

Atlanta Urban League
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FACTS

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If You Live in the City of Atlanta

VOTE

on the

CITY OF ATLANTA BOND ISSUE

WEDNESDAY, JULY 14, 1954

WE PRESENT THE FACTS

The League has taken no stand on the proposed bond issue, since it is not on the annual Program. It is our custom, however, when issues of widespread community interest arise, to present the facts to the public. We give herein the facts on the bond election, urge that you read them carefully, then go to the polls and VOTE as you see fit. You are eligible to vote if you live inside the City of Atlanta.

A simple majority of those voting is required to carry the election FOR the Bond Issue.

What is the amount of the proposed City of Atlanta Bond Issue?

\$10,000,000.

What is a bond issue?

Under the Georgia Constitution, the City of Atlanta is empowered to issue long-term, interest-bearing bonds up to the amount of 7 percent of the tax digest to finance projects which cannot be paid for from current operating funds. These bonds will bear an interest rate of two and a half percent, and the interest and principal will be paid from a special bond tax. The city is required to set aside enough money for debt service before any other expenditures can be made. The present bond tax is three mills.

Why was this bond issue set at \$10,000,000?

Although this bond issue will not bring the bonded indebtedness of Atlanta to the legal limit, it is the maximum amount which can be borrowed without raising the bond tax. It is admittedly an interim bond issue. City officials hope that the tax reappraisal now in progress will increase the tax digest enough so that a further bond issue can be floated without raising taxes.

How can this bond issue be financed without an increase in taxes?

The present 3 mill bond tax produces enough revenue to pay the interest on these bonds in addition to financing bonds already issued. By 1961 enough old bonds will have been retired to make possible payment on the principal of the new bonds. The entire issue will be retired by 1979.

For what will this \$10,000,000 be spent?

1. \$5,000,000 for School Bonds to construct and equip new school buildings and to repair, add to and equip existing buildings.
2. \$2,000,000 for Sewer Bonds to extend and improve the City's sewer and disposal systems and to establish a revolving fund to finance installation of sewers until assessments against individual property owners are collected.

3. \$2,000,000 for Street Bonds. The specific projects are not named in the Bond Ordinance, but a resolution was passed by the Board of Aldermen naming the following projects: (1) Widening of Mitchell Street westward from Terminal Station; (2) creation of a new highway along Westview Drive, S.W.; (3) extension and widening of Tenth Street, N.E., and (4) the Moreland Avenue underpass.

4. \$1,000,000 Municipal Building Bonds for repairing and modernizing existing municipal buildings and construction of a building to house the Municipal Court and to acquire property for city use.

What requests for bond money were not included in the present issue?

The schools asked for \$13,000,000 instead of \$5,000,000. The Water Works, to which no allocation was made, need \$10,000,000 for expansion, but at present revenue certificates, retired from the revenue of the Water Department, will be used for this purpose. If all requests, such as those of the Airport, Auditorium, Jail, etc. had been met, a bond issue exceeding the legal limit would have been necessary.

How and by whom is the decision made as to what requests are granted?

The Finance Committee of the Board of Aldermen considers requests and recommends a Bond Ordinance for adoption by the Board of Aldermen. They attempt to prepare a balanced program in keeping with the ability of the city to pay.

Will \$5,000,000 meet the need of the schools?

According to the Metropolitan Planning Commission report of November, 1952, the estimated classroom needs of the City Schools will be by September, 1955, 720 new classrooms in addition to building now going on. In requesting \$13,000,000 the Board of Education asked for funds to build only 452 new classrooms. From \$5,000,000 they estimate they can build only 197 new classrooms; spend \$95,000 to equip Price High School which will be ready for occupancy in September, 1954; allocate \$198,671 for restoration of items eliminated from the plans of schools now being constructed with funds from the State School Building Authority. Existing buildings also need alterations in order to meet the provisions of the fire code.

On what basis will the school funds be allocated?

The Board of Education, on May 10, listed those areas where the need at present seems most critical. Their main concern was the elimination of double sessions and holding classes in other than school buildings. At present the need seems to be for: 17 classrooms in the Perkerson-Lakewood-Cleveland area; 39 in the Southwest area; 17 in the R. L. Hope-Marion Smith area; 16 in the Anderson Park area; a school to replace the portable, substandard Hapeville School; 11 classrooms in the Herndon School area; additional rooms in the South Atlanta community; 6 rooms in the Thomasville community; 74 in the Sweat Road region; 6 in the Wesley community.

Because of population shifts, residential construction, and other factors it is difficult to make specific allocations of the \$5,000,000 at this time.

Will Expressways be financed from this bond issue?

No. The expressway program will for the present be financed from the 1952 bond funds which are being used to acquire right-of-way. Construction costs are being met by State and Federal funds as they become available.

Must the bond issue be voted on as a whole?

No. By terms of the ordinance, the voter can cast his ballot for or against each of the four separate allocations.

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