

# Finding Solutions



Photo: Wayne Parham

Room for improvement: Sen. Curt Thompson is spearheading the Gwinnett Village CID

(CURT IS THE NEW CHAIRMAN OF THE GWINNETT VILLAGE CIA)

A hot Saturday morning has begun to warm up the pavement and parking lots along Jimmy Carter Boulevard in Gwinnett County. Inside Patacon Pisa'o, a Columbian restaurant on the busy street, State Sen. Curt Thompson is presiding at a meeting of his neighborhood advisory committee in an area that will soon become part of Georgia's newest — and largest — Community Improvement District.

The mechanisms for creating a CID have been in place in Georgia since the legislature formally prescribed them a decade ago. The process of forming a CID begins when a group of businesspeople come together to find a way to solve a problem, usually one that has contributed to a decline in business or carries that threat.

"A CID is like a quasi-city," Thompson says. "It is the commercial property owners deciding to band together and form a self-taxing district." The majority of the commercial areas in his district are in a CID, he adds.

The 10 people around Thompson's table are brunching on *migas rebanada de queso*, a traditional Colombian breakfast of cheese in a kind of corn taco, washed down with tall glasses of chilled mango juice. The conversation among Thompson, the wait staff and some of his advisors is in

Spanish, which Thompson alternates easily with English. Thompson says there are more than 120 languages and dialects in his district, making it the most diverse in the state. The diversity of cultures and languages in Gwinnett can slow consensus building, and that can slow some efforts to improve several commercial districts.

The advisory committee members are giving the senator assessments of major problems in their neighborhoods: traffic, garbage pickup, transportation issues, needed road improvements. As the hour-long meeting plods along, Thompson occasionally glances out a window at the cars whizzing by. Their numbers are rising in geometric progressions.

The meeting ends and Thompson takes a visitor on a tour of businesses in the soon-to-be formed Southwest Gwinnett Village Community Improvement District (CID), a network of shops, strip centers, offices and other commercial properties fanning out from its heart on Jimmy Carter Boulevard. Properties in the proposed CID total more than \$1.4 billion in value, and their ownership may be the most culturally diverse in Georgia.

Yet when the owners of these properties complete the formalities necessary to become a CID sometime in March

When business owners and civic leaders come together to address common problems, the answer is often a community improvement district. Gwinnett County is about to get the largest one in Georgia.

By Ed Lightsey

2006, this region of suburban Gwinnett County will become the state's largest such district both in property value and physical size. It will also be the 13th CID formed in Georgia over the past decade, a number its boosters believe will be lucky for the merchants and professionals who inhabit the area. And the Southwest Gwinnett CID is poised to become a link in the growing number of CIDs surrounding the Atlanta area — formed to complement or counterbalance local governments, depending on your point of view.

"The CIDs are seen as cures for a variety of ills besetting communities, particularly fast-growing communities," says Thompson, who grew up in Gwinnett County and watched firsthand as suburban sprawl swept over its commercial areas. "Something usually spurs the formation of a CID, something like crime or at malls when shops start moving out. It can be construction to correct design flaws that are not friendly to business. And it all begins with an informal gathering of business owners." There's a ring of familiarity to that statement.

### An Old Concept

Part of American lore centers on the Wild West frontier towns where merchants pooled their money to hire a sheriff to control whiskey-soaked cattle drovers hell bent on shooting up the town during fits of celebration. These same merchants might also pass the hat among themselves to help pay for a new schoolmarm or put in a wooden sidewalk to keep ladies' hems out of the mud.

That, in essence, is how a CID works — locals taking the initiative to solve local problems. Of course, with layers of government blanketing every community these days, nothing is as simple as passing the hat. But the initiative and involvement of a core group of businesspeople remains essential.

Jimmy Carter Boulevard could be a textbook study in sprawl and its effects. A central artery in Gwinnett County's 2,900 miles of paved roads, Jimmy Carter is lined with parking lots and strip centers, and when the daily flow of automobiles is factored into the mix, the area becomes an asphalt jumble. Gwinnett drivers and their fellow travelers put 18 million miles daily on the county's roads, making it the second most traveled county in Georgia, just behind Fulton.

Transportation, say Atlanta area CID executive directors, is a common problem and usually provides the impetus for formation of a self-taxing district. It was heavy traffic and a highway median that gave Gwinnett its first CID along Highway 78.

Atlanta area real estate developer Emory Morsberger was present at the birth of the Highway 78 CID in 2003. "At the time, it had never been done on a corridor," he recalls. "The CIDs at the time were built out of concentrated commercial districts, but never along a corridor. I had never even heard



Photo: Wayne Parham

**Leading man:** Developer Emory Morsberger helped form the Highway 78 CID, Gwinnett's first, in 2003

of the concept before chairing the Gwinnett Revitalization Task Force."

Morsberger's task force was formed to study revitalization of declining areas. When a median was proposed for the heavily traveled Highway 78, an important link between Gwinnett County and Athens, retailers along the road smelled disaster and yelled for help.

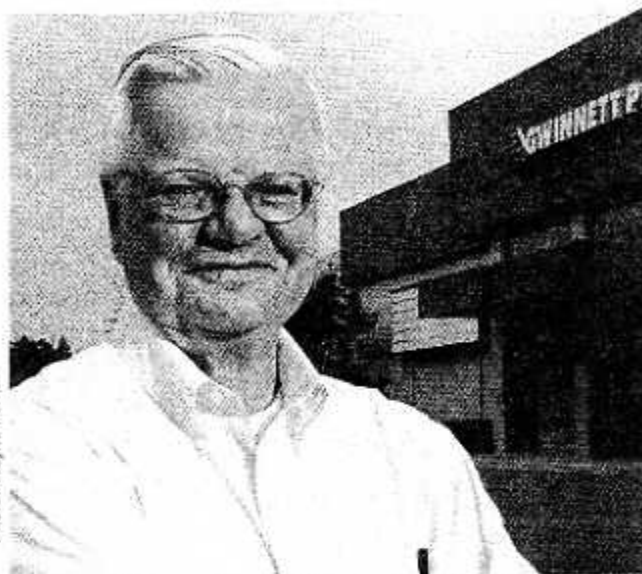
"Many of the business owners in that 78 corridor between Stone Mountain and Snellville had originally been along Memorial Drive and the construction of a median on Memorial Drive and the lack of planning for development basically put Memorial Drive down the tubes," Morsberger says. That's when business owners latched onto the idea of a CID. The move was a good one.

"They formed their CID and assessed themselves 5 mills, which raises about \$800,000 a year," he explains. "And over two years, that has been leveraged to bring over \$16 million to be allocated to the Highway 78 corridor, more than 10 to one in matching grants." The money has been used to improve customer access to retailers along the busy highway.

Though transportation issues dominate the concerns of Atlanta's suburban leaders, their CIDs spend the tax dollars on a variety of other projects.

### Battling Empty Boxes

"A motivating factor in the formation of the Gwinnett Place Community Improvement District was what they call



**New look:** Gwinnett Place CID Director Dave Rosselle hopes to replace empty big-box stores with mixed-use projects

the "Vacant Big Box Syndrome," says Dave Rosselle, the CID's executive director. "That is where national retailers have moved out to newer areas and leave behind their empty stores, the big boxes."

Rosselle has a vision of condo high-rises with plaza level stores going up on the sites of, say, empty Wal-Marts and vacant Targets. "To do that, to get the necessary zoning changes to allow for such development, the infrastructure has to be put in place and a transportation network installed," he says. "And we realized early on that there was a need for improvement in pedestrian mobility. We have \$540,000 in Special Purpose Local Option Sales Taxes for sidewalks. Then we want to come in behind that project and put in streetscapes and do the things that make the corridors into the heart of the CID more attractive, more visually appealing."

Not all CIDs are populated by local businesses. Tom Wheeler, chairman of the Gwinnett Place CID board of directors, found his district to have an unwanted reputation for traffic congestion, a common target of CID leveraged funds. But getting the CID off the ground to help relieve inch-along traffic was complicated by distance. "A lot of the owners at Gwinnett Place Mall were national companies with hundreds and hundreds of properties all over the country," says Wheeler, a principal in Wheeler/Kolb Management Company. With decision makers in faraway places, the CID process at first began slowly. "Getting those big companies to tax themselves 12 to 15 percent more took a while." But Wheeler soon found a timesaving shortcut. "A lot of those national chains had local managers who had been here for a long time," he says. "And they understood the reasoning behind the CIDs and they became good allies when we had to tell our story."

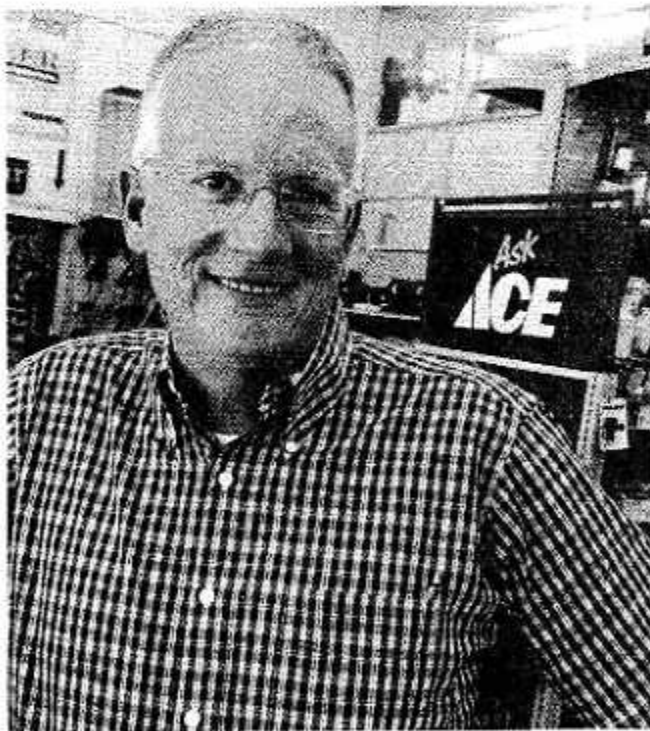
## Small-Town Appeal

In some ways, CIDs are good lobbying machines. Several CID executive directors say legislators and state department heads like the idea of talking with just a few CID board members rather than trying to line up dozens or even hundreds of business owners affected by a street improvement project. While the majority of CIDs have sprung up in Atlanta proper and its neighboring suburbs, they are also attracting attention in smaller places far from the metro area. In cash-strapped towns and cities, large and small, the lure of the CID is steeped in money.

Back in the early '90s, Valdosta's city leaders met with the downtown business owners to find ways to fund a streetscape program. Together, they came up with a plan to place park benches and light poles along thoroughfares and beautify the sidewalks.

Funding for the improvements was to come from standard tax sources. But when bids were received in 1996, the project was priced considerably more than anticipated. "The reason was the Atlanta Olympics," says Valdosta CID Executive Director Niki Knox. "The construction companies and suppliers were all tied up on Olympic projects. It was going to cost more to pry them away from that."

The \$11 million project was put on hold until 1997, two years after the General Assembly passed the legislation necessary for creating CIDs. Then began a campaign to



**Digging deeper:** Valdosta's Dutton Miller, who owns a hardware store downtown, says the extra tax burden was worth it

collect the signatures needed for business property owners to begin self-taxing. By 2000, the remaining steps required to create the City of Valdosta Community Improvement District had been taken and the CID went on the tax rolls as the recipient of an additional 10 mills assessment downtown merchants and professionals had placed on themselves. The money is being used to pay off an \$11 million bond indebtedness that financed the improvements.

Dutton Miller, who owns Valdosta's Miller Hardware, was one of the business owners who agreed to dig a little deeper for a better downtown. "Sure, it has meant to me a more expensive tax bill," Miller says. "But it was all worth it. We [property owners] put up \$800,000 in tax money and got an \$11 million project completed. That didn't seem to me to be out of proportion. As a property owner, I have certainly benefited from the revitalization."

Miller is seeing more and more buildings being renovated since the downtown improvements were made. "The CID was a great way to get people involved," he says. "And I don't think you can get people more involved than getting in their pocket-books. People who signed up are expressing their belief in the future of our downtown. The best thing about the CIDs is that they have a tendency to make people rally around a cause."

### Building From Scratch

The traditional course of a CID begins quite literally with small talk — businesspeople discussing a problem that's causing distress in their commercial neighborhood. "It can begin with the realization that local and state governments may not have the resources to complete the necessary improvements," says Ann Miller, vice president of Transportation for the Greater North Fulton Community Improvement District. "Or governments may not be able to get the job

done in a time frame satisfactory to property owners."

For whatever reason, talk turns to action when a group decides to try a CID. This can lead to a Community Improvement Association (CIA), an organization that fuels the early stages

of the attempt, one that can fall away when the CID is formed, like the boosters on a rocket, or one that can continue life as an adjunct to the CID mission. CIAs are 501(c)(3)s, non-profits that can be beneficial in snaring alternate funds from sources like foun-



## The Gwinnett Place Community Improvement District



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We are taking the first steps to keep Gwinnett's central business district thriving for years to come.

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- *New sidewalks and state-of-the-art walkability plans*
- *Creating a distinctive business district "look"*
- *Enhanced views with tree-lined streets and landscaping*

Plans are in the works to turn the Gwinnett Place area into the northeastern "Regional 21st Century Main Street."

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dations. Another factor in the early stages is commitment. "An initial group of investors must dedicate time and sometimes financial resources for the CID startup process," Miller says.

"It is so important to get the entire community to buy in," says Valdosta's Knox. "And you have to get the support of your local government officials early on. That really helps when you take the issue to the legislature in the hands of your local delegation."

County officials like a tax commissioner are necessary for setting the new tax district's boundaries. Then, CID boosters must collect signatures from 51 percent of the district's property owners, and that 51 percent must represent 75 percent of the district's total property value. "That's in there so you don't have a bunch of small property owners going in and forcing the large property owners to do something they don't want to do," says Sen. Thompson.

"All of the affected local governments, including cities and counties, must approve creation of the district," says Gwinnett's Morsberger, who's part of a group seeking to create the Southwest Gwinnett Village CID. "You're going to have to have their support anyway, so you can see how it helps to bring them on board early."

The final stages before assessments begin include the county's verification of signatures and property values and the legislature's approval. CIDs have a life span of six years, but property owners can extend the period simply by doing nothing. If they're satisfied all projects are done, they can vote to end the taxation. No residential properties can be taxed.

There are impediments to creating a CID. The districts can foster suspicions among elected officials that their powers are being usurped. And it can take years to get the support needed to build a CID.

Gwinnett's population diversity and its attendant language problems form the basis for another kind of suspicion.

"A lot of my constituents came to America, to Gwinnett County, from countries with corrupt or threatening governments," Sen. Thompson says. "They are suspicious of government altogether. But I think this part of

Gwinnett [Jimmy Carter Boulevard] can be the cool, trendy, multicultural destination in Atlanta, like Russian Hill in San Francisco. We can use this county's diversity as an asset and our CIDs will help us do that."

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