



DeKalb County SPLOST and eHOST

East Metro CID



Luz Borrero – Deputy Chief Operating Officer for Development

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Overview

- In 2015, the Legislature approved H. B. 215, which enables DeKalb County to raise funds necessary for capital projects (transportation and other infrastructure) through a Special Purpose Local Option Sales Tax (SPLOST).
- The bill also permits DeKalb to approve an Equalized HOST that applies 100% of HOST proceeds to property tax relief for general fund, unincorporated, and city taxes.
- To be enacted both SPLOST and Equalized HOST must be approved by voter referendum; if either of one is not approved the status quo prevails
- The County is preparing to hold the referendum on November 8, 2016
- A SPLOST project list will be submitted to the Board of Commissioners for approval after a robust public input process
- The public input process will be led by the SPLOST Citizens' Advisory Committee

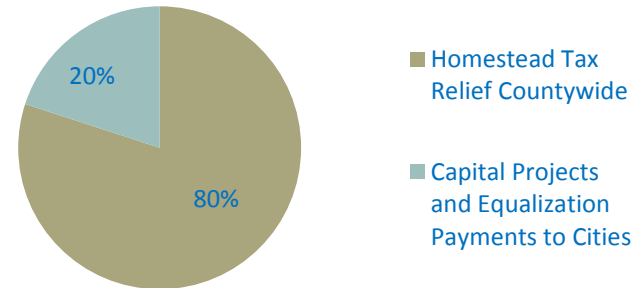
SPLOST AND EQUALIZED HOST APPROVAL PROCESS



Homestead Option Sales Tax (HOST)

- Approved by DeKalb County voters in 1997
 - 80% for property tax relief
 - 20% for capital projects
- Georgia counties traditionally provided funding for capital improvements through a Special Purpose Option Sales Tax (SPLOST) and property tax relief through a Local Option Sales Tax (LOST)
- HOST generates approximately \$100 million each year depending on the level of sales, at least 80% of which must be used to subsidize county property taxes on homesteads, while no more than 20% may be dedicated to capital improvement projects and equalization payments to the cities in DeKalb County.
- Rockdale and DeKalb counties are the only ones with HOST

HOST Revenue Allocation



HB 215 enables voters to reform DeKalb's HOST through a referendum to allocate 100% of HOST revenue to subsidize county and city property taxes on homesteads. This new, reformed HOST is known as an Equalized Homestead Option Sales Tax, or E-HOST.

DeKalb County would remain competitive regionally with a 1% SPLOST

- The SPLOST is projected to generate approximately \$500 million countywide in a five-year period
- A SPLOST would enable DeKalb County to invest in infrastructure improvement projects, including, but not limited to:
 - Road resurfacing
 - Transportation Projects, including sidewalks
 - Public safety facilities and hardware
 - Parks and recreation facilities
 - Health centers
- If the SPLOST is approved DeKalb's sales tax will be 8%, equal to Clayton County and the City of Atlanta, but higher than Cobb County, Gwinnett County, and Fulton County (excluding the City of Atlanta)



A Robust Public Input Process will inform the development of the SPLOST Project List

- A SPLOST Citizens' Advisory Committee has been established to lead the public input process and develop a recommended SPLOST Project List for consideration and approval by the Board of Commissioners
- The SPLOST Citizens' Advisory Committee will hold approximately nine public meetings
- The Committee will also take two driving tours of the County to view and assess the needs and impacts of proposed projects
- The Committee will be supported by a consulting service provider
- The County will also conduct a public opinion survey of DeKalb residents to understand their priorities for use of SPLOST funds

SPLOST Citizens' Advisory Committee Members

Markus Butts, Interim CEO

David Sjoquist, Interim CEO

Robert Miller, District 1

Gordon Kenna, District 2

Alice Bussey, District 3

Terry Brantley, District 4

Willie Lewis, District 5

John Keys, District 6

Bruce McMillan, District 7

A Consulting team and a facilitator will provide technical assistance for managing the public input and project's selection process

- The Board of Commissioners approved the retention of consulting services to assist the Citizen Review Advisory Committee manage the public input process and develop the SPLOST Project List
- Sycamore Consulting, Kimley Horn, and Rosser International will be providing technical and support through the entire process
- Sycamore and Kimley Horn conducted an extensive public input process and created DeKalb's Comprehensive Transportation plan, and they are intimately familiar with the County's needs
- The RFP included the following deliverables:
 - Document public input and take meeting minutes
 - Develop reports after each meeting that compile and present feedback from internal and external stakeholders, the Committee members, and elected officials
 - Provide technical assistance to the Citizen Review Advisory Committee in the project selection process
 - Provide cost estimates for projects selected for inclusion in the Final SPLOST Project List
 - Maintain draft project lists as the process evolves
 - Create a Final SPLOST Project List for the Committee Review

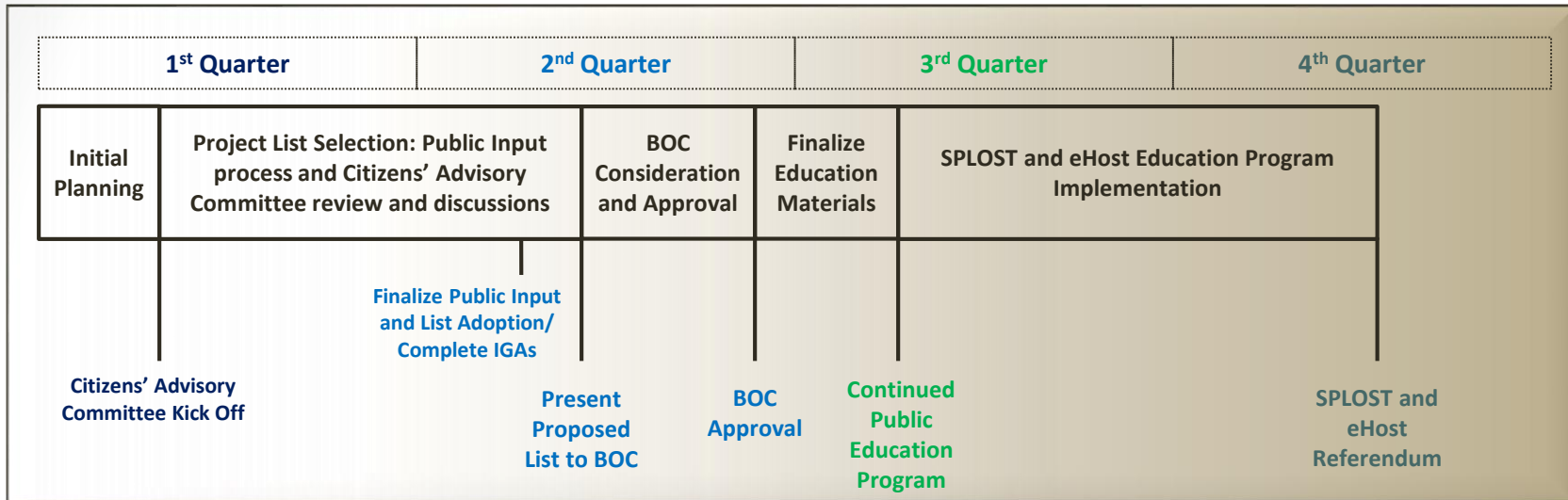


The Administration has initiated preparation of an extensive public education effort

- An internal Steering Committee composed of a cross-functional team of staff members has been established to initiate the discussion of potential projects
- A comprehensive and informative list of Frequently Asked Questions regarding SPLOST and Equalized HOST is being finalized
- A draft website has been created and is currently under internal review
- The website will also provide the following:
 - Information on the public input process, including SPLOST Citizens' Advisory Committee meeting dates
 - Department draft project lists
 - A survey for residents and businesses soliciting their input
 - County Plans including the Comprehensive Plan, the Economic Development Strategic Plan and Livable Plans



Public Input and Education are critical elements to ensure a successful SPLOST



Key Dates/Events

SPLOST Citizens Advisory Committee Meetings (DRAFT)

- January 27, 2016:** Orientation
- February 17, 2016:** Kickoff Meeting
- February 24, 2016:** Transportation Meeting
- March 2, 2016:** Roads and Drainage Meeting
- March 9, 2016:** County Driving Tour
- March 19, 2016:** Public Safety and IT Meeting
- March 23, 2016:** Parks and Recreation Meeting
- April 6, 2016:** Libraries and Facilities Meeting
- April 13, 2016:** County Driving Tour
- April 27, 2016:** Draft Project List
- April 28, 2016:** Finalize Public Input and List Adoption

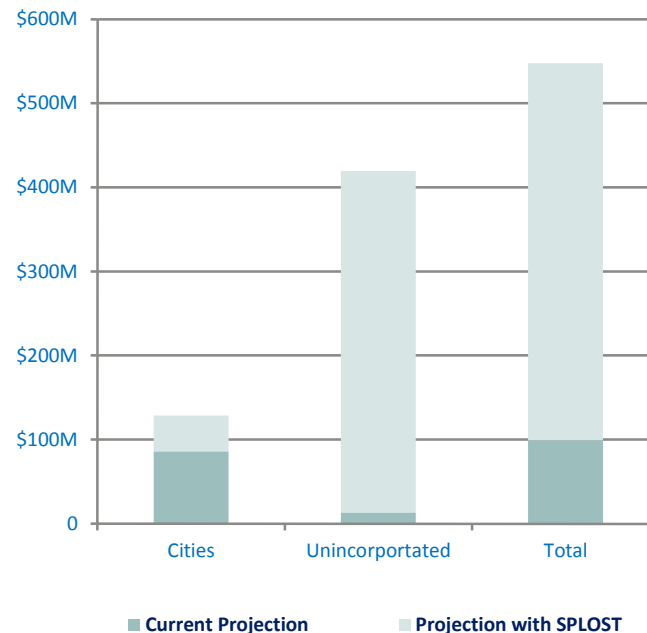
Other Critical Milestones

- **May 1, 2016:** Complete IGAs with municipalities
- **May 17, 2016:** Present recommended project list to the Board of Commissioners at Committee of the Whole
- **June 28, 2016:** Board of Commissioners approves SPLOST Legislation
- **July 11, 2016:** Kickoff Educational Program
- **November 8, 2016:** SPLOST Vote

Approval of SPLOST and Equalized HOST will substantially increase capital funding to the County's unincorporated areas

- Approval of SPLOST and Equalized HOST is projected to generate approximately \$500 million countywide in a five-year period
 - DeKalb's cities are projected to receive an additional \$42 million in the first five years
 - Unincorporated DeKalb County is projected to receive an additional \$406 million in the first five years
- Current projections include capital funding and transfers to cities that will accrue to DeKalb County and its municipalities over the next five years through HOST

**Projected 5-year Capital Revenue:
Current Projection vs. Projection with SPLOST**

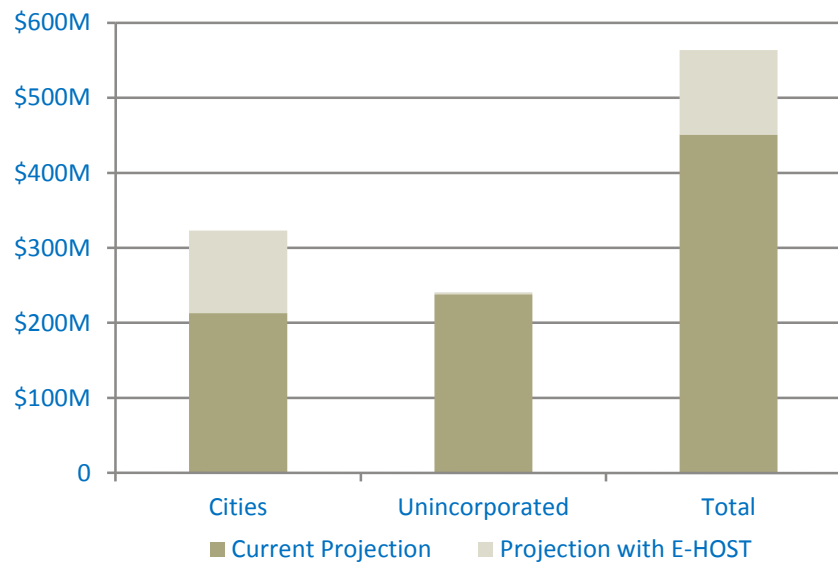


The lightly shaded area represents the additional capital revenue SPLOST would provide to DeKalb County's unincorporated areas and its municipalities relative to capital funding currently derived from HOST

Approval of SPLOST and Equalized HOST will increase property tax subsidies, especially in DeKalb's municipalities

- Approval of SPLOST and Equalized HOST is projected to result in an additional \$113 million in property tax credits to homesteads over the next five years
 - Homesteads in DeKalb's cities are projected to receive \$111 million of the \$113 million in property tax credits over the next five years
- This disparity is attributable to the equalization of HOST, which takes funding that is currently transferred to municipalities, and diverts it to property tax credits for city taxes

Five-Year Host Credit Projection:
Current Projection vs. E-HOST



The lightly shaded area represents the additional tax credits E-HOST would provide to homesteads in unincorporated areas and municipalities in DeKalb County

Next Steps

- Finalize and publish SPLOST Citizens' Review Advisory Committee Meetings schedule
- A SPLOST Website with detailed FAQ's will be published the First Week of February
- A public opinion survey will be conducted by an third party service provider
- A robust public education program to include on-line information, social media, and printed materials will be implemented
- Continued discussion of opportunities for Intergovernmental Agreements with all municipalities will be held

Thank You!