

Tax Allocation Districts in Whitfield County

Implications for future Intergovernmental Agreements
with the County and School District(s)

MAP 2: PROPOSED CITY OF VARNELL TAD #1 – CLEVELAND HIGHWAY



WEST WALNUT AVENUE REDEVELOPMENT AREA AND TAX ALLOCATION DISTRICT
(The Redevelopment Area and TAD share the same boundaries.)



MAP 4: CITY OF DALTON TAD #4 – NORTH BYPASS*



Prepared by



KB | ADVISORY GROUP

February 9, 2022

**CITY OF DALTON REDEVELOPMENT PLAN:
DOWNTOWN AND EAST WALNUT AVE. CORRIDOR
TAX ALLOCATION DISTRICTS**



DECEMBER, 2015

Prepared for the
City of Dalton, Georgia and the
Dalton-Whitfield County Joint Development Authority

**PROPOSED AMENDMENT TO THE
CITY OF DALTON REDEVELOPMENT PLAN:
Creating the Downtown, East Walnut Ave. Corridor and
North Bypass Tax Allocation Districts**



NOVEMBER 2020

Prepared for the
City of Dalton, Georgia and the
Dalton-Whitfield County Joint Development Authority

**CITY OF DALTON REDEVELOPMENT PLAN:
TAX ALLOCATION DISTRICT #5 -
WEST WALNUT AVENUE CORRIDOR**



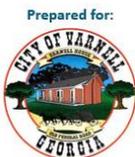
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**CITY OF VARNELL REDEVELOPMENT PLAN:
TAX ALLOCATION DISTRICT #1 -
CLEVELAND HIGHWAY CORRIDOR**



JULY 2021



Background

- Five tax allocation districts have been created in Whitfield County since 2015 – 4 in Dalton and 1 in Varnell.
 - Two of these TAD's are intended to address the negative economic consequences resulting from the County's lack of adequate housing options
 - Two TAD's address redeveloping two of the County's largest retail corridors
 - One TAD is intended to assist revitalization in Downtown Dalton
- To date, none of these TADs have produced significant digest growth or required the commitment of County tax increment to support the respective goals and projects proposed in the redevelopment plans

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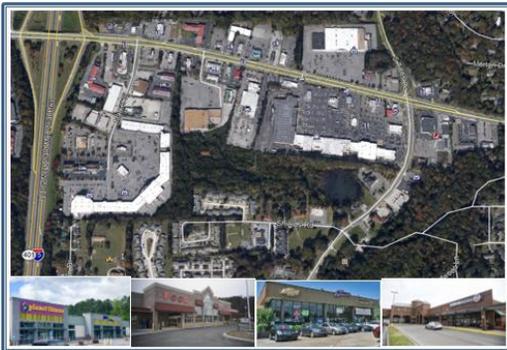
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JULY 2021

Presentation Contents

- Why did Dalton and Varnell seek to use redevelopment powers within these districts in the first place?
- Are status quo conditions within these TADs positive, negative or neutral to all Whitfield County taxpayers?
 - Why should residents who live outside of these tax allocation districts care?
- Have comparable (competitive) cities and counties used TADs to achieve success that has not occurred Whitfield County?
- Is potential future county (and school district) tax increment contributed to TADs a “cost” to taxpayers or an “investment” that generates more governmental revenues & reduces costs over time.
 - If not TAD’s – what are the alternatives?

Why is housing important?

- Pages 87 to 96 of the Joint Comprehensive Plan incorporate findings of the Believe Greater Dalton Housing Strategy as Whitfield County's Official Housing Policy



**BELIEVE
GREATER
DALTON
HOUSING
STRATEGY**



November 2018

2019-2023

Joint Comprehensive Plan

Unincorporated Whitfield County, Georgia
and the municipalities of
Cohutta, Dalton, Tunnel Hill and Varnell

A RESOLUTION TO ADOPT THE

Whitfield County Joint Comprehensive Plan (2019-2023) including the municipalities of Cohutta, Dalton, Tunnel Hill and Varnell

Whereas, the Georgia Planning Act of 1989 requires local governments to develop and maintain a comprehensive plan to retain their Qualified Local Government status and eligibility for State permits, grants, and loans; and

Whereas, the *Whitfield County Joint Comprehensive Plan (2019-2023) including the municipalities of Cohutta, Dalton, Tunnel Hill and Varnell* is now complete; and

Whereas, such **Joint Comprehensive Plan Update** is approved by the Georgia Department of Community Affairs as meeting Georgia's Minimum Planning Standards and Procedures (effective March 1, 2014); and

Whereas, the second and final public hearing on the draft plan was held on Monday September 10th, 2018 at the Whitfield County Commissioner's Chambers at 214 W. King Street at 6:00pm during the regular business meeting of the Whitfield County Board of Commissioners.

Now Therefore Be It Resolved, that the Board of Commissioners of Whitfield County, Georgia hereby officially adopts the *Whitfield County Joint Comprehensive Plan (2019-2023) including the municipalities of Cohutta, Dalton, Tunnel Hill and Varnell*.

Resolved, this 22nd day of October, 2018.

BY:


R. Lynette Laughter
Chairman, Whitfield County

ATTEST:


Blanca Cardona, County Clerk
Whitfield County

October 2018

Weaving the Future of Whitfield County

Prepared By:

Northwest Georgia Regional Commission



Why is the BGD study part of the Comprehensive Plan?

KEY FINDINGS

THE GREATER DALTON HOUSING MARKET HAS BEEN STAGNANT FOR A DECADE

Currently, 50% of Whitfield County workers earning more than \$40,000 per year live outside the Dalton MSA based on 2016 Census data.

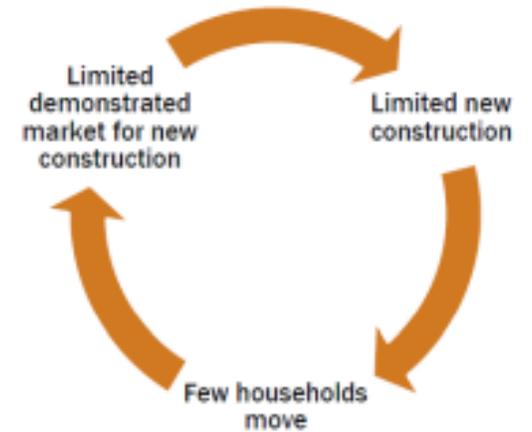
Dalton/Whitfield County currently generally lacks three key components of a healthy housing market:

- Existing Homes on the Market
- New Construction
- The Right Home for the Right Price

AVERAGE WEEKLY WAGES

- Without appropriate new housing options, higher wage earners in Dalton often choose to live outside of the county.
- The county is in the 94th percentile for wages in Georgia, but only 62nd percentile for incomes.
- A wider variety of new housing options in Whitfield is possible due to the prevalence of higher income jobs in the county.

The Current Market: A Negatively Reinforcing Cycle



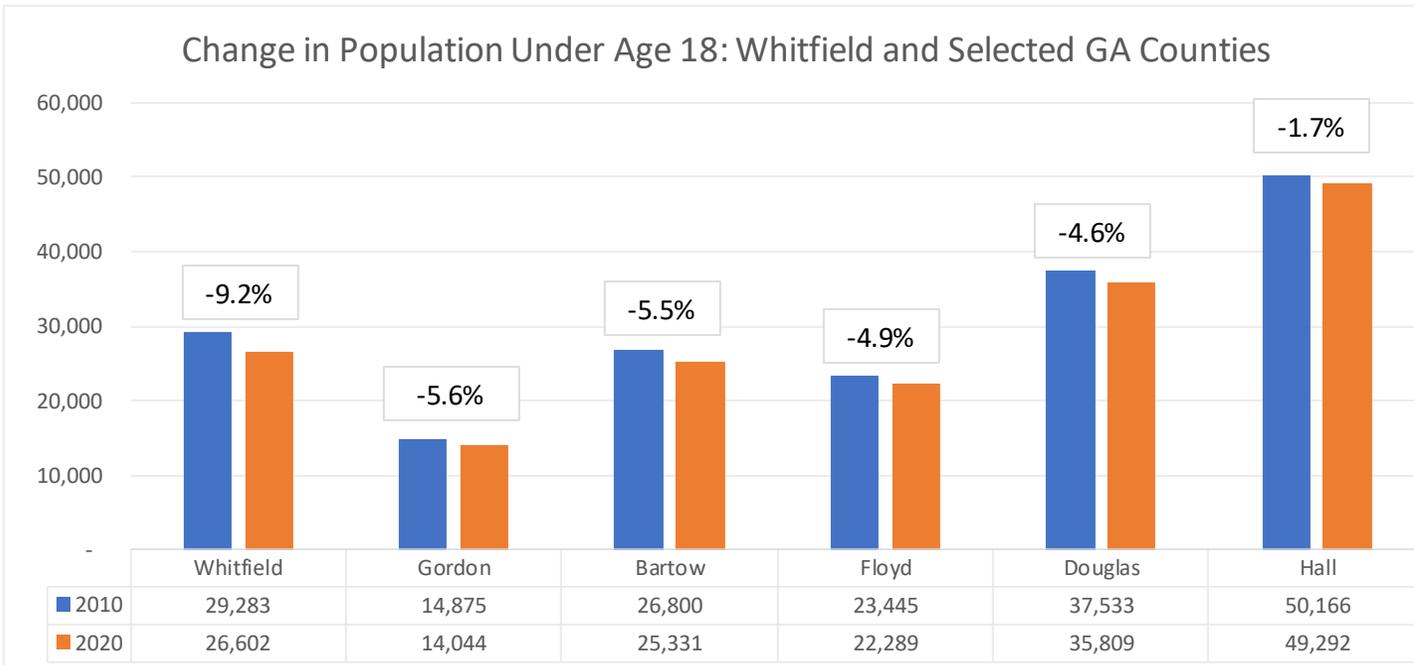
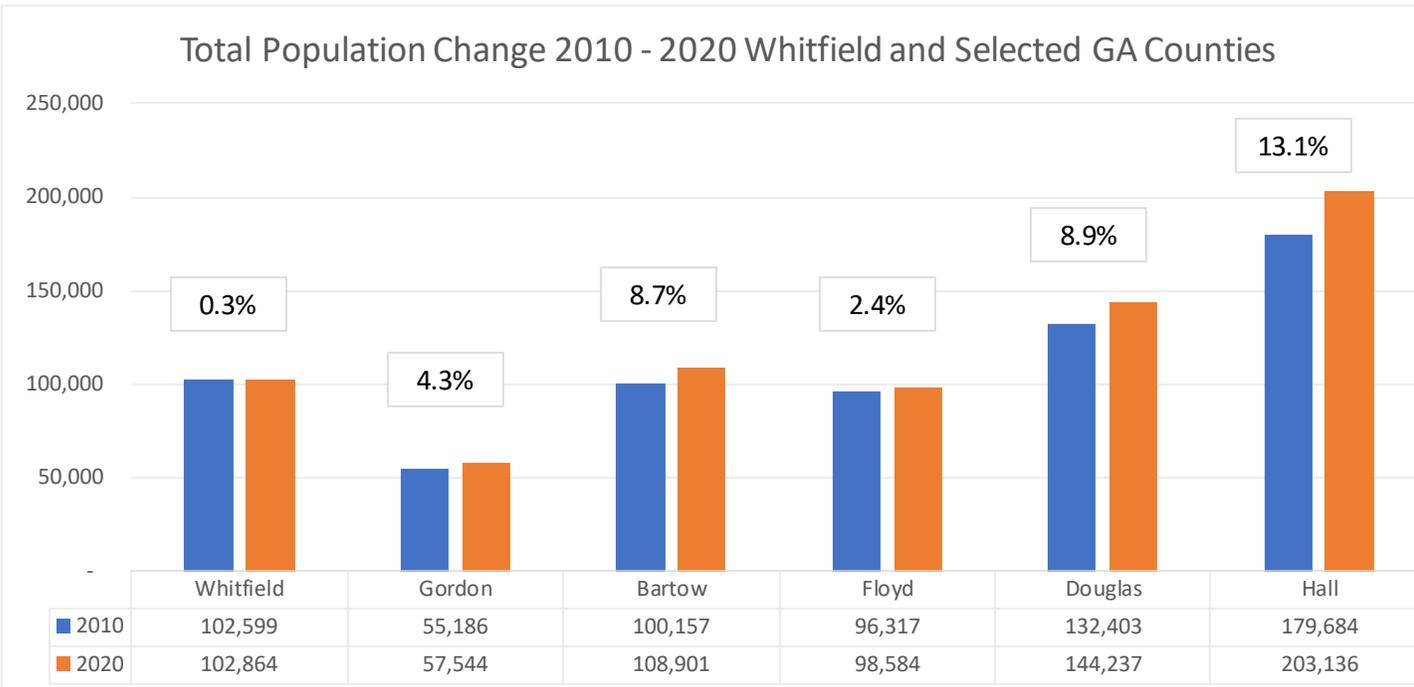
Greater Dalton Housing Market:

A large supply of lower-priced houses, which are often not marketable to a wide range of buyers, and an under supply of houses that are marketable, particularly to meet a growing middle-income demand.

Status Quo Implications

- Population

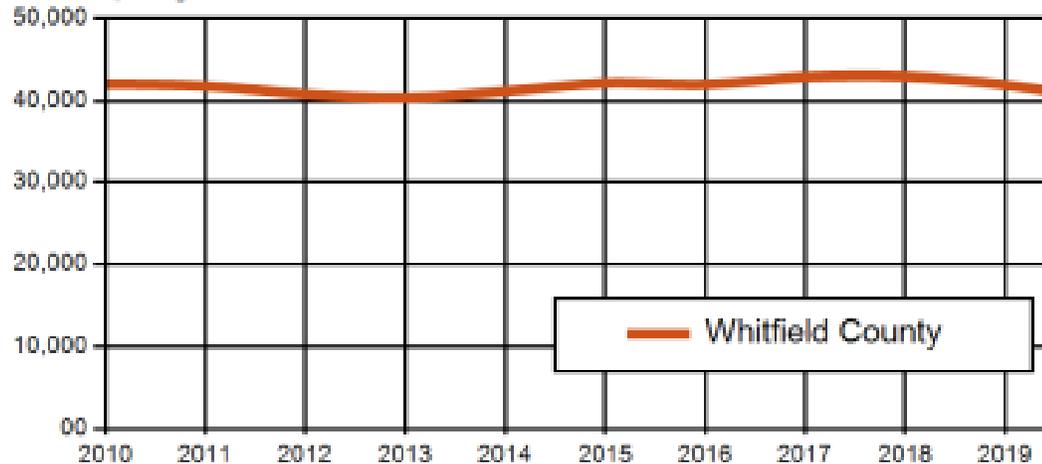
- Whitfield County experienced virtually no population growth over the past decade - much slower than nearby or comparable counties
 - Total increase of 265 residents over the decade
- Whitfield County is rapidly losing population under age 18 – a much deeper decline than nearby or comparable counties
 - Nearly 2,700 fewer kids live in Whitfield County today than a decade ago – with the largest % reduction occurring outside of Dalton
- Population losses in the under 18 age group have only recently begun to negatively impact total school enrollments
 - Future implications include possible losses of state aid and schools operating inefficiently - at well below their design capacity



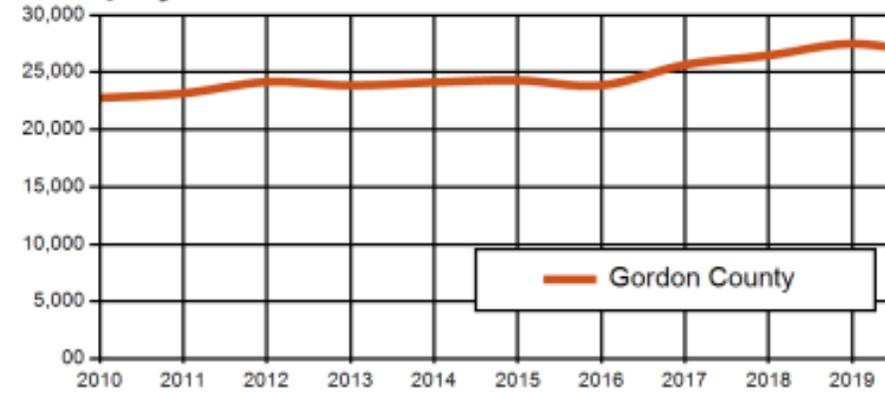
Status Quo Implications

- Employment
 - Pre-COVID, Whitfield County employment was increasing faster than population
 - Labor markets are tightening, and unemployment rates have declined to historic lows
 - Can, or how long can County job growth continue absent of an increase in total population?

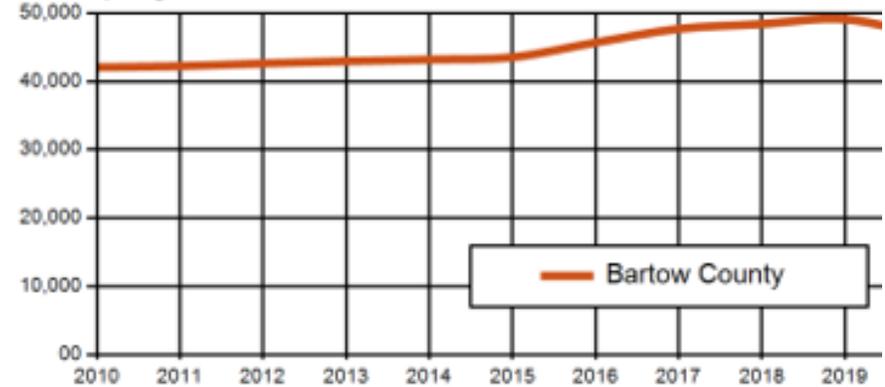
Employment Trends



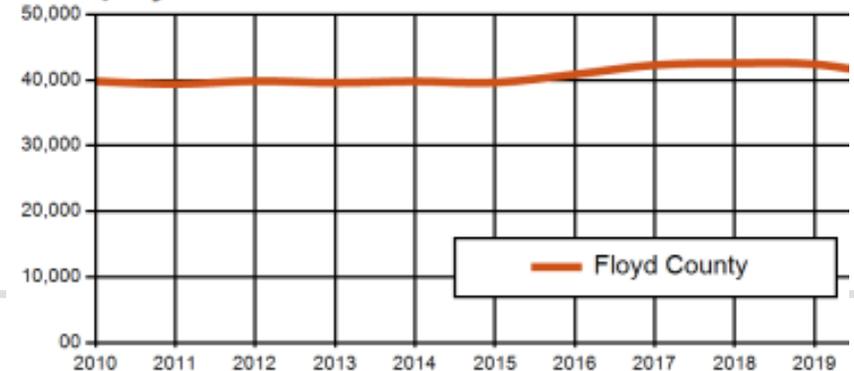
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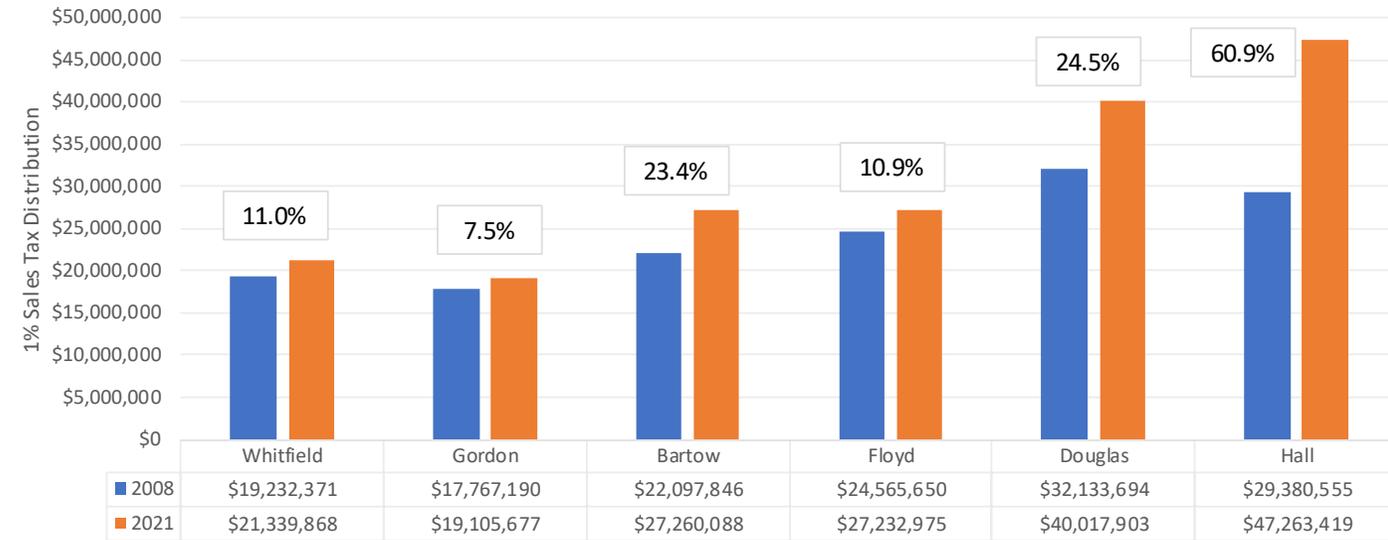
Employment Trends



Status Quo Implications

- Retail Sales and Sales Tax Collections
 - Slow population growth and lack of investment to strengthen retail nodes has slowed in-county retail sales and resulting SPLOST and ELOST revenues
 - (1%) sales taxes collection in Whitfield County have increased by an average of 0.7% per year since their pre-recession peak in 2008
 - On a per resident basis, annual sales (1%) tax collections in Whitfield County in 2021 were significantly lower than comparison counties

Change in County wide Pre- and Post Recession (1%) Sales Tax Collections



2021 (1%) Sales Tax Collections Per Capita



Is there evidence that Tax Allocation Districts work?

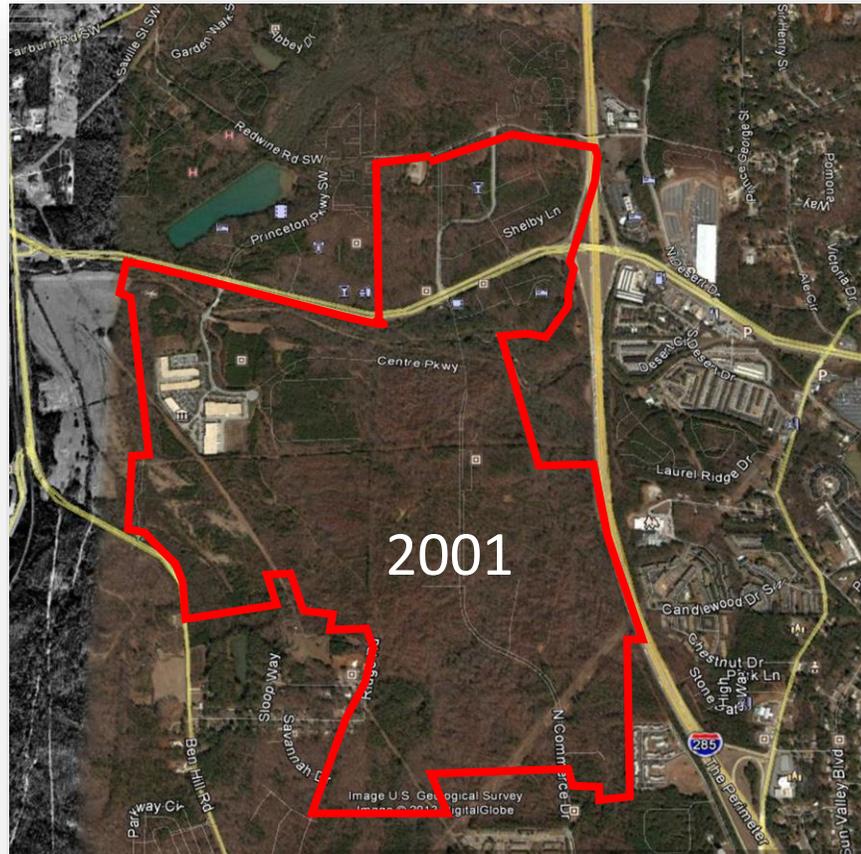
Georgia Cities/Counties with Tax Allocation Districts (partial list)

If Tax Allocation Districts aren't beneficial to taxpayers – a lot of Georgia cities and counties have made the same mistake

- Duluth
- Gwinnett County (6)
- Lawrenceville
- Woodstock
- Atlanta (10)
- Savannah
- **Gainesville (2)**
- Augusta
- Athens
- Smyrna
- Fayetteville
- Acworth
- **Douglas County**
- Douglasville
- Clayton County (3)
- East Point (2)
- College Park (2)
- Forest Park
- Marietta (2)
- LaGrange (3)
- **Rome (2)**
- Flowery Branch
- Lawrenceville
- Kingsland
- Dalton (4)
- Canton
- Norcross
- Albany
- Brunswick
- Holly Springs
- Bulloch County
- **Bartow County**
- **Cartersville**
- Columbus (5)
- Lilburn
- St. Marys
- Camden
- Union City
- Villa Rica
- Varnell
- Richmond Hills



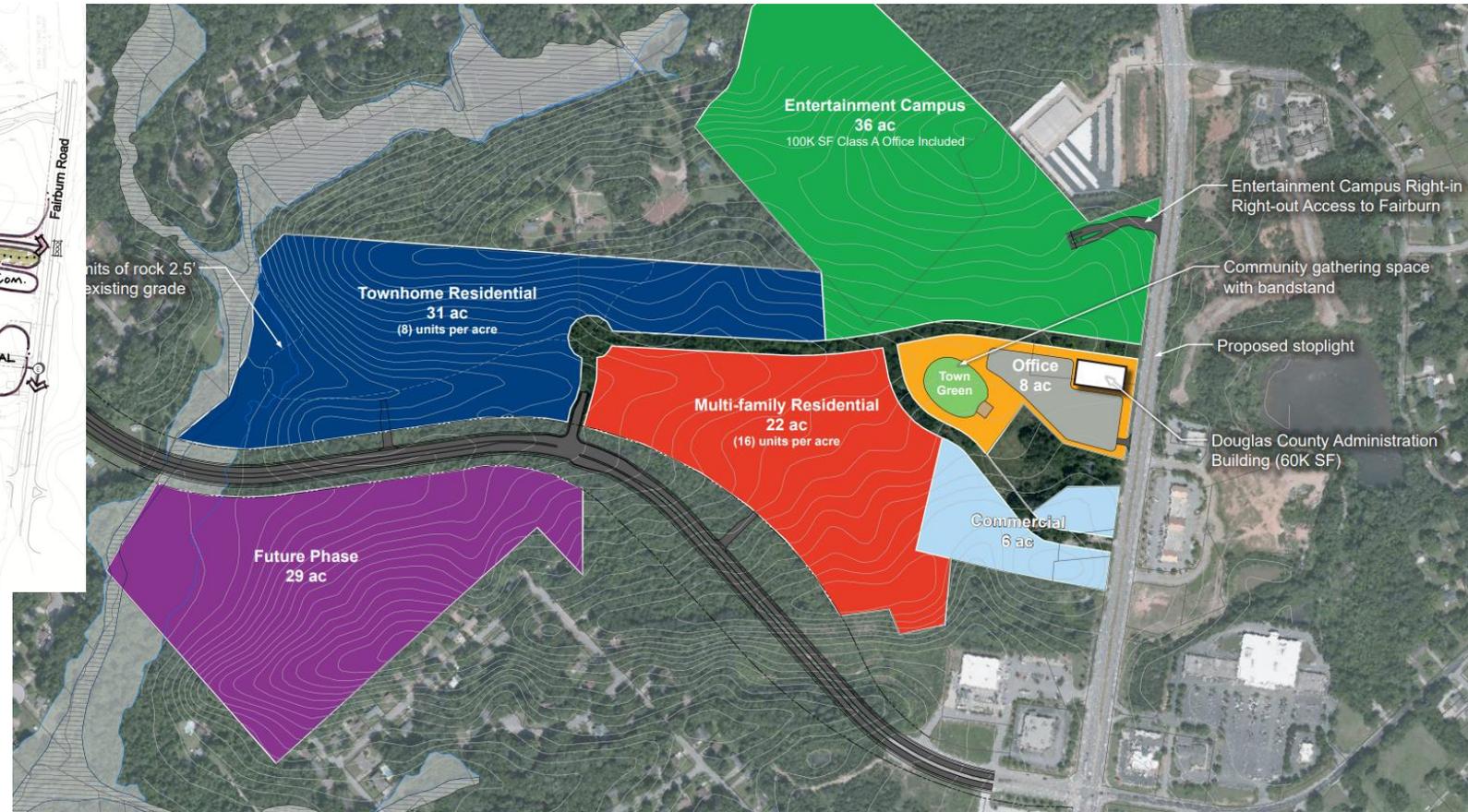
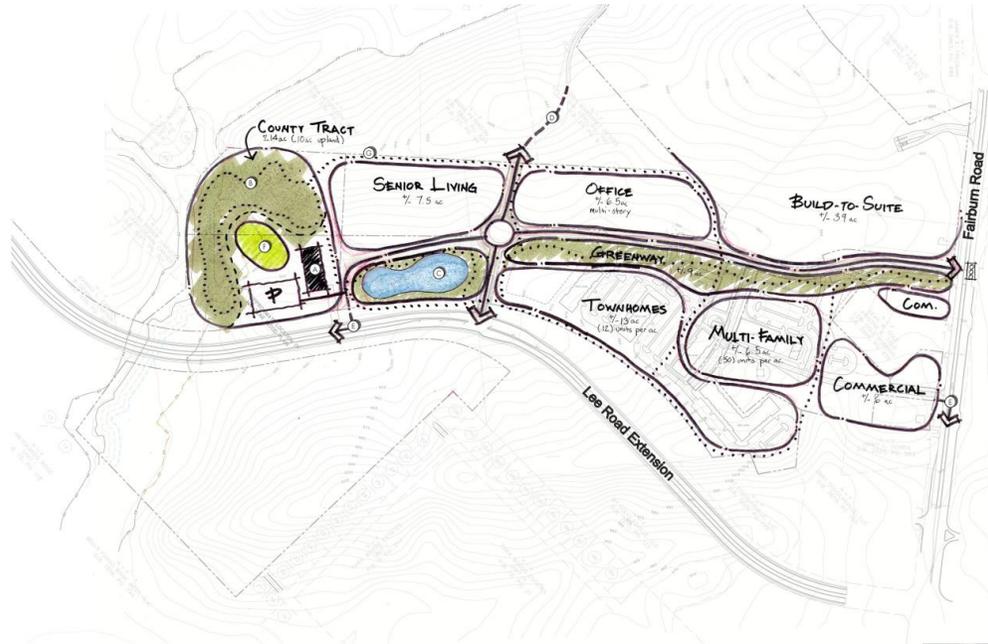
TAD examples: East Point TAD #1 - Camp Creek Marketplace



East Point created an 814- acre TAD along Camp Creek Parkway in 2001. The issuance of an \$8.0 million TAD bond to pay for water and sewer infrastructure enabled development of the Camp Creek Marketplace and Duke Realty's adjacent industrial park. The TAD digest grew from \$4.8 million when certified to \$98 million by 2016.



TAD examples: Douglas County

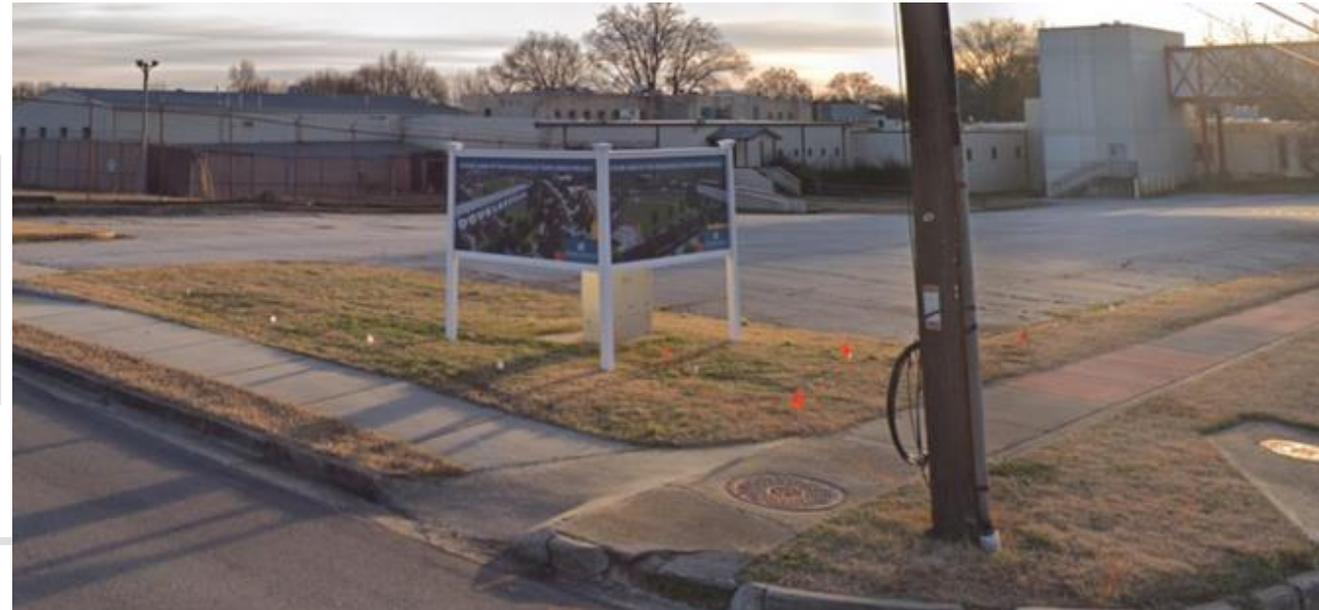


Douglas County has master planned and established a TAD to support development of a large greenfield site located 2 miles south of I-20. This \$300+ million project is envisioned to become the centerpiece of the county's economic development strategy to diversify its economy and attract higher paying tech jobs by integrating a corporate park and media campus with on-site housing, mixed-use commercial development and extensive public amenities.

TAD examples: Downtown Douglasville



Douglasville intends to use TAD increment from a proposed mixed-use development to partially fund debt service on a new park and amphitheater being developed on the site of the former Douglas County Jail.



TAD examples: Downtown Gainesville



Gainesville has negotiated more than 10 reimbursement agreements that have incentivized a minimum of \$150 million in total investment in the Downtown Gainesville – most of which is completed or under construction

PROJECT

The project consists of 214 market rate apartments in three buildings with surface parking. The buildings are planned as four to five stories in height with contemporary urban styling. The project will be well amenitized with pool, fitness center and landscaped grounds which incorporate the adjacent multi-use path.



Summary Observations

- It is difficult to argue that continuing status quo conditions is THE best-case scenario for Whitfield taxpayers
 - Slower growth in residential tax base than is supported by actual housing demand
 - Tightening labor market conditions placing local employers at a disadvantage competing for labor against locations that are more attractive to skilled/higher paid workers
 - Growth rate in sales tax collections has been well below inflation – making it more difficult to fund capital improvements without raising taxes
 - Declining enrollment threatens the quality of schools – with potentially less state aid and increasing facility overhead costs per student competing against remaining budget resources to support educational programming
- Supporting the County’s 5 TADs won’t solve these problems alone but could:
 - Enable the construction of new apartments and high-quality mixed-use developments in locations that have been identified as priorities for such development in the Comprehensive Plan
 - Help to reposition two of the County’s most important retail nodes on East and West Walnut Avenue to help retain retail sales within the County
 - Help Downtown Dalton revitalize – “Successful” downtowns are critical to attracting and retaining a skilled labor force. Few counties with deteriorating downtowns have successfully grown their economies over the long run
- **Absent of making TAD’s work – are there better alternatives to grow the County’s economy and meet the housing needs of residents and employers at less “cost” to taxpayers?**

Questions/Discussion?