

Midtown Tax Allocation District (TAD)

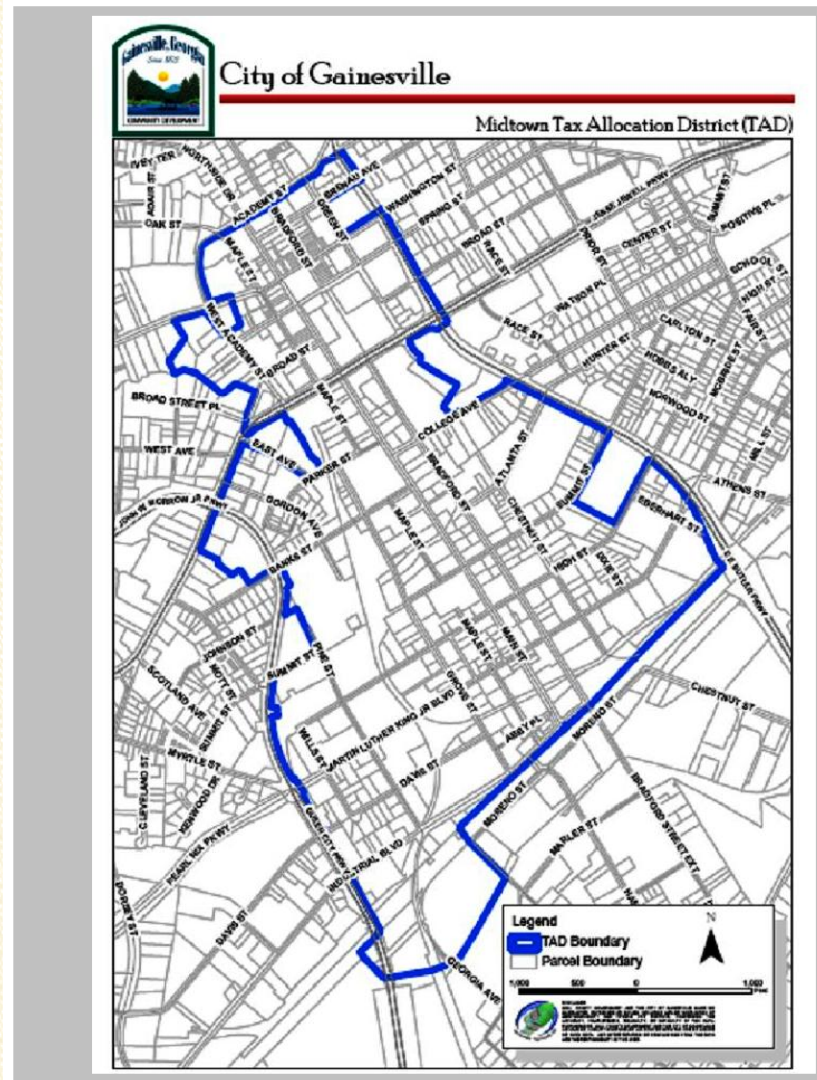
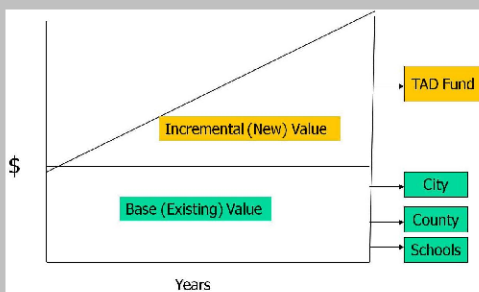
What is a TAD?

A tax allocation district or TAD is Georgia's version of tax increment financing. It is an economic incentive to encourage development of projects that "but for" the incentive would not happen.

It reinvests property taxes from a new development back into the project to attract redevelopment. TADs allow the City/County to invest future increases in tax revenues from redevelopment within the TAD to fund capital costs associated with the redevelopment.

TADs were authorized by the Georgia Legislature in 1985, under the Georgia Redevelopment Powers Law (Sec. 36-44 The Approval Procedure). TADs are operational for 25 years and revenues are either for bonds or "pay as you go".

Projects eligible for TAD funding include public improvements or site development. Property taxes from new development are pledged to repay TAD bonds issued by City/County. TAD Policy favors projects which are "self-financing" (i.e. generate adequate property tax increment to repay TAD bonds).



The Gainesville Midtown Tax Allocation District (TAD) was established December 31, 2006 and became operational January 1, 2007. Any increase in property tax revenues above the December 31st base value goes to TAD sinking fund to finance projects, or specifically to fund public utilities and infrastructure improvements; public amenities to support the project and improve the surrounding area; transportation and pedestrian safety improvements; property acquisition, assembly, demolition and disposition for redevelopment; and new construction or rehabilitation of existing buildings.

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