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BOND VALIDATION - GEORGIA

Franzen v. City of Atlanta

Court of Appeals of Georgia - March 29, 2021 - S.E.2d - 2021 WL 1168893

Citizen intervenors in bond validation proceedings involving tax allocation district (TAD) established for the purpose of redeveloping a blighted area of the city, filed an objection to bond validations, asserting that the Atlanta Board of Education and the Fulton County Board of Commissioners did not have the authority to commit educational tax dollars derived from the TAD to the redevelopment.

The Superior Court issued orders both denying intervenors' objections and validating the bonds. Intervenors appealed.

The Court of Appeals held that:

- School board had authority to consent to participation in TAD;
- County did not need to adopt a project-specific resolution to approve of proposed TAD financing of redevelopment project;
- School board resolution was relevant to trial court's ultimate conclusion regarding the propriety of TAD bonds;
- City was not required to enact a new or amended local law before exercising its authority to use school tax funds in TAD to fund redevelopment costs of blighted area;
- City's redevelopment plan did not violate the Redevelopment Powers Law; and
- Trial court orders validating municipal bonds and ruling on objections by citizen intervenors in bond validation proceeding contained adequate findings of fact and conclusions of law.

City school board had authority to consent to participation in city's tax allocation district (TAD), although school board adopted interim resolution stating that no further use of ad valorem tax increments would be permitted without its prior written consent, where subsequent resolution expressly reinstated school board's consent to the inclusion of any ad valorem property tax dollars as a basis for computing the tax allocation increment for the TAD.

County's resolution extending its consent to inclusion of its ad valorem taxes on real property in the computation of tax allocation increments for tax allocation district (TAD) applied to all projects approved on or before a specific date, included approved redevelopment project, and thus county did not need to adopt a project-specific resolution to consent to proposed financing of redevelopment project; county's resolution required additional approval only for projects proposed after specific date.

School board resolution was relevant to trial court's ultimate conclusion regarding the propriety of tax allocation district (TAD) bonds and whether the school board properly consented to the inclusion of its property tax increment in the TAD bonds, and thus was admissible in bond validation proceeding, where resolution clarified that it superseded any conflicting provision in an earlier school board resolution related to city tax allocation districts.

City was not required to enact a new or amended local law before exercising its authority to use

school tax funds in a tax allocation district (TAD) to fund redevelopment costs of blighted area, where city had already passed a local law authorizing the city's redevelopment power prior to enactment of statute stating that redevelopment powers could be exercised only if authorized by a local law.

City's redevelopment plan did not violate the Redevelopment Powers Law, although it did not contain a school system impact analysis, where redevelopment plan was adopted and amended prior to statutory amendment requiring such a plan, and Redevelopment Powers Law provided that a school board's pre-amendment consent was ratified and confirmed.

Trial court orders validating municipal bonds and ruling on objections by citizen intervenors in bond validation proceeding contained adequate findings of fact and conclusions of law; trial court's lengthy orders discussed extensive evidence presented during three days of hearings regarding the mechanics of the bond financing structure and included a clear statement of trial court's reasoning.

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