



FOR IMMEDIATE RELEASE

Brookhaven developing financing mechanism for Peachtree Creek Greenway

Brookhaven, GA, Feb. 15, 2017 – The City of Brookhaven is requesting the DeKalb Legislative Delegation to seek Legislative approval of a local act authorizing the City to increase its hotel/motel tax rate from 5 percent to 8 percent for the purpose of funding the construction of the Peachtree Creek Greenway. State law authorizes the hotel/motel tax to be collected on charges made for “rooms, lodging or accommodations furnished by hotels, motels, inns, lodges, tourist camps or campgrounds”.

State law allows local governments to increase their hotel/motel tax rate up to 8 percent with the approval of the Georgia Legislature. The hotel/motel tax in unincorporated DeKalb County is already at 8 percent and the cities of Chamblee and Doraville recently approved a resolution last month seeking to increase its rate to 8 percent.

According to state law, the additional 3 percent tax levied would be required to be split 50/50, with half being expended for promoting tourism, conventions and trade shows by the destination marketing organization designated by the municipality levying the tax, and the other half expended by the City for “tourism product development.”

Brookhaven City Manager Christian Sigman noted at the Feb. 15 City Council meeting that the hotel/motel tax is a “logical funding source” for the Peachtree Creek Greenway project. According to Sigman, the tax is paid by non-City residents and once complete, the Peachtree Creek Greenway will connect to the Atlanta Beltline and Path400 for a regional “tourism product”.

It is estimated the annual amount available for construction of the Peachtree Creek Greenway from an increase in the hotel/motel tax rate to 8 percent will be about \$650,000. Sigman cautioned that this funding stream would not cover the entire cost of the 2.8-mile Peachtree Creek Greenway project, but would complete key segments between North Druid Hills Road and Briarwood Road.

Betsy Eggers, Chair of the Peachtree Creek Greenway Board of Directors, spoke at the meeting in support the proposal to ensure the vision of the Greenway is achieved.

“Increasing the hotel-motel fee is a perfect way to fund the Peachtree Creek Greenway,” Eggers said. “So many of the hotels that serve our Brookhaven community are very near to the

Greenway. It will be a win-win for both residents and the visitors who are staying in our city to have a nearby place to walk, run or bike. Linear parks with multiuse trails have been shown to be financially self-sustaining through their return-on-investment, year over year.”

Currently, the hotel/motel 5 percent tax collected by the City of Brookhaven is allocated per state law 60/40 with Discover DeKalb for promotional marketing of events in and around Brookhaven. The additional revenue from increasing the tax rate to 8 percent would be split 50/50 per state law with Discover DeKalb and the City. Brookhaven’s request to increase the hotel/motel tax to match the DeKalb County rate is consistent with other efforts of cities across the county.

Brookhaven’s 2017 budget estimates hotel/motel tax revenue at \$2.2 million. Under the existing arrangement, 60 percent of that revenue – or \$1,320,000 – goes to the City’s General Fund; and 40% – or \$880,000 – goes to Discover DeKalb.

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Media Contact:

Ann Marie Quill

404-637-0508

news@brookhavenga.gov