

**MEMORANDUM**

*File*

**TO:** Christopher Morrill, Assistant City Manager  
Sean Brandon, Assistant to City Manager  
Wanda Williams, Research & Budget Director  
Dyanne Reese, Clerk of Council

**FROM:** Richard M. Evans, Finance Director *RM*

**DATE:** August 29, 2006

**SUBJECT:** Final SPLOST 5 (2008-2014) Documents

For your files and future reference, attached are the following final executed documents related to SPLOST 5:

- Resolution adopted by County on August 14, 2006 calling for the referendum on September 19, 2006.
- Intergovernmental Agreement dated August 11, 2006 between Savannah and Chatham County (and the other municipalities to the extent they elected to sign).
- Memo dated August 9, 2006 from City Manager to Mayor and Aldermen setting forth the City's planned use for the Savannah SPLOST 5 allocation of \$160,000,000.

If passed in the September 19, 2006 referendum, the SPLOST 5 will be effective for the 6 year period of October 1, 2008 to September 3, 2014. This period may be shifted earlier if SPLOST 4 should end prior to its scheduled completion date. SPLOST 5 is expected to raise a total of \$445,300,000 during the six-year period.

The current SPLOST (SPLOST 4) is for the period October 1, 2003 to September 30, 2008, and is limited to a total of \$276,627,433. Under the SPLOST law, SPLOST 4 collections will stop at the end of the quarter in which this total is achieved. The SPLOST 5 documents are designed to start the SPLOST 5 period upon the expiration of SPLOST 4.

RESOLUTION OF THE BOARD OF COMMISSIONERS OF CHATHAM COUNTY TO IMPOSE, LEVY, AND COLLECT A SPECIAL SALES AND USE TAX WITHIN CHATHAM COUNTY, CONDITIONED UPON APPROVAL BY A MAJORITY OF THE QUALIFIED VOTERS RESIDING WITHIN CHATHAM COUNTY VOTING IN A REFERENDUM THEREON TO BE HELD SEPTEMBER 19, 2006; TO AUTHORIZE THE IMPOSITION OF GENERAL OBLIGATION DEBT OF CHATHAM COUNTY; TO AUTHORIZE THE EXECUTION OF AN INTERGOVERNMENTAL CONTRACT OR CONTRACTS BY AND AMONG CHATHAM COUNTY, THE CITY OF SAVANNAH, AND OTHER MUNICIPALITIES IN CHATHAM COUNTY; AND FOR OTHER PURPOSES.

WHEREAS, the Board of Commissioners of Chatham County (the "Board of Commissioners") has considered and evaluated the provisions of Part 1 of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated (the "Act") which authorize a special county one percent sales and use tax for various capital outlay projects and has considered the effects of the implementation of such special one percent sales and use tax (the "Special Sales Tax") in Chatham County (the "County") and its residents; and

WHEREAS, a special sales tax is currently being collected in the County, as approved by a majority of the voters of the County voting in an election held for such purpose, which tax was imposed beginning October 1, 2003, and which the County anticipates will cease to be collected on September 30, 2008; and

WHEREAS, the Board of Commissioners has determined that it is in the best interest of the citizens of the County that the imposition of the special sales tax continue and that such tax be reimposed in the County beginning October 1, 2008, or upon the termination of the special sales tax now in effect, said new Special Sales Tax to be imposed for the purpose of funding the various capital outlay projects and the retirement of general obligation debt for the City of Port Wentworth and the City of Tybee Island described in the Notice of Election (the "Notice of Election") attached hereto as Exhibit A; and

WHEREAS, the Board of Commissioners mailed a written notice (the "Notice") to the mayor in each municipality located within the County regarding the implementation of the Special Sales Tax; and

WHEREAS, the notice contained the date, time, place, and purpose of a meeting at which designated representatives of the County and the City of Savannah, the City of Tybee Island, the City of Thunderbolt, the City of Garden City, the City of Pooler, the City of Port Wentworth, the City of Bloomingdale, and the Town of Vernonburg (the "Municipalities") met and discussed the possible projects for inclusion in the election, including municipally owned and operated projects; and

WHEREAS, the Notice was delivered or mailed at least 10 days prior to the date of the meeting, and the meeting was held at least 30 days prior to the issuance of a call for the election; and

WHEREAS, the Mayor and Aldermen of the City of Savannah (the "City of Savannah"), which contains an aggregate population no less than fifty percent of the aggregate population of all Municipalities within the County, has entered into a contract or agreement with the County as authorized by Article IX, Section III of the Constitution of the State of Georgia (the "Intergovernmental Contract"); and

WHEREAS, the remaining Municipalities in the County are in need of funds with which to undertake certain capital outlay projects and retire previously incurred general obligation debt, and the County has provided for the distribution of a portion of the proceeds of the Special Sales Tax, if approved, to the remaining Municipalities under the terms of the Intergovernmental Contract; and

WHEREAS, the Board of Commissioners recognizes that in order to facilitate the expansion of the County detention facilities it may be necessary for the County to issue general obligation debt for such purpose; and

WHEREAS, the Board of Commissioners desires to provide the voters of the County with the opportunity to vote pursuant to law in favor of or against the reimposition of the Special Sales Tax and the issuance of general obligation indebtedness in anticipation of the collection thereof; and

WHEREAS, the Board of Commissioners has determined that and it is hereby declared that during each year in which any payment of principal of or interest on such general obligation debt will come due, the County will receive from the Special Sales Tax authorized by this resolution, net proceeds sufficient to fully satisfy the County's obligation with respect to payment of such principal and interest on a current basis;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Chatham County in public meeting assembled, and it is hereby resolved by the authority of the same that:

1. The Board of Commissioners of Chatham County, subject to the assent of a majority of the qualified voters of the County voting in an election for such purpose, shall impose within the County a Special Sales Tax for a period of six years for the raising of an estimated amount of \$445,300,000 for (a) the acquisition, construction, and equipping of the capital outlay projects set forth in the Intergovernmental Contract and in the Notice of Election attached hereto and made a part hereof as Exhibit A. If imposition of the tax is approved by the voters, such vote shall also constitute approval of the issuance of general obligation debt of the County in a principal amount not to exceed \$103,200,000 for acquisition, construction and equipping of the County's detention facilities expansion project. Such general obligation debt shall be payable first from the proceeds of such Special Sales Tax; however, such general obligation debt which is not satisfied from the proceeds of the Special Sales Tax shall be satisfied from the general funds of the County.

2. The period of time for which the Special Sales Tax shall be imposed shall be six years (24 calendar quarters). The Special Sales Tax shall be collected beginning on the earlier of October 1, 2008 or the termination of the special sales tax now in effect. Proceeds received from the Special

Sales Tax shall be kept in a separate account from other funds of the County in accordance with O.C.G.A. § 48-8-121.

3. The proceeds of the Special Sales Tax shall be applied toward any of the purposes set forth in the order of priority and in such amounts as the Board of Commissioners may determine prior to or during the acquisition, construction, and equipping of the projects.

4. General obligation debt may be issued in conjunction with the imposition of the Special Sales Tax. The principal amount of the debt to be issued shall not exceed \$103,200,000. The purpose for which the debt is to be issued shall be to pay all or a portion of the cost of the acquisition, construction and equipping of the County's detention facilities expansion project. The maximum rate or rates of interest on such debt shall not exceed six percent (6.00%) per annum. The maximum amount of principal to be paid in each year during the life of the debt shall be as follows:

| <u>Year</u> | <u>Principal Amount Maturing</u> |
|-------------|----------------------------------|
| 2010        | \$56,100,000                     |
| 2011        | 47,100,000                       |

5. A copy of this resolution shall be delivered to the Board of Elections of Chatham County, as election superintendent (the "Board of Elections"), and the Board of Elections is requested to issue the call for the election to be held on September 19, 2006, for the purpose of submitting the question of the imposition of the Special Sales Tax to the voters of the County. Such call shall be issued not less than twenty-nine days prior to the date of the election. The Board of Elections shall cause the date and purpose of the election to be published once a week for five weeks immediately preceding the date of the election in the official organ of the County and the Notice of Election will be substantially in the form attached hereto and made a part hereof as Exhibit A.

6. All qualified voters desiring to vote in favor of imposing the tax shall vote "Yes" and all qualified voters opposed to levying the tax shall vote "No." If more than one-half of the votes cast are in favor of imposing the tax, then the tax shall be imposed as provided by Georgia law. Otherwise the tax shall not be imposed and the question of imposing the tax shall not again be submitted to the voters of the County until after twelve months immediately following the month in which the election is to be held. The Board of Elections shall hold and conduct the election under the same rules and regulations as govern special elections. The Board of Elections shall canvass the returns, declare the results of the election, and certify the result to the Secretary of State and to the Commissioner of the Department of Revenue of the State of Georgia. The expense of the election shall be paid from County funds.

7. If more than one-half of the votes cast are in favor of imposition of the Special Sales Tax, then the authority to issue debt in accordance with Article IX, Section V, Paragraph I of the Constitution is given to the Board of Commissioners of Chatham County; otherwise such debt shall not be issued. If the authority to issue such debt is so approved by the voters, then such debt may be issued without further approval by the voters.

8. The Clerk of the Board of Commissioners is hereby authorized and directed to deliver to the Board of Elections a certified copy of this resolution.

9. The proper officers and agents of the County are hereby authorized to take any and all further actions as may be required in connection with (a) the calling and holding of the special election, (b) the imposition of the Special Sales Tax, (c) the expenditure of Special Sales Tax proceeds and the acquisition, construction, and equipping of the capital outlay projects described herein, (d) the issuance of the general obligation debt as herein provided, and (e) the execution of an intergovernmental contract or contracts with the City of Savannah and, if determined to be appropriate, with the other Municipalities in the County, as authorized by Article IX, Section III of the Constitution of the State of Georgia, all as herein provided.

10. Should general obligation debt of the County be issued, the Board of Commissioners shall be directed to levy a tax upon all property subject to taxation for general obligation bond purposes within the County sufficient in amount to pay the principal of and interest on said general obligation debt to the extent of any deficiency in the proceeds from the Special Sales Tax.

11. If general obligation debt of the County is to be issued, the Board of Commissioners reasonably expects that, prior to issuance of such debt, it will be necessary to expend funds on the acquisition, construction and equipping of its detention facilities expansion project and wishes to be reimbursed for such expenditures from proceeds from the sale of such general obligation debt. Therefore, subject to approval of the voters of Chatham County, the Board of Commissioners hereby declares its official intent to issue general obligation debt in the principal amount not to exceed \$103,200,000 and to reimburse original expenditures on such capital outlay projects in the maximum principal amount of \$103,200,000 with proceeds from the sale of such debt (to the extent permitted by Section 1.150-2 of the Treasury Regulations).

12. All resolutions or parts of resolutions, if any, in conflict herewith, shall be and the same are hereby repealed.

ADOPTED, this August 11, 2006.

BOARD OF COMMISSIONERS  
OF CHATHAM COUNTY

By: Pete Liakakis  
Chairman

Attest: Philip D. Tillman  
Clerk



NOTICE OF SPECIAL PURPOSE SALES  
AND USE TAX ELECTION ON SEPTEMBER 19, 2006

Pursuant to a resolution adopted by the Board of Commissioners of Chatham County on August 11, 2006 and a call for an election issued by the Board of Elections of Chatham County, as Election Superintendent, notice is hereby given as follows:

1. On September 19, 2006, a special election will be held in Chatham County to submit to the qualified voters of Chatham County the following question:

- Shall a special 1 percent sales and use tax be imposed in Chatham County for a period of six years for the raising of an estimated amount of \$445,300,000 for the purposes of funding certain capital outlay projects within Chatham County and the municipalities in Chatham County including detention facilities expansion, judicial courthouse addition; juvenile court complex addition; health department facilities and improvements; public safety facilities and equipment; flood control and drainage projects; an arena; roads, streets, transportation, traffic, sidewalk and street lighting improvements; municipal water and sewer projects; maritime improvements; administrative facilities; cultural and recreational facilities and improvements; park facilities and improvements; greenspace; public works and fire equipment, and the retirement of general obligation debt?
- ( ) YES
- ( ) NO

If imposition of the tax is approved by the voters, such vote shall also constitute approval of the issuance of general obligation debt of Chatham County in the principal amount not to exceed \$103,200,000 for the detention facilities expansion project.

2. All qualified voters desiring to vote in favor of imposing the tax shall vote "Yes" and all qualified voters opposed to levying the tax shall vote "No." If more than one-half of the votes cast are in favor of imposing the tax then the tax shall be imposed beginning October 1, 2008, or the earliest date authorized by law.

3. If such special purpose sales and use tax is to be imposed, Chatham County, acting by and through the Board of Commissioners of Chatham County, may issue general obligation debt, in an aggregate principal amount not to exceed \$103,200,000. The proceeds from such general obligation debt, if issued, shall be used to fund all or a portion of the detention facility expansion project described in the foregoing question. The maximum rate or rates of interest on such debt shall not exceed six percent (6.00%) per annum. The maximum amount of principal to be paid in each year during the life of the debt shall be as follows:

| <u>Year</u> | <u>Principal Amount Maturing</u> |
|-------------|----------------------------------|
| 2010        | \$56,100,000                     |
| 2011        | 47,100,000                       |

The Board of Commissioners may issue aggregate general obligation debt which is less than \$103,200,000 and reduce the principal amount maturing shown above.

4. Reference is hereby made to the Official Code of Georgia Annotated § 36-82-1(d) which provides in part that any brochures, listings, or other advertisements issued by the Board of Commissioners or by any other person, firm, corporation or association with the knowledge and consent of the Board of Commissioners shall be deemed to be a statement of intention of the Board of Commissioners concerning the use of bond funds.

5. The last day to register to vote in the election is August 21, 2006. Anyone desiring to register may do so by applying in person at the voter registration office located at 1117-E Eisenhower Drive, Savannah, Georgia, or by any other method authorized by the Georgia Election Code.

6. The election will be held on Tuesday, September 19, 2006. The polls will be open from 7:00 a.m. until 7:00 p.m.

This August 14, 2006.



Chairman, Board of Elections  
of Chatham County, Election Superintendent

CLERK'S CERTIFICATE

The undersigned Clerk of the Board of Commissioners of Chatham County, keeper of the records and seal thereof, and certifies that the foregoing is a true and correct copy of a resolution approved and adopted by majority vote of said Board of Commissioners in meeting assembled on August 11, 2006, the original of which resolution has been entered in the official records of said Board of Commissioners under my supervision and is in my official possession, custody and control.

I further certify that said meeting was held in conformity with the requirements of Title 50, Chapter 14 of the Official Code of Georgia Annotated.

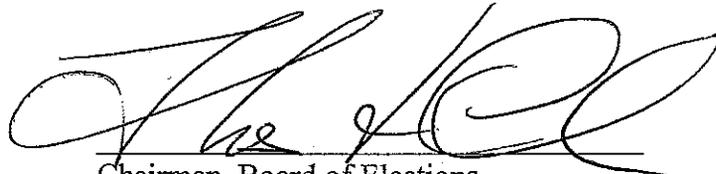
A handwritten signature in black ink, appearing to read "D. D. Tillman", is written over a horizontal line.

Clerk  
Board of Commissioners of Chatham County

STATE OF GEORGIA     )  
                                  )  
COUNTY OF CHATHAM    )     ORDER

The Board of Elections of Chatham County, Georgia, having been furnished with a certified copy of the resolution of the Board of Commissioners of Chatham County, adopted on August 11, 2006, requesting the Board of Elections to call an election on September 19, 2006, relative to the imposition of a special sales and use tax and issuance of the general obligation debt described in said resolution, does hereby call said election on September 19, 2006, and orders and directs that the form of election notice contained in said resolution be published in connection with the election as provided by law.

This August 14, 2006.

  
Chairman, Board of Elections  
of Chatham County, Election Superintendent



**WHEREAS**, the parties hereto anticipate that the County will enter into separate agreements with the other municipalities in the County or the other municipalities in the County will become signatories to this Agreement providing for the distribution of a portion of SPLOST proceeds to such other municipalities to fund allowable capital outlay projects which will be authorized by the referendum to be held on September 19, 2006, if passed; and

**WHEREAS**, the County, the Municipalities, and all citizens of the County will derive substantial benefits from the proposed projects to be funded by SPLOST proceeds distributed pursuant to this Agreement.

**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 and laws of the State of Georgia;
- (ii) The governing authority of the County is duly authorized to execute, deliver and perform this Agreement; and
- (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 19<sup>th</sup> day of September, 2006, 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 Chatham County for a period of 24 quarters (6 years), commencing as provided in Section 3, to raise an estimated \$445,300,000 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.*

**Section 2 . Restrictions as to Use of Tax Funds.**

A. The Municipalities and the County shall comply with all requirements of Georgia law pertaining to all SPLOST funds each receives, including but not limited to the following:

- (i) All SPLOST funds and interest received may only be used for projects and general obligation debt retirement described in Exhibit A. If circumstances arise which dictate that a project which initially seemed feasible is no longer so, then the governing body to which the SPLOST funds for such project was allocated under this Agreement, may use its lawful discretion to make adjustments in its plan of capital projects. In the event that the cost to complete a project is less than the amount allocated to that project under this Agreement, then the governing body to which the SPLOST funds for such project were allocated, may use its lawful discretion to make adjustments in its plan of capital projects to utilize the funds for other projects provided for in this Agreement.
- (ii) All SPLOST funds received shall be accounted for in a separate fund and not commingled with other monies prior to expenditure for allowable uses.
- (iii) Interest earned from the investment of SPLOST funds prior to their disbursement for allowable expenditures shall be considered SPLOST funds and used under the same restriction for SPLOST funds as set forth in subparagraph (i) above.
- (iv) Any SPLOST funds received by Municipalities may not be used for general operating expenses. SPLOST funds may be used to repay loans made to temporarily fund SPLOST capital projects in anticipation of receipt of SPLOST funds.

B. 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, subject to the availability of funds.

C. 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 within 10 years of the SPLOST expiration, 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).

D. 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 3. 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 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 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 collecting of the SPLOST revenues by the State Department of Revenue and transferring same to the County.

### **Section 4. Effective Date and Term of the Tax**

The SPLOST, subject to approval in an election to be held on September 19, 2006, shall continue for a period of six years with collections beginning on the earlier of October 1, 2008 or the termination of the special purpose local option sales tax now in effect.

### **Section 5. Effective Date and Term of This Agreement**

A. 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; or
- (ii) The expenditure by the County and all of the Municipalities of the money collected from the SPLOST.

### **Section 6. County SPLOST Fund; Separate Accounts; No Commingling**

A. A special fund or account shall be created by the County and designated as the 2008 Chatham 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 2008 [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. Except as provided in Section 7, 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 and related revenues shall be placed in such funds or accounts.

### **Section 7. Procedure for Disbursement of SPLOST Proceeds**

A. Upon receipt by the County of 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 held and applied to the cost of acquiring, constructing and installing the Level 1 capital outlay projects listed in Exhibit A and as provided in Paragraph B of this Section. The County shall retain the first \$109,000,000 of SPLOST proceeds received to apply to the Level 1 capital outlay projects listed in Exhibit A, including the payment of the principal of and interest on any bonds issued by the County to finance said projects.

B. The County, following deposit of the SPLOST proceeds in the SPLOST Fund and following the collection of the first \$109,000,000 of SPLOST proceeds, shall disburse the pro-rata share of SPLOST proceeds due to each Municipality within 15 business days of such deposit according to the schedule in Exhibit A. The proceeds shall be deposited in the separate funds established by each Municipality in accordance with Section 6 of this Agreement. Each Municipality shall hold and apply the monies so deposited against the cost of acquiring, constructing and installing the capital outlay projects or the retirement of general obligation debt listed in Exhibit A.

C. Should SPLOST proceeds exceed \$445,300,000, the remaining SPLOST proceeds will be allocated between the County and the Municipalities on a pro rata population basis. The County's share of the SPLOST proceeds in excess of \$445,300,000 shall be based upon the ratio of the unincorporated population of the County relative to the total County population. Each Municipality's share of the SPLOST proceeds in excess of \$445,300,000 shall be based upon the ratio of that Municipality's population relative to the total County population. The source for the population figures shall be the final 2010 Decennial census figures compiled by the U.S. Census Bureau. Said excess proceeds shall be used to fund allowable projects under the terms of this agreement.

D. 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, in which event the defunct Municipality's share 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 in accordance with the schedule set forth in Exhibit A of this Agreement. Except as provided in Paragraph B and Paragraph C of Section 10 of this Agreement, any change to the priority or schedule 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. As listed in Exhibit A, should SPLOST proceeds be insufficient to complete any capital outlay project, then the responsibility for additional funding and completion shall rest with the entity responsible for the project.

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. If no projects are listed, the funds shall revert to the County.

**Section 11. 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 from the County's SPLOST allocation as determined by Exhibit A.

**Section 12. Retention of Records**

The parties agree to retain all records pertaining to the SPLOST funds for a period of four years subsequent to the expiration of the SPLOST and to make such records reasonably available to each other upon request.

**Section 13. Use of SPLOST Funds**

The County and Municipalities shall use the SPLOST funds only for SPLOST eligible projects or the retirement of previously incurred general obligation debt.

**Section 14. Other Requirements.**

The parties agree that they each will abide by any other requirements regarding the use and accounting for SPLOST funds as specified by Georgia law, and in the event that any party fails to follow all applicable requirements of Georgia law, it shall hold all other parties harmless for any such failure.

**Section 15. Agreement Effective When Executed by Savannah and County**

This Agreement shall be effective when executed by Savannah and the County. The County may enter into separate agreements with Municipalities that are not signatories to this Agreement and other organizations upon such terms as appropriate to insure that funds will be used for SPLOST eligible projects and meet the requirements of the law. If there is an inconsistency between such agreements and this Agreement regarding the distribution and allocation terms, this Agreement shall govern.

**Section 16. 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 the SPLOST proceeds by the Municipality.

**Section 19. Notices**

All notices, consents, waivers, directions, requests 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:

If to County: R. E. Abolt, County Manager  
Chatham County  
PO Box 8161  
Savannah, GA 31412

If to Savannah: Michael B. Brown, City Manager  
City of Savannah  
PO Box 1027  
Savannah, GA 31402

Notice to any other Municipality which is party to the agreement shall be sent to the current address on file with the Clerk of the Board of Commissioners of Chatham County.

**Section 18. 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 SPLOST. 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 the SPLOST funds.

**Section 19. Amendments**

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

**Section 20. 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 21. 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 22. Compliance with Law**

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

**Section 23. 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 future breach of the same.

**Section 24. 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 25. 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.

(signatures begin on next page)

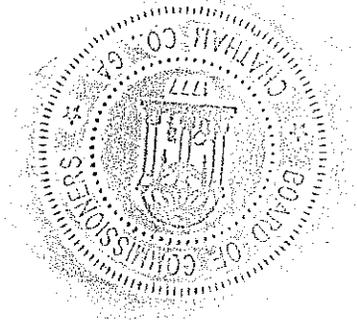
IN WITNESS WHEREOF, the County and the Municipalities acting through their duly authorized agents have caused this Agreement to be signed, sealed and delivered for final execution by the County as of the date set forth above.

CHATHAM COUNTY, GEORGIA

By: Pete Liakakis  
Pete Liakakis, Chairman

Attest: Sybil Tillman  
Sybil Tillman, Clerk of Commission

(Seal)



MAYOR AND ALDERMEN OF THE  
CITY OF SAVANNAH, GEORGIA

By: Michael B. Brown  
Michael B. Brown, City Manager

Attest: Mary E. Mitchell  
Dyanne Reese, Clerk of Council

for

(Seal)



**EXHIBIT A**  
**Projects and Priorities for SPLOST Distribution**

1. **SPLOST Projects.** The table below lists the SPLOST projects, the entity responsible for the project, the project priority for SPLOST funding, and the pro-rata share of the SPLOST monthly distribution.

2. **Distribution of SPLOST Proceeds.** The County shall retain the first \$109,000,000 of SPLOST collections. All subsequent SPLOST collections up to \$445,300,000 shall be distributed to the County and the Municipalities on a monthly basis based upon each entity's pro-rata percentage of the project totals based on Distribution Table below. Should SPLOST proceeds exceed \$445,300,000, the remaining SPLOST proceeds will be allocated between the County and the Municipalities on a pro rata population basis as described in Section 7 (C) of the Intergovernmental Agreement.

3. **Projects within Municipalities.** For capital outlay projects (i.e. that include but are not limited to roads and drainage) that are located wholly within a Municipality, it is agreed that the final design plans shall be approved by the Municipality. For such projects, the County and a Municipality may have a separate agreement to transfer SPLOST funds to the Municipality which shall assume the responsibility for detailed design, construction procurement and construction management of the project.

(Distribution Table Follows)

**DISTRIBUTION TABLE FOR \$445,300,000 IN SPLOST PROCEEDS**

| Project Number | Project                                                                                                                                                                                                                                                                                                                                                     | Responsible Entity   | SPLOST Allocation | Priority | Priority 2 Pro Rata Share (after \$109 Million) |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------|----------|-------------------------------------------------|
| 1              | Level 1 County Project - Detention Facility Expansion including debt service on general obligation bonds.                                                                                                                                                                                                                                                   | Chatham County       | \$ 109,000,000    | 1        |                                                 |
| 2              | Level 1 County Projects - Judicial Courthouse, Juvenile Court Complex, and Health Department Facilities.                                                                                                                                                                                                                                                    | Chatham County       | \$ 39,000,000     | 2        | 11.5968%                                        |
| 3              | County-Wide (Chatham Urban Transportation Study approved) Roads including Skidaway Road, Jimmy DeLoach Parkway Phase 2, Jimmy DeLoach Parkway Extension, Truman Parkway Phase V, White Bluff Road, Little Neck Road, I-16 Flyover Removal, Interchange at US 80/Jimmy DeLoach Parkway, Dean Forest Road widening and Dean Forest Road Extension. See notes. | Chatham County       | \$ 30,000,000     | 2        | 8.9206%                                         |
| 4              | County-Wide Flood Control including Pipemakers Canal and Hardin Canal. See notes.                                                                                                                                                                                                                                                                           | Chatham County       | \$ 20,000,000     | 2        | 5.9470%                                         |
| 5              | County-Wide Capital Projects including County Administrative Building, Hutchinson Island Slip 3, Chatham Area Transit, Hitch Library, AMBUC Park, parks and recreation improvements, Community Centers (Tatumville, Liberty City, Carver Heights, Cloverdale), and Greenspace. See notes.                                                                   | Chatham County       | \$ 18,000,000     | 2        | 5.3523%                                         |
| 6              | City of Savannah Projects including arena, public safety facilities and equipment, drainage improvements, cultural and recreation facilities, street lighting, and street, traffic, right-of-way and sidewalk improvements. See notes.                                                                                                                      | City of Savannah     | \$ 160,000,000    | 2        | 47.5766%                                        |
| 7              | City of Bloomingdale Projects including drainage, roads, public safety facilities and equipment, parks and recreation. See notes.                                                                                                                                                                                                                           | City of Bloomingdale | \$ 3,000,000      | 2        | 0.8921%                                         |

|       |                                                                                                                                                                                                                                                                                              |                        |                |   |           |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------|---|-----------|
| 8     | City of Garden City Projects including municipal facilities, water/sewer, public safety, parks and recreation, roads, and drainage. See notes.                                                                                                                                               | City of Garden City    | \$ 6,100,000   | 2 | 1.8139%   |
| 9     | City of Pooler Projects including parks and recreation, roads and drainage. See notes.                                                                                                                                                                                                       | City of Pooler         | \$ 6,000,000   | 2 | 1.7841%   |
| 10    | City of Port Wentworth Projects including debt retirement. See notes.                                                                                                                                                                                                                        | City of Port Wentworth | \$ 3,000,000   | 2 | 0.8921%   |
| 11    | Town of Thunderbolt Projects including water system, public works vehicles and equipment, municipal facilities, public safety equipment, roads, and debt retirement. See notes.                                                                                                              | Town of Thunderbolt    | \$ 3,000,000   | 2 | 0.8921%   |
| 12    | City of Tybee Island Projects including Tybee beach improvements, public safety facility, fire equipment, water/sewer improvements, greenspace, and qualifying debt retirement. See notes.                                                                                                   | City of Tybee Island   | \$ 8,000,000   | 2 | 2.3788%   |
| 13    | Town of Vernonburg Projects including drainage and roads. See notes.                                                                                                                                                                                                                         | Town of Vernonburg     | \$ 200,000     | 2 | 0.0595%   |
| 14    | Unincorporated County Projects including road purposes, streetlights, flood control, parks and recreation, weightlifting center, Westside Police Precinct, sidewalks, marine patrol facility or equipment, public safety and fire equipment, and public safety facility (design). See notes. | Chatham County         | \$ 40,000,000  | 2 | 11.8941%  |
| Total |                                                                                                                                                                                                                                                                                              |                        | \$ 445,300,000 |   | 100.0000% |

Notes:

(1) Projects may be from the County or Municipality Adopted Capital Improvement Program.

(2) SPLOST funds may be utilized for information technology and geospatial information system technology suitable for mapping, for engineering analysis, planning and design, for geodetic surveys, and for flood hazard mitigation and forecasting, which benefit SPLOST eligible projects.

# The County of Chatham Georgia



## Resolution

### RESOLUTION AND AUTHORITY FOR CHAIRMAN AND VICE CHAIRMAN TO EXECUTE INTERGOVERNMENTAL AGREEMENT FOR SPECIAL OPTION LOCAL SALES TAX (SPLOST)

WHEREAS, on Friday, August 11, 2006, the Chatham County Board of Commission met at their regularly scheduled meeting and at such meeting did approve a Resolution pertaining to Special Purpose Local Option Sales Tax (hereinafter "SPLOST"); and,

WHEREAS, the Chatham County Board of Commissioners have passed a Resolution for the election and referendum to impose SPLOST and require a notice be sent to the Chatham County Elections Department Superintendent to call for the election and referendum on September 19, 2006, for the imposition of said tax; and,

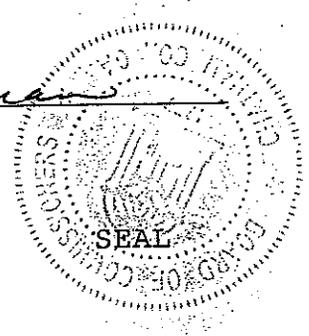
WHEREAS, the Chatham County Board of Commissioners have approved a proposed Intergovernmental Agreement pertaining to capital outlay projects for SPLOST; and,

NOW THEREFORE, BE IT ORDAINED, the Board of Commissioners, subject to review and concurrence by majority of the Board, does direct, authorize and affirm the authority of Chairman Pete Liakakis or Vice Chairman Dr. Priscilla Thomas, the power and authority to execute the necessary Intergovernmental Agreement and other documents as required to effectuate a valuable Intergovernmental Agreement in the called for referendum pertaining to SPLOST.

Adopted this 11<sup>th</sup> day of August, 2006.

BY: Pete Liakakis  
Pete Liakakis, Chairman  
Board of Commissioners

ATTEST: Sybil E. Tillman  
Sybil E. Tillman, Clerk





## MEMORANDUM

City Manager's Office  
City of Savannah

TO: Mayor and Aldermen

FROM: Michael B. Brown, City Manager

SUBJECT: SPLOST Proposal

DATE: August 9, 2006

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As we approach an August 19<sup>th</sup> deadline to place the next SPLOST on the ballot it is important that Chatham County and the City of Savannah reach agreement on the project allocations. This morning the County and municipalities met for several hours to reach consensus on the SPLOST allocation. The agreement that emerged after considerable discussion and compromise is highlighted below.

- \$148 million allocated for level one projects
- \$30 million allocated for level 2 County wide Roads projects
- \$20 million allocated for level 2 County wide drainage projects
- \$18 million in further allocations for County-wide capital projects
- \$160 million to City of Savannah, including the arena
- \$69.3 million allocated to the other municipalities and unincorporated area.

This allocation does not give us the full funding for our largest capital projects (e.g. Arena, Grayson Stadium, and Cultural Arts Center). For each of these projects a gap will exist between full funding and SPLOST. That gap ranges from \$5 million for Grayson Stadium to \$15 million for the arena. Other funds will have to be sought to cover the cost, but we will be diligent in seeking out those funds. This may include taking advantage of our legislative allies, seeking private funds, and utilizing grants. I would also note that we have a pool of developable property that could act as a source of one-time revenue or as residual revenue depending on our future decisions.

### Intergovernmental Agreement

As we progress toward an agreement there is a special meeting scheduled on August 9<sup>th</sup> in order to approve the intergovernmental agreement between the city and the county. That agreement is required in order for the SPLOST to be extended to six years. The wording of agreement or of the ballot measure does not require the city to list specific projects, only categories. Otherwise, this matter will be presented to you in a regular Council meeting.

Attached with this memo is an overview of the proposed allocation.

## Overview of Allocation

| Projects                    | Current Proposal     |
|-----------------------------|----------------------|
| <b>Level 1</b>              | <b>\$148,000,000</b> |
| <b>Level 2/ County Wide</b> |                      |
| County Wide Roads           | 30,000,000           |
| County Wide Drainage        | 20,000,000           |
| County-Wide County Projects | 18,000,000           |
| <b>Level 3</b>              |                      |
| Bloomingtondale             | 3,000,000            |
| Garden City                 | 6,100,000            |
| Pooler                      | 6,000,000            |
| Port Wentworth              | 3,000,000            |
| Savannah                    | 160,000,000          |
| Thunderbolt                 | 3,000,000            |
| Tybee Island                | 8,000,000            |
| Vernonburg                  | 200,000              |
| Unincorporated              | 40,000,000           |
| <b>Total</b>                | <b>\$445,300,000</b> |

Any collections in excess of \$445.3 million will be distributed to municipalities and unincorporated County pro-rate according to the 2010 final census population,

The first \$109 million in SPLOST collections will be allocated to the County to fund the jail and related debt. After funding of this priority one project, SPLOST proceeds will be distributed pro-rate according to the project budget.

## Savannah Allocation

|                                                            | <u>Original Amount</u> | <u>Current Proposal</u> |
|------------------------------------------------------------|------------------------|-------------------------|
| <b>Funded Projects</b>                                     |                        |                         |
| ✓ Arena/Public Safety Headquarters                         | \$ 95,000,000          | \$ 80,000,000           |
| ✓ Westside - Downtown Savannah Corridor                    | 15,000,000             | 9,500,000               |
| ✓ Cultural Arts Center                                     | 20,000,000             | 13,400,000              |
| ✓ Drainage                                                 | 20,000,000             | 11,000,000              |
| ✓ Children's Museum and Infrastructure at Battlefield Park | \$7,500,000            | 6,500,000               |
| ✓ Urban Redevelopment Plans                                | \$6,000,000            | 6,000,000               |
| ✓ Police Precincts                                         | \$5,600,000            | 5,600,000               |
| ✓ Grayson Stadium                                          | \$10,000,000           | 5,000,000               |
| ✓ Street Lighting Upgrade -- Public Safety                 | \$14,775,500           | 2,500,000               |
| ✓ Fellwood Homes Site Infrastructure                       | \$4,500,000            | 4,500,000               |
| ✓ Edwin St. Public Safety Training Facility                | \$4,000,000            | 3,000,000               |
| ✓ Priority Corridors                                       | \$3,000,000            | 3,000,000               |
| ✓ Daffin Park Renovations Phase III & IV                   | \$2,000,000            | 1,000,000               |
| ✓ Central Police Precinct                                  | \$1,750,000            | 1,750,000               |
| ✓ Central Fire Station                                     | \$1,750,000            | 1,750,000               |
| ✓ Police Mobile Technology Infrastructure                  | \$1,500,000            | 1,500,000               |
| ✓ Bacon Park Tennis Facility                               | \$1,000,000            | 1,000,000               |
| ✓ Corridor Signal Upgrades                                 | \$1,200,000            | 1,000,000               |
| ✓ Youth Activity Area/Water Park                           | \$10,000,000           | 2,000,000               |
| <b>Savannah Projects Not Funded</b>                        |                        |                         |
| Sidewalk & ADA Ramp Construction                           | \$2,800,000            |                         |
| Southside Baseball Fields                                  | \$1,600,000            |                         |
| River Street Trolley                                       | \$1,000,000            |                         |
| Southwest Chatham Rds                                      | \$20,000,000           |                         |
| Street Reconstruction                                      | \$5,000,000            |                         |
| Bacon Park Forest Nature Park                              | \$1,000,000            |                         |
| Hampstead Connector                                        | \$10,000,000           |                         |
| <b>Total</b>                                               | <b>\$170,975,500</b>   | <b>\$160,000,000</b>    |

# SPLOST 5 PROJECTS

| Project Name                                      | SPLOST Category                                   | 2007        | 2008       | 2009       | 2010       | 2011       | >2011      |
|---------------------------------------------------|---------------------------------------------------|-------------|------------|------------|------------|------------|------------|
| <b>Total</b>                                      |                                                   | 80,000,000  | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 |
| Arena Replacement/Public Safety Hdqrs             | Arena Replacement/Public Safety Hdqrs             | 9,500,000   |            |            |            |            |            |
| Westside-Downtown Savannah Corridor               | Westside-Downtown Savannah Corridor               | 3,000,000   |            | 9,500,000  |            |            |            |
| Public Safety Training Complex                    | Public Safety Training Complex                    | 1,500,000   |            |            | 3,000,000  |            | 1,500,000  |
| Police Mobile Technology                          | Police Mobile Technology                          | 3,500,000   |            | 3,500,000  |            |            |            |
| Central Precinct and Fire Station                 | Central Precinct and Fire Station                 | 5,600,000   |            |            | 5,600,000  |            |            |
| Police Precincts                                  | Police Precincts                                  | 13,400,000  | 6,700,000  | 6,700,000  |            |            |            |
| Arts-Culture-Education Center (Youth Focused)     | Arts-Culture-Education Center (Youth Focused)     | 2,000,000   |            |            |            |            | 2,000,000  |
| Youth Activity Area/Water Park                    | Youth Activity Area/Water Park                    | 6,500,000   |            | 1,000,000  | 2,000,000  |            | 2,000,000  |
| Children's Museum Infrastructure/Battlefield Park | Children's Museum Infrastructure/Battlefield Park | 5,000,000   |            |            |            |            | 5,000,000  |
| Grayson Stadium                                   | Grayson Stadium                                   | 300,000     |            |            | 300,000    |            |            |
| Downtown Traffic Signal System                    | Corridor Signal Upgrades                          | 340,000     |            |            | 340,000    |            |            |
| 37th Street Corridor Signal Upgrade               | Corridor Signal Upgrades                          | 360,000     |            |            | 360,000    |            |            |
| Eisenhower Avenue Inter-Connect                   | Corridor Signal Upgrades                          | 4,500,000   |            | 4,500,000  |            |            |            |
| Fellwood Homes Site Infrastructure                | Fellwood Homes Site Infrastructure                | 6,000,000   |            | 1,000,000  | 1,000,000  |            | 3,000,000  |
| MURP                                              | MURP                                              | 100,000     |            |            | 100,000    |            |            |
| Ogeechee Road Acquisitions                        | Priority Corridors                                | 300,000     |            |            |            |            |            |
| Ogeechee Road Streetscape Improvements            | Priority Corridors                                | 150,000     | 150,000    |            |            |            |            |
| Waters Avenue Acquisitions                        | Priority Corridors                                | 750,000     |            | 750,000    |            |            |            |
| Waters Avenue Streetscape Design                  | Priority Corridors                                | 250,000     |            |            | 250,000    |            |            |
| Waters Avenue Streetscape Improvements            | Priority Corridors                                | 250,000     |            |            |            |            |            |
| West Bay Street Acquisitions                      | Priority Corridors                                | 750,000     |            | 750,000    |            |            |            |
| Wheaton Street Streetscape Design                 | Priority Corridors                                | 300,000     |            |            | 300,000    |            |            |
| Wheaton Street Streetscape Improvements           | Priority Corridors                                | 150,000     |            |            |            |            | 150,000    |
| Wheaton Street Acquisitions                       | Priority Corridors                                | 2,500,000   |            |            |            |            |            |
| Street Lighting Upgrade - Public Safety           | Street Lighting Upgrade - Public Safety           | 1,000,000   |            |            | 1,000,000  |            |            |
| Daffin Park Renovations - Phases III & IV         | Daffin Park Renovations - Phases III & IV         | 8,000,000   |            |            | 8,000,000  |            |            |
| Placenta, Phase 2                                 | Drainage                                          | 1,500,000   |            |            | 1,500,000  |            |            |
| Windor, Phase 3                                   | Drainage                                          | 1,500,000   |            |            | 1,500,000  |            |            |
| Jackson Woods, Phase 3                            | Drainage                                          | 1,000,000   |            |            | 1,000,000  |            |            |
| Bacon Park Tennis Bldg                            | Bacon Park Tennis Bldg                            | 1,000,000   |            |            | 1,000,000  |            |            |
| <b>Total</b>                                      |                                                   | 160,000,000 | 7,100,000  | 27,700,000 | 65,150,000 | 54,550,000 | 4,500,000  |
| <b>SPLOST Allocation</b>                          |                                                   | 160,000,000 |            |            |            |            |            |
| <b>Difference</b>                                 |                                                   | -           |            |            |            |            |            |
| Priority Corridors budgeted/actual                |                                                   | -           | 3,000,000  | 3,000,000  |            |            |            |
| Drainage budgeted/actual                          |                                                   | -           | 11,000,000 | 11,000,000 |            |            |            |
| Corridor Signal Upgrades                          |                                                   | -           | 1,000,000  | 1,000,000  |            |            |            |
| Civic Center Arena Replacement                    |                                                   | -           | 80,000,000 | 80,000,000 |            |            |            |
| <b>Subtotal</b>                                   |                                                   |             |            |            |            |            |            |