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Federal Lawsuit: Stockbridge Claims Creating City of Eagle's Landing Violates Voter Rights, Bond Credibility

Lawyers for the city of Stockbridge, Georgia, claim in a federal lawsuit that a plan to carve off parts of the city to form a new, wealthier, whiter city impairs its citizens' right to vote and harms the city's ability to pay municipal bond obligations.

The lawsuit was filed Monday against the state of Georgia, Gov. Nathan Deal and other state officials. It comes just days after Capital One Public Funding—one of the nation's largest issuers of municipal bonds—filed a similar lawsuit seeking to stop the referendum to create the new city of Eagles Landing from moving forward as planned in November.

Deal signed legislation in May allowing for the creation of Eagle's Landing, in part from land currently in Stockbridge. The new city's formation must first be approved by local voters, and a referendum is planned for November's midterm elections. Stockbridge residents outside the proposed new city won't get a vote.

If created, Eagle's Landing would take approximately one-third of Stockbridge's residents and about half of its tax revenue.

Christopher Anulewicz, an attorney representing Stockbridge, said the city's lawsuit centers on three claims. "Two of them deal with voting rights, one of them deals with the right to have integrity in our contracts," he said.

Anulewicz said the creation of Eagle's Landing would bring African-American voters from a majority voting bloc in Stockbridge to a minority position in the new city and would hurt the city's obligation to pay bond debts taken out in 2005 and 2006, thereby harming an existing contract between the city and its lenders.

A Henry County Superior Court judge in July declined to issue an injunction stopping the vote from proceeding. The city is appealing the ruling.

Vikki Consiglio, chairman of the committee for the city of Eagle's Landing, dismissed the lawsuits and said that proponents were pushing forward to the vote in November.

"Anybody can file a lawsuit for anything," Consiglio said. "A lawsuit has already been filed, and the courts have ruled in our favor."

"This is all about the vote and them trying to do everything they can to stop the vote," she said. The lawsuit filed by Capital One Public Funding, says the company currently holds \$11.75 million of bonds from Stockbridge, which mature in 2031. It says that the creation of Eagle's Landing will shrink Stockbridge's tax revenue by half, thereby "severely reducing" the "collateral that was contractually promised and pledged to (Capital One Public Funding)."

It follows a report issued by Moody's Investor Service in May that said the creation of Eagle's

Landing would be “credit negative for local governments in Georgia generally because they establish a precedent that the state can act to divide local tax bases, potentially lowering the credit quality of one city for the benefit of another.”

Residents pushing for the new city say they are driven by a desire to secure better city services, increase property values and attract high-end businesses. But opponents of Eagle’s Landing, including several elected officials from the area, say race is a factor.

Stockbridge, about 20 miles southeast of Atlanta, is predominantly black, while the proposed city of Eagle’s Landing would have a higher proportion of white residents.

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