

Resolution



December 7, 2018

**A RESOLUTION RESTRICTING THE CONSENT FOR THE INCLUSION OF ATLANTA BOARD OF EDUCATION AD VALOREM TAXES ON REAL AND PERSONAL PROPERTY IN THE COMPUTATION OF AD VALOREM TAXES IN THE COMPUTATION OF TAX ALLOCATION INCREMENTS FOR CITY OF ATLANTA TAX ALLOCATION DISTRICT NUMBER ONE-ATLANTA/WESTSIDE
(Final Adoption)**

WHEREAS, pursuant to the Redevelopment Powers Law (O.C.G.A. §36-44-1, *et seq.*), the Atlanta City Council (the “Council”) previously approved the Westside Redevelopment Area and Tax Allocation District, Number One-Atlanta/Westside (the “Westside TAD”) by Resolution No. 98-R-0777, adopted on July 6, 1998 and approved by the Mayor of the City of Atlanta, Georgia (the “City”) on July 13, 1998, as amended by Resolution No. 98-R-1911, adopted on October 19, 1998 and approved by the Mayor on October 27, 1998; **and**

WHEREAS, by Resolution adopted on November 9, 1998 (the “1998 Resolution”), the Atlanta Board of Education (the “School Board”) consented to the inclusion of certain ad valorem property tax revenues in the computation of the tax allocation increment for the Westside TAD, based upon the City’s 1998 Redevelopment Plan; **and**

WHEREAS, in order to finance redevelopment costs in the Westside TAD, the Redevelopment Powers Law authorizes the issuance of tax allocation bonds to be secured as provided in the Redevelopment Powers Law consistent with the City’s 1998 Redevelopment Plan; **and**

WHEREAS, by Ordinance 05-O-0896, adopted by the Council on June 6, 2005 and approved by the Mayor on June 14, 2005, the City authorized the issuance of tax allocation bonds for various projects to be developed within the Westside TAD; **and**

WHEREAS, by Resolution adopted on September 12, 2005 (the “2005 Resolution”), the School Board modified the 1998 Resolution to support the projects in the Westside TAD proposed by the Council in 2005; **and**

WHEREAS, the City is proposing to use the Education Tax increment in the Westside TAD to support additional bonds and redevelopment costs (“the Gulch TAD”) totaling over \$650,000,000; **and**

WHEREAS, the School Board has not formally consented to the Gulch TAD but has directed the Superintendent to negotiate with the City as to future use of the Education Taxes for redevelopment purposes in the Westside TAD; **and**

WHEREAS, the School Board supports economic development, while balancing those interests with the need to achieve the educational mission of Atlanta Public Schools; **and**

WHEREAS, Atlanta Public Schools currently has approximately 14% of its total tax digest committed to redevelopment inside TADs; **and**

WHEREAS, the School Board supported a reduction of funding beginning in 2019 due to the increase of the homestead exemption provided for by Senate Bill 485, which is a substantial change in funding to Atlanta Public Schools that has occurred since the adoption of the 1998 Resolution, as modified by the 2005 Resolution, to help taxpayers; **and**

WHEREAS, SB485 will result in a loss of revenue to Atlanta Public Schools of approximately \$20,000,000 each year for three years, further diminishing local tax revenue to help taxpayers; **and**

WHEREAS, a millage rate rollback in 2018 will result in a \$25,000,000 loss a year of local tax revenue to Atlanta Public Schools to help taxpayers; **and**

WHEREAS, there are some school district finances that are continuously impacted by decisions made by agencies outside of the School Board’s control; **and**

WHEREAS, for a decade, the assessed values of properties in Fulton County were well below fair market value, such that Atlanta Public Schools lost revenue in local taxes, as well as Quality Basic Education Act funding and local fair share funding from the State of Georgia; **and**

WHEREAS, in 2017, when property assessments were brought up to fair market value, the Fulton County Board of Commissioners froze the tax digest, resulting in a loss of \$60,000,000 to Atlanta Public Schools that will never be recovered; **and**

WHEREAS, Atlanta Public Schools will lose another \$13,500,000 in tax revenue in the 2018 fiscal year due to tax abatements, further eroding the tax base; **and**

WHEREAS, the State of Georgia calculates Atlanta Public Schools’ local fair share funding assuming that it receives all property taxes at full assessed values, without taking into consideration property taxes forfeited through TADs or tax abatements, such that Atlanta Public Schools loses an additional approximate \$16,000,000 a year in State funding; **and**

WHEREAS, while other public entities may be able to recoup lost funds through assessing additional fees and revenue streams, Atlanta Public Schools has no such ability to recoup its lost funds; **and**

WHEREAS, the School Board has a duty to act to preserve the educational tax base of Atlanta Public Schools to fund its mission for students and protect its taxpayers; **and**

WHEREAS, the School Board remains willing to negotiate with the City as to the future use of Education Taxes for redevelopment purposes and invites those negotiations, in the hopes of reaching a resolution;

NOW THEREFORE, BE IT RESOLVED by the Atlanta Board of Education, and it is hereby resolved by the authority of the same as follows:

1. No further use of the ad valorem tax increments authorized by the School Board in the 1998 Resolution, as modified by the 2005 Resolution, shall be permitted without the School Board's prior written consent, except to pay the debt service on the currently outstanding Bonds secured thereby.
2. Except as provided in this Resolution, all provisions of the 1998 Resolution, as modified by the 2005 Resolution, remain in full force and effect.

Adopted and approved by the Atlanta Board of Education, this __ day of December, 2018.

Approved:

ATLANTA BOARD OF EDUCATION

By: _____

Jason F. Esteves
Board Chair