

**Columbus Consolidated Government
Council Meeting Agenda Report**

TO:	Mayor and Council
AGENDA SUBJECT:	Enterprise Zone Expansion
AGENDA SUMMARY:	Approval is requested to expand the current boundaries of the Enterprise Zone to include areas as noted in the attached map
INITIATED BY:	Planning Department

Recommendation: Expand the current boundaries of the Enterprise Zone to include areas as noted in the attached map

Background: In 1997, the Georgia legislature adopted the "Enterprise Zone Employment Act." The Act is intended to encourage revitalization in areas within cities that are suffering from disinvestment, underdevelopment and economic decline by offering "Job Tax Credits" . To qualify as a locally-designated Enterprise Zone, the area must demonstrate three of the following four criteria: pervasive poverty, unemployment that is 10% greater than the state average, general distress/underdevelopment or blight. In 1998, CCG Council adopted our original Enterprise Zone and named it the "Columbus Business Development Center."

Analysis: The current geographic boundary of the Columbus Enterprise Zone was re-adopted in 2008. Since the 2010 and 2020 US Decennial Census have been undertaken, new demographic data has become available for analysis of our current Enterprise Zone. Based on current data, more areas are eligible for inclusion in the Columbus Enterprise Zone.

Financial Considerations: The Act states that a tax abatement may not exceed 10% of the overall tax digest. Beyond that, compatibility with overall City goals must be measured against future benefits gained from business location decisions. For example, the Enterprise Zone allows abatement of ad valorem taxes (not including school taxes nor for taxes collected to retire general obligation debt) for a period of ten years, offering 100% abatement for the first 5 years, 80% abatement for the 6th & 7th years, 60% abatement for the 8th year, 40% abatement for the 9th year and a 20% abatement for the 10th year. Therefore, if very little ad valorem tax and no retail sales taxes are being collected on a vacant lot (just for example), then a qualifying business brings immediate economic benefit with the creation of 5 new jobs, and begins to produce additional tax revenues on a higher value of land and property after 5 years. Businesses must maintain the 5 jobs each year in order to continue to receive the Enterprise Zone tax abatement. Additionally, any residential development which increases the tax value of the land or home by 500% qualifies for the Enterprise Zone tax abatement.

Legal Considerations: The Columbus Business Development Center, a.k.a. Enterprise Zone will stay in effect for a minimum of ten (10) years. Qualifying businesses or residential taxpayers who are approved to receive Enterprise Zone benefits in the tenth year are eligible for the full ten-year exemption in taxes.

Recommendation: Adopt the ordinance to amend the current boundaries of the Columbus Enterprise Zone to include the areas noted in the attached map.