

# COMMUNITY IMPROVEMENT DISTRICTS

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## I. CONSTITUTIONAL BASIS

All Community Improvement Districts (CIDs) in Georgia are founded pursuant to Article IX, Section VII of the Georgia Constitution. The constitutional amendment allowing this type entity was approved by the voters in 1984.

## II. PURPOSES

A CID may be created for one or more of the following governmental services and facilities:

- (1) Street and road construction and maintenance, including curbs, sidewalks, street lights, and devices to control the flow of traffic on streets and roads.
- (2) Parks and recreational areas and facilities.
- (3) Storm water and sewage collection and disposal systems.
- (4) Development, storage, treatment, purification and distribution of water.
- (5) Public transportation.
- (6) Terminal and dock facilities and parking facilities.
- (7) Such other services and facilities as may be provided for by general law.

## III. LOCAL LEGISLATION

Although the Constitution allows for CIDs, there must be local legislation passed by the Georgia General Assembly permitting CIDs within a specified county or

municipality, or both. The first CID Act, the Cobb County Community Improvement Districts Act, was approved by the General Assembly in 1985. Without a city or county CID Act being enacted by the General Assembly, no CID may be established within a political subdivision of this state.

#### IV. CREATION

CIDs are actually created when a local government(s) enacts a resolution, coupled with the consent of the property owners. The first Georgia CID, the Cumberland CID, was created in 1988. The Georgia Constitution, Article IX, Section VII, Paragraph III(b), sets forth the following conditions precedent to the creation of a CID:

- (1) The adoption of a resolution consenting to the creation of the community improvement district by:
  - (A) The governing authority of the county if the community improvement district is located wholly within the unincorporated area of a county;
  - (B) The governing authority of the municipality if the community improvement district is located wholly within the incorporated area of a municipality; or
  - (C) The governing authorities of the county and the municipality if the community improvement district is located partially within the unincorporated area of a county and partially within the incorporated area of a municipality; and

(2) Written consent to the creation of the community improvement district  
by:

- (A) A majority of the owners of real property within the community improvement district which will be subject to taxes, fees and assessments levied by the administrative body of the community improvement district; and
- (B) The owners of real property within the community improvement district which constitutes at least 75 percent by value of all real property within the community improvement district which will be subject to taxes, fees, and assessments levied by the administrative body of the community improvement district; and for this purpose value shall be determined by the most recent approved county ad valorem tax digest.

It is important to note here that owners of real property used residentially are not included in the aforementioned calculations. Residential properties may be included within the geographical boundaries of a CID, but such properties do not count for or against the percentages needed for the formation of a CID, are not taxed by the CID, and are not eligible to participate in CID governance, such as in the election of Board members.

As a practical matter, the impetus for creating CIDs has historically arisen from commercial property owners, not from local government. Property owners may feel as if their area's governmental infrastructure or services are not sufficiently funded, and may seek to invest extra taxes to cause improvement to happen. It is these private property owners who typically have organized committees, hired legal counsel and

administrators, and solicited the requisite number of consents from their fellow commercial property owners.

A threshold question in whether to go to the effort of soliciting the written consent of property owners to form a CID is directly related to the projected revenue that would be generated by a CID tax. The question is, “Will it be enough to pay for administrative expenses and fund meaningful infrastructure and service improvements desired by the property owners?”

The actual geographical area that defines a CID is usually determined by the organizers. A target area is identified and commercial non-residential use property owners are asked to sign consent forms agreeing to their inclusion within the CID. As a critical mass is reached, the District shape is molded so that the consent of a majority of the owners representing at least 75% of the property value is achieved.

The next step is certification by the County Tax Commissioner that the requisite percentages of approval have been reached. Next, the County Board of Commissioners and/or City Council must pass a resolution consenting to the creation of the CID.

## V. ADMINISTRATION

A CID is administered by a Board of Directors. The make-up of the Board is set forth in the local legislation allowing for CIDs within a jurisdiction. There are elected board members and appointed board members in each district. The number of each varies as illustrated in the jurisdictions below:

Cobb & Gwinnett County: 6 elected by property owners

1 appointed by County

1 appointed by each municipality in the district

Fulton County:	5 elected by property owners 2 appointed by County (except for CIDs created after 4/2/14, in which case 1 appointed by County if less than 50% of the land area of the CID is unincorporated) 1 appointed by each municipality in the district
Atlanta:	6 elected by property owners 1 appointed by Mayor 1 appointed by City Council President 1 City Council member serves by virtue of representing the Council district encompassing the largest geographical area within the CID
DeKalb County:	5 elected by property owners 2 appointed by County, or if a portion of the CID is in a municipality, 1 appointed by County and 1 by each municipality in the CID

Some board members are elected on ballots weighted by value of property interests, and some are elected based upon one vote per owner, regardless of value. Terms of office are also set by the legislation and the resolution creating the CID.

## VI. TAXES

The CID Board of Directors raises funds by setting an ad valorem millage rate on real property, specifically excluding property used residentially. The constitutional

upper limit is 2.5 percent of the assessed value (25 mills), but at least one local CID Act (Cobb County) has placed the ceiling at 5 mills. The millage rate is placed upon the regular tax bills sent by the Tax Commissioner, who transmits the collected taxes (less 1% NTE \$25,000 for the cost of collection) to the CID Board to expend in accordance with the purposes of the District.

VII. EXISTING CIDS

Almost all CIDs in existence are in the greater Atlanta area, although they may be created in other jurisdictions of the State if a local delegation sponsors a local CID Act that is passed by the General Assembly. Those created include:

Cumberland (Cobb County)

Town Center (Cobb County)

Buckhead (Atlanta)

Atlanta Downtown (Atlanta)

Midtown (Atlanta)

South Fulton (Fulton County, Union City, Fairburn, Palmetto & City of South  
Fulton)

North Fulton (Fulton County, Alpharetta, Roswell, & Milton)

Fulton Perimeter (Fulton County, Sandy Springs)

Central Perimeter (DeKalb County, Dunwoody, Brookhaven)

Evermore (Gwinnett County, Snellville)

Gwinnett Place (Gwinnett County)

Gateway85 Gwinnett (Gwinnett County, Norcross, Peachtree Corners)

Lilburn (Gwinnett County, Lilburn)

Fulton Industrial (known as Boulevard CID) (Fulton County, City of South  
Fulton, Atlanta)

Town of Braselton (Gwinnett, Hall, and Bartow Counties, Braselton)

Tucker Summit (DeKalb County, Tucker)

Tucker-Northlake (DeKalb County, Tucker)

Airport West (jointly with Airport South CID known as ATL Airport CIDs)  
(Fulton County, Atlanta, College Park, East Point, Hapeville, City of  
South Fulton)

Airport South (jointly with Airport West CID known as ATL Airport CIDs)  
(Clayton County, College Park, Forest Park)

Gateway Marietta (Cobb County, Marietta)

Red Top (Bartow County, Emerson)

East Metro DeKalb (DeKalb County)

West End (Atlanta)

Sugarloaf (Gwinnett County)

Highway 278 (Newton County, Covington)

Chamblee Doraville (DeKalb County, Chamblee, Doraville)

Assembly (DeKalb County, Doraville)

South Forsyth County (Forsyth County)

Upper Westside (Atlanta)

Little Five Points (DeKalb County, Atlanta)

Greater Conley Industrial (DeKalb County)

Canton Marketplace (Cherokee County, Canton)

Georgia Gateway (Camden County, Kingsland)

The categories of CID projects which have been funded, and which are planned, vary from district to district, but include:

Streets, roads, and intersections

Traffic signalization

Bridges

Sidewalks and trails

Parks

Public Safety

Shuttle System and Transit

Streetscapes

Street lights

Sanitation

Bike share programs