

INTERGOVERNMENTAL SALES TAX AGREEMENT

This **INTERGOVERNMENTAL SALES TAX AGREEMENT** (this “Contract”), made and entered into as of June __, 2017, by and among Cherokee County, Georgia (the “County”), a political subdivision of the State of Georgia, and the City of Ball Ground (“Ball Ground”), the City of Canton (“Canton”), Holly Springs, Georgia (“Holly Springs”), the City of Mountain Park (“Mountain Park”), the City of Nelson (“Nelson”), the City of Waleska (“Waleska”), and the City of Woodstock, Georgia (“Woodstock”), each a municipal corporation duly created and existing under the laws of the State of Georgia;

WITNESSETH:

WHEREAS, the County and Ball Ground, Canton, Holly Springs, Mountain Park, Nelson, Waleska, and Woodstock (each a “City” and collectively the “Cities”) deem it to be in the best interest of the special district of Cherokee County created by Section 48-8-110.1(a) of the Official Code of Georgia Annotated (the “Special District”) to improve public services in the Special District by carrying out the hereinafter described capital outlay projects, and the most feasible plan for providing funds to pay the costs of such capital outlay projects is to reimpose a special one percent sales and use tax (the “Sales Tax”), upon the termination of the special one percent sales and use tax presently in effect, pursuant to Part 1 of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated (the “Sales Tax Law”); and

WHEREAS, the Sales Tax Law allows the proceeds of the Sales Tax to be distributed pursuant to the terms of a contract entered into pursuant to Article IX, Section III, Paragraph I of the Constitution of the State of Georgia between the County and one or more “qualified municipalities” (as defined in the Sales Tax Law) located within the Special District containing a combined total of no less than 50 percent of the aggregate municipal population located within the Special District; and

WHEREAS, the County and the Cities desire to enter into this Contract to meet the provisions of Section 48-8-115(b) (1) of the Official Code of Georgia Annotated;

NOW, THEREFORE, for and in consideration of the respective representations and agreements hereinafter contained and in furtherance of the mutual public purposes hereby sought to be achieved, the County and the Cities do hereby agree as follows:

Section 1. Representations of the County. The County makes the following representations as the basis for the undertakings on its part herein contained:

(a) The County delivered or mailed on March 20, 2017 a written notice to the mayors of the Cities, of a meeting that was held at the County’s offices on March 30, 2017, at which the governing authorities of the County and of such municipalities met to discuss the possible projects for inclusion in the Sales Tax, including municipally owned or operated projects.

(b) The County is permitted by Article IX, Section III, Paragraph I of the Constitution of the State of Georgia to contract for any period not exceeding fifty years with the Cities for joint services, for the provision of services, or for the joint or separate use of facilities or equipment.

(c) The County has the power to enter into this Contract and to perform all obligations contained herein, and has, by proper action, duly authorized the execution and delivery of this Contract.

(d) The County is a political subdivision duly created and organized under the Constitution of the State of Georgia.

Section 2. Representations of each City. Each City makes the following representations as the basis for the undertakings on its part herein contained:

(a) It is a “qualified municipality” within the meaning of the Sales Tax Law.

(b) The Cities contain a combined total of no less than 50 percent of the aggregate municipal population located within the Special District.

(b) Each City is located entirely or partially within the geographic boundaries of the Special Tax District to be created.

(c) It is permitted by Article IX, Section III, Paragraph I of the Constitution of the State of Georgia to contract for any period not exceeding fifty years with the County for joint services, for the provision of services, or for the joint or separate use of facilities or equipment.

(d) It has the power to enter into this Contract and to perform all obligations contained herein, and has, by proper action, been duly authorized to execute and deliver this Contract.

(e) Each City is located entirely or partially within the geographic boundaries of the Special District.

Section 3. Term. The term of this Contract shall commence with the execution and delivery hereof and shall extend until the termination of the Sales Tax or the failure of the Sales Tax to achieve voter approval.

Section 4. Capital Outlay Projects. The County shall call a referendum to be held in all voting precincts in the Special District on _____, 20__ on whether to reimpose the Sales Tax for the raising of approximately \$252,961,892 to fund the following capital outlay projects in the following estimated amounts:

(a) Projects to be owned or operated or both by the County:

- (1) Jail Expansion and Improvements - \$23,000,000
- (2) Transportation Facilities, Equipment, Improvements, and Airport Facilities & Expansion- \$95,000,000,
- (3) Parks and Recreation Facilities, Equipment and Improvements - \$2,800,000,
- (4) Court Facilities, Equipment, Improvements and Expansion - \$17,500,000,
- (5) Business & Economic Development land acquisition, infrastructure, facilities, and debt service - \$8,000,000,
- (6) Fire & Emergency Services Facilities, Vehicles and Equipment- \$21,140,000
- (7) Animal Control and County Marshal Vehicles and Equipment - \$1,000,000
- (8) Emergency Communications Center and Communications System Improvements - \$9,606,500; and
- (9) Law Enforcement Vehicles and Equipment - \$4,000,000;

Total Estimated: \$160,973,324

(b) Projects to be owned or operated or both by Ball Ground:

- (1) Law Enforcement Facilities, Vehicles and Equipment -
- (2) Community Center -
- (3) Emergency Communications System Improvements –
- (4) Park and Recreation Facilities –
- (5) Transportation Facilities and improvements -
- (6) Fire Facilities, Vehicles and Equipment -
- (7) City Hall Debt Service -
- (8) Water/Sewer System Improvements -

Total Estimated: \$2,966,508

(c) Projects to be owned or operated or both by Canton:

- (1) Transportation Facilities (streets, drainage, sidewalks, parking facilities, utility relocation, etc.), Equipment and Improvements - \$7,113,045
- (2) Parks and Recreation Facilities and Equipment - \$6,000,000
- (3) Emergency Communications System Equipment and Improvements - \$1,500,000
- (4) General Government Buildings and Equipment– \$7,000,000
- (5) Economic Development (property acquisition, equipment, facility improvements) – \$3,000,000
- (6) Debt service for such projects.

Total Estimated: \$24,613,045

(d) Projects to be owned or operated or both by Holly Springs:

- (1) Transportation Facilities and Improvements -
- (2) Public Safety Facilities, Vehicles and Equipment –
- (3) Emergency Communications System Improvements -
- (4) Sewer System Infrastructure, Facilities and Equipment -
- (5) Emergency Communications System Improvements -
- (6) Public Works, Fire, and Fleet Vehicles and Equipment -
- (7) Park and Recreation Facilities -

Total Estimated: \$10,358,588

(e) Projects to be owned or operated or both by Mountain Park:

- (1) Law Enforcement, Streets, and Drainage - \$15,000;

Total Estimated: \$15,000

(f) Projects to be owned or operated or both by Nelson:

- (1) Law Enforcement and Fire Facilities, Vehicles and Equipment -
- (2) Emergency Communications System Improvements –
- (3) Transportation Facilities, Vehicles, Equipment and Improvements -
- (4) Park and Recreation Facilities and Improvements -

Total estimated: \$1,034,829

(g) Projects to be owned or operated or both by Waleska:

- (1) Water & Sewer Systems Facilities & Improvements -
- (2) Emergency Communications System Improvements -
- (3) General Government Buildings, Public Buildings & Improvements -
- (4) Public Safety and Fleet Vehicles & Equipment -

Total estimated: \$1,760,000

(h) Projects to be owned or operated or both by Woodstock:

- (1) Public Works Facilities, Transportation Facilities (Streets, Drainage and Sidewalks, etc.), Equipment –

- (2) Emergency Communications System Improvements -
- (3) Parks and Recreation Facilities and Equipment -
- (4) Public Safety (Police and Fire) Facilities and Equipment -
- (5) Water, Wastewater, Stormwater Facilities, Equipment -
- (6) Debit service for such projects.

Total Estimated: \$28,891,890

The County and each City acknowledge that the costs shown for each capital outlay project described are estimated amounts. If a County project has been satisfactorily completed at a cost less than the estimated cost listed for that project, the County may apply the remaining unexpended funds to any other County project identified in this Contract. If a City project has been satisfactorily completed at a cost less than the estimated cost listed for that project, the City may apply the remaining unexpended funds to any other project that has been identified by that City in this Contract. The County and each City agree that each approved capital outlay project associated with this Contract shall be completed or substantially completed within five years after the termination of the Contract. Any proceeds held by a County or a City at the end of the five year period shall, for the purposes of this Contract, be deemed excess funds and disposed of as provided under Section 8 of the Contract.

The County and Cities agree that each approved capital outlay project associated with this Contract shall be maintained as a public facility and in public ownership. If ownership of a project financed pursuant to this Contract is transferred to private ownership, the proceeds of the sale shall, for the purposes of this Contract, be deemed excess funds and disposed of as provided for under Section 8 of this Contract.

Section 5. Distribution of Sales Tax Proceeds. The County shall apply the proceeds of the Sales Tax to fund the following capital outlay projects in the following order of priority:

(a) First, a sufficient amount shall be set aside in equal monthly deposits to accumulate funds to pay the semiannual interest requirements and annual principal requirements next coming due on not to exceed \$23,000,000 in aggregate principal amount of obligations issued to finance the capital outlay project set forth in Section 4(a)(1) hereof;

(b) Second, the following percentages of Sales Tax collections received by the County up to \$229,961,892 shall be ratably applied as soon as practicable to the following purposes:

- (1) 1.290% shall be paid to Ball Ground to fund the capital outlay projects specified in Section 4(b) hereof ratably,
- (2) 10.450% shall be paid to Canton to fund the capital outlay projects specified in Section 4(c) hereof ratably,
- (3) 4.460% shall be paid to Holly Springs to fund the capital outlay projects specified in Section 4(d) hereof ratably,
- (4) \$15,000 lump sum payment shall be paid to Mountain Park to fund the capital outlay projects specified in Section 4(e) hereof ratably,
- (5) 0.450% shall be paid to Nelson to fund the capital outlay projects specified in Section 4(f) hereof ratably,
- (6) 1.100% shall be paid to Waleska to fund the capital outlay projects specified in Section 4(g) hereof ratably,
- (7) 12.250% shall be paid to Woodstock to fund the capital outlay projects specified in Section 4(h) hereof ratably, and

- (8) 70.000% shall be applied by the County to fund the capital outlay projects specified in Section 4(a) hereof ratably; and

All capital outlay projects included in this Contract shall be funded from proceeds from the Sales Tax, except as otherwise agreed in this Contract.

Section 6. Use of Sales Tax Proceeds. The proceeds received from the Sales Tax shall be used by the County and each City receiving proceeds of the Sales Tax exclusively for the related capital outlay projects specified in Section 4 hereof or to repay obligations that finance such capital outlay projects. Such proceeds shall be kept in separate accounts from other funds of the County and each City receiving proceeds of the Sales Tax and shall not in any manner be commingled with other funds of the County and each City receiving proceeds of the Sales Tax prior to expenditure.

Section 7. Disposition of Excess Proceeds. The Sales Tax Law allows excess proceeds from the Sales Tax that remain after all approved capital outlay projects specified in Section 4 hereof have been completed to be paid solely to the County in accordance with O.C.G.A. § 48-8-121(g)(2). In lieu of all excess proceeds being distributed to the County, the Parties hereto agree to dispose of any excess proceeds by distributing the excess proceeds as follows:

- (1) 1.290% shall be paid to Ball Ground; and
- (2) 10.450% shall be paid to Canton; and
- (3) 4.460% shall be paid to Holly Springs; and
- (4) 0.00005% shall be paid to Mountain Park; and
- (5) 0.450% shall be paid to Nelson; and
- (6) 1.100% shall be paid to Waleska; and
- (7) 12.250% shall be paid to Woodstock; and
- (8) 69.99995% shall be paid to the County.

Any excess funds distributed to the County or each City pursuant to this Section may be used to complete any capital outlay project that said jurisdiction may identify. Should no such capital outlay project be identified, said funds shall be used for the purpose of reducing any indebtedness of the County or each City. If there is no such other indebtedness or, if the excess proceeds exceed the amount of any such other indebtedness, then the excess proceeds shall next be paid into the general fund of the County or each City, it being the intent that any funds so paid into the general fund of the County or each City be used for the purpose of reducing ad valorem taxes.

Section 8. Record-Keeping and Audit Requirements. The County and each City receiving any proceeds from the Sales Tax shall maintain a record of each and every project for which the proceeds of the Sales Tax are used. A schedule shall be included in each annual audit of each party hereto that shows for each such project the original estimated cost, the current estimated cost if it is not the original estimated cost, amounts expended in prior years, and amounts expended in the current year. Each party's auditor shall verify and test expenditures sufficient to provide assurances that the schedule is fairly presented in relation to each party's financial statements. The auditor's report on each party's financial statements shall include an opinion, or disclaimer of opinion, as to whether the schedule is presented fairly in all material respects in relation to the financial statements taken as a whole.

Section 9. Entire Agreement. This Contract expresses the entire understanding and all agreements among the parties hereto with respect to the subject matter hereof.

Section 10. Severability. If any provision of this Contract shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Contract shall not affect the remaining portions of this Contract or any part hereof.

Section 11. Counterparts. This Contract may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 12. Amendments in Writing. No waiver, amendment, release, or modification of this Contract shall be established by conduct, custom, or course of dealing, but solely by an instrument in writing only executed by the parties hereto.

Section 13. Limitation of Rights. Nothing in this Contract, express or implied, shall give to any person, other than the parties hereto and their successors and assigns hereunder, any benefit or any legal or equitable right, remedy, or claim under this Contract.

[this portion intentionally left blank; signature pages to follow]

IN WITNESS WHEREOF, the County and the Cities have caused this Contract to be executed in their respective corporate names and have caused their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the day and year first above written.

CHEROKEE COUNTY, GEORGIA

(SEAL)

By: _____
Chairman, Board of Commissioners

Attest:

Clerk, Board of Commissioners

CITY OF BALL GROUND

(SEAL)

By: _____
Mayor

Attest:

City Clerk

CITY OF CANTON

(SEAL)

By: _____
Mayor

Attest:

Clerk of Council

HOLLY SPRINGS, GEORGIA

(SEAL)

By: _____
Mayor

Attest:

City Clerk

(SEAL)

Attest:

City Clerk

(SEAL)

Attest:

City Clerk

(SEAL)

Attest:

City Clerk

(SEAL)

Attest:

City Clerk

CITY OF MOUNTAIN PARK

By: _____
Mayor

CITY OF NELSON

By: _____
Mayor

CITY OF WALESKA

By: _____
Mayor

CITY OF WOODSTOCK, GEORGIA

By: _____
Mayor