

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 MARCH 18, 2003; 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 for road, street, and bridge purposes, and has considered 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, 1998, which tax the County anticipates will cease to be collected on September 30, 2003; 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, 2003, or upon the termination of the Special Sales Tax now in effect, said new Special Sales Tax to be imposed for road, street, and bridge purposes, retirement of general obligation debt for the Town of Thunderbolt and for the purpose of funding the various capital outlay projects, including drainage projects, described in the Notice of Election (the "Notice of Election") attached hereto as Exhibit A; and

WHEREAS, O.C.G.A. Section 48-8-111(a)(1)(D) authorizes the Special Sales Tax to be imposed for the purpose of providing funds to be used and expended on a capital outlay project or projects, to be owned or operated or both either by the County, one or more municipalities, or any combination thereof, with respect to which the County has, prior to the call of the election, entered into a contract or agreement, as authorized by Article IX, Section III of the Constitution of the State of Georgia, with the one or more municipalities in the County which contain more than one-half of the aggregate population of all municipalities within the County; and

WHEREAS, the Mayor and Aldermen of the City of Savannah (the "City of Savannah"), which contains more than one-half of the aggregate population of all municipalities within the County, is in need of funds for road, street, and bridge purposes and funds with which to undertake certain capital outlay projects of City of Savannah, including drainage, and prior to the call of the election will enter into a contract or agreement with the County as authorized by Article IX, Section III of the Constitution of the State of Georgia; and

WHEREAS, the remaining municipalities in the County are in need of funds with which to undertake certain capital outlay projects and retire general obligation debt; and

WHEREAS, the County is in need of funds for road, street, and bridge purposes and funds with which to undertake certain capital outlay projects of the County, including drainage; and

WHEREAS, the Board of Commissioners recognizes that in order to facilitate the acquisition of certain capital outlay projects it may be necessary for the County to issue general obligation debt for such purposes; and

WHEREAS, prior to the vote of the Board of Commissioners on this resolution, the Board of Commissioners caused to be delivered or mailed a written notice to the municipalities in Chatham County containing the date, time, place, and purpose of a meeting to discuss the possible projects for inclusion in the referendum called by this resolution, and the governing authorities of the County and said municipalities held said meeting on January 10, 2003; and

WHEREAS, a portion of the proceeds from said Special Sales Tax shall be provided to the the City of Savannah in accordance with the provisions of an intergovernmental contract relating to the above-described road, street, and bridge purposes and capital outlay projects, including drainage projects, between the County and the City of Savannah, prior to the call of the election authorized herein, in compliance with the Act and with Article IX, Section III of the Constitution of the State of Georgia; and

WHEREAS, a portion of the proceeds from said Special Sales Tax shall be provided to the remaining municipalities in the County for certain capital outlay projects in said municipalities and the retirement of general obligation debt in the Town of Thunderbolt; and

WHEREAS, the Board of Commissioners recognize the need for all citizens, including minority, small and disadvantaged businesses and workers to share in the economic growth and benefits generated by the appropriate use of the Special Sales Tax proceeds; and

WHEREAS, the Board of Commissioners does hereby urge and direct that all contemplated Special Use Sales Tax capital improvement projects provide opportunity for all citizens, including minority, small and disadvantaged businesses and workers and established as a goal thirty (30%) percent minority, small and disadvantaged business participation to share in the economic growth and benefits generated by the appropriate use of Special Sales Tax proceeds and the resulting capital improvements.”

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 and to allocate adequate funds for road, street, and bridge purposes;

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 time not to exceed five years for the raising of not more than \$276,627,433 for (a) the acquisition, construction, and equipping of the capital outlay projects set forth in the Notice of Election attached hereto and made a part hereof as Exhibit A, which capital outlay projects are for the use or benefit of the citizens of the County, and (b) road, street, and bridge purposes. 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 \$16,000,000 for acquisition of certain of said capital outlay projects. 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 maximum period of time for which the Special Sales Tax shall be imposed shall be 20 calendar quarters. The Special Sales Tax shall be collected beginning October 1, 2003 or upon the termination of the Special Sales Tax now in effect and shall cease to be imposed on the earlier of (a) 20 calendar quarters after the tax is imposed or (b) as of the end of the calendar quarter during which the Commissioner of the Georgia Department of Revenue determines that the Special Sales Tax will have raised revenues sufficient to provide to the County net proceeds equal to or greater than the amount specified as the maximum amount of net proceeds to be raised by the Special Sales Tax. 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 maximum cost of the capital outlay projects, including drainage projects and the retirement of general obligations debt, which will be funded from proceeds of the Special Sales Tax will be \$229,007,433. The maximum cost of the road, street, and bridge purposes which will be funded from proceeds of the Special Sales Tax will be \$47,620,000.

4. The proceeds of the Special Sales Tax shall be applied toward any of the purposes set forth in 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.

5. 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 \$16,000,000. The purpose for which the debt is to be issued shall be to pay all or a portion of the cost for the acquisition of certain capital outlay projects of the County. No portion of such debt shall be incurred for road, street, or bridge purposes. The maximum rate or rates of interest on such debt shall not exceed five percent (5.00%) 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>
2005	\$16,000,000

6. 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 March 18, 2003, 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 four 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.

7. 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.

8. 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.

9. 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.

10. 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 for road, street, and bridge purposes, the retirement of general obligation debt, 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.

11. 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.

12. 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 of certain capital outlay projects 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 \$16,000,000 and to reimburse original expenditures on such capital outlay projects in the maximum principal amount of \$16,000,000 with proceeds from the sale of such debt (to the extent permitted by Section 1.150-2 of the Treasury Regulations).

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

ADOPTED, this February 14, 2003.

BOARD OF COMMISSIONERS
OF CHATHAM COUNTY

By: Priscilla S. Thomas
Chairman (vice)

Attest: [Signature]
Clerk



NOTICE OF SPECIAL PURPOSE SALES
AND USE TAX ELECTION ON MARCH 18, 2003

Pursuant to a resolution adopted by the Board of Commissioners of Chatham County on February 14, 2003 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 March 18, 2003, 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 (a) for a period of time not to exceed five (5) years and for the raising of not more than \$229,007,433 for the purpose of funding certain capital outlay projects within Chatham County and the municipalities in Chatham County including (i) drainage capital improvements, (ii) street and sidewalk improvements, (iii) public buildings, (iv) water and sewer capital projects, (v) cultural, recreational, and historic facilities, (vi) public safety and emergency equipment; (vii) open space, greenway/bikeway, and park improvements; and (viii) retirement of general obligation debt; and for road, street, and bridge purposes for a period of time not to exceed five (5) years and for the raising of not more than \$47,620,000.
- () 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 \$16,000,000 for the above purposes other than road, street, and bridge purposes.

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, 2003, 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 \$16,000,000. The proceeds from such general obligation debt, if issued, shall be used to fund all or a portion of the capital outlay projects described in the foregoing question. No portion of such debt shall be incurred for road, street, or bridge purposes. The maximum rate or rates of interest on such debt shall not exceed five percent (5.00%) 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>
2005	\$16,000,000

The Board of Commissioners may issue aggregate general obligation debt which is less than \$16,000,000 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 February 17, 2003. Anyone desiring to register may do so by applying in person at the voter registration office located at 133 Montgomery Street Annex, Room 107, Savannah, Georgia, or by any other method authorized by the Georgia Election Code.

6. The election will be held on Tuesday, March 18, 2003. The polls will be open from 7:00 a.m. until 7:00 p.m.

This _____, 2003.

Chairman, Board of Elections
of Chatham County, Election Superintendent

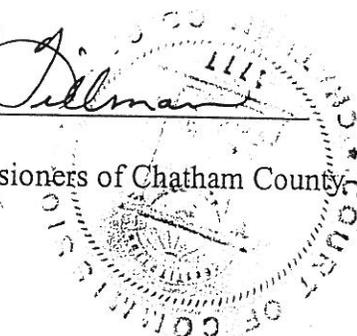
CLERK'S CERTIFICATE

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 February 14, 2003, 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.

(SEAL)


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 February 14, 2003, requesting the Board of Elections to call an election on March 18, 2003, 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 March 18, 2003, and orders and directs that the form of election notice contained in said resolution and required by law to be published in connection with the election and the issuance of said general obligation debt be published as provided by law.

This February 14, 2003.

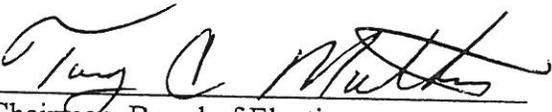
Acting 
Chairman, Board of Elections
of Chatham County, Election Superintendent

EXHIBIT A

STATE OF GEORGIA)

COUNTY OF CHATHAM)

INTERGOVERNMENTAL AGREEMENT FOR THE DISTRIBUTION OF SPECIAL PURPOSE SALES AND USE TAX PROCEEDS BY THE COUNTY TO MUNICIPALITIES FOR CAPITAL OUTLAY PROJECTS, FOR GENERAL OBLIGATION DEBT, AND ROAD, STREET AND BRIDGE PURPOSES

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") is made and entered into as of this 14th day of February, 2003, by and between CHATHAM COUNTY, a political subdivision of the state of Georgia, hereinafter called the "COUNTY", and the Mayor and Aldermen of the City of Savannah, a municipal corporation of the State of Georgia, hereinafter called "SAVANNAH"

and (to the extent they elect to be come signatories hereto)

the City of Bloomingdale, a municipal corporation of the State of Georgia, hereinafter called "BLOOMINGDALE", the City of Garden City, a municipal corporation of the State of Georgia, hereinafter called "GARDEN CITY", the City of Pooler, a municipal corporation of the State of Georgia, hereinafter called "POOLER", the City of Port Wentworth, a municipal corporation of the State of Georgia, hereinafter called "PORT WENTWORTH", the Town of Thunderbolt, a municipal corporation of the State of Georgia, hereinafter called "THUNDERBOLT", the City of Tybee Island, a municipal corporation of the State of Georgia, hereinafter called "TYBEE ISLAND", and the Town of Vernonburg, a municipal corporation of the State of Georgia, hereinafter called "VERNONBURG", all of which including SAVANNAH are collectively referred to as "MUNICIPALITIES" and any one of which is referred to as "MUNICIPALITY".

WITNESSETH:

WHEREAS, as authorized by Georgia law (O.C.G.A. § 48-8-110 et. seq.), the COUNTY will call an election to be held on March 18, 2003, to request voter authorization for a special purpose local option one percent sales and use tax (hereinafter called "SPLOST") to be imposed for a period of five years for the purpose of raising \$276,627,433 for funding road, street, and bridge improvements, drainage system capital improvements, open space projects, public safety and emergency facilities and equipment, and other capital outlay projects to be owned, leased or operated by the MUNICIPALITIES and the COUNTY; and

WHEREAS, the imposition of said tax, if authorized by the voters, will begin upon the expiration of the one percent sales and use tax currently being levied and collected pursuant to authorization granted in a referendum conducted on June 17, 1997; and

WHEREAS, the COUNTY and MUNICIPALITIES wish to provide for the distribution

of SPLOST proceeds to carry out certain road, street, and bridge improvements, certain public safety and emergency equipment capital outlay projects, greenspace projects, certain drainage capital improvements, and other capital outlay projects as specified by this Agreement all of which are to be authorized under the referendum to be held on March 18, 2003; and

WHEREAS, O.C.G.A. § 48-8-111(a)(1)(D) requires that in order to utilize SPLOST funds for certain categories of projects, a county must, prior to the call for the election, enter into a contract or agreement with one or more municipalities containing more than one-half of the aggregate population of all municipalities within the county; and

WHEREAS, SAVANNAH contains more than one-half the aggregate population of all municipalities within the COUNTY, and the parties desire to enter into this Agreement in order to comply with O.C.G.A. § 48-8-111(a)(1)(D); and

WHEREAS, the parties hereto anticipate that the COUNTY will enter into 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 March 18, 2003, 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 covenants herein, the parties agree as follows:

1. **Payment and Use of Tax Funds.** If the SPLOST is authorized by the voters in the election to be held on March 18, 2003, then the proceeds of the tax totaling a projected amount of \$276,627,433 will be utilized in the following project categories:

	<u>Projected Amount</u>
Road, street and bridge projects	\$47,620,000
Drainage projects	79,950,000
Acquisition of Henderson Golf Course and Mighty 8 th Air Force Heritage Center	16,000,000
Openspace and Greenway projects (except Savannah)	5,314,987
Other capital outlay projects (To include: public safety and emergency equipment; open space, greenway/bikeway, cultural, recreational, and historic facilities; water and sewer capital projects; public buildings; street and sidewalk improvements; drainage capital improvements; and park improvements and other municipal general obligation debt)	127,742,446
TOTAL	<u><u>\$276,627,433</u></u>

The actual proceeds of the SPLOST will be distributed and utilized according to the following priorities:

a. The first \$17,000,000 of SPLOST proceeds shall be retained by the County for advance funding of priority SPLOST eligible projects.

b. Over the five year period that the SPLOST will be imposed, the actual amount collected shall be disbursed for the balance of projects herein described and also contained in Attachments 1, 2, 3 and 4 for SPLOST eligible capital outlay projects of the COUNTY and MUNICIPALITIES. The actual SPLOST proceeds collected less the amount distributed in accordance with paragraph "a" shall be disbursed by the COUNTY in monthly installments based on each MUNICIPALITY's pro rata share of the designated amount allocated to each municipality and COUNTY as shown in the table below. The COUNTY shall disburse proceeds monthly to all MUNICIPALITIES not later than fifteen (15) days after receipt of the proceeds in that month from the Georgia Department of Revenue.

Jurisdiction	For first \$250,136,519 in SPLOST Revenue (after up- front distribution to COUNTY)		For SPLOST Revenue in Excess of \$250,136,519	
	Percent	Dollars	Percent	Dollars (assuming \$26,490,914 in additional Revenue)
Bloomington	1.223978%	\$2,853,540	0.229384%	\$60,766
Garden City	1.721377%	4,013,159	0.127059%	33,659
Pooler	1.721377%	4,013,159	0.127059%	33,659
Port Wentworth	1.061397%	2,474,504	0.086018%	22,787
Savannah	41.165229%	95,971,183	6.302961%	1,669,712
Thunderbolt	1.164199%	2,714,172	0.060719%	16,085
Tybee Island	2.794652%	6,515,354	0.065781%	17,426
Vernonburg	0.172088%	401,200	0.005062%	1,340
Chatham County	<u>48.975703%</u>	<u>114,180,248</u>	<u>92.995957%</u>	<u>24,635,480</u>
	100.000000%	233,136,519	100.000000%	<u>\$26,490,914</u>
Up-front Distribution to COUNTY		17,000,000		
Total		<u>\$250,136,519</u>		

c. A portion of the SPLOST funds may be utilized for information technology and geospatial information system technology suitable for mapping, for making engineering analysis, planning and design, for geodetic surveys, and for flood hazard mitigation and forecasting, which benefit SPLOST eligible projects.

d. For capital outlay projects (i.e. that include but are not limited to roads, drainage, greenway, bikeway, open space projects) 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 the MUNICIPALITY may agree in a separate agreement to transfer SPLOST funds to the MUNICIPALITY which shall be responsible for detailed design, construction procurement and construction management of the project.

e. The parties recognize that the projected amount of SPLOST to be utilized for projects specified in Attachments 1, 2, 3 and 4 is based upon projections of the future revenue from the SPLOST on the assumption that future SPLOST revenues will increase at an average annual rate of approximately 5%. Such assumption may not be realized, and the total amount available for such projects may be less than the projection. In the event that the actual revenues are less than the projected amount, the aggregate totals listed in subparagraph "b" will not be achieved. In such event each MUNICIPALITY and the COUNTY will be responsible for securing other funding, or reducing the scope and costs of its projects.

2. Restrictions as to Use of Tax Funds. 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:

a. All SPLOST funds and interest received may only be used for projects similar to those enumerated in Attachments 1, 2, 3 and 4 and pursuant to O.C.G.A. § 48-8-121(a)(1). If circumstances arise which dictate that a project which initially seemed feasible and is no longer so, then the governing body to which the SPLOST funds for such project were 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 projects in a category is less than the amount allocated to that category under this Agreement, then the governing body to which the SPLOST funds for such category were allocated, may use its lawful discretion to make adjustments in its plan of capital projects to utilize the funds in other categories provided for in this Agreement.

b. All SPLOST funds received shall be accounted for in a separate fund and not commingled with other monies prior to expenditure for allowable uses.

c. 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 a.

d. Any SPLOST funds received by MUNICIPALITIES (except Thunderbolt) may not be used to retire general obligation debt nor for general operating expenses. However, SPLOST funds may be used to repay loans made to temporarily fund SPLOST capital projects in anticipation of receipt of SPLOST funds.

3. Election Notice. Attached hereto as Attachment 5 is the form of the election notice which shall be used to advertise the March 18, 2003, election and ballot question.

4. Audit Requirement. As required by Georgia law, the MUNICIPALITIES and the COUNTY shall each include within its audited annual financial report specific information about its use of SPLOST funds. A schedule shall be included in each annual audit which shows the amount estimated for each project authorized by this Agreement, amounts expended in prior years, amounts expended in the current year, and the estimated percent of completion for each project. All MUNICIPALITIES and organizations will provide to the COUNTY a copy of their annual audit with a cover letter certifying that the SPLOST funds received have been spent for SPLOST eligible capital improvement projects.

5. 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.

6. Certification of Use. The COUNTY, MUNICIPALITIES and organizations that receive SPLOST funds shall provide certification to the COUNTY that the funds shall be used only for SPLOST eligible projects. The COUNTY may withhold distribution of SPLOST funds until certification is made to the COUNTY.

7. 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.

8. Agreement with Municipalities. The COUNTY shall enter into separate agreements with MUNICIPALITIES that are not signatories to this Agreement and other organizations upon such terms as appropriate to ensure that funds will be used for SPLOST eligible projects and meets the requirements of the law.

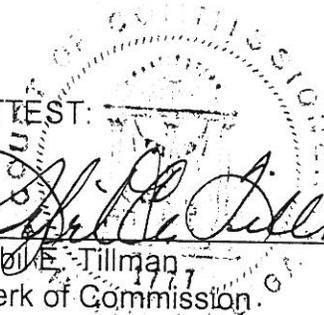
9. Agreement Effective When Executed by SAVANNAH and COUNTY. This Agreement shall be effective when executed by SAVANNAH and the COUNTY. The COUNTY may enter into separate agreements with MUNICIPALITIES that are not signatories to this Agreement and other organizations upon such terms as appropriate to insure that funds will be used for SPLOST eligible projects and meet the requirements of the law.

IN WITNESS WHEREOF, the MUNICIPALITIES and the COUNTY have caused this Agreement to be duly executed by their proper officers and so attested with their corporate seals affixed hereto set forth in multiple originals as of the date first written above.

CHATHAM COUNTY, GEORGIA

BY: Priscilla D. Thomas
Dr. Priscilla D. Thomas, Vice-Chairman
Chatham County Commissioners

ATTEST:


Sybil E. Tillman
Sybil E. Tillman
Clerk of Commission

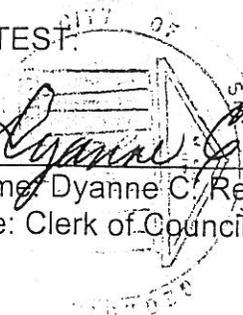
APPROVED AS TO FORM AND LEGALITY

[Signature]
County Attorney

MAYOR AND ALDERMEN OF
THE CITY OF SAVANNAH

BY: Michael B. Brown
Name: Michael B. Brown
Title: City Manager

ATTEST:


Dyanne C. Reese
Name: Dyanne C. Reese
Title: Clerk of Council

ATTACHMENT 1: Drainage Capital Improvement Projects (\$79,950,000)

Costs eligible for payment using SPLOST funds include all reasonable costs necessary to place the capital improvements in service including (but not limited to) planning, engineering design, land acquisition, right-of-way acquisition, easement acquisition, appraisals, construction, construction inspection and supervision, construction materials and supplies, construction labor, pumps and related structures, equipment installation, auxiliary generators, personal equipment, legal fees, financing fees, interest and construction management supervision.

A portion of the SPLOST funds may be utilized for information technology and geospatial information system technology suitable for topographic mapping, for making engineering analysis, planning and design, for geodetic surveys, and for flood hazard mapping, mitigation and forecasting, which will benefit SPLOST eligible projects.

Certain SPLOST funds received under this Agreement will be used for drainage capital improvements and other capital outlay projects including the following:

CHATHAM COUNTY (\$28,800,000)

Capital improvements to the Pipemakers Canal drainage basin to include but not limited to partial funding of a pump station.

Other Miscellaneous Drainage Capital Improvements affecting Unincorporated Chatham County.

CITY OF SAVANNAH (\$51,150,000)

Placentia Canal - Fernwood

Brick Line Replacement - City wide

Casey South

Springfield Basin - Phase II

Harmon/Chippewa

Wilshire-North Branch Improvements

Bilbo - Alice & Tattnell

Other Miscellaneous Drainage Capital Improvements affecting Savannah

ATTACHMENT 2: Roads, Street and Bridge Projects (\$47,620,000)

Costs eligible for payment using SPLOST funds include all reasonable costs necessary to place the road, street and bridge projects in service including (but not limited to) planning, engineering design, land acquisition, right-of-way acquisition, easement acquisition, appraisals, construction, construction inspection and supervision, construction materials and supplies, construction labor, pumps and related structures, equipment installation, auxiliary generators, personal equipment, legal fees, financing fees, interest, and construction management supervision.

A portion of the SPLOST funds may be utilized for information technology and geospatial information system technology suitable for road and topographic mapping, for making engineering analysis, planning and design, for geodetic surveys, and for flood hazard mapping and mitigation, which will benefit SPLOST eligible projects.

Certain SPLOST funds received under this Agreement will be used for road, street and bridge projects including the following:

CHATHAM URBAN TRANSPORTATION STUDY (CUTS) (\$20,000,000)

- Truman Parkway, Phase 5 (partial)
- Benton Boulevard - Extended from Jimmy DeLoach Parkway to SR 30
- Interchange at US 80 and I-16
- Extend Dean Forest Road (SR 307) from US 17 to Veterans Parkway
- Widen Dean Forest Road (SR 307) from I-16 to US 17
- Traffic Safety Improvement for Bull Street to Martin Luther King Boulevard along Victory Drive
- Islands Expressway High Level Bridge
- Other CUTS road, street and bridge projects

CHATHAM COUNTY (\$14,000,000)

- Construct and pave roads throughout Unincorporated Chatham County

CITY OF SAVANNAH (\$13,620,000)

- Street Reconstruction Program
- Gwinnett Street Improvements
- Martin Luther King Boulevard-Montgomery Street Corridor Improvements
- Sidewalks
- LaRoche/Delesseps Avenue Widening

ATTACHMENT 3: Authorized Open Space Projects and Greenway/Bikeway Projects
(\$5,314,987 except for Savannah which is included in Other Capital Outlay)

Costs eligible for payment using SPLOST funds include all reasonable costs necessary to place the capital improvements in service including (but not limited to) planning, engineering design, land acquisition, right-of-way acquisition, easement acquisition, appraisals, construction, construction inspection and supervision, construction materials and supplies, construction labor, pumps and related structures, equipment installation, auxiliary generators, personal equipment, legal fees, financing fees, interest, and construction management supervision.

Certain SPLOST funds received under this Agreement will be used for open space projects and greenway/bikeway capital improvements.

ATTACHMENT 4: Other Capital Outlay Projects (\$143,742,446)

Costs eligible for payment using SPLOST funds include all reasonable costs necessary to place the capital improvements in service including (but not limited to) planning, engineering design, land acquisition, right-of-way acquisition, easement acquisition, appraisals, construction, construction inspection and supervision, construction materials and supplies, construction labor, pumps and related structures, equipment installation, auxiliary generators, personal equipment, legal fees, financing fees, interest, and construction management supervision.

The parties recognize that the projected amount of SPLOST to be utilized for projects specified herein is based upon projections of the future revenue from the SPLOST on the assumption that future SPLOST revenues will increase at an average annual rate of approximately 5%. Such assumption may not be realized, and the total amount available for such projects may be less than the projection. In the event that the actual revenues are less than the projected amount, the aggregate totals listed in subparagraph "a" will not be achieved. In such event each MUNICIPALITY and the COUNTY will be responsible for securing other funding, or reducing the scope and costs of its projects.

Certain SPLOST funds received under this Agreement will be used for other capital outlay projects including the following:

CHATHAM COUNTY (\$88,058,125)

- Cultural, Recreation and Historical
 - Tom Triplett Park
 - Runaway Point Park
 - Mother Mathilda Beasley Park
 - Library
 - Boat Ramps
- County Courthouse
- Public Safety and Emergency Facilities and Equipment
- Chatham Area Transit (Equipment and Vehicle, Bus Shelters)
- Diversion Center (Work Release Program)
- Miscellaneous Capital Outlay Projects in the County's Adopted CIP Plan
- Capital Improvement Projects associated with Chatham County Police merger with City of Savannah

CITY OF BLOOMINGDALE (\$2,800,000)

- Recreational
- Local Street Improvements
- Public Safety Facility
- Improvements to City Hall
- Miscellaneous Capital Outlay Projects in the City's Adopted CIP Plan

CITY OF GARDEN CITY (\$3,979,500)

Drainage Capital Improvement Projects
Local Road, Street and Bridge Projects
Open Space and Greenway/Bikeway Projects
Municipal Complex
Miscellaneous Capital Outlay Projects in the City's Adopted CIP Plan

CITY OF POOLER (\$3,979,500)

Recreational Park
Visitors Center
Gymnasium Expansion
Public Safety Facility
Public Parks Facility
Local Road Purposes
Drainage Capital Improvement Projects
Miscellaneous Capital Outlay Projects in the City's Adopted CIP Plan

CITY OF PORT WENTWORTH (\$2,454,426)

Waste Water Treatment Facility
Local Road Purposes (i.e. Richard Road Extension)
Miscellaneous Capital Outlay Projects in the City's Adopted CIP Plan

CITY OF SAVANNAH (\$32,870,895)

East Wing of Moses Jackson
Ben Van Clark - Infrastructure & park
Neighborhood Redevelopment
Minick Youth Complex
Cultural Arts Center
Regional Recreational Facility Improvements
West Savannah Renewal
Battlefield Park
Ellis Square Revitalization
Public Safety
Miscellaneous Capital Outlay Projects in the City's Adopted CIP Plan

TOWN OF THUNDERBOLT (\$2,700,000)

Drainage Capital Improvement Projects
General Obligation Debt
Public Works Facility
Local Road Purposes
Recreational
Public Safety
Miscellaneous Capital Outlay Projects in the Town's Adopted CIP Plan

CITY OF TYBEE ISLAND (\$6,500,000)

Drainage Capital Improvement Projects
Public Safety Facility
Beach Renourishment
Cultural (Tybee Island Marine Science Center)
Recreational (Bike paths, playground, tennis courts)
Local Road Purposes
Miscellaneous Capital Outlay Projects in the City's Adopted CIP Plan

TOWN OF VERNONBURG (\$400,000)

Public Safety (fire hydrant system)
Local Road Purposes
Water Quality Improvement Project
Miscellaneous Capital Outlay Projects in the Town's Adopted CIP Plan

ATTACHMENT 5: Form of Election Notice

**NOTICE OF SPECIAL PURPOSE SALES
AND USE TAX ELECTION ON MARCH 18, 2003**

Pursuant to a resolution adopted by the Board of Commissioners of Chatham County on February 14, 2003 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 March 18, 2003, a special election will be held in Chatham County to submit to the qualified voters of Chatham County the following question:

- () YES
- () NO
- Shall a special 1 percent sales and use tax be imposed in Chatham County (a) for a period of time not to exceed five (5) years and for the raising of not more than \$229,007,433 for the purpose of funding certain capital outlay projects within Chatham County and the municipalities in Chatham County including (i) drainage capital improvements, (ii) street and sidewalk improvements, (iii) public buildings, (iv) water and sewer capital projects, (v) cultural, recreational, and historic facilities, (vi) public safety and emergency equipment; (vii) open space, greenway/bikeway, and park improvements; and (viii) retirement of general obligation debt; and for road, street, and bridge purposes for a period of time not to exceed five (5) years and for the raising of not more than \$47,620,000.

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 \$16,000,000 for the above purposes other than road, street, and bridge purposes.

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, 2003, 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 \$16,000,000. The proceeds from such general obligation debt, if issued, shall be used to fund all or a portion of the capital outlay projects described in the foregoing question. No portion of such debt shall be incurred for road, street, or bridge purposes. The maximum rate or rates of interest on such debt shall not exceed five percent (5.00%) per annum. The maximum

amount of principal to be paid in each year during the life of the debt shall be as follows:

Year	Principal Amount Maturing
2005	\$16,000,000

The Board of Commissioners may issue aggregate general obligation debt which is less than \$16,000,000 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 February 17, 2003. Anyone desiring to register may do so by applying in person at the voter registration office located at 133 Montgomery Street Annex, Room 107, Savannah, Georgia, or by any other method authorized by the Georgia Election Code.

6. The election will be held on Tuesday, March 18, 2003. The polls will be open from 7:00 a.m. until 7:00 p.m.

This _____, 2003.

Chairman, Board of Elections
of Chatham County, Election Superintendent