

STATE OF GEORGIA)
)
COUNTY OF OCONEE)

**INTERGOVERNMENTAL AGREEMENT
FOR THE USE AND DISTRIBUTION OF PROCEEDS FROM THE 2021
SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR CAPITAL OUTLAY PROJECTS**

THIS AGREEMENT is made and entered this the 7th day of July, 2020, by and between Oconee County, Georgia, a political subdivision of the State of Georgia (the “County”), and the Municipality of Bishop, Georgia, the Municipality of Bogart, Georgia, the Municipality of North High Shoals, Georgia, and the Municipality of Watkinsville, Georgia, all municipal corporations of the State of Georgia, (the “Municipalities”, individually and collectively),

WITNESSETH:

WHEREAS, O.C.G.A. § 48-8-110 *et seq.* (the “Act”), authorizes the levy of a one percent County Special Purpose Local Option Sales Tax (the “SPLOST”) for the purpose of financing capital outlay projects for the use and benefit of the County and qualified municipalities within the County; and

WHEREAS, the County and Municipalities met on the 2nd day of June, 2020 to discuss possible projects for inclusion in the SPLOST referendum, in conformance with the requirements of O.C.G.A. § 48-8-111(a) and have had continuing discussions on projects for inclusion in the SPLOST through the date of this Agreement; and

WHEREAS, the County has been asked to submit to the qualified voters of the County at an election to be held November 3, 2020, the question of whether the voters will approve the SPLOST and the issuance of general obligation debt of the County (the “County Bonds”) to finance the acquisition, construction and installation of all of a portion of the County Projects (as defined below); and

WHEREAS, the County and the Municipalities have negotiated a division of the Special Purpose Local Option Sales Tax proceeds as authorized by the Act.

NOW, THEREFORE, in consideration of the mutual promises and understandings made in this Agreement, and for other good and valuable consideration, the County and the Municipalities consent and agree as follows:

Section 1. Representations and Mutual Covenants

- A. The County makes the following representations and warranties which may be specifically relied upon by all parties as a basis for entering this Agreement:

- (i) The County is a political subdivision duly created and organized under the Constitution of the State of Georgia;
- (ii) The governing authority of the County is duly authorized to execute, deliver and perform this Agreement;
- (iii) This Agreement is a valid, binding and enforceable obligation of the County; and
- (iv) The County will take all actions necessary to call an election to be held in all voting precincts in the County on the 3rd day of November, 2020, for the purpose of submitting to the voters of the County for their approval, the question of whether or not a SPLOST shall be imposed on all sales and uses within the special district of Oconee County for a period of 24 quarters, commencing on the 1st day of October, 2021, to raise an estimated \$64,648,250 to be used for funding the projects specified in Exhibit A attached hereto.

B. Each of the Municipalities makes the following representations and warranties which may be specifically relied upon by all parties as a basis for entering this Agreement:

- (i) Each Municipality is a municipal corporation duly created and organized under the Laws of the State of Georgia;
- (ii) The governing authority of each Municipality is duly authorized to execute, deliver and perform this Agreement;
- (iii) This Agreement is a valid, binding, and enforceable obligation of each Municipality;
- (iv) Each Municipality is a qualified municipality as defined in O.C.G.A. § 48-8-110(4); and
- (v) Each Municipality is located entirely or partially within the geographic boundaries of the special tax district created in the County.

C. It is the intention of the County and Municipalities to comply in all respects with O.C.G.A. § 48-8-110 *et seq.* and all provisions of this Agreement shall be construed in light of O.C.G.A. § 48-8-110 *et seq.*

D. The County and Municipalities agree to promptly proceed with the acquisition, construction, equipping and installation of the projects specified in Exhibit A of this Agreement and in accordance with the priority order referenced in Section 8 of this Agreement.

E. The County and Municipalities agree that each approved SPLOST project associated with this Agreement shall be maintained as a public facility and in public ownership. If ownership of a project financed pursuant to this Agreement is transferred to private ownership, the proceeds of the sale shall, for the purposes of this Agreement, be deemed excess funds and disposed of as provided under O.C.G.A. § 48-8-121(g)(2).

F. The County and Municipalities agree to maintain thorough and accurate records concerning receipt of SPLOST proceeds and expenditures for each project undertaken by the respective county or municipality as required fulfilling the terms of this Agreement.

Section 2. Conditions Precedent

A. The obligations of the County and Municipalities pursuant to this Agreement are conditioned upon the adoption of a resolution of the County calling for the imposition of the

SPLOST and the issuance of the County Bonds in accordance with the provisions of O.C.G.A. § 48-8-111(a).

B. This Agreement is further conditioned upon the approval of the proposed imposition of the SPLOST and the issuance of the County Bonds by the voters of the County in a referendum to be held in accordance with the provisions of O.C.G.A. § 48-8-111(b) through (e).

C. This Agreement is further conditioned upon the collection of the SPLOST revenues by the State Revenue Commissioner and transferring same to the County.

Section 3. Effective Date and Term of the Tax

The SPLOST, subject to approval in an election to be held on November 3, 2020, shall continue for a period of six years with collections beginning on October 1, 2021.

Section 4. Effective Date and Term of This Agreement

This Agreement shall commence upon the date of its execution and shall terminate upon the later of:

- (i) The official declaration of the failure of the election described in this Agreement;
- (ii) The expenditure by the County and all of the Municipalities of the last dollar of money collected from the Special Purpose Local Option Sales Tax after expiration of the Special Purpose Local Option Sales Tax; or
- (iii) The completion of all projects described in Exhibit A.

Section 5. County SPLOST Fund; Separate Account; No Commingling

A. A special fund or account shall be created by the County and designated as the 2021 Oconee County Special Purpose Local Option Sales Tax Fund (“SPLOST Fund”). The County shall select a local bank which shall act as a depository and custodian of the SPLOST Fund upon such terms and conditions as may be acceptable to the County.

B. Each Municipality shall create a special fund to be designated as the 2021 [*municipality name*] Special Purpose Local Option Sales Tax Fund. Each Municipality shall select a local bank which shall act as a depository and custodian of the SPLOST proceeds received by each Municipality upon such terms and conditions as may be acceptable to the Municipality.

C. All SPLOST proceeds shall be maintained by the County and each Municipality in the separate accounts or funds established pursuant to this Section. SPLOST proceeds shall not be commingled with other funds of the County or Municipalities and shall be used exclusively for the purposes detailed in this Agreement. No funds other than SPLOST proceeds shall be placed in such funds or accounts.

Section 6. County General Obligation Bonds

A. The question of whether the voters will approve the SPLOST and the issuance of the County Bonds shall be submitted to the voters of the Special District pursuant to a resolution of the County (the “Referendum Resolution”).

B. Net proceeds of the County Bonds shall be deposited into a special trust account of the County and shall be used for the acquisition, construction and installation of all or a portion of the County Projects described in Exhibit A attached hereto. The County Bonds shall be a general obligation debt of the County.

C. The County shall pay the costs of issuance of the County Bonds and any interest income earned by County on the investment of the Bond proceeds shall be the property of the County.

D. In accordance with laws of the State of Georgia, the Municipalities are not obligated to issue general obligation debt in connection with the SPLOST, and, notwithstanding anything else herein to the contrary, none of the Municipalities will include the issuance of general obligation debt in connection with this SPLOST election.

Section 7. Procedure for Disbursement of SPLOST Proceeds

A. Upon receipt by the County of the SPLOST proceeds collected by the State Department of Revenue, the County shall immediately deposit said proceeds in the SPLOST Fund. The monies in the SPLOST Fund shall be allocated and distributed among the County and Municipalities according to the percentages of SPLOST proceeds set forth in Exhibit A attached hereto for their respective Projects. The County will be responsible for distributing such proceeds and will meet the requests of the Municipalities when it determines that proceeds of the SPLOST are available therefor.

B. The County shall remit and distribute the SPLOST proceeds on a monthly basis, assuming the County continues to receive such money on a monthly basis. The proceeds shall be deposited in the separate funds or accounts established by the County and each Municipality in accordance with Section 5 of this Agreement.

C. Should any Municipality cease to exist as a legal entity before all funds are distributed under this Agreement, that Municipality's share of the funds subsequent to dissolution shall be paid to the County as part of the County's share unless an act of the Georgia General Assembly makes the defunct Municipality part of another successor Municipality. If such an act is passed, the defunct Municipality's funds shall be paid to the successor Municipality in addition to all other funds to which the successor Municipality would otherwise be entitled.

Section 8. Projects

All capital outlay projects, to be funded in whole or in part from SPLOST proceeds, are listed in Exhibit A which is attached hereto and made part of this Agreement.

Section 9. Priority and Order of Project Funding

Projects shall be fully or partially funded and constructed in accordance with the schedule found in Exhibit A of this Agreement. Within the County and each Municipality, all projects have equal priority and shall receive a prorated allocation of SPLOST funds on a monthly basis in accordance with Exhibit A to this Agreement. Except as provided in Paragraph B and Paragraph C of Section 10 of this Agreement, any change to the priority must be agreed to in writing by all parties to this Agreement.

Section 10. Completion of Projects

A. The County and Municipalities acknowledge that the costs shown for each project described in Exhibit A are estimated amounts.

B. If a county project has been satisfactorily completed at a cost less than the estimated cost listed for that project in Exhibit A, the County may apply the remaining unexpended funds to any other county project in Exhibit A.

C. If a municipal project has been satisfactorily completed at a cost less than the estimated cost listed for that project in Exhibit A, the Municipality may apply the remaining unexpended funds to any other project included for that Municipality in Exhibit A.

D. The County and Municipalities agree that each approved SPLOST project associated with this Agreement shall be completed or substantially completed within five years of the termination of the SPLOST. Any SPLOST proceeds held by a County or Municipality at the end of the five year period shall, for the purposes of this Agreement, be deemed excess funds and disposed of as provided under O.C.G.A. § 48-8-121(g)(2).

Section 11. Certificate of Completion

Within thirty (30) days after the acquisition, construction or installation of a municipal project listed in Exhibit A is completed, the Municipality owning the project shall file with the County a Certificate of Completion signed by the mayor or chief elected official of the respective Municipality, setting forth the date on which the project was completed, and the final cost of the project.

Section 12. Expenses

The County shall administer the SPLOST Fund to effectuate the terms of this Agreement and shall be reimbursed for the actual costs of administration of the SPLOST Fund. Furthermore, the County and Municipalities shall be jointly responsible on a per capita basis for the cost of holding the SPLOST election. The County shall be reimbursed for the costs of the election including the Municipalities' share of such costs out of SPLOST proceeds deposited in the SPLOST Fund.

Section 13. Audits

A. During the term of this Agreement, the distribution and use of all SPLOST proceeds deposited in the SPLOST Fund and each Municipal fund shall be audited annually by an independent certified public accounting firm in accordance with O.C.G.A. § 48-8-121(a)(2). The County and each Municipality receiving SPLOST proceeds shall be responsible for the cost of their respective audits. The County and the Municipalities agree to cooperate with the independent certified public accounting firm in any audit by providing all necessary information.

B. Each Municipality shall provide the county a copy of the audit of the distribution and use of SPLOST proceeds by the Municipality.

Section 14. Notices

All notices, consents, waivers, directions, request or other instruments or communications provided for under this Agreement shall be deemed properly given when delivered personally or sent by registered or certified United States mail, postage prepaid as follows:

Honorable John Daniell
Chairman, Oconee County Board of Commissioners
23 N. Main Street
Watkinsville, Georgia 30677

Honorable Johnny Pritchett
Mayor, City of Bishop
500 Macon Highway
Bishop, GA 30621

Honorable Janet Jones
Mayor, City of Bogart
125 Main Street
Bogart, Georgia 30622

Honorable Toby Bradberry
Mayor, City of North High Shoals
260 Hillsboro Road
North High Shoals, Georgia 30621

Honorable Bob Smith
Mayor, City of Watkinsville
191 VFW Drive
Watkinsville, Georgia 30677

Section 15. Entire Agreement

This Agreement, including any attachments or exhibits, constitutes all of the understandings and agreements existing between the County and the Municipalities with respect to distribution and use of the proceeds from the Special Purpose Local Option Sales Tax. Furthermore, this Agreement supersedes all prior agreements, negotiations and communications of whatever type, whether written or oral, between the parties hereto with respect to distribution and use of said SPLOST.

Section 16. Amendments

This Agreement shall not be amended or modified except by agreement in writing executed by the governing authorities of the County and the Municipalities.

Section 17. Governing Law

This Agreement shall be deemed to have been made and shall be construed and enforced in accordance with the laws of the State of Georgia.

Section 18. Severability

Should any phrase, clause, sentence, or paragraph of this Agreement be held invalid or unconstitutional, the remainder of the Agreement shall remain in full force and effect as if such invalid or unconstitutional provision were not contained in the Agreement unless the elimination of such provision detrimentally reduces the consideration that any party is to receive under this Agreement or materially affects the operation of this Agreement.

Section 19. Compliance with Law

The County and the Municipalities shall comply with all applicable local, State, and Federal statutes, ordinances, rules and regulations.

Section 20. No Consent to Breach

No consent or waiver, express or implied, by any party to this Agreement, to any breach of any covenant, condition or duty of another party shall be construed as a consent to or waiver of any further breach of the same.

Section 21. Counterparts

This Agreement 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 22. Mediation

The County and Municipalities agree to submit any controversy arising under this Agreement to mediation for a resolution. The parties to the mediation shall mutually select a neutral party to serve as mediator. Costs of mediation shall be shared equally among the parties to the mediation.

IN WITNESS WHEREOF, the County and the Municipalities acting through their duly authorized agents have caused this Agreement to be signed, sealed and delivered for final execution by the County on the date indicated herein.

COUNTY OF OCONEE, GEORGIA

By: *John Daniell*
Honorable John Daniell, Chairman

Attest: *Stacy Hays*
Clerk



MUNICIPALITY OF BISHOP, GEORGIA

By: *Johnny Pritchett*
Honorable Johnny Pritchett, Mayor

Attest: *[Signature]*
Clerk

(Seal)

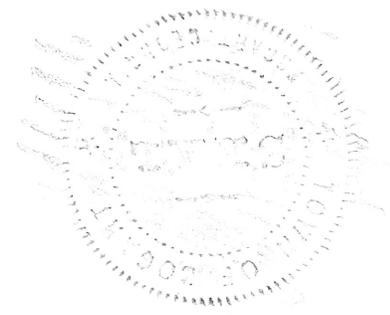


MUNICIPALITY OF BOGART, GEORGIA

By: *Janet Jones*
Honorable Janet Jones, Mayor

Attest: *[Signature]*
Clerk

(Seal)

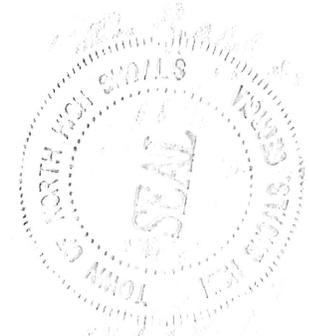


MUNICIPALITY OF NORTH HIGH SHOALS, GEORGIA

By: *[Signature]*
Honorable Toby Bradberry, Mayor

Attest: *[Signature]*
Clerk

(Seal)



MUNICIPALITY OF WATKINSVILLE, GEORGIA

By: *[Signature]*
Honorable Bob Smith, Mayor

Attest: *[Signature]*
Clerk

(Seal)

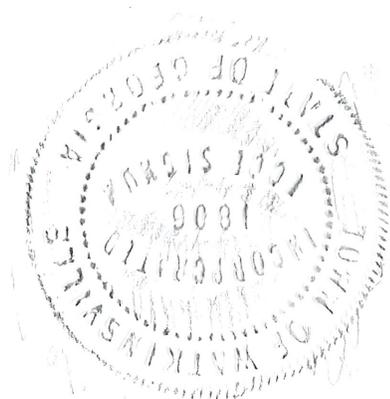


EXHIBIT A

The total revenues from the SPLOST to be collected over the twenty-four calendar quarters (6 years), beginning on the day following the expiration of the SPLOST presently in effect, is estimated to total \$64,648,250. Except as provided in Section 7 hereof, the County Projects (as defined below) and Municipality Projects (as defined below) have equal priority and shall receive a pro rata allocation of SPLOST proceeds on a monthly basis in accordance with the provisions of the Agreement as follows:

2021 SPLOST Revenue Estimate: \$64,648,250 over 6 years (October 1, 2021, through September 30, 2027)

<u>Oconee County</u>			
General Obligation Debt Retirement:	1. Recreational Facilities – 9.8847%	\$5,495,000	
Capital Outlay Projects:	1. Water and Sewer Facilities – 13.4914 %	7,500,000	
	2. Roads, Streets and Bridges – 25.8584%	14,375,000	
	3. Farmland Protection – 1.3491%	750,000	
	4. Fire Station and Rescue Facilities and equipment – 7.0268%	3,906,250	
	5. Historic and Scenic Facilities – 0.2249%	125,000	
	6. Library and Administrative Facilities – 12.3671%	6,875,000	
	7. General County Facilities – 6.9706%	3,875,000	
	8. Broadband Facilities – 10.9906%	6,109,780	
	9. Recreational and Park Facilities – 6.0711%	3,375,000	
	10. Courthouse Facilities– 1.1243%	625,000.00	
	11. Law Enforcement Vehicles – 4.6410%	2,580,000	
	(estimated total) -	\$55,591,030.00	\$55,591,030
<u>City of Watkinsville</u>			
Capital Outlay Projects:	1. Public Safety Facilities and Equipment – 9.6789%	\$540,000	
	2. Recreational, Park and Greenspace Facilities – 24.3048%	1,356,000	
	3. Roads, Streets, Bridges, Drainage and Sidewalks – 59.1335%	3,299,144	
	4. Multi-Purpose City Facilities, Signage and Equipment– 6.8828%	384,000	
	(estimated total)	\$5,579,144.00	\$5,579,144
<u>Town of Bogart</u>			
Capital Outlay Project:	1. Roads, Streets, Bridges and Sidewalk Facilities – %19.9040	\$350,000.00	
	2. Fire department equipment - %5.9712	105,000.00	
	3. Sewer facilities - %25.5906	450,000.00	
	4. General City Facilities - %25.5906	450,000.00	
	5. Park Facilities - %22.7475	400,000.00	
	6. Broadband Facilities - %.1952	3,433.00	
	(estimated total)	\$1,758,433.80	\$1,758,433

<u>Town of North High Shoals</u>				
Capital Outlay Projects:	1. Park Facilities – 20%		\$256,007	
	2. Roads, Streets, Bridges, Sidewalks and Traffic Control Facilities– 40%		512,014.00	
	3. Community Building – 15%		192,005.00	
	4. Fire Station equipment - 5%		64,002.00	
	5. Greenway Facilities – 20%		256,007	
	(estimated total)		\$1,280,035.00	\$1,280,035
<u>Town of Bishop</u>				
Capital Outlay Projects:	1. Roads, Streets, Bridges and Sidewalks – 100%		\$439,608	
	(estimated total)		\$439,608	\$439,608
	Total Estimated Receipts			\$64,648,250

NOTE: The percentage allocated to each city represents that city's percentage of the overall population of Oconee County.