

MEMORANDUM

To: Mayor and City Council

From: Chris Pike, Finance Director

Date: August 28, 2017

Subject: **Approval of SPLOST Project List and Related Debt Issuance Authorization for County Referendum Language**

ITEM DESCRIPTION

Approval of SPLOST Project List and Related Debt Issuance Authorization for County Referendum Language

BACKGROUND

Senate Bill 156 (effective 5/8/2017) outlines the requirements for a DeKalb Special Purpose Local Option Sales Tax (SPLOST). Though the ballot form requires that the purposes for which the tax will be applied be identified, detailed description of the purpose or purposes for the tax is not required (see Unofficial Opinion of the Attorney General of Georgia No. U90-18 (1990)). Instead, the description and the purposes must only be specific enough to place the electorate on fair notice of the projects to which the tax will be devoted. In the case *Dickey v. Storey*, 262 Ga. 452 (1992), for example, the GA Supreme Court found the referendum language “recreational facilities and multi-purpose governmental facilities” to be adequate.

DeKalb’s unique SPLOST authorizing law stipulates a tax authorized under this part which is submitted to the voters for approval in connection with an equalized homestead option sales tax pursuant to Part 2 of Article 2A of this chapter shall be used for transportation purposes which shall include roads, bridges, public transit, rails, airports, buses, seaports, and including without limitation road, street, and bridge purposes pursuant to paragraph (1) of subsection (b) of Code Section 48-8-121, for public safety facilities and related capital equipment used in the operation thereof, for debt service purposes for which a municipality used proceeds from the homestead option sales and use tax, and for the repair of capital outlay projects; provided, however, that the amount of proceeds used for the repair of capital outlay projects shall not exceed 15 percent of the total proceeds which are collected under this part for a capital outlay project or projects authorized under this paragraph.

If general obligation debt is to be issued, repayable from the SPLOST, the ballot must include the name of any municipalities issuing the debt and related information on the debt. Including the debt language on the ballot affords the City the opportunity to finance any project costs, but does not obligate the City to finance the costs.

Currently, the City intends to use the funds to finance transportation improvement projects. Transportation Improvements include **Infrastructure Preservation** (road resurfacing,



replacement and rehabilitation of bridges and drainage systems); **Pedestrian and Bicycle Path Improvements** (addition of sidewalks, streetscapes, bike lanes, and multi-use trails); **Congestion Relief** (road widenings, traffic management, and signal upgrades); and **Safety and Operational Improvements** (addition/extension of turn lanes, elimination of sight distance problems and other safety concerns, as well as widened lanes and shoulders).

The public safety facilities and related capital equipment used in the operation thereof is an allowed use of funds under SB156. Normally, public safety capital would include the upgrade of communications equipment, replacement of apparatuses and vehicles, and the purchase of other capital equipment used by the City for public safety. This bill’s language states only facilities and related capital equipment is allowed, which could be interpreted that capital not related to the facility (e.g. police cars) are not allowed. Up to this point, the City has not contemplated using funds for this purpose or for the repair of capital outlay projects up to the allowed 15% level specified by SB156.

EVALUATION

To afford the City the greatest flexibility throughout the term of the SPLOST and because state law affords a broad definition of the SPLOST projects included on the ballot, staff recommends adopting a project list that leaves as much discretion as possible to the current and future City Councils. Accordingly, staff recommends Council adopt the following project list to be forwarded to the County for inclusion on the 2017 SPLOST referendum ballot as well as language giving the City opportunity to finance projects should market conditions justify it at a later date.

() YES	<p>Shall a special 1 percent ... (H) Dunwoody related to transportation improvement projects including, but not limited to Infrastructure Preservation (road resurfacing, replacement and rehabilitation of bridges and drainage systems); Pedestrian and Bicycle Path Improvements (addition of sidewalks, streetscapes, bike lanes, and multi-use trails); Congestion Relief (road widenings, traffic management, and signal upgrades); Safety and Operational Improvements (addition/extension of turn lanes, elimination of sight distance problems and other safety concerns, as well as widened lanes and shoulders); Public Safety Facilities and Related Capital Equipment; and Repairs of Capital Outlay Projects up to 15% of the total tax collected by Dunwoody...</p> <p>If imposition of the taxes is approved by the voters, such vote shall also constitute approval of the issuance of general obligation debt of DeKalb County Approval of the issuance of general obligation debt of the City of Dunwoody in the maximum principal amount of \$25,000,000 for the purposes of funding a portion of the Dunwoody projects.</p>
() NO	

RECOMMENDED ACTION

Staff respectfully requests Council approve the project list stipulated above and forward the language to the County for inclusion in the Intergovernmental Agreement among the County and municipalities within DeKalb.