

Community Improvement District Fact Sheet

What is a Community Improvement District (CID)?

A Community Improvement District (CID) is the most powerful public-private partnership today and has been used successfully around the country to revitalize center cities. It is an effective tool for financing improvements that directly enhance property values by allowing property owners to determine how funds are spent in their area. CID funds can augment existing services such as public safety and they can also be used to leverage additional public and private funds. Conservatively, CID funds can be used to leverage such funds at a ratio of 10 to 1.

How is a CID created?

A CID is a geographically defined district in which commercial property owners vote to impose a self-tax. To enact a CID, a simple majority of affected property owners holding at least 75% of the assessed property value of the area must vote affirmatively. Funds are then collected by the taxing authority and given to a board of directors elected by the property owners.

What types of improvements can a CID make?

The Georgia Constitution specifies that funds collected through a CID may be used for seven purposes:

1. Street and road construction and maintenance
2. Parks and recreational areas and facilities
3. Storm water and sewage
4. Development, storage, treatment, etc. of water
5. Public transportation
6. Parking, terminal and dock facilities
7. Other services and facilities i.e. Public safety

How is a CID Formed?

A CID is formed by a group of **Property Owners** taking on the CID Formation as a project by organizing a Formation Team to contact property owners within the proposed CID and communicating to them the CID concept and benefits. During the Formation process a **Formation Committee** is organized, consisting of key stakeholders who may be property owners, business owners, community leaders and/or elected officials. Once the Formation Process is completed, the Tax Commissioner certifies all Consent Forms and then the County Board of Commissioners and/or the City Council passes a Resolution creating the new CID. After the CID is created, the property owners convene to elect a **CID Board of Directors**.

What will be focus of the proposed CID?

The specific area and types of projects the CID will focus on is based on the desires of the community and government entities involved. The boundary is general a contiguous area in a commercial, retail, office and/or industrial area. After the preliminary boundaries are determined, the initial CID boundary is usually a



sub-set of the proposed area. However CIDs normally expand so the size and location of the boundary may change over time.

How much is the CID investment? How is it calculated?

The annual CID investment will be included on the County Property Tax Bill. After the CID is created and a Board of Directors (BOD) is formed, the BOD sets the annual millage rate for the CID investment. It is recommended to be set between 3 and 5 mills. 5 mills equates to approximately \$2,000 per \$1,000,000 of the Appraised Property Value. The CIDs in Georgia range from 3 to 5 mills.

For example, if the County appraises a property at \$1,000,000, then the calculations would be as follows:
[APV * 40% * 5 mills = \$1,000,000 *.40 * .005 = \$2,000].

When is the first CID investment due?

The goal is to create the CID by the deadline provided by the Tax Commissioner's Office, which is typically June of each year. This allows the first CID investment to be included on the County Property Tax bill for the current year; therefore, when property taxes are paid directly to the County, the CID investment is included. The Tax Commissioner transmits the collected funds directly to the CID to be used ONLY in that specific CID area for expenditures in accordance with the purposes of the CID.

NOTE: Any contributions collected for the proposed CID during the formation process are primarily to cover administrative costs to create the CID and are not used for the CID purposes outlined in the state legislation.

How long will the CID investment be paid?

CIDs are created for six years as stated in the state legislation. At the end of six years, the property owners will vote to continue for another six years or vote to dissolve the CID. No CID in the state of Georgia has ever voted to dissolve. The oldest CID was formed in 1998.

Why is there a notarized Written Consent of Owner Form?

The notarized Written Consent of Owner Form is proof to the Tax Commissioner that you are the owner of the property and are consenting to participate in the CID. The printed name of the person completing the form (usually the Property Owner goes on the first blank on the form. On the blank line in #1, the Parcel ID assigned for the property is printed. On the blank line in #2, the property owner's name is printed. On the blank line for #3, either the property owner's name or the name of the person who will represent the property owner is printed. The property owner then signs the line marked "(SEAL)". Lastly the Form is to be notarized and given to a CID formation team representative or mailed to a specific address given for the CID formation office.

Why should a Property Owner join the CID?

- To be an active participant and advocate for their community
- To have input in projects to improve property values and drive economic development
- To network with business/property owners, community leaders & elected officials
- To leverage CID resources for government issues regarding permitting, zoning, etc.
- To access local, state and regional organizations and representatives easily
- To take advantage of coordinated public relations
- To tie into organized branding for the community
- To be listed on directional signage (if applicable)

