

C.A. 03-20-01(11)
Consent Agenda 03-27-01(4)

AN ORDINANCE

01-29

No. 01-29

An ordinance amending Ordinance No. 98-30 and No. 00-106 so as to expand the existing boundaries of the enterprise zone to include certain 1990 Census Tracts as required.

WHEREAS, the Council of Columbus, Georgia proposes to expand the existing boundaries of the enterprise zone to include the designated area (shown on Exhibit A) which is contiguous and meets the requirements of the Enterprise Zone Employment Act of 1997.

NOW THEREFORE, THE COUNCIL OF COLUMBUS, GEORGIA HEREBY ORDAINS:

SECTION 1.

That the Council has found that the area designated in Exhibit A attached hereto and incorporated herein meets the qualifications of the Enterprise Zone Employment Act of 1997 and hereby amends to the existing boundaries of the enterprise zone to include this area as part of the "Columbus Business Development Center."

SECTION 2.

That this ordinance shall take effect immediately upon adoption by the Council.

Introduced at a regular meeting of the Council of Columbus, Georgia, held the 20th day of March, 2001, and adopted at said meeting by the affirmative vote of 9 members of said Council.

If March 27, 2001

- Councilor Allen voting
- Councilor Henderson voting
- Councilor Hunter voting
- Councilor McDaniel voting
- Councilor Poydasheff voting
- Councilor Rodgers voting
- Councilor Smith voting
- Councilor Suber voting
- Councilor Turner Pugh voting
- Councilor Woodson voting

YES
 ABBENT
 YES
 YES
 YES
 YES
 YES
 YES
 YES
 YES

This ordinance submitted to the Mayor for his signature this the 27th day of March, 2001.
 Sec: 3-202 (1)
Tiny B. Washington
 Clerk of Council

Tiny B. Washington
 Tiny B. Washington
 Clerk of Council

John J. Rodgers
 John J. Rodgers
 Mayor Pro Tem

This is to certify that this ordinance was published in its entirety in the Columbus Ledger on the 5 day of April, 2001.
 Sec: 3-206(2)

Tiny Washington

This ordinance received, signed by the Mayor at 4:07 P.M. on the 30th day of March, 2001, and became law at said time received and became effective at 12:00 noon the following day.
 Sec: 3-202 (2)
Tiny B. Washington

EVALUATION CRITERIA DESIGNATED IN THE STATE LAW FOR THE COLUMBUS BUSINESS DEVELOPMENT CENTER:

Pervasive Property

Poverty Rates (1990 Census Information):

<u>Census Tract 34</u>	<u>27.42%</u>	<u>½ of each Census Block Group</u>
Block Groups		
34- 1:	32.03%	63.98%
34- 2:	25.05%	50.00%
34- 3:	27.15%	54.43%
34- 4:	21.16%	42.20%

The state law requires that 20% of the residents be below the poverty line in each of the census block groups and that 30% of the residents be below the poverty line in at least half of the census block group. Therefore, the Columbus Business Development Center meets the criteria.

Unemployment

Unemployment Rates (December 2000 Georgia Department of Labor Data):

Census Tract 34: 8.2%

The state law requires that the unemployment rate for each census tract be at least 10% higher than the state average (December 2000 Georgia State Average is 3.0%). Therefore, the Columbus Business Development Center meets this criteria.

General Distress

Evidence of general distress:

- a) Lack of maintenance on buildings and property in the area
- b) Underutilization of land
- c) Existence of several vacant buildings in the area

d) Poor condition of the area

The state law requires that general distress be evidenced in the area. Therefore, the Columbus Business Development Center meets this criteria.

Underdevelopment

Number of residential permits issued - (city-wide): 13,771 (99.0 per mi²)

Number of residential permits issued - (nominated area): 42 (64.0 per mi²)

Number of non-residential permits issued - (city-wide): 2,895 (20.8. per mi²)

Number of non-residential permits issued - (nominated area): 9 (13.71 per mi²)

Value of residential permits issues issued - (city-wide): \$501,603,993
(\$3,608,661 per mi²)

Value of residential permits issued - (nominated area): \$88,534
(\$134,908 per mi²)

Value of non-residential permits issues issued - (city-wide): \$729,074,942
(\$5,245,143 per mi²)

Value of non-residential permits issued - (nominated area): \$294,837
(\$629,417 per mi²)

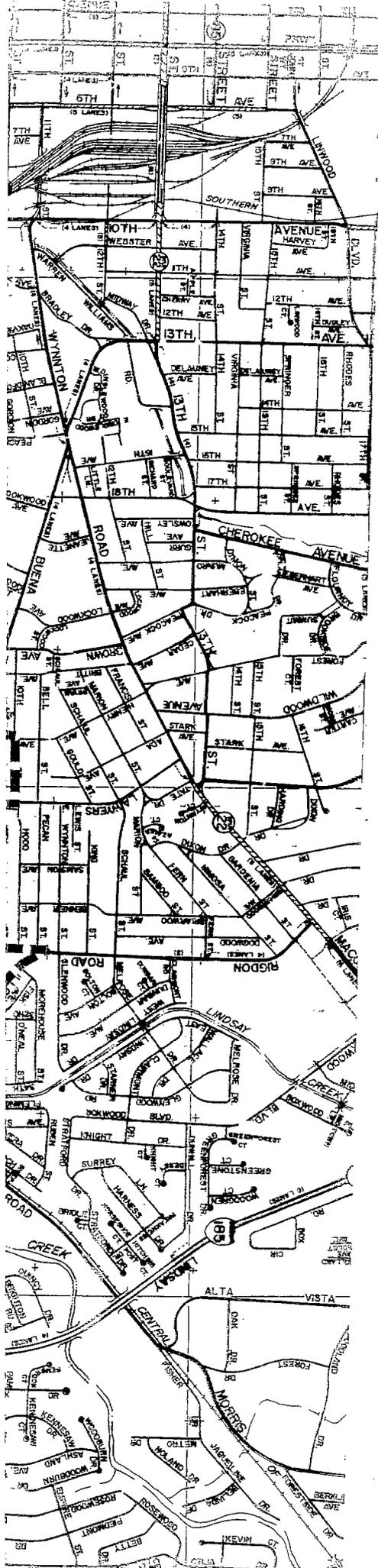
The state law requires that development activity in the nominated area be at least 20% lower than other areas within the local government's jurisdiction. The number of residential permits issued from 1995 to 2000 in the proposed expansion of the Columbus Development Center is 35% lower per square mile than the rest of the city, while the non-residential is 34%. The value of residential and non-residential permits is 96% and 88% respectively, lower than the rest of the city. Therefore, the Columbus, Business Development Center meets this criteria.

EXHIBIT A

ENTERPRISE ZONE BOUNDARIES

The proposed amendment to the Enterprise Zone encompasses approximately 420 acres of land within Columbus, Georgia. With this addition, the total acreage of the Enterprise Zone will become 2,962 acres. The amended boundaries are as shown on the attached map, and the statistics qualifying this area as an Enterprise Zone are found on subsequent pages.

COLUMBUS BUSINESS DEVELOPMENT CENTER (ENTERPRISE ZONE)



Columbus Consolidated Government
Council Meeting

March 20, 2001

Agenda Report# _____

TO: Mayor and Councilors

SUBJECT: **Amending the Enterprise Zone Boundaries**

INITIATED BY: Department of Community and Economic Development

Recommendation: Approve the attached ordinance amending the boundaries of the enterprise zone and adding provisions for residential uses.

Background: In 1997, the Georgia legislature adopted the "Enterprise Zone Employment Act," which is to encourage revitalization in areas within the city that are suffering from disinvestment, underdevelopment, and economic decline. To qualify as an enterprise zone, the area must demonstrate three of the following four criteria: pervasive poverty, unemployment, general distress, and underdevelopment. To meet these criteria, evidence must come from the following: census and state unemployment data; condition of structures and the infrastructure; and the economy. To encourage businesses to locate or expand in the enterprise zone, incentives in the form of tax credits exemptions, and waivers of certain local fees are offered as allowed under the Act. These incentives do not include school district property taxes or property taxes imposed for general obligation debt.

In 1999, the Georgia legislature amended the Act, allowing new residential construction, residential rehabilitation, or other rehabilitation of an existing structure as allowable business enterprise. To qualify, the residential improvements must exceed the value of the land by a ratio of five to one. Upon qualifying, the improvements would be eligible for tax incentives, which have a life span of ten years. Further, the tax incentives would be in effect for the actual owner of the property during this time.

Analysis: Staff reviewed the surrounding contiguous census tract/block groups and neighborhood to determine whether this proposed area would be eligible for the enterprise zone. This area has potential for both residential and commercial redevelopment. This proposed new area has been found to meet all four qualifying criteria: pervasive property, unemployment, general distress, and underdevelopment as required by the Act. A large multi-family community in the area has already been targeted for rehabilitation and would benefit from this designation.

Financial Consideration: Upon approval by the Council, owners of residential property who provide new residential construction, residential habilitation, or other rehabilitation of existing structures in the enterprise zone would be exempt from state and local ad valorem property taxes for a period of ten years. This exemption would be transferrable to another owner within that ten year period. The exemption would be based upon the following schedule:

One hundred percent of the property taxes shall be exempt for the first five years;
Eighty percent of the property taxes shall be exempt for the next two years;
Sixty percent of the property taxes shall be exempt for the next year;
Forty percent of the property taxes shall be exempt for the next year; and
Twenty percent of the property taxes shall be exempt for the last year.

Legal Considerations: The zone will stay in effect for a minimum of ten (10) years. Developments that occur in the tenth year are still eligible for the full ten year exemption in taxes, according to the above schedule.