INTRO TO TAD

Tax Allocation Districts in Georgia

Presented for:

SIDEBAR CONFERENCE
DEVELOPMENT AUTHORITY BOARD MEMBER TRAINING

Presented by:

Geoff Koski
President
geoff@kbagroup.com
www.kbagroup.com

KB | ADVISORY GROUP

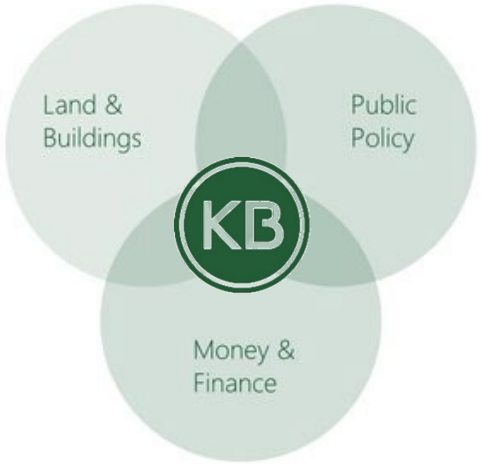
04/22/2026

KB | ADVISORY GROUP

Grounded in Real-World Conditions, Backed up by Insightful Research and Analysis

Our goal is to help clients maximize the benefits of their economic development and real estate activities within five core capability areas:

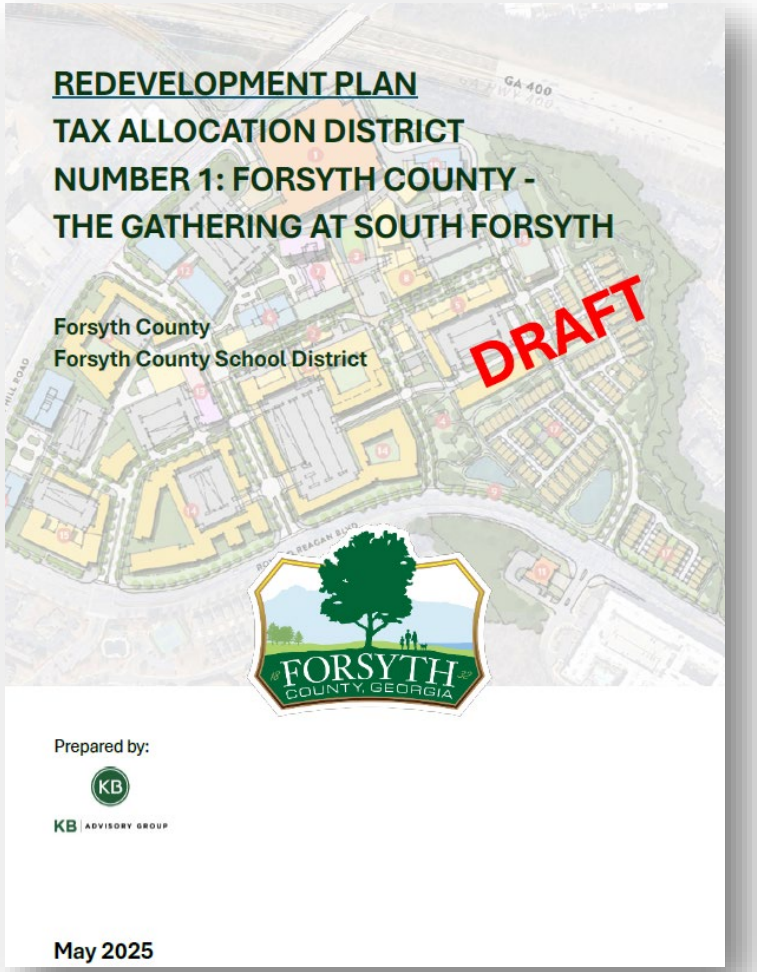
1. **Real Estate Markets**
2. **Development Economics**
3. **Public Financing/Tax Increment Financing**
4. **Economic Impacts**
5. **Housing Analysis**



KB Advisory Services TAD Services

For Cities and Counties

- Explore feasibility and potential of TADs and other programs
- **Prepare TAD Redevelopment Plans**
- Advise on TAD approval and negotiation process and advise on TAD applications
- Economic & Fiscal Impact Studies
- Cost/Benefit & School Impact Analysis



www.kbagroup.com

Presentation Contents

- TAD 101
- Georgia TAD History
- TAD Creation
- TAD Implementation

Why offer public incentives?

To achieve a desired public policy outcome that is not (currently) supported by normal market conditions

Economic development incentives can be a strategic tool for cities to foster growth and enhance the quality of life for their residents.

However, it is important for cities to carefully structure these incentives to ensure they achieve the desired outcomes and provide a good return on investment.

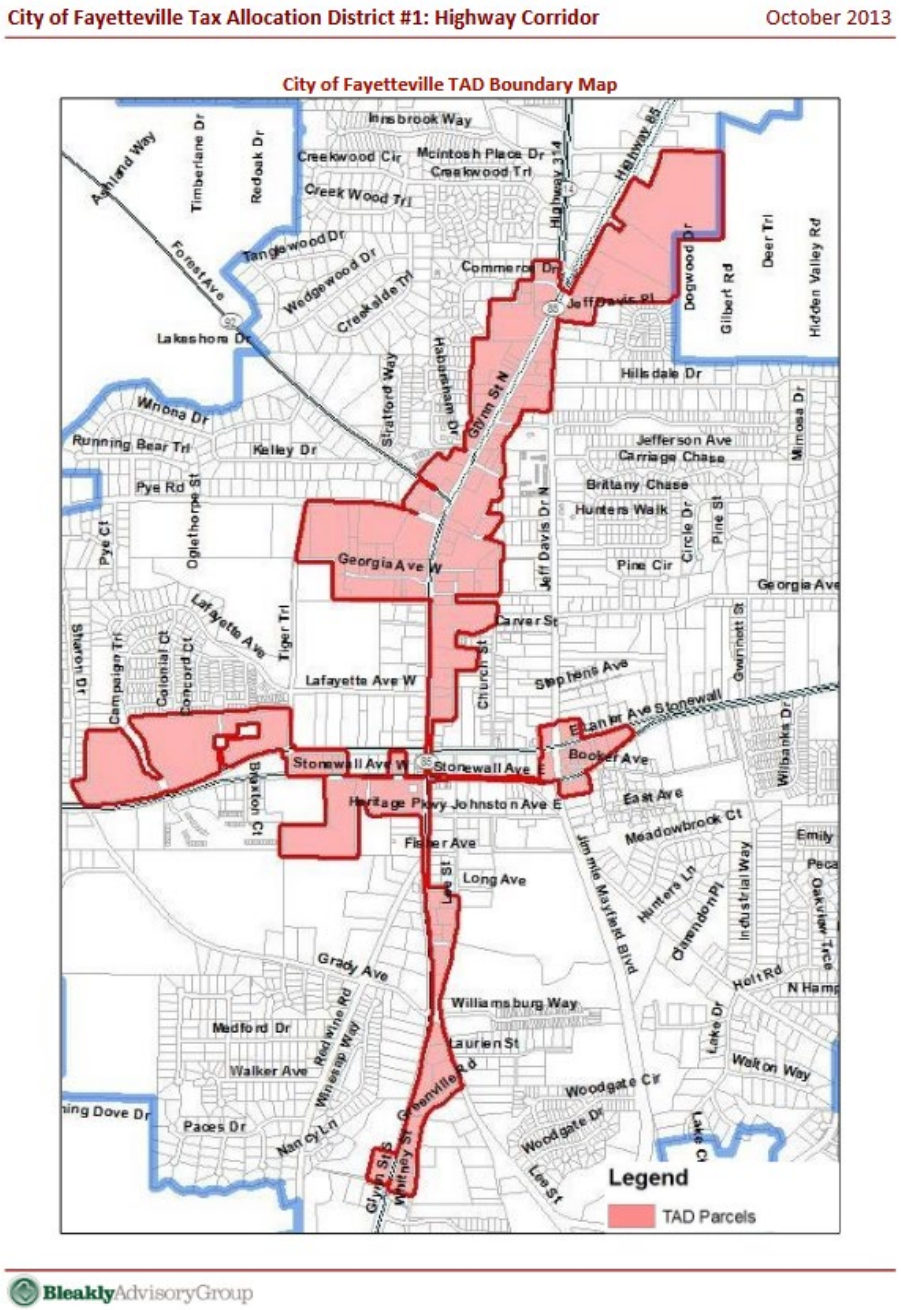
TAD 101 What is a TAD?

A Tax Allocation District (TAD) is a mechanism to recirculate future tax revenues within a designated economic develop priority site or district back into that district.

- Future property taxes from new development and growth are used fund infrastructure / incentivize development.
- Most states call it **TIF:**

Tax **I**ncrement **F**inancing

A TAD can contain one, a few, or many individual tax parcels



www.kbagroup.com

TAD 101

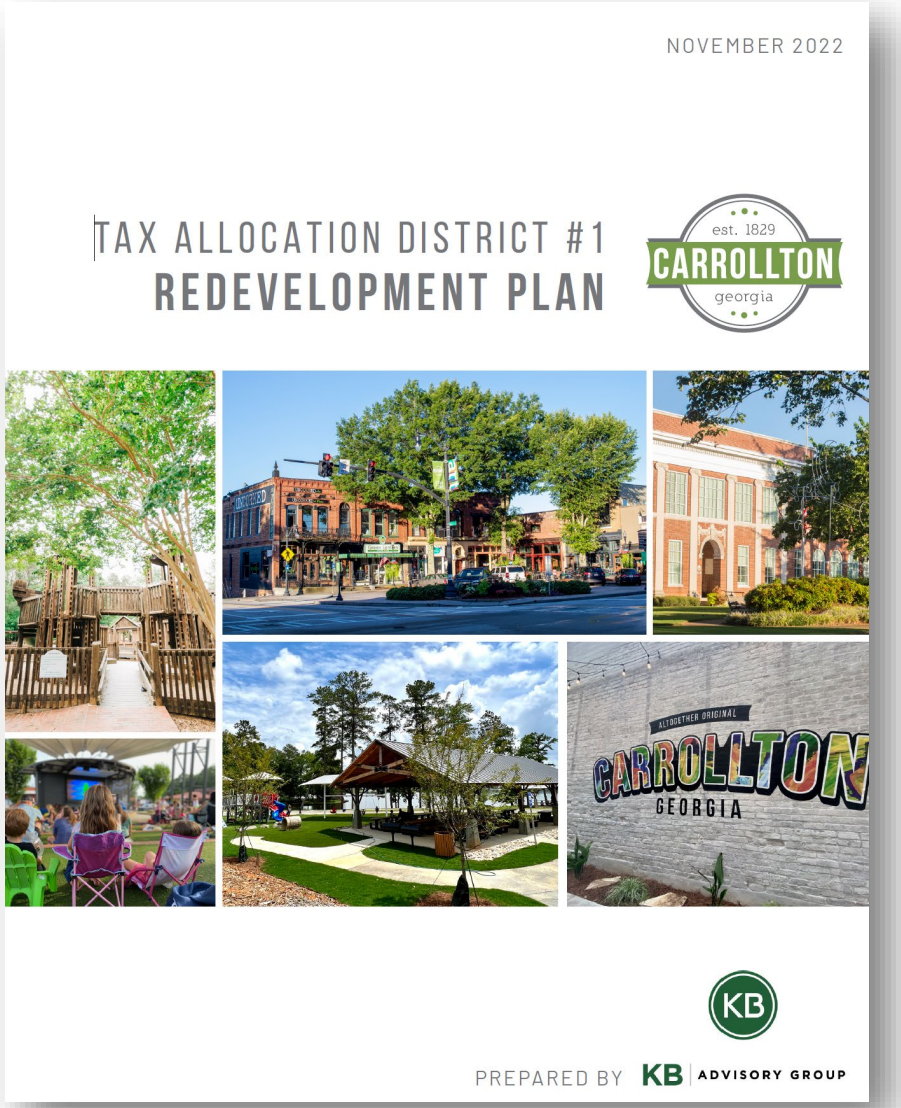
What a TAD is NOT

TADs and TAD incentives are NOT:

- New Taxes
- Property tax abatements
- Community Improvement Districts (CID) or Special Service Districts (SSD)

TADs are "invisible" to property owners.

All the action takes place behind the scenes in the County Assessor's office.



www.kbagroup.com

TAD 101

Legal Status

TADs are authorized in Georgia under the Redevelopment Powers Act, Title 36, Chapter 44 of the Georgia Code

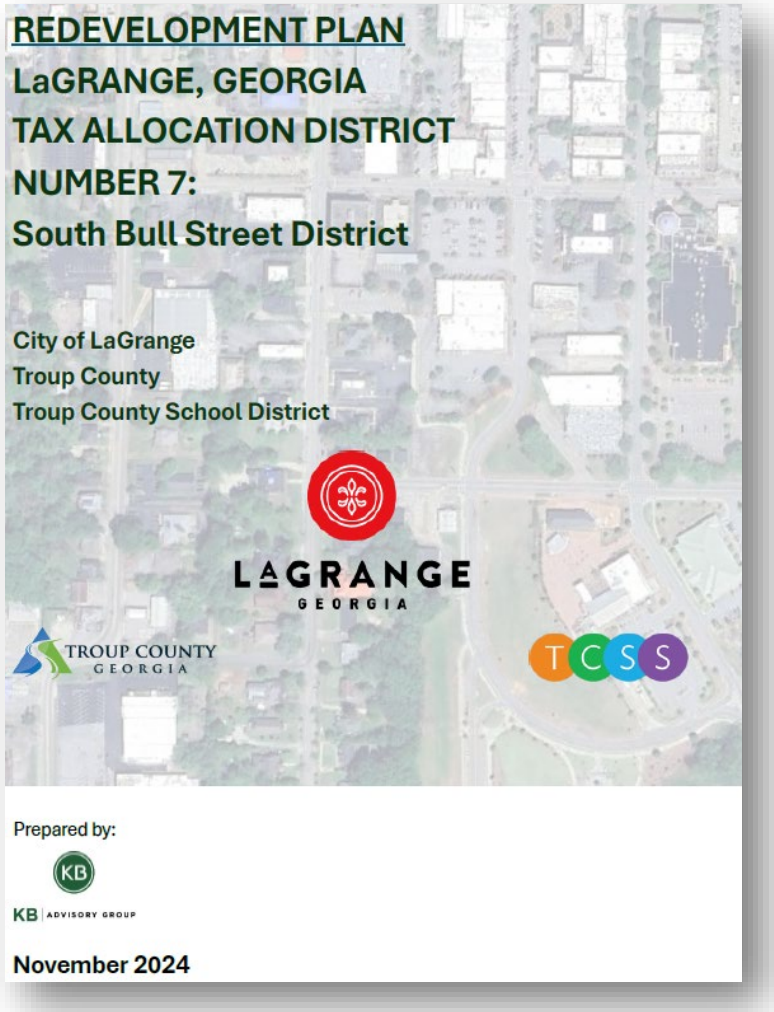
Georgia Code
Title 36 - Local Government
Chapter 44 - Redevelopment Powers

- § 36-44-1. Short Title
- § 36-44-2. Legislative Findings and Purpose
- § 36-44-3. Definitions
- § 36-44-4. Local Legislative Bodies Serving as Redevelopment Agency; Common Redevelopment Agency
- § 36-44-5. Power of Political Subdivision
- § 36-44-6. Delegation of Powers; Limitations on Delegation
- § 36-44-7. Approval of Redevelopment Plans
- § 36-44-8. Creation and Implementation of Tax Allocation Districts
- § 36-44-9. Computing Tax Allocation Increments; Property Tax Included; Use of Tax Funds
- § 36-44-10. Determination of Tax Allocation Increment Base of Tax Allocation District; Annual Notice
- § 36-44-11. Positive Tax Allocation Increments
- § 36-44-12. Termination of Tax Allocation Districts
- § 36-44-13. Payment of Redevelopment Costs
- § 36-44-14. Issuance of Tax Allocation Bonds; Authorization of Tax Allocation Notes and Other Obligations; Increasing Security and Marketability Amount; Certificate of Validation; Interest; Redevelopment Cost Anticipation Notes
- § 36-44-15. Determining Tax Millage Rate; No Freeze to Ad Valorem Tax Millage
- § 36-44-16. Loans for Financing Redevelopment Costs
- § 36-44-17. Limitation on Creation of Tax Allocation District
- § 36-44-18. Application of Urban Redevelopment Law
- § 36-44-19. Contracting With Private Individuals or Entities
- § 36-44-20. Requirement of Insufficiency
- § 36-44-21. Public Employees and Officials Prohibited From Holding Interest Disclosures; Voidability of Prohibited Transactions; Misconduct in Office
- § 36-44-22. Approval of Local Law; Expansion of Authorities by Localities Prohibited
- § 36-44-23. Cumulative and Supplemental Powers

TAD 101

- A "**Redevelopment Agent**" will be responsible for all actions related to the TAD.
  - Some TADs use City Council or BOC as agent
  - Some designate a Special Board
  - Some use Development Authority Board

- TADs are intended to have a finite life and can be dissolved at any time as long as no debt obligations are outstanding.
- A maximum of 10% of any jurisdiction's tax digest can be included within all of its TADs.



www.kbagroup.com

TAD 101

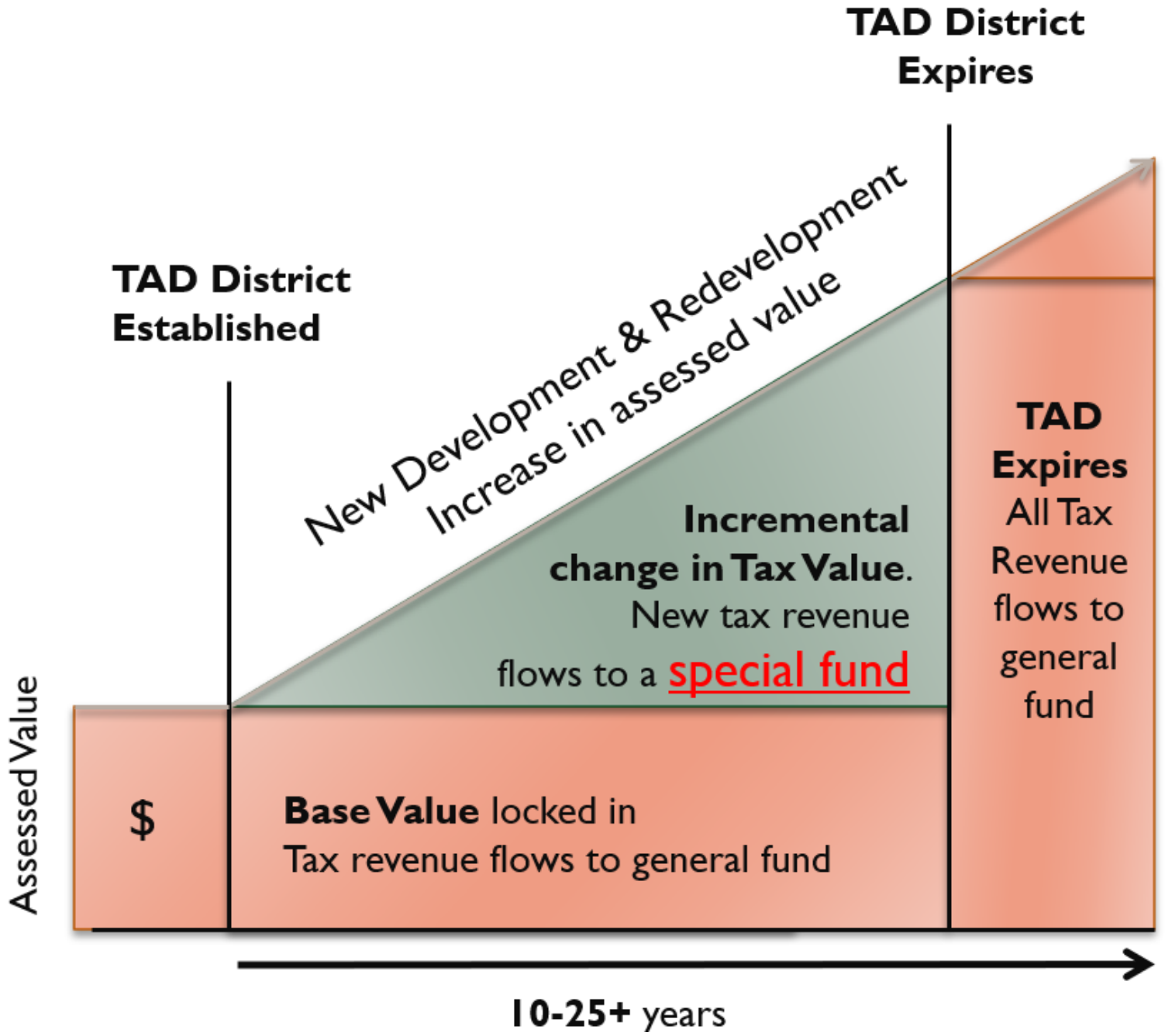
- The sponsor of a TAD (City or County) pledges any of their own levies to a TAD.
- In most jurisdictions, the school board represents the largest share of property taxes.
- The sponsor negotiates with other taxing jurisdictions to agree to pledge levies that they control.

2022 Millage Rates	Gwinnett
County	6.95
School	19.2
School Bond	1.45
Rec.	1
Fire/EMS	3.2
Police	2.9
Dev/Code	0.36
City	0
CID	5
Econ. Dev	0.3
Total Rate	**40.36**

2022 TAD Eligible Millage Rates	
Savannah M & O	12.737
Chatham County M&O	11.543
Chatham Schools	18.310

TAD 101

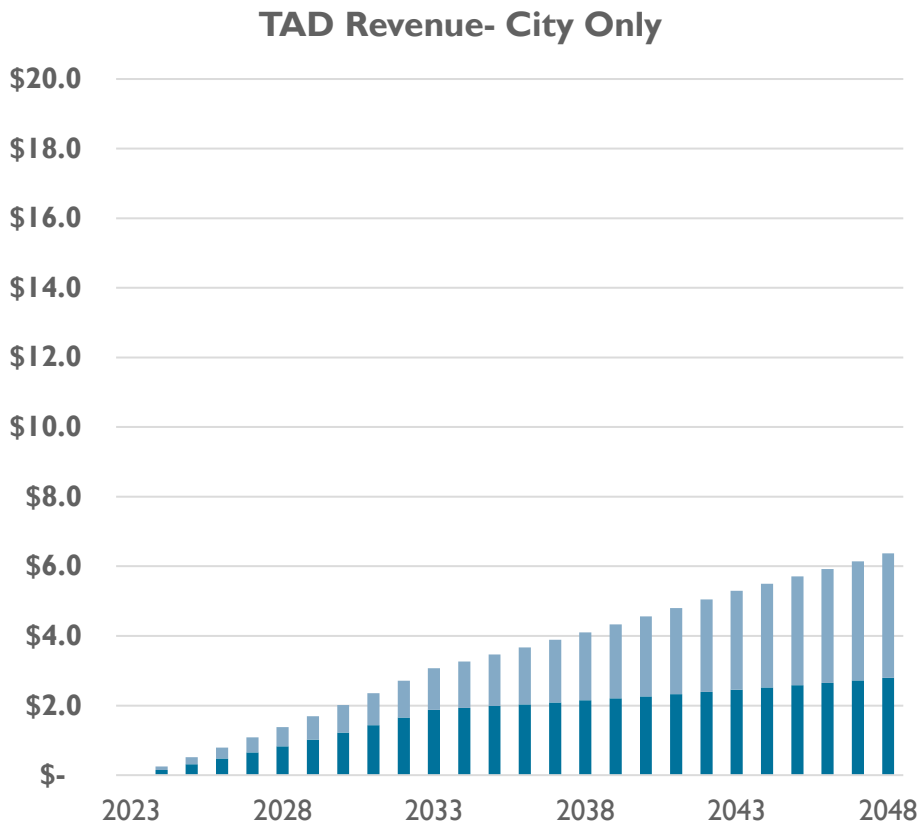
- ***A TAD consists of specific identified tax parcels within a Redevelopment Area where Incremental Property Tax revenues will be diverted to the TAD account.***

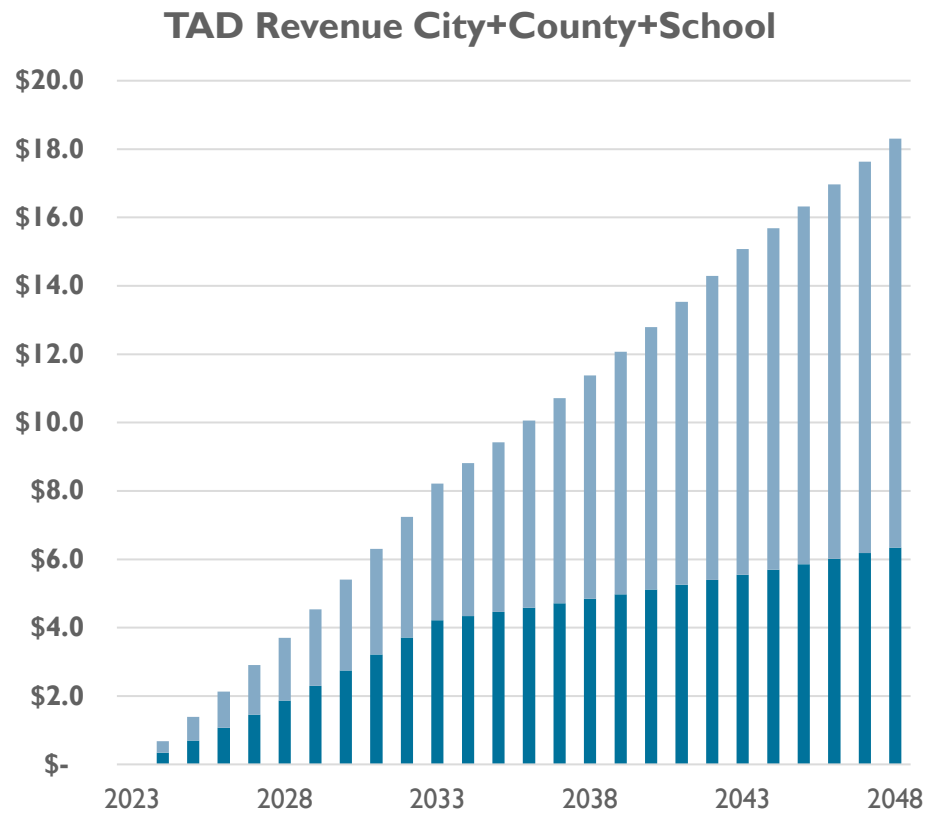


www.kbagroup.com

TAD 101 Show me the Money

TAD Revenue Forecast (in $ millions) for an area TAD centered on a catalyst development





10-Year Site-Specific Catalytic Project

Halo & background growth

www.kbagroup.com

TAD 101

Legal Constraints on the use of TAD funding

Georgia Code § 36-44-3 state that redevelopment costs eligible for TAD funding may include any one or more of the following:

A. Capital costs
B. Financing costs
C. Professional service costs
D. Administrative costs
E. Relocation costs … for persons or businesses displaced
F. Organizational costs, including … studies
G. Payments to a political subdivision or board of education in lieu of taxes (AKA PILOT)

TAD 101: Halo Impacts

Incremental TAD-Eligible Real Property Taxes

Base TAD-Eligible Real Property Taxes

Other Real Property Taxes (Outside TAD)

Personal / Inventory Property Taxes

Sales Taxes

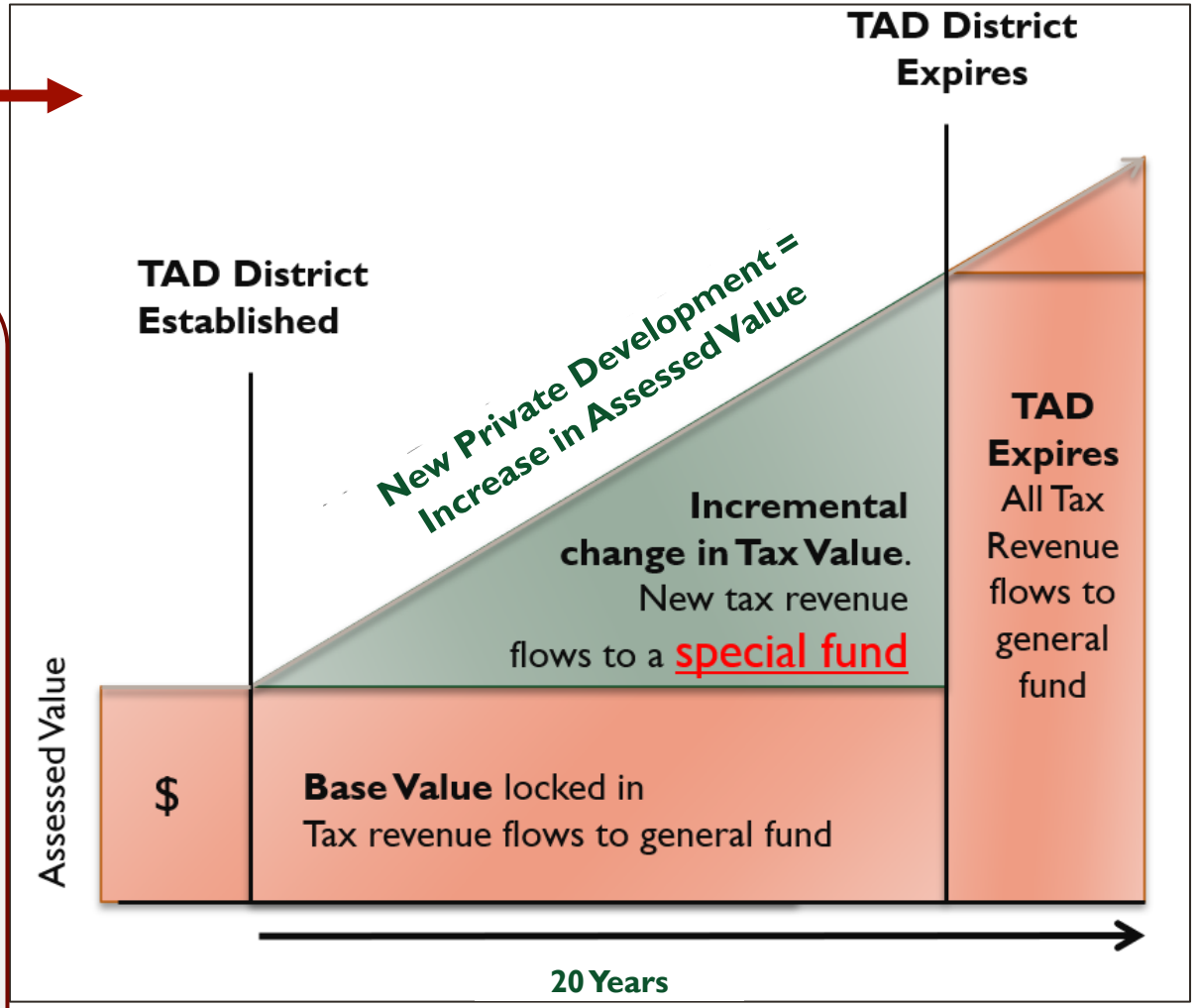
Hotel/Motel Taxes

Revenue to TAD Fund

"Halo Effects"

Direct Revenues to Taxing Jurisdictions:

- **County**
- **Schools**
- **Georgia**



Presentation Contents

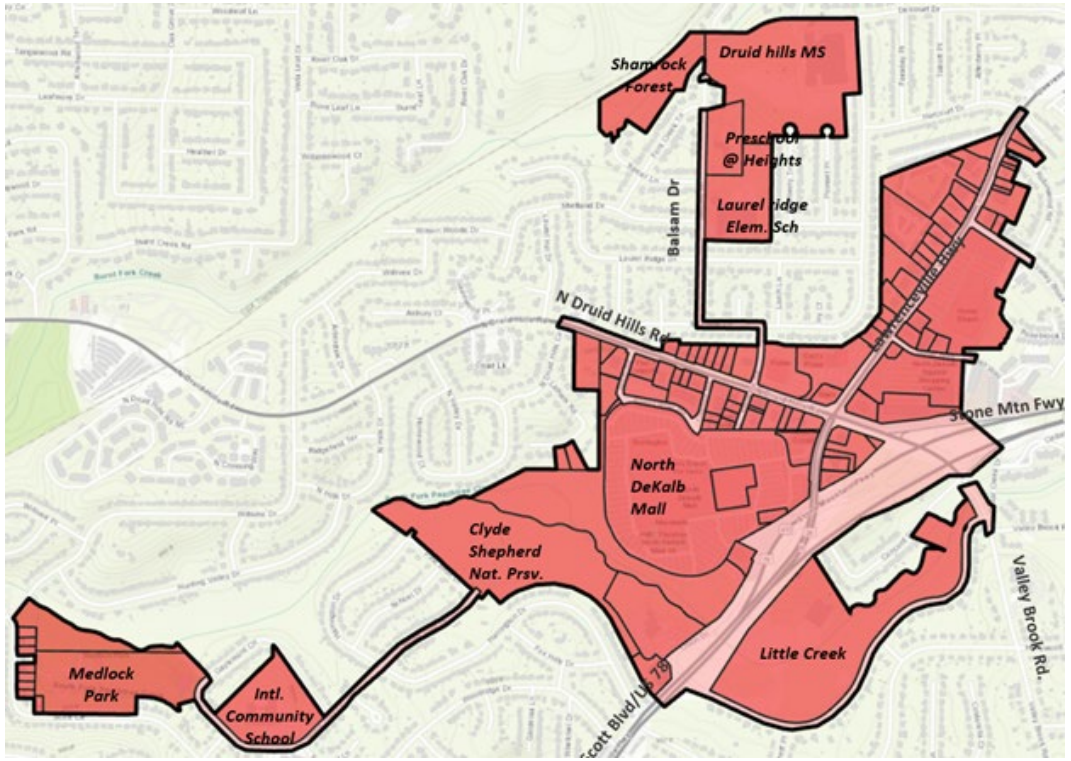
- TAD 101
- **Georgia TAD History**
- TAD Creation
- TAD Implementation

Georgia TAD History (2014-2024)

KB Advisory Group compiled, cleaned, and analyzed a statewide data set.

It's all public information, but no one else has put it together in a way that lets you see the big picture.

The takeaway:
TADs are a proven, measurable driver of new value in Georgia communities, large and small.



DeKalb County Tax Allocation District #4: Market Square TAD

www.kbagroup.com

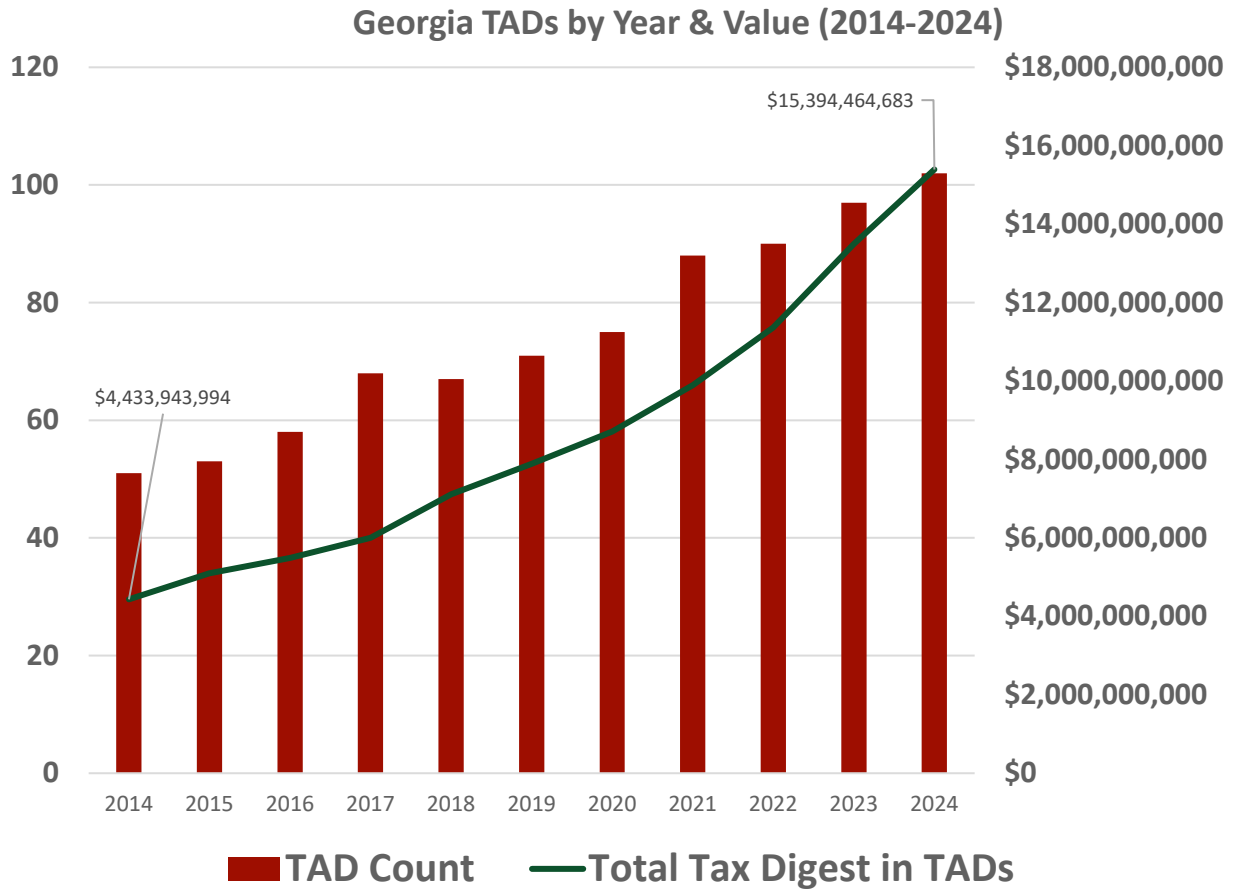
Georgia TAD History (2014-2024)

Over the past decade, Georgia communities' use of TADs has expanded significantly.

2014: Just over 50 active districts
2024: More than 100

The total taxable digest inside Georgia TADs has more than tripled.

2014: $4.4 billion
2024: $15.4 billion



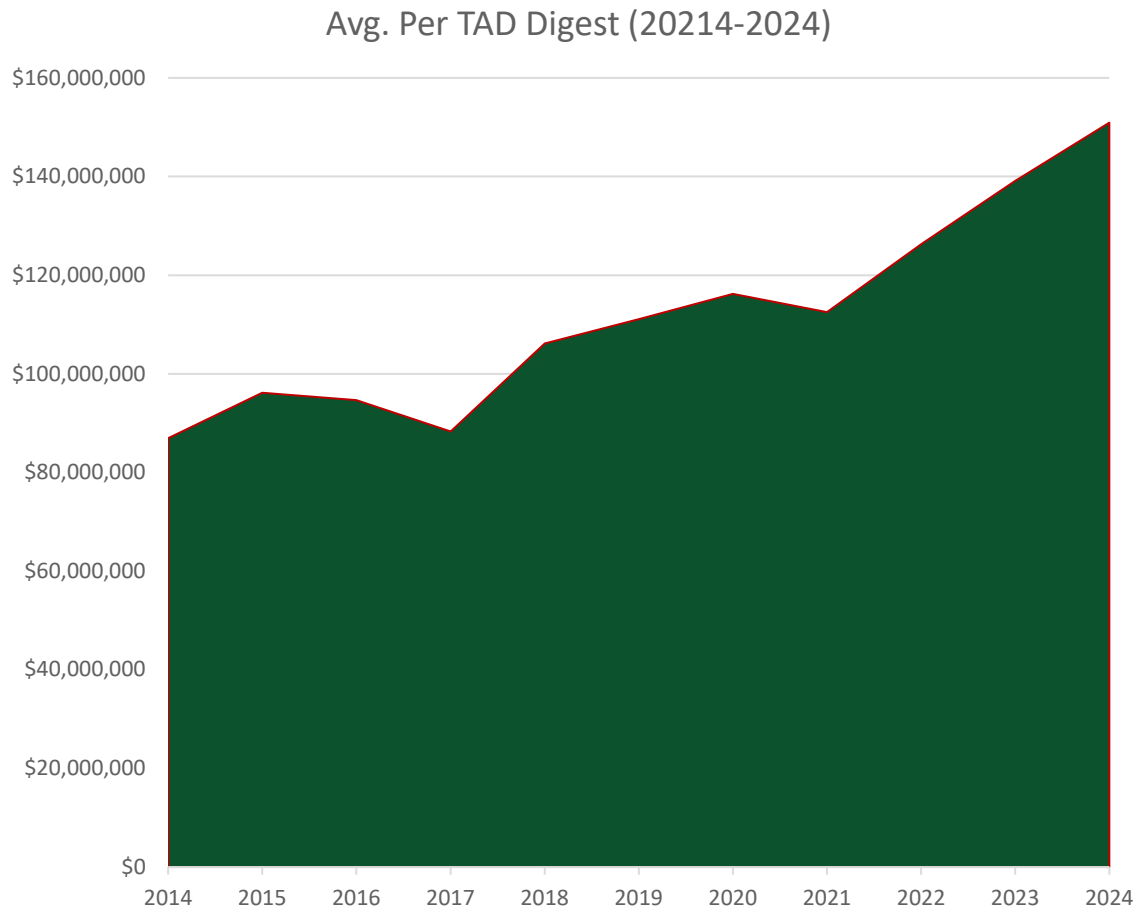
www.kbagroup.com

Georgia TAD History (2014-2024)

TADS are performing better, with healthier, more valuable tax bases.

On a PER TAD basis:

2014: $87 million per TAD
2024: over $150 million

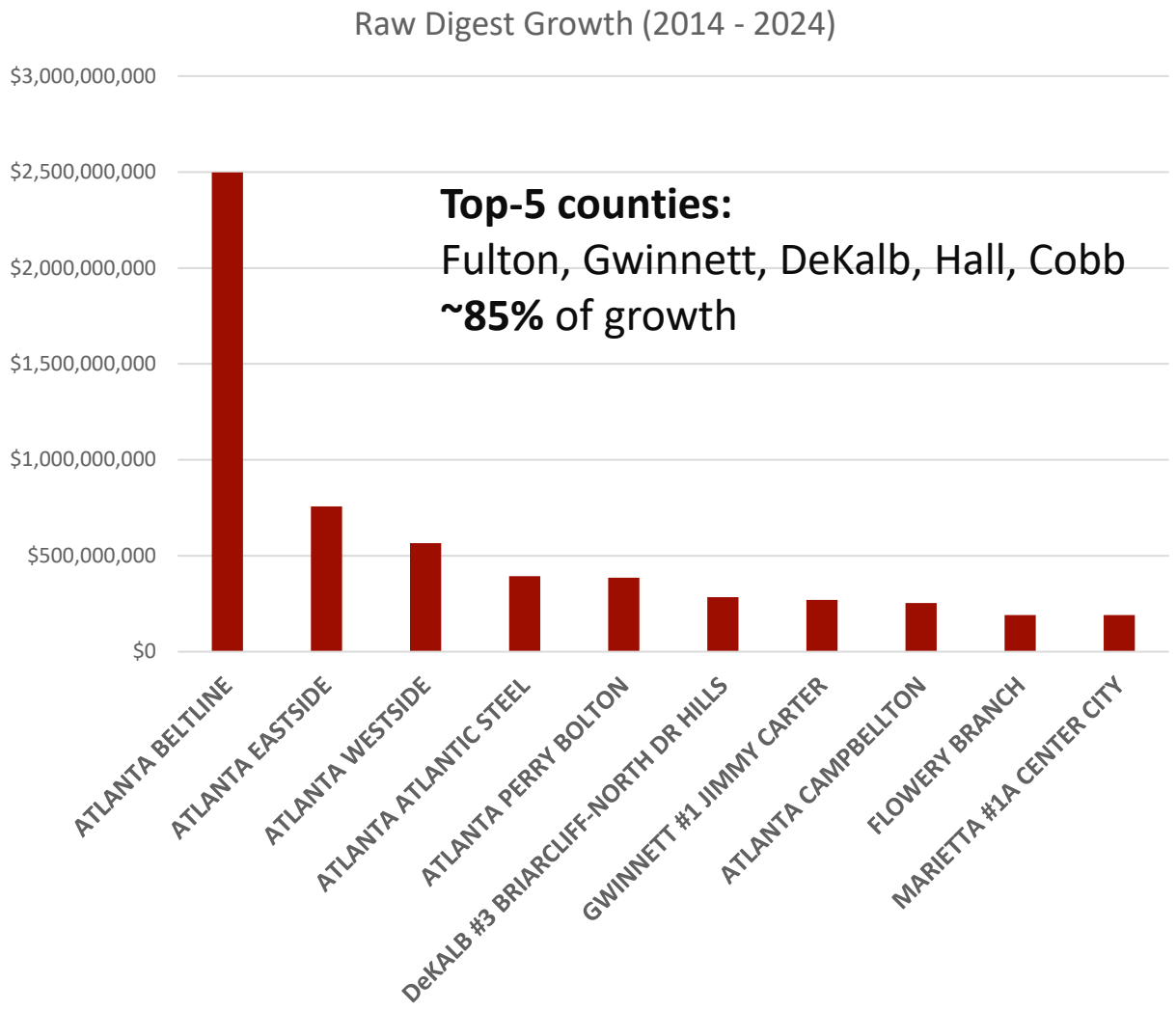


www.kbagroup.com

Georgia TAD History (2014-2024)

Top Ten TADs in Value Creation
Places where a combination of public investment, market momentum, and strategic use of TAD tools has delivered substantial new taxable value.

Often comes from large-scale redevelopment or significant greenfield buildout within the district boundaries.

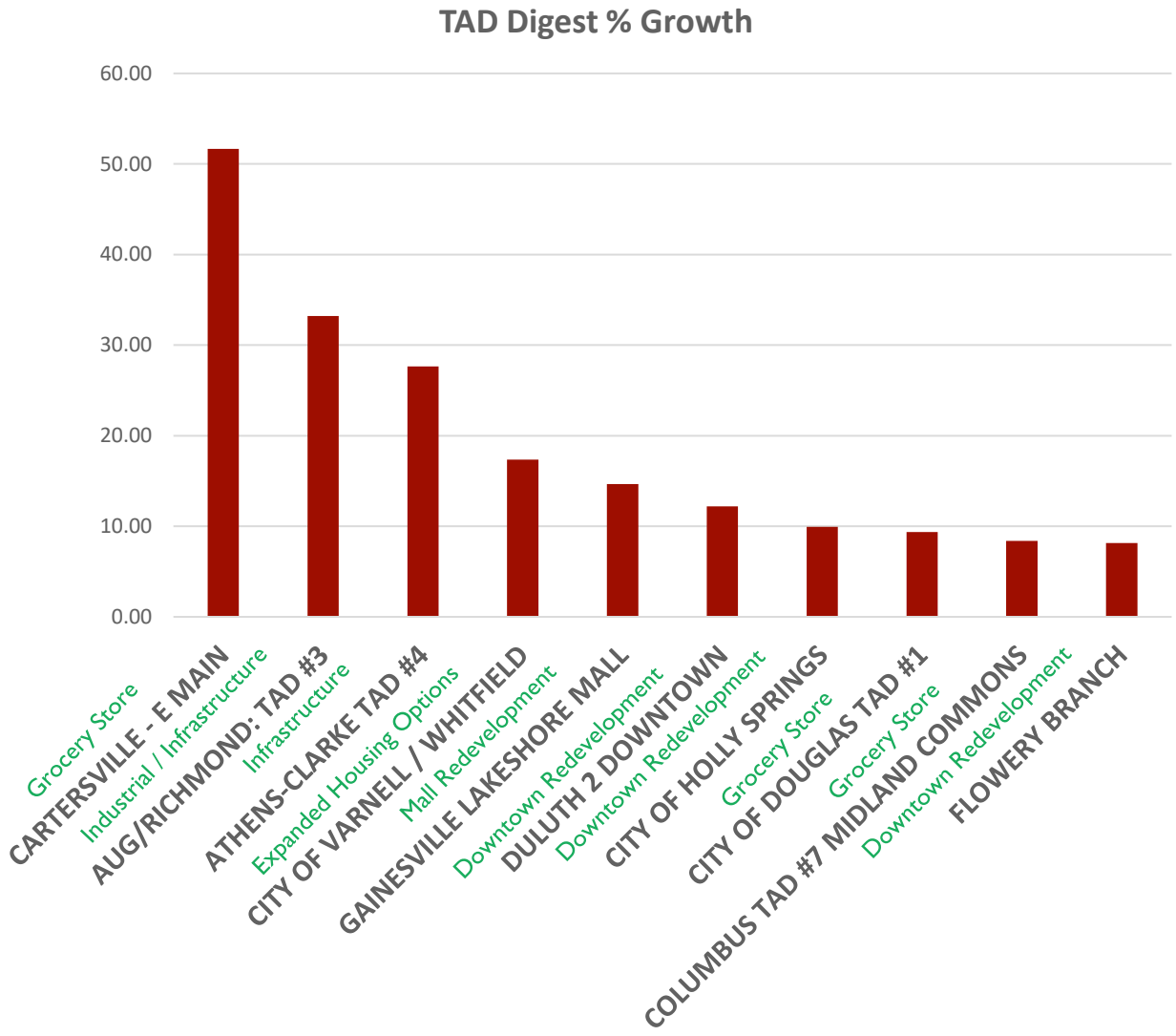


www.kbagroup.com

Georgia TAD History (2014-2024)

Top Ten in Value Growth Rate
Districts that started small but multiplied their value several times over. By as much as six times since inception.

These high-multiplier TADs often signal a catalytic project that unlocked broader private investment.



www.kbagroup.com

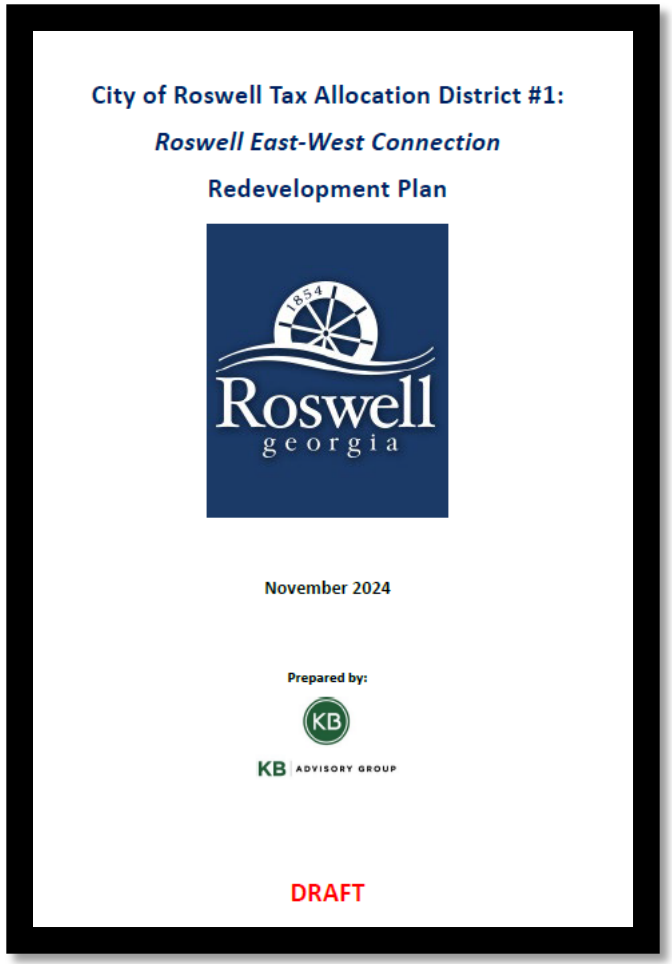
Presentation Contents

- TAD 101
- Georgia TAD History
- TAD Creation
- TAD Implementation

www.kbagroup.com

TAD Creation

- The “TAD” Redevelopment Powers Law enables cities and counties to designate “Redevelopment Areas” by local adoption of an approved TAD Redevelopment Plan.
- A TAD Redevelopment Plan is a specific thing, different from other types of Redevelopment Plans.



TAD Creation

"Redevelopment area" means an **urbanized area** as determined by current data from the United States Bureau of the Census **or** an area presently **served by sewer** that qualifies as a "blighted or distressed area," a "deteriorating area," **or** an "area with inadequate infrastructure," as follows:

A 'blighted or distressed area' is an area that is experiencing one of more conditions of blight as evidenced by:

- *[…]* structures, buildings, or improvements that by reason of dilapidation; deterioration; age; obsolescence […] are detrimental to the public health, safety, morals, or welfare;
- substandard, vacant, deteriorated, or deteriorating structures, […] the predominance of a defective or inadequate street layout, or transportation facilities; […]
- Evidence of pervasive poverty […]
- Adverse effects […] impairing the redevelopment of the area; or
- conditions which […] impair the sound growth of the community and retard the provision of housing accommodations or employment opportunities;

A 'deteriorating area' is an area that is experiencing physical or economic decline or stagnation as evidenced by two or more of the following:

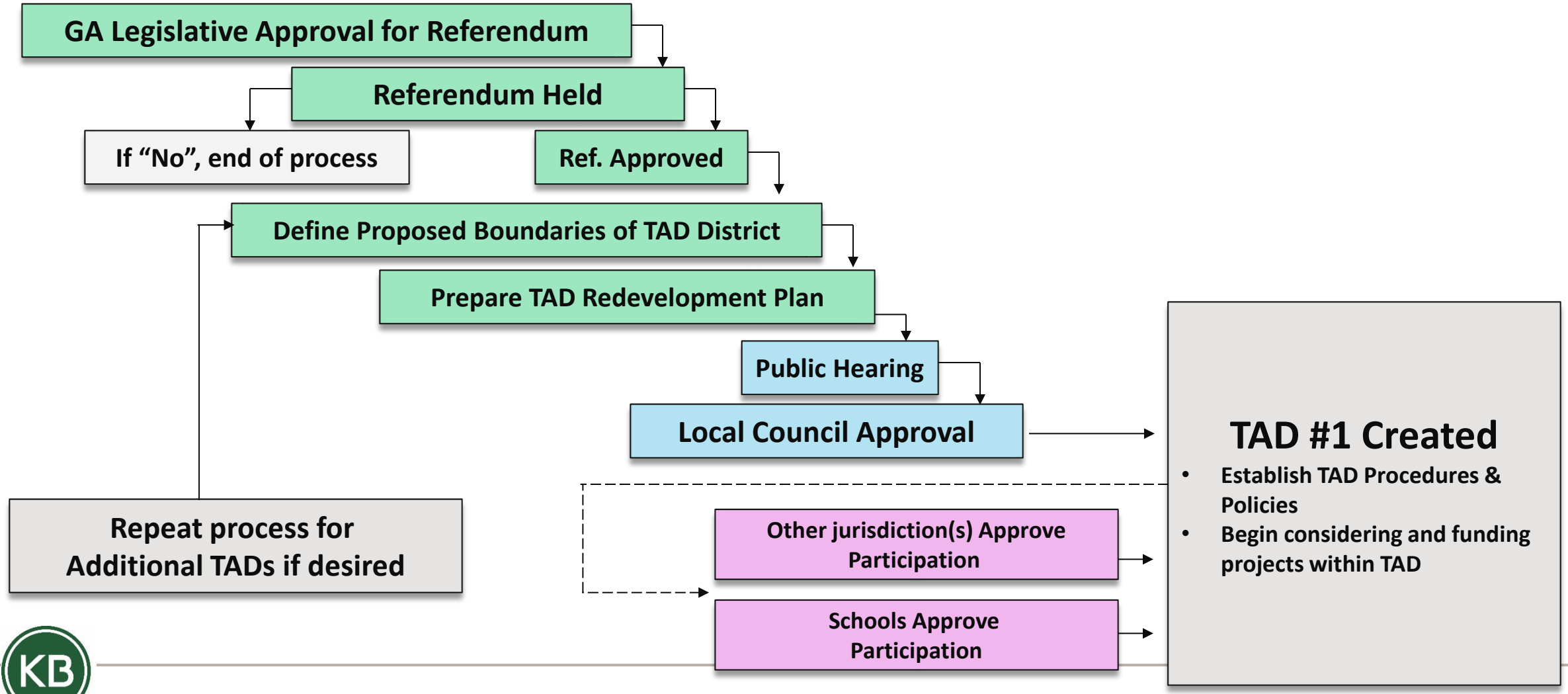
- The presence of a substantial number of structures or buildings that are 40 years old or older and have no historic significance;
- High commercial or residential vacancies *[…]* ;
- The predominance of structures or buildings of relatively low value *[…]* ;
- Declining or stagnant rents or sales prices *[…]* ;
- *[…]* a shortage of safe, decent housing that is not substandard and that is affordable *[…]* ;
- Deteriorating or inadequate utility, transportation, or transit infrastructure;

An 'area with inadequate infrastructure' means an area characterized by:

- Deteriorating or inadequate parking, roadways, bridges, pedestrian access, or public transportation or transit facilities incapable of handling the volume of traffic into or through the area, either at present or following redevelopment; or
- Deteriorating or inadequate utility infrastructure either at present or following redevelopment.

Georgia Code § 36-44

TAD Creation Legislative Process



Presentation Contents

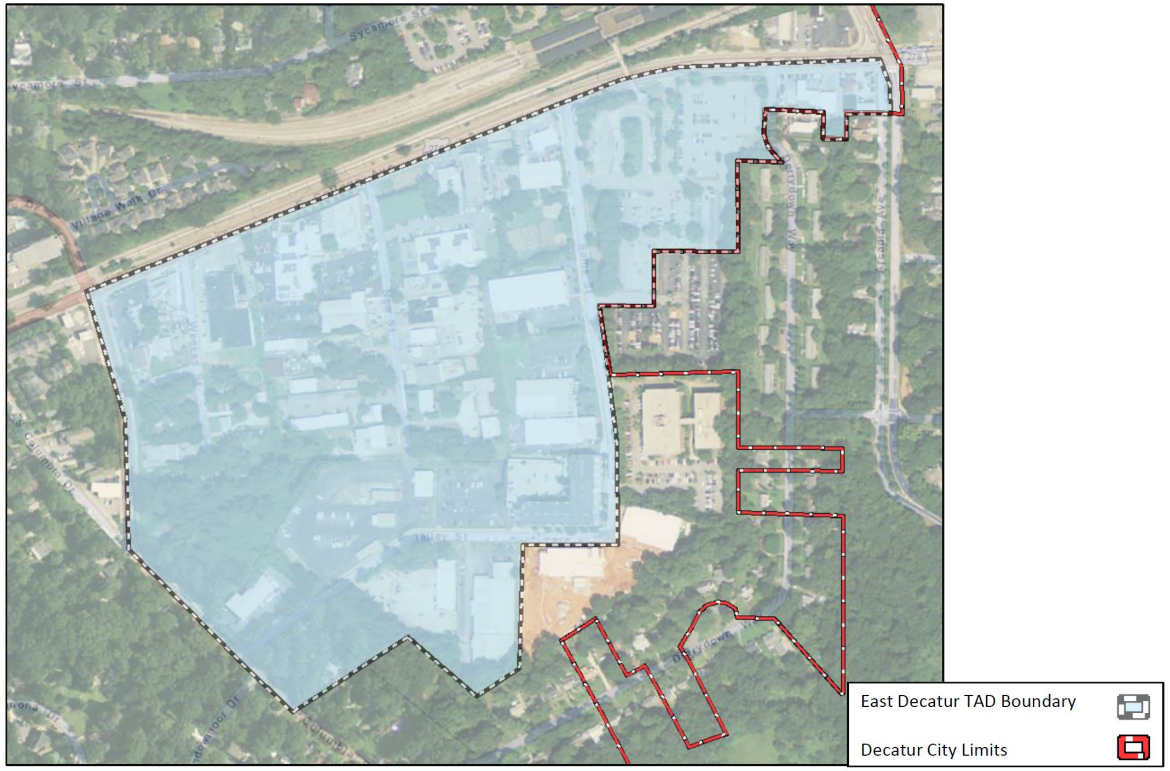
- TAD 101
- Georgia TAD History
- TAD Creation
- TAD Implementation

TAD Implementation

Where are TADs most effective?

- Locations where **property values are stagnant/ declining** due to condition of buildings/ lack of investment
- **Strategic locations** in a community that are **growing at a less than optimal rate** due to high site development costs, market conditions, site challenges or a lack of public infrastructure
- **Redevelopment focus areas** with new mixed-use or higher-density nodes to diversify the types of residential and employment centers
- **Catalytic public improvements** in order to stimulate or manage growth.

City of Decatur TAD #1: East Decatur



TAD Implementation

TAD District Typologies

Where?	Why?	How?
Area-wide	Infrastructure	Bond
Project-Specific	Incentive	Pay-as-you-go/ Grant

TAD Implementation

A City or County can use TAD funds in several ways:

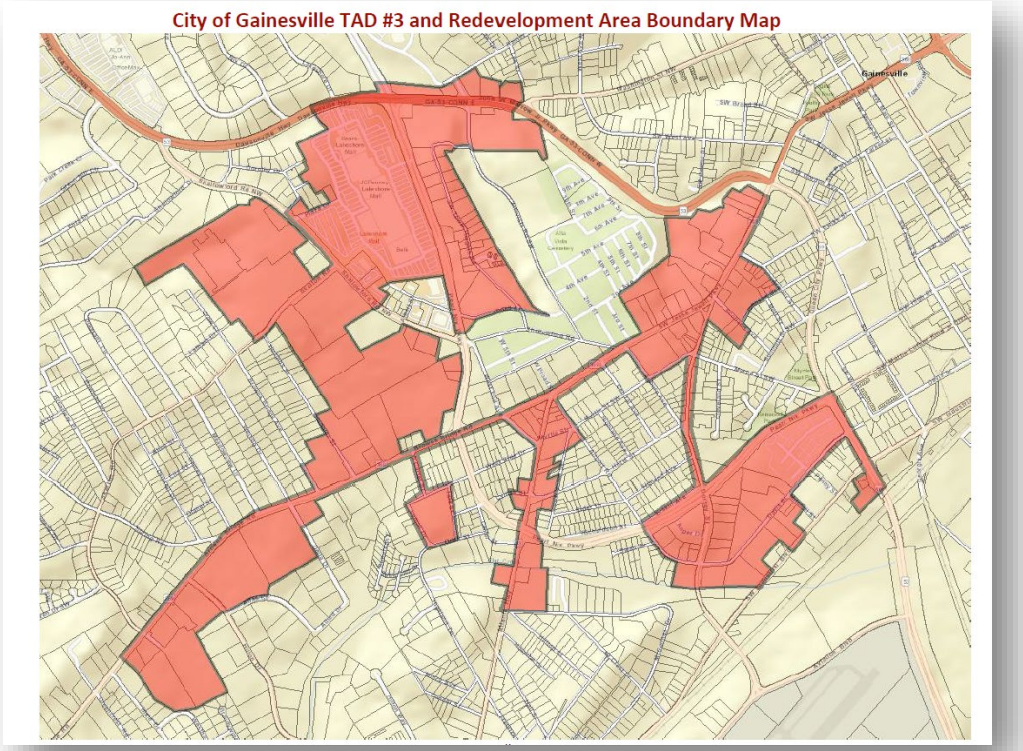
- Fund area-wide infrastructure and investment to make an area more marketable or catalyze development/redevelopment;
- Incentivize projects order to help that project become financially feasible.
  - TADs can provide **"but for"** funding needed to make difficult redevelopment projects feasible.
- Support planning/political/policy priorities that would not (currently) be supported by normal market conditions.

TAD Implementation

TAD revenue is collected as a cash flow year after year. That future cash flow can be used two ways:

1. Pay-as-you-go ("PAYGO") / loan.
    - Property tax is collected and partially or fully rebated up to an agreed limit.
    - Apply for bank financing secured by the future cash flow. Moderate costs, good for medium projects.

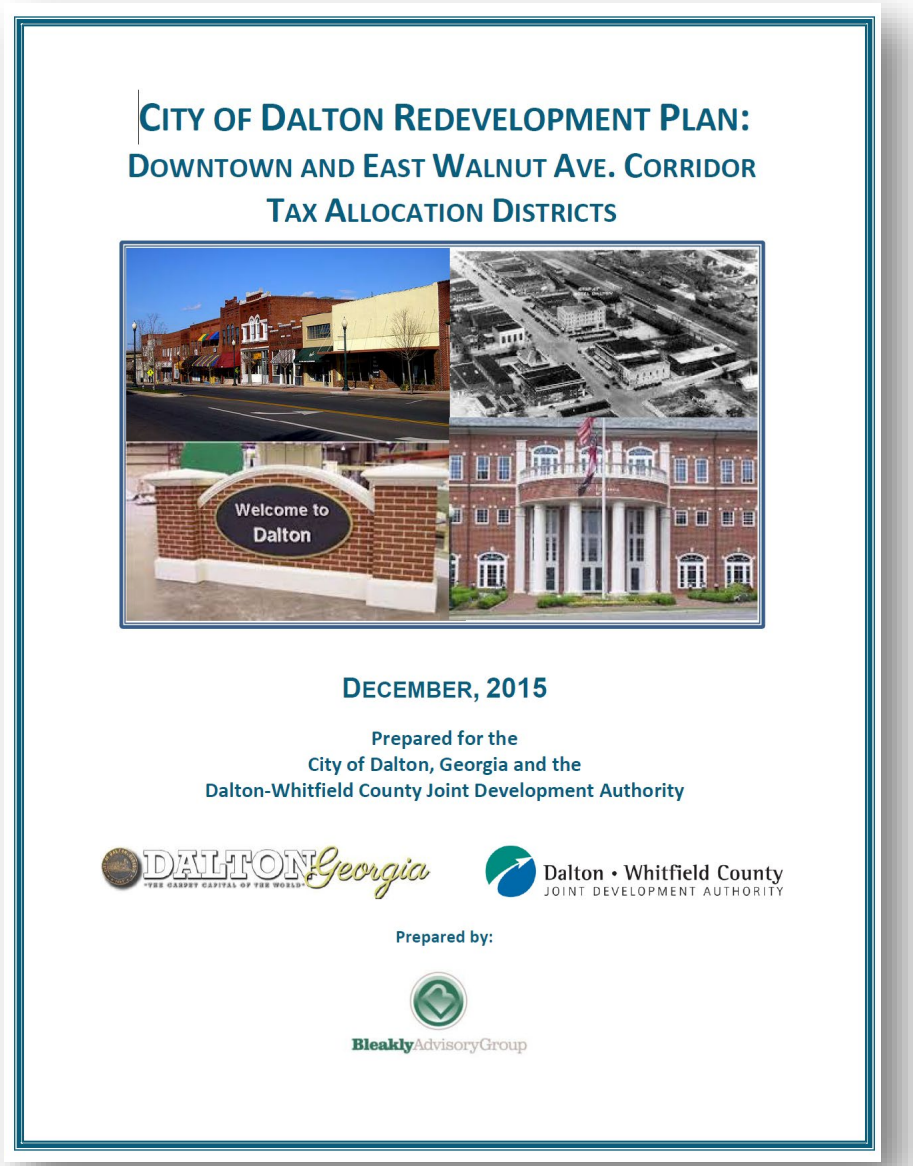
2. Future TAD revenues can be used to secure a **bond**.
    - Issue a TAD bond secured by the future cash flow. Complicated, expensive, good for BIG projects,
    - Development Authorities are well-positioned to take the lead here.



The goal of the City of Gainesville TAD # 3 is to upgrade and enhance the Lakeshore Mall area and its adjacent commercial corridors and to encourage the private redevelopment of outmoded, highway-oriented commercial development into modern development patterns to achieve the vision set forth in the City of Gainesville's 2040 Comprehensive Plan.

TAD Implementation

- TAD revenue does not exist until . . . it does.
- Money begins to flow into a TAD fund AFTER the new project is on the tax rolls and paying taxes.
- Property owner who wants TAD money has to apply to the local TAD Redevelopment Agent
  - Private developer
  - Property or business owner
  - Public agency (Parks, DOT, Housing Authority...)



Questions?

KB | ADVISORY GROUP

Grounded in Real-World Conditions, Backed up by Insightful Research and Analysis

Our goal is to help clients maximize the benefits of their economic development and real estate activities within five core capability areas:

1. **Real Estate Markets**
2. **Development Economics**
3. **Public Financing/Tax Increment Financing**
4. **Economic Impacts**
5. **Housing Analysis**

Geoff Koski
geoff@kbagroup.com
404.845.3550