

# The Fiscal Impact of the Proposed City of Sharon Springs on Forsyth County, Georgia



Prepared for:

Forsyth County Board of Commissioners



December 2015

# Table of Contents

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Executive Summary..... 3

Section 1: Introduction ..... 5

Section 2: Impact on Forsyth County Operating Expenses..... 7

Section 3: Impact on Forsyth County Operating Revenues..... 9

Section 4: Net Fiscal Impact..... 13

Section 5: Impact on Forsyth County Capital Revenues ..... 15

Section 6: SPLOST Distribution and Revenue Impact ..... 16



# Executive Summary

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At the request of Forsyth County Board of Commissioners the Center for Economic Development Research (CEDR) at Georgia Tech's Enterprise Innovation Institute (EI<sup>2</sup>) examined the fiscal impact that the proposed City of Sharon Springs would have on Forsyth County. This report answers several key questions posed by the board that have not been addressed by previous studies.

This analysis was done using 2014 financial data (the last year for which complete data is available), and compares what the county actually experienced to what they would have experienced had the City of Sharon Springs existed. Rather than rely on simple ratios of tax digests and population, in most cases revenues and expenses were assigned to their actual geography. In the few cases where this wasn't possible, or in cases where the dollars amounts were relatively small, appropriate ratios were used. Further, the research staff interviewed county employees who are experts in their various service delivery areas in order to get expert knowledge related to potential cost reductions.

The proposal for the City of Sharon Springs includes only three services — solid waste, planning and zoning, and code enforcement. Since the county does not currently offer curb-side solid waste services, and since the existing drop off convenience centers would continue to operate as a county enterprise fund, there is no fiscal impact to the county from the city's provision of solid waste. However, had the City of Sharon Springs existed in 2014, the county would have saved nearly \$770,000 in expenses in both code enforcement and the planning and development departments. These savings are primarily due to the reduction of 13-15 positions with the associated salaries, benefits, and other related expenses.

## **(Section 2)**

With respect to operating revenue, had the City of Sharon Springs existed in 2014, the county would have received \$6.20 million less than it actually collected. The primary revenue losses would have been in alcohol licenses and excise taxes, business licenses and occupation tax, cable franchise fees, planning and zoning permits and fees, and insurance premium taxes. **(Section 3)**

Because the revenue loss is significantly more than the cost savings, the county would have been left with a revenue gap of approximately \$5.4 million. Given the size of the Forsyth County net tax digest, it would have required an additional 0.623 mills to recover that amount of revenue. Given the 2014 millage rate of 4.812 that represents a 12.9 percent tax increase. **(Section 4)**

In addition to the impact on county operations, there is also an impact to the county's capital improvement program. There are several public safety, library, and park projects that are scheduled to be completed over the next 5 years that rely on impact fee revenue — a few of which are actually located within the proposed Sharon Springs area. Given that 35.5 percent of the building permit activity in 2014 was located within the proposed Sharon Springs area, if the city chooses not to collect the county impact fees, the county would see a corresponding drop in impact fee revenue, which would obviously delay the timing of those projects. **(Section 5)**

Finally, while the proposed City of Sharon Springs will not be eligible to share in the county Local Option Sales Tax (LOST) since it will not provide at least three of the qualifying services — water, sewer, garbage, police, fire, or library — it will be eligible to share in the next Special Purpose Local Option Sales Tax (SPLOST) program (SPLOST VIII). Using an econometric model built specifically to forecast Forsyth County SPLOST collections, we forecast that a 5-year SPLOST to begin in July 2019 could generate nearly \$224 million. Assuming the cities and county do not come to an agreement about the allocation of these revenues, the SPLOST distribution would default to the population-based formula. In that case, the City of Sharon Springs would receive approximately \$63 million in SPLOST revenue. Assuming the City of Cumming also received their population-based allocation, the county would collect only \$154 million of the 5-year SPLOST VIII program for capital projects. In addition, we forecast that a 6-year SPLOST program would generate \$274 million. Again, using the population-based distribution, that would result in \$77.3 million to Sharon Springs, \$8.5 million to Cumming, and \$188.5 million to the county for capital projects. **(Section 6)**

## SECTION 1

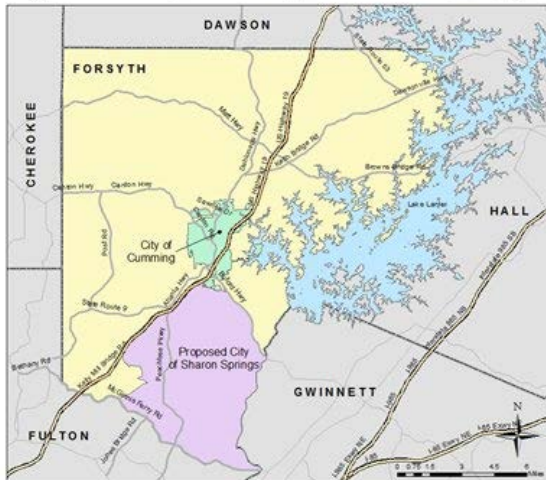
# Introduction

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In March of 2015, State Representative Mike Dudgeon of the 25<sup>th</sup> district introduced House Bill 660 in the Georgia General Assembly. The bill would provide for the incorporation of a significant portion of south Forsyth County into the City of Sharon Springs. By population, the proposed City of Sharon Springs would be the 17<sup>th</sup> largest city in Georgia — falling just behind Valdosta, Smyrna, and Brookhaven — and would be nearly 10 times larger than Cumming, the only other city in Forsyth County and the county seat.

As a share of the county, the proposed city would represent approximately 30 percent of the county population; 36 percent of the gross residential property value; 35 percent of the gross commercial property value; and 18 percent of the gross industrial property value. Combined, the proposed city would represent 34 percent of the total gross property value in Forsyth County. However, by land area, at just over 37 square miles, the proposed city accounts for only 16.5 percent of the land area in Forsyth County (Figure 1). Given the higher share of value versus land area, the proposed city obviously contains some of the highest value property in Forsyth.

**Figure 1: Proposed City of Sharon Springs**



Previously, in February of 2015, the Carl Vinson Institute of Government (CVIOG) at the University of Georgia published *A Study of Fiscal Feasibility for a Proposed City of Sharon Springs*. This report met the requirements of the rules set forth by the House of Representatives Governmental Affairs Committee of the Georgia General Assembly. Specifically, the study was designed to “provide the groups and legislators that have commissioned them an opportunity to investigate the potential fiscal feasibility of an area being considered for municipal incorporation.”<sup>1</sup>

While the CVIOG report answered the questions that it was designed to answer — the fiscal feasibility, or viability, of the new city — there are many important questions that the Georgia General Assembly has not asked regarding the fiscal impact that municipal incorporation will have on the county. For

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<sup>1</sup> *A Study of Fiscal Feasibility for a Proposed City of Sharon Springs*, Carl Vinson Institute of Government, The University of Georgia, February 2015, p. 1.

example, will the county lose revenues that currently fund services that will still need to be provided county-wide? If so, how much of a millage rate increase to ALL county residents will be needed to make up the difference? To what extent will the county be able to reduce service costs due to the creation of the city? How will capital expenditures be impacted if the new city does not collect the county impact fee? These are just a few of the questions that need to be answered in order to get a complete picture of the true fiscal impact of creating a new city. At the request of the Forsyth County Board of Commissioners, these are the questions that this study attempts to answer.

For this study, the revenue and expense estimates in this report are based on the most recent data available — financial reports and documents, tax digests, tax rates, and service levels for 2014. Rather than rely on simple ratios of tax digests and population, in most cases revenues and expenses were assigned to their actual geography. In the few cases where this wasn't possible, or in cases where the dollars amounts were relatively small, appropriate ratios were used. Further, the research staff interviewed county employees who are experts in their various service delivery areas. The final estimates included in this report combine the published data with expert local knowledge, as well as the past experience of the research team in working with local communities across Georgia.

Finally, as with the CVIOG report, this report should not be taken as a position either for or against the establishment of the City of Sharon Springs by the research team, the Enterprise Innovation Institute, or the Georgia Institute of Technology. The purpose of the report is simply to provide additional, critical information to both the public and policy makers about the fiscal impact of the creation of the City of Sharon Springs on Forsyth County and its taxpayers.



## SECTION 2

# Impact on Forsyth County Operating Expenses

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There are several services that can be provided by cities in Georgia — police and/or fire protection, parks, road maintenance, solid waste management, water, sewer, storm-water, utilities (electric and/or gas), planning and zoning, and code enforcement. The proposal for the City of Sharon Springs includes only three of these — solid waste, planning and zoning, and code enforcement. Since the county does not currently offer curb-side solid waste services, and since the existing drop off convenience centers will continue to operate as a county enterprise fund, there is no fiscal impact to the county — positive or negative — associated with this service and the proposed city.

However, the same cannot be said of code enforcement or planning and zoning. With 16.5 percent of the land area in Forsyth County to be located within Sharon Springs, there should clearly be a decline in the amount that the county spends on providing both of these services. With respect to code enforcement, according to information gathered from the Forsyth County Code Enforcement Department, the majority of one code enforcement officer's area, and half of another's are covered by the boundaries of the proposed city. Therefore, we estimate a reduction in costs of approximately \$85,000 including salary, benefits, and various other expenses, e.g., office supplies, forms, cell phones, uniforms, etc. In addition, park rangers are currently assigned to the code enforcement division. Since the proposed city will be taking on all code enforcement responsibilities, the county expects a personnel reduction of two officers that currently patrol seven parks within the proposed city boundaries. Including salary, benefits, and other expenses, we estimate additional cost savings of approximately \$125,000. In total, the proposed City of Sharon Springs should save the county approximately \$210,000 in code enforcement expense. That represents about a 28.8 percent reduction in the amount the county spent on code enforcement in 2014.

The third and final service that is proposed to be offered by the City of Sharon Springs is planning and zoning. Again, with 16.5 percent of the land area in Forsyth County to be located within Sharon Springs, there should be cost savings available to the county since these services will no longer need to be provided by the county in this area. In 2014, approximately one-third of the building permits were located in the proposed Sharon Springs area. Based on information obtained from both the director of the Planning and Community Development Department and the Forsyth County Chief Financial Officer, we estimate that the county could reduce headcount of 4 to 5 inspectors, another 4 to 5 staff in the permits area, and 1 staff position in current planning. Combined, that would result in savings to the

county of just over \$500,000, or about 20 percent of the expense in those areas. This is less than the 35 to 40 percent that is represented by the permit activity, primarily because the county currently enjoys economies of scale that would be lost if such a large portion of the county was no longer covered by these services.

In addition to the traditional planning and zoning role, the business license division is also part of the planning and zoning function in Forsyth County. In 2014, 30 percent of the business licenses issued in Forsyth County were located in the proposed Sharon Springs area. Again, based on information obtained from both the director of the Planning and Community Development Department and the Forsyth County Chief Financial Officer, we estimate that the county could reduce 1 staff position in the business license area for a total savings of just over \$50,000, or about 20 percent of the total expenditures in this area. Again, this is a little less than the 30 percent that is represented by the business license activity, primarily because the staff is relatively small and the reduction of two people would leave the county unable to meet the service demand.

Combined, between the two county services that the proposed City of Sharon Springs, would be taking on — code enforcement and planning and zoning — had the city existed in 2014, we estimate that Forsyth County would have had \$769,384 less in expenses than what they actually experienced that year. If the county chose to continue having park rangers patrol the parks in the proposed Sharon Springs area, the cost reduction drops to \$650,000. However, for this analysis, we will use the \$769,384 number as it represents the maximum level of cost savings that could possibly accrue to the county.



## SECTION 3

# Impact on Forsyth County Operating Revenues

While the creation of Sharon Springs will result in an operating cost savings as a result of the city providing code enforcement as well as planning and zoning services, it will also result in fewer operating revenues to the county. Specifically, there are two county operating funds — General Fund and Insurance Premium Tax Fund — that will be immediately impacted by the creation of the City of Sharon Springs.<sup>2</sup>

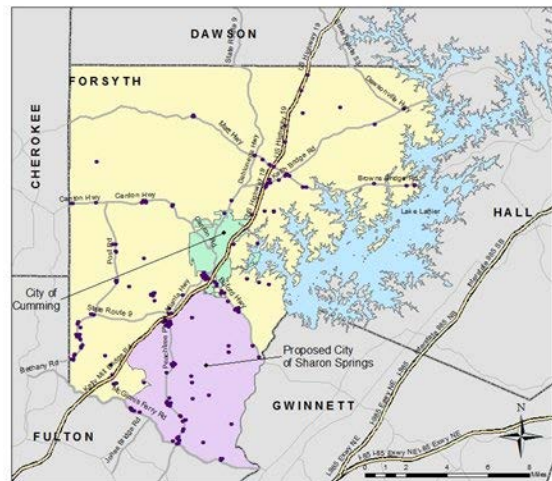
## Impact on Forsyth County General Fund

There are several revenues that accrue to the Forsyth County General Fund that would be re-directed to Sharon Springs, including alcohol licenses and excise taxes, business licenses and occupation taxes, cable franchise fees, building permits, and zoning and variance fees. Below is an analysis of each of these revenues including the anticipated loss to the county as a result of the proposed City of Sharon Springs.

### Alcohol License and Beverage Excise Taxes

In 2014, Forsyth County generated just over \$750,000 from alcohol licenses. The location of these licensees is shown in Figure 2. Slightly over half of this revenue (52.2 percent) was generated by licensees located within the proposed Sharon Springs area. The county also generated \$1.93 million in alcohol excise taxes in 2014. These taxes are paid on malt beverages consumed on the premises, and are also collected by the wholesalers at time of delivery to the retailer based on the types of alcohol being sold, e.g., distilled

Figure 2: 2014 Alcohol Licenses



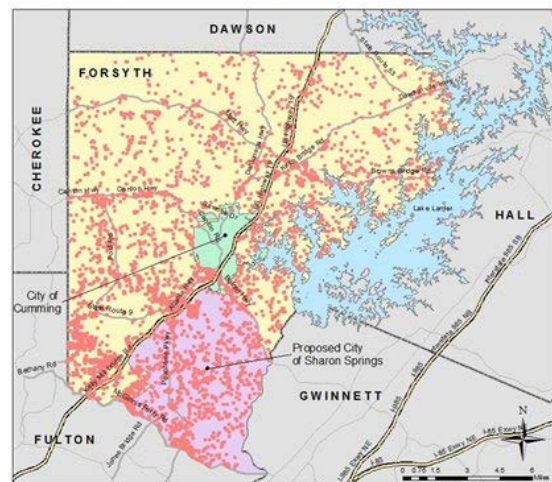
<sup>2</sup> A third operating fund — the Hotel/Motel Tax Fund — may be impacted if the City of Sharon Springs implements a hotel/motel tax. The revenues from this tax must be used for tourism and economic development and are not available as general revenues. As such, these county funds are simply passed on the Cumming-Forsyth Chamber of Commerce for that purpose. If Sharon Springs imposed the tax, any decline in revenue would be exactly offset by a decline in expenses resulting in a net fiscal impact of zero. Presumably, the city would also pass the revenue on to the chamber for promotion of tourism and economic development. If not, there may be political pressure for the county to restore the funding to the chamber, which would obviously have a negative fiscal impact. However, that scenario is beyond the scope of this analysis.

spirits, wine, or malt beverages. Because this portion of the tax is collected by the wholesalers, it is difficult to determine exactly who is paying the tax, and from which geography it is derived. One way to allocate this revenue to Sharon Springs would be to use the same distribution represented by the alcohol licenses — 52.2 percent. Another option would be to use the ratio of the net commercial digest in the proposed Sharon Springs area to that of the net commercial digest in the current unincorporated area of the county — 44.6 percent. While the actual number is likely within the bounds of these two, in an effort to keep our analysis as conservative as possible, we will use the smaller 44.6 percent figure, which results in an alcohol excise tax revenue loss of over \$860,000 to the City of Sharon Springs.

### **Business License & Occupation Taxes**

In 2014 there were more than 5,600 unique businesses purchasing some type of business license from Forsyth County for a total of \$1.55 million in General Fund revenue (Figure 3). Of these, more than 1,600 were located in the proposed Sharon Springs area. Those businesses represented roughly \$460,000 (or 29.5 percent) of the total business license revenue in the Forsyth County General Fund. In addition, the occupation tax (which is the county name for the Financial Services Tax) generates another \$300,000. Again, we applied the ratio of the net commercial digest in the proposed Sharon Springs area to that of the net commercial digest in the current unincorporated area of the county to estimate that nearly \$135,000 of this tax would also be lost to the county.

**Figure 3: 2014 Business Licenses**



### **Franchise Fees - Cable**

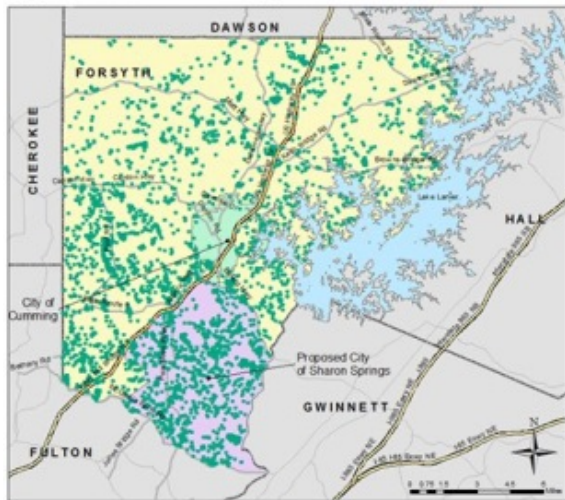
Franchise fees are charged to private utilities by local governments for use of the public right of way. Examples include telephone companies, natural gas providers, electric utilities and cable companies. In Georgia, while municipalities can charge all of these utilities, counties may only charge cable companies. Forsyth County received \$2.22 million in cable franchise fees in 2014. Because these fees are paid by cable subscribers, we used the ratio of the population in the proposed Sharon Springs area to that of the population in the current unincorporated area of the county (29.1 percent) to estimate the amount of

franchise fee revenue that Forsyth County can expect to lose to the City of Sharon Springs — nearly \$645,000.

### **Planning and Zoning**

In 2014, there were more than 5,600 building permits in Forsyth County. Of the building permits, nearly 2,000 (or 35.5 percent) were located in the proposed Sharon Springs area (Figure 4). In total, planning and zoning revenue was nearly \$3.6 million in Forsyth County in 2014 — the bulk of which was from

**Figure 4: 2014 Building Permits**



building permits. Given that 35.5 percent of the building permits were located within the proposed Sharon Springs area, we estimate that about \$1.3 million of associated planning and zoning revenue would not have accrued to the county in 2014 had the City of Sharon Springs existed. We do not have data for the distribution of general permits, so for this analysis, we have distributed that revenue using the building permit ratio. Given that the building permits represent 82 percent of the total revenue in this category, the analysis is not very sensitive to this assumption. The one exception to using this ratio was for revenue

derived from commercial building plan review. In this case, we used the exact ratio of commercial building permits in the proposed Sharon Springs area to those in the entire unincorporated area.

### **Impact on Forsyth County Insurance Premium Tax Fund**

In Georgia, the Insurance Premium Tax is imposed at a rate of 1 percent at the county level. Municipalities are authorized to impose a rate up to 1 percent. The funds are to be utilized for certain specified purposes, e.g., police and/or fire protection, curbs, sidewalks, street lights, etc. If not used for one of the specified services, then they must be used to reduce the millage rate in the unincorporated areas of the county. The tax is remitted to the Georgia Commissioner of Insurance, and then distributed to the municipalities based on a population ratio formula. In Forsyth County, the county puts the insurance premium tax in a separate operating fund (isolated from the general fund) and uses the money for county-wide transportation, specifically the design and engineering of road projects.

In 2014, the county collected \$8.34 million in insurance premium tax. It is assumed that the City of Sharon Springs would impose the 1 percent rate allowed by law. Under this assumption, and based on the expected population of Sharon Springs, had the city existed in 2014, the county would have received \$2.42 million less in insurance premium tax revenue.

## Combined Operating Revenue Impact

The combined impact to Forsyth County operating revenue is presented below in Table 1. The six major revenue categories impacted generated \$18.67 million in 2014. Had the City of Sharon Springs existed in 2014, it is estimated that Forsyth County would have received \$6.20 million less in operating revenues —33.2 percent of the revenue generated by those six categories.

**Table 1: Sharon Spring Impact on County Operating Revenues**

Revenue Category	2014 Final Revenue	Estimated Loss to Sharon Springs	Share of 2014 Final
<b>Alcohol license:</b>	\$752,468	\$393,108	52.2%
<b>Alcohol excise tax:</b>	\$1,933,547	\$861,600	44.6%
<b>Business license &amp; occupation tax:</b>	\$1,856,302	\$593,590	32.0%
<b>Cable franchise fees:</b>	\$2,215,575	\$644,425	29.1%
<b>Planning and zoning:</b>	\$3,578,181	\$1,280,710	35.8%
<b>Insurance premium:</b>	\$8,335,531	\$2,424,484	29.1%
<b>Total:</b>	<b>\$18,671,604</b>	<b>\$6,197,918</b>	<b>33.2%</b>

Totals may not add due to rounding.

## SECTION 4

# Net Fiscal Impact

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With the impact of Sharon Springs estimated for both county operating expenses and revenues, this section provides the net fiscal impacts of the proposed City of Sharon Springs on Forsyth County's operating position. The purpose of the analysis presented in the previous two sections is to determine if Forsyth County can expect a revenue gap or windfall as a result of the City of Sharon Springs, and calculate any resulting millage rate adjustment.

### Net Fiscal Impact on Operating Funds — General and Insurance Premium Tax

As shown in Sections 2 and 3, had the City of Sharon Springs existed in 2014 (the last complete year for which financial statements were available) Forsyth County would have received \$6.20 million less in operating revenue, and had \$769,384 less in operating expenses, resulting in a revenue gap of \$5.43 million. In order for Forsyth County to continue to provide the same level of service to all residents, (adjusting for the services provided by the City of Sharon Springs) the revenue gap would need to be made up, most likely in the form of property taxes. The net Forsyth County maintenance and operating (M&O) property tax digest in 2014 was \$8.7 billion and the general fund M&O millage rate was 4.812. With that level of net tax digest, it would take 0.623 mills to make up the \$5.43 million revenue gap. That would result in a millage rate of 5.435, which represents a 12.9 percent property tax increase for all Forsyth County property owners (Table 2).

**Table 2: Net Fiscal Impact and Millage Rate Adjustment – All Operating Funds**

<b>Estimated loss of operating expenses:</b>	<b>\$769,384</b>
<b>Estimated loss of operating revenues:</b>	<b>\$6,197,918</b>
<b>Revenue gap:</b>	<b>(\$5,428,534)</b>
<b>2014 net M&amp;O tax digest:</b>	<b>\$8,713,334,920</b>
<b>2014 millage rate:</b>	<b>4.812</b>
<b>Additional millage rate needed to cover revenue gap:</b>	<b>0.623</b>
<b>Property tax increase:</b>	<b>12.9%</b>

## Net Fiscal Impact of the General Fund Only

Obviously, a major driver of the net fiscal impact presented above is the fact that the City of Sharon Springs would be eligible for their share of the county insurance premium tax, but has no plans to provide the associated road design and engineering services. If the county continues to provide this service in the Sharon Springs area, it will have significantly less revenue with which to do so. Certainly, the county could choose not provide that service within the city, or the City of Sharon Springs could contract with the County to provide that service in return for remitting their insurance premium tax back to the county. In either of these situations, the revenue gap would be substantially reduced from \$5.43 million to only \$3 million. Again, given the net Forsyth County M&O property tax digest in 2014 it would take 0.345 mills to make up the \$3 million revenue gap. That would result in a millage rate of 5.157, which represents a 7.2 percent property tax increase for all Forsyth County property owners (Table 3).

**Table 3: Net Fiscal Impact and Millage Rate Adjustment – General Fund**

Estimated loss of operating expenses:	\$769,384
Estimated loss of operating revenues:	\$3,773,433
Revenue gap:	(\$3,004,049)
2014 net M&O tax digest:	\$8,713,334,920
2014 millage rate:	4.812
Additional millage rate needed to cover revenue gap:	0.345
Property tax increase:	7.2%

SECTION 5

# Impact on Forsyth County Capital Revenues

Not only will operating revenues be impacted by the proposed City of Sharon Springs, but that part of Forsyth County’s capital improvement program funded by impact fees will also suffer a revenue loss if Sharon Springs chooses to not collect the county’s impact fee. Currently, Forsyth County utilizes impact fees to partially or fully fund public safety, library, parks, and E-911 projects. In 2014, the county collected \$4.35 million in impact fees. The current capital improvement program through 2019 has several planned projects using impact fee funds (Table 4).

**Table 4: Planned Capital Improvement Projects Funded by Impact Fees**

Project	2016	2017	2018	2019	2020	Est. Cost	% Eligible
Fire Station 8 (replacement)	●					\$2,900,000	84.1%
Fire Station 6 (new) *	●					\$2,900,000	100.0%
Fire Station 9 (replacement)		●	●			\$3,460,000	66.9%
Fire Station 15 (replacement)		●				\$3,460,000	63.9%
Fire Station 11 (new)			●			\$2,615,550	100.0%
Fire Station 10 (replacement) *			●			\$3,460,000	63.9%
Fire Station 13 (new)				●	●	\$3,460,000	100.0%
Sharon Forks Library *	●	●	●			\$5,919,646	53.0%
Matt Community Park	●	●	●	●	●	\$12,000,000	67.1%
Lanierland Park	●	●	●	●	●	\$21,000,000	81.2%
Redundant Fiber upgrade	●					\$60,000	100.0%

\* Project located with the proposed Sharon Springs area.

Given that 35.5 percent of the building permits in 2014 were issued in the proposed Sharon Springs area, it can reasonably be assumed that impact fee revenue would have been roughly 35.5 percent lower if Sharon Springs chose not to collect the county’s impact fees. A revenue reduction of 35.5 percent would mean roughly \$1.5 million less annually in impact fee revenue, which would obviously have an impact on the timing of these projects.



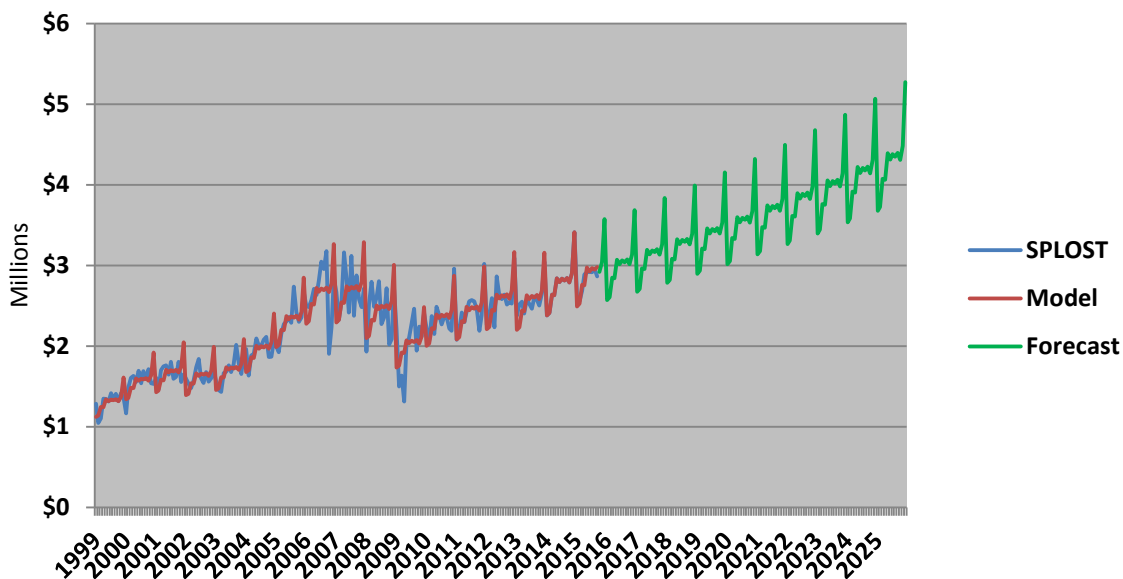
## SECTION 6

# SPLOST Distribution and Revenue Impact

Forsyth County currently collects both a Local Option Sales Tax (LOST) as well as a Special Purpose Local Option Sales Tax (SPLOST). The LOST is used for operating expenses and is shared with the City of Cumming based on an intergovernmental agreement. By law, the SPLOST can only be used for capital expenditures. The first \$100 million of the current SPLOST program (SPLOST VII) is dedicated to a new courthouse and jail expansion. After the initial \$100 million is collected, the balance will be spent on libraries, an animal shelter, public safety improvements, roads, streets, bridges, and sidewalks, with \$12.38 million to be shared with the City of Cumming.

The proposed City of Sharon Springs will not be eligible to share in the county LOST since it will not provide at least three of the qualifying services — water, sewer, garbage, police, fire, or library. However, it will be eligible to share in the next SPLOST program (SPLOST VIII). Based on the population projections in the county’s comprehensive plan, we forecast that a 5-year SPLOST to begin in July 2019 could generate \$224 million, and a 6-year SPLOST could generate \$274 million (Figure 5).<sup>3</sup>

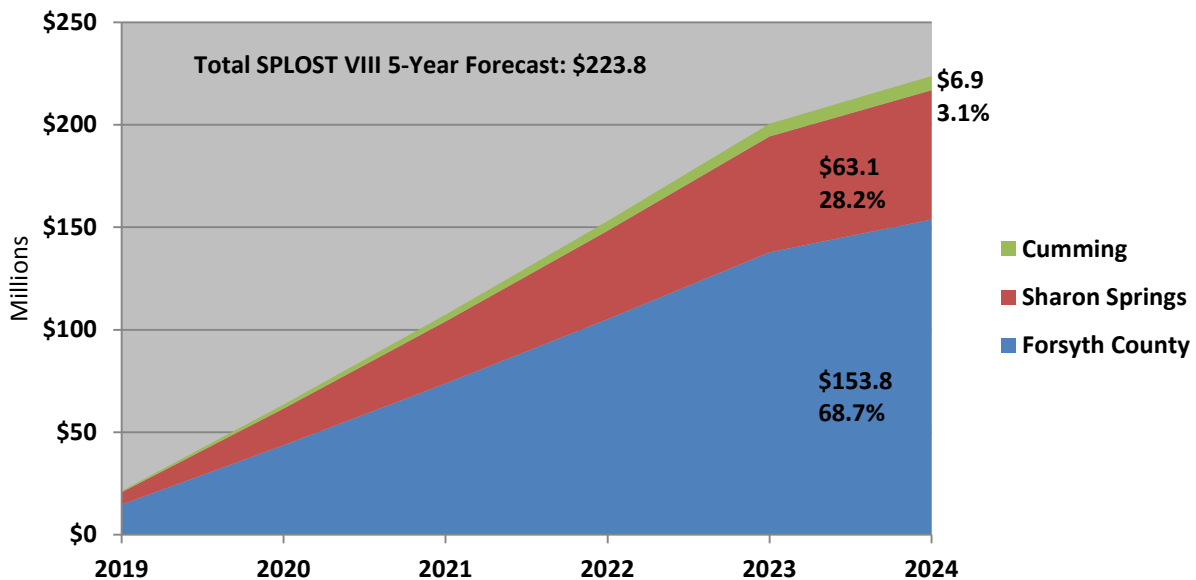
**Figure 5: Forsyth County SPLOST - History, Model, and Forecast**



<sup>3</sup> The dynamic regression model used 16 years of Forsyth County SPLOST revenues, the population of Forsyth County, and explanatory variables for economic performance. The model explained 90 percent of the variation in SPLOST collections and had a mean absolute percent error of 4.32 percent.

If the county and the cities did not come to an agreement about the allocation of these revenues, the SPLOST distribution would default to the population-based formula. Without any additional information, that is the distribution we will utilize here. Based on the current population distribution, in the case of a 5-year SPLOST (2019 to 2024), the City of Sharon Springs would receive approximately \$63 million in SPLOST revenue. Assuming the City of Cumming also received their population-based allocation, the county would collect only \$154 million of the initial \$224 million for capital projects (Figure 6).

**Figure 6: SPLOST VIII Potential Distribution - 5-Year Program**



As previously mentioned, a 6-year program could generate \$274 million. Once again, if the county and the cities did not come to an agreement about the allocation of these revenues, the SPLOST distribution would default to the population-based formula. Based on the current population distribution, in the case of a 6-year SPLOST (2019 to 2025), the City of Sharon Springs would receive approximately \$77 million in SPLOST revenue. Assuming the City of Cumming also received their population-based allocation, they would receive \$8.5 million and the county would collect \$188.5 million of the \$274 million total for capital projects (Figure 7).

It is important to once again point out that SPLOST revenue can only be used for capital expenditures, i.e., they cannot be used to fund any government operations. Given the very limited set of services

anticipated for the City of Sharon Springs, it is hard to imagine \$77 million in capital needs, unless the proposed city maintains the transportation infrastructure located within the city boundaries.

**Figure 7: SPLOST VIII Potential Distribution - 6-Year Program**

