonds issued up to three mills, to support payment of bonds issued to finance private development projects.
- ✓ Based on *Odom* case, counties and municipalities may not make any such pledge to support development authority financing of purely public facilities.
- ✓ Such pledges may relate to county or city-wide tax levies or the levies within “special districts” within said county or city.
- ✓ Certain authorities are granted powers in their authorizing legislation to undertake “public” projects.
- ✓ The *Nations* case requires that intergovernmental contracts between two governmental bodies (i.e., City and Authority) must be for “activities, services, or facilities which the contracting parties are authorized by law to undertake or provide.”
- ✓ Generally speaking, if the bond-financed portion of the project is publically owned, interest on such bonds may be exempt from federal or state taxation.

Appendix B

Tax Abatement Bonds / PILOT Bonds

Authority

DeKalb County Board of Tax Assessors v. Harris, 248 Ga. 277 (Abatements)
PILOT Restriction Act (O.C.G.A. § 36-80-16.1 *et seq*)

Purpose

To encourage private jobs-producing development in Georgia cities and counties.

Traditional Tax Abatement Programs operate as follows:

- ✓ Local development authority issues bonds, to cover project's costs and typically places them with the benefitting private enterprise.
- ✓ Development authority enters into a triple-net financing lease with the enterprise requiring payments sufficient to amortize bonds ("Phantom Bonds").
- ✓ Fee ownership by the development authority confers an exemption from property taxation by all local taxing jurisdictions.
- ✓ Although lease is characterized as a financing lease (lease purchase), it is deemed a usufruct under Georgia law due to the various conditions placed on the enterprise's occupancy and use of the project.
- ✓ Enterprise makes annual payments in lieu of taxes ("PILOTs") equal to the taxes that would be owed without the exemption less some agreed upon percentage of the abatement conferred.
- ✓ Tax abatements typically descend to zero over a ten-year term.
- ✓ Practices vary on a county-by-county and project-by-project basis.

- ✓ Under certain circumstances, bonds may be issued by the local development authority and secured by PILOTs and thus “front-end load” the value of the property tax abatement, with such value representing a public contribution to the project’s cost.
- ✓ PILOT bonds can thus be thought of as “synthetic” Tax Allocation Bonds and initially were used to circumvent approval of overlapping local governments.
- ✓ Georgia Code was amended in 2009, however, to require such approval as a condition precedent to issuance of PILOT bonds.
- ✓ Literally hundreds of examples of traditional tax abatement projects throughout the State of Georgia.
- ✓ PILOT Bond Transactions:
 - City of Kennesaw (mixed-use development)
 - City of College Park (2 hotels; office building)
 - City of Macon (conference center hotel)
 - City of Duluth (office building)

The information contained herein is solely intended to facilitate discussion of potentially applicable financing applications and is not intended to be a specific buy/sell recommendation, nor is it an official confirmation of terms. Any terms discussed herein are preliminary until confirmed in a definitive written agreement. While we believe that the outlined financial structure or marketing strategy is the best approach under the current market conditions, the market conditions at the time any proposed transaction is structured or sold may be different, which may require a different approach.

The analysis or information presented herein is based upon hypothetical projections and/or past performance that have certain limitations. No representation is made that it is accurate or complete or that any results indicated will be achieved. In no way is past performance indicative of future results. Changes to any prices, levels, or assumptions contained herein may have a material impact on results. Any estimates or assumptions contained herein represent our best judgment as of the date indicated and are subject to change without notice. Examples are merely representative and are not meant to be all-inclusive.

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DDA AGENDA REQUEST FORM

Meeting Date: 08/08/2022

Staff Contact Phillip Trocquet

Agenda Section: New Business

Department: Community
Development

Staff Report:

Item Description:

Background/History:

With the regular occurrence of events such as First Friday's, there has been discussion of purchasing a permanent tent for the DDA.

A permanent Tent would allow the DDA to have a customized branding presence as well as reduce long-term costs of renting hospitality tents for staff and volunteers.

Findings/Current Activity:

Staff has investigated options with EZ-UP commercial-grade custom tents:

The 10' x 10' Tent is approximately \$613.00

The 10' x 15' Tent is approximately \$1,212.00

Both tents have a customization option of a main image on one peak and lettering on one front valence. EZ-UP allows for multiple peaks and valences to be customized for an added cost. If looking to customize two peaks and valences, the cost would be \$250 more for each tent type.

Fiscal comparison: *the DDA hosts between 6-8 events per year with the average rental cost of a tent being \$200. This equates to between \$1,200 and \$1,600 on small tent rentals annually.*

Is this a budgeted item? YES **If so, include budget line number:** 750-75-53.1005

Special Programs Supplies - \$5,000 budgeted in FY 2022-2023 budget

Actions/Options/Recommendations:

Staff recommends purchasing the 10' x 15' tent to better relate to citizens the centrality of the DDA and the 'Downtown Tyrone' brand. Costs will be recaptured within 1 year if used at all events.

10' x 10' Tent

\$613.00 - EZ-UP



10' x 15' Tent

\$1,212.00 - EZ-UP

