

A RESOLUTION OF THE WHITFIELD COUNTY BOARD OF EDUCATION CONSENTING TO THE INCLUSION OF CERTAIN WHITFIELD COUNTY SCHOOL DISTRICT REAL PROPERTY AD VALOREM TAXES IN THE COMPUTATION OF THE REAL PROPERTY TAX ALLOCATION INCREMENTS FOR THE CITY OF VARNELL TAX ALLOCATION DISTRICT NUMBER ONE – CLEVELAND HIGHWAY CORRIDOR (THE “TAD”); TO AUTHORIZE THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE WHITFIELD COUNTY SCHOOL DISTRICT AND THE CITY OF VARNELL, GEORGIA RELATING TO THE TAD; AND FOR OTHER RELATED PURPOSES

WHEREAS, the City of Varnell, Georgia (the “City”) through its Mayor and City Council, prepared and approved a Redevelopment Plan designated as the “City of Varnell Redevelopment Plan (the “Redevelopment Plan”) and has created the City of Varnell Tax Allocation District Number One – Cleveland Highway Corridor (the “TAD”), within the incorporated portion of Varnell, Whitfield County, Georgia and the Whitfield County School District (the “School District”) in the area of the City designated as the “Redevelopment Area,” by City Resolution adopted on July 20, 2021 (the “City Resolution”), a copy of which is attached hereto as Exhibit A; and

WHEREAS, the City Resolution provides that the TAD was created pursuant to the City’s redevelopment powers as authorized by the Redevelopment Powers Law, O.C.G.A. §36-44-1, *et seq.*, and will become effective on December 31, 2021; and

WHEREAS, the City made certain findings with respect to the Redevelopment Plan, including the following:

(a) the Redevelopment Area has not been subject to growth and development through private enterprise and would not reasonably be anticipated to be developed without the approval of the Redevelopment Plan; and

(b) the improvement of the Redevelopment Area is likely to enhance the value of a substantial portion of the real property in the district; and

WHEREAS, a copy of the Redevelopment Plan for the TAD has been furnished to the School District; and

WHEREAS, the Redevelopment Powers Law provides that the School District real property *ad valorem* property taxes may be included in the computation of the tax allocation increments of the TAD if the Whitfield County Board of Education (the “Board of Education”) consents to such inclusion by resolution duly adopted; and

WHEREAS, it is proposed that the School District and the City shall enter into an Intergovernmental Agreement (the “Intergovernmental Agreement”) relating to the TAD and the inclusion of the School District’s real property *ad valorem* taxes in the computation of the tax allocation increments of the TAD, a form of such Intergovernmental Contract is attached hereto as Exhibit B, subject to the conditions described below; and

WHEREAS, based on the agreements contained in the Intergovernmental Agreement and subject to the terms and conditions described below, the Board of Education now wishes to consent to inclusion of School District real property ad valorem taxes in the computation of the tax allocation increment for the TAD.

NOW, THEREFORE, BE IT RESOLVED BY THE WHITFIELD COUNTY BOARD OF EDUCATION and it is hereby resolved by the authority of the same as follows:

Section 1. Subject to Section 3 below, the Board of Education, as permitted by the Redevelopment Powers Law, does hereby consent to the Redevelopment Plan and to the inclusion in the computation of the tax allocation increment for the TAD, School District *ad valorem* taxes levied on real property within the TAD, effective as of December 31, 2023.

Section 2. Subject to the last sentence in this section and Section 3 below, the execution, delivery and performance of the Intergovernmental Contract are hereby authorized. The Chairman is hereby authorized to execute and deliver the Intergovernmental Contract on behalf of the Board of Education, which Intergovernmental Contract shall be in substantially the form attached hereto as Exhibit B with such minor changes, insertions or omissions as may be approved by the Chairman, and the execution of the Intergovernmental Contract by the Chairman as hereby authorized shall be conclusive evidence of any such approval. The execution and delivery of the Intergovernmental Contract shall not occur until after the approval of the Developer Development Agreement (as defined below) by the Board of Education.

Section 3. By no later than December 31, 2023, the City shall have entered into a development agreement with [DEVELOPER] (the “Developer Development Agreement”) for the purpose of funding or reimbursing eligible Redevelopment Costs as authorized in the Redevelopment Plan for the Commercial/Mixed-Use Project (as defined in the Intergovernmental Contract). The City shall provide the School District with the opportunity to review and comment on the terms of the Developer Development Agreement, and the Developer Development Agreement shall be approved in advance by resolution of the Board of Education.

If the Developer Development Agreement is not entered into by December 31, 2023 or if Board of Education does not approve the Developer Development Agreement, the effectiveness of this consent resolution, including the inclusion School District ad valorem taxes levied on real property in the computation of the tax allocation increment for the TAD and the approval of the execution and delivery of the Intergovernmental Contract, shall not take place, this consent resolution shall be null and void and such resolution shall have no force or effect whatsoever.

Should the Board of Education not approve the Developer Development Agreement, the City may at the City’s discretion proceed to negotiate the terms of the Developer Development Agreement to support the Commercial/Mixed-Use Project without the use of School District tax allocation increment, provided such agreement contains adequate

provisions to properly account for and exclude such increment in a manner that is satisfactory to the School District.

Section 4. No stipulation, obligation or agreement herein contained or contained in the Intergovernmental Agreement will be deemed to be a stipulation, obligation or agreement of any officer, director, agent, or employee of the School District or member of the Board of Education in his or her individual capacity and no officer, director, agent, or employee of the School District in his or her individual capacity shall be held liable in connection therewith.

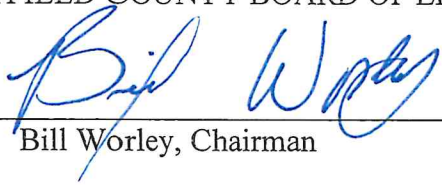
Section 5. All acts and doings of the officers, members of the Board of Education, agents and employees of the School District in conformity with the purposes and intent of this Resolution and the furtherance of the execution, delivery and performance of the Intergovernmental Agreement or the approval of the Developer Development Agreement are in all respects hereby approved and confirmed.

Section 6. This Resolution shall be effective immediately upon adoption. All resolutions and parts of resolutions in conflict with this Resolution are hereby rescinded to the extent of such conflict.

PASSED AND ADOPTED by the Whitfield County Board of Education, this 5th day of June, 2023.

WHITFIELD COUNTY BOARD OF EDUCATION

By: _____


Bill Worley, Chairman

Attest: _____


Dr. Mike Ewton, Secretary, Board of Education

EXHIBIT A

CITY OF VARNELL
RESOLUTION
TAX ALLOCATION DISTRICT NUMBER ONE – CLEVELAND HIGHWAY
CORRIDOR
Resolution No. 07-21-B

A RESOLUTION ADOPTING THE CITY OF VARNELL REDEVELOPMENT PLAN; ESTABLISHING THE BOUNDARIES OF THE CITY OF VARNELL REDEVELOPMENT AREA; CREATING TAX ALLOCATION DISTRICT NUMBER ONE – CLEVELAND HIGHWAY CORRIDOR; DESIGNATING THE BOUNDARIES AND ESTABLISH THE TAX INCREMENT BASE OF TAX ALLOCATION DISTRICT NUMBER ONE – CLEVELAND HIGHWAY CORRIDOR; AUTHORIZING THE ISSUANCE OF FINANCING NECESSARY TO EFFECTUATE THE REDEVELOPMENT OF THE TAX ALLOCATION DISTRICT NUMBER ONE – CLEVELAND HIGHWAY CORRIDOR; AUTHORIZING THE VARNELL CITY COUNCIL TO ACT AS THE REDEVELOPMENT AGENCY TO IMPLEMENT THE REDEVELOPMENT PLAN PURSUANT TO THE GEORGIA REDEVELOPMENT POWERS LAW; AUTHORIZING THE MAYOR TO EXECUTE ANY DOCUMENT RELATED HERETO, AND OTHERWISE TO PERFORM ALL ACTS NECESSARY TO ACCOMPLISH THE INTENT OF THIS RESOLUTION; TO PROVIDE AN EFFECTIVE DATE OF THIS RESOLUTION; AND FOR ALL OTHER PURPOSES.

WHEREAS, the Redevelopment Powers Law (O.C.G.A. §36-44-1, *et seq.*) provides for the exercise of redevelopment powers, the adoption of redevelopment plans, and the creation of tax allocation districts by counties and municipalities in the State of Georgia; and

WHEREAS, the Mayor and Council have determined that it is in the best interest of the City and its citizens to establish a Redevelopment Area pursuant to a Redevelopment Plan pursuant to O.C.G.A. §36-44-3(a); and

WHEREAS, the Mayor and Council propose to adopt and create the City of Varnell Redevelopment Plan by establishment of the Redevelopment Area and creating a tax allocation district to serve the Cleveland Highway Corridor to be known as Tax Allocation District Number One – Cleveland Highway Corridor; and

WHEREAS, the Mayor and Council held a public hearing on July 20, 2021, duly noticed as prescribed by law and published in the Dalton Daily Citizen News and as set forth in the minutes of said meeting and the purpose of the meeting was to receive suggestions and comments on the proposed adoption of the Redevelopment Plan and the creation of a tax allocation district; and

WHEREAS, the City of Varnell desires to adopt and create the Varnell Redevelopment Plan and to create Tax Allocation District Number One – Cleveland Highway Corridor.

Resolution No. 07-21-B
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NOW, THEREFORE, BE IT RESOLVED BY THE Mayor and Council of the City of Varnell as follows:

Section 1. The City of Varnell finds and declares that the City of Varnell Redevelopment Area has not been subject to growth and development through private enterprise, and would not reasonably be anticipated to be developed without the approval of a Tax Allocation District.

Section 2. The City of Varnell finds and declares that the improvement of the Cleveland Highway Corridor is likely to enhance the value of a substantial portion of real property in the district.

Section 3. The creation of the Redevelopment Plan is hereby approved and adopted, and the City of Varnell Redevelopment Plan attached hereto as Exhibit "A" and incorporated herein by this reference, is hereby adopted and approved (the City of Varnell 2021 Redevelopment Plan).

Section 4. The City of Varnell hereby creates the Tax Allocation District Number One – Cleveland Highway Corridor, pursuant to the Redevelopment Plan and the Redevelopment Powers Law.

Section 5. The Tax Allocation District Number One – Cleveland Highway Corridor is hereby created as of December 31, 2021 and shall continue in existence for thirty (30) years thereafter, or until all redevelopment costs, including financing costs and debt service on tax allocation bonds, are paid in full.

Section 6. The City of Varnell hereby establishes the estimated Tax Allocation Increment Base of \$310,907.00, subject to verification and adjustment as needed by the Whitfield County Tax Assessor, for Tax Allocation District Number One – Cleveland Highway Corridor. The property taxes to be used for computing tax allocation increments are specified in the attached Redevelopment Plan and incorporated herein by this reference.

Section 7. The Mayor and Council shall function as the City's redevelopment agency to exercise redevelopment powers as necessary to implement the provisions of the Redevelopment Plan and to effectuate the redevelopment of the Redevelopment Area, in accordance with O.C.G.A. §36-44-3(6).

Section 8. The Mayor and Council authorizes the issuance of tax allocation bonds and/or other commercial bank financing and to use the proceeds of any tax allocation bonds or financing or revenues for any and all eligible uses including, without limitation, costs of issuance of the tax allocation bonds or commercial financing; capital costs of public and private improvements, including but not limited to buildings, streets, bridges, utilities, storm and sanitary sewers, sidewalks and streetscapes, parking facilities and parks; professional services costs, including fees for architectural, engineering and environmental services; real estate assembly; and such other uses deemed necessary pursuant to provisions of the Redevelopment Plan and the Redevelopment Powers Law, as it has been and may hereafter be amended.

Resolution No. **07-21B**
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Section 9. The property proposed to be pledged for payment or as security for payment of tax allocation bonds will include the positive ad valorem tax allocation increments from ad valorem taxes levied on all taxable real property within the boundaries of the Tax Allocation District Number One – Cleveland Highway Corridor.

Section 10. The Mayor and Council request that the Whitfield County Tax Commissioner and Tax Assessor take all appropriate measures to identify tax parcels within the Tax Allocation District Number One – Cleveland Highway Corridor upon the tax digest and authorizes the City to allocate all positive tax allocation increments, and to establish individual Special Funds for the accrual of tax allocation increments in the Tax Allocation District Number One – Cleveland Highway Corridor as provided by the Redevelopment Powers Law, as it now provides or hereafter may be amended.

BE IT FURTHER RESOLVED THAT, all resolutions and parts of resolutions in conflict with this Resolution are hereby repealed to the extent of such conflict.

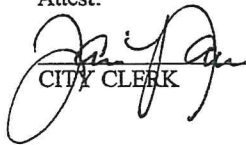
BE IT FURTHER RESOLVED THAT, this Resolution shall become effective immediately upon its approval by the Mayor and Council of the City of Varnell.

[Signatures on next page.]

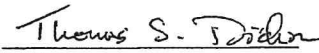
ADOPTED AND APPROVED on the 20 day of July, 2021 at the regular meeting of the Mayor and Council of the City of Varnell.

The foregoing Resolution received its first reading on 07/20/21. A motion for passage of the Resolution was made by Councilmember Boche, second by Councilmember Pangle and upon the question the vote is 4 ayes, 0 nays and the Resolution is adopted.

Attest:


CITY CLERK

CITY OF VARNELL, GEORGIA


MAYOR



Resolution No 07-21-B
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EXHIBIT B

INTERGOVERNMENTAL AGREEMENT

STATE OF GEORGIA

CITY OF VARNELL

INTERGOVERNMENTAL AGREEMENT

This INTERGOVERNMENTAL AGREEMENT (“**Agreement**”), is made and entered into as of this 5th day of June, 2023 (the “**Effective Date**”) by and between the CITY OF VARNELL, GEORGIA a municipal corporation of the State of Georgia (the “**City**”) and the WHITFIELD COUNTY BOARD OF EDUCATION (the “**Board of Education**”), acting by, for, and on behalf of the Whitfield County School District, a political subdivision of the State of Georgia (the “**School District**”).

W I T N E S S E T H:

In consideration of the respective representations and agreements hereinafter contained and in furtherance of the mutual public purposes hereby sought to be achieved, the City and the School District do hereby agree, as follows:

ARTICLE 1
DEFINITIONS

In addition to the words and terms defined elsewhere herein, the following words and terms shall have the meanings specified below, unless the context or use indicates another or different meaning or intent:

1.1 “**Agreement**” or “**Intergovernmental Agreement**” means this Intergovernmental Agreement, dated as of June 5, 2023, between the City and the Board of Education.

1.2 “**Board of Education**” means the Whitfield County Board of Education.

1.3 “**City**” means the City of Varnell, Georgia.

1.4 “**City Resolution**” means that certain Resolution adopted by the Varnell City Council on July 20, 2021 approving and adopting the City of Varnell Redevelopment Plan, creating the TAD, establishing the Redevelopment Area, designating the boundaries of and establishing the tax allocation increment base of the TAD, and other related matters.

1.5 “**Commencement of Construction of the Commercial/Mixed-Use Project**” means, for the purposes of this Agreement, that one or more building permits

shall have been issued for, and vertical construction shall have commenced on a commercial or mixed-use development, as described in the Redevelopment Plan and generally located within that portion of the site plan identified as commercial or mixed-use in Exhibit "A." After receiving all required zoning and development approvals by the County, the Commercial/Mixed-Use Project must further satisfy size, minimum occupancy and other qualitative criteria as described in the Developer Development Agreement.

1.6 **"Commercial/Mixed-Use Project" or "The Project"** means that portion of a residential and mixed-use development known as "Patterson Farms" as more fully described in the Developer Development Agreement and the Redevelopment Plan, which is located within the boundaries of the TAD generally located within that portion of the site plan identified as commercial or mixed-use in Exhibit "A" and further illustrated conceptually in Exhibit "C".

1.7 **"County"** means Whitfield County, Georgia.

1.8 **"Developer"** means Patterson Farms Community, LLC, a Georgia limited liability Company, or its successors or assigns.

1.9 **"Developer Development Agreement"** means the development agreement entered into as of the date hereof between the City and the Developer pursuant to which the Developer will confirm its agreement to assist the City in its redevelopment of the Commercial/Mixed Use Project.

1.10 **"Developer Development Payments"** shall mean the development payments to be made by the City to the Developer pursuant to the Developer Development Agreement.

1.11 **"Eminent Domain"** means with just compensation paid, private property may be taken only for public use. Unless the taking of private property is necessary for the possession, occupation, and enjoyment of land by the public at large, or by public agencies, common carriers, or public utilities, the taking is for a private use, and thus forbidden. In no event shall the public benefits of economic development, including but not limited to an increase in tax revenue, tax base, employment, or general economic health, constitute a public use determined by the General Assembly. The City may undertake and carry out community redevelopment but shall not include the acquisition of property acquired by eminent domain to private enterprise for private uses.

1.12 **"Excess Funds"** means, during the duration of the TAD, the amount by which the Real Property Tax Allocation Increment collected during such calendar year exceeds the amount required to make the Developer Development Payments or any Other Project Development Payments.

1.13 **"Georgia Constitution"** means the Constitution of the State of Georgia of 1983, as amended.

1.14 **“Other Project Applicant”** means one or more private developers who may request from and negotiate with the City, a commitment of Real Property Tax Allocation Increment from the TAD for one or more Other Projects within the TAD, subject to the terms and conditions of an Other Project Development Agreement.

1.15 **“Other Projects”** means, collectively, the specific capital improvements to be undertaken within the TAD, by the City or by a private developer, excluding the Commercial/Mixed-Use Project, to achieve the goals and objectives of the Redevelopment Plan, pursuant to the Redevelopment Plan and approved in accordance with Section 3.7 hereof.

1.16 **“Other Project Development Agreement”** means any future executed development agreement negotiated between the City and an Other Project Applicant(s) seeking a commitment of Real Property Tax Allocation Increment from the Tax Allocation District for Other Projects.

1.17 **“Other Project Development Payments”** shall mean the development payments to be made by the City to any Other Project Applicant pursuant to an Other Project Development Agreement.

1.18 **“Personal Property Tax Allocation Increment”** means the amount of the tax allocation increment for each calendar year computed as provided in O.C.G.A. Section 36-44-3(14) of the Redevelopment Powers Law with respect to personal property. This definition being included to confirm that Personal Property Tax Allocation Increment is not being pledged by the School District under the terms of this Agreement.

1.19 **“Real Property Tax Allocation Increment”** means the amount of the tax allocation increment for each calendar year computed as provided in O.C.G.A. Section 36-44-3(14) of the Redevelopment Powers Law with respect to real property. The proportional share of accumulated Real Property Tax Allocation Increments attributable to the contributions of City, County and School District millage may also be referred to in this Agreement as City, County and School District Real Property Tax Allocation Increments, respectively.

1.20 **“Redevelopment Agency”** means the City Council of the City of Varnell, Georgia, which will act as the redevelopment agency, in accordance with the Redevelopment Powers Law.

1.21 **“Redevelopment Area”** means that certain area located within the geographic limits of the City and within the School District created and established as a redevelopment area (as defined in O.C.G.A. §36-44-3(7)) by the City in the City Resolution and designated as the “City of Varnell Redevelopment Area”, as more fully described in the City Resolution and the Redevelopment Plan.

1.22 **“Redevelopment Costs”** shall have the meaning set forth in O.C.G.A. §36-44-3(8).

1.23 **“Redevelopment Plan”** means the written plan of redevelopment for the Redevelopment Area approved by the Varnell City Council in the City Resolution and designated as the “City of Varnell Redevelopment Plan for the Cleveland Highway Corridor.”

1.24 **“Redevelopment Powers Law”** means Chapter 44 of Title 36 of the Official Code of Georgia Annotated, as amended from time to time.

1.25 **“School District”** means the Whitfield County School District.

1.26 **“School District TAD Millage”** means certain School District ad valorem property tax millage rates levied on real property, which the Board of Education consents to be included in the computation of School District Real Property Tax Allocation Increments to support the TAD.

1.27 **“State”** means the State of Georgia.

1.28 **“School District Resolution”** means that certain resolution adopted by the Board of Education on June 5, 2023, *inter alia*, consenting to the inclusion of the School District real property ad valorem taxes in computation of the Real Property Tax Allocation Increment with respect to the TAD subject to the terms and conditions set forth therein and herein, authorizing the execution, delivery and performance of this Agreement, and other related matters.

1.29 **“Special Fund”** means the special funds with respect to the TAD created pursuant to O.C.G.A. §36-44-11(c).

1.30 **“Tax Allocation District” or “TAD”** means that certain area of the City within the Redevelopment Area defined and created as a tax allocation district (as defined in O.C.G.A. Section 36-44-3(13) of the Redevelopment Powers Law) by the City pursuant to the City Resolution and designated as the “City of Varnell Tax Allocation District Number One – Cleveland Highway Corridor” (sometimes hereinafter referred to as “TAD Number One” or “the TAD”), as more fully described in the City Resolution and in the Redevelopment Plan.

1.31 **“TAD Financing”** means those certain “Tax Allocation Bonds”, notes, other obligations or forms of financing as defined in O.C.G.A. Section 36-44-3(12) of the Redevelopment Powers Law.

1.32 **“Tax Allocation Increment Base”** with respect to the TAD and within the meaning of O.C.G.A. Section 36-44-3(15) of the Redevelopment Powers Law, means the taxable value of all taxable property subject to ad valorem property taxes to be certified by the state revenue commissioner pursuant to Code Section 36-44-8, as of December 31, 2021. Such amount is estimated in the Redevelopment Plan at \$310,907.

1.33 **“Tax Allocation Increment Ratio”** means that formula described within O.C.G.A. Section 36-44-3(14) of the Redevelopment Powers Law, being that amount

obtained by multiplying the total ad valorem property taxes, determined as provided in Code Section 36-44-9, levied within the TAD in any future year by a fraction having a numerator equal to that year's taxable value of all taxable property subject to ad valorem property taxes within the TAD minus the tax allocation increment base and a denominator equal to that year's taxable value of all taxable property subject to ad valorem property taxes within the TAD.

1.34 “**Term**” means the term of this Agreement as prescribed in Section 3.1 hereof.

ARTICLE 2

2.1 **Representations of the City.** The City makes the following representations as the basis for the undertakings on its part herein contained:

2.1.1 The City created the TAD on July 20, 2021, to become effective as of December 31, 2021 pursuant to its redevelopment powers as authorized by the Redevelopment Powers Law and the City Resolution. The City duly adopted the Redevelopment Plan pursuant to the Redevelopment Powers Law and the City Resolution.

2.1.2 The City has made certain findings with respect to the Redevelopment Plan in accordance with the Redevelopment Powers Law, including, without limitation, that: (i) the Redevelopment Area has not been subject to growth and development through private enterprise and would not reasonably be anticipated to be developed as proposed without the approval of the Redevelopment Plan, and (ii) improvements proposed within the TAD are likely to enhance the value of a substantial portion of the real property in the balance of the Redevelopment Area.

2.1.3 The City intends to annually reimburse the Developer and any Other Project Applicants for certain Redevelopment Costs pursuant to the terms of the Development Agreement and any Other Project Development Agreement approved pursuant to Section 3.7 hereof.

2.1.4 The City agrees to not issue or enter into any TAD financing in connection with the TAD.

2.1.5 The City is permitted by ARTICLE IX, SECTION III, PARAGRAPH I of the Georgia Constitution to contract for any period not exceeding fifty (50) years with the County or School District for joint services, for the provision of services, or for the joint or separate use of facilities or equipment, provided such contracts deal with activities, services or facilities the contracting parties are authorized by law to undertake or provide, and accordingly as a corollary, the Redevelopment Powers Law provides that the City may exercise its redevelopment powers and create

redevelopment plans and tax allocation districts, and issue one or more series of bonds, notes or other obligations to finance, in whole or in part, the development costs within a tax allocation district and which are issued on the basis of pledging for the payment or security for payment of such bonds positive tax allocation increments derived from the tax allocation district, all or part of the general funds derived from the tax allocation district, and any other property from which the bonds may be paid as provided in the Redevelopment Powers Law.

2.1.6 The City has the power to enter into this Agreement and perform all obligations contained herein, and by proper action has duly authorized the execution, delivery, and performance of this Agreement. This Agreement is a valid and binding legal obligation of the City, enforceable against the City in accordance with its terms.

2.2 **Representations of the School District.** The School District makes the following representations as the basis for the undertakings on its part herein contained:

2.2.1 The School District is permitted by ARTICLE IX, SECTION III, PARAGRAPH I of the Georgia Constitution to contract for any period not exceeding fifty (50) years with the City for joint services, for the provision of services, or for the joint or separate use of facilities or equipment, provided such contracts deal with activities, services or facilities the contracting parties are authorized by law to undertake or provide, and accordingly as a corollary, the Redevelopment Powers Law provides that ad valorem property taxes of the School District derived from a municipal tax allocation district located within the geographic boundaries of the School District may be included in the computation of tax allocation increments of the tax allocation district if the governing body of the School District consents to such inclusion by resolution.

2.2.2 The School District has the power to enter into this Agreement and perform all obligations contained in this Agreement, and by proper action has duly authorized the execution, delivery and performance of this Agreement, including, without limitation, the inclusion of ad valorem property taxes levied by the School District on taxable real property within the TAD in the computation of the Real Property Tax Allocation Increments for the purposes set forth in the Redevelopment Plan, pursuant O.C.G.A. §36-44-9(c).

2.2.3 This Agreement is a valid and binding legal obligation of the School District, enforceable against the School District in accordance with its terms.

ARTICLE 3

3.1 **Term of the Agreement.** The term of this Agreement (the “Term”) shall commence on the Effective Date hereof and this Agreement shall remain in full force and effect until the first to occur of (i) December 31, 2033, (ii) the expiration or earlier termination of the Developer Development Agreement and all other Other Project Development Agreements; or (iii) the termination of the TAD.

3.2 **Certification of Tax Allocation Increment Base.** The City and the School District hereby agree that the Tax Allocation Increment Base for the TAD, shall be that amount to be determined by the Whitfield County Tax Assessor and certified by the State Revenue Commissioner as of December 31, 2021, as the taxable value of all real property subject to ad valorem property taxation located within the TAD as of such date.

3.3 **Inclusion of School District Ad Valorem Property Taxes in Computation of Tax Allocation Increment for City TAD.** Pursuant to the School District Resolution, the School District hereby consents and agrees to the inclusion of School District ad valorem taxes on real property within the TAD in the computation of the Real Property Tax Allocation Increment for the TAD in accordance with the formula specified in Section 36-44-3(14) of the Redevelopment Powers Law, effective upon the issuance of Fiscal Year 2024 School District property tax bills issued during calendar year 2023.

3.3.1 Commencing in 2023 the School District agrees to remit, or to instruct County officials responsible for the collection of School District Property Taxes to remit to the City each year during the term of this Agreement, in accordance with Section 36-44-3(14) of the Redevelopment Powers Law, the School District Real Property Tax Allocation Increment for the TAD as defined in Section 1.26. The first payment shall be due within forty-five (45) days after the due date for payment of all School District ad valorem taxes for such year and shall be calculated according to the Redevelopment Powers Law for taxes collected on real property from within the TAD by that due date. Within 90 days after the first payment, the County will remit to the City a second payment for School District Real Property Tax Allocation Increment due from applicable real property taxes collected within the TAD after the due date. If, after the second installment payment, if there is any remaining School District Real Property Tax Allocation Increment due from real property taxes still uncollected within the TAD, the County shall accrue all such remaining School District taxes collected after the second installment and add the sum of those accrued funds to the next annual payment due.

3.4 **Permitted Uses of School District Real Property Tax Allocation Increments.** The City and the School District agree that School District Real Property Tax

Allocation Increments may be used only for the following categories of eligible “Redevelopment Costs” as defined in O.C.G.A. §36-44-3(8).

3.4.1 To pay the Developer Development Payments.

3.4.2 To pay or reimburse for payment of capital costs incurred for land clearing and grading, public parking facilities, roadways, sidewalks; water, sewer, stormwater, telecommunications, or related infrastructure; streetscape improvements, parks, gardens, plazas, fountains, water features and/or and related pedestrian amenities which assist overall redevelopment within the TAD and/or will be generally accessible to the public. Such categories of eligible Redevelopment Costs and their estimated amounts are summarized in Exhibit “B.” Any additional categories of eligible Redevelopment Costs not specified in this section must be approved in advance by resolution of the Board of Education.

3.4.3 Should the City choose to enter into an Other Project Development Agreement(s) to reimburse eligible Redevelopment Costs listed in Section 3.4.2 and Exhibit “B” on an annual basis, the maximum cumulative Developer Development Payments and Other Project Development Payments shall not exceed the sum of Eight Million, Three Hundred Thousand Dollars (\$8,300,000.00) (the “**Base Payment**”) as determined by Project construction cost estimates prepared as of August 1, 2021. The not to exceed amount of \$8,300,000.00 available for Developer Development Payments and any Other Project Development Payments applies to all of the City, County and School District Real Property Tax Allocation Increments generated from the TAD on a cumulative basis. The City agrees that it shall not commit School District Real Property Tax Allocation Increments in the maximum amount of \$5,424,117 to reimburse total costs exceeding the cumulative sum of \$8,300,000.00, without receiving prior approval by formal resolution passed by the Board of Education as an amendment to this Agreement.

3.4.4 The City agrees that School District Real Property Tax Allocation Increments shall not be used to pay for City administrative costs or staff expenses associated with managing the ongoing implementation of the Redevelopment Plan and TAD. Unless otherwise agreed by the City and the School District, the City shall not use the proceeds of the Real Property Tax Allocation Increment for the acquisition of assets which are to be privately owned, the erection of municipal buildings, developer overhead costs or project management fees unrelated to the purposes listed in Section 3.4.1.

3.4.5 All projects or activity funded or financed with the proceeds of the Real Property Tax Allocation Increment shall meet all relevant local, County and State building standards and requirements.

3.4.6 Excess Funds attributable to the School District Real Property Tax Allocation Increment from any calendar year shall remain in the Special Fund and shall be used to pay the Developer Development Payments or any Other Project Development Payments for any subsequent year.

3.5 Additional Limitations and Conditions on the Use of School District Real Property Tax Allocation Increments.

3.5.1 On the date hereof, the City shall have entered into the Developer Development Agreement with the Developer for the purpose of funding or reimbursing eligible Redevelopment Costs as authorized in the Redevelopment Plan and more narrowly defined in Section 3.3 herein.

3.5.2 By no later than December 31, 2026, the City shall determine that Commencement of Construction of the Commercial/Mixed-Use Project has occurred, in accordance with additional terms and conditions and as may be detailed in the Developer Development Agreement. The City further agrees that it will not make any Developer Development Payment under the Developer Development Agreement, until such time as Commencement of Construction of the Commercial/Mixed Use Project has occurred, and that the City shall have been provided with plans and specifications indicating that the Commercial/Mixed-Use Project shall constructed in substantial conformity with the site plan attached hereto as Exhibit "A."

3.5.3 In the event that the deadline set forth in subsection 3.5.2 is not met, the City may request and the Board of Education may agree to extend such deadline by amending this agreement. However, should the Board of Education either not receive or not agree to such extension, the consent of the School District to the inclusion of its ad valorem taxes on real property in the computation of the Real Property Tax Allocation Increment for the TAD shall automatically terminate as of the dates specified in each section. In such event, any School District Real Property Tax Allocation Increment accumulated and remaining in the Special Fund through such termination date shall be paid to the School District by the City within forty-five (45) days after the termination date.

3.6 **Reporting.** The City will provide to the School District commencing with calendar year 2023 and each calendar year thereafter (i) within thirty (30) days after the end of each such calendar year, an annual report regarding the status of redevelopment occurring within the TAD, forecasts of future development, the amount of positive Real Property Tax Allocation Increments generated by that development and intended uses of Real Property Tax Allocation Increments generated within the TAD. The City will also provide to the School District, within fifteen (15) days after issuance of the City's Comprehensive Annual Financial

Report, a copy of the annual audit of, as applicable, the Redevelopment Agency for the TAD or the City, to include the amount of positive Real Property Tax Allocation Increment deposited into the TAD Special Fund, the Year-end Fund balance and the uses of such funds.

3.7 **School District Review of Redevelopment Projects.** The Redevelopment Plan envisions the construction of one overall Project (the Commercial/Mixed-Use Project) within TAD, to be constructed in phases over a period of years. The Project is expected to be undertaken by the Developer pursuant to the terms of the Developer Development Agreement. Although it is expected that only the Developer Development Agreement will be required, it is possible that the Project could substantially change, requiring material modifications to the Developer Development Agreement in the future, or that Other Projects within the TAD may be proposed by Other Project Applicants at some future date. Procedures providing for the School District's review, comment and approval of any material modifications to the Developer Development Agreement or any Other Project Development Agreements shall be as follows:

3.7.1 **Commercial/Mixed-Use Project.** The specific project characteristics, objectives, land uses, development costs and proposed uses of Real Property Tax Allocation Increments associated with the Commercial/Mixed-Use Project are already described in detail in the Developer Development Agreement and the Redevelopment Plan and have received required zoning and related development approvals. The School District Agrees that by adopting the School District Resolution and the terms herein, the School District is in general agreement with the overall scope, purpose, and objectives for the Commercial/Mixed-Use Project and that any further authorization required of the School District in accordance with the following paragraphs, will not be unreasonably withheld.

3.7.2 **Modifications to Developer Development Agreement.** The Developer Development Agreement includes provisions defining those future circumstances, conditions or events that would constitute a material change to the agreement and would require prior approval by the City. Similarly, the Developer Development Agreement defines conditions and procedures under which the Developer may request to amend the agreement. In the future event that the City is required to consider a material change or proposed amendment to the Developer Development Agreement, the City shall provide the School District with the same opportunities to comment. Any material change or proposed amendment must be approved in advance by resolution of the Board of Education.

3.7.3 **Other Projects.** In the unlikely event that the City is asked to consider an Other Project Development Agreement(s) for Other Project(s) not currently anticipated or described in the Redevelopment Plan, the City will first request that the Other Project Applicant for that Other Project submit a written proposal. The contents of that proposal will include but not be limited to information addressing the experience of the Other Project Applicant's development team, the specific

nature of the Other Project, the Other Project's development budget, disclosure of non-TAD financing commitments and resources for the Other Project, the projected Real Property Tax Allocation Increment expected to be generated by the Other Project and the proposed uses and need for Real Property Tax Allocation Increment. Should the City Council decide to consider such a proposal, the City agrees to first submit the Other Project Applicant's written proposal to the School District, and the School District agrees to schedule consideration of that proposal at the next regularly scheduled meeting of the Board of Education. At such time the Board of Education may vote to authorize, deny, or request more information before deciding to authorize or deny the use of School District Real Property Tax Allocation Increment to support the Other Project. In the event the School District approves the proposal, the City may proceed to negotiate terms of an Other Project Development Agreement and provide the School District with the opportunity to review and comment on the terms of that agreement. The final Other Project Development Agreement must be approved in advance by the Board of Education.

Should the School District vote to deny the proposal or not approve the Other Project Development Agreement, the City may at the City's discretion proceed negotiate terms of an Other Project Development Agreement to support the Other Project without the use of School District Real Property Tax Allocation Increment, provided such agreement contains adequate provisions to properly account for and exclude such increment in a manner that is satisfactory to the School District.

Any material change to any Other Project Development Agreement shall be approved in the same manner as the Developer Development Agreement as described above.

3.8 Return of School District's Pro Rata Share of Real Property Tax Allocation Increment After Redevelopment Costs Are Paid. Any funds remaining in the Special Fund after all redevelopment costs and all Developer Development Payments and Other Project Development Payments have been paid or otherwise satisfied, which funds were derived from the School District Real Property Tax Allocation Increment, shall be paid to the School District within 90 days after the end of the calendar year, in the same manner and in the same proportion as the most recent distribution by the School District, in accordance with the Redevelopment Powers Law.

3.9 Special Conditions, Stipulations or Requirements. The City shall promptly notify the School District in writing of any special conditions, stipulations or requirements imposed at any time or from time-to-time hereafter by any other taxing authority with respect to the Real Property Tax Allocation Increment and the TAD. If so elected by the Board of Education, the School District shall be entitled to the benefit of any special financial

conditions, stipulations or requirements imposed with respect to the Real Property Tax Allocation Increment and the TAD. The parties hereto hereby agree that this Agreement shall be amended or supplemented to provide for such special financial conditions, stipulations or requirements imposed hereafter, and the City hereby agrees to enter into any such amendment or supplement to this Agreement required as aforesaid.

3.10 **Request to Include County Increment.** The parties specifically acknowledge that City has requested the consent of the Board of Commissioners of Whitfield County for inclusion of County Real Property Tax Allocation Increments for the purposes of paying redevelopment costs.

3.11 **City's Indemnification of the School District.** The City hereby agrees to defend and hold harmless the School District and the members of its Board of Education, officials, employees, agents and representatives from and against any and all claims, losses, damages, costs or expenses arising from or in connection with any actions, claims, suits or challenges of any kind related to the exercise, use, implementation or performance by the City or its Redevelopment Agency of the City's rights, powers or authority under the Redevelopment Powers Law or the actions of the City or its Redevelopment Agency under this Agreement.

3.12 **Limitation of Obligations.** The School District shall have no financial obligation as a result of the redevelopment and improvement of the TADs or the Redevelopment Area other than the inclusion of School District real property ad valorem taxes in the computation of the Real Property Tax Allocation Increment of the TAD as provided herein.

ARTICLE 4

4.1 **Governing Law.** This Agreement and the rights and obligations of the parties hereto shall be governed, construed, and interpreted according to the laws of the State of Georgia.

4.2 **Entire Agreement.** This agreement expresses the entire understanding and all agreements between the parties hereto with respect to the matters set forth herein.

4.3 **Survival of Warranties.** All agreements, covenants, certifications, representations, and warranties of the parties hereunder, or made in writing by or on behalf of them in connection with the transaction contemplated hereby shall survive the execution and delivery hereof, regardless of any investigation or other action taken by any person relying thereon.

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

4.5 **Amendments in Writing.** This Agreement may be amended, supplemented or otherwise modified solely by a document in writing duly executed and delivered by the City and the School District. No waiver, release, or similar modification of this agreement shall be established by conduct, custom, or course of dealing, but solely by a document in writing duly executed and delivered by a duly authorized official of the School District.

4.6 **Notices.** Except as otherwise specifically provided herein, any notices, demands, approvals, consents, requests, and other communications hereunder shall be in writing and shall be deemed given when the writing is delivered in person, or one business day after being sent by reputable overnight registered delivery service, charges prepaid, or three business days after being mailed, if mailed, by certified mail, return receipt requested, postage prepaid, to the City and the School District at the addresses shown below or at such other addresses as may be furnished by the City and the School District in writing from time to time.

CITY:

City of Varnell
1025 Tunnel Hill Varnell Road
P.O. Box C Varnell, GA 30756
Attn: Mike Brown, City Administrator

With A Copy to:

City Attorney

SCHOOL DISTRICT:

Whitfield County Schools
1306 South Thornton Avenue
Dalton, GA 30720
Attn: Dr. Mike Ewton, Superintendent of Schools

With a copy to:

Board of Education Chair

4.7 **Severability.** If any provision of this Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable under any particular circumstances, because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other circumstance,

or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this agreement shall not affect the remaining portions of this agreement or any part thereof.

4.8 **Limitation of Rights.** Nothing in this agreement, express or implied, shall give to any person, other than the parties hereto and their successors and assigns hereunder, any benefit or any legal or equitable right, remedy, or claim under this agreement.

IN WITNESS WHEREOF, the City and the School District have caused this Intergovernmental Agreement to be executed in their respective official names and have caused their respective official seals to be hereunto affixed and attested by their duly authorized officers, all as of the effective date set forth hereinabove.

CITY OF VARNELL, GEORGIA

By: Tom Dickson
Tom Dickson, Mayor

Attest: Kai Clayton
Jamie Nance, City Clerk

[SEAL]

THIS RYONDA KAI CLAYTON
MY COMMISSION EXPIRES
JANUARY 02 2026
WHITFIELD COUNTY, GA
NOTARY PUBLIC

This 21 day of June, 2023.

WHITFIELD COUNTY BOARD OF
EDUCATION

By: Bill Worley
Bill Worley, Chairman

Attest: Mike Ewton
Dr. Mike Ewton, Secretary, Board of Education

This 6th day of June, 2023.

Exhibit C

TAD #1 Site Plan Forecast

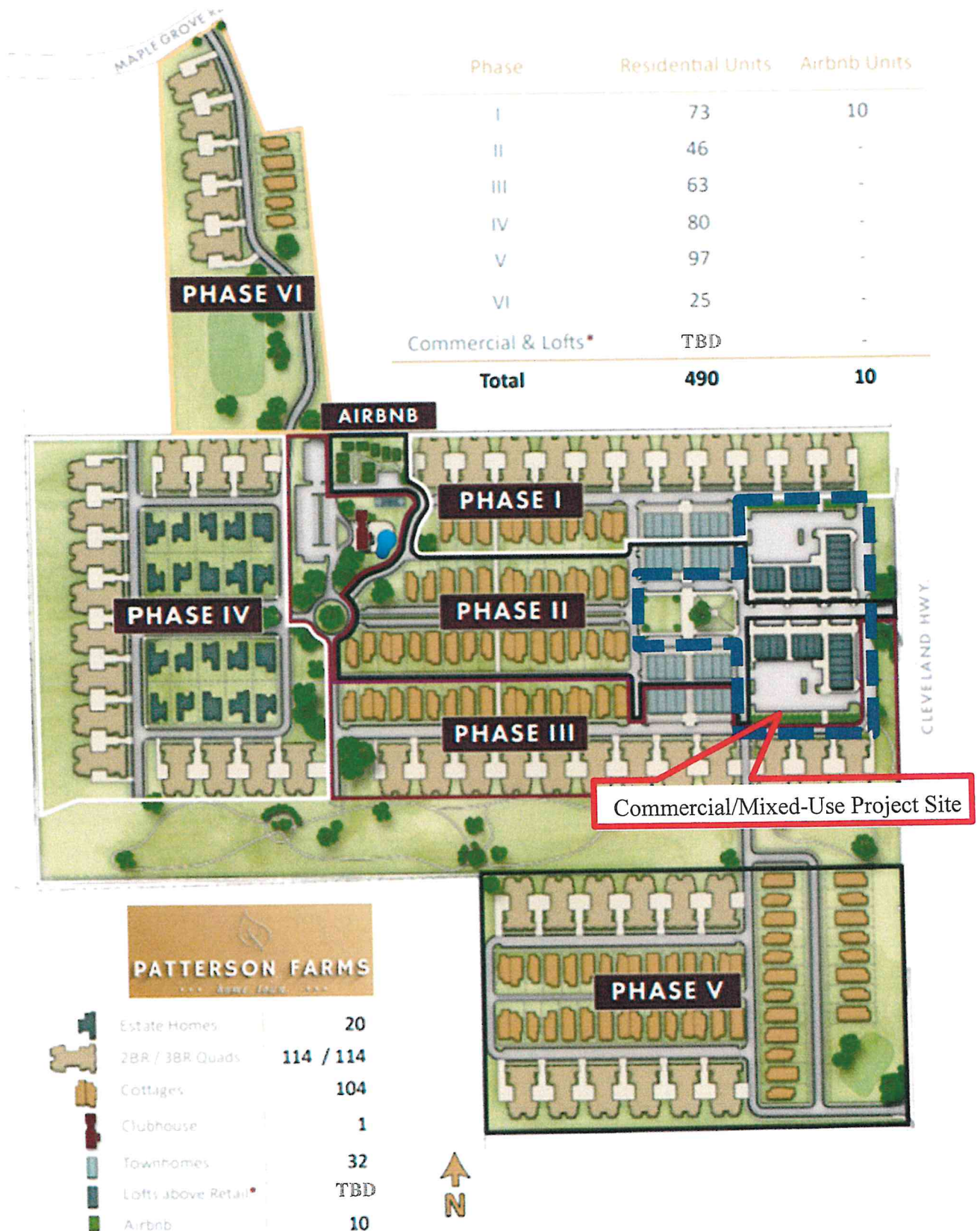


Exhibit D

Summary Estimate of Eligible Redevelopment Costs

Authorized for Reimbursement Using School District Real Property Tax Allocation Increments

Site work, Grading, Clearing & Erosion Control	\$	3,477,065.90
Utility Infrastructure	\$	4,145,608.90
Streets, Curbs, Sidewalks and Parking Areas	\$	4,431,428.54
Landscaping	\$	1,171,300.00
Global Amenities	\$	982,359.40
Signage and Fencing	\$	401,500.00
Engineering and Architecture	\$	363,000.00
Field Inspection and GC Fee	\$	2,156,019.30
Total Reimbursable Redevelopment Costs	\$	17,128,282.04

NOTE:

- [1] This table estimates total Eligible Redevelopment Costs as generally described in Section 3.4.1, which would qualify for reimbursement using School District Real Property Tax Allocation Increments. Additional detail describing the nature of eligible costs, as well as reasonable procedures to document that such costs have been incurred, will be further defined in the Developer Development Agreement or an Other Project Development Agreement between the City and the Other Project Applicant. The sum of School District Real Property Tax Allocation Increment contributed toward reimbursing a percentage of these Eligible Redevelopment Costs will be the School District's percentage share of total City, County and School District Real Property Tax Allocation Increments pledged to the TAD over the term of the Agreement, in accordance with the provisions outlined in Section 3.4.3, minus any PILOT payments made by the City to the School District during the term of the agreement.

Exhibit E

Conceptual Representation: Commercial/Mixed-Use Project

