



## Table of Contents

Executive Summary.....	3
Introduction .....	5
I.    Revenues.....	6
A.    Methodologies Utilizing Ratios of Assessed Real Property Value .....	9
B.    Methodologies Utilizing Ratios of Population of the Study Area to the Unincorporated Area..	11
C.    Homestead Option Sales Tax (restricted to capital) .....	14
D.    Community Development Block Grant .....	15
E.    Franchise Fees.....	15
F.    Real Property Taxes .....	17
G.    Other Actuals from Tax Commissioner .....	18
II.    Expenditures .....	19
Appendix A.....	36
Appendix B .....	37
Appendix C .....	40
Appendix D.....	42
Appendix E .....	43
Appendix F .....	45
Appendix G.....	49
Appendix H.....	52
Appendix I .....	53

## Tables

Table 1: Summary of Estimated Revenues and Estimated Expenditures .....	4
Table 2: Study Area Revenue Estimates.....	7
Table 3: 2014 Property Values in Study Area and Unincorporated DeKalb .....	9
Table 4: 2010 Population figures for Study Area and Unincorporated DeKalb .....	12
Table 5: 2010 Demographic Profile of Study Area and Primary Comparison Cities .....	19
Table 6: Summary of Expenditure Estimates.....	21
Table 7: Study Area Park Amenities .....	26

## **Executive Summary**

Over the last several years, the Carl Vinson Institute of Government 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.

To determine available revenues, we have looked at the amounts of revenue being paid to the county government currently providing services to the area under study and any revenue streams uniquely available to municipalities such as franchise fees or HOST tax distributions. To determine the likely operational expenses associated with providing parks, police, public works, planning and zoning, basic administrative costs, as well as capital costs associated with those services and administration, we looked at two comparison governments in the metropolitan Atlanta area, Dunwoody and Smyrna.

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.

We are confident however, that looking at currently available revenues and analyzing comparable government municipal government spending that our study reflects a realistic assessment of likely fiscal feasibility. Based on our analysis, we find that likely available

revenues exceed likely expenditures for the services identified to be provided, and therefore have concluded that a city comprised of the LaVista Hills study area is fiscally feasible.

<b>Table 1: Summary of Estimated Revenues and Estimated Expenditures</b>		
	<b>Study Area</b>	<b>Per Capita</b>
Annual Operating Expenses	\$27,060,803	\$401.22
Annualized Capital Expenses	\$7,427,743	\$110.13
Total Annual Expenses	\$34,488,546	\$511.35
Total Annual Revenues	\$36,627,726	\$543.07
Total Annual Revenues less Motor Vehicle Tax	\$36,215,228	\$536.95
Amount of Revenue less Motor Vehicle Tax exceeding Expenses	\$1,726,682	\$25.60

## Introduction

LaVista Hills, Yes! and State Representative Scott Holcomb engaged the Carl Vinson Institute of Government to study an area within unincorporated DeKalb County in order to aid their consideration of the area's possible incorporation. LaVista Hills, or the "study area," as it is referred to in this report, is situated in central DeKalb County. The study area tracks the southern side of Interstate I-85 through DeKalb County from the border with Gwinnett County on the east and, for the most part, North Druid Hills Road and Briarcliff Road on the west and southwest. It includes territory inside and outside of I-285. *See Appendix A for a map of the study area.*

This report provides estimates of revenues and expenditures a potential City of LaVista Hills, 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 fiscal year (FY) 2014 as well as projections for franchise fees, the Homestead Option Sales Tax, and the Community Development Block Grant. Expenditure estimates are primarily based on costs for services in the cities of Smyrna and Dunwoody. For each city that was used to establish costs estimates, CVIOG faculty examined its budget 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 budgets.

The cities of Smyrna and Dunwoody were selected at the outset of the study to be used as the primary comparisons for expenditure purposes. These cities are similar in size to the study area and are located in metropolitan Atlanta. One of the cities is fairly new in that Dunwoody was incorporated on December 1, 2008.<sup>1</sup> The fiscal years of 2012 and 2013 were used from each city to estimate costs, because they constituted the best available data during the time the study was conducted. For most of that time, Dunwoody contracted with three different private sector service providers in order to provide city services. Smyrna

---

<sup>1</sup> See Ga. Law 2006, p. 3503; Ga. Law 2008, p. 3536.

provides municipal services through its own directly employed city staff. Both cities directly employ their own police personnel.

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 LaVista Hills by the Carl Vinson Institute of Government (CVIOG).

## **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 2014 and assessed taxes and fees at rates similar to DeKalb County in that same year. Most of the revenue analysis is based on revenue collections by DeKalb County in 2014. While the most recent available data has been used, it should be noted that the amount of revenue generated from different sources can vary from year to year due to a variety of factors. We elected to use the most recently available data in order to capture the most current revenue climate in the area under study. 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.

<b>Table 2: Study Area Revenue Estimates</b>		
<b>Revenue Source</b>	<b>Data Source</b>	<b>Amount</b>
Occupation Taxes	Ratio of assessed value of commercial property in study area to DeKalb unincorporated area	\$2,316,767
Beverage Excise Taxes	Ratio of assessed value of commercial property in study area to DeKalb unincorporated area	\$666,625
Personal Property Taxes	Ratio of assessed value of commercial property in study area to DeKalb unincorporated area	\$1,151,027
Hotel/Motel Taxes	Ratio of assessed value of commercial property in study area to DeKalb unincorporated area	\$309,051
Hotel/Motel Taxes (restricted to tourism)	Ratio of assessed value of commercial property in study area to DeKalb unincorporated area	\$515,085
Business License – Police	Ratio of assessed value of commercial property in study area to DeKalb unincorporated area	\$117,220
Business License-Beverages	Ratio of assessed value of commercial property in study area to DeKalb unincorporated area	\$197,620
Bank Shares Taxes	Ratio of assessed value of commercial property in study area to DeKalb unincorporated area	\$138,280
Intangible	Ratio of assessed value of commercial property in study area to DeKalb unincorporated area	\$181,442
Development Fund	Ratio of assessed value of residential & commercial property in study area to unincorporated area	\$1,321,292
Zoning and Variance Fees and Permits	Ratio of assessed value of residential & commercial property in study area to unincorporated area	\$19,823
Insurance Premiums	Ratio of population in study area to DeKalb unincorporated area	\$3,781,598

Fines & Forfeitures	Ratio of population in study area to DeKalb unincorporated area	\$2,215,123
Storm Water Fund	2014 Actuals from Tax Commissioner	\$1,876,507
Motor Vehicles Taxes*	Ratio of population in study area to DeKalb unincorporated area	\$412,498
Law Enforcement - Confiscated Monies Fund	Ratio of population in study area to DeKalb unincorporated area	\$393,818
Sale of Printed Material- Police	Ratio of population in study area to DeKalb unincorporated area	\$51,918
Homestead Option Sales Taxes (restricted to capital)	Calculation pursuant to O.C.G.A. § 48-8-104	\$3,467,377
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>	\$7,528
Franchise Fees	Regression with data set of 32 cities	\$4,496,352
Real Property Taxes	2014 Actuals from Tax Commissioner	\$11,690,718
Real Property Taxes - Penalties	Ratio of Penalties to Property Taxes in Unincorporated DeKalb	\$186,593
Street Lights	2014 Actuals from Tax Commissioner	\$579,412
Speed Bumps	2014 Actuals from Tax Commissioner	\$51,400
<b>Total Revenue Estimate</b>		<b>\$36,627,726</b>
<b>Total Revenue less Motor Vehicle Taxes</b>		<b>\$36,215,228</b>

Relies on FY 2014 data unless otherwise indicated. *See Appendix C for county revenue data detail.*

\*Under O.C.G.A. §48-5C-1(c)(3) cities formed on or after January 1, 2013 will not receive a first step distribution of the Local Title Ad Valorem Tax Fee and, consequently, this source of revenue will disappear for the study area over a short period of time as residents of the study area purchase new vehicles.



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 2014 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. 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.

<b>Table 3: 2014 Property Values in Study Area and Unincorporated DeKalb</b>			
	<b>Study Area</b>	<b>Unincorporated DeKalb County</b>	<b>Percent Study Area to Unincorporated</b>
AV Residential Prop	\$1,921,091,263	\$6,911,794,351	27.79%
AV Commercial Prop	\$660,145,946	\$3,619,186,604	18.24%
AV Com & Res	\$2,581,237,209	\$10,530,980,955	24.51%
AV Industrial Prop	\$33,131,057	\$822,565,750	4.03%
AV Utility Prop	\$0	\$267,888,775	0.00%
Total Assessed Value	\$2,614,368,266	\$11,621,435,480	22.50%

### 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. CVIOG verified the presence of at least 7 hotels in the study area. *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.

### Business Licenses-Police

This line item represents fees generated by background checks that are required to obtain licenses for various locally-regulated activities (e.g. alcoholic beverage pouring permits, taxicab licenses, etc.).

### 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

A number of revenue sources depend more directly upon the number of individuals engaging in certain behaviors such as the purchase of insurance, watching cable television, owning a car, and committing traffic offenses. For these revenue sources, assumptions were made that these behaviors are 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.

<b>Table 4: 2010 Population figures for Study Area and Unincorporated DeKalb</b>			
	<b>Study Area</b>	<b>Unincorporated DeKalb County</b>	<b>Percent Study Area to Unincorporated</b>
Population	67,446	511,619	13.18%
Median Household Income	\$59,200	\$36,000	
Poverty Rate	14.50%	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, 2005-2009 estimates utilizing 2010 Blocks and 2000 Blockgroups that approximated the study area for ACS 05-09 data.

### 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.

### Fines and Forfeitures

Traffic offenses and certain misdemeanor offenses may be adjudicated in county level (recorders) and city level (municipal) courts, and fine revenue from these offenses is retained by the local government with jurisdiction. An assumption was made that rates of petty offenses of this nature take place on a fairly consistent level across unincorporated DeKalb, and the population ratio was applied to 2014 actual revenue.

### Motor Vehicles

Motor vehicles are subject to an ad valorem tax levied on their assessed value. The figure above is derived by applying the population ratio and assumes car ownership is consistent across the unincorporated area. On a going-forward basis, the study area should expect its revenue from this source to decrease significantly. O.C.G.A. § 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.<sup>2</sup>

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. 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.<sup>3</sup>

The first step distribution of TAVT proceeds 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. 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.<sup>4</sup> *The Georgia Department of Revenue Title Ad Valorem Tax Fee Local Distribution Guidance letter is included in Appendix E.*

#### Law Enforcement - Confiscated Monies Fund

This fund represents revenues received from money confiscated in drug cases. An assumption was made that police seizure of money from illegal drug trafficking would be proportionate to population.

#### Sale of Printed Material-Police

Police departments are able to charge fees for copies of police reports, incident reports, motor vehicle accident reports and other miscellaneous materials. It is assumed that there would be some demand for the same types of documents from a municipality.

---

<sup>2</sup> Georgia Department of Revenue Title Ad Valorem Tax Fee Local Distribution Guidance, October 30, 2013.

<sup>3</sup> Id.

<sup>4</sup> Id.

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. 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 2013 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 distributions are made from the previous year’s tax collections, so a new city would have to wait to begin collecting this distribution.

It should further be noted that the incorporation of any other cities will decrease the amount of HOST proceeds received by the study area city by virtue of the HOST calculation.

The HOST calculation distributes the capital outlay proceeds based on the equalization calculations. In the event the amount of the capital outlay proceeds exceeds the equalization payments due to each qualified municipality, the excess is amount is divided up among all the qualified municipalities based on their share of the homestead digest to the total digest. Thus, additional cities will decrease the amount each existing city is receiving from this excess capital outlay amount.

Finally, there is a “tipping” point after enough new territory is incorporated where the amount due to the municipalities under the equalization calculation will exceed the amount of capital outlay proceeds available for distribution. At this point, HOST proceeds will be allocated based simply on the ratio of the net homestead of each municipality to the total homestead digest.

#### 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. It is also worthy of note that Dunwoody has not received any CDBG funds since their incorporation. The fact that Dunwoody is new likely contributes to their not receiving CDBGs. Smyrna, however, has received CDBGs in recent years.<sup>5</sup> *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 franchise fees, and not broken down by type. *The regression output is shown in Appendix H.*

---

<sup>5</sup> [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/communitydevelopment/programs](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs)

### 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 being paid by study area residents to the county for the services being provided through county special service tax districts. The actual amount paid in Fiscal Year 2014 by the residents who would actually live in the study area was provided by the Tax Commissioner's office. 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.

Recent statutory changes have required that police services be broken apart from the other special services tax district services and billed as a separate line item.<sup>6</sup> The 2014 millage rate for the police services that were previously included in the special services tax district is 6.18 mills and the millage rate for the remaining unincorporated special services is 1.46 mills. Together, these two millage rates equal 7.64 mills and represent services funded from the previous unincorporated special tax district.

#### 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 provided by the Tax Commissioner.

---

<sup>6</sup> See HB 607, effective May 11, 2011.

#### G. Other Actuals from Tax Commissioner

##### Storm Water Fee

DeKalb County collects a storm water utility fee in order to defray the costs associated with infrastructure to handle storm water runoff. The fees imposed are designed to be proportionate to the amount of runoff created by impervious surfaces. The 2014 rates charged by DeKalb County were \$48 per single family residential dwelling annually. Multiple dwelling units are each charged half of that rate annually, and all other improved properties are charged at a rate of \$48 per 3,000 square feet of impervious surface. As the amount of impervious surface in the study area is unknown at this time as well as the actual collections from the study area, the population ratio was used here as a rough approximation of development and, consequently, reflective of the amount of impervious surface. Because storm water utilities operate as an enterprise fund and because the fees collected must be used for storm water utility purposes, this figure was also used to calculate expenditures.

##### Street Lights and Speed Bumps

Street light and Speed Bump programs also operate as enterprise funds. The actuals for the study area were provided by the Tax Commissioner and these same numbers were also used in the expenditure analysis.

## II. Expenditures

The expenditure estimates below are based primarily on expenditures incurred by comparable governments to 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 Dunwoody and Smyrna. These cities were selected based on several factors. Dunwoody is new, officially incorporated in December of 2008, while Smyrna is an established city. Both cities are located in the metro Atlanta area and are close in population to the study area. Dunwoody, like the study area, is wholly contained inside the limits of DeKalb County. Smyrna's population, poverty rate and median household income are very similar to the study area, and its location in the metro Atlanta area makes it a good comparison city. Profile data for the study area and the comparison cities is given below in Table 5.

<b>Table 5: 2010 Demographic Profile of Study Area and Primary Comparison Cities</b>			
	<b>Study Area</b>	<b>Dunwoody</b>	<b>Smyrna</b>
Population	67,446	46,267	51,265
Race-White	64.4%	64.1%	46.6%
Race-Black	16.9%	12.6%	31.6%
Race-Asian	8.7%	11.1%	4.9%
Race-Hispanic*	15.8%	10.3%	14.9%
Race-Other	10.0%	12.2%	16.9%
Median Income	\$59,200	\$74,411	\$55,989
Poverty %	14.5%	10.4%	12.8%

\*Hispanic is recognized as an ethnicity rather than a race in Census Data. Therefore, the sums of all race and ethnic groups here may exceed 100%.

Population figures and racial make-up for the study area were supplied by the Georgia General Assembly Office of Congressional and Legislative Reapportionment; Median income and poverty rate came from the 2010 Census using Block groups that approximated the study area. Figures for Dunwoody and Smyrna are from the 2010 Census.

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 for both the fiscal years of 2012 and 2013.<sup>7</sup> 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 Dunwoody 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 the services currently provided to the unincorporated area via the unincorporated special tax districts. This includes police, parks, road maintenance, and storm water. It was also assumed that a new city would be responsible for planning and zoning; but that fire and rescue, E-9-1-1, sanitation, and other general countywide services would continue to be provided by the county.<sup>8</sup> This means that new city residents would continue to pay general county taxes, the fire service district tax, assessments for Grady Hospital, and any existing unincorporated or countywide bonded indebtedness just as they are now. However, the unincorporated special district taxes would be eliminated and replaced by a municipal millage rate.<sup>9</sup>

---

<sup>7</sup> The fiscal years of 2012 and 2013 were selected to use actual numbers spent by both cities.

<sup>8</sup> This would also include general county government operations, all health and welfare services, all court and judicial services (except the county recorder's court - whose function would be supplanted by a municipal court in a newly incorporated city), animal control, public libraries, and the services of the office of the sheriff, the tax commissioner, and the tax assessor.

<sup>9</sup> 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.

<b>Table 6: Summary of Expenditure Estimates</b>	
City Council	\$421,758
Administration (City Manager and City Clerk)	\$791,575
General Operations/Administrative Services	\$2,136,712
IT	\$871,306
Marketing	\$638,392
Finance	\$719,032
Legal Department	\$442,015
Human Resources	\$392,356
Community Development	\$2,339,170
Municipal Court	\$603,732
Parks	\$591,221
Police	\$9,939,298
Public Works	\$3,352,477
Storm Water	\$1,876,507
Tourism	\$515,085
Street Lights	\$579,412
Speed Bumps	\$51,400
Contingency Fund	\$799,355
<b>Total Operating Costs</b>	<b>\$27,060,803</b>
Annual Capital for Roads & Drainage	\$4,615,908
Capital for Park Acquisition**	\$5,360
Annualized Police Capital and General IT Start-Up*	\$1,676,871
Annual Capital for Facilities	\$1,129,604
<b>Total Annual and One-Time Capital Costs</b>	<b>\$7,427,743</b>
<b>Total Annual Expenditures</b>	<b>\$34,488,546</b>
<b>Surplus Based on Revenue Estimates</b>	<b>\$2,139,180</b>
<b>Surplus Based on Revenue less Motor Vehicle Tax Estimates</b>	<b>\$1,726,682</b>

\* This figure represents costs for police vehicles and police equipment, as well as furniture and financial software purchased for general government purposes in Dunwoody. These costs are amortized over the course of five years. Because police capital costs are not included elsewhere, these are treated here as an ongoing annual capital expense; see pages 32 - 33 for more detail.

\*\* Park Acquisition is a one-time cost. See pages 31- 32 for more detail.

### City Council

Dunwoody and Smyrna both have six council members and one 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.

<b>City and Fiscal Year Budget</b>	<b>Dept. Budget</b>	<b>Per Capita</b>
Smyrna – FY 13	\$424,353	\$8.28
Smyrna – FY 12	\$447,488	\$8.73
Dunwoody – FY 13	\$192,627	\$4.16
Dunwoody – FY 12	\$177,810	\$3.84
Average Per Capita Expenditure		\$6.25
<b>Study Area Estimate</b>		<b>\$421,758</b>

### Administration (City Manager and City Clerk)

These costs were determined by averaging the 2012 and 2013 fiscal years of Dunwoody and Smyrna, 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, the two budgets for Dunwoody were combined to give a more accurate comparison. These budget lines included costs not just for salaries and benefits but also for studies and other discretionary items typically paid for out of a city manager's budget.

<b>City and Fiscal Year Budget</b>	<b>Dept. Budget</b>	<b>Per Capita</b>
Smyrna – FY 13	\$670,263	\$13.07
Smyrna – FY 12	\$576,560	\$11.25
Dunwoody – FY 13	\$604,715	\$13.07
Dunwoody – FY 12	\$442,055	\$9.55
Average Per Capita Expenditure		\$11.74
<b>Study Area Expenditure Estimate</b>		<b>\$791,575</b>

### Information Technology

These costs were determined by averaging the 2012 and 2013 fiscal years of Dunwoody and Smyrna. 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.

<b>City and Fiscal Year Budget</b>	<b>Dept. Budget</b>	<b>Per Capita</b>
Smyrna – FY 13	\$676,481	\$13.20
Smyrna – FY 12	\$586,151	\$11.43
Dunwoody – FY 13	\$689,550	\$14.90
Dunwoody – FY 12	\$561,731	\$12.14
Average Per Capita Expenditure		\$12.92
<b>Study Area Expenditure Estimate</b>		<b>\$871,306</b>

### Marketing

These costs were determined by averaging the 2012 and 2013 fiscal years of Dunwoody and Smyrna, 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.

<b>City and Fiscal Year Budget</b>	<b>Dept. Budget</b>	<b>Per Capita</b>
Smyrna – FY 13	\$615,890	\$12.01
Smyrna – FY 12	\$549,121	\$10.71
Dunwoody – FY 13	\$401,374	\$8.68
Dunwoody – FY 12	\$298,907	\$6.46
Average Per Capita Expenditure		\$9.39
<b>Study Area Expenditure Estimate</b>		<b>\$638,392</b>

### General Operations/Administrative Services

This figure represents ongoing operational costs. Only the costs from Smyrna were used due to the fact that Dunwoody does not break out these costs and they are subsumed in the Finance budget for Dunwoody.

<b>City and Fiscal Year Budget</b>	<b>Dept. Budget</b>	<b>Per Capita</b>
Smyrna – FY 13	\$1,863,853	\$36.36
Smyrna – FY 12	\$1,384,332	\$27.00
Average Per Capita Expenditure		\$31.68
<b>Study Area Expenditure Estimate</b>		<b>\$2,136,712</b>

### Finance

This figure represents all traditional finance functions: accounting, purchasing, contract administration, risk management, accounting and payroll. Dunwoody was excluded because costs could not be clearly allocated to the department.

<b>City and Fiscal Year Budget</b>	<b>Dept. Budget</b>	<b>Per Capita</b>
Smyrna – FY 13	\$586,447	\$11.44
Smyrna – FY 12	\$506,611	\$9.88
Average Per Capita Expenditure		\$10.66
<b>Study Area Expenditure Estimate</b>		<b>\$719,032</b>

### Legal Services

This figure reflects the per capita average of two fiscal years from both Smyrna and Dunwoody. Significant litigation could cause these costs to be higher, however both cities experienced some litigation costs during the time period used to estimate costs.

<b>City and Fiscal Year Budget</b>	<b>Dept. Budget</b>	<b>Per Capita</b>
Smyrna – FY 13	\$125,576	\$2.45
Smyrna – FY 12	\$200,633	\$3.91
Dunwoody – FY 13	\$374,360	\$8.09
Dunwoody – FY 12	\$544,098	\$11.76
Average Per Capita Expenditure		\$6.55
<b>Study Area Expenditure Estimate</b>		<b>\$442,015</b>



### Human Resources

This figure reflects the per capita average of two fiscal years from both Smyrna and Dunwoody. While the Human Resources expenses are assigned to the finance department in Dunwoody, the Finance Director indicated what the expense would be.

<b>City and Fiscal Year Budget</b>	<b>Dept. Budget</b>	<b>Per Capita</b>
Smyrna – FY 13	\$397,452	\$7.75
Smyrna – FY 12	\$358,549	\$6.99
Dunwoody – FY 13	\$175,000	\$3.78
Dunwoody - FY 12	\$219,306	\$4.74
Average Per Capita Expenditure		\$5.82
<b>Study Area Expenditure Estimate</b>		<b>\$392,356</b>

### Community Development

This figure includes costs for planning and zoning, building inspections, and code enforcement. It represents an average of two fiscal years for both cities averaged per capita and applied to the study area population. Dunwoody contracts these services out and the Dunwoody figures include approximately \$1.5 million in labor costs which gives them the flexibility of being able to bring on people and let them go, as needed.

<b>City and Fiscal Year Budget</b>	<b>Dept. Budget</b>	<b>Per Capita</b>
Smyrna – FY 13	\$946,645	\$18.47
Smyrna – FY 12	\$970,429	\$18.93
Dunwoody – FY 13	\$2,393,129	\$51.72
Dunwoody – FY 12	\$2,295,250	\$49.61
Average Per Capita Expenditure		\$34.68
<b>Study Area Expenditure Estimate</b>		<b>\$2,339,170</b>

### Municipal Court

This figure represents costs for two fiscal years for each city averaged per capita and applied to the study area population. Dunwoody uses volunteer Bailiffs, generally retired Law Enforcement Officers, to help keep their costs low.

<b>City and Fiscal Year Budget</b>	<b>Dept. Budget</b>	<b>Per Capita</b>
Smyrna – FY 13	\$485,552	\$9.47
Smyrna – FY 12	\$507,318	\$9.90
Dunwoody – FY 13	\$427,673	\$9.24
Dunwoody – FY 12	\$332,862	\$7.19
Average Per Capita Expenditure		\$8.95
<b>Study Area Expenditure Estimate</b>		<b>\$603,732</b>

## Parks

In order to calculate an expenditure estimate for park maintenance, CVIOG calculated the per acre expenditure made by the comparison cities and applied this amount to the park acreage in the study area.

<b>Table 7: Study Area Park Amenities</b>				
Park	Acres	Fields/Courts	Rec Centers/ Picnic shelters	Playground Structures
Pleasantdale Park	24	8 ball fields 2 football 1 tennis court	1-picnic	0
Mary Scott Nature Park	10.6			0
Frazier-Rowe	6			0
Fisher Trail Park	2			
Charles McDaniel Park	11			
Total	53.6			

<b>City and Fiscal Year Budget</b>	<b>Dept. Budget</b>	<b>Acres</b>	<b>Cost Per Acre</b>
Smyrna – FY 13	\$2,544,771	327	\$7,440
Smyrna – FY 12	\$2,544,771	327	\$7,782
Dunwoody – FY 13	\$2,526,534	172	\$14,689
Dunwoody – FY 12	\$2,216,774	156	\$14,210
Average Per Acre Expenditure			\$11,030
<b>Study Area Expenditure Estimate</b>		53.6	<b>\$591,221</b>

## Police

Given that police expenditures are such an important part of a city's budget, the expenditures were analyzed a couple of different ways to give the best estimate possible.

In the first analysis, police operational expenditures for the two most recent fiscal years of Smyrna and Dunwoody were utilized. To calculate the number of officers needed in the study area, the number of officers per capita was calculated.

<b>City</b>	<b>Population</b>	<b>Officers</b>	<b>Persons per Officer</b>
Smyrna	51,265	101	508
Dunwoody	46,267	59	784
Average Persons per Officer			646
Study Area	67,446		
<b>Study Area Officers</b>		<b>104</b>	

Then the average expense per officer was calculated for Smyrna and Dunwoody. This average expenditure was applied to the calculated number of officers for the study area to arrive at the total operational expenses for Police in the study area.

<b>City and Fiscal Year Budget</b>	<b>Dept. Budget</b>	<b>Officers</b>	<b>Per Officer</b>
Smyrna – FY 13	\$8,064,065	101	\$79,842.23
Smyrna – FY 12	\$8,084,720	101	\$80,046.73
Dunwoody – FY 13	\$6,744,644	59	\$114,316.00
Dunwoody – FY 12	\$4,900,735	46	\$106,537.72
Average Per Officer Expenditure			\$95,185.67
		<b>104</b>	
<b>Study Area Expenditure Estimate</b>			<b>\$9,939,298</b>

No jail costs are included in this figure, as it was assumed that a new city would not maintain its own jail and that it would enjoy a similar arrangement with the DeKalb County Sheriff as does Dunwoody. In Dunwoody, a 10% fine add-on is collected on cases that go to municipal court and sent to the county to pay for housing needs for any municipal prisoners. Municipal prisoners would only be those awaiting adjudication or serving a sentence imposed by the city's municipal court. It is worthy of note that within these costs, Dunwoody contributes one

person to a cooperative intergovernmental SWAT team, and employs one full-time narcotics person.<sup>10</sup>

As an alternative to this methodology, the Institute of Government faculty acquired a dataset of E-9-1-1 calls for law enforcement services in calendar year 2014 from the E-9-1-1 unit of the DeKalb County Police Department. There were 523,477 calls for service. A random number generator was used to create a random sample of addresses. Of these, 2,392 were mapped and the number of these within the study area identified.

Total Annual Service Calls	523,477
Random Sample	2392
Calls within the Study Area	178
Percent of sample in Study Area	7.44%
<b>Estimated Annual Calls in Study Area</b>	<b>38,954</b>

The International Association of Chiefs of Police (IACP) estimates that, in the absence of actual complaint counts, 550 complaints or incidents will occur for every 1,000 residents, or .55 per resident. Using this assumption, the study area would experience 38,954 calls.

Total Population	67,446
Calls per Resident	0.55
<b>Estimated Annual Calls in Study Area</b>	<b>37,095.3</b>

Based on information from the IACP, the national average of time per incident is approximately 45 minutes. Further, the IACP indicates there is a Police Activity Weighting Scale that should be applied to the time estimate to account for the time needed to handle calls involving more serious crimes. Thus, the calls were increased by 25% to account for this weighting.

Also, according to studies conducted by the IACP, one third of an officer's time should be spent handling calls for service, one third on preventative patrol, and the other one third

---

<sup>10</sup> DeKalb County maintains use of a police helicopter and other specialized resources that might only be available to the city on a cost or intergovernmental agreement basis upon incorporation.

used as a buffer time for an effective and efficient patrol force. In addition to responding to calls for service, the methodology also accounts for the time demand placed on officers as they arrest and book alleged suspects with greater weight given to arrests for more serious crime.<sup>11</sup>

The number of hours necessary to staff one basic one-officer patrol unit for one year is 2,920. This equates to 8 hours a day for 365 days. Since no one works every single day, a relief factor was used account for days an officer would be unavailable due to things such as days off, sick days, vacation day, training days and court days. This relief factor is 1.84. It is based on a review of police department personnel benefits conducted by the IACP.

Finally, the number was adjusted to account for law enforcement officers in supervisory roles. This number of officers was multiplied the per officer expenditures calculated from the actuals in Smyrna and Dunwoody.

The Workload Analysis yields a number of officers consistent with the number anticipated using the ratio of officers to population methodology above.

<b>Workload Analysis</b>		
	Analysis assuming .55 calls per Resident	Analysis based on E-9-1-1 data
Annual Calls	37,095	38,954
Weighted for more time consuming calls	46,369	48,693
Multiplied by .75 of an hour	34,777	36,519
Multiplied by 3 to account for 1/3 of time spent on calls	104,331	109,558
Divided by 2920 to convert to Officers	35.73	37.52
Multiplied by 1.84 to account for days off	65.74	69.04
Inflated by 10% for supervisors	72	76
Multiplied by \$95,185.67/officer		
<b>Study Area Expenditure Estimate</b>	<b>\$6,853,368</b>	<b>\$7,234,111</b>

---

<sup>11</sup> <http://www.theiacp.org/LinkClick.aspx?fileticket=AKL78d4MBw8%3d&tabid=252>

Since it is believed that police expenditures are historically underestimated, the amount of \$9,939,298 was used in the analysis. This is the largest estimated police expense, and therefore the most conservative estimate of police expenditures.

### Public Works

To estimate costs for public works, which would primarily be road and bridge repair and maintenance, we obtained the number of local road lane miles within the study area and for the cities of Dunwoody and Smyrna through use of GIS mapping technology. Fiscal year expenditures for 2012 and 2013 for both cities were calculated per lane mile<sup>12</sup> and then averaged. That amount was multiplied against the number of lane miles in the study area.

<b>City and Fiscal Year Budget</b>	<b>Dept. Budget</b>	<b>Lane Miles</b>	<b>Cost per Lane Mile</b>
Smyrna – FY 13	\$2,901,844	351.56	\$8,254.19
Smyrna – FY 12	\$2,902,315	351.56	\$8,255.53
Dunwoody – FY 13	\$3,142,735	298.54	\$10,527.01
Dunwoody – FY 12	\$1,048,009	298.54	\$3,510.45
Average Cost Per Lane Mile			\$7,636.80
Number of Lane Miles in study area		438.99	
<b>Study Area Expenditure Estimate</b>			<b>\$3,352,477.46</b>

\*Previous studies for the proposed cities of Briarcliff and Lakeside undercounted lane miles and therefore likely underestimated public works costs. The numbers used here more accurately assures adequate expenditures are assumed.

### Storm Water, Street Lights and Speed Bumps

Storm water utilities, street lights, and speed bumps are enterprise funds designed to be funded by a fee structure that approximates their cost. Thus, the estimated revenue figure for Storm Water, Street Lights, and Speed Bumps has been used as the estimated expenditure amount.

### 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

---

<sup>12</sup> Lane mileage obtained from GDOT's Road Characteristics database (RC database) and their milepoint route layer, from the first quarter of 2015.

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. Dunwoody has never used its Contingency Fund. Dunwoody also had no Contingency Fund in its 2013 actuals, therefore the 2014 budgeted amount was used.

<b>City and Fiscal Year Budget</b>	<b>Dept. Budget</b>	<b>Per Capita</b>
Smyrna – FY 13	\$600,000	\$11.70
Smyrna – FY 12	\$750,000	\$14.63
Dunwoody – FY 14	\$400,000	\$8.65
Dunwoody – FY 12	\$575,000	\$12.43
Average Per Capita Expenditure		\$11.85
<b>Study Area Expenditure Estimate</b>		<b>\$799,355</b>

#### Annual Capital for Roads and Drainage

These costs represent the on-going capital costs associated with maintaining roads and accompanying drainage; i.e., land, equipment, as well as repairs and alterations to fixed works. To determine this figure, capital expenditures for roads and drainage reported to the Georgia Department of Community Affairs by 19 cities ranging in population from 31,000 to 92,000 for 2007 -2013 were averaged per capita. These numbers were then adjusted for inflation to 2014 dollar values, and the per capita average of those numbers was then applied against the study area's population. *See Appendix H.* This figure excludes costs for capital associated with services that will continue to be maintained by DeKalb County government like libraries and fire stations, as well as capital costs associated with city functions assumed to be covered through operational costs. Capital needs for police services were also excluded from this number as they are accounted for separately as police capital.

#### Annual 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 \$5,360. 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. Even though this amount represents only a one-time expense, it was added to the line for annual capital costs because annual capital costs for parks are not included elsewhere.<sup>13</sup>

#### Police Capital and General Start-Up

These costs represent those associated with equipping a city police department as well as some general non-police specific city-wide start-up costs. Most of these represent costs associated with beginning the operation of a police department due to the large amount of equipment and vehicles needed to provide police services. For purposes of calculating this figure, it was assumed, based on the recent experiences of Dunwoody, that lease-purchase agreements would be used to acquire the needed vehicles and equipment pursuant to a five-year lease at an interest rate of 2.25%.<sup>14</sup> To arrive at these costs, it was assumed that there would be 104 police officers in a study area city department, based on the per capita expenditure methodology.

Comparison of Resident Population to Number of Police Officers			
	Dunwoody	Smyrna	Study Area
2010 Population	46,267	51,265	67,446
No. of Police Officers	59	101	
Residents per Officer	784	508	
Average number of residents per officer			646
No. of officers on a per capita basis			104*
No. of officers based on Workload Analysis			76

\*The number of officers on a per capita basis was used to calculate the start-up capital needed since it was the larger of the two officer estimates, and therefore yielded the most conservative estimate of attendant expenditures.

The total costs of equipping each Dunwoody officer with a vehicle, computer, furniture, radio, firearm and other basic equipment was determined per capita and applied against the

---

<sup>13</sup> 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.

<sup>14</sup> The use of 2.25% interest rate was based on discussion with the Georgia Municipal Association.



number of officers assumed for the study area based on the Workload Analysis to arrive at a total officer police capital cost estimate.

<b>City and Fiscal Year Budget</b>	<b>Budget</b>	<b>Cost Per Officer</b>
Dunwoody - FY 09 Police Start-up	\$2,674,000	\$58,130
Inflation Adjusted Cost per Officer		\$64,145
Number of Officers Assumed for study area =104x \$64,145 per officer		
<b>Study Area Expenditure Estimate</b>		<b>\$6,671,124</b>

In addition to capital expenditures for police, a new city would likely incur some general start-up costs. Dunwoody's start-up costs included expenditures for furniture and software.

<b>City and Fiscal Year Budget</b>	<b>Budget</b>	<b>Per Capita</b>
Dunwoody - FY 09 Non-police Start-up	\$778,000	\$16.82
Inflation Adjusted Per Capita Expense		\$18.56
<b>Study Area Expenditure Estimate</b>		<b>\$1,251,798</b>

Police capital costs and general start-up costs figured per capita for the study area were added together and assumed to be financed over a five year term on similar terms to those used by Dunwoody to finance these same expenses.

Police Capital Start-Up Estimate	\$6,671,124
General Start-Up Cost Estimate	\$1,251,798
Total Start-up Cost Estimate	<b>\$7,922,921</b>
<b>Amortized over 5 years at 2.25% interest</b>	<b>\$1,676,871</b>

### 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.

Dunwoody leases the space that houses their city hall and police departments. The amount of leased space per capita in Dunwoody was used to calculate the square footage of leased space that the study area could expect to need to lease.

<b>City and Fiscal Year Budget</b>	<b>Leased Space Sq. Ft.</b>	<b>Per Capita Sq. Ft.</b>
Dunwoody - FY 12	24,785	.54
Population of Study Area		67,446
<b>Study Area Estimate of Square Footage Needed</b>		<b>36,130</b>

Information from the 2012 calendar year actuals spent on lease expenses divided by the total leased space in Dunwoody yielded an expense per square foot. This was applied against the estimated amount of square footage for the study area.

<b>City and Fiscal Year Budget</b>	<b>Dept. Budget</b>	<b>Per Sq. Ft.</b>
Dunwoody - CY 12	\$422,004	\$17.03
<b>Study Area Expenditure Estimate</b>		<b>\$615,178</b>

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.

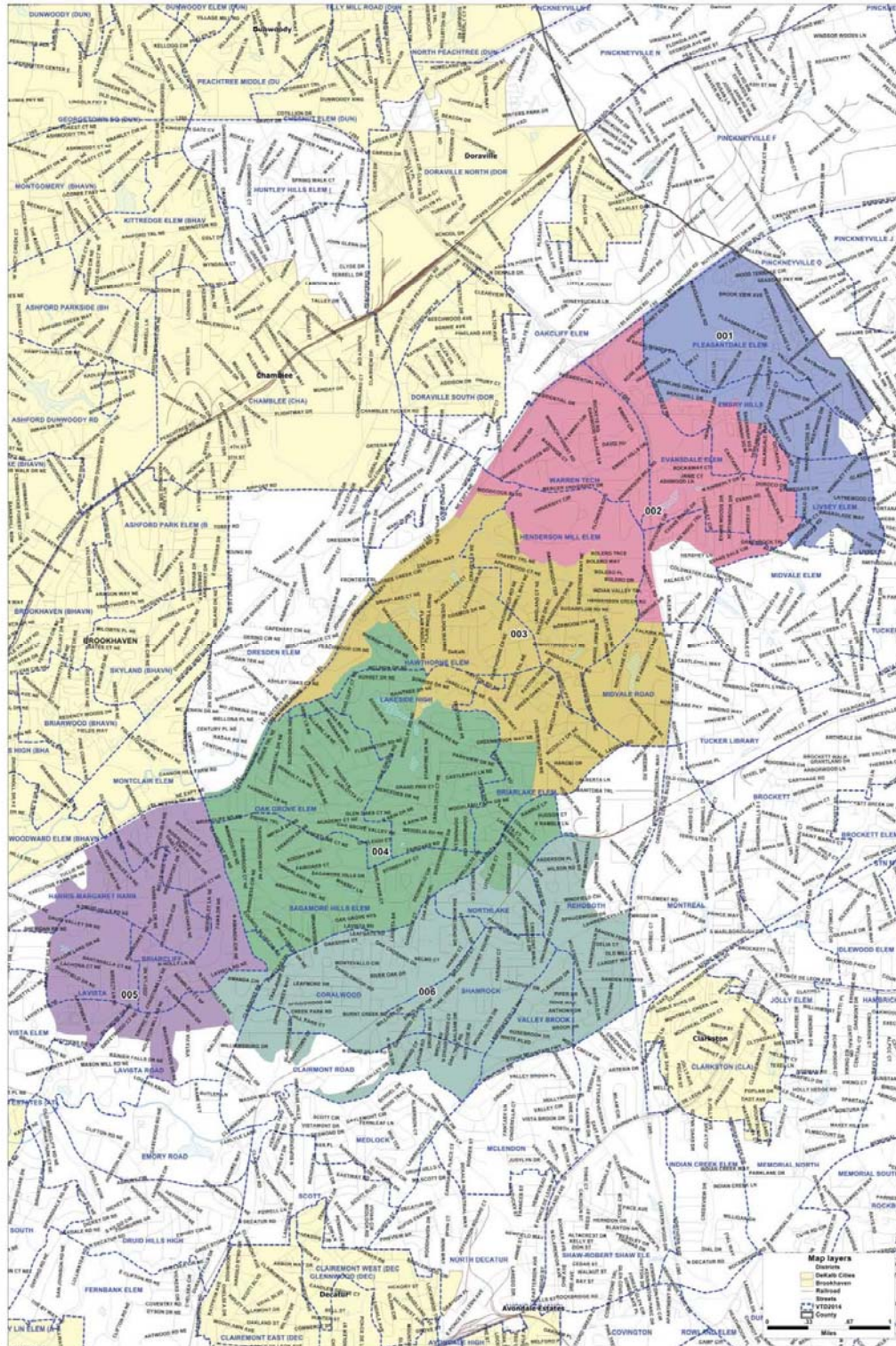
Facility Leases			
No. of employees per capita			.0041
Study area population			67,446
Employees needed			279
@125 sq. ft./employee			34,864 sq. ft.
@225 sq. ft./employee			62,756 sq. ft.
	Square footage	Price per sq. ft.	Total Lease Expense
Low end:	34,864 sq. ft.	\$14.00/ sq. ft.	<b>\$488,100</b>
High end:	62,756 sq. ft.	\$18.00/ sq. ft.	<b>\$1,129,604</b>

The summary analysis uses the most expensive lease estimate in order to be conservative. This number would include all maintenance costs, given that it is very conservative.

# Appendix A

client: SD040  
type: local  
plan: LaVista Hills-SD040-p1(dist)-2015

## Proposed City of LaVista Hills, Georgia As Passes by Conference Committee Report



## Appendix B

### Miscellaneous Revenues

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

<b>Revenue Source</b>	<b>Methodology</b>	<b>Study Area Estimate</b>	<b>Data Source</b>
Utility Taxes	Ratio of assessed value of utility property in study area to unincorporated area	0	DeKalb Revenue Report by Fund year through December 2012(Unincorporated)
Heavy Equipment Taxes	Ratio of assessed value of industrial property in study area to DeKalb unincorporated area	\$.03	DeKalb Revenue Report by Fund year through December 2012(Unincorporated)
Fingerprinting Fees	Ratio of population in study area to DeKalb unincorporated area	\$3,107.22	DeKalb Revenue Report by Fund year through December 2012(Unincorporated)
Copying Fees	Ratio of population in study area to entire County	\$1,244.26	DeKalb Revenue Report by Fund year through December 2012(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 2012(Unincorporated)
<b>Total Miscellaneous</b>	<b>\$7,527.58</b>		

### Utility Taxes

Property owned by public utilities is assessed by the state and a local millage rate is applied to that assessment. There is no utility-owned property in the study area.

### 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.

### Fingerprinting Fees

This figure represents revenue derived from fees charged for making fingerprint sets for license applicants to those requesting them for professional license applications or other reasons. The ratio of population of the study area to the unincorporated area was used to determine this amount.

### Copying Fees

Governments are allowed to charge small fees per page for copies of documents. It was assumed that a proportionate amount of requests would be made of a city comprised of the study area. The ratio of population of the study area to the unincorporated area was used to determine this amount.

### 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. Thus, this figure was obtained by averaging the salaries of the elected officials in Dunwoody and Smyrna (each of which have six council members and one mayor) and then multiplying that averaged amount by three percent.

### 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 2014 actual revenue data from DeKalb County, we did not estimate a figure.

## Appendix C

### 2014 Unincorporated County Revenue Figures and Data Sources

Revenue Source	Unincorporated County Revenue Figure	Data Source
Occupation Taxes	\$12,701,453.05	DeKalb Revenue Report by Fund year through December 2014
Beverage Excise Taxes	\$3,654,707.02	DeKalb Revenue Report by Fund year through December 2014
Personal Property Taxes	\$6,310,395.21	DeKalb Revenue Report by Fund year through December 2014
Hotel/Motel Tax/	\$1,694,341.13	DeKalb Budget Book 2015
Hotel/Motel Tax (restricted)	\$2,823,901.88	DeKalb Budget Book 2015
Business License - Police	\$642,644.87	DeKalb Revenue Report by Fund year through December 2014
Business License - Beverages	\$1,083,431.83	DeKalb Revenue Report by Fund year through December 2014
Bank Shares Tax	\$758,109.09	DeKalb Revenue Report by Fund year through December 2014
Intangible	\$806,549.54	DeKalb Revenue Report by Fund year through December 2014
Development Fund	\$5,390,631.00	DeKalb Budget Book 2015
Zoning and Variance Fees and Permits	\$80,874.76	DeKalb Revenue Report by Fund year through December 2014
Insurance Premiums	\$28,685,723.98	DeKalb Revenue Report by Fund year through December 2014
Fines & Forfeitures	\$16,803,060.10	DeKalb Revenue Report by Fund year through December 2014



Motor Vehicles	\$3,129,048.45	DeKalb Revenue Report by Fund year through December 2014
Law Enforcement - Confiscated Monies Fund	\$2,987,350.00	DeKalb Budget Book 2015
Sale of Printed Material- Police	\$393,831.99	DeKalb Revenue Report by Fund year through December 2014

## **Appendix D**

### Hotels in the Study Area

- 1 Double Tree Atlanta Northeast Northlake  
4156 LaVista Road, Tucker, GA 30084
- 2 Hampton Inn Atlanta Northlake  
3400 Northlake Parkway, Atlanta, GA 30345
- 3 Holiday Inn Atlanta Northlake  
2158 Ranchwood Drive NE, Atlanta, GA 30345
- 4 Masters Inn Tucker  
1435 Montreal Road, Tucker, GA 30084
- 5 Motel 6 Atlanta Northeast  
3585 Chamblee Tucker Road, Atlanta, GA 30341
- 6 Quality Inn Northlake Atlanta  
2155 Ranchwood Drive NE, Atlanta, GA 30345
- 7 TownePlace Suites  
3300 Northlake Parkway, Atlanta, GA 30345

## 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.<sup>15</sup> 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.<sup>16</sup> In other words, the first step distribution is designed to ensure that a city (or county)

---

<sup>1</sup> 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).

<sup>16</sup> 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”).<sup>17</sup> 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 Shortfall**<sup>18</sup>

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 Distribution**<sup>19</sup>

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.<sup>20</sup>

### **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.

---

<sup>17</sup> O.C.G.A. § 48-5C-1(c)(3)(A)

<sup>18</sup> *Id.*

<sup>19</sup> O.C.G.A. § 48-5C-1(c)(3)(B)

<sup>20</sup> *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 (\$7.7%)
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	204,008,196	1,167,658,586	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	2,460,256	4,862,152	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
51	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	2,565,876	3,316,732	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
TSM1	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 (\$7.7%)
4		5,328,665,060	338,036,645	4,990,628,415	0.00168	8,384,255.49	0	8,384,255.49	0
14		114,285,436	7,766,153	106,519,283	0.00001	1,065.06	0	1,065.06	0
20		1,371,666,782	116,240,694	1,255,426,088	0.00168	2,109,116.52	0	2,109,116.52	0
24		103,727,951	7,836,961	95,890,990	0.00001	959.04	0	959.04	0
24A		180,866,322	12,019,149	168,847,173	0.00168	283,662.93	0	283,662.93	0
34		16,845,004	1,399,359	15,445,645	0.00001	154.54	0	154.54	0
44		54,502,404	3,571,776	50,930,628	0.00001	509.32	0	509.32	0
44A		2,174,360	165,240	2,009,120	0.00168	3,375.19	0	3,375.19	0
50		1,381,632,340	63,455,343	1,318,176,997	0.00168	2,214,537.76	0	2,214,537.76	0
54		3,142,524	578,172	2,564,352	0.00001	25.57	0	25.57	0
61		829,013,576	56,311,189	772,702,387	0.00001	7,727.46	0	7,727.46	0
61A		1,324,800	0	1,324,800	0.00168	2,225.66	0	2,225.66	0
74		7,322,408	420,256	6,902,152	0.00001	69.06	0	69.06	0
74A		12,320	12,320	0	0.00168	20.7	0	20.7	0
84		25,882,739	2,356,799	23,525,940	0.00001	235.19	0	235.19	0
92		747,222,425	63,841,306	683,381,119	0.00001	6,833.50	0	6,833.50	0
92A		14,219,896	734,856	13,485,040	0.00168	22,654.85	0	22,654.85	0
51		18,129,164	824,108	17,305,056	0.00168	29,072.48	0	29,072.48	0
T104		5,882,608	433,300	5,449,308	0.00168	9,154.90	0	9,154.90	0
T114		760,960	760,960	0	0.00001	7.62	0	7.62	0
T204		667,440	95,440	572,000	0.00168	960.96	0	960.96	0
T304		80,440	80,440	0	0.00168	135.14	0	135.14	0
TAV1		630,480	14,560	615,920	0.00001	6.16	0	6.16	0
TSM1		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 48-9-104**

(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:		
<b>(A) Capital factor</b>	0.150	0.150
certified by county as required by subsection (d) of this Code section		
<b>(B) Net amount of sales and use tax collected in the special district pursuant to this article for the previous calendar year (2009)</b>	\$50 million	\$ 50,000,000.00
<b>(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</b>	\$100 million	\$ 100,000,000.00
<b>(D) Calculation of homestead factor using figures above =</b> [[ (1-0.150)(\$50 million/\$100 million) ]]	0.425	0.425
Next, calculate the 15.0 mills equalization amount in accordance with paragraph (1) of this subsection as follows:		
<b>(E) Unincorporated county millage rate</b>	15.0 mills	15.00
<b>(F) Minus the incorporated Difference</b>	(10.0 mills)	(10.00)
county millage rate for qualified municipality "Y"		
Difference:	= 5.0 mills	5.00
<b>(G) Times homestead factor (calculated above)</b>	x 0.425	x 0.662
<b>(H) Equals the equalization millage:</b>	= 2.125	2.125
<b>(I) Times net homestead digest for qualified municipality "Y"</b>	\$200 million	\$ 200,000,000.00
<b>(J) Equals the equalization amount payable to municipality "Y"</b>	\$425,000	\$ 425,000.00
6 equal payments of (J) above:		\$ 1,393,469.08

\*Highlighted rows contain data from the county certification letter

(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 \$ 26,634,149.30  
Does this amount exceed Capital outlay proceeds (A) below? YES  
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 \$ 1,641,029,365.00

Total Homestead Digest for all municipalities \$ 9,902,547,368.00

Divide Net Homestead Digest by Total Homestead Digest: 17%

Total (C) above times calculated percentage above \$ 3,467,377.34

(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)(B) 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 \$ 26,634,149.30

Does amount of Capital outlay proceeds exceed amount from (3) above? NO

If yes, continue calculation below. If no, go back to (3) above

Amount of excess = Capital outlay proceeds minus amount from (3) above \$ (5,710,777.03)

Net Homestead Digest for municipality from Certification letter \$ 1,641,029,365.00

Total Homestead Digest for county: \$ 9,902,547,368.00

Divide Net Homestead Digest by Total Homestead Digest: 17%

Total (C) above times calculated percentage above \$ (946,377.98)



## Appendix G

<b>Community Development Block Grant Awards</b>		
<b>2014 CDBG Annual Competition Awards</b>		
<b>Recipient</b>	<b>Project Description</b>	<b>Amount</b>
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

<b>Recent CDBG Employment Incentive Program/Redevelopment Awards</b>		
<b>Recipient</b>	<b>Project Description</b>	<b>Amount</b>
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

## Appendix I

### Capital Data Tables

Data Source Georgia Department of Community Affairs Capital Expenditures for Roads and Drainage

Population figures reflect U.S. Census Bureau Annual Estimates

2007

City	Population	Total Capital Expenditure Roads and Drainage	Per Capita	Inflation Adjustment
Albany	75,335	2723749	\$36.16	
Alpharetta	43,424	4410245	\$101.56	
Dalton	33,045	2029728	\$61.42	
East Point	42,204	-		
Gainesville	33,340	3046066	\$91.36	
Hinesville	29,554	925428	\$31.31	
Kennesaw	30,936	253717	\$8.20	
Macon	93,665	15834	\$0.17	
Marietta	63,152	2539413	\$40.21	
Newnan	27,097	2021645	\$74.61	
Peachtree City	34,947	2088139	\$59.75	
Rome	36,142	1374409	\$38.03	
Roswell	87,802	5137685	\$58.51	
Sandy Springs		n/a		
Smyrna	48,632	0	\$32.65	
Valdosta	45,529	6918913	\$151.97	
Warner Robins	58,672	861674	\$14.69	
		Average	\$54.85	\$61.93

2008

City	Population	Total Capital Expenditure Roads and Drainage	Per Capita	Inflation Adjustment
Albany	75,831	0	0.00	
Alpharetta	49,903	9024719	180.85	
Dalton	33,648	2506663	74.50	
East Point	n/a	0		
Gainesville	35,668	1448710	40.62	
Hinesville	30,152	3140207	104.15	
Johns Creek	59,431	644308	10.84	
Kennesaw	31,628	1374613	43.46	
Macon	92,775	21789	0.23	
Marietta	67,562	9499310	140.60	
Newnan	30,474	4173037	136.94	
Peachtree City	34,788	2804081	80.60	
Rome	36,041	1359458	37.72	
Roswell	87,657	4576188	52.21	
Sandy Springs	82,674	980605	11.86	
Smyrna	49,854	4476810	89.80	
Valdosta	48,547	2140753	44.10	
Warner Robins	61,336	698120	11.38	
		Average	62.34	67.80

2009

City	Population	Total Capital Expenditure Roads and Drainage	Per Capita	Inflation Adjustment
Albany	75,616	-	-	
Alpharetta	51,569	5,853,011	113.50	
Dalton	33,604	33,094	0.98	
Dunwoody	46,267	34,414	0.74	
Gainesville	35,750	754,364	21.10	
Hinesville	30,704	3,129,069	101.91	
Johns Creek	61,794	1,354,189	21.91	
Kennesaw	33,043	1,487,746	45.02	
Macon	92,582	11,733	0.13	
Marietta	66,953	12,416,732	185.45	
Newnan	31,587	2,713,253	85.90	
Peachtree City	34,784	907,495	26.09	
Rome	36,031	1,715,716	47.62	
Roswell	87,719	7,679,000	87.54	
Sandy Springs	85,625	6,830,530	79.77	
Smyrna	50,712	5,433,151	107.14	
Valdosta	52,169	2,846,670	54.57	
Warner Robins	62,026	3,763,862	60.68	
		Average	57.78	63.06

2010

City	Population	Total Capital Expenditure Roads and Drainage	Per Capita	Inflation Adjustment
Albany	75,616	-	-	
Alpharetta	57,551	5,962,244	103.60	
Dalton	33,604			
Dunwoody	46,267			
Gainesville	35,750			
Hinesville	33,437	3,193,312	95.50	
Johns Creek	76,728	1,492,733	19.45	
Kennesaw	29,783	1,550,617	52.06	
Macon	91,351	195,666	2.14	
Marietta	56,579	12,540,449	221.64	
Newnan	33,039	2,777,965	84.08	
Peachtree City	34,364	976,669	28.42	
Rome	36,303	1,788,098	49.25	
Roswell	88,346	7,855,152	88.91	
Sandy Springs	93,853	7,010,088	74.69	
Smyrna	51,271	5,535,241	107.96	
Valdosta	54,518	2,953,412	54.17	
Warner Robins	66,588	3,892,537	58.46	
		Average	74.31	79.79



2011

City	Population	Total Capital Expenditure Roads and Drainage	Per Capita	Inflation Adjustment
Albany	77,683			
Alpharetta	59,397	5,585,193	94.03	
Dalton	33,313	574,340	17.24	
Dunwoody	46,267			
Gainesville	35,750			
Hinesville	34,519	1,591,422	46.10	
Johns Creek	79,192	2,869,801	36.24	
Kennesaw	30,196	1,820,836	60.30	
Macon	92,582			
Marietta	66,953			
Newnan	33,725	1,832,105	54.32	
Peachtree City	34,757	467,809	13.46	
Rome	36,181	3,588,908	99.19	
Roswell	91,168	3,943,918	43.26	
Sandy Springs	96,856	14,540,757	150.13	
Smyrna	51,982	3,863,429	74.32	
Valdosta	56,019	2,064,732	36.86	
Warner Robins	68,500	1,471,776	21.49	
		Average	53.35	61.22

2012

City	Population	Total Capital Expenditure Roads and Drainage	Per Capita	Inflation Adjustment
Albany	77,431	-	-	
Alpharetta	61,981	10,656,945	171.94	
Dalton	33,413	1,724,675	51.62	
Douglasville	31,269	-	-	
Dunwoody	47,224	1,414,108	29.94	
East Point	35,584	614,718	17.28	
Gainesville	34,786	1,286,918	37.00	
Hinesville	34,751	562,233	16.18	
Johns Creek	82,306	2,498,178	30.35	
Macon	91,234	21,836	0.24	
Marietta	58,359	8,509,096	145.81	
Milton	35,015	2,479,277	70.81	
Newnan	34,174	2,767,200	80.97	
Peachtree City	34,662	3,034,426	87.54	
Rome	36,159	1,415,467	39.15	
Roswell	93,692	4,204,348	44.87	
Sandy Springs	99,419	10,878,390	109.42	
Smyrna	52,650	9,479,022	180.04	
Valdosta	57,597	3,592,177	62.37	
Warner Robins	70,712	1,720,364	24.33	
		Average	59.99	61.86

2013

City	Population	Total Capital Expenditure Roads and Drainage	Per Capita	Inflation Adjustment
Albany	76,185	-	-	
Alpharetta	62,298	11,982,396	192.34	
Dalton	33,414	2,101,896	62.90	
Douglasville	31,890	-	-	
Dunwoody	47,591	1,397,952	29.37	
East Point	35,512	875,718	24.66	
Gainesville	35,533	1,378,044	38.78	
Hinesville	34,227	487,893	14.25	
Johns Creek	82,788	2,864,875	34.60	
Kennesaw	32,001	2,785,769	87.05	
Macon	89,981	-	-	
Marietta	59,089	14,056,546	237.89	
Milton	35,907	4,803,824	133.79	
Newnan	34,847	3,175,431	91.12	
Peachtree City	34,893	837,627	24.01	
Rome	35,973	1,101,475	30.62	
Roswell	94,034	3,843,497	40.87	
Sandy Springs	99,770	12,434,493	124.63	
Smyrna	53,438	26,527,351	496.41	
Valdosta	56,481	4,757,106	84.22	
Warner Robins	72,531	1,314,499	18.12	
		Average	84.08	85.44

\$68.44	5 year average of inflation adjusted per capita expense
67,446	Study area population
\$4,615,907.89	Total