

# **Understanding The Parks Bonds**

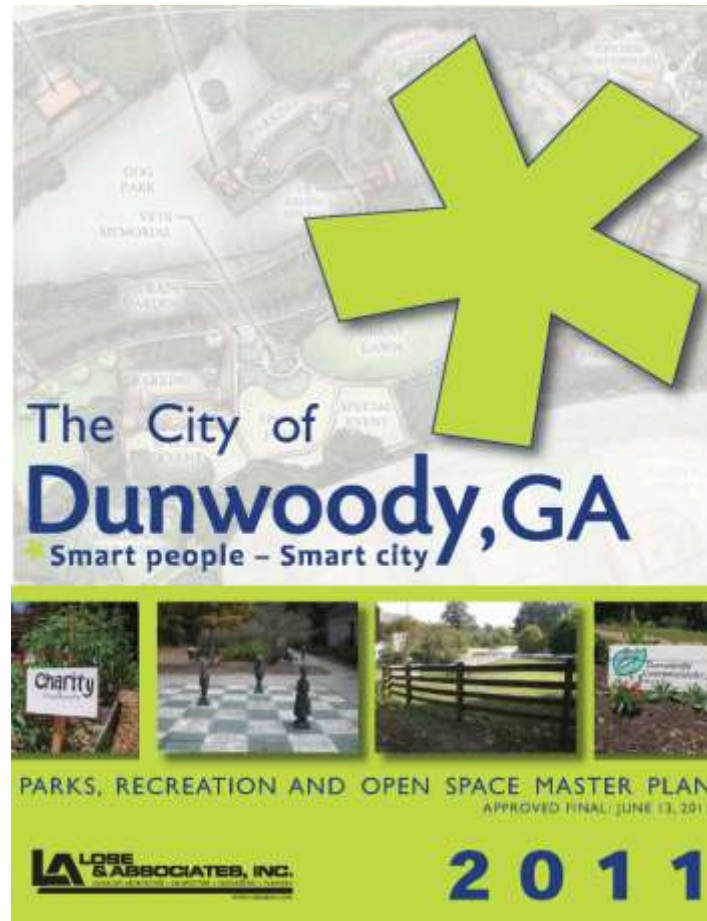


## **Overview of Presentation**

- **City's Integrated Plan**
- **Land Acquisition Bond**
- **Parks Improvements Bond**
- **Cost**
- **Arguments For and Against**

# One Page Summary

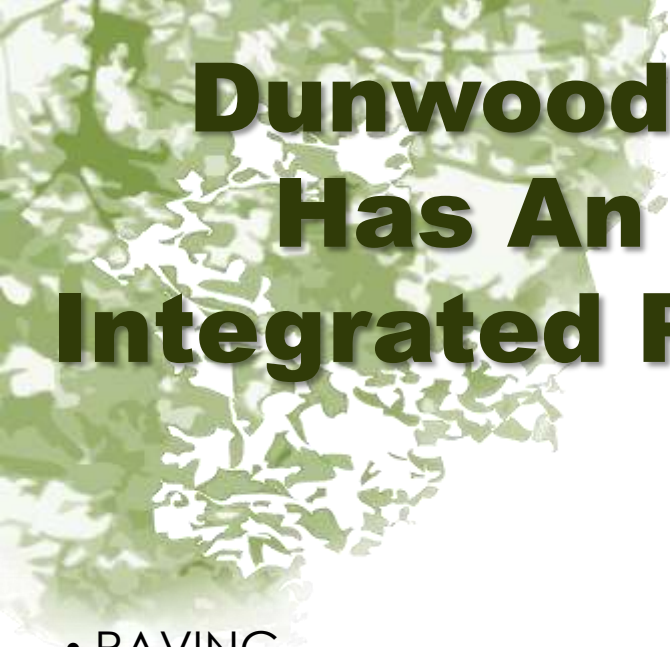
## Master Parks Plan by Lose & Associates, Inc.



**Key Finding at Page 6.4:  
“Deficient In Every Category”**

**VERSUS**

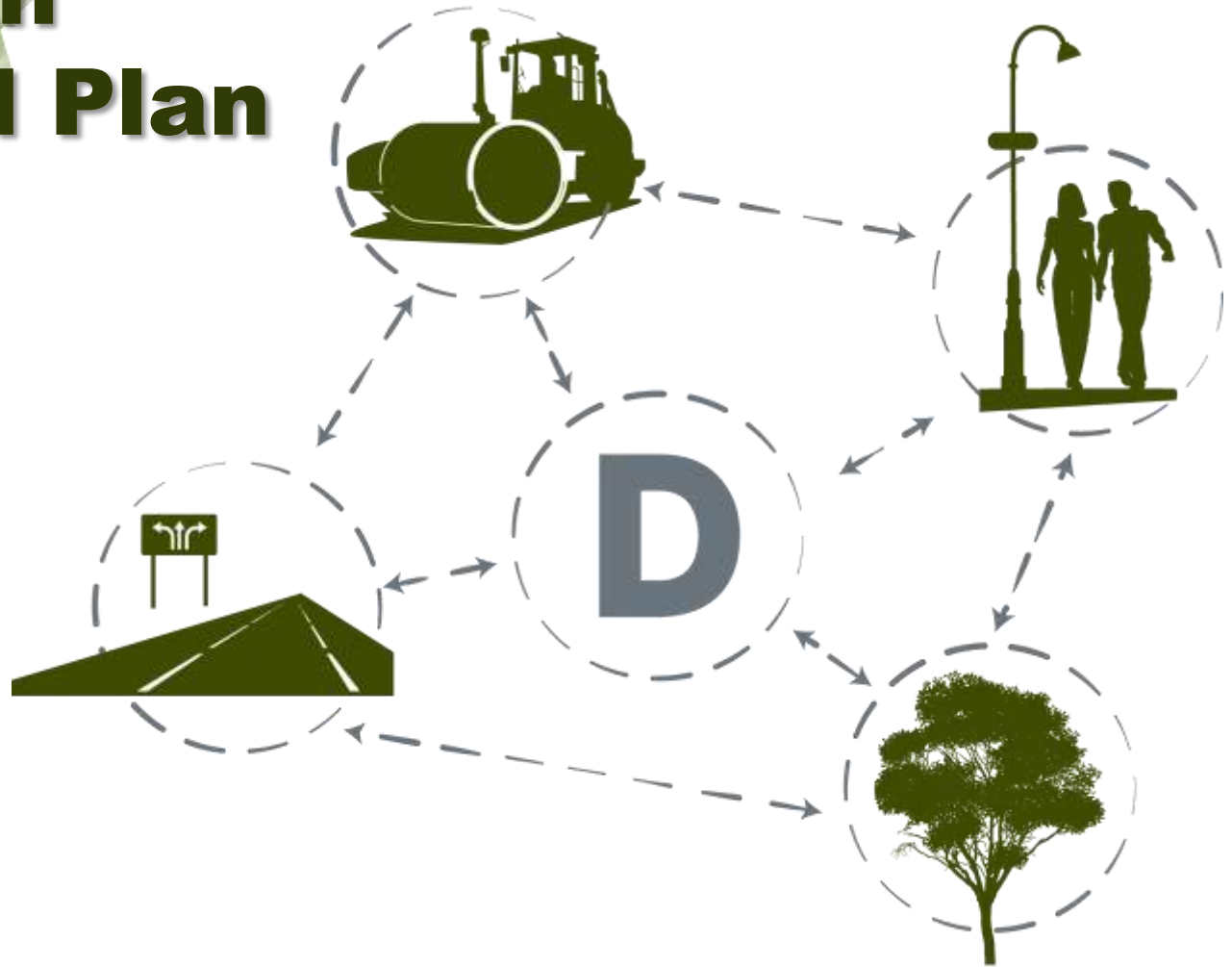
**Cost: \$18/month  
for Average Residence**



# Dunwood Has An Integrated P

• PAVING

- PAVING
- SIDEWALKS
- TRANSPORTATION
- GEORGETOWN & VILLAGE MASTER PLANS
- MALL AREA (PCID)
- PARKS BONDS

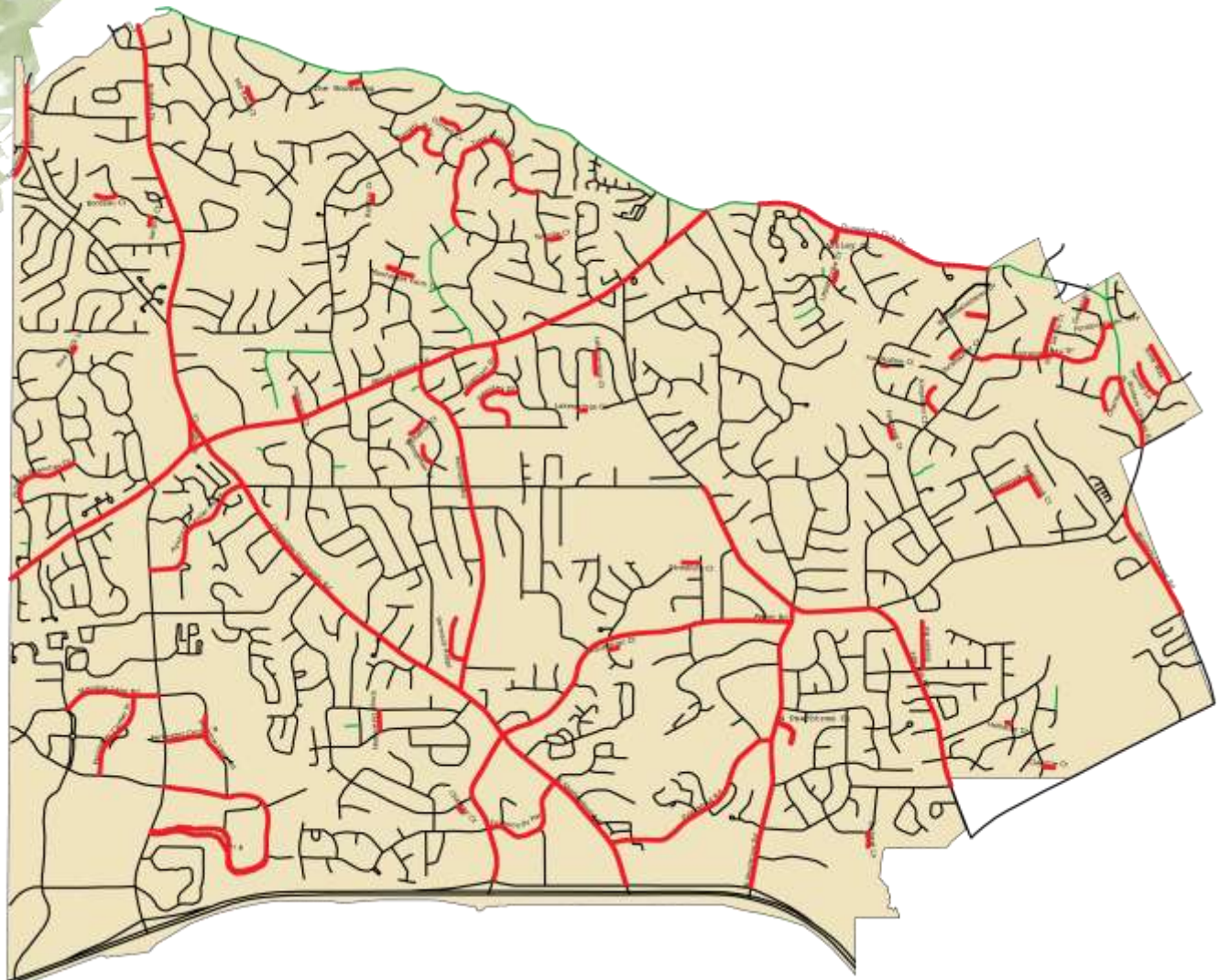


# Paving

**\$700k in 2010**

**\$2 Million in 2011**

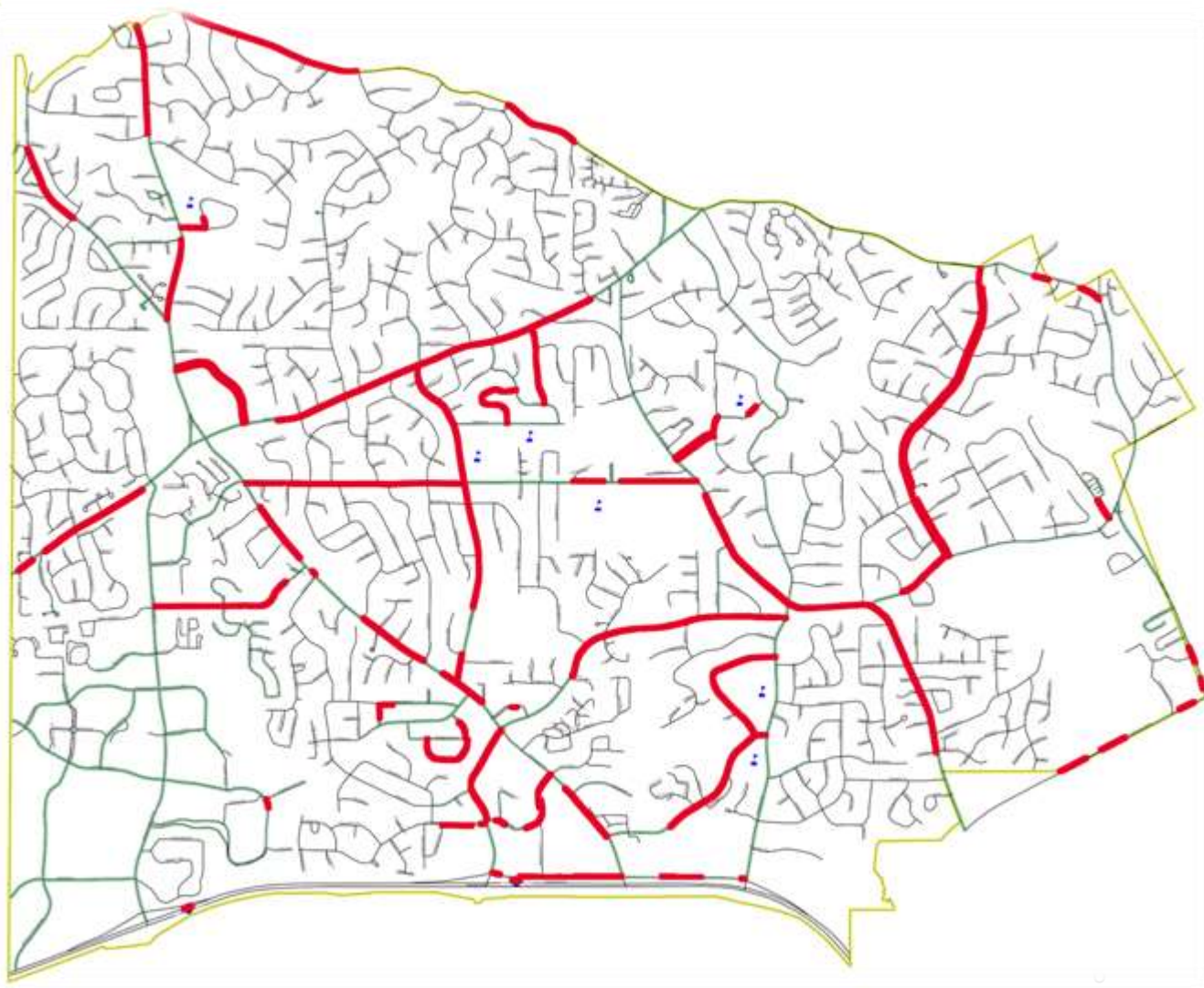
**\$2.5 Million in 2012  
(tentative)**





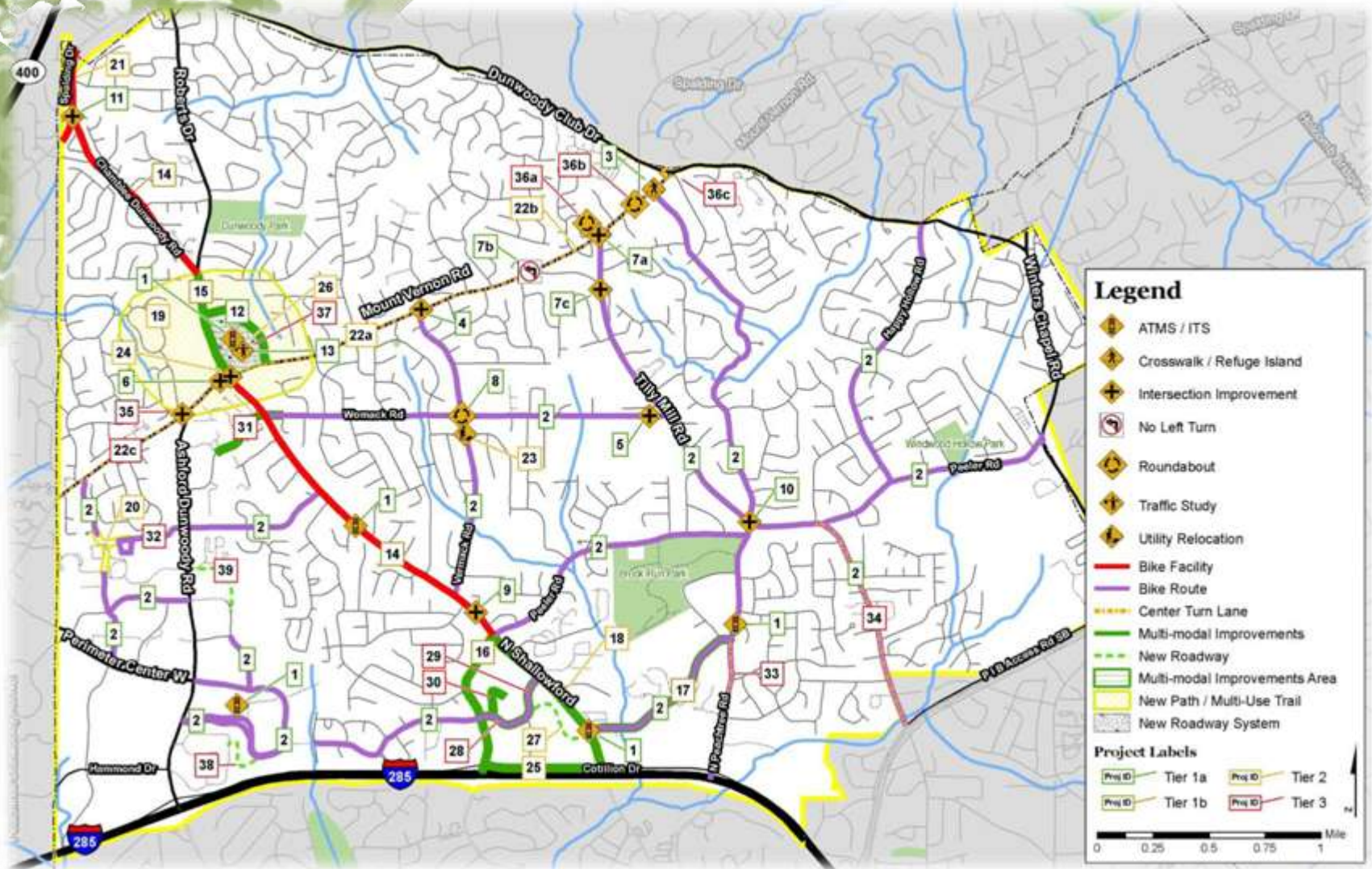
☐ **Sidewalks**

**\$1.1 Million in 2012**



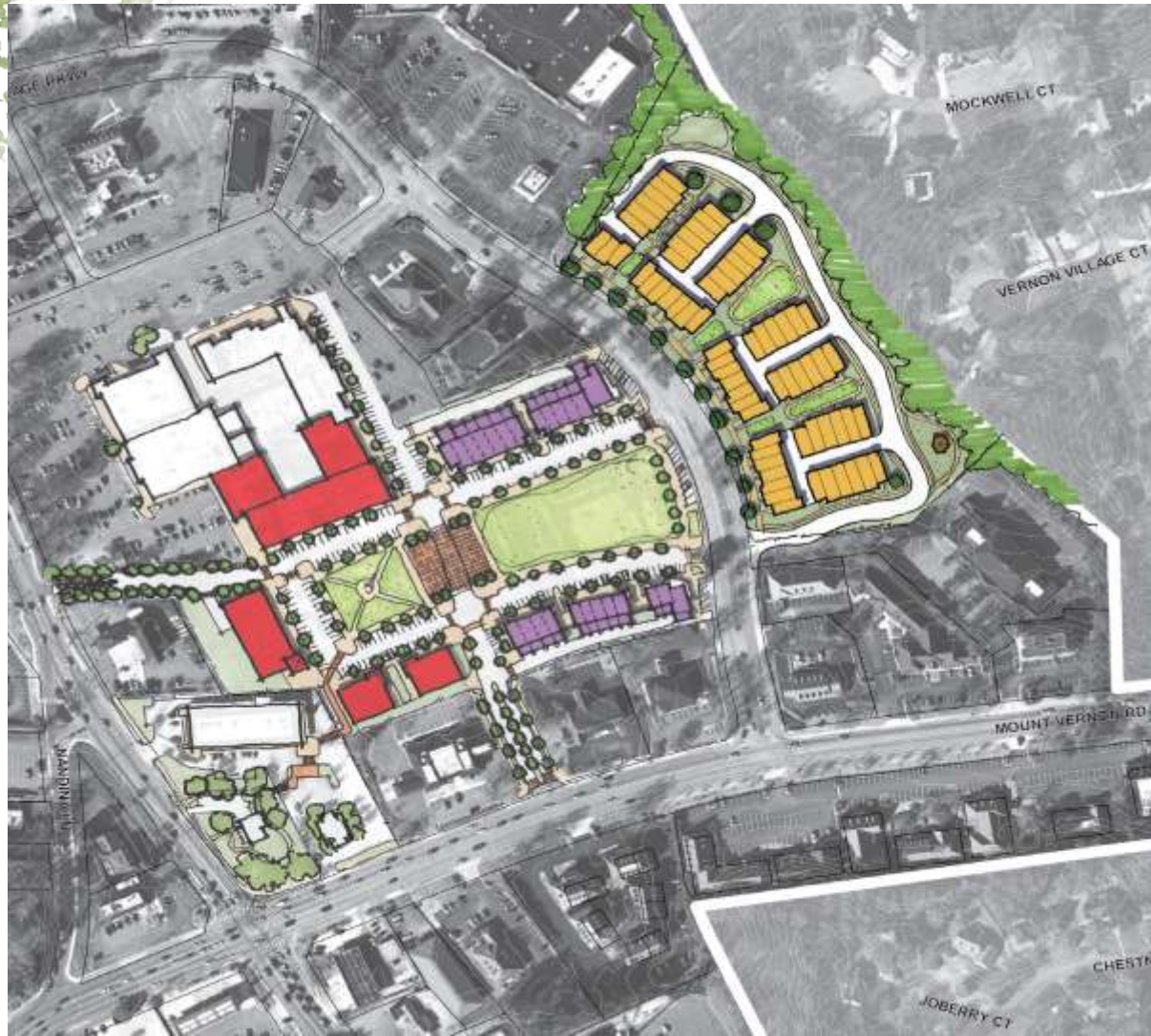
# Transportation

Intersections, traffic light timing, bike lanes, etc.  
2012 T-SPLOST would yield \$1 million/yr to City



# Village Master Plan

Urban Collage, Inc.  
Houseal Lavigne Associates  
RCLCO  
Kimley-Horn and Associates, Inc.  
Market + Main, Inc.

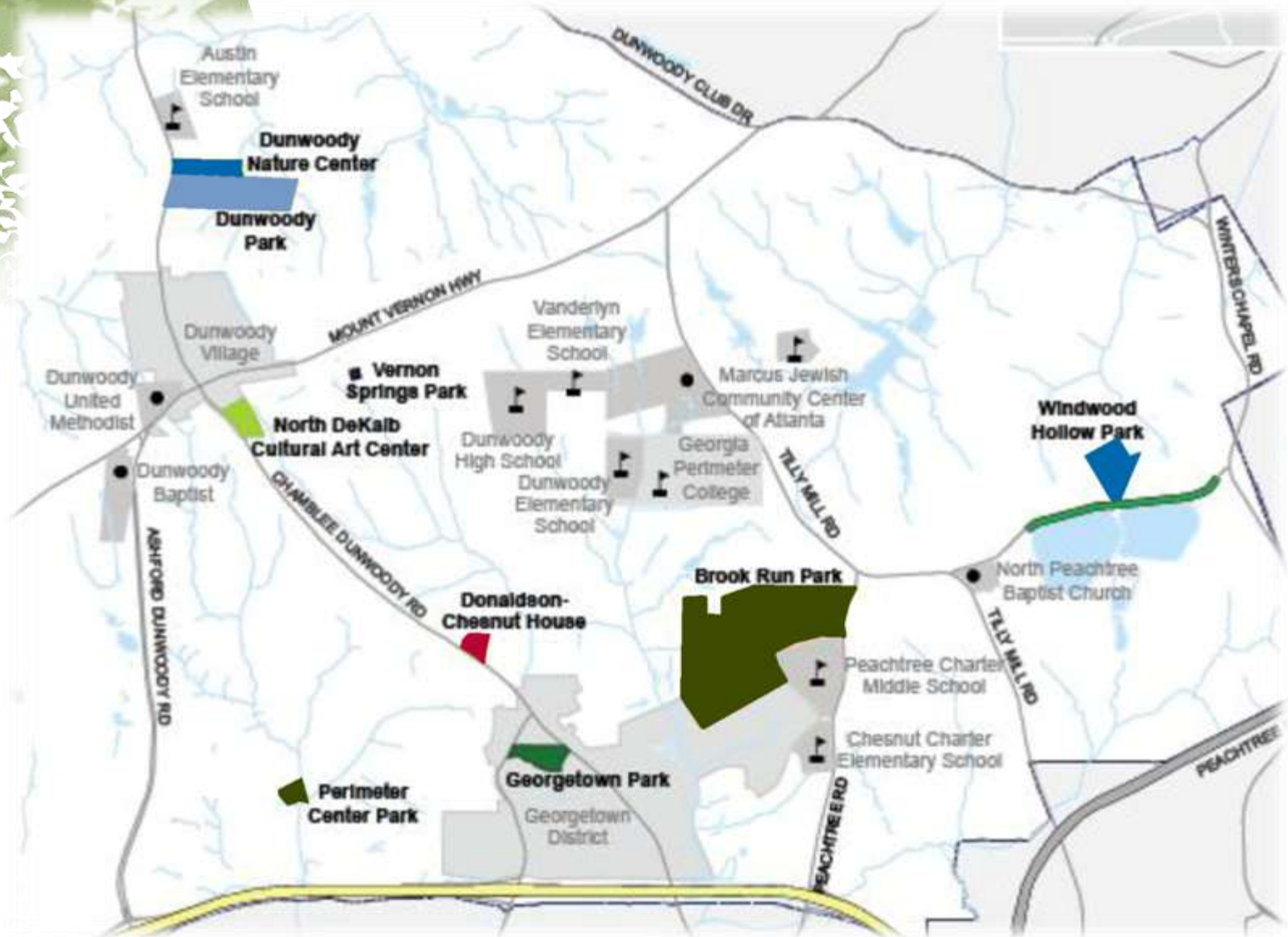


# Georgetown Master Plan

Circulation and Open Space Framework Plan



# Current City Parks



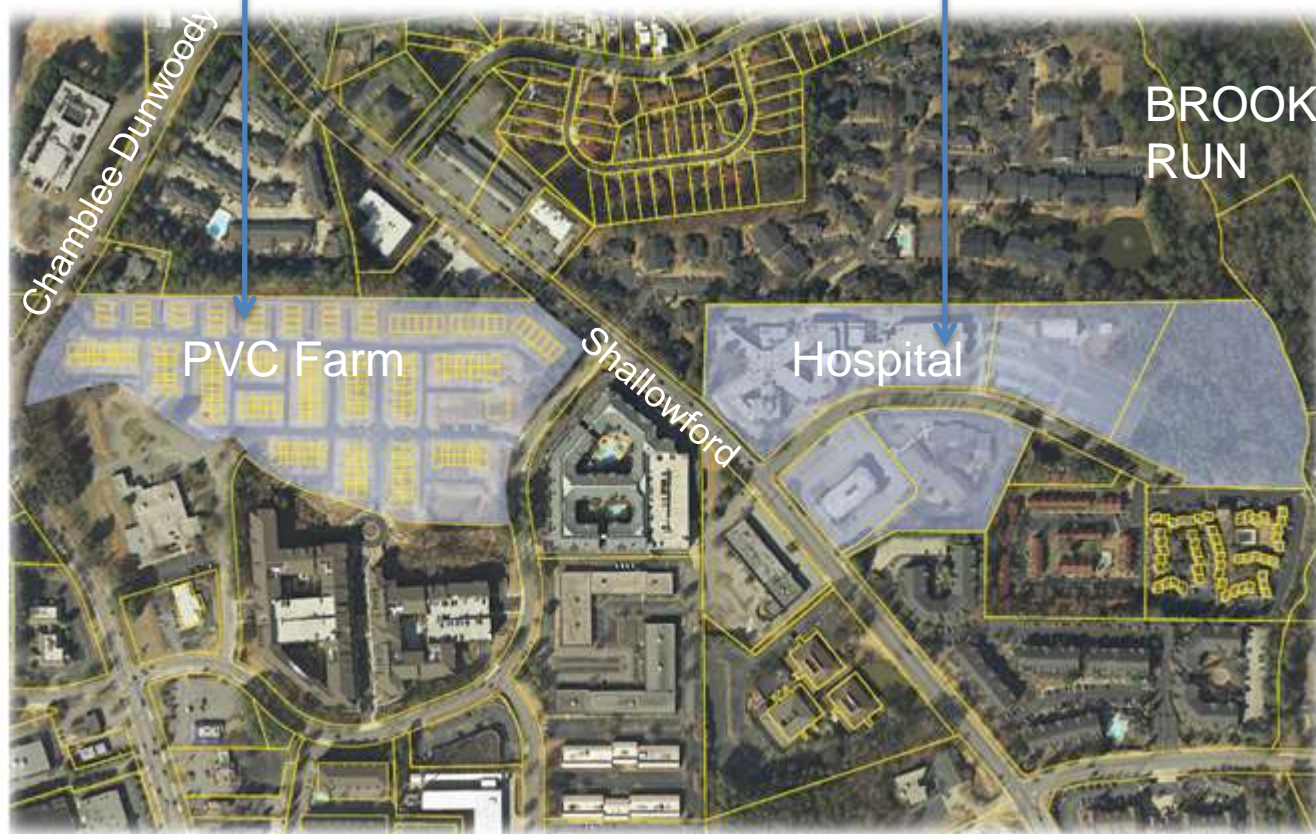
# Land Acquisition Bond

## PVC Farm

- 16 acres
- \$5.2 million
- **Already Purchased**

## Hospital

- 19 acres
- \$6.1 million (\$280k/acre)
- **Purchase Contingent on Bond**
- **Athletic Fields?**





# **Other Candidate Properties**

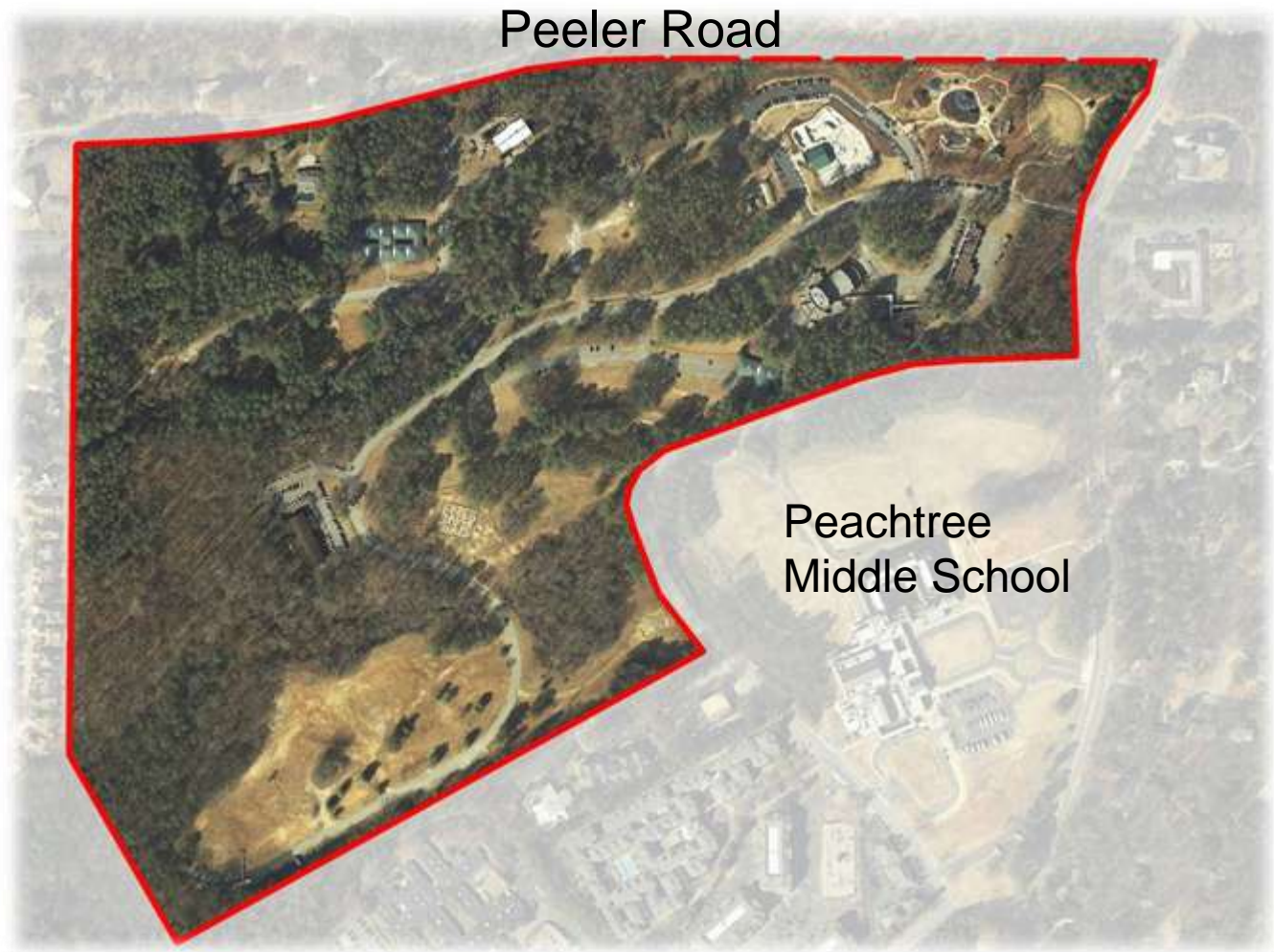
- Dunwoody Desert
- Older/Rundown Apartments
- Pocket Parks
- Dunwoody Village Town Green



# **Park Improvements Bond**

## **Money to Improve Parks**

# Brook Run



Old Mental Hospital Site/Park

# Brook Run Improvements with Bonds

## 0 - 5 Years

- Great Lawn
- Multi-use Lawn
- 3-4 Restrooms
- Nature Trails
- Multi-use Trail
- Picnic Areas
- Picnic Pavilion
- Fountain
- Disc Golf
- Dog Park
- Volleyball
- Basketball
- Tennis Courts



# Nature Center

Roberts Rd.

Old House



# Nature Center Improvements with Bonds

## 0 - 5 Years

Nature Center  
Building

Picnic Pavilion and  
Restroom

Outdoor  
Classroom

Open Lawn

Playground

Restroom

Pond

More Parking



# Donaldson Chesnut Farm



Buildings currently not usable.

# Donaldson Chesnut Farm

## Improvements with Bonds

### 0 - 5 Years

*Objective –*  
Create an  
interpretive farm  
for educational  
and historic  
purposes.



# Perimeter Center East



Currently Trees and Underbrush

# Perimeter Center East

Improvements with Bonds

## 0 - 5 Years

Walking Trails

Playground

Fountain



# Windwood Hollow Park



# Windwood Hollow Park

## Improvements with Bonds

### 0 - 5 Years

Pavilion

Tennis

Playground

Parking

Walking Trails



Water Works

Peeler Road

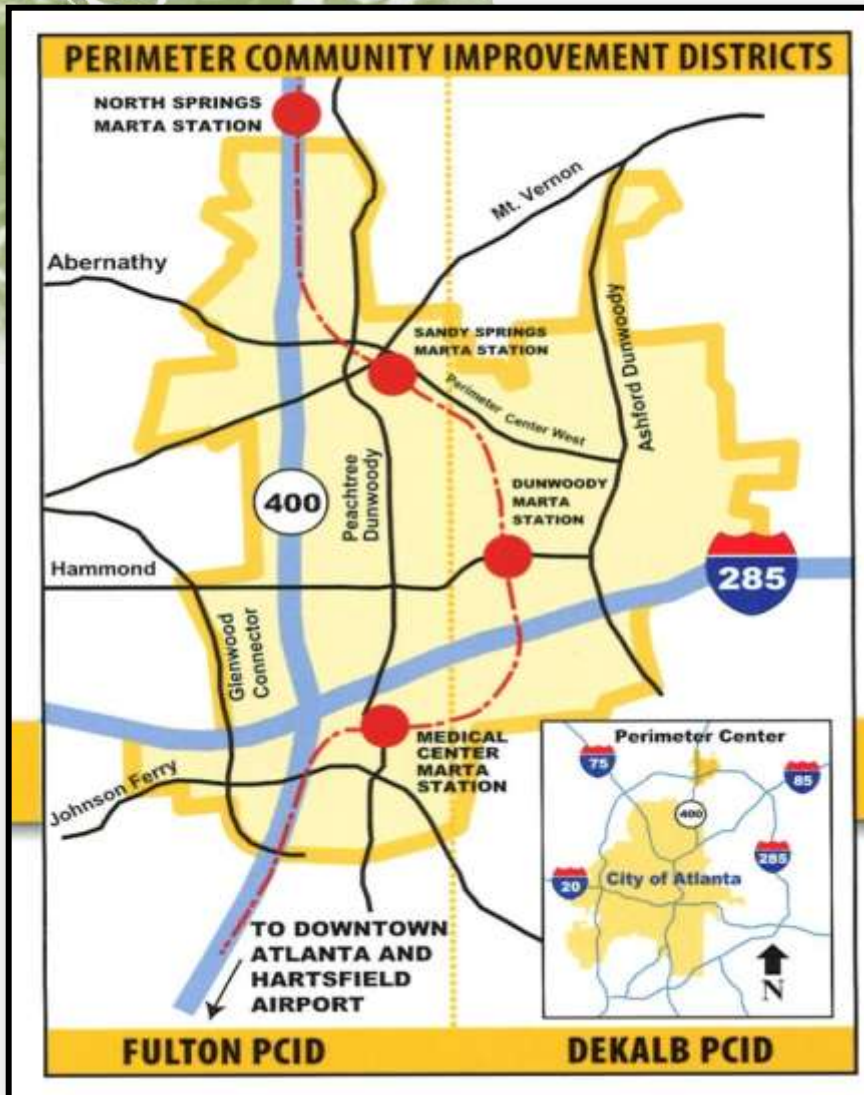
# Georgetown Park



# Dunwoody Village Town Green



# Park or Plaza for PCID/Mall Area?



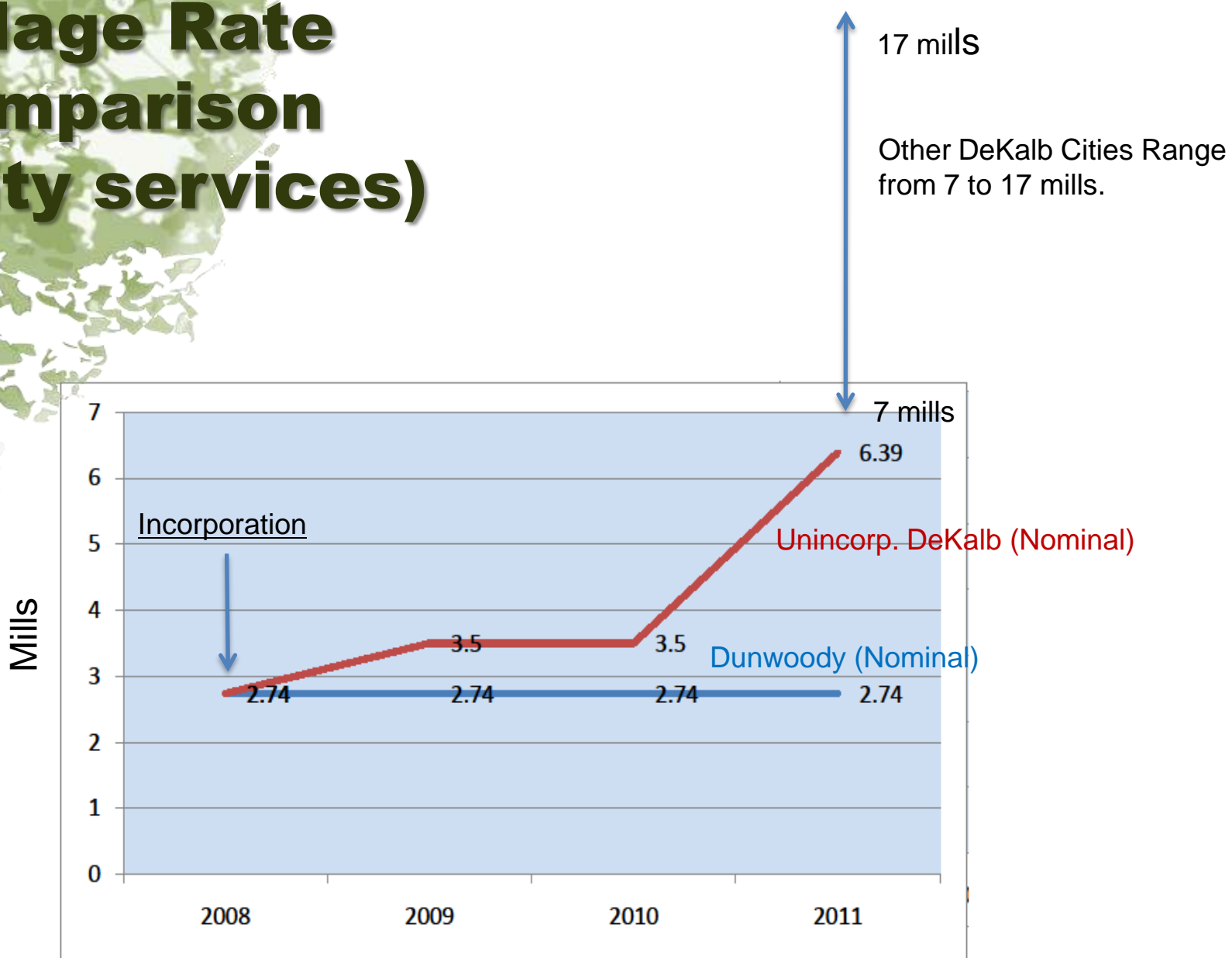
# IMPROVEMENTS **WITHOUT** BONDS

PARK	0 – 5 YEARS	6 – 10 YEARS
Brook Run		Move Dog Park
Nature Center	Resurface Parking Lot	
Donaldson Chesnut Farm	Stabilization of Buildings	
Perimeter Center East	Grading and Trails	
Winwood Hollow		Replace Playground
Village Town Green		
Georgetown Park		
Mall Area Plaza/Town Green		

# Overview of 2010 - 2011 Tax Rate Increase (Mills)

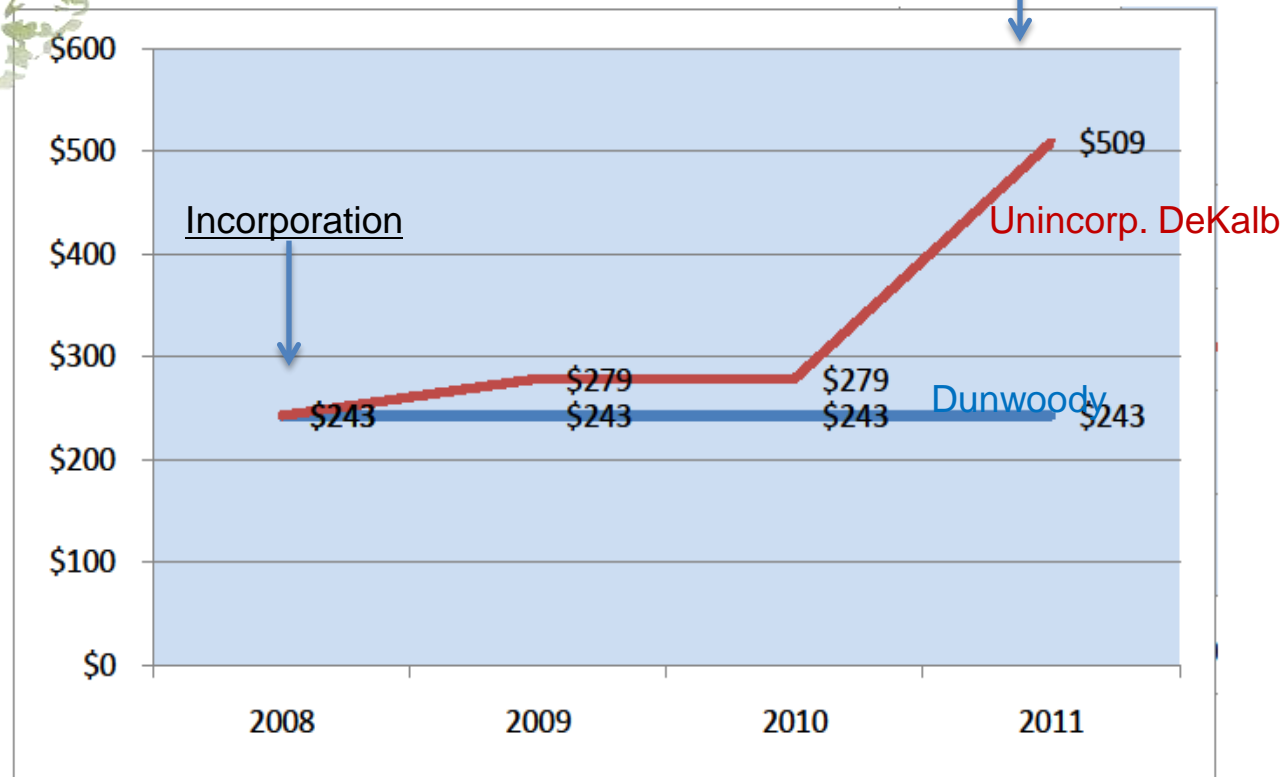
	Dunwoody Residents	Unincorporated Residents
City and County Taxes	17.56 (1.46 mill increase by County)	21.21 (4.35 mill increase by County)
School Taxes	22.98 (no change)	22.98 (no change)

# Millage Rate Comparison (for city services)



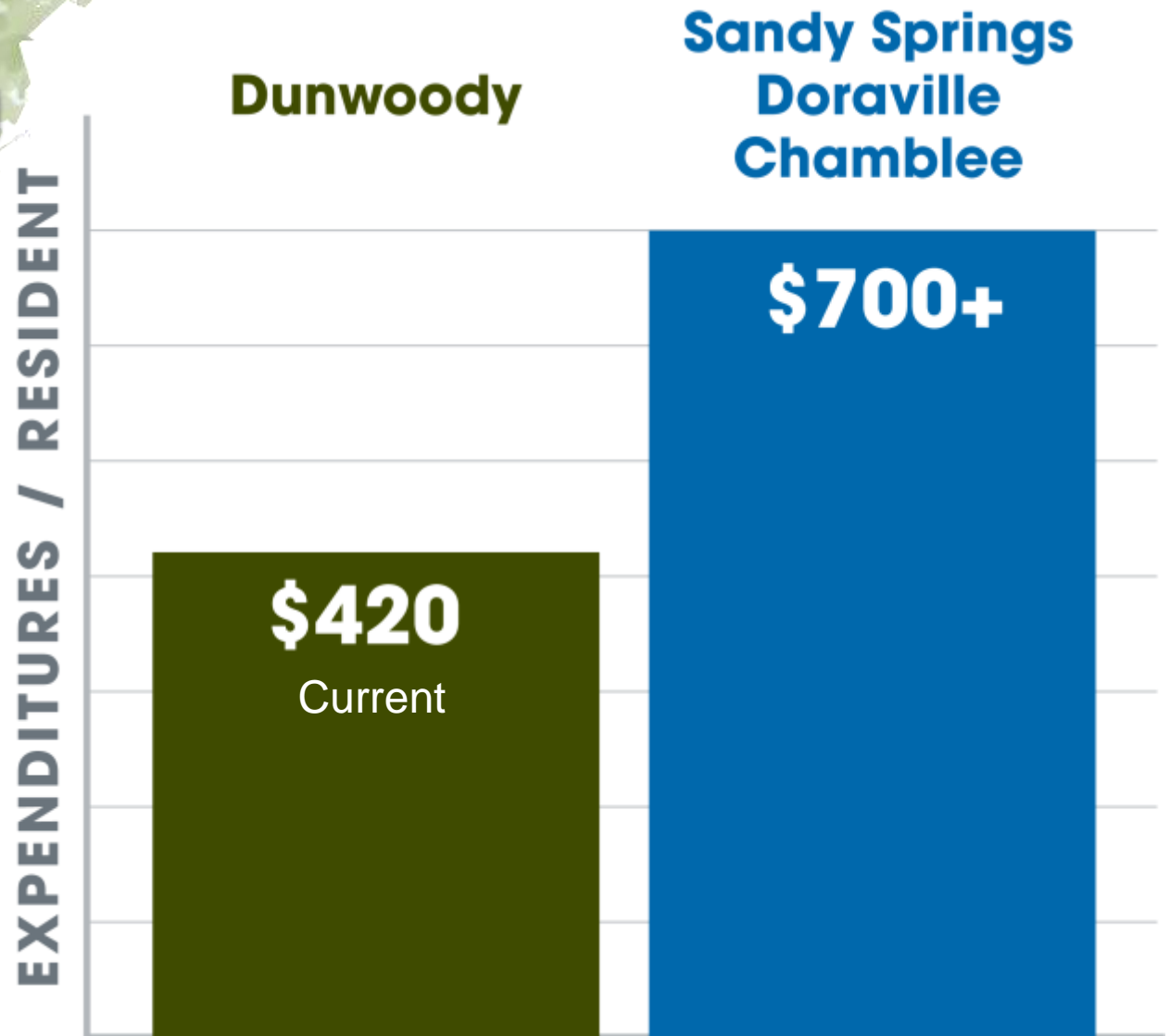
Note: Dunwoody's effective rate is 1.74 mills after 1 mill credit required by city charter.  
DeKalb's effective rate is lower after application of HOST credit.

# 2011 Taxes Paid for City Services (\$350,000 Home)



Note: Tax Calculation after 1 mill credit for Dunwoody and HOST Credit for DeKalb, but not including any exemptions.

# Comparison Of City Spending



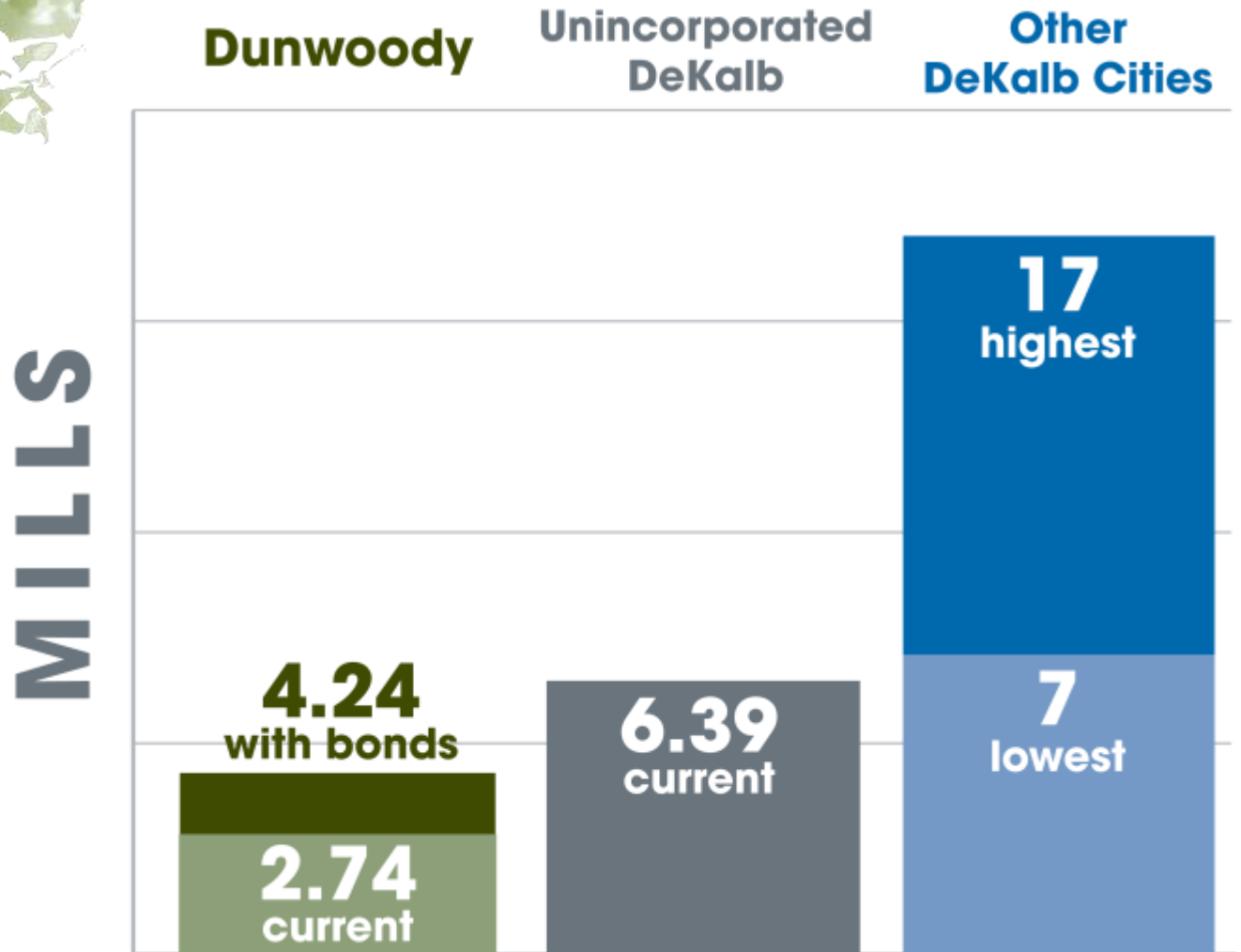
# Overview of Bonds

	Council's Maximum Authority*	Millage Rate (maximum)	Annual Principal & Interest**
Land Acquisition Bond	\$33 million	0.75	\$2.1 million
Parks Improvements Bond	\$33 million	0.75	\$2.1 million
Totals	\$66 million	1.50	\$4.2 million
Paid by Commercial Property			(\$1.7 million)
<b>Paid by Homeowners Annually</b>			<b>\$2.5 million</b>

\* City may sell bonds on as-needed basis up to authorized amount.

\*\* Bonds will have up to 30 years duration (4.7% interest rate assumed).

# Millage Rate Comparisons



Important for City to Keep Base Tax Rate at 2.74 Mills.

# Cost Of Both Bonds To Homeowner

		Average Home	
Appraised Value (tax statement)	\$200,000	\$350,000	\$500,000
Assessed Value (40% of appraised value)	\$ 80,000	\$140,000	\$200,000
x Millage Rate (1.5 mills)	0.0015	0.0015	0.0015
<b>Cost to Homeowner</b>	<b>\$10/mo.</b>	<b>\$18/mo. or \$210/yr.</b>	<b>\$30/mo.</b>
<b>Cost after Tax Deduction*</b>	<b>\$7/mo.</b>	<b>\$12/mo.</b>	<b>\$20/mo.</b>

**The Bottom Line**

\* Assume 28% federal tax bracket and 6% state tax.

# Further Review of the Cost

## Assumptions:

- Full \$66,000,000 issued.
- 100% of bond payments come from new property taxes. Council has option of using other revenues to pay for the bonds.
- Terms: 30 Years at 4.7%

## Another Way to “View” the Cost:

- Bond Debt per Average \$350k Home: \$3,300 paid off over 30 years.
- If you sell your home, you stop paying for the bonds.

# Arguments For and Against (p. 1 of 3)

Question	FOR	AGAINST
<u>Do we have sufficient parks now?</u>	The parks plan finds that our parks are “Deficient in Every Category.” We have 160 acres of parks. To meet national standards we would need 460 acres. To meet the community target set in the parks plan, we need 250 acre (90 acres more). Our current “parks” are not developed and are underutilized. The parks plan takes into account other facilities such as churches, etc.	Parks are currently sufficient and we have other facilities such as churches, JCC, neighborhood swim tennis clubs, etc. meeting our needs.
<u>How will the bonds improve the quality of life?</u>	<p>With implementation of the parks plan, we will for the first time have nice parks with restrooms, pavilions, and a nature center building, for a host of activities, both planned and spontaneous.</p> <ul style="list-style-type: none"> <li>➤ Family reunions, picnics, birthday parties, etc.</li> <li>➤ Walking/Running Trails</li> <li>➤ Athletic fields (tennis, baseball, lacrosse, soccer, etc.)</li> <li>➤ Pick-up games of Kickball, football, wiffle ball, basketball, etc.</li> <li>➤ Nature Center Building, Donaldson Chesnut, and parks will serve as venues for community events and activities for all age groups.</li> <li>➤ Educational Opportunities, field trips, scout events, etc</li> </ul>	Quality of life in Dunwoody is fine with the parks and other facilities we have in place.
<u>Is now a good time?</u>	Now is a good time because property prices are low, construction prices are low, and bond interest rates are low. If we wait and costs go up, we will not be able to do this in the future. We have already waited a long time. For example, Brook Run’s first master plan was done in 2003 and was never implemented.	These are bad economic times and not a good time for a tax increase.
<u>How will Council get a good price?</u>	City guidelines now require 3 appraisals for purchases of any size. The Emory Hospital owner turned down a offer of \$1 million per acre several years ago. The city is paying \$280k per acre.	Purchases are made in executive council meetings and are not transparent.

Question	FOR	AGAINST
<u>How can we afford the new taxes and debt?</u>	The average cost of \$18 per month (\$12 if tax deduction taken) is not too great, particularly when median household income is \$99k per year. The city expects a very high credit rating, perhaps even a AAA rating, despite this new debt because the overall financial picture is strong. The city has the lowest tax rate in the metro area, spends far less per capita, and has operated at a surplus. Dunwoody will still have the lowest tax rate by a good margin even with bonds.	Many other cities do not have bonded debt. Dunwoody cannot afford this debt. The taxpayers cannot afford paying \$18 month for the next 30 years.
<u>Will maintenance costs go up?</u>	Yes, but Council expects to keep base tax rate at 2.74 mills. City will implement private-public partnerships to keep program costs low. E.g., Woody's Half Pipe. Maintenance costs can be paid with reallocation of monies currently budgeted for capital improvements such as parks and sidewalks (likely completed in 5 years), user fees, or possibly ½ cent hotel/motel tax.	Yes, and this likely will lead to higher taxes.
<u>How will these bonds affect economic development?</u>	The development of new parks and improvement of existing parks will be critical to the revitalization of the Georgetown area and to the Village area. Athletic venues will attract business.	The PVC farm and Emory Hospital and other properties should be developed so that the city has more revenue.
<u>How will the bonds affect home values?</u>	Research shows that home values will go up. If sell your house in the next 10 to 30 years, you will realize this benefit and the bond payments will be taken over by the new homeowner. Senator Millar passed legislation that provides (a) a permanent assessment freeze for city taxes and (b) an assessment freeze through 2017 for county taxes. These taxes should not increase because of improved home values.	If my home values go up, then I taxes I pay for schools will go up.

Question	FOR	AGAINST
<u>Why are Bonds Not Tied to Specific Acquisitions and Improvements?</u>	Lose & Associates is an expert in this field. The parks plan was put together after a great deal of community input and deliberation by the Council. The Council members are our neighbors elected to represent us and make these decisions. They can be trusted to follow the parks plan but they need flexibility as new properties are acquired. They will certainly seek additional community input. We are not dealing with the federal government, the DeKalb School Board, or the DeKalb County Commission.	The voters should not be expected to vote for the bonds unless and until council spells out which new properties will be acquired and generates a prioritized list of improvements.
<u>How did Council arrive at \$33 million for each bond?</u>	<p>For the Parks Improvements Bond, the master plans lists individual improvements with costs totaling \$36 million. This is not excessive. Consider that for the first master plan for Brook Run in 2003, the estimated cost was \$37 million, and the new budget allocates \$15 million for Brook Run.</p> <p>For the land acquisition bond, we need 90 acres to reach the community-set target of 5.5 acres/1,000 residents. At \$400k per acre, the cost would be \$36 million.</p> <p>Another factor was that the Council wanted to keep the millage rate at reasonable level.</p>	See comments above.
<u>Should Council purchase rundown apartment complexes?</u>	The primary purpose of any purchase should be for parks. Aging apartment complexes offer the best opportunity to buy more park space at the lowest price. If tearing down a rundown complex reduces crime and gang activity, that is a legitimate secondary benefit.	The city should not be serving as a “land bank.”


# TRUST





## **What is Your Vision?**

**Each family will have to weigh the cost of the bonds against the benefits of having the necessary funding to acquire new properties and make improvements to our parks.**



**Thank You.**  
**We appreciate you**  
**taking the time to**  
**learn more.**