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CITY OF STATESBORO  
WORK SESSION MINUTES  
JANUARY 28, 2025

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Mayor & Council Work Session

50 East Main Street

3:30 PM

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A Work Session of the Statesboro City Council was held on January 28, 2025, at 3:30 p.m. in the Council Chambers at City Hall, 50 East Main Street. This meeting was rescheduled from January 21, 2025, due to inclement weather. Present were Mayor Jonathan McCollar, and Council Members: Tangie Johnson, Paulette Chavers, and Shari Barr. Also present were City Clerk Leah Harden, City Attorney Cain Smith, City Manager Charles Penny, Assistant City Manager Jason Boyles, and Public Affairs Manager Layne Phillips. Absent was Councilmembers Ginny Hendley and John Riggs.

### **1. Business License Revocation**

City Attorney Cain Smith spoke to the Mayor and Council about business license revocation. The revocation hearing is going to be on the next agenda for the February 4<sup>th</sup> meeting. The establishment in question currently has a massage parlor license and without getting into what happened we are moving to revoke or suspend their license in accordance with Code Section 18-141 and sec. 18-143, which states that any license issued for a massage establishment may be revoked or suspended by the city after notice and a hearing upon finding any of the provisions of this article are violated and where any employee of the licensee, including a massagist, is engaged in any conduct which violates any of the states or local laws or ordinances at the licensee's place of business and the licensee has actual or constructive knowledge by due diligence of those activities. Written notice must be given no less than 10 days prior to a regular or called meeting of the Mayor and Council. This will come before Mayor and Council on the morning of February 4<sup>th</sup> we will have evidence, and the licensee will have an opportunity to speak.

### **2. Bryant Landing Presentation**

Bill Gross gave an update on the Bryant's Landing project to the Mayor and Council. In Phase 1, five of the six buildings are complete. The last one is scheduled for this week. There are over 300 people on the waiting list. The leasing office will be opening on February 10<sup>th</sup>, to start taking those reservations and turning them into leases. We anticipate at the end of the month in February people will start moving in. The timeline for construction to completion was a little over a year. Phase II will be starting mid-year, it's going to be 50 units. There is enough land to do a third phase if the city would allow. The good thing is the infrastructure is already there. Mr. Gross stated he would love to have the city come out for a tour.

### **3. HB 581 Presentation**

Robert Fisher, Deputy Chief Appraiser with the Bulloch County Board of Tax Assessors presented new legislation HB581/ HB808 to Mayor and Council. HB 581 is contingent upon the passage of the constitutional amendment from HR 1022 on November 5, 2024 which allows local governments the ability to opt out of the

floating homestead exemption. Majority is required for passage, if the constitutional amendment fails, all of HB 581 is repealed, if the constitutional amendment passes, then the bill takes effect January 1, 2025. HB 581 implements a statewide floating homestead exemption for all local governments; counties, cities, and school boards. A floating homestead is a special type of homestead exemption designed to offset or reduce increases in taxable value to the property. It is also referred to as a base-year or value offset exemption. Freezes are a type of floating homestead exemption, but do not have an annual inflationary adjustment. The floating homestead exemptions works by increasing the value of the exemption to offset inflation, the base year value is adjusted and will increase by a rate of inflation determined by the State Revenue Commissioner. For homes first receiving this exemption in the taxable year 2025, the base year assessed value will be the 2024 assessed value, for homes first receiving the exemption in later years, the base year assessed value will be the assessed value for the immediately preceding year. Similar to the other homestead exemptions, the value will be reset when the home is sold and is adjusted with the “substantial property change.” Homeowners cannot transfer exemption to new property.

The effect of HB 581’s homestead exemption is the taxable value of a home may only increase at a rate of inflation each year, essentially controlling this will control how much the “value” of a home can increase annually. Homeowners already granted a homestead will receive this exemption automatically, a non-homesteaded property (commercial) will continue to be valued at fair market. This new floating homestead exemption is in addition to and not in lieu of all non-floating homestead exemptions. This will not repeal/replace existing homestead exemptions. If there is an existing local floating homestead exemption, the taxpayer will receive whichever of the two exemptions is more beneficial. Existing local exemptions, such as the \$2,000 of assessed value, are added after the floating homestead exemption is calculated.

Any local governing authority may elect to opt out of the floating homestead exemption created by HB 581 by following a procedure like the “public notification of tax increase” when a full rollback is not taken. The local government must advertise and conduct three public hearings of intent to opt out and later adopt a resolution. The resolution must be filed with the Secretary of State by March 1, 2025 and if procedures are not met, opt out is not effective. The decision to opt out is independent among local governments, a county, the cities, and the school board may each decide whether to opt out. This may result in homes having different taxable values. The decision to opt out or stay in is permanent, no action is needed by the local government to have the homestead exemption apply if it is approved in November, once the opt out period has passed, currently there is no future method to opt out. If a local government opts out, there is no future method to opt in to the HB581 exemption.

HB 581 Part 2, sales tax revisions and FLOST. HB 581 makes two major changes to local sales tax, it revises the provisions of O.C.G.A. 48-8-6 which limits the percentage of local sales tax a jurisdiction may levy and creates new local option sales tax contingent upon jurisdictions having a base year value homestead exemption. The legislation revises the existing two percent local sales tax cap; exemptions now include ESPLOST. Up to one percent of the transportation sales taxes.

The new sales Tax may be levied in 0.05 percent increments up to one percent. To be eligible to levy the tax, both the county and all cities within the county that levy a property tax must have in effect a floating homestead exemption, it does not matter if the school boards opt in or out since they are ineligible to share in the proceeds of the tax. The new sales tax is implemented by the county and city/cities representing at least fifty percent of the municipal population of the cities that levy a property tax must enter into an intergovernmental agreement calling for the tax. The IGA shall specify the rate, duration (not to exceed five years), and the distribution between the county and cities. It will also set the ballot question. Following the adoption of the IGA, the tax must be approved through local referendum, approval by the voters will be required to levy the sales tax. The IGA must also specify a portion of the proceeds that the cities not on the IGA will receive. It must not be less than the proportion the absent municipality’s population bears to the total population of all cities within the county that levy a property tax. Modelled after LOST absent municipality provisions.

Taxes can run up to 5 years, prior to the expiration, a renewal requires a passage of a local act calling for the reimposition of the tax, a new IGA between the county and eligible number of cities and a new referendum to approve the tax by the voters.

Funds must be used exclusively for property tax relief, each taxpayers property tax bill shall state the amount by which property tax has been reduced because of the imposition of this tax, the roll-back rate shall be reduced annually by the millage equivalent of the net proceeds of this new tax received by the political subdivision during the prior taxable year.

HB 581 part 3 procedural property tax changes, created an “estimated roll-back rate” which is certified to the tax commissioner/collector by the local governments. The estimated roll-back rate is required to be included on the assessment notice, replacing the previous year’s millage rate. It was designed to attempt to allow local government to give more accurate estimate of what tax liability will be. This gives the local governments. If the adopted millage rate exceeds the estimated roll-back rate, then a disclaimer is included on the tax bill stating the name of the governing authority that exceeded the estimated roll-back rate and that his will result in an increase of taxes owed.

Robert Fisher concluded his presentation by stating as with any other local government choice, this is a policy decision with pros and cons to be considered. The floating homestead exemption rewards homeowners, especially those that reside in the community for a long period of time after this legislation takes effect. Taxes do not disappear- they only shift: in this instance, the taxes are shifting from homestead properties to all other property types (commercial, agricultural, industrial, and residential non-homestead).

#### **4. Fire Service Study Presentation**

Fire Chief Grams spoke to Mayor and Council about the fire service fee. A fire service fee can be utilized to fund the cost of fire protection services. Multiple cities and counties within Georgia have implemented some version of a fire service fee sometimes known as a fire protection fee. Even if a property doesn’t generate a call for fire service, the property and its occupants still receive benefits from the availability of fire services. Utilizing a fee for fire services is a more equitable way to fund fire services since a fee would apply to all users of the services, including tax exempt properties. Stable funding source that does not fluctuate with the market volatility, allows general fund revenues previously spent on fire services to be reallocated and/or may allow for a millage rollback, and supports long term financial planning and debt service for operational and capital expenditures. Staff recommends using a consultant to explore the feasibility of implementing a fire service fee.

#### **5. Zoning Ordinance Amendment Presentation**

Planning director Kathy Fields went over the unified development code updates with Mayor and Council. The following sections of the UDC are being amended to better reflect the needs observed in the City throughout the first year of implementation. Table 2.2.9-B MX Dimensional Standards, this amendment will add to table note # 2. Specifically, amenity space requirements will only apply to residential uses and eating establishments. Section 2.2.12(F1) Mixed Use Concurrency, this amendment will amend the requirement for mixed use developments exceeding 100 acres in size for planned unit developments. At this time, the requirement is 20% commercial or residential component to all developments. This will reduce that requirement to 10% with developments exceeding 100 acres. Table 2.2.9- B: MX Dimensional Standards, this amendment will alter the front yard setback requirement for development allowing a 25 foot maximum front yard setback instead of the listed 10 foot. This will also amend the language found in Table 2.2.3-A, deleting “Maximum Front Yard Setback of 10 feet” from the table. Section 2.4.12-H (4) Townhouse Building Standards, an amendment will change right-of-way to external roadway, which will require all buildings to share architectural features in the front and rear façade of each building if they are facing any roadways, whether it be a public or private road. Section 4.2.5(A): Adoption of GSMM, amending the language to alter the implementation of the Georgia Stormwater Management Manual (GSMM) and changing the language from “The City Shall” to “The City May,” Section 5.2.4: Townhome Definition, Townhomes are distinguished from multifamily units by adherence to all sections of Article 2.4.12 and require individual permitting per unit and not for the building.

Section 5.21.A : Amenity Definition, this amendment updates the language related to amenity space allowances for developments. The proposed language removes passive amenity spaces such as community lawns and wooded areas. Section 5.2.4 (6)

Creation or Deletion of Regulations, the following items represent new regulations outright, or the removal of regulations that are no longer necessary. Creation of New Section 2.5.9 (E3) creating new language to provide for enhanced fire protection in all multifamily and townhome units. This amendment will require the use of residential fire sprinklers on all new construction multifamily buildings and townhomes greater than two units, unless already under construction via a building permit. New Section 3.4.1. (B3) XV, creating new language to add a requirement for the submission of subdivision PLATS. The approximate location and square footage of any proposed signage, to include the base of the signage and appropriate setbacks as determined by the sign district of the property. Creation of Landfill Definition Section 5.2.12, this amendment will create a definition to create a distinction between the types of landfills in the Ordinance. Section 5.2.4 (6) Tiny Home Definition, this amendment creates language related to tiny homes and provides some regulatory guidance. Deletion of Sections 54.1 & 54.2, this amendment will remove the entirety of Chapter 54 in the Code of Ordinances, which previously regulated Manufactured Homes and Trailers.

Scrivener's Errors, the following are clerical errors, or unintentional mistakes, that occurs when writing or copying down information from the prior ordinance. Table 2.3.3.-A Comprehensive Standards, this amendment corrects the height listed for multifamily development to 75 ft, where it was incorrectly listed as 35ft. Table 2.2.7 – B MX Use Permissions, this amendment corrects removal of automotive services from the ordinance as a special use and it amends table 2.3.2.-A and corrects the specifications for this item.

## **6. RISE Presentation**

Anna Chafin, the president and CEO of the RISE presented a workforce study with Mayor and Council. Wadley Donovan Gutshaw Consulting out of New Jersey was hired to do a workforce study. They were asked to identify two things, labor supply challenges facing existing employers and initiatives that will minimize the exposure to existing and future labor supply shortfalls. The study area covers a one hour commute with the starting point being the Hyundai Meta plant. For a good manufacturing job people will travel up to about an hour. The four JDA counties outlined are Bryan, Bulloch, Chatham, and Effingham. However the one hour drive time is much bigger than the 4 outlined counties.

The scope of the study included 3 tasks, market analysis, immediate needs and challenges, and the key deliverable strategic workforce plan. This was a robust study with a lot of data, the five key takeaways: competitive pay and enhancing employer retention, future demand will vary annually, but top needs will continue to be technical and production roles, workforce development initiatives must work to draw more high school graduates into industries, including manufacturing, available labor from annual military departures is underutilized and The Savannah region has a number of workforce strengths and several challenges. In December 2024 the Savannah Economic Development Authority said they would fund RISE year 1 and our team started on regional workforce development. Our service delivery area are 8 counties, Bryan, Bulloch, Candler, Chatham, Effingham, Evans, Liberty, and Screven counties. These counties are at the heart of that 1 hour commute. As of January 1, 2025 all 8 counties through the development authorities are funding RISE and in return they have board seats on our 501C6 board that is currently under development. In Bulloch County's 501C6 board members are Dr. Kyle Marrero and Paul Roesel. The workforce development plan working groups, military, underrepresented, housing, education, transportation, childcare, and marketing. I wanted to give a snapshot of what we are doing with RISE and how we are here to help Bulloch County and the other 7 counties in our region.