

Staff Report

Subject: Approval of Intergovernmental Agreement (IGA) for Distribution of PILOT Payments

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Department: County Manager

Meeting Date: November 5, 2024

Item Description: Consideration to approve the Intergovernmental Agreement (IGA) between the Effingham County Industrial Development Authority, Effingham County Board of Commissioners, and the Effingham County School District for the distribution of PILOT (Payment In Lieu of Taxes) payments.

Summary Recommendation: Staff recommends approval of the Intergovernmental Agreement for the distribution of PILOT payments to support local infrastructure, economic development, and services within Effingham County.

Executive Summary/Background: The Effingham County Industrial Development Authority, in partnership with Effingham County Board of Commissioners, and the Effingham County School District, has established an Intergovernmental Agreement (IGA) to formalize the distribution of PILOT payments. These payments, made by lessees in lieu of ad valorem taxes, are designed to incentivize business investment and economic growth in the County.

This IGA specifies the allocation of revenue from PILOT payments, establishing the roles and responsibilities of each party in distributing these funds. PILOT revenue will be directed to the County, School District, and cities (where applicable) based on an established formula that reflects the millage rate for each jurisdiction. Effingham County Board of Commissioners will benefit from enhanced funding for infrastructure and other critical projects aimed at supporting community growth.

The agreement further outlines provisions for sharing project costs in special cases and enables the Industrial Development Authority to negotiate favorable terms for economic development initiatives under state law.

Alternatives for Commission to Consider:

1. Approve the Intergovernmental Agreement for the distribution of PILOT payments.
2. Do not approve the agreement.
3. Provide staff with direction.

Recommended Alternative: Staff recommends alternative 1 – Approve the Intergovernmental Agreement for distribution of PILOT payments.

Other Alternatives: Do not approve &/or provide staff with direction.

Department Review: County Manager, County Attorney

Funding Source: N/A

Attachments: Intergovernmental Agreement (IGA) Document