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Sam Evans
Ron McFarland
Montie Robinson, Sr.
Todd Wilson



CITY MANAGER
Stan Brown

CITY CLERK
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Oakwood votes to raise taxes by 50 percent

Oakwood residents and homeowners will see their property tax rate jump by 50 percent.

City Council voted unanimously Monday night to increase the rate to 4 mills from 2.658, a move officials have said is needed to cover the city's debt and ongoing maintenance needs.

One mill equals \$1 for each \$1,000 in assessed property value, with property assessed at 40 percent. Taxes on a home with a \$100,000 value would increase by \$53.68.

The new rate, which comes up for the council's final OK at 4 p.m. next Monday, would help support the South Hall city's yet-to-be-adopted 2015 budget, which takes effect Jan. 1. Tax bills will go out Nov. 1, with taxes due Jan. 1.

Oakwood resident Charles James was the only resident to address the council during a public hearing before the vote. He questioned expenses on Thurmon Tanner Parkway, a four-lane road that opened a couple of years ago, and what would happen if bills couldn't be paid.

When council members said the city could default on its loan, James said, "I'm pretty sure they'd give you an extension."

Council members talked about the need for the tax increase, following up on earlier comments by City Manager Stan Brown about more revenue needed to pay debts and otherwise take care of obligations.

"This is not something we're proud of," Mayor Lamar Scroggs said. "This is not something I'm proud of. I pay taxes like everybody else."

Councilman Sam Evans said before the vote, "Hopefully, the public will appreciate if we do have to go ahead and try to keep our city as solvent as possible.

"Hopefully, there won't be any hard feelings one way or another."

Bogging down the city is a combination of land purchases as part of long-range plan for the city, buying right-of-way for Thurmon Tanner and getting less-than-expected revenues from the local option sales tax it shares with Hall County and other local governments.

Plus, officials aren't planning for any revenues from the special purpose local option sales tax beyond its expiration next year. In the past, the city has relied on SPLOST money to repave streets.

The \$3.5 million debt on Thurmon Tanner is "the big issue," Brown said.

The project called for running a parkway parallel to Interstate 985 between Flowery Branch and Oakwood. On the final, federally funded link, the U.S. government required that Oakwood pick up the tab for right of way, which totaled \$8.5 million, he said

The city got some money from Hall County as part of right of way that wasn't in the city. But otherwise, it had to dip into reserves and go into debt for the rest.

Another chunk of debt comes from \$2 million in the city's purchase of 30 acres to kick-start its ambitious 2030 plan to create a multiuse downtown area.

The city also spent \$1.7 million for a 32-acre industrial park on W. White Road near I-985. That debt will be paid off in July.

Oakwood has about 6 acres it owns off Thurmon Tanner, as well.

The hope is to sell land, perhaps triggering economic development of some kind, and use proceeds to pay off debts from other land purchases in a sort of "snowball effect."

"As the debt comes down, what I'm recommending to council is that we adjust the (tax) rate accordingly," Brown has said. "And the land will sell. We didn't buy land to sit here and hold it. The idea was to do it for economic development purposes."

The tax increase has drawn some criticism from residents and business owners, who particularly have said the city should have phased in tax increases rather than move on such a hefty hike at one time.

Scroggs disputed that charge Monday night.

"We were in the middle of a recession and I absolutely could not see raising the millage rate back when it was as bad as it was on the citizens," he said.

The mayor also envisioned someday scaling back the rate.

"I'm in serious hopes that we can go along and ... when we pay our debts and begin building some reserves, we can start cutting that millage rate down."