

ORDINANCE NO. 2014-11

AN ORDINANCE BY THE CITY OF SMYRNA, GEORGIA, PROVIDING FOR THE AMENDMENT OF THE CITY OF SMYRNA CODE OF ORDINANCES, CHAPTER 79, ADDING ARTICLE IV – ENTERPRISE ZONES AND AMENDING CHAPTER 79 AS DESCRIBED:

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF SMYRNA, GEORGIA:

That Article IV be added to Chapter 79 of the City of Smyrna Code of Ordinances and titled Enterprise Zones.

ENTERPRISE ZONES

**Section 79-34. Definitions.**

The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Act* means the Georgia Enterprise Zone Employment Act, set forth at O.C.G.A. § 36-88-1 et seq., as amended.

*Ad valorem tax* means property taxes levied for state, county, or municipal operating purposes but does not include property taxes imposed by school districts or property taxes imposed for general obligation debt.

*Business enterprise* means any business engaged primarily in retail, manufacturing, warehousing and distribution, processing, telecommunications, tourism, research and development industries, new residential construction, and residential rehabilitation.

*Enterprise zone* means one or more geographic areas so designated by the City Council wherein local ad valorem taxes, occupational taxes, license fees, and other local fees and taxes, except local sales and use taxes or any combination thereof, may be exempted or reduced from applying qualified business and service enterprises.

*Full-time job equivalent* means a job or jobs with no predetermined end date, with a regular work week of 30 hours or more, and with the same benefits provided to similar employees.

*New job* means a new "full-time job equivalent" employment for an individual created within an enterprise zone by a new or expanded qualified business or service enterprise at the time of the initial staffing of such new or expanded enterprise.

*Service enterprise* means an entity engaged primarily in finance, insurance, and real estate activity or activities listed as provided in the Act.

**Section 79-35. Purposes.**

This article has been enacted based upon a recognized need for revitalization in geographic areas within the city that are suffering or may suffer from disinvestment, underdevelopment, and economic decline and is intended to provide encouragement and incentives to private businesses to reinvest, renovate, restore, improve and rehabilitate such areas for new housing construction and the economic viability

and profitability of businesses and commerce and to generate increased employment opportunities for residents of such areas.

**Section 79-36. Qualifying business or service enterprise.**

A qualifying business or service enterprise is an enterprise which increased employment by five or more new full-time job equivalents in a designated enterprise zone and which provides additional economic stimulus in such zone. The quality and quantity of such additional economic stimulus shall be determined, on a case-by-case basis, by the City Council. Such business or service enterprise may be new, an expansion or reinvestment of an existing business or service enterprise, or a successor to such business or service enterprise. Whenever possible, ten percent of such new employees shall be low-income or moderate-income individuals, as defined under the Act.

**Section 79-37. Designation of enterprise zones.**

The board of commissioners may independently, or in conjunction with one or more municipalities, designate one or more geographic areas as enterprise zones following an analysis of criteria (i.e., pervasive poverty, unemployment, general distress, underdevelopment, general blight) and data described in the Act. Any area designated as an enterprise zone may be re-designated as an enterprise zone after the expiration of its initial term if the area continues to meet the criteria for an enterprise zone.

**Section 79-38. Tax exemptions; other incentives.**

(a) Local ad valorem taxes, occupation taxes, license fees, and other local fees and taxes, except local sales and use taxes or any combination thereof, may be exempted or reduced from applying to qualified business and service enterprises in an area designated as an enterprise zone.

(b) Qualifying business and service enterprises in a designated enterprise zone shall be granted an exemption from state, county, and municipal ad valorem taxes that would otherwise be levied on the qualifying business and service enterprises not to exceed the following schedule:

- (1) One hundred percent of the property taxes shall be exempt for the first five years;
- (2) Eighty percent of the property taxes shall be exempt for the next two years;
- (3) Sixty percent of the property taxes shall be exempt for the next year;
- (4) Forty percent of the property taxes shall be exempt for the next year; and
- (5) Twenty percent of the property taxes shall be exempt for the last year.

(c) If a project consists of new residential construction, residential rehabilitation, or other rehabilitation of an existing structure and the value of the improvement exceeds the value of the land by a ratio of five to one, then the exemption schedule set forth in Section 79-38(b) shall apply whether or not the project is carried out by a qualifying business or service enterprise.

(d) In no event shall the value of the property tax exemptions granted to qualifying business and service enterprises within an enterprise zone created by the city exceed ten percent of the value of the property tax digest of the city. In no event shall the value of the property tax exemptions granted to qualifying business and service enterprises within an enterprise zone jointly created by the city and county exceed ten percent of the value of the property tax digest of the city and county.

(e) For any qualifying business or service enterprise, the tax exemption described in this section may begin in any year during which an enterprise zone designation is in effect and may continue even if the

enterprise zone designation has terminated. A minimum of five new jobs must be maintained throughout the exemption period for a qualifying business or service enterprise to maintain eligibility for the tax exemption. Property tax exemptions granted to business or service enterprises that continue to qualify for the exemption shall continue for the full term of the incentives.

(f) Notwithstanding any other provision of this section, the city may enter into agreements with qualifying business or service enterprises in designated enterprise zones to provide for modification or termination of any tax and fee exemptions and abatements.

(g) Qualifying business or service enterprises in designated enterprise zones may be eligible for incentives other than those provided under this section, including economic development incentives described in Chapter 79, Article II, Sec. 79-28(b).

**Section 79-39. Time limitations.**

An area designated as an enterprise zone shall remain in existence for ten years from the first day of the calendar year immediately following its designation as an enterprise zone. Except as otherwise provided, property tax incentives granted to a qualified business or service enterprise shall remain in effect for the full term of the exemption period.

**Section 79-40. Reporting.**

The city shall report designations of enterprise zones as required by the Act, providing sufficient information to identify at a minimum the geographic boundaries of enterprise zones, the specific fees and taxes to be exempted or abated, and the beginning and ending dates of the designation period.

Approved by the Mayor and Council this 21 day of July 2014.

Attest:

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A. Max Bacon, Mayor

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Terri Graham, City Clerk  
City of Smyrna

Approved as to form:

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Scott Cochran, City Attorney