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## Gwinnett school district joins TAD venture

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The Gwinnett board of education has agreed to participate in five newly formed tax allocation districts designed to revitalize distressed areas of the county.

District officials estimate the action will cost \$20 million in forfeited property tax revenue over the TADs' 25-year terms. But, they add, the venture will bring in \$25 million in additional revenue to the district each year after that.

"I see a little gray here," said board Chairman Daniel Seckinger, admitting the administration has shied away from similar endeavors in the past. But, he said he is swayed by the fact these TADs are sponsored by the county's three community improvement districts, self-taxing government entities composed of business owners.

"A TAD not married to a CID doesn't have a future, as far as I can see," Seckinger said.

TADs are designated areas that can use public money to fund improvements. The governing authority of the TAD issues bonds to fund the improvements, then repays them over time with the increased tax revenues from new construction and appreciation within the district.

Rick Cost, chief financial officer for Gwinnett Schools, said the property in the five TADs represents about 2 percent of the school district's \$31.5 billion tax digest. He said conservative estimates predict this property would increase in value an average of 3 percent annually. With revitalization, he said, value would increase much faster and the school district could recoup its forfeited taxes within one year after the TAD dissolves.

"The benefit is that this is property tax revenue that, theoretically, we would not have in 25 years if this redevelopment didn't take place," Cost said.

As revitalization occurs, the school district would likely see property values increase near the TADs and a rise in sales tax revenues, he added.

The county's five TADs, approved for formation in September by the county commission, are: Gwinnett Place TAD near the mall, the largest of the five at 376 acres; Indian Trail TAD near I-85, 158 acres; Jimmy Carter Boulevard TAD around I-85 to Buford Highway, 286 acres; Lake Lucerne TAD, 64 acres, and Park Place TAD, 114 acres, both along U.S. 78 near Snellville.