

**INTERGOVERNMENTAL AGREEMENT FOR USE AND DISTRIBUTION OF PROCEEDS
GENERATED BY THE 2023 TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION
SALES TAX REFERENDUM**

THIS INTERGOVERNMENTAL AGREEMENT ("IGA" or "Agreement") is made and entered into this ____ day of _____, 2023 by and between THE BOARD OF COMMISSIONERS OF EFFINGHAM COUNTY, GEORGIA, a political subdivision of the State of Georgia (hereinafter referred to as "Effingham County" or "County"); the CITY OF GUYTON; the CITY OF RINCON; and the CITY OF SPRINGFIELD (hereinafter collectively referred to as the "Cities") incorporated municipalities of the State of Georgia.

WITNESSETH

WHEREAS, the parties are authorized to enter into this Agreement pursuant to Article IX, Section III, Paragraph I of the Constitution of the State of Georgia of 1983 regarding intergovernmental contracts; and

WHEREAS, the parties to this Agreement consist of Effingham County and all qualifying municipalities (hereinafter referred to as the "Cities") located wholly within Effingham County, Georgia; and

WHEREAS, the parties anticipate that Effingham County will approve and sign a Resolution authorizing the Effingham County Board of Registrations and Elections to call a referendum on November 7, 2023 (the "Referendum") on the issue of the reimposition of a one percent (1.0%) Transportation Special Purpose Local Option Sales Tax ("TSPLOST" or "Tax") pursuant to O.C.G.A. §48-8-260, et seq., as amended (hereinafter the "Act") to be collected in the special district of Effingham County (the "2023 TSPLOST"); and

WHEREAS, a TSPLOST is currently being collected in Effingham County which was approved by a majority of the voters of the County voting in an election held for such purpose on November 3, 2020, which began being collected on April 1, 2021 for a period of time not to exceed five years (the "2020 TSPLOST"), and which tax the County anticipates will cease to be collected on or before June 30, 2024 due to higher than expected tax collections; and

WHEREAS, the parties desire to execute this Agreement to control the distribution and use of the 2023 TSPLOST proceeds received solely by Effingham County and the Cities located within Effingham County; and

WHEREAS, the three Cities located wholly within Effingham County have certified they are qualified municipalities and are eligible to receive distributions of the 2023 TSPLOST; and

WHEREAS, the parties hereto are interested in serving the needs of the residents of Effingham County by planning and performing transportation projects within the County and the Cities which are parties to this Agreement; and

WHEREAS, the parties intend that the transportation projects which are the subject of this Agreement shall benefit the residents of Effingham County and its Cities; and

WHEREAS, the County and the Cities located within Effingham County are committed to continue to work together to improve the County's transportation infrastructure; and

WHEREAS, on April 11, 2023, the County and the Cities met to discuss the imposition of the 2023 TSPLOST, the rate of said tax, the allocation of the proceeds therefrom, and possible transportation purposes and projects to be funded from the proceeds therefrom, pursuant to O.C.G.A. §48-8-262 (a)(2); and

WHEREAS, said meeting between the County and Cities was preceded by a written notice of the date, time, place, and purpose of said meeting being mailed or delivered by the County to the mayor of each of the Cities such that said notice was received by each mayor at least ten days prior to said meeting, pursuant to O.C.G.A. §48-8-262 (a)(2); and

WHEREAS, prior to the meeting of the County and the Cities on April 11, 2023, the County determined that a majority of the governing authorities of counties within the applicable regional commission have not passed resolutions calling for the levy of a tax under Article 5 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated; and

WHEREAS, the County and the Cities desire to enter into this Agreement for the imposition of the 2023 TSPLOST, the rate thereof, the allocation of the proceeds therefrom, and the identification of the transportation purposes and projects to be funded therefrom; and

NOW, THEREFORE, in consideration of the mutual promises and understandings herein made and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do consent and agree as follows:

1.

The County makes the following representations and warranties which may bespecifically relied upon by all parties as a basis for entering this Agreement: (a)the County is a political subdivision duly created and organized under the Constitution of the State of Georgia; (b) the governing authority of the County is duly authorized to execute, deliver, and perform this Agreement; (c) this Agreement is a valid, binding, and enforceable obligation of the County;

Each of the Cities makes the following representations and warranties which may be specifically relied upon by all parties as a basis for entering this Agreement: (a) each Municipality is a municipal corporation duly created and organized underthe laws of the State of Georgia; (b) the governing authority of each City is duly authorized to execute,deliver, and perform this Agreement; (c) this Agreement is a valid, binding, and enforceable obligation of eachCity; (d) each City is a qualified municipality as defined in O.C.G.A. § 48-8-110(4); (e) each City is located entirely within the geographic boundaries of thespecial

tax district created in the County.

The County and Cities intend to comply in all respects with the Act. All provisions of this Agreement shall be construed in light of the Act.

2.

This Intergovernmental Agreement is conditioned upon the Referendum to be approved by a majority of the voters of Effingham County to reimpose a TSPLOST of one percent (1.0%). The 2023 TSPLOST shall commence upon the expiration of the 2020 TSPLOST which is currently being collected in Effingham County.

3.

Pursuant to O.C.G.A. § 48-8-267, one percent (1.0%) of the amount of TSPLOST proceeds shall be paid into the General Fund of the State of Georgia ("State") treasury in order to defray the costs of administration of the Georgia Department of Revenue. The remaining ninety-nine percent (99.0%) of the amount collected from the TSPLOST Tax proceeds (hereinafter known as the "net proceeds") beginning as soon as allowed by Georgia law after the expiration of the 2020 TSPLOST and ending five years thereafter, shall be distributed by the State of Georgia to the County and all qualified Cities and shall be allocated to each jurisdiction based on the percentages shown below in Paragraph 4.

4.

Within ten (10) days after the County's monthly receipt from the Department of Revenue of the proceeds of the 2023 TSPLOST, the County shall disburse said proceeds in the following percentages:

City of GUYTON	3.53%
City of RINCON	16.88%
City of SPRINGFIELD	4.18%
EFFINGHAM County	<u>75.41%</u>
Total	100.00%

(A) To facilitate the distribution of net proceeds, the parties agree that the sum of One Hundred Twenty Million and 00/100 Dollars (\$120,000,000.00) shall represent an estimate of the maximum net proceeds to be derived from the 2023 TSPLOST during its five-year term.

(B) The parties agree that no project will be given preference in the funding and distribution process in such a way that the monthly distribution formula is affected.

(C) A list of the transportation purposes and projects proposed to be funded by the proceeds of the 2023 TSPLOST and the estimated or projected dollar amounts for each such transportation purpose and project is set forth on the exhibits attached hereto.

5.

In recognition of the need for transportation improvements across the County and the Cities, the parties agree that the total net proceeds shall be utilized for transportation purposes, as defined in O.C.G.A. § 48-8-260(5) and § 48-8-121.

6.

The County and each City shall approve by resolution a list of projects and purposes ("Transportation Projects and Purposes") to be funded from their allocated net proceeds of the 2023 TSPLOST pursuant to this Agreement, the estimated dollar amounts allocated for each transportation purpose, and the schedule for distribution of funds. The parties acknowledge and agree that 30% of the estimated revenues are being expended on projects that are consistent with the Statewide Strategic Transportation Plan as defined in O.C.G.A. § 32-2-22. The priority and order in which the TSPLOST proceeds will be fully or partially funded is shown in each party's resolution.

7.

If any Transportation Projects and Purposes are geographically located in more than one City or in a City and in an unincorporated area of Effingham County, then the parties involved shall enter into a separate agreement that will define each party's scope and participation in the project, including but not limited to funding and project management.

8.

Except as otherwise provided herein, the 2023 TSPLOST which is the subject of the Referendum shall continue for a period of five years after the expiration of the 2020 TSPLOST, unless otherwise terminated earlier pursuant to O.C.G.A. § 48-8-264(b).

9.

All Transportation Projects included in this Agreement shall be funded in whole or in part from net proceeds from the 2023 TSPLOST. Further, pursuant to O.C.G.A. § 48-8-263 the County shall have the authority to issue general obligation debt in accordance with Article IX, Section V, Paragraph I of the Constitution through the proper officers of the County. Once the authority to issue such debt is so approved by the voters through the Referendum, then such debt may be issued without further approval by the voters pursuant to O.C.G.A. § 48-8-263. Such general obligation debt shall be paid first by a separate fund of the County in which are placed the proceeds received by the County from the tax. Such general obligation debt shall, however, constitute a pledge of the full faith, credit, and taxing power of the County and any liability on such debt which is not satisfied from the proceeds of the tax shall be satisfied from the general fund of the County, or as otherwise provided by law.

The question of whether the voters will approve the 2023 TSPLOST and the issuance of general obligation debt of the County (the "County Bonds") shall be submitted to the voters of Effingham County pursuant to a resolution of the County. 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 projects for the County and for the Cities. The County Bonds shall be a general obligation debt of the County. The County shall pay the costs of issuance of the County Bonds and any interest income earned by the County on the investment of the bond proceeds shall be the property of the County. The County shall receive all TSPLOST funds directly from the Georgia Department of Revenue on behalf of the Cities and disburse said TSPLOST proceeds pursuant to paragraph number 4 (Supra) of this agreement. However, the TSPLOST proceeds received in any year pursuant to the tax which are to be allocated to the County and any Cities using the County Bond funds shall be deposited in a separate fund and first used for paying debt service requirements on the County Bonds for any such year before such proceeds are applied to any of the other purposes.

10.

The net proceeds from the 2023 TSPLOST shall be maintained in the parties' separate accounts and utilized exclusively for the purposes specified in this Agreement. The parties acknowledge that TSPLOST proceeds are not guaranteed. Proceeds received under the amount estimated in the Referendum question shall be allocated in accordance with the percentages set forth in this Agreement and shall be used on the Transportation Projects and Purposes as outlined in the resolutions passed by each party.

11.

Any net proceeds over and above the amount estimated in Paragraph 4(A) of this Agreement shall be allocated in accordance with the percentages set forth in this Agreement and shall be used solely for the transportation purposes listed herein. Each party shall expend its portion of the excess net proceeds from the 2023 TSPLOST Program on the Transportation Projects and Purposes as in the resolutions passed by each party. Should the proceeds generated by the 2023 TSPLOST be insufficient to complete the transportation purposes and projects listed on the exhibits attached hereto, the County and Cities shall have no obligation to pay additional funds from sources other than the 2023 TSPLOST for the completion of any of the same. The County and each of the Cities shall not be obligated to pursue such jurisdiction's Transportation Purposes and Projects set forth on the attached exhibits to the extent that such jurisdiction's share of the proceeds from the 2023 TSPLOST is insufficient to complete all of the same. In such event, the governing body of such jurisdiction may elect to not pursue certain Transportation Projects and Purposes set forth on the attached exhibits for that jurisdiction, or to modify such projects and purposes, beginning with those having the lowest priority, to the extent necessary to remedy such shortfall.

12.

At the end of each party's fiscal year wherein net proceeds from the 2023 TSPLOST are distributed, each party shall cause an audit of the distribution and use of its portion of the net proceeds from the 2023 TSPLOST to be completed. Each party to this Agreement shall pay the cost of each such annual audit that it conducts. Each party shall publish each of its annual audits as required by law.

13.

In addition to the audit required by paragraph 12 of this Agreement, at the end of each calendar year wherein net proceeds from the 2023 TSPLOST are distributed, the Cities and the County shall participate in a joint annual audit of the entire 2023 TSPLOST program approved by the voters in the Referendum. The purpose of this joint annual audit is to ensure compliance with the Resolution that resulted in the call of the 2023 TSPLOST Referendum. Effingham County shall choose the auditor to conduct the annual audit. The cost of such joint annual audit shall be paid for by the County as a county wide service out of the general fund.

14.

Pursuant to O.C.G.A. § 48-8-269.6, not later than December 31 of each year, the County on behalf of itself and the qualified municipalities receiving proceeds from the tax, shall publish annually, in a newspaper of general circulation in the boundaries of each City and the County and in a prominent location on each City's and the County's website, a simple nontechnical report, or consolidated schedule of projects, which shows the following for each Transportation Project or purpose outlined in this Agreement:

- A. Original estimated cost;
- B. Current estimated cost if it is not the original estimated cost;
- C. Amounts expended in prior years;
- D. Amounts expended in the current year;
- E. Any excess proceeds which have not been expended for a project or purpose;
- F. Estimated completion date, and the actual completion cost of a project completed during the current year; and
- G. A statement of what corrective action the City or County intends to implement with respect to each project which is underfunded or behind schedule.

The Cities shall cooperate with the County in compiling the information for the subject report and any expense for said publication shall be paid as a county wide service out of the general fund.

15.

This Agreement constitutes all of the understanding and agreements of whatsoever nature or kind existing between the Parties with respect to distribution and use of the proceeds from the 2023 TSPLOST.

16.

This Agreement shall not be changed or modified except by agreement in writing executed by all Parties hereto.

17.

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

18.

It is agreed that the illegality or invalidity of any term or clause of this Agreement shall not affect the validity of the remainder of the Agreement, and the Agreement shall remain in full force and effect as if such illegal or invalid term or clause were not contained herein.

19.

Each party to this Agreement shall comply with all applicable local, State, and Federal statutes, ordinances, rules and regulations.

20.

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 future breach of the same.

21.

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

a. If to Effingham County:

Board of Commissioners of Effingham County, Georgia
County Manager
804 South Laurel Street
Springfield, Georgia 31329

b. If to the City of Guyton:

City of Guyton
City Manager
310 Central Boulevard
Guyton, Georgia 31312

c. If to the City of Rincon:

City of Rincon
City Manager
302 South Columbia Avenue
Rincon, Georgia 31326

d. If to the City of Springfield:
City of Springfield Georgia
City Manager
130 South Laurel Street
Springfield, Georgia 31329

Any party may at any time change the address where notices are to be sent or the person to whom such notices should be directed by the delivery or mailing to the above persons a notice stating the change.

22.

This Agreement shall become effective as soon as allowed by law after the expiration of the 2020 TSPLOST. If the Referendum concerning the imposition of the 2023 TSPLOST is not approved by a majority of the voters of Effingham County, this Agreement shall expire and shall be of no force and effect after November 7, 2023.

23.

Notwithstanding the parameters of Paragraph 22, this Agreement shall continue in full force and effect until December 31st of the year following completion of the last project funded from the net proceeds from the 2023 TSPLOST Program.

24.

This Agreement shall be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[SIGNATURES OF COUNTY AND CITIES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto acting through their duly authorized agents have caused this Agreement to be signed, sealed and delivered for final execution by the parties to this agreement.

APPROVED AS TO FORM:

EFFINGHAM COUNTY, GEORGIA

County Attorney

By: _____
Wesley Corbitt, Chairman
Board of Commissioners

ATTEST:

Clerk

IN WITNESS WHEREOF, the parties hereto acting through their duly authorized agents have caused this Agreement to be signed, sealed and delivered for final execution by the parties to this agreement.

APPROVED AS TO FORM:

CITY OF GUYTON, GEORGIA

City Attorney

By: _____
Russell Deen, Mayor

ATTEST:

Clerk

IN WITNESS WHEREOF, the parties hereto acting through their duly authorized agents have caused this Agreement to be signed, sealed and delivered for final execution by the parties to this agreement.

APPROVED AS TO FORM:

CITY OF RINCON, GEORGIA

City Attorney

By: _____
Kenneth Lee, Mayor

ATTEST:

Clerk

IN WITNESS WHEREOF, the parties hereto acting through their duly authorized agents have caused this Agreement to be signed, sealed and delivered for final execution by the parties to this agreement.

APPROVED AS TO FORM:

CITY OF SPRINGFIELD, GEORGIA

City Attorney

By: _____
Barton Alderman, Mayor

ATTEST:

Clerk