

C.A. 12-05-00(4)
C.A. 12-12-00(4)

AN ORDINANCE

No. 00-106

00-106

An ordinance amending Ordinance No. 98-30 so as to provide that new residential construction and residential rehabilitation shall be permitted as a qualified business enterprises for purposes as defined under the Georgia Enterprise Zone Employment Act of 1997, as amended; to change the definition of business enterprise; and to expand the existing boundaries of the enterprise zone to include certain 1990 Census Tracts as required.

WHEREAS, the Georgia Enterprise Zone Employment Act of 1997, was amended by the General Assembly during its 1999 session to provide that new residential construction and residential rehabilitation be included as a qualified business enterprise, along with the changing of the definition for "Business enterprise" to reflect this amendment; and

WHEREAS, the Council of Columbus, Georgia has established an enterprise zone known as the "Columbus Business Development Center," desires to include new residential construction and residential rehabilitation as eligible activities in this zone; and

WHEREAS, the Council of Columbus, Georgia proposes to expand the existing boundaries of the enterprise zone to include residential areas which are contiguous and meet the requirements Enterprise Zone Employment Act of 1997.

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

SECTION 1.

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

SECTION 2.

That the Council hereby amends the "Enterprise Zone Administrative Policies" identified as Exhibit B, attached hereto by striking paragraph A under section 2, entitled "Description of the Incentives and Qualifying Businesses," and inserting in its place a new paragraph A to read as follows:

"Business enterprise" means any business which is engaged primarily in manufacturing, warehousing and distribution, processing, telecommunications, tourism, and research and development industries, new residential construction, and residential rehabilitation."

This is to certify that this ordinance was published in its entirety in the Columbus Ledger on the 28 day of December 19 2000
Tina Washington S.H.
Clerk of Council
Sec: 3-206(2)

SECTION 3.

That the Council hereby amends the "Enterprise Zone Administrative Policies" identified as Exhibit B, attached hereto to include the following under paragraph B section 2, entitled "Description of the Incentives and Qualifying Businesses":

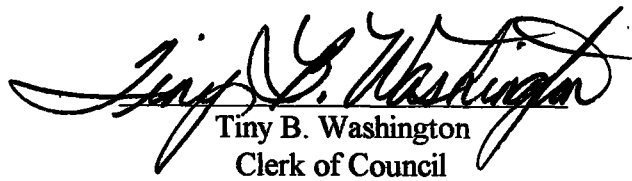
- "v. If the project consists of new residential construction, residential rehabilitation, or other rehabilitation of an existing structure and the value of the improvement exceeds the value of the land by a ratio of five to one, then the exemption schedule in subsection (a) of the 'Columbus Business Development Center' ordinance shall also apply whether or not the project is carried out by a qualifying business or service enterprise."

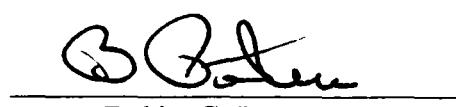
SECTION 4.

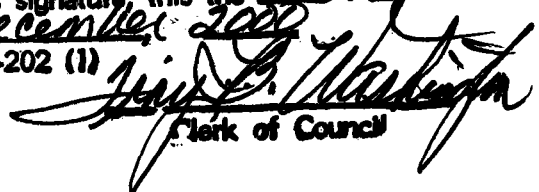
That this ordinance shall take effect immediately upon adoption by the Council.

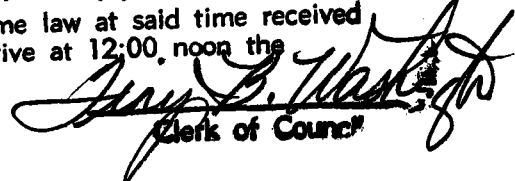
Introduced at a regular meeting of the Council of Columbus, Georgia, held on the 5th day of December, 2000; introduced a second time at a regular meeting of said Council held on the 12th day of December, 2000, and adopted at said meeting by the affirmative vote of ten members of said Council.

Councilor Allen	voting	<u>YES</u>
Councilor Henderson	voting	<u>YES</u>
Councilor Hunter	voting	<u>YES</u>
Councilor McDaniel	voting	<u>YES</u>
Councilor Poydasheff	voting	<u>YES</u>
Councilor Turner Pugh	voting	<u>YES</u>
Councilor Rodgers	voting	<u>YES</u>
Councilor Smith	voting	<u>YES</u>
Councilor Suber	voting	<u>YES</u>
Councilor Woodson	voting	<u>YES</u>


Tiny B. Washington
Clerk of Council


Bobby G. Peters
Mayor

This ordinance submitted to the Mayor, for his signature this the 12th day of December, 2000
Sec: 3-202 (1) 
Clerk of Council

This ordinance received, signed by the Mayor, at 10:30 A.M. on the 14th day of December, 2000, and became law at said time received and became effective at 12:00, noon the following day.
Sec: 3-202 (2) 
Clerk of Council

Agenda Item # CA

**Columbus Consolidated Government
Council Meeting**

December 5, 2000

Agenda Report # 325

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; and local data concerning crime, 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 and exemptions, and waivers and abatements of certain local fees are offered as allowed under the Act. These incentives do not include local school district property taxes or property taxes imposed for general obligation debt.

In April, 1998, Council approved the first enterprise zone, known as the "Columbus Business Development Center" in south Columbus. The present zone contains approximately 517 acres and is devoted solely to commercial and industrial uses. No residential areas were included, due to the fact that they were not eligible uses under the Act at that time.

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 the 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 has reviewed the surrounding contiguous census tracts/block groups and neighborhoods to determine which areas would be eligible for the enterprise zone. Each of these areas have been targeted for the City's Neighborhood Improvement Program and have potential for both residential and commercial redevelopment. All of the proposed new areas have been found to meet at least three of the four following qualifying criteria: pervasive poverty, unemployment, and general distress, as required by the Act.

Financial Consideration: Upon approval by the Council, owners of residential property who provide new residential construction, residential rehabilitation, or other rehabilitation of an 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.

In addition others fees, such as building permits, may be waived upon the consideration of Council:

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.

EXHIBIT A

AMENDMENT TO THE ENTERPRISE ZONE BOUNDARIES

The proposed amendment to the Enterprise Zone encompasses approximately 2,025 acres of land within Columbus, Georgia. With this addition, the total acreage of the Enterprise Zone will become 2,542 acres. The amended boundaries are as shown on the attached map, and the statistics qualifying this area as part of the Enterprise Zone are found on subsequent pages.

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

Pervasive Poverty

Poverty Rates (1990 Census Information):

<u>Census Tract 27</u>	<u>56.5%</u>	<u>Census Tract 28</u>	<u>48.01%</u>
Block Groups		Block Groups	
27-1	0.00%	28-1	52.06%
27-2	56.25%	28-2	40.87%
27-3	58.51%	28-3	51.46%
27-4	81.73%	28-4	67.65%
27-5	37.35%	28-5	67.63%
27-6	63.77%	28-6	28.31%
		28-7	27.44%
		28-8	49.45%
<u>Census Tract 30</u>	<u>39.88%</u>	<u>Census Tract 32</u>	<u>60.68%</u>
Block Groups		Block Groups	
30-1	44.50%	32-1	41.32%
30-2	15.65%	32-2	76.63%
30-3	55.46%	32-3	79.08%
30-4	42.34%	32-4	36.69%
		32-5	37.69%
		32-9	0.00%

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 this criteria.

Unemployment

Unemployment rates (Georgia Department of Labor Data as of January, 2000):

Census Tract 27	11.7%
Census Tract 28	12.6%
Census Tract 30	10.2%
Census Tract 32	16.3%

The state law requires that the unemployment rate for each census tract be at least 10% higher than the state average (1996 state average is 4.6%). 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 general 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 - 1995-2000 (city-wide):	13,771 (99.0 per sq. mi)
Number of residential permits issued - 1995-2000 (nominated area):	82 (25.9 per sq. mi)
Number of non-residential permits issued - 1995-2000 (city-wide):	2,895 (20.8 per sq. mi)
Number of non-residential permits issued - 1995-2000 (nominated area):	26 (8.33 per sq. mi)
Value of residential permits issued - 1995 -2000 (city-wide):	\$501,603,993
	(\$ 3,608,661 per sq. mi.)
Value of residential permits issued - 1995 -2000 (nominated area):	\$3,471,818
	(\$1,098,677 per sq. mi.)
Value of non-residential permits issued - 1995 -2000 (city-wide):	\$729,074,942
	(\$5,245,143 per sq. mi.)
Value of non-residential permits issued - 1995 -2000 (nominated area):	\$10,923,253
	(\$3,456,725 per sq. mi)

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 Business Development Center is 75% lower per square mile than the rest of the city, while the non-residential is 60% lower. The value of those permits for residential and non-residential is 70% and 35% respectively, is lower than the rest of the city. Therefore, the Columbus Business Development Center meets this criteria.

COLUMBUS BUSINESS DEVELOPMENT CENTER (ENTERPRISE ZONE)



LEGEND

- Enterprise Zone Boundary
- Census Tracts (Proposed Additional Areas)

EXHIBIT B

ENTERPRISE ZONE ADMINISTRATIVE POLICIES

1. Incentives and Community and Economic Development Department Responsibility

The incentives outlined in the ordinance above will be administered by the Columbus Consolidated Government Department of Community and Economic Development. The department will have the responsibility to process applications, convene a preliminary review committee as applications are received, confer with the Council, and prepare final documents for Council approval. The department will keep the Georgia Department of Community Affairs informed of enterprise zone designation and will maintain annual employment records to be filed with the department by qualifying companies by April 1 of each year. Additionally, the department will coordinate all marketing and communications regarding the enterprise zone.

2. Description of the Incentives and Qualifying Businesses

The Consolidated Government of Columbus, Georgia, in agreeing to create the enterprise zone shown in Exhibit A, agrees to abate ad valorem property tax for qualifying businesses for ten years as outlined in the preceding ordinance and in accordance with the definitions of qualifying business as set forth in the State of Georgia Enterprise Zone Employment Act of 1997 as follows:

- A. 'Business enterprise' means any business which is engaged primarily in manufacturing, warehousing and distribution, processing, telecommunications, tourism, and research and development industries, **new residential construction, and residential rehabilitation.**
- B. 'Service enterprise' means an entity which is engaged primarily in finance, insurance, and real estate activity or activities listed under the Standard Industrial Classification (SIC) Codes 60 through 67 according to the 1987 edition of the Federal Office of Management and Budget Standard Industrial Classification Manual.
 - i. A qualifying business or service enterprise which increases employment by five or more new full-time job equivalents in an area designated as an enterprise zone and which provides additional economic stimulus in such zone. Whenever possible, 10 percent of new employees shall be low-income or moderate-income individuals. Such qualifying business or service enterprise may be new, an expansion or reinvestment of an existing qualifying business or service enterprise, or a successor to such qualifying business or service enterprise.
 - ii. Any qualifying business or service enterprise which employs at least 5,000 persons and which creates ten or more new full-time job equivalents that did not exist prior to July 1, 1997, and which provides additional economic stimulus in such zone.

- iii. Any business receiving tax abatements according to the schedule outlined above must maintain a minimum of five new full-time job equivalents to maintain eligibility for the tax exemption. A form for reporting annual employment must be filed with the Department of Community and Economic Development for its review and records.
- iv. Any project that consists of the rehabilitation of an existing structure that results in the value of the improvement exceeding the value of the land by a ratio of five to one is eligible for the incentives offered whether or not the project is carried out by a qualifying business or service enterprise.
- v. **If the project consists of new residential construction, residential rehabilitation, or other rehabilitation of an existing structure and the value of the improvement exceeds the value of the land by a ration of five to one, then the exemption schedule in subsection (a) of the 'Columbus Business Development Center' ordinance shall also apply whether or not the project is carried out by a qualifying business or service enterprise." Value of the land shall be determined by market value.**

3. Additional Considerations

The Enterprise Zone Employment Act of 1997 Section 36-88-4(b) empowers the local governing body to make a case-by-case determination of the eligibility of each business for enterprise zone tax abatements and other incentives. Among the considerations may be the following:

- A. The value of the business to the economic health and well-being of Columbus/Muscogee County and its citizens.
- B. Capital investment or reinvestment by the business equal to or greater than the amount of ad valorem tax abated over the first five years of the tax incentive.
- C. Consideration for meeting some or all of the following criteria:
 - i. Locating in a vacant building
 - ii. Demolishing a pre-existing or abandoned structure
 - iii. Assembling four or more tracts of land for one project
 - iv. Creating jobs above the state threshold
 - v. Creating jobs for residents of the Enterprise Zone and surrounding area
 - vi. Incorporating aesthetic enhancements (i.e.: landscaping, type of facade materials used, exclusion of billboards)

Columbus Consolidated Government
Council Meeting

June 20, 2000

Agenda Report # 215

TO: Mayor and Councilors

SUBJECT: FY 2001 Tax Millage

INITIATED BY: Finance Department

Recommendation: Approve an ordinance levying ad valorem tax rates for the calendar year 2000 in support of the FY 2001 Budget for the Columbus Consolidated Government for the fiscal year July 1, 2000 through June 30, 2001.

Background: The Budget which was presented to Council on April 25, 2000 includes property tax revenue based on a projected net county operating digest of \$2,923,298,659 in all districts, which is 5.58% greater than the 1999 state approved digest for the county.

Analysis: The proposed operating budget has been adjusted by \$256,629 in aggregate having no impact on the tax millage. The proposed millages reflect Council direction for no increase in millage in urban service districts 1 and 2; and the general service district.

Alternatives: The Tax Millage Ordinance will be on second reading June 29, 2000. Any delay beyond that date will delay the delivery and return of property tax bills.

Financial Considerations: Based on the projected net digest, these tax rates in conjunction with the debt digest will provide \$47,348,254 of revenues for the FY 2001 budget. An increase in the digest greater than the 5.58% growth factor projected for the FY 2001 Recommended Budget would provide additional revenue for operations. Likewise, a growth of less than the projected 5.58% would require a reduction in appropriated expenses. The three Business Improvement District's tax millages will produce combined revenues of \$462,959 which will be remitted less commission fees to the Business Improvement District.

Legal Considerations: In accordance with O.C.G.A. 48-5-32, the proposed tax millage and levy for the current year and five prior years has been advertised prior to Council adoption. There exists no requirement to publicize adjusted millages.

Recommendations/Actions: Approve an ordinance levying ad valorem tax rates for the calendar year 2000 in support of the FY 2001 Budget for the Columbus Consolidated Government for the fiscal year July 1, 2000 through June 30, 2001.