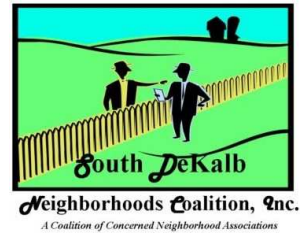




Ashford  
Alliance  
Community  
Association



January 8, 2008

Honorable Austin Scott  
Chair, Government Affairs Committee  
GA House of Representatives  
218 State Capitol  
Atlanta, GA 30334

**RE: City of Dunwoody Incorporation**

Dear Representative Scott:

During the last two legislative sessions, members of the House of Representatives and Senate have reviewed and revised legislation for the incorporation of a City of Dunwoody in DeKalb County. While legislation was passed in the Senate last year, SB 82 and 83 failed to pass in the House thereby leading to their consideration once more during the 2008 Legislative session. As has been the case in other incorporation efforts, issues related to a City of Dunwoody have caused widespread and heated debate by both proponents and opponents.

The DeKalb Board of Commissioners, Chamber of Commerce and other civic groups took a position of opposition last year due to unanswered questions in some cases and unsatisfactory responses in others. In preparation for the 2008 session and in hopes of obtaining substantive information, we have created a series of questions and concerns which we would like for you and your colleagues to consider as you debate this issue. The consequences of existing legislation in this matter are also problematic to the debate.

1. We are concerned about the potential inclusion of Perimeter Center within the proposed City of Dunwoody boundaries. This area is a corporate center for the southeastern U.S., Georgia, and especially DeKalb County. Maintenance and enhancement of its corporate competitive edge and revenue producing capacity for the state and the county could be seriously undermined if this area is subdivided further for the economic benefit of a small minority. The Perimeter Center area should not be a part of the city of Dunwoody. If it is included, the Legislature should work to assure the stability and economic competitiveness of the area during a transition process and beyond with mandates in the legislation.
2. The Perimeter CID has significant economic and structural impact far beyond the proposed boundaries of Dunwoody. Planning, development and infrastructure improvements should remain a regionally coordinated activity. Allowing a new entity to choose projects it prefers and can afford could result in short-sighted development decisions. How will the regional impact of the PCID be resolved for the benefit of all if the means and motives are limited to Dunwoody?
3. Previous incorporations have required extensive study and analysis of their proposed impact. The University of Georgia's Carl Vinson Institute (CVI) has not completed a full investigation of the potential incorporation of Dunwoody. Our understanding is a completed study would be a prerequisite to a petition for incorporation. Has a full study by the CVI been completed for this incorporation?
4. It has been 3 years since the CVI's partial analysis of the proposed Dunwoody incorporation. It would seem prudent to update that data. If updated data is provided, we ask the Legislature to allow a

reasonable time for the rest of Dekalb County to assess the impact prior to making any legislative decision.

5. One of the moving targets is the millage rate for ad valorem taxes on real property. The current version is apparently written for the residential voter. The Perimeter CID property owners already carry a self-imposed CID tax. There is no information to provide these business stakeholders an idea of their additional costs for a new city. Where will the balance needed to fund a new city come from? Will additional fees and licenses be imposed on the business tax payer who has no vote in the city referendum?
6. A related concern is the current residential property tax freeze in DeKalb County which limits the tax base. The business community has no projections on other assessments, utility fees, or other mechanisms that would potentially have to be implemented to make up the revenue base. Would property in the new city be released from the current assessment freeze?
7. SB 83 is extremely problematic for all taxpayers in DeKalb and throughout the state. The County would have to transfer to the new city all county-owned property and facilities within the new city boundaries. The bill assumes the property should be transferred even if it currently provides a regional benefit, such as police precincts and fire stations within the current boundary. There is little cost to a new city and this will likely encourage further incorporations in Dekalb and the rest of the State.
8. There is no process mandated to determine which properties should be transferred and the fair market value of such property, facilities and equipment. Once transferred, the County will have to replace a portion of the lost assets at current market rates. This is an additional and potentially unfair burden on the remaining commercial and residential property owners in the County. The Legislature should mandate that these transfers take place in a manner and at rates which do not disadvantage either party.
9. DeKalb County Government has attained a AAA bond rating by Moody's and Standard & Poors. Would there be an impact on the AAA bond rating program that is currently under DeKalb governmental management system? How would this affect the Perimeter Community Improvement Districts (PCID) and their ability to get projects completed in the most cost effective manner?
10. The DeKalb County Government and PCID have been able to formulate an excellent partnership whereby the PCID receives a set aside of funds of \$1.2 M through their HOST partnership to go towards various transportation and infrastructure projects. This partnership is used to leverage major state and federal funds to complete critical infrastructure projects. Quite naturally, there are concerns as to whether this current partnership would exist with a new government and whether this new city would in fact have the necessary funds to provide for project matches. The partnership is beyond money with off duty police officers working in the community and DeKalb County assistance with all types of maintenance needs that keep the economic engine of this region moving forward. How would the business sector be able to replace matching HOST funds and these "soft" services?
11. What is the course of action for the transfer of property as it relates to the impact on the corporate and larger DeKalb community? Moreover, where is the commitment from a new government as it relates to fire, safety, public services, planning and engineering for land use and infrastructure improvements and all basic overall governmental services that support business?
12. Improvements to the Ashford Dunwoody Interchange with I-285 have been approved and are currently included in the Regional Transportation Plan. Would the transfer of this project from County to city affect its placement or priority in the current transportation improvement plan? This issue is

critical given the \$7 billion shortfall in the region where any additional loss of funding would be a blow to the entire region.

13. While the Perimeter area is a major employment center, it is now developing its share of housing – both rental, for sale and mixed-use developments. The latter in particular requires stability in land use and zoning due to the timelines required for planning, finance and construction. As result, there is widespread concern that many projects could be delayed or canceled during the transition to new government. This is especially important to the Perimeter area because of a permanent need to alleviate traffic congestion. Various studies have shown the way to do so is to create housing opportunities for employees that work in the area. How will currently planned and approved development in this area be impacted?
  
14. There is new found concern about the possible impact of HR 900, which seeks to change the way Georgia collects ad valorem taxes. With an emphasis being placed on the collection of sales taxes, this has major implications for DeKalb and a new City as both jurisdictions generate revenue from sales taxes rather than residential property taxes due to the Homestead Option Sales Tax (HOST). This looming unknown will be formulated and negotiated during the same legislative timeframe as the city debate and potentially result in a simultaneous referendum. This issue needs to be resolved before new cities are created. With the potential now for additional cities being proposed for Brookhaven and Tucker-North Lake, resolution of this tax issue is critical for DeKalb County.

In general, the Perimeter area is a major economic generator for DeKalb County, the southeast region, and the State. The time associated with transition of government and the potential loss of services or loss of momentum could potentially prove detrimental to the scheduling and efficiency that has been achieved with a vast portfolio of infrastructure projects in the area. The ability to remain on schedule is a bottom line business issue.

In closing, we all appreciate your consideration and review of the questions and issues posed. We support the idea of self determination and citizen's right to choose. However, the PCID adds a unique wrinkle to this equation as it is at the epicenter of employment and job growth for the entire region. Therefore, all known questions and related issues must be adequately addressed whether that involves the overall impact of Dunwoody on DeKalb County or the removal of the PCID from the Dunwoody boundaries.

Sincerely,



Leonardo McClarty  
DeKalb Chamber of Commerce



Paul DeFriece, VP  
Ashford Alliance  
Community Association



Gil Turman  
South DeKalb  
Neighborhood Coalition

cc: Honorable Sonny Perdue, Governor  
Honorable Casey Cagle, Lieutenant Governor  
Honorable Glen Richardson, Speaker of the House  
DeKalb Delegation  
DeKalb Board of Commissioners  
Perimeter CID Board of Directors