

# **AGENDA**

## **City of Carrollton Mayor and Council Called Meeting**

**July 11, 2016**  
**6:00 p.m.**

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Public Safety Complex, Court/Council Chambers, 115 West Center Street, Carrollton, Georgia

- I. CALL TO ORDER**
- II. PLEDGE OF ALLEGIANCE**
- III. INVOCATION**
- IV. CITIZEN COMMENTS**  
(Please state your name and address for the record and limit comments to three minutes.)
- V. MINUTES (June 6, 2016 and June 30, 2016) 1-16**
- VI. APPROVAL OF AGENDA ITEMS FOR CONSIDERATION**
  - 1. Proclamation: Sweet Pea’s Boutique 30 Year Anniversary 17**
  - 2. Police Officer Recognition - Officer Matt Jones 18**
  - 3. Fire Department Recognition – ISO 1 Rating 19-20**
  - 4. Resolution 16-2016: GMA Lease Pool Program Trustee Change 21-33**
  - 5. Resolution 17-2016: GMA Lease Pool Program Amendment 34-39**
  - 6. Resolution 18-2016: Die Tech Project Bond & Memorandum of Understanding 40-71**
  - 7. Resolution 19-2016: Property Purchase/Swap 72-77**  
(Bankhead Highway/Carroll County Water Authority/Mike Lawrence)
  - 8. FY 2016-2017 Budget Adoption**
  - 9. Hays Mill Road Guard Rail Project Bid Awards 78**
  - 10. FEMA/GEMA Generator Project 79-80**
- VII. MAYOR AND COUNCIL ANNOUNCEMENTS**
- VIII. CITY MANAGER ANNOUNCEMENTS**
- IX. ADJOURN**

The Agenda for each Mayor and Council Meetings is available for review in the City Manager’s Office, 315 Bradley Street, Carrollton, Georgia and the City’s website, [www.carrollton-ga.gov](http://www.carrollton-ga.gov) five (5) business days prior to a Mayor and Council Meeting. A summary of Agenda items acted upon is available within 48 hours of the meeting at the address and website listed above. Minutes to any previous meeting (once adopted) are available upon request at or the City’s website, [www.carrollton-ga.gov](http://www.carrollton-ga.gov). The City complies with the Americans with Disabilities Act (ADA). If you will need special assistance at a meeting, the City will try to accommodate you in every reasonable manner. Please call (770) 830-2000 from 8:30 a.m. to 5:00 p.m. Monday through Friday at least 48 hours prior to the meeting.

# MINUTES

## City of Carrollton Mayor and Council Meeting

June 6, 2016  
6:00 p.m.

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Public Safety Complex, Court/Council Chambers, 115 West Center Street, Carrollton, Georgia

### I. CALL TO ORDER

The Mayor and Council met in a regular session on Monday, June 6, 2016, in the Public Safety Complex, Court/Council Chambers, 115 West Center Street, Carrollton, Georgia. Mayor Hollingsworth called the meeting to order at 6:00 p.m. Members present: Mayor Walt Hollingsworth, Councilmember Gerald Byrd, Councilmember Met Lane, Councilmember Jim Watters, and Councilmember Rory Wojcik. Members absent: None.

### II. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Hollingsworth.

### III. INVOCATION

The invocation was led by Reverend Gwen Thomas.

### IV. CITIZEN COMMENTS

Mr. Bobby Freeman expressed concerns regarding erosion that occurs during the rain at Knox Park. Mr. Freeman stated that Lakeshore Park has had recent upgrades and upgrades are also needed at Knox Park.

Ms. Annie Boykin thanked City Manager Tim Grizzard for the recent work which was completed on Carter Street in an effort to help with mosquito control. Ms. Boykin also expressed appreciation to the Police Department and Fire Department for keeping a check on her neighborhood on Carter Street.

Mr. David Fincher thanked the Mayor and Council for the flashing signs on Hays Mill Road.

Ms. Betty McClure requested that the sink hole at Spring Street near Beall Street be repaired. Councilmember Byrd requested that Ms. McClure call him and he would make sure that these types of issues are addressed. At this time, Public Works Director Mike Green advised that there had recently been a water leak in the area and staff had to wait for the street to settle before repairs could be made. Director Green stated that the area referenced had been patched and that permanent repairs would be made soon. Councilmember Byrd thanked Mike Green for always responding to his calls and handling complaints quickly.

Reverend Gwen Thomas thanked Councilmember Byrd for the repairs on Lambert Street.

Mr. Buddy Hill requested that the Mayor and Council consider installing flashing speed limit signs on Cedar Street like the signs that were recently installed at Hays Mill Road due to speeding in the area. Mr. Hill expressed appreciation to the Police Department for the wonderful job that they have done. In addition, Mr. Hill also stated that a small four-unit apartment complex on N. White Street that backs up to his back yard has drug use and prostitution going on behind the complex. Mr. Hill emphasized that he would like the area cleaned up. Councilmember Wojcik stated that he has spoken with City Engineer

Tommy Holland regarding installation of the flashing signs on Cedar and Stewart to address speeding in the area. Councilmember Wojcik stated that he was informed that City staff was already looking at traffic calming measures to address the problem.

Councilmember Watters recognized Chief Warrant Officer, Mr. Rich Weaver, on his 30-year anniversary as a veteran Army pilot.

**V. MINUTES (May 2, 2016)**

**Motion by Councilmember Lane, seconded by Councilmember Byrd to approve the minutes of the May 2, 2016 meeting. (Motion passed 5-0).**

**VI. APPROVAL OF AGENDA ITEMS FOR CONSIDERATION**

**Motion by Councilmember Lane, seconded by Councilmember Wojcik to approve the Agenda and amend the Agenda item order as follows: (Motion passed 5-0).**

1. Proclamation: Carrollton High School Student Ambassadors
2. Bleakly Multi-Family Housing Report
3. Adoption of Utility Rates and Fees
4. Resolution 12-2016: Alcoholic Beverage Ordinance Amendment
5. Resolution 13-2016: FY 2015-2016 Budget Amendment
6. Resolution 14-2016: Charitable Donations
7. Public Hearing: FY 2016-2017 Budget
8. 2016 Hazard Mitigation Plan
9. Zagster Bike Share Program

**(Motion passed 5-0)**

**1. Proclamation: Carrollton High School Student Ambassadors**

A proclamation was read honoring the Carrollton High School Student Ambassadors for winning the inaugural State Student Ambassadors Cup.

**At this time a motion was made by Councilmember Lane, seconded by Councilmember Wojcik to suspend the rules as provided for in Roberts Rules of Order in regards to the receiving of public comments on items for consideration; and approve the following format for each agenda item:**

- **First**, the Mayor will announce the agenda item.
- **Second**, the Mayor will invite the appropriate party (a City Councilmember or City Manager Tim Grizzard) to explain what the agenda item is and its purpose.
- **Third**, the Mayor will invite public comments and input on the agenda item. Each members of the public shall have five minutes to speak on an item. The speaker may ask for her/his time to be extended by an additional 5 minutes but the Mayor will have sole discretion to extend the allotted time.
- **Fourth**, the Mayor will invite a motion.
- **Fifth**, the Mayor will determine if any member of the body wishes to second the motion.
- **Sixth**, the Mayor will make sure everyone understands the motion.
- **Seventh**, the Mayor will invite discussion of the motion by the City Councilmembers.
- **Eighth**, after debate, the Mayor will call for a vote.

**(Motion passed 5-0)**

**At this time, motion by Councilmember Lane, seconded by Councilmember Watters to amend the Agenda item order as follows:** (The purpose of this change was to allow time for the Bleakly Advisory Group to arrive at the meeting.)

1. Proclamation: Carrollton High School Student Ambassadors
2. Resolution 12-2016: Alcoholic Beverage Ordinance Amendment
3. Bleakly Multi-Family Housing Report
4. Adoption of Utility Rates and Fees
5. Resolution 13-2016: FY 2015-2016 Budget Amendment
6. Resolution 14-2016: Charitable Donations
7. Public Hearing: FY 2016-2017 Budget
8. 2016 Hazard Mitigation Plan
9. Zagster Bike Share Program

(Motion passed 5-0)

## **2. Resolution 12-2016: Alcoholic Beverage Ordinance Amendment**

City Manager Grizzard presented to the Mayor and Council for their consideration Resolution 12-2016: Alcoholic Beverage Ordinance. City Attorney Conerly explained that Resolution 12-2016 would amend the Ordinance as follows: 1. To define, allow, and regulate breweries and brewpubs; 2. To allow and regulate the sale of alcoholic beverages by the drink at The Amp; 3. To allow for “brownbagging” at certain events at The Amp; 4. To allow for “brownbagging” of wine and malt beverages at establishments licensed to sell alcohol for consumption on the premises. After no additional discussion, Mayor Hollingsworth called for a motion on the matter. **Motion by Councilmember Watters, seconded by Councilmember Byrd to approve Resolution 12-2016: Alcoholic Beverage Ordinance Amendment as presented (Motion passed 5-0).**

## **3. Bleakly Multi-Family Housing Report**

City Manager Grizzard introduced Mr. Ken Bleakly of the Bleakly Advisory Group; a consulting firm hired by the City to study the City’s multi-family housing inventory.

Mr. Bleakly reported that that the City of Carrollton adopted a six-month moratorium in January 2016 of multi-family housing permit approvals, stemming from concerns that the City’s multi-family housing inventory was out of balance with similar communities. In response, the Bleakly Advisory Group was commissioned to study the current housing (multi-family and single-family) stock and rental/ownership of the same within the City of Carrollton. The study would give projections as to the future mix of housing stock within the City, and the impacts of the same, and to make recommendations as to the zoning and regulation of multi-family housing within the City.

Mr. Bleakly presented the findings of the study by slide presentation and posed key questions and the study results regarding multi-family housing in Carrollton.

1. How does Carrollton’s multi-family housing inventory compare with its family housing inventory compare with its peers?
  - In Carrollton, 48% of housing units are multi-family (2 or more units), compared to 16% of all housing units in Carroll County and 24% statewide.
  - Among five regional peer cites in Georgia (Cartersville, Douglasville, LaGrange, Newnan, and Rome) multi-family housing accounts for 29% of their housing stock.
  - Among five peer Georgia college towns (Athens, Dahlonega, Milledgeville, Statesboro and Valdosta) multi-family housing accounts for an average of 40% of the housing inventory.
  - Thus, Carrollton (at 48%) has a significantly higher percentage of multi-family housing than is found among the peer communities.
2. How does Carrollton’s housing tenure compare to its peers?
  - In Carrollton 64% of all households are renters, verses 33% in Carroll County and 34% statewide.
  - Among the five regional Georgia peer cities renters account for an average of 48% of households.
  - Among the five Georgia college town peers, renters account for an average of 60% of households.

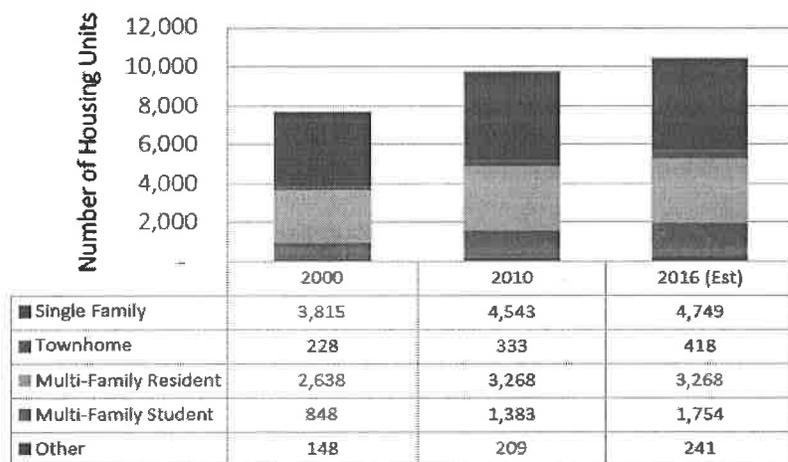
- Thus, Carrollton has a significantly higher percentage of rental households than in Carroll County, the State and among its regional peer cities. However, its proportion of renters is roughly consistent with other Georgia college towns.

3. How has Carrollton’s multi-family housing supply changed over time?

- Carrollton had 7,677 housing units in 2000, and has an estimated 10,430 housing units as of 2016. Between 2000 and 2016, Carrollton added an estimated 2,753 housing units, an increase of 36%.
- 56% of the housing units added from 2000 to 2016 were multi-family units - 23% were standard rental apartments and 33% were student rental apartments.
- Townhomes accounted for 7% of new units.
- From 2000 to 2016, the proportion of multi-family housing units in Carrollton’s total housing stock increased from 45% to 48%.
- Student apartments have become a larger share of the City’s housing mix – increasing from 11% of all units in 2000 to 17% of all units in 2016.
- Carrollton has seen its housing inventory shift from 45% multi-family in 2000 to 48% multi-family in 2016. The most rapid expansion of its multi-family inventory has been in the student housing sector which now accounts for 17% of Carrollton’s housing stock.

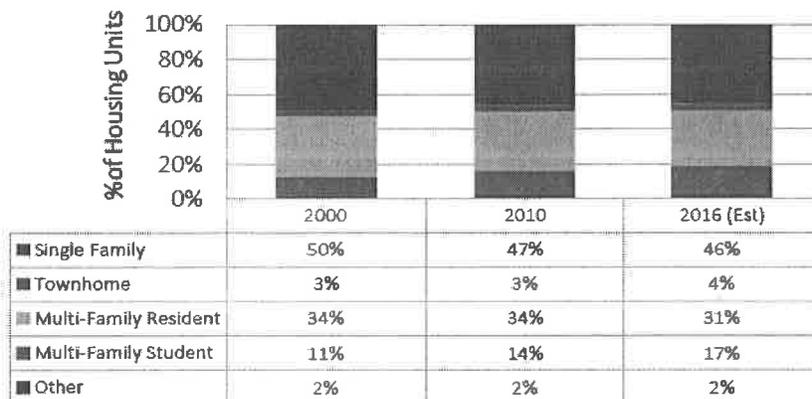
**Housing Mix by Number of Units**

City of Carrollton, 2000, 2010, & 2016



**Housing Mix by Percentage of Units**

City of Carrollton, 2000, 2010, & 2016



Source: Nielsen Inc., US Census ACS 2014, Bleakly

4. What have been the trends in Carrollton's multi-family housing building permits?

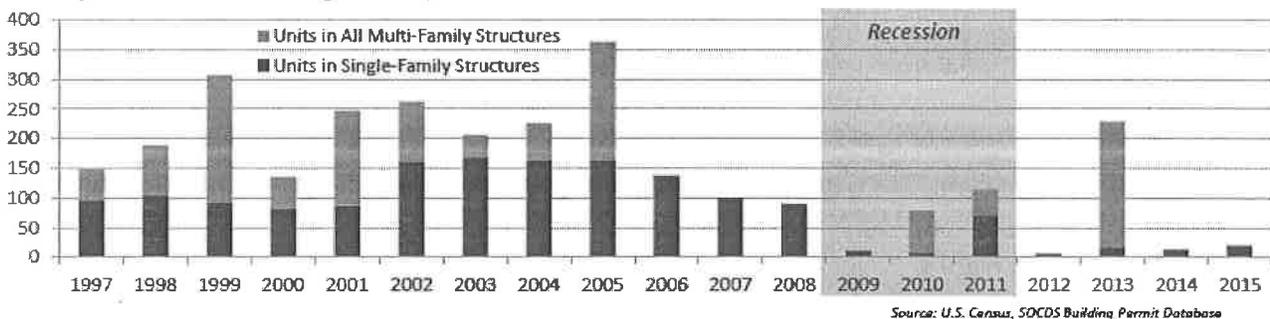
- From 2000-2015 Carrollton issued an average of 140 building permits annually, 58% of which were for multi-family housing.
- The Great Recession had a major impact on the type of housing being permitted in Carrollton.
- Prior to the recession, from 2000 to 2008, Carrollton averaged 197 permits per year, of which 35% were for multi-family housing
- From 2009 to 2015 the volume of total permits dropped to an average of 68 units per year—a 65% decline, and multi-family units are now 68% of the total units permitted.
- Thus, over the past fifteen years Carrollton has seen a shift in new construction, with a dramatic drop in the amount of annual permits issued, a relative absence of single-family permits since the beginning of the Great Recession and an increasing percentage of multi-family permits being issued, significantly above its proportion in the existing housing stock.

Housing Demand in Carrollton 2016-2026

Housing Demand in Carrollton 2016-2026				
	2016	2026	Total New 2016-2026	Annual Average
<b>Total Housing Demand</b>				
Resident Households	8,963	9,877	914	91
Off-Campus Student Households	2,983	3,572	589	59
<b>Total</b>	<b>11,946</b>	<b>13,449</b>	<b>1,503</b>	<b>150</b>
<b>Demand by Tenure</b>				
Resident (non-student) Demand				
Renter Demand 50.5%			452	46
Owner Demand 49.5%			452	45
Off-Campus Student Demand				
Renter Demand 95%			550	56
Owner Demand 5%			29	3
<b>Total Rental Demand</b>			<b>1,021</b>	<b>102</b>
<b>Total Owner Demand</b>			<b>482</b>	<b>48</b>
<b>Total Demand</b>			<b>1,503</b>	<b>150</b>

Source: Bleakly

City of Carrollton Housing Permits, 1997-2015



5. What are the characteristics of multi-family households in Carrollton?

- Multi-family households are primarily renters: 97% of Carrollton's multi-family inventory is renter occupied.
- Renters also occupy other housing: 33% of Carrollton's renter households live in single-family homes and townhomes in the City.
- Younger households tend to be renters: 75% of households headed by individuals under 35 years old are renters.
- Lower-income householders tend to be renters: 82% of households earning less than \$25,000 per year rent their homes, although many of these households may be students whose income is understated.
- Non-family households (singles or un-related people living together) tend to be renters: they are twice as likely to be renters.

6. What is the future demand for housing in Carrollton?

- Since 2000, Carrollton's population has been growing at a compound average annual growth rate (CAGR) of 1.2% and its households have been growing at a rate of 1.0%.
- If the City continues the 1.0% household growth rate over the next decade it will add 914 new households, for an average of 91 new households per year.
- The University of West Georgia is projecting full-time enrollment to grow at 1.7% annually over the coming decade. We estimate this will generate demand for 589 off-campus housing units (assuming an average 3.1 beds per unit) or an average of 59 units per year.

- Carrollton will experience demand of 150 new households annually over the next ten years, consisting of 91 resident households and 59 student households.
  - Of those 150 new households, 102 (68%) will be renter households and 48 (32%) will be owner households.
7. What are the local revenue impact and service costs of Carrollton’s multi-family housing inventory?
- Carrollton has average annual service costs from local sources of \$322 per resident and a \$296 per local employee.
  - Based on the Carrollton City Schools’ enrollment of 4,935 students, the average cost of education per pupil is \$9,209 per year and \$2,778 per pupil is raised through local taxes.
  - We analyzed the public revenues and service costs of four sample multi-family housing complexes.
    - The cost of providing municipal services and educating the student-aged population of the four complexes annually is estimated to be \$964,000.
    - These four complexes generate \$351,000 in local revenue to the City of Carrollton and Carrollton City Schools annually.
    - Providing services to the residents of the four multi-family complexes costs the City and Schools \$613,000 more than the tax revenue that is generated by those complexes.
    - All four multi-family complexes sampled are generating a significant annually revenue deficit to the City.
  - The level of crime at multi-family housing has risen dramatically over the past six years from 245 incidents in 2010 to 619 incidents in 2015—an 18% annual increase.
    - Crime incidents are roughly three times more likely in multi-family housing than single-family housing.

SUMMARY OF NET FISCAL IMPACT OF SAMPLE MULTI-FAMILY COMPLEXES							
Complex	Units/Beds*	Residents	Students	Revenues	Service Cost	Net Revenue	Net Rev./Unit
SOMA	208	436	57	\$44,662	\$299,634	-\$254,972	-\$1,226
Magnolia Lake	216	482	31	\$58,187	\$348,976	-\$251,154	-\$1,163
Mayfair	120	239	72	\$97,823	\$150,853	-\$92,666	-\$772
Haven West*	568	511	-	\$150,736	\$164,606	-\$13,871	-\$24
<b>Totals</b>	<b>1,112</b>	<b>1,668</b>	<b>160</b>	<b>\$351,407</b>	<b>\$964,069</b>	<b>-\$612,662</b>	<b>-\$551</b>

Source: City of Carrollton Proposed FY2015-2016 Budget, Bleakly

In conclusion, Mr. Bleakly advised that this study warrants recommending the City consider policy changes in five areas:

1. Promote greater single-family: multi-family housing balance by establishing a desired ratio between the two housing types and work in the future to achieve that balance.
2. Reform zoning and land use policies which govern future multi-family development to achieve the desired outcome of a healthier housing sector. Possibly define student housing as its own zoning category within multi-family housing so dormitory housing is accounted for separately than your typical multi-family rental units.
3. Improve the fiscal impact of multi-family housing on the City to cover the additional service costs associated with multi-family housing complex. Consider implementing reforms to current regulatory policies including higher tap fees, higher plan review fees, impact fee for public safety.
4. Partner with UWG to improve the quality of student life in existing off campus housing while lessening negative resident impacts.
5. Encourage the gradual redevelopment of existing multi-family inventory — the City should adopt a number of strategies to encourage the redevelopment and improvement of existing, older multi-family inventory over time.

At this time Mr. Bleakly answered questions regarding the study.

City Manager Grizzard asked for clarification in regards to multi-family units that are fee simple such as Bristol Lakes and inquired if these types of multi-family housing are included into the study. Mr. Bleakly stated that the fee simple units were included as multi-family units but not as multi-family rental housing.

Councilmember Lane stated that based on his understanding of the study, projections were for only 50 new single-family houses per year and 100 multi-family units and that a total of 500 single-family houses would need to be constructed over the next decade. Mr. Bleakly confirmed that information was correct. Mr. Bleakly further projected 1,000 multi-family units and 500 single-family houses over the next decade.

Councilmember Lane inquired as to how the four complexes were chosen for the study. Mr. Bleakly stated that they chose conventional multi-family units from the master list in terms of age of project which included a couple of old multi-family units and a new one which included the recently built Haven West student complex.

Councilmember Lane stated that those four complexes generated only \$351,000 in local revenue, but the cost of those services those residents use is a total of \$964,000. Councilmember Lane stated that this left a difference (shortfall) of \$650,000. Councilmember Lane inquired as to who makes up the difference. City Manager Grizzard stated that it is made up through property taxes from people who own their homes, property taxes on commercial buildings, local options sales tax, and in this City, it's made up from water/sewer revenues (rates and fees) where the City transfers those funds to the General Fund.

Councilmember Lane asked Mr. Bleakly to confirm that the study indicated that 64% of Carrollton households are renters; 33% of Carroll County residents are renters, and 34% of state residents are renters. Mr. Bleakly confirmed that information was correct.

Councilmember Byrd stated that he believed this situation to be trickled-down economics and asked what could be done about it. Mr. Bleakly stated that the good news is, people are wanting to build houses here. Mr. Bleakly stated that over the next ten years' decisions would have to be made about what the future housing inventory in the City would be. Mr. Bleakly stated that if the City adds 1,500 multi-family units, then that would be a significant addition to the inventory in terms of those new units. Percentage wise the City has been adding more multi-family than single-family. Mr. Bleakly advised that this has occurred because it is easier to get financing for multi-family housing.

Councilmember Byrd stated that in his ward there are many dilapidated and abandoned homes, just sitting there. In addition, he stated that he would like to encourage the City to offer incentives like Vine City in Atlanta has done to encourage buyers to purchase and revitalize those homes. Councilmember Byrd advised that a resolution was passed in January by the Mayor and Council addressing dilapidated structures. In addition, Councilmember Byrd stated that the only way that he will support the plan would be through having a bonafide program through the Housing Authority to create more single-family homes vs multi-family establishments. Councilmember Byrd stated that otherwise he sees the plan as an attack on the poor.

Councilmember Lane stated that he believed Mr. Bleakly said that 48% of the housing units in Carrollton are multi-family. Councilmember Lane also requested confirmation that the study included information on projects that are in the pipeline. Mr. Bleakly stated that if the projects already permitted are completed, then multi-family units will increase from 48% to 50% within 24 months.

Councilmember Lane inquired as to what inventory was used for the study. Mr. Bleakly advised that the inventory studied was obtained from the City and is what the City has currently permitted.

Councilmember Lane inquired as to the actual ratio numbers nationally from renters to home owners in University towns (Valdosta, Milledgeville, and Statesboro) that were studied. Mr. Bleakly responded that

he believes those numbers to be 40-45% multi-family in a college town setting and in non-college towns, those numbers would range in the 20's to mid-30's range.

Councilmember Byrd advised that he wants to see a positive plan to provide a way to flip the number of single-family homes and move forward so that it becomes a win-win situation and everyone gets a fair chance at home ownership.

Councilmember Lane asked what could be done in order for the City to promote greater numbers of single-family homes and he inquired to Mr. Bleakly of how the City can do that. Mr. Bleakly stated that the biggest challenge is that the City can only do certain things. The ability of the developers to get capital to build would be an influence on the margin and that would be 80% of the decision. If they cannot go to their bank and borrow money for their development loan to build housing, then just having an extra permit won't get the job done. Mr. Bleakly emphasized that it is not the City's role to totally control that. Mr. Bleakly suggested incentives such as: rent to own programs, providing assistance with rehab for existing properties, and making sure that we have land sites available for potential development. Mr. Bleakly stated that in general terms, if people can't borrow from the bank, they won't be able to build housing.

Councilmember Byrd stated that he didn't know how much more work would be involved in the study, but that he was just trying to do his best to be a fair leader for the people of the City. Councilmember Byrd noted that he wished that the Enterprise Zone and Empowerment Zone had been included in the study, noting that the Empowerment Zone was designated because of widespread poverty in the area. Councilmember Byrd stated that it would be great to find a way to tap into some of the Enterprise Zone and Empowerment Zone incentives that were deemed from the state and find a way to tie those incentives in with the banks and lending programs for use toward home ownership.

Mr. Bleakly stated that "The First Time Home Buyer Program" is coming back and banks are now loosening their lending requirements. Mr. Bleakly noted that it's not as tough to get a mortgage now as it was a year or two ago. Mr. Bleakly advised that the state does have several incentives, including Habitat for Humanity and that there is more than one strategy available.

Councilmember Byrd stated that he would like to charge staff with pursuing with working on finding benefits people would qualify for based on widespread poverty in the area. Councilmember Byrd emphasized that he wants to see neighborhoods come back to life and improve people's lives and that numbers mean nothing to them – they just want a better place to live.

Mr. Bleakly advised that the point of the numbers is that, if you don't know where you're going – you won't know when you got there. Mr. Bleakly stated that the reason for the study is to try and come up with a measure to see where we are and from a policy point of view - where do we want to go.

Mayor Hollingsworth stated that Mr. Bleakly had mentioned that many of the City's apartment complexes are old. Mayor Hollingsworth asked what the City needed to do in terms of multi-family units and whether those units needed to be torn down or rehabbed. Mr. Bleakly stated that we need to offer incentives to owners to upgrade those units. Mr. Bleakly stated that would be the quickest way to improve the housing stock for the people who live there and they would end up with newer/fresher multi-family housing units. Mr. Bleakly advised that a lot of those apartment complexes were built in the 70's and 80's and were basically at the end of their useful life span of 35 years or so years for a typical apartment complex. Mr. Bleakly stated at that point, some of the units may have been rehabbed already and you may want to consider demolishing the unit and rebuilding a denser project on that site.

Mayor Hollingsworth commented that Mr. Bleakly had advised that the City should consider reclassifying dormitories vs multi-family and classify those as dormitory units. Mr. Bleakly stated that when you have shared living space (renting by the bedroom/bathroom) with a shared living room and kitchen, the City needs to classify those as dormitory units and treat them as a separate class in multi-family. Mayor Hollingsworth asked Mr. Bleakly how many additional dormitory units were projected over the next 10

years – Mr. Bleakly stated that 500 additional dormitory spaces were projected.

Councilmember Byrd inquired about the total number for housing and Mr. Bleakly advised that the total is about 1,500, but is broken down as a little over 1,000 for rental and about 500 for owner, and then 560 for (student) rental and 450 for non-student housing (and broken down by year that total would be 150).

Councilmember Lane inquired as to how would the policy proposal to reclassify student housing vs. multifamily help the City? Mr. Bleakly stated that there are separate issues with student housing over conventional apartments in terms of customer base and who they are serving. For instance, from a location point of view, you have four baths instead of two in those units, (they are multi-family and renter units) but as a class, they have their own characteristics. Mr. Bleakly stated that the City needs to get a handle in terms of zoning on how to treat those units, and the City should make them a separate class within the overall zoning.

Councilmember Lane stated that with current apartment complexes, if the City asked a developer to tear it down, it was mentioned that we could increase the density and make tax abatements. Councilmember Lane asked what those are and how those tools could be used. Mr. Bleakly stated that with existing units we are getting about 8 – 12 units per acre and one way to look at it all is to allow developers to put higher density on existing projects.

At this time, Mayor Hollingsworth inquired if there were any members of the audience wishing to comment on this item.

Rhet Harmon, local realtor expressed appreciation to Councilmember Lane for meeting with the local board of realtors to listen to concerns regarding the housing report. Mr. Harmon requested some time for the citizens of Carrollton to study the housing report prior to a decision being made. Mr. Harmon stated there were a lot of questions that he had about some of the information in the report. Mr. Harmon stated that statistics could be modeled in any particular way you wanted it to go. Mr. Harmon questioned the math in the report and some of the suggestions on more/less units, and more/less fees. Mr. Harmon requested again that the City not make any decisions and allow time for citizens to study the report.

Mayor Hollingsworth stated that the purpose of the presentation by Bleakly Advisory Group was to make the information available to the public. Councilmember Lane requested the housing report be placed in a prominent location on the City website. City Manager Grizzard agreed that the housing report would be on the City website tomorrow morning.

Mark Albertus, Superintendent for Carrollton City Schools stated that he had always heard throughout the years that multi-family housing could have a negative impact on a school system when there is an improper balance. Mr. Albertus stated that he had looked back at the numbers and the historical data and could see that in the past Carrollton had always been blessed by insulation of transient type communities than those that are closer to metro Atlanta. Mr. Albertus then stated that some of the housing that we currently have is attracting more transient families and that does have a negative impact on the school system. Mr. Albertus stated that a strong school system makes a strong City.

#### **4. Adoption of Utility Rates and Fees**

City Manager Grizzard presented updated utility rates and fees for consideration. City Manager Grizzard advised the proposed rates and fees are included in the proposed FY 2016-2017 Budget. City Manager Grizzard reported that the utility (water, sewer and garbage) rates are approximately a 3% increase on existing rates, with dumpster fees being rounded up. City Manager Grizzard stated that if approved by the Mayor and Council, the average utility bill would increase \$1.00 - \$1.50 per month.

City Manager Grizzard reported the following proposed water and sewer tap fees per the Equivalent Residential Unit (ERU) based on the meter size using the AWWA (American Water Works Association) standard:

	<b>Residential</b>	
	<u>Existing (FY2016) Tap Fee</u>	<u>Proposed (FY2017) Tap Fee</u>
Water	\$1,250	\$1,900
Sewer	<u>\$4,000</u>	<u>\$6,100</u>
	\$5,250	\$8,000

	<b>Multi-Family</b>	
	<u>Existing (FY2016) Tap Fee</u>	<u>Proposed (FY2017) Tap Fee</u>
Water	\$400 per bedroom for multi-family	\$730 per bedroom for multi-family
	\$400 per bedroom for student housing	\$400 per bedroom for student housing
Sewer	\$1,000 per bedroom for apartment	\$2,350 per bedroom for apartment
	\$1,000 per student bed for dormitory	\$2,350 per bedroom for dormitory

City Manager Grizzard reported that the proposed increases were based on the actual replacement cost at the wastewater plant, actual replacement cost of the City's water capacity and a lot of this increase is for work that needs to be performed on the system. City Manager Grizzard added that the City needed to spend 2.5 million dollars on the headworks at the wastewater plant to reduce the obnoxious odors the City has been experiencing.

Mayor Hollingsworth asked if there were any public comments regarding the adoption of the proposed utility rates and fees.

Mr. Rett Harmon, an area realtor, inquired as to why there would be an increase in tap fees when the Council had just discussed fee reduction incentives to encourage more affordable single-family housing. Mr. Harmon stated that housing developers may pass Carrollton by due to the proposed tap increases. Mr. Harmon emphasized that the proposed tap increases would cause the City to go backwards.

Councilmember Byrd stated that he didn't feel that everyone should be charged the same rate/amount.

Mr. Ronnie Crews stated that a rate increase would have a negative effect on home building in Carrollton.

Councilmember Watters inquired to incentives or abatements in regards to fees that the City could offer to single-family home buyers.

City Manager Grizzard suggested possibly waiving the building permit fee on single-family homes.

Councilmember Byrd inquired as to what else could be done rather than raising utility rates.

City Manager Grizzard reviewed the City's current revenue sources and noted that for many years the City General Fund has been supplemented greatly by the Water and Sanitation Funds, which depleted those fund's reserves.

Ms. Tina Heine of 105 Melrose Park cited that one of the recent findings from the housing study was that multi-family housing was clearly not paying for the services they are consuming. The \$650,000 short fall must be found somewhere and the City has limited opportunities for income. Ms. Heine stated that this matter needed to be considered with extreme caution as we evaluate and find balance as mentioned in the housing study.

Councilmember Byrd stated that he felt people were having to live in multi-family housing because of the types of jobs that they have. There are people with temporary and part time jobs that can't qualify for loans.

Mr. Jim Hughes of 445 Sunset Blvd., an area resident and local contractor, stated that the proposed \$8,000 tap fee would be the equivalent of enough lumber to build a house and advised that he thinks that it is too early to ask for an increase. Mr. Hughes also stated that Carroll County Water Authority (CCWA) only charged \$1,900 for tap fees. City Manager Grizzard responded that the CCWA did not offer sewer service, requiring those properties to install a septic tank and additionally noted that the property lot sizes in the County are considerably larger.

Mr. Kenneth Dean, an area resident and minister, advised that he has completed a "Carrollton Cares Study" and that the City of Carrollton scored above the median score at 55%. He stated that he is encouraged by the multi-family report.

At this time, Mayor Hollingsworth asked if there was a motion on the matter.

**Motion by Councilmember Watters to adopt the Utility Rates and Fees with the exception that there would be no tap fee increases for single-family housing. Motion died due to lack of a second.**

**Motion by Councilmember Lane, seconded by Councilmember Wojcik to postpone adoption of proposed Utility Rates and Fees until the June 30, 2016 meeting of the Mayor and Council. (Motion passed 4-1, Councilmember Byrd opposed).**

#### **5. Resolution 13-2016: FY 2015-2016 Budget Amendment**

Finance Director Jim Triplett presented to the Mayor and Council for their consideration Resolution 13-2016: FY 2015-2016 Budget Amendment. Finance Director Triplett stated that budget amendments are required when actual and/or projected expenditures exceed budgeted amounts by 3% or more. Finance Director Triplett advised that there were nine (9) amendments for the City's General Fund and Sanitation Fund as follows:

**Budget Amendment Number FY 16-01:** Mayor and Council (to fund unbudgeted training and travel expenditures for Mayor and Councilmembers).

**Budget Amendment Number FY 16-02:** Main Street-Recreation (to fund unbudgeted expenditures associated with Main Street consolidation into the City's general fund).

**Budget Amendment Number FY 16-03:** Legal (to fund unbudgeted legal expenditures).

**Budget Amendment Number FY 16-04:** Recreation-Programs (to fund unbudgeted expenditures associated with higher than anticipated utilization of program services).

**Budget Amendment Number FY 16-05:** Recreation-Arts (to fund unbudgeted expenditures associated with higher than anticipated utilization of arts services).

**Budget Amendment Number FY 16-06:** Sanitation (to fund unbudgeted landfill expenditures associated with higher than anticipated garbage revenue).

**Budget Amendment Number FY 16-07:** Human Resources (to fund unbudgeted tuition reimbursement expenditures).

**Budget Amendment Number FY 16-08:** Police (to fund unbudgeted expenditures from grant revenues, sale of fixed assets, and insurance claim reimbursements).

**Budget Amendment Number FY 16-09:** Recreation-Parks (to fund unbudgeted expenditures associated with the removal of trees on the Greenbelt).

**Motion by Councilmember Wojcik, seconded by Councilmember Watters to approve Resolution 13-2016: FY 2015-2016 Budget Amendment. (Motion passed 5-0).**

## **6. Resolution 14-2016: Charitable Donations**

City Manager Tim Grizzard presented to the Mayor and Council for their consideration Resolution 14-2016 to provide policies and procedures relating to financial assistance to civic organizations, charities, non-profit groups, and other similar entities to ensure that any support given by the City complies with applicable law and is feasible given budgetary and other considerations.

**Motion by Councilmember Watters, seconded by Councilmember Byrd to approve Resolution 14-2016: Charitable Donations. (Motion passed 5-0).**

## **7. Public Hearing: FY 2016-2017 Budget**

A public hearing was held regarding the proposed FY 2016-2017 Budget. City Manager Grizzard advised that this presentation is for the purpose of conducting a public hearing on the proposed budget as required by Georgia State Law. City Manager Grizzard stated the following information regarding the proposed budget:

The proposed FY 2016-2017 General Fund Operating Budget of **\$22,898,303** represents an overall increase of **\$1,903,024 (9%)** over the FY 2015-2016 budget of **\$20,995,279**.

The proposed FY 2016-2017 Water Fund Operating Budget of **\$17,517,422** represents an overall increase of **\$2,354,941 (16%)** over the FY 2015-2016 budget of **\$15,162,481**.

The proposed FY 2016-2017 Sanitation Fund Operating Budget of **\$5,101,750** represents an overall increase of **\$425,233 (9%)** over the FY 2015-2016 budget of **\$4,676,517**.

Final consideration and adoption of the FY 2016-2017 Budget will be presented at the July 11, 2016 Mayor and Council meeting. The proposed FY 2016-2017 Budget is available for viewing on the City website.

## **8. 2016 Hazard Mitigation Plan**

City Planner Lynne Miller presented to the Mayor and Council for their consideration a resolution to adopt the 2016 Carroll County Pre-Disaster Mitigation Plan. City Planner Miller advised that the Hazard Mitigation Plan is a joint plan of Carroll County and its seven municipalities. City Planner Miller stated that the plan is updated every five years and approval of a resolution is needed before the City can receive any future assistance from the Georgia Emergency Management Agency (GEMA) or Federal Emergency Management Agency (FEMA) to help with emergencies. City Planner Miller further advised that the plan covers issues such as flood, drought, severe thunderstorms, winter storms, and hazardous materials incidents. City Planner Miller stated that the narrative and short term work plan for Carrollton can also be found online at <http://www.carrollcountyga.com/DocumentCenter/View/157>.

**Motion by Councilmember Wojcik, seconded by Councilmember Watters to approve the 2016 Hazard Mitigation Plan as presented. (Motion passed 5-0).**

## **9. Zagster Bike Share Program**

Ms. Erica Studdard, Consultant for the City of Carrollton, presented to the Mayor and Council for their consideration a request to consider implementing a Zagster Bike Share Program. Ms. Studdard advised that Tanner Medical Center, the University of West Georgia, and Southwire have expressed interest in sponsoring a bike share program within the City. The proposed plan will not cost the City any funding; however, the City will be the holder of the contract. The plan is for a 2-year lease agreement with Zagster, Inc. to provide 10 stations with five bikes for each station. The location of the stations has yet to be determined but will be heavily influenced by the sponsors. In addition, this program will allow people to rent a bike at one station and drop it off at another. All maintenance and relocation of the bikes will be performed by Zagster. Ms. Studdard advised that Zagster requires that a contract be signed by June 17, 2016 to assure that we are able to secure the program by the fall of this year.

Motion by Councilmember Watters, seconded by Councilmember Lane to authorize the City Manager to negotiate and sign a contract for the Zagster Bike Share Program. (Motion passed 5-0).

#### **VII. MAYOR AND COUNCIL ANNOUNCEMENTS**

Councilmember Byrd expressed displeasure that Sandra Penny Houston was removed from the Planning Commission. Councilmember Byrd stated that he has served as a Councilmember almost twenty years and has never seen anyone replaced on a board/commission/authority who was willing to continue serving.

Councilmember Wojcik stated that he was excited about the new Neva Lomason Library Building Committee. Councilmember Wojcik also expressed appreciation to Chief Joel Richards and the Police Department for all that they do. In addition, Councilmember Wojcik thanked City Engineer Tommy Holland for all of the sidewalk work taking place.

Mayor Hollingsworth stated that he has been getting good feedback regarding City staff.

#### **VIII. CITY MANAGER ANNOUNCEMENTS**

City Manager Grizzard expressed appreciation to staff and thanked Fire Chief Jimmy Bearden for the Fire Department's work in obtaining an ISO-2 rating which allows residents to purchase homeowners insurance at a lower cost.

#### **IX. ADJOURN**

There being no additional business to address, the meeting adjourned at 8:30 p.m.

The Agenda for each Mayor and Council Meetings is available for review in the City Manager's Office, 315 Bradley Street, Carrollton, Georgia and the City's website, [www.carrollton-ga.gov](http://www.carrollton-ga.gov) five (5) business days prior to a Mayor and Council Meeting. A summary of Agenda items acted upon is available within 48 hours of the meeting at the address and website listed above. Minutes to any previous meeting (once adopted) are available upon request or on the City's website, [www.carrollton-ga.gov](http://www.carrollton-ga.gov). The City complies with the Americans with Disabilities Act (ADA). If you will need special assistance at a meeting, the City will try to accommodate you in every reasonable manner. Please call (770) 830-2000 from 8:30 a.m. to 5:00 p.m. Monday through Friday at least 48 hours prior to the meeting.

# MINUTES

## City of Carrollton Mayor and Council Special Called Meeting

June 30, 2016  
6:00 p.m.

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Public Safety Complex, Court/Council Chambers, 115 West Center Street, Carrollton, Georgia

### I. CALL TO ORDER

The Mayor and Council met in a special called meeting on Thursday, June 30, 2016, in the Public Safety Complex, Court/Council Chambers, 115 West Center Street, Carrollton, Georgia. Mayor Hollingsworth called the meeting to order at 6:08 p.m. Members present: Mayor Walt Hollingsworth, Councilmember Gerald Byrd, Councilmember Met Lane, Councilmember Jim Watters, and Councilmember Rory Wojcik. Members absent: none.

### II. APPROVAL OF AGENDA ITEMS FOR CONSIDERATION

Mayor Hollingsworth inquired as to whether there was an amendment to the Agenda.

**Motion by Councilmember Wojcik, second by Councilmember Watters to suspend Roberts Rules of Order and amend the agenda to allow for public comments, with a time allotment of 10 minutes each, for both pros and cons, for Resolution 15-2016 – Moratorium Extension, (Motion passed 5-0).**

#### 1. Resolution 15-2016: Moratorium Extension

City Manager Tim Grizzard presented to the Mayor and Council Resolution 15-2016: Moratorium Extension which would extend the current multi-family housing moratorium for an additional six months under the same criteria as the previous moratorium.

At this time, Mayor Hollingsworth opened the public hearing to receive citizen comments.

Those speaking opposed:

Mr. Dwayne Hicks, a realtor for Metro West Realty, spoke opposed to extending the moratorium. Mr. Hicks stated that on January 5, 2016 the Mayor and Council voted to approve a multi-family moratorium. Mr. Hicks stated that the logic was to take a step back to see exactly where the City was on housing and how balanced the City was relative to housing. Mr. Hicks stated that the City commissioned with the Bleakly Group from Atlanta to conduct a study on housing. Mr. Hicks advised that Carrollton is growing and it has always been healthy and vibrant. Mr. Hicks noted that there will always be challenges with growth and that changes are sometimes uncomfortable at many levels. Mr. Hicks stated that we all need to be sitting at the same table when talking about smart growth. Mr. Hicks also noted that realtors are facing vacancy issues in Carrollton. Mr. Hicks went on to say that the topic of multi-family housing is getting all of the attention of our City government, while other parts of our economic engine are being neglected. Mr. Hicks emphasized that there is a severe shortage of homes for people who are accepting employment in the City. Mr. Hicks stated that the moratorium has halted almost all construction in the City. Mr. Hicks

stated that the senior adult living complex on North Park Street has a long waiting list. Mr. Hicks informed the Mayor and Council that developers have had interest in active senior adult living projects and they cannot get a hearing because of the moratorium. Mr. Hicks stated that the six-month moratorium has really hurt the economic growth of the City from his perspective, and he believes an additional six-month moratorium will cause irreparable harm to the economy that will be felt for years to come. Mr. Hicks stated that he feels there is no need for a moratorium because there are multiple layers of protection throughout this process that the Mayor and Council have at their disposal. Mr. Hicks stated that a moratorium takes away a private property owner's right to be heard by elected officials and that seems fundamentally wrong at many levels. Mr. Hicks urged the Mayor and Council to hear the City's petition to approve the moratorium or turn it down based on the merits or worthiness of the idea of the project. Mr. Hicks stated that an additional six-month moratorium would continue to tell everyone that the City of Carrollton, Georgia is closed for business.

Those speaking in favor:

Mr. Robbie Blackmon of 103 Briarwood Drive, Carrollton spoke in favor of extending the moratorium. Mr. Blackmon stated that he was speaking as a citizen who was a prior renter and now a homeowner. Mr. Blackmon stated that from what he understands from the recent housing study, it appears that vacancy rates are such that we don't need additional apartments and extension of the moratorium makes sense. Mr. Blackmon stated that the citizenship of Carrollton is better served with homeowners versus renters. Mr. Blackmon advised that there is more vested interest in the City as a homeowner from a tax base standpoint and that there is pride in home ownership.

Mayor Hollingsworth closed the public hearing and inquired to the wishes of the Council.

Councilmember Wojcik stated that he is a fan of growth and shift in a town. Councilmember Wojcik stated that planned and deliberate growth as well as smart growth are extremely important. Councilmember Wojcik advised that we need to make sure that we are building a community we really want for all members of the community and stagnating growth is not a good idea. Councilmember Wojcik stated that he feels that putting a pause on development sends a message that we are not welcoming growth. Councilmember Wojcik noted that if we are looking to extend the moratorium, we need to look at our master plan, our smart growth plan, and our comprehensive plan to make sure all areas of our town have the housing supplies needed.

Councilmember Watters stated that he seconded Councilmember Wojcik's comments regarding the moratorium. Councilmember Watters advised that he and Councilmember Wojcik had previous discussions regarding the matter and are in agreement that the City needs an updated comprehensive plan that addresses the issue. Councilmember Watters stated that the previous study was just a start, but that an additional study is needed that looks at all housing. Councilmember Watters apologized that it has taken as long as it has and that he was hoping the matter would be wrapped up within six months. Councilmember Watters stated that we are not there yet, but hopefully we will be soon.

City Manager Grizzard stated that the City wants to see more homes built and his door is always open to anyone. City Manager Grizzard emphasized that if anyone has a plan or a project they want to see, he will personally walk it through himself. City Manager Grizzard stated that regarding the comments concerning senior living developments, he had not heard anything about that, and neither had the City Engineer nor the City Planner.

Councilmember Byrd inquired as to whether the comments could have been made regarding the development on MLK Street. City Manager Grizzard stated that the City had no control over that project because it is a Housing Authority project. Councilmember Byrd stated that it is his prayer that we are diligently working on a rehabilitation plan where we are going to take pre-existing inventory and rehabilitate that housing.

Mayor Hollingsworth stated that he is in the construction business and makes his living selling concrete. Mayor Hollingsworth advised we are going to extend the moratorium for six months, but he did not think that it would be in place for the entire period. Mayor Hollingsworth stated that the numbers are staggering and he wants to see a comprehensive plan in place. Mayor Hollingsworth advised that we probably would not be in this situation if the Planning Commission had a quorum at their June meeting, but that due to the holiday weekend, they did not. Mayor Hollingsworth emphasized that we need to move forward in making a town where we can all be proud to live.

At this time, Mayor Hollingsworth asked if there was a motion on the matter. **Motion by Councilmember Watters, seconded by Councilmember Lane to approve Resolution 15-2016: Moratorium Extension. (Motion passed 3-2, Councilmembers Byrd and Wojcik opposed).**

### III. ADJOURN

There being no additional business to discuss, the meeting was adjourned at 6:28 p.m.

The Agenda for each Mayor and Council Meetings is available for review in the City Manager's Office, 315 Bradley Street, Carrollton, Georgia and the City's website, [www.carrollton-ga.gov](http://www.carrollton-ga.gov) five (5) business days prior to a Mayor and Council Meeting. A summary of Agenda items acted upon is available within 48 hours of the meeting at the address and website listed above. Minutes to any previous meeting (once adopted) are available upon request at or the City's website, [www.carrollton-ga.gov](http://www.carrollton-ga.gov). The City complies with the Americans with Disabilities Act (ADA). If you will need special assistance at a meeting, the City will try to accommodate you in every reasonable manner. Please call (770) 830-2000 from 8:30 a.m. to 5:00 p.m. Monday through Friday at least 48 hours prior to the meeting.

Office of the Mayor  
Carrollton, Georgia

**Proclamation**  
*SWEET PEA'S BOUTIQUE  
CELEBRATES 30<sup>TH</sup> ANNIVERSARY*

*WHEREAS: This year marks the 30<sup>th</sup> Anniversary of Sweet Pea's Boutique at Westover Square in Carrollton, Georgia; and*

*WHEREAS: In 1986, Sweet Pea's Boutique was officially opened for business and was brought to life by Pam Uglum; and*

*WHEREAS: After ten years of hard work and huge success with the business, Pam Uglum decided to pass the "Queen Pea" tiara to Sidra McWhorter, who is the current owner, President, and "Queen Pea"; because Pam knew early on that Sidra would continue the legacy at Sweet Pea's; and*

*WHEREAS: Sweet Pea's Boutique continues to grow year after year and was doubled in size four years ago to broaden the selections available for their customers; and*

*WHEREAS: Sidra regularly visits New York City, Los Angeles, and Atlanta fashion markets for the latest styles and unique selections that make her store so special for all of her great customers; and*

*WHEREAS: Special activities have been planned to celebrate the occasion of Sweet Pea's 30<sup>th</sup> anniversary, and it is fitting that we should join in this expression of our pride and appreciation for the many economic benefits that our community has enjoyed over the years because of the growth and prosperity of a locally owned and operated business such as Sweet Pea's Boutique; and*

*THEREFORE, BE IT RESOLVED, that I, Walt Hollingsworth, Mayor of the City of Carrollton, in recognition of the outstanding contributions made by this business, deem it an honor and privilege to extend sincere congratulations to Sweet Pea's Boutique on the occasion of its:*

***"30<sup>th</sup> Anniversary"***

*with best wishes for many more years of continued success.*

This 11<sup>th</sup> day of July, 2016

\_\_\_\_\_  
Walt Hollingsworth, Mayor  
- City of Carrollton -



315 Bradley Street  
Carrollton, Georgia 30117

City Hall (770) 830-2000



P.O. Box 1949  
Carrollton, Georgia 30112

Fax (770) 830-2026

Office of the City Manager

To: Mayor and Council  
From: Tim Grizzard, City Manager  
Date: July 1, 2016  
Subject: Police Officer Recognition – Matt Jones

The City of Carrollton is proud to recognize the heroic efforts of Carrollton Police Officer Matt Jones. A Certificate of Recognition will be presented to Officer Jones at the meeting Monday evening



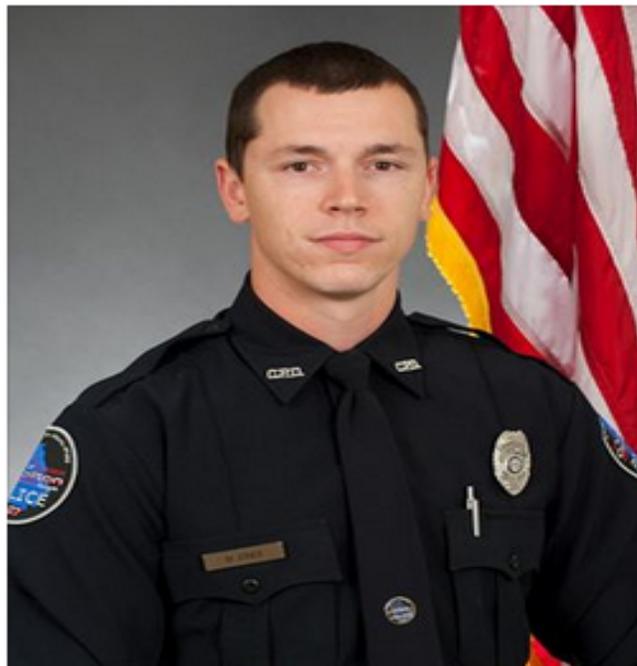
#### Carrollton GA Police Department

June 29 at 10:48am · 🌐

On 6/19/16 around midnight, Officer Matt Jones #296 responded to an apartment in reference to an elderly female that had fallen while she was cooking and the room was filling with smoke.

Once Officer Jones arrived on scene and found the door unlocked, he saw that the apartment was filled with smoke from floor to ceiling. He notified dispatch to relay the information to the fire department, who was not on scene yet. Officer Jones then heard a female yelling for help from within. Officer Jones then crawled into the residence without any breathing devices and found the victim on the floor. He performed a "drag carry" and was able to get her out of the residence.

The actions of Officer Jones was a selfless act of valor which resulted in less, or no, injury to the victim. Officer Jones represented himself, the Carrollton Police Department, and the City of Carrollton with his actions. Officer Jones is a credit to this department and acts such as these should not go unnoticed.



315 Bradley Street  
Carrollton, Georgia 30117

City Hall (770) 830-2000



P.O. Box 1949  
Carrollton, Georgia 30112

Fax (770) 830-2026

Office of the City Manager

To: Mayor and Council  
From: Tim Grizzard, City Manager  
Date: July 1, 2016  
Subject: Fire Department Recognition – ISO Class 1 Rating

The City of Carrollton is proud to recognize our Fire Department for the achievement of an ISO 1 Rating.

## PRESS RELEASE

**CITY OF CARROLLTON**  
**June 22, 2016**

### **The City of Carrollton Fire Department Earns ISO Class 1 Rating**

#### **For Immediate Release:**

The City of Carrollton Fire Department has received the Insurance Services Office (ISO) top rating of Class 1. This rating has been achieved by less than 1/4 of 1% of Fire Departments Nationwide and is one of only 13 in Georgia. The ISO currently evaluates over 50,000 Fire Departments Nationwide with only 186 earning the Class 1 Rating. This rating reflects the hard work and dedication of all the Carrollton Firefighters and their commitment to save lives and property. The new Public Protection Classification (PPC) rating will become effective October 1, 2016.

Fire Departments across the Nation are rated by the ISO to determine a PPC for individual Cities or Counties. This rating is published by the ISO and used by Insurance Companies to determine insurance rates. The ISO Schedule develops a PPC number on a relative scale from 1 to 10, with 1 being the very best and 10 representing less than minimum recognized fire protection. Most U.S. Insurers of Homes and Business Property use the PPC in calculating premiums. In general, the price of fire insurance in a community with a good PPC is substantially lower than in a community with a poor PPC.

When the ISO evaluates a Fire Departments capabilities it uses a system called the Fire Suppression Rating Schedule (FSRS) which employs nationally accepted standards developed by such organizations as the National Fire Protection Association (NFPA), the American Water Works Association (AWWA) and the Association of Public Safety Communications Officials (APCO) International. The FSRS considers 3 main areas of a community's fire suppression capabilities including Emergency Communications (911 Call Center), the Fire Department, and Water Supply. In addition, it includes a Community Risk Reduction section that recognizes community efforts to reduce losses through fire prevention, public fire safety education and fire investigation.

Continued next page

**PRESS RELEASE CONTINUED**

**Key elements considered when evaluating a Fire Department include Response Capabilities (Deployment Analysis) which includes adequate staffing of Fire Service Personnel on Engine Crews and Ladder Companies, Fire Station Distribution (Location and Coverage), Appropriate Apparatus and Equipment, Training, Water Supplies, Organizational Structure, Communications and Building/Fire Prevention Codes and their enforcement.**

**The Fire Department's improved PPC Classification is a reflection of the City of Carrollton's commitment to provide quality Public Safety Services to the citizens of Carrollton.**

**Mayor Hollingsworth and the City Council congratulate the Carrollton Fire Department on the exceptional quality of their fire service.**

**Mayor Hollingsworth stated, "This shows a long term commitment to excellence on the part of our Fire Department and support departments. An ISO Class 1 rating will save our residents significant money on their home owners insurance. It will result in an even greater savings to our commercial businesses and our industries. This is one more reason for business owners to locate in the City of Carrollton. I want to personally thank Chief Jimmy Bearden, Captains Bill Messer, Tim Spratlin, and Ken Thompson, and all of the Fire Department Personnel who have worked so hard through the years to achieve this great honor. I want to further thank the supporting departments of the water system headed by Tony Richardson, Connie Nelms, and Mike Green."**

**Mayor Hollingsworth further stated, "I am very proud of this great city. People like Jimmy Bearden and the Fire Department, make my job easy. I am constantly receiving compliments on this department. Thank you all for a job very well done."**



MEMORANDUM

TO: Timothy C. Grizzard, P.E., City Manager

FROM: Jim Triplett, Finance Officer

A handwritten signature in blue ink, appearing to be "J. Triplett", is written over the name "Jim Triplett" in the "FROM" line.

RE: GMA Lease Pool Trustee Change

DATE: June 30, 2016

As you know, the City is a member of the GMA Lease Pool which it utilizes to fund some of its capital purchases. The City has been a member of this pool since its inception in 1998. GMA has contracted with the Bank of New York to provide trustee services for the lease pool (debt service invoicing and payment processing) since the lease pool's inception. Due to service issues over the past couple of years, GMA made the decision to look at other providers for trustee services. As a result of this process, GMA has selected Regions Bank to provide trustee services for the lease pool. GMA feels this change will result in improved service and efficiency for member cities as well as the lease pool as a whole.

Another change GMA is making is a change in the type of eligible equipment to be financed through the lease pool. Previously, 10% of the software component on computer systems could be financed through the lease pool. We will now be able to finance up to 50% of the software component on new computer systems. The financing percentage for the hardware component of new computer systems remains at 90%.

In order to make these changes effective, each member city is required to execute two (2) resolutions as follows: One designating Regions Bank as the new trustee, and one changing the eligible software financing percentage.

Attached are the documents required for approval by the Mayor and City Council. Please place on the agenda for the July 11, 2016 Mayor and City Council meeting.

If you have any questions or require additional information, please let me know.

Thank you.

Attachments

## Jim Triplett

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**From:** Darin Jenkins [djenkins@gmanet.com]  
**Sent:** Thursday, June 16, 2016 10:45 AM  
**To:** Jim Triplett  
**Subject:** 98 Lease Pool Program Trustee Change and Amendment to Equipment List Resolutions  
**Attachments:** Carrollton.pdf; Carrollton.pdf

Good morning Jim, hope your day is going well! We are finally ready to bring our new Trustee on board for the 98 program as we have spoken about for quite some time now. As you may recall, our current Trustee for the program is Bank of New York Mellon and we will be bringing Regions in as the new Trustee for the program going forward. I've attached two resolutions that need to be approved by your council; one is the resolution approving the change from BNY to Regions with the appropriate agreements attached as exhibits, the second resolution is for the amendment to the equipment list increasing the percentage of software financing from the current level of only 10% of the equipment request up to 50% of the request going forward.

These actions are being taken to both enhance our level of service from our Trustee and provide additional capacity for funding software as a part of computer system upgrades or replacements. We are requesting each of our participants take necessary steps to have their respective resolutions approved and the associated signature pages executed by July 29<sup>th</sup> 2016. This will enable a smooth transition for our new trustee and allow enough time to adequately prepare for the upcoming December 1<sup>st</sup> debt service.

If you have any questions at all about either resolution and action, please let me know. Jim Woodward of Gray Pannell and Woodward will also be available to answer any questions regarding these items as well. Jim has prepared these documents for our actions and has acted as our counsel for the 98 program for some time now, so he is quite familiar with the program and its participants. Jim's contact information is below:

Jim Woodward  
Gray Pannell & Woodward  
678-705-6280  
[jwoodward@gpwlawfirm.com](mailto:jwoodward@gpwlawfirm.com)

This program will mature in 2028 and with completion of these actions, we hope to have the remaining 12 years be even more beneficial to each of you as you consider the program for funding your City's equipment needs. Thanks so much for your participation and your assistance with this process. Take care,

Darin



Advocacy • Service • Innovation

Darin Jenkins  
Financial Services Program Manager  
Office: 678-686-6264 ♦ Fax: 678-686-6364  
[www.gmanet.com](http://www.gmanet.com)

READER ADVISORY NOTICE: This information is intended only for the individual named above. If you received this in error, please call 404-688-0472 to notify the sender, and then delete the email without printing, copying or retransmitting it. In addition, be advised that Georgia has a very broad open records law and that your email communications with GMA may be subject to public disclosure.

## RESOLUTION 16-2016

A RESOLUTION OF THE MAYOR AND COUNCIL OF CARROLLTON, GEORGIA TO AUTHORIZE THE EXECUTION AND DELIVERY OF A SUBSTITUTION OF ESCROW AGENT AND TO AUTHORIZE THE CONSENT TO AN ASSIGNMENT OF MASTER REPURCHASE AGREEMENT AND AN ASSIGNMENT OF REIMBURSEMENT AND INDEMNITY AGREEMENT

WHEREAS, Carrollton, Georgia (the "City") is a legally created, valid and existing municipal corporation of the State of Georgia, created and existing under the Constitution and laws of the State of Georgia; and

WHEREAS, the City is a participant in the (GMA) 1998 Georgia Local Government Equipment Loan Program (the "Loan Program"); and

WHEREAS, in connection with the Loan Program, the City entered into (a) an Escrow Agreement, dated as of June 1, 1998, among GMA, The Bank of New York Mellon Trust Company ("BNY Mellon") and the City (the "Escrow Agreement") and (b) a Master Repurchase Agreement, dated as of July 21, 1998, by and among BNY Mellon, as buyer, the City and Societe Generale, New York Branch, as seller (the "Master Repurchase Agreement"); and

WHEREAS, in connection with the Loan Program, GMA entered into a Reimbursement and Indemnity Agreement, dated as of June 1, 1998, by and among GMA, BNY Mellon and National Public Finance Guarantee Corporation (formerly, MBIA Insurance Corporation) ("NPFGC") (the "Reimbursement and Indemnity Agreement"); and

WHEREAS, it is proposed that BNY Mellon be removed from the Loan Program, and all agreements in connection therewith, including, but not limited to, the Escrow Agreement, the Master Repurchase Agreement and the Reimbursement and Indemnity Agreement, and that Regions Bank be appointed in its place; and

WHEREAS, to effect such substitution, the City proposes to authorize the execution and delivery of a Substitution of Escrow Agent, by GMA and the City, as consented to by NPFGC (the "Substitution of Escrow Agent") and to authorize the consent to (a) an Assignment of Master Repurchase Agreement, between BNY Mellon and Regions Bank (the "Assignment of Master Repurchase Agreement") and (b) an Assignment of Reimbursement and Indemnity Agreement, between BNY Mellon and Regions Bank (the "Assignment of Reimbursement and Indemnity Agreement").

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of Carrollton, Georgia, as follows:

Section 1. The execution, delivery and performance of the Substitution of Escrow Agent are hereby authorized. The Mayor of the City (the "Mayor") is hereby authorized to execute and deliver the Substitution of Escrow Agent on behalf of the City, which Substitution of Escrow Agent shall be in substantially the form attached hereto as Exhibit A with such minor changes, insertions or omissions as may be approved by the Mayor, and the execution of the

Substitution of Escrow Agent by the Mayor as hereby authorized shall be conclusive evidence of any such approval.

Section 2. The execution and delivery of the consent to the Assignment of Master Repurchase Agreement are hereby authorized. The Mayor is hereby authorized to execute and deliver the consent to the Assignment of Master Repurchase Agreement on behalf of the City, which Assignment of Master Repurchase Agreement shall be in substantially the form attached hereto as Exhibit B with such minor changes, insertions or omissions as may be approved by the Mayor, and the execution of the Assignment of Master Repurchase Agreement by the Mayor as hereby authorized shall be conclusive evidence of any such approval.

Section 3. The execution and delivery of the consent to the Assignment of Reimbursement and Indemnity Agreement are hereby authorized. The Mayor is hereby authorized to execute and deliver the consent to the Assignment of Reimbursement and Indemnity Agreement on behalf of the City, which Assignment of Reimbursement and Indemnity Agreement shall be in substantially the form attached hereto as Exhibit C with such minor changes, insertions or omissions as may be approved by the Mayor, and the execution of the Assignment of Reimbursement and Indemnity Agreement by the Mayor as hereby authorized shall be conclusive evidence of any such approval.

Section 4. From the date hereof, the Mayor and such other proper officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to carry out and comply with the purposes of this resolution and are further authorized to take any and all further actions and to execute and deliver any and all further documents and certificates as may be necessary or desirable in connection with the removal of BNY Mellon from the Loan Program and the appointment of Regions Bank. Without limiting the foregoing, if the Mayor is not available to execute the Substitution of Escrow Agent and the consent to the Assignment of Master Repurchase Agreement and the consent to the Assignment of Reimbursement and Indemnity Agreement herein authorized, the Mayor Pro Tem shall execute such document on the Mayor's behalf.

Section 5. All acts and doings of the officers, agents and employees of the City which are in conformity with the purposes and intents of this resolution shall be, and the same hereby are, in all respects, approved and confirmed.

Section 6. No stipulation, obligation or agreement herein contained or contained in the Substitution of Escrow Agent, Assignment of Master Repurchase Agreement and the Assignment of Reimbursement and Indemnity Agreement shall be deemed to be a stipulation, obligation or agreement of the Mayor or the Clerk of the City in their individual capacity, and neither the Mayor nor the Clerk of the City shall be personally liable under the Substitution of Escrow Agent, Assignment of Master Repurchase Agreement and the Assignment of Reimbursement or Indemnity Agreement or be subject to personal liability or accountability by reason of the issuance thereof.

Section 7. GMA is hereby authorized to provide any notices on behalf of the City as required in connection with the removal of BNY Mellon from the Loan Program and the appointment of Regions Bank.

Section 8. This resolution shall take effect immediately upon its adoption. All resolutions or parts thereof in conflict with this resolution are hereby repealed.

ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2016.

CARROLLTON,

GEORGIA (SEAL)

BY: \_\_\_\_\_  
Mayor

ATTEST:

BY: \_\_\_\_\_  
Clerk

EXHIBIT A

Substitution of Escrow Agent

SUBSTITUTION OF ESCROW AGENT

Pursuant to the terms of the 1998A Escrow Agreement, dated as of June 1, 1998 (the "Escrow Agreement"), among Georgia Municipal Association, Inc. ("Lessor"), Carrollton, Georgia ("Lessee") and The Bank of New York Mellon Trust Company, N.A., as escrow agent, the Lessor and the Lessee hereby remove The Bank of New York Mellon Trust Company, N.A. and hereby appoint Regions Bank as escrow agent under the Escrow Agreement. Such removal of The Bank of New York Mellon Trust Company, N.A. and appointment of Regions Bank, as escrow agent under the Escrow Agreement, shall take effect upon the acceptance of such appointment in writing by Regions Bank.

LESSOR:

GEORGIA MUNICIPAL ASSOCIATION, INC.

By: \_\_\_\_\_  
Executive Director

LESSEE:

CARROLLTON, GEORGIA

By: \_\_\_\_\_  
Name:  
Title:

Attest: \_\_\_\_\_  
Name:  
Title:

EXHIBIT B

Assignment of Master Repurchase Agreement

**ASSIGNMENT OF MASTER REPURCHASE AGREEMENT**

THIS ASSIGNMENT OF MASTER REPURCHASE AGREEMENT (hereinafter referred to as the "Assignment") is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by and between The Bank of New York Mellon Trust Company, N.A. and Regions Bank.

**WITNESSETH:**

WHEREAS, The Bank of New York Mellon Trust Company, N.A. has entered into a Master Repurchase Agreement, dated as of July 21, 1998 (the "Master Repurchase Agreement"), by and among The Bank of New York Mellon Trust Company, N.A. (formerly, The Bank of New York), as buyer, Carrollton, Georgia, as obligor (the "Obligor") and Societe Generale, New York Branch, as seller (the "Seller"); and

WHEREAS, pursuant to the terms of the Master Repurchase Agreement, The Bank of New York Mellon Trust Company, N.A. desires to assign its interest in the Master Repurchase Agreement to Regions Bank;

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and adequacy thereof being hereby acknowledged, The Bank of New York Mellon Trust Company, N.A. and Regions Bank hereby covenant and agree as follows:

(a) The Bank of New York Mellon Trust Company, N.A. hereby absolutely assigns, transfers, conveys and sets over to Regions Bank all the right, title and interest of The Bank of New York Mellon Trust Company, N.A. in, under, by virtue of the Master Repurchase Agreement. Regions Bank shall be deemed for all purposes the "Buyer" under the Master Repurchase Agreement, and shall have all rights, powers, remedies and responsibilities of Buyer thereunder.

[Signatures on following pages.]

**CONSENTED TO BY:**

**OBLIGOR:**

CARROLLTON, GEORGIA

By: \_\_\_\_\_

Name:

Title:

**SELLER:**

SOCIETE GENERALE, NEW YORK BRANCH

By: \_\_\_\_\_

Name:

Title:

**INSURER:**

NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION

By: \_\_\_\_\_

Name:

Title:

EXHIBIT C

Assignment of Reimbursement or Indemnity Agreement

**ASSIGNMENT OF REIMBURSEMENT AND INDEMNITY AGREEMENT**

THIS ASSIGNMENT OF REIMBURSEMENT AND INDEMNITY AGREEMENT (hereinafter referred to as the "Assignment") is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by and between The Bank of New York Mellon Trust Company, N.A. and Regions Bank.

**WITNESSETH:**

WHEREAS, The Bank of New York Mellon Trust Company, N.A. has entered into a Reimbursement and Indemnity Agreement, dated as of June 1, 1998 (the "Reimbursement and Indemnity Agreement"), by and among Georgia Municipal Association, Inc., The Bank of New York Mellon Trust Company, N.A. (formerly, The Bank of New York), Carrollton, Georgia and National Public Finance Guarantee Corporation (formerly, MBIA Insurance Corporation); and

WHEREAS, pursuant to the terms of the Reimbursement and Indemnity Agreement, The Bank of New York Mellon Trust Company, N.A. desires to assign its interest in the Reimbursement and Indemnity Agreement to Regions Bank;

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and adequacy thereof being hereby acknowledged, The Bank of New York Mellon Trust Company, N.A. and Regions Bank hereby covenant and agree as follows:

(a) The Bank of New York Mellon Trust Company, N.A. hereby absolutely assigns, transfers, conveys and sets over to Regions Bank all the right, title and interest of The Bank of New York Mellon Trust Company, N.A. in, under, by virtue of the Reimbursement and Indemnity Agreement. Regions Bank shall be deemed for all purposes the "Trustee" and "Servicer" under the Reimbursement and Indemnity Agreement, and shall have all rights, powers, remedies and responsibilities of Trustee and Servicer thereunder.

[Signatures on following pages.]

**CONSENTED TO AND APPROVED BY:**

CARROLLTON, GEORGIA

By: \_\_\_\_\_  
Name:  
Title:

GEORGIA MUNICIPAL ASSOCIATION, INC.

By: \_\_\_\_\_  
Name:  
Title:

NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

## RESOLUTION 17-2016

### A RESOLUTION OF THE MAYOR AND COUNCIL OF CARROLLTON, GEORGIA TO AUTHORIZE THE EXECUTION OF A FIRST AMENDMENT TO 1998A MASTER LEASE AND OPTION AGREEMENT

WHEREAS, Carrollton, Georgia (the “City”) is a legally created, valid and existing municipal corporation of the State of Georgia, created and existing under the Constitution and laws of the State of Georgia; and

WHEREAS, the City is a participant in the (GMA) 1998 Georgia Local Government Equipment Loan Program (the “Loan Program”); and

WHEREAS, in connection with the Loan Program, the City entered into a 1998A Master Lease and Option Agreement Georgia, dated as of June 1, 1998 (the “Lease”), between the City and Georgia Municipal Association (“GMA”), under the terms of which GMA leases to the City various items of Equipment (as defined in the Original Lease) of the types described in Exhibit F of the Original Lease and the City agrees to make certain rental payments to GMA; and

WHEREAS, it is proposed that the City enter into a First Amendment to 1998A Master Lease and Option Agreement (the “First Amendment”), between GMA and the City, the form of which is attached hereto as Exhibit A, to amend Exhibit F of the Original Lease to increase the percentage amount of software that may be acquired and leased pursuant to the Original Lease.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of Carrollton, Georgia, as follows:

Section 1. The execution, delivery and performance of the First Amendment are hereby authorized. The Mayor of the City (the “Mayor”) is hereby authorized to execute and deliver the First Amendment on behalf of the City, which First Amendment shall be in substantially the form attached hereto as Exhibit A with such minor changes, insertions or omissions as may be approved by the Mayor, and the execution of the First Amendment by the Mayor as hereby authorized shall be conclusive evidence of any such approval.

Section 2. From and after the execution and delivery of the First Amendment herein authorized, the Mayor and such other proper officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to carry out and comply with the provisions of the First Amendment herein authorized and are further authorized to take any and all further actions and to execute and deliver any and all further documents and certificates as may be necessary or desirable in connection with the execution, delivery and performance of the First Amendment herein authorized. Without limiting the foregoing, if the Mayor is not available to execute the First Amendment herein authorized, the Mayor Pro Tem shall execute such document on the Mayor’s behalf.

Section 3. All acts and doings of the officers, agents and employees of the City which are in conformity with the purposes and intents of this resolution and in furtherance of the

execution, delivery and performance of the First Amendment shall be, and the same hereby are, in all respects, approved and confirmed.

Section 4. No stipulation, obligation or agreement herein contained or contained in the First Amendment shall be deemed to be a stipulation, obligation or agreement of the Mayor or the Clerk of the City in their individual capacity, and neither the Mayor nor the Clerk of the City shall be personally liable under the First Amendment or be subject to personal liability or accountability by reason of the issuance thereof.

Section 5. This resolution shall take effect immediately upon its adoption. All resolutions or parts thereof in conflict with this resolution are hereby repealed.

ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2016.

CARROLLTON,

GEORGIA (SEAL)

BY: \_\_\_\_\_  
Mayor

ATTEST:

BY: \_\_\_\_\_  
Clerk

EXHIBIT A

FIRST AMENDMENT TO 1998A MASTER LEASE AND OPTION AGREEMENT

## FIRST AMENDMENT TO 1998A MASTER LEASE AND OPTION AGREEMENT

This FIRST AMENDMENT TO 1998A MASTER LEASE AND OPTION AGREEMENT (this “First Amendment”) is entered into as of the 1<sup>st</sup> day of \_\_\_\_\_, 2016, between the GEORGIA MUNICIPAL ASSOCIATION, INC., a nonprofit corporation organized and existing under the laws of the State of Georgia (the “Lessor”), and Carrollton, Georgia, a municipal corporation of the State of Georgia (the “Lessee”).

WHEREAS, the Lessor and the Lessee have previously entered into a 1998A Master Lease and Option Agreement, dated as of June 1, 1998 (the “Original Lease”), pursuant to which the Lessor leases to the Lessee various items of Equipment (as defined in the Original Lease) of the types described in Exhibit F of the Original Lease and the Lessee agrees to make certain rental payments to the Lessor; and

WHEREAS, the Lessor and the Lessee propose to enter into this First Amendment to amend Exhibit F of the Original Lease to increase the percentage amount of software that may be acquired and leased pursuant to the Original Lease; and

WHEREAS, Section 15.04 of the Original Lease provides that the Lessor and the Lessee may amend or supplement Exhibit F of the Original Lease from time to time with the Insurer’s (as defined in the Original Lease) written consent, but without the consent of Lessor’s assignee.

NOW THEREFORE, in consideration of the premises and the undertakings set forth in this First Amendment, the parties hereto agree as follows:

1.

Exhibit F of the Original Lease is hereby amended by deleting row “e” in its entirety and replacing it with the following:

“e-1. Telecommunications systems, 911 systems, voice or voice-data systems, computer systems and weather warning systems and devices (including (i) operating software and (ii) applications of software acquired in connection with the upgrading or installation which does not represent more than 10% of the total cost of such upgrading or installation) when such equipment constitutes a system-wide or department-wide upgrading or new installation, and when a feasibility study supports the installation of such system. 5 years

“e-2. Telecommunications systems, 911 systems, voice or voice-data systems, computer systems and weather warning systems and devices (including (i) operating software and (ii) applications of software acquired in connection with the upgrading or installation which does not represent more 3 years”

than 50% of the total cost of such upgrading or installation) when such equipment constitutes a system-wide or department-wide upgrading or new installation, and when a feasibility study supports the installation of such system.

2.

Except as herein specifically modified and amended, all of the terms, conditions and provisions of the Original Lease shall remain unchanged and in full force and effect.

3.

Should any phrase, clause, sentence or paragraph herein contained be held invalid or unconstitutional, it shall in no way affect the remaining provisions of this First Amendment, which said provisions shall remain in full force and effect.

4.

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

5.

This First Amendment shall be construed and enforced in accordance with the laws of the State of Georgia.

**LESSEE:**

CARROLLTON, GEORGIA

(SEAL)

By: \_\_\_\_\_  
Title:

Attest:

By: \_\_\_\_\_  
Title:



*Office of the City Manager*

MEMORANDUM

*TJ*  
To: The Mayor and Council  
From: Timothy C. Grizzard, P.E., City Manager  
Date: July 1, 2016

Subject: Resolution 18-2016 and Memorandum of Understanding (MOU) for WYMA Enterprises, LLC (Die-Tech).

Please find attached two documents:

1) Resolution 18-2016 in which the City of Carrollton approves the issuance of revenue bonds in the total amount of \$7,200,000. These bonds will be used to finance the construction of a plant expansion at 102 Automation Drive which is more commonly known as the Die-Tech facility. The City has no financial liability in the issuance or repayment of these bonds but is required by IRS Codes to approve the transaction.

and

2) A Memorandum of Understanding (MOU) between the City of Carrollton, the Carrollton Payroll Development Authority, Carroll County and WYMA Enterprises, LLC the gist of which allows for the abatement of property taxes for the expansion project described above. Taxes shall be reduced over a 10-year period on a linear basis more specifically described in the attachment. WYMA is required to meet specific criteria and report on their compliance with the requirements of this MOU on an annual basis.

The Mayor and Council are asked to consider the approval of these two documents in support of the expansion of this local industry.

Attachment

## RESOLUTION 18-2016

### A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF CARROLLTON, GEORGIA APPROVING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS BY THE CARROLLTON PAYROLL DEVELOPMENT AUTHORITY FOR THE BENEFIT OF WYMA ENTERPRISES, LLC

WHEREAS, Carrollton Payroll Development Authority (the “Issuer”) has considered the application of WYMA Enterprises, LLC, a Georgia limited liability company (the “Company”), requesting that the Issuer assist the Company in the acquisition, construction, installation and equipping of a manufacturing facility primarily for the manufacture of automotive-style dies, such facility to be located at 102 Automation Drive, Carrollton, Georgia 30117 in the City of Carrollton, Georgia (the “Project”), through the issuance of the Issuer’s revenue bonds in the aggregate principal amount not to exceed \$7,200,000 in one or more series consisting of \$5,610,000 in tax-exempt bonds and \$1,590,000 in taxable bonds pursuant to a plan of finance (the “Bonds”), and the Issuer held a public hearing on June 24, 2016 with respect to such proposed issuance of the Bonds and financing of the Project; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), provides that the governmental unit having jurisdiction over the issuer of industrial development revenue bonds and over the area in which any facility financed with the proceeds of such industrial development revenue bonds is located shall approve the issuance of such revenue bonds; and

WHEREAS, the Issuer issues its revenue bonds on behalf of the City of Carrollton, Georgia (the “City”), the Project is to be located in the City, and the Mayor and City Council (the “Council”) constitutes the elected officials of the City; and

WHEREAS, the Issuer has recommended and requested that the City approve the issuance of the Bonds and the financing of the Project; and

WHEREAS, the Issuer has delivered to the Council a certificate regarding the conduct of the public hearing, which certificate has been filed in the minutes of this meeting;

NOW, THEREFORE, BE IT RESOLVED, as follows:

Section 1. The issuance of the Bonds by the Issuer for the benefit of the Company in the aggregate principal amount not to exceed \$7,200,000 in one or more series consisting of \$5,610,000 in tax-exempt bonds and \$1,590,000 in taxable bonds pursuant to a plan of finance to assist in the financing of the Project is hereby approved to the extent required by said Section 147(f) of the Code, as follows:

- (a) the Project consists of the acquisition, construction, installation and equipping of a manufacturing facility primarily for the manufacture of automotive-style dies;
- (b) the initial owner and operator or manager of the Project is the Company; and
- (c) the location of the Project is in the City.

Section 2. Such approval by the Council does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Company or the Project, and the Bonds shall not constitute an indebtedness or obligation of the State of Georgia or of any county, municipal corporation or political subdivision thereof, but the Bonds shall be payable solely from the revenues derived from the Company and pledged to the payment thereof, and no owner of any Bonds shall ever have the right to compel any exercise of the taxing power of said State or of any county, municipal corporation or political subdivision thereof, nor to enforce the payment thereof against any property of said State or of any such county, municipal corporation or political subdivision.

This \_\_\_\_ day of July, 2016.

CITY OF CARROLLTON, GEORGIA

By: \_\_\_\_\_

Mayor, City of Carrollton, Georgia

CLERK'S CERTIFICATE

I, the undersigned Clerk of the City Council of the City of Carrollton, Georgia (the "Council"), DO HEREBY CERTIFY that the foregoing pages of typewritten matter pertaining to the approval of the revenue bonds by the Carrollton Payroll Development Authority for the benefit of WYMA Enterprises, LLC, a Georgia limited liability company, constitute a true and correct copy of the Resolution adopted on July \_\_, 2016, by a majority of the members of the Council in a meeting duly called and assembled, which was open to the public and at which a quorum was present and acting throughout, and that the original of said Resolution appears of record in the Minute Book of the City which is in my custody and control.

GIVEN under my hand and the official seal of the City Council of the City of Carrollton, Georgia this \_\_\_\_\_ day July, 2016.

\_\_\_\_\_  
Clerk, City of Carrollton, Georgia

(CORPORATE SEAL)

## MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this “Agreement”) is dated \_\_\_\_\_, and is entered into by and between the **Carrollton Payroll Development Authority**, a public body corporate and politic created and existing under the Constitution and laws of the State of Georgia (the “**Authority**”) and **WYMA Enterprises, LLC**, a Georgia limited liability company (the “**Company**”), in order to evidence their agreements as the respective parties hereto. The Board of Commissioners of Carroll County (the “**County**”), the City of Carrollton, Georgia (the “**City**”), and the Board of Tax Assessors of Carroll County (the “**Board of Assessors**”), are each executing an Acknowledgment hereof attached to this Agreement in order to acknowledge its agreement to the provisions hereof which are applicable to it.

The Authority has been duly created and is validly existing as an instrumentality of Carroll County and the City of Carrollton, and is a public corporation, all as more particularly set forth in an amendment to Article V, Section IX, Paragraph I of the Constitution of the State of Georgia of 1945 (1962 Ga. Laws 1135 et seq.) now specifically continued as a part of the Constitution of the State of Georgia of 1983 pursuant to an Act of the General Assembly of the State of Georgia (1985 Ga. Laws 3987 et seq.), as implemented by an Act of the General Assembly of the State of Georgia (1963 Ga. Laws 3242 et seq.) (collectively, the “**Act**”). Pursuant to the Act, the Authority is created for the purpose of developing and promoting for the public good and general welfare jobs and payrolls in industry, agriculture, commerce and natural resources and the making of long-range plans for the coordination of such development, promotion and expansion within the County and City. Pursuant to the public purposes for which it has been created, the Authority agrees to the provision to the Company of the incentives described below in consideration of the Company’s agreement, as set forth below, to locate the Project (as hereinafter defined) within the borders of the County and City, with attendant job creation and investment on the part of the Company, all of which constitutes valuable, non-cash consideration to the Authority, the County, the City, and their citizens. All capitalized terms defined herein shall have the meanings so provided throughout this Agreement.

### 1. THE PROJECT.

1.1 The Project. As used herein, references to the “**Project**” include the Premises (with the exception of the buildings and improvements existing in the year 2016 located on the Premises), the Improvements and the Equipment (all defined below), as the same may exist from time to time. The Project consists of the construction and equipping of an approximately 90,000 square foot manufacturing facility located on approximately 25.83 acres of land located at 102 Automation Drive in the City of Carrollton, Carroll County, Georgia for lease to and operation by the Company. The Company is currently the record owner of fee simple title to the Premises (as defined herein).

1.1.1 Premises. The “**Premises**” consists of approximately 25.83 acres of land and all improvements thereon located at 102 Automation Drive in the City of Carrollton, Carroll County, Georgia, which is described on the map in Schedule A attached hereto and by reference made a part hereof) which is proposed to be financed

with the proceeds of the Bonds (defined below). The Premises (including all buildings and improvements existing in the year 2016 located on the Premises) shall be conveyed to and owned in fee simple by the Authority and leased to the Company under the terms of a Lease Agreement (the “**Lease**”) to be entered into between the Authority and the Company at the Closing.

1.1.2 Improvements. The “**Improvements**” are to consist of the acquisition, construction and development by the Company of certain improvements to the Premises including, without limitation, an approximately 90,000 square foot manufacturing warehouse and parking facility, which Improvements are intended to be financed with the proceeds of the Bonds and leased to the Company under the Lease. The Company shall be responsible for the design of the Improvements. The Lease shall provide that Company, as principal and not as agent of the Authority, shall construct the Improvements and that title to the Improvements shall vest in the Authority as the same are constructed. The Improvements shall be constructed in compliance with applicable laws, including applicable zoning laws, building codes, environmental laws and other restrictions. The parties understand that this Agreement is not subject to the Georgia Local Government Public Works Construction Law (the “**Construction Law**”), and do not intend for it to be subject thereto. Instead, the parties have agreed that the Company shall provide, or shall have its general contractor (the “**Contractor**”) provide, performance and payment bonds protecting the Authority in connection with the construction of the Improvements similar to those that would be required if the Construction Law did apply, provided, that the Authority shall waive such requirement upon the determination by the Authority (such determination not to be unreasonably withheld) that the financial capability of the Company is sufficient for purposes of the indemnification provisions of this Agreement and of the hereinafter described Definitive Documents in favor of the Authority. The Authority shall not unreasonably withhold such determination, but shall be entitled to receive such information as it may reasonably request for such purposes including, without limitation, financial statements of the Company. The estimated cost of the Improvements is **\$6,250,000**.

1.1.3 Equipment. The “**Equipment**” consists of items of trade fixtures, machinery, equipment, furniture and furnishings proposed herein to be financed with the Bonds and to be owned by the Authority and leased to the Company under the Lease. The Lease will provide that the Company shall be responsible for the acquisition and installation of the Equipment and for conveying the same to the Authority from time to time by one or more bills of sale. Costs of acquiring and installing the Equipment may be paid or reimbursed with proceeds of the Bonds if and when the Bonds are issued. The estimated cost of the Equipment is **\$500,000**.

1.2 Excess Project Costs. Any costs of the Project that exceed the available proceeds of the Bonds shall be paid by the Company and the Authority shall have no liability therefor.

1.3 Indemnity. The Company shall reimburse the Authority or otherwise pay on behalf of the Authority any and all reasonable expenses actually incurred by the Authority

in connection with the Project and in connection with the issuance of the Bonds. The Company shall also indemnify, hold harmless and defend the Authority and its members, officers, employees and representatives from and against any and all loss, liabilities and claims (including, without limitation, liens and encumbrances resulting from acquisition, construction and installation activities by the Company) (collectively, "Claims") that may arise out of or relate to: (a) any act or omission by or attributable to the Company (including, without limitation, the acts or omissions of its vendors, contractors, agents, employees or representatives) related to the Project; or (b) this transaction, including the Bonds or the issuance thereof, or the ownership or operation of the Project, expressly excluding, however, Third Party Costs and any Claims arising from the gross negligence, willful misconduct, or bad faith of any of the parties hereto other than the Company. Without limitation, the Company shall indemnify, hold harmless and defend the Authority, its members, officers, employees and representatives from any claim, liability or loss arising out of or related to any such lien or encumbrance. Said indemnity shall survive the expiration or earlier termination of this Agreement. This indemnity may be superseded by a similar indemnity in the Definitive Documents (defined below); otherwise, it shall remain in full force and effect, and if the Bonds are not issued and delivered, this indemnity shall survive the termination of this Agreement.

1.4 Closing. As used herein, the "**Closing**" is the event at which the Bonds are issued and the other transactions contemplated herein are consummated. References herein to a "**closing condition**" are to the optional right of a party hereto, based on a closing condition, to exercise a right provided herein in its favor and to avoid the Closing and terminate this Agreement as provided in Section 5, below.

1.5 Pre-Issuance Costs Relating to the Project. The Company shall be permitted to enter upon the Premises and the Additional Acreage and conduct activities related to the planning, developing, acquiring, constructing, equipping and carrying out of the Project prior to (as well as after) the issuance and delivery of the Bonds, including, but not limited to, land disturbance and grading work. The Company may expend its own funds to pay costs of the Project prior to the issuance of the Bonds. Contracts or other documents for the acquisition of the Premises, for the construction of Improvements and for the purchase and installation of Equipment may be let by the Company in its own name and not in the name of the Authority. The Company acknowledges and agrees that any financial liability of the Authority with respect thereto is limited to proceeds of the Bonds, if and when the same are issued, and that if the Bonds are not issued, or the amount of proceeds of the Bonds to be applied to payments under such contracts are not sufficient to fulfill the Company's obligations under such contracts, the Company is the only source of payment thereof and the Company shall pay amounts due thereunder to the extent not paid from proceeds of the Bonds. If the Company elects to exercise its rights granted in this Section, it is understood and agreed that expenditures of funds by the Company in connection with the Project shall be at the entire risk of the Company, and in the event costs are incurred by the Company, reimbursement by the Authority for such costs or advances can only be made from the proceeds of the Bonds if and when the Bonds are issued.

1.6 Failure to Issue the Bonds. If for any reason the Bonds are not issued and delivered, this Agreement shall terminate in accordance with the terms and conditions of

Section 5.1, below, and (a) the Authority shall convey to the Company any portion of the Project to the extent that its ownership therein, if any, was acquired by the Authority from the Company or with funds provided by the Company; (b) the Company shall pay or reimburse the Authority for all expenses that shall have been authorized by the Company and incurred by the Authority with funds of the Authority in connection with the planning, developing, acquiring, constructing, equipping, carrying out and financing of the Project; and (c) the Company shall be responsible for all contracts entered into by it in connection with the Project.

1.7 Transaction Costs. The Company shall pay or reimburse any commercially reasonable out-of-pocket expenses of the members, directors, officers, and agents of the Authority, counsel for the Authority and Bond Counsel incurred in connection with the Project and the proposed issuance of the Bonds and shall pay counsel for the Authority and Bond Counsel reasonable fees for legal services actually incurred related to this Agreement and the proposed issuance of the Bonds, regardless of whether or not the Bonds are issued (taking into account progress made, in the event the Bonds are not issued).

## 2. **BOND FINANCING.**

2.1 The Bonds. The Authority shall issue its economic development revenue bonds (the “**Bonds**”) in an amount currently estimated at **\$7,200,000**, as requested by the Company (the “**Maximum Bond Amount**”), to pay or to reimburse the Company or the Authority, or both, for costs of the Project as permitted by the Act. The Company shall be responsible for the arrangements pertaining to the sale of the Bonds. At the Company’s option, the Bonds may be sold to the Company or an affiliate of the Company or may be sold in a true financing to one or more banks, insurance companies, financial institutions or accredited investors in a private placement, or if the Bonds are secured by a letter of credit from a bank (or branch of a bank) that is federally regulated or regulated by any state, the Bonds may be sold in a public offering so long as the Bonds and any “separate securities” relating to the Bonds are exempt from registration under the federal securities laws. The Bonds shall be sold under a Bond Purchase Agreement or similar agreement to be executed by the Authority, the Company and the original purchaser(s) or underwriter(s) of the Bonds (the “**Bond Purchaser**”). The Bonds may be issued under the terms of a trust indenture (an “**Indenture**”). The Bonds may be, but are not required to be, issued as a single Bond in one or more series. The Indenture may authorize the bonds to be issued in the form of a draw-down obligation providing for the Bond Purchaser to purchase all or any portion of the Bonds from time to time in such amounts as shall be directed by the Company and as shall be required to provide for the funding of the costs of the Project; provided that the maximum amount of Bonds purchased from time to time by the Bond Purchaser shall in no event exceed the maximum amount authorized by the Authority. The terms of the Bonds (principal amortization, final maturity, interest rate(s), redemption provisions, and other terms) shall be as provided for in the resolution of the Authority authorizing the issuance of the Bonds (the “**Bond Resolution**”), in the Bond Purchase Agreement, in the Indenture, or in a combination of the foregoing and shall be reflected in the form of the Bonds. The Bonds shall be issued and sold by the Authority at such price and upon such terms as shall be provided in the Bond Purchase Agreement.

2.2 The Lease and Definitive Documents. The proceeds of the Bonds shall be applied by the Authority to acquire, construct, install and equip the Project for lease to the Company pursuant to the Lease, providing that fee simple title to the Project shall be held by the Authority and a leasehold interest in the Project shall be held by the Company. This structure is necessary in order to provide for the *ad valorem* tax abatement as more fully described in Article 3, below, and to permit certain other arrangements with respect to the Project. At or prior to the date of issuance and delivery of the Bonds, title to the Project shall be vested in the Authority and at Closing the Project shall be leased to the Company, subject to Permitted Encumbrances (defined below) under the financing Lease which grants to the Company an option to purchase the Project, and obligates the Authority to convey the Project to the Company, for a nominal price (\$100) when the Bonds have been retired or defeased. As used herein, “**Permitted Encumbrances**” means the liens, encumbrances and other matters specified as such in the Lease. The Company shall make periodic payments (“**Basic Rent**”) under the Lease at the times and in the amounts as are required to pay the principal of, the redemption premium (if any), and the interest on the Bonds as the same become due and payable (after giving credit to other amounts for such purpose). The Bond Resolution, Indenture, Lease, Bond Purchase Agreement and other related documents shall contain terms and provisions of the type generally utilized in connection with “conduit” bond issues. Such documents shall constitute the “**Definitive Documents**”. All of the Definitive Documents shall be subject to the written approval of the Company.

2.3 Preparation of Definitive Documents. The law firm of Ballard Spahr, LLP, Atlanta, Georgia, shall serve as Bond Counsel with respect to the issuance and delivery of the Bonds, and shall prepare the Definitive Documents for review and comment by the parties. The Authority and the Company shall assist in the prompt preparation by Bond Counsel of the Definitive Documents, the Bond Resolution, and any related documents needed to carry out the financing. Upon the issuance and delivery of the Bonds, if there is any inconsistency between the terms of this Agreement and the terms of the Definitive Documents, the provisions of the Definitive Documents shall control.

2.4 Other Forms of Financing. Nothing herein shall prevent the Authority or the Company from entering into any other mode of financing with respect to any portion of the Project, provided that, without the prior written consent of the Company, the Authority shall not sell, assign, encumber, convey or transfer the Project or any portion thereof.

### 3. **AD VALOREM TAX ABATEMENT.**

3.1 Basis for Abatement. The parties to this Agreement understand and agree that the Authority is not subject to *ad valorem* taxation on its interest in either the real property or the personal property of the Project. The parties further understand and agree that the Company will be subject to *ad valorem* taxation on its leasehold interest in the Project (including the Company’s reversionary interest in the Project, the “**Leasehold Interest**”), subject to the exclusions and limitations set forth herein. Pursuant to the Constitution and laws of the State of Georgia, which permit the Board of Assessors to agree in advance to reasonable and non-arbitrary valuation methods, the parties (including any assignee of the Company pursuant to an assignment in accordance with the applicable provisions of the Lease) desire to agree upon an appropriate, reasonable and non-arbitrary methodology for

valuation of the Company's Leasehold Interest. The Board of Assessors acknowledges and attests to its familiarity with the form of the Lease, and expressly confirms that it will discharge its official responsibility relating to the valuation of property within the County for *ad valorem* tax purposes (State, County and City) by appraising and valuing the fair market value of the Leasehold Interest in accordance with applicable law and based on the provisions of this Agreement. This Agreement shall be among the documents that are judicially validated in connection with the validation of the Bonds. The Authority covenants and agrees to cause its counsel to provide evidence, if requested by the Superior Court Judge during the bond validation hearing, regarding the methodology utilized to value the Company's Leasehold Interest in the Project. In addition, the Authority covenants and agrees that Authority's counsel shall submit to the Superior Court a comprehensive proposed order with findings of fact and conclusions of law validating the Bonds sufficient to satisfy the requirements of O.C.G.A. § 9-11-52(a).

In order to provide the Company with sufficient information and certainty upon which it can base its decision to acquire, construct and equip the Project, the parties agree that it is important to set forth the methodology by which it is agreed that the Leasehold Interest of the Company in the Project will be valued for *ad valorem* property tax purposes. It is expected that expenditures with respect to the Project will be made in the County on or before December 31, 2016. Accordingly, the first *ad valorem* property taxes to be paid by the Company to the County and City with respect to its Leasehold Interest in the Project shall commence in 2017 (assuming the Closing occurs in 2016), and shall continue in each year thereafter with respect to expenditures made during the prior calendar year (each, a "Tax Commencement Date"). The valuation of the Leasehold Interest and the *ad valorem* property taxes payable by the Company each year shall be established based upon the capital investment made with respect to the Project during the preceding calendar year. The capital investment made with respect to the Project during each calendar year will then be subject to its own ten (10) year period, as set forth in the next following paragraph.

The methodology to be utilized in the valuation of the Leasehold Interest and in establishing the *ad valorem* property taxes to be paid by the Company is as follows. On each Tax Commencement Date, all real and personal property associated with the Project acquired by the Authority during the preceding calendar year will be valued for *ad valorem* property tax purposes based on the following ten (10) year schedule. The Leasehold Interest of the Company in the real and personal property acquired during the preceding calendar year and owned by the Authority will be subject to taxation by the applicable governmental jurisdiction at the fair market value of the Leasehold Interest in that year as determined by the Board of Assessors in accordance with this Agreement. It is agreed that the fair market value of the Leasehold Interest of the Company in such real and personal property shall change (including an increase for each year new capital investment is made in the Project) as the lease term progresses and for any year will equal the "applicable percentage" for such year as described above and as set forth below, multiplied by the fair market value of the fee interest of such assets in such year. The "applicable percentage" to be applied against the fair market value of the assets acquired during the prior calendar year will be established, beginning with each Tax Commencement Date, for the following ten (10) year period (and beyond) as follows:

First Year	0%
Second Year	10%
Third Year	20%
Fourth Year	30%
Fifth Year	40%
Sixth Year	50%
Seventh Year	60%
Eighth Year	70%
Ninth Year	80%
Tenth Year	90%
Eleventh Year	100%
and thereafter	

For purposes of illustrating the foregoing, if the Company makes capital expenditures with respect to the Project in the amount of \$5,000,000 during calendar year 2016, then the Tax Commencement Date for such investment shall be January 1, 2017, and the value of the Company's leasehold interest in such \$5,000,000 capital investment shall be zero in calendar year 2017; will increase to 10% in year 2018; will increase to 20% in year 2019; will increase to 30% in year 2020; will increase to 40% in year 2021; will increase to 50% in year 2022; will increase to 60% in year 2023, 70% in calendar year 2024, 80% in calendar year 2025, 90% in year 2026 and 100% in calendar year 2027 and thereafter. It is anticipated that the Project will be completed and that full employment levels will be achieved on or before December 31, \_\_\_\_\_. On or before March 1, \_\_\_\_\_, and on or before March 1 of each year thereafter so long as the Lease remains in full force and effect, the Company shall complete and file the Annual Report referenced in Section 4.6 hereof. In the event the Annual Report reflects a Project Shortfall Percentage, then the Company shall, to the extent required by the terms hereof, make a Community Recovery Payment.

The determination of the fair market value of the Leasehold Interest in any asset in any year following the Tax Commencement Date (prior to being reduced by the applicable percentage) will be subject to periodic reassessment, for which the Board of Assessors will employ its standard valuation methods based on the allocation of Project costs as provided in this Agreement. The fair market value of the Leasehold Interest valued thereunder, after being reduced by the applicable percentage, shall be multiplied by 40% to determine the assessed value of each such category for such year and thereafter multiplied by the millage rate established by the County and any applicable municipality, to the extent the Project is located within the geographical boundaries of such municipality, with respect to such year, to determine the *ad valorem* tax for such year.

On an annual basis, the Company shall return the property comprising the Project for *ad valorem* taxation purposes in the County, respectively, and shall also deliver to the Authority and the Board of Assessors on or before the anniversary date of this Agreement such additional documentation and information as may be necessary in order for the Board of Assessors to value the Project and portions thereof.

Notwithstanding the foregoing, the Company expressly acknowledges and agrees that it shall be obligated to pay school taxes as though it were the holder of fee simple title to the

Project. Without limiting the generality of the foregoing, the Lease will set forth an obligation that the Company or its designee will pay to the Carrollton Independent School System *ad valorem* taxes, so long as the Lease is in effect, in an amount annually equal to the assessed value of each subcategory of property comprising the Project which is located in Carrollton, Georgia (which is equal to 40% of the fair market value of the property comprising the portion of the Project leased by the Authority, determined without regard to the ownership of the Project by the Authority), multiplied by the millage rate established for such year by the Carrollton Independent School System for such year. Such payment will be due and payable at the same time as school taxes would ordinarily be payable in each year. Failure to make such payment in accordance with the Lease (after reasonable notice and cure period) will terminate the Lease and result in an obligation on the part of the lessee to repurchase the Project from the Authority and the cancellation of the Bonds.

Also, notwithstanding the foregoing, the Company expressly acknowledges and agrees that it shall be obligated to pay payments in lieu of *ad valorem* taxes as though it were the holder of fee simple title on the Buildings and Improvements existing on the Premises in the year 2016 (this would not include the improvements and equipment as described in 1.1.2 and 1.1.3 herein). In the year 2016, said Existing Buildings consist of a 48,375 square foot building with a tax assessed value of \$1,444,089.00, a 17,000 square foot building with a tax assessed value of \$642,266.00 and 10.97 acres of land with a tax assessed value of \$109,000.00. Without limiting the generality of the foregoing, the Lease will set forth an obligation that the Company or its designee will pay to the Carroll County Tax Commissioner payments in lieu of taxes, so long as the Lease is in effect, in an amount annually equal to the assessed value of said existing buildings and improvements (as defined herein) located on the Premises which is located in Carroll County, Georgia (which is equal to 40% of the fair market value of the property comprising the portion of the Project leased by the Authority, determined without regard to the ownership of the Project by the Authority), multiplied by the millage rate established for such year by the Carroll County Tax Assessor and the Carrollton Independent School System for such year. Such payment will be due and payable at the same time as *ad valorem* taxes would ordinarily be payable in each year. Failure to make such payment in accordance with the Lease (after reasonable notice and cure period) will terminate the Lease and result in an obligation on the part of the lessee to repurchase the Project from the Authority and the cancellation of the Bonds.

3.2 Reversion to Normal Taxability. If the option to purchase the Project set forth in the Lease is exercised by the Company or if the Lease is otherwise terminated or expires, the Project will be taxable according to normal *ad valorem* property taxation rules that are applicable to privately-owned property.

3.3 Board of Assessors. The provisions of this Agreement relative to the assessment and taxability of the Project for *ad valorem* property tax purposes are the obligation and responsibility of the Board of Assessors. By its Acknowledgement, the Board of Assessors is joining in this Agreement to acknowledge that this Agreement is consistent with applicable requirements and that the Board of Assessors intends and agrees to classify, for taxation purposes, the Company's interest in the Project under the Lease as contemplated in this Agreement. The County and the City also acknowledge and agree to such provisions,

agree that the Board of Assessors shall comply with the foregoing, and shall enforce such provisions to the fullest extent allowed by law for the benefit of the Company.

4. **RECOUPMENT OF GRANTS AND INCENTIVES:**

4.1 Inducement. The Company agrees to locate the Project at the Premises and acquire, construct, equip and install the Improvements and Equipment as contemplated herein. The Company's responsibilities regarding capital investment and job creation shall be governed by this Article 4. The Company's agreement to locate the Project at the Premises and acquire, construct, equip and install the Improvements and Equipment is based, in part, on the incentives being provided by the Authority in connection with the Definitive Documents and by the other public bodies signing Acknowledgements hereof. Such incentives are being provided to induce the Company to locate its operations at the Premises, with attendant job creation and investment on the part of the Company, all of which constitutes valuable, non-cash consideration to the Authority and the citizens of the County and of the State. The parties acknowledge that the incentives provided for in this Agreement serve a public purpose through the job creation and investment generation represented by the Improvements and Equipment and by the Project being placed in service. The parties further acknowledge that the cost/benefit requirements applicable to the Authority in the course of providing such incentives dictate that some measure of recovery must be applied in the event that the anticipated jobs and investment do not for any reason fully materialize. It is the intention of the parties hereto that, in the event the Company shall in any year not achieve 80% of the employment goals set forth herein, as well as 80% of the capital investment goals set forth herein (as the two shall be averaged together), then the Company shall forego the property tax savings otherwise offered to the Company in this Agreement for such year. The following provisions of this Agreement, together with the Schedules attached hereto, are intended to further prescribe and define the foregoing intentions of the parties.

4.2 Community Jobs Goal. For the period prescribed as the Performance Period on the Community Goals Table ("**Community Goals Table**") included on the "**Community Incentives Schedule**" attached as Schedule B hereto (and by reference made a part hereof) (such period, but only for so long as the Lease remains in effect, the "**Performance Period**"), the Company shall have the goal of providing not fewer than the number of new full-time jobs at the Project specified on the Community Goals Table as the applicable Community Jobs Goal (the goal applicable in any particular year being the "**Community Jobs Goal**" for such year). For purposes of this Agreement, the number of new "full-time jobs" shall be defined and determined, from time to time, as provided on Schedule B-1 attached hereto (and by reference made a part hereof). Schedule B-1 also determines how the number of full-time jobs shall be calculated.

4.3 Community Jobs Shortfall Percentage. If, for any year in the Performance Period, the number of full-time jobs at the Project is less than the Community Jobs Goal that is applicable to such year, the actual number of such full-time jobs shall be subtracted from the applicable Community Jobs Goal to obtain the "**Community Jobs Shortfall**." The number of jobs constituting the Community Jobs Shortfall shall be divided by the

applicable Community Jobs Goal and converted to a percentage to determine the “**Community Jobs Shortfall Percentage**” for such year.

4.4 Community Investment Goal. For purposes of this Agreement, the Company shall have a “**Community Investment Goal**” for its investment in the Project in each year of the Performance Period the amount for such year specified on the Community Goals Table as the applicable Community Investment Goal (the goal applicable in any particular year, the “**Community Investment Goal**”). For purposes of the Community Investment Goal the investment at the Project shall be calculated on a cumulative basis from the date hereof to the end of each year of the Performance Period. Schedule B-2 attached hereto (and by reference made a part hereof) provides rules that shall apply to satisfying the Community Investment Goal.

4.5 Community Investment Shortfall Percentage. If, for any year in the Performance Period, the cumulative amount of capital investment by the Company in the Project is less than the Community Investment Goal that is applicable to such year, the actual amount of such investment shall be subtracted from the applicable Community Investment Goal to obtain the “**Community Investment Shortfall**.” The amount of investment constituting the Community Investment Shortfall shall be divided by the applicable Community Investment Goal and converted to a percentage to determine the “**Community Investment Shortfall Percentage**.”

4.6 Annual Report. On or before March 1 of each year during the Performance Period, the Company shall provide to the Authority an Annual Report for the preceding calendar year which shall include a Community Jobs Report and a Community Investment Report, as described below. Each Annual Report shall be in substantially the form of Schedule B-3 attached hereto (and by reference made a part hereof), as revised for the matters being reported.

4.6.1 Community Jobs Report. The Community Jobs Report shall contain a statement as to the full-time jobs at the Project for the immediately preceding year (each, an “**Annual Report Year**”) using the methodology provided above, and shall provide such supporting extracts from the Company’s employment records (consistent with the privacy rights of its employees) as the Authority shall reasonably request.

4.6.2 Community Investment Report. The Community Investment Report shall contain a statement as to the Company’s investment in the Project for the subject Annual Report Year, using the methodology provided above. The Company may reasonably redact such records to protect the trade secrets of the Company.

4.6.3 Inspection Rights. No more often than twice per year, the Authority and their agents shall be permitted to inspect employment and investment records of the Company, specifically related to the Project, to verify such information during normal business hours and upon reasonable notice. The Company may reasonably redact such records to protect the confidentiality of the Company, its employees, investors and/or its clients.

4.6.4 Project Shortfall Percentages. The Annual Report shall calculate any Community Jobs Shortfall Percentage and any Community Investment Shortfall Percentage. The average of the Community Jobs Shortfall Percentage and the Community Investment Shortfall Percentage shall be the “**Project Shortfall Percentage**,” which shall also be calculated and stated in the Annual Report.

4.7 Community Recovery Payments. If an Annual Report shows that, for the immediately preceding Annual Report Year, there is a Project Shortfall Percentage, then the Company, in such Annual Report, shall calculate the amount of the “**Community Recovery Payments**,” and shall pay the same, all pursuant to, in accordance with and as defined in the Community Incentives Schedule. If the Project Shortfall Percentage is 20% or less, there shall be no Community Recovery Payment due.

4.8 Failure to Make Required Payments; Failure to File Report. If the Company fails to pay any Community Recovery Payment when due, interest shall be paid by the Company thereon at the rate of 6% per annum from the date of the Authority notice to the Company of a failure to make such payment until paid. If there has been a failure to pay any Community Recovery Payment which is not cured within thirty (30) days following a written notice from the Authority, the Authority shall be entitled to enforce its rights under this Article 5, and the Company shall indemnify the Authority for all costs of enforcement, including reasonable and actual attorneys’ fees and court costs.

If the Company fails to provide to the Authority an Annual Report for any year as required pursuant to Section 5.6 and such failure continues for thirty (30) days following a written notice from the Authority, the Authority may exercise its inspection right under Section 4.6.3 to calculate any Project Shortfall Percentage and to determine the amount of Community Recovery Payments, if any, due from the Company hereunder. Any such calculation and determination so made by the Authority shall be final and binding upon the Company in the absence of manifest error.

4.9 Delay Due to Public Authorities. Notwithstanding anything herein to the contrary, and cumulative to the Company’s other rights herein, in the event that there is a delay in the target dates for creation of the Community Jobs Goal or Community Investment Goal (collectively, the “**Deadlines**”) caused by the Authority, the City or the County and beyond the control of the Company, then each of the Deadlines shall be extended to the extent of such delay.

4.10 Extension of Deadlines Not Unreasonably Withheld. Notwithstanding anything herein to the contrary, in the event that an extension of one or more Deadlines is needed by the Company, and the Company has shown diligence in attempting to timely meet such Deadline, the Authority may agree to extend such Deadline, which extension shall not be unreasonably withheld.

4.11 Recoupment of Incentives by the State by and through the Department of Economic Development. If applicable, the Company and the Authority shall execute the Performance and Accountability Agreement as required by the Department of Community Affairs for the State of Georgia.

## 5. TERMINATION OF AGREEMENT.

5.1 Delay. If, despite the good faith efforts of the parties, this Agreement and the Acknowledgement hereto are not fully executed on or before August 31, 2016, or the Closing has not occurred by December 31, 2016, then the Authority or the Company may terminate this Agreement by written notice to the other Parties, without any further liability except as otherwise expressly provided in this Agreement; provided however, that the Company shall have the option, if it has reasonable cause for doing so, to extend the Closing date for a reasonable period of time, but through no later than 5:00 p.m. Eastern time on March 31, 2017, by providing written notice to the Authority of the Company's exercise of such extension option. For such purposes, "reasonable cause" shall include, but is not necessarily limited to, anything that would constitute an event of "force majeure" (as defined in Schedule B). Other dates provided herein (such as dates in the Performance Period) shall be extended consistent with such extension of the Closing date.

5.2 Approval by Governing Bodies. The binding effect of this Agreement is contingent upon approval hereof by the Chair or Vice-Chair of the Authority and the Board of Directors or other authorized committee or official of the Company. Each Party represents that it expects to obtain such approval by Closing, or that such approval has already been obtained. In the event any other Party has not obtained such approval by such date, either the Authority or the Company may at its option, upon giving written notice to the other Party, terminate this Agreement without any further liability except as otherwise expressly provided in this Agreement.

5.3 Closing Conditions. Any Party shall have the right to terminate this Agreement prior to the Closing, without any further liability except as otherwise expressly provided in this Agreement, effective immediately upon giving written notice to the other Party, if:

5.3.1 Any other Party is in breach of this Agreement.

5.3.2 There has been commenced or threatened against the Authority or the Company, or any Affiliate of the Company, any proceeding (a) involving any challenge to, or seeking damages or other relief in connection with, any of the matters that are the subjects of this Agreement, or (b) that may have the effect of preventing, delaying, making illegal, imposing limitations or conditions on, or otherwise interfering with, any of such matters. An uncontested validation proceeding for the Bonds shall not be considered a proceeding within the meaning of this Section.

5.4 The Authority's Pre-Closing Termination Rights. The Authority shall have the right to terminate this Agreement, without any further liability except as otherwise expressly provided in this Agreement, effective immediately upon giving written notice thereof to the Company, pursuant to any provision allowing it to do so contained elsewhere in this Agreement. Without limitation, the Authority shall have the right to terminate this Agreement, effective immediately upon giving written notice to the Company, if, by the Closing (or if this Agreement specifies another time therefor, then by such time) each closing condition set forth herein in favor of the Authority has not been satisfied. If the

Authority does not exercise any such right to terminate by Closing (or by such other time specified), then such right shall be deemed waived with respect to the subject thereof.

5.5 The Company's Pre-Closing Termination Rights. The Company shall have the right to terminate this Agreement at any time prior to Closing, without any further liability except as otherwise expressly provided in this Agreement, effective immediately upon giving written notice thereof to the Authority. Without limitation, the Company shall have the right to terminate this Agreement, effective immediately upon giving written notice to the Authority, if, by the Closing (or if this Agreement specifies another time therefor, then by such time) each closing condition set forth herein in favor of the Company, following the giving of notice and opportunity to cure as provided herein, has not been satisfied. If the Company does not exercise any such right to terminate by Closing (or by such other time specified), then such right shall be deemed waived with respect to the subject thereof.

5.6 Defaults and Remedies; Termination Rights. If any party fails to perform any obligation to be performed by such party under this Agreement prior to Closing, the defaulting party shall be entitled to written notice of such failure from a non-defaulting party and shall have a period of thirty (30) days from the giving of such notice to cure such failure; provided, however, if such failure to perform is incapable of being cured within such thirty (30) day period, then such failure shall not constitute a default hereunder if during such thirty (30) day period the defaulting party begins to cure such failure and diligently pursues the cure to completion; provided, further, however, in no event shall the cure period exceed ninety (90) days from the giving of such notice. The non-defaulting party shall have the right to terminate this Agreement upon the expiration of any such cure period without such default having been cured and shall be entitled to all rights and remedies available at law or in equity, but neither party shall be liable to the other for incidental damages, lost profits, punitive, exemplary or any other consequential, special, or indirect damages.

5.7 Effect of Termination. If any Party terminates this Agreement pursuant to a right provided herein or if this Agreement expires, this Agreement shall terminate or expire as to all parties without any further liability on the part of any Party, except as may theretofore have accrued, or except as otherwise expressly provided in this Agreement, or shall exist as a result of any prior breach hereof.

## 6. MISCELLANEOUS.

6.1 Intergovernmental Agreement. By their respective Acknowledgements at the end hereof, the City, the County and the Board of Assessors agree to the provisions applicable to them. The Agreement shall also constitute an intergovernmental agreement under Georgia Constitution Art. IX, Sec. III, Para. I between and among the Authority, the City, the County and the Board of Assessors. Such intergovernmental agreement is subject to the 50-year term limit contained in such provision of the Georgia Constitution, but shall expire earlier upon its complete performance.

## 6.2 Assignment

6.2.1 By the Authority. The Authority may not assign its rights and obligations hereunder except to another public body of the State which has the power to perform the Authority's obligations hereunder and which assumes all the Authority's obligations hereunder either in writing or by operation of law.

6.2.2 By the Company. All rights and benefits of the Company under this Agreement and the Authority's resolution authorizing this Agreement may be transferred and assigned by the Company, in whole or in part, to any one or more individuals, corporations, partnerships (general or limited), joint ventures, or other entities which propose to acquire the Project in whole or in part and which are approved in writing by the Authority, with the same effect as if such individuals, corporations, partnership, joint ventures, or other entities were named as the Company in this Agreement and the Authority's resolution authorizing this Agreement. The Authority will not unreasonably withhold, condition or delay such approval. Unless otherwise agreed in writing by the Authority, the assignment of the Company's rights shall not release the Company from its obligations for costs and indemnification and following any such assignment, the Company and such assignee shall be jointly and severally liable for costs and indemnification hereunder. The Authority's consent shall not be required for an assignment by the Company to an Affiliate. As used herein, "**Affiliate**" means any person or entity (as used herein "entity" includes, without limitation, any public body) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company. As used herein, the term "control" of a person or entity means the possession, directly or indirectly, of the power: (A) to vote 10% or more of the voting securities of such person or entity (on a fully diluted basis) having ordinary power to vote in the election of the governing body of such person or entity, or (B) to direct or cause the direction of the management or policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

6.3 Notices. Any notice required to be given by any Party pursuant to this Agreement, shall be in writing and shall be deemed to have been properly given, rendered or made only if personally delivered, or if sent by Federal Express or other comparable commercial overnight delivery service, addressed to each other Party at the addresses set forth below (or to such other address as the Authority or the Company may designate to each other from time to time by written notice), and shall be deemed to have been given, rendered or made on the day so delivered or on the first business day after having been deposited with the courier service:

If to the Authority: Carrollton Payroll Development Authority  
200 Northside Drive  
Carrollton, Georgia 30117  
Attention: Chairman

with a copy to: Wiggins & Camp, P.C.  
128 Newnan Street  
Carrollton, Georgia 30117  
Attention: James T. Camp, Esq.

and to: Ballard Spahr LLP  
999 Peachtree Street, Suite 1000  
Atlanta, Georgia 30309-3915  
Attention: Han C. Choi, Esq.

If to the Company: WYMA Enterprises, LLC  
c/o Thomas Wysoczynski  
102 Automation Drive  
Carrollton, GA 30117

with a copy to: Tisinger Vance, P.C.  
100 Wagon Yard Plaza  
Carrollton, Georgia 30117  
Attn: Stacey L. Blackmon, Esq.

If to the County: Carroll County Board of Commissioners  
c/o Marty Smith, Commission Chairman  
PO Box 338  
Carrollton, GA 30112-0338

with a copy to: Daley Koster, LLC  
128 Newnan Street  
Carrollton, GA 30117  
Attn: Cynthia M. Daley, Esq.

If to the Board of Assessors: Carroll County Board of Assessors  
PO Box 338  
Carrollton, GA 30112-0338  
Attn: Renee Parmer

with a copy to: Daley Koster, LLC  
128 Newnan Street  
Carrollton, GA 30117  
Attn: Cynthia M. Daley, Esq.

If to the City: City of Carrollton  
315 Bradley Street  
Carrollton, GA 30117  
Attn.: Walt Hollingsworth, Mayor

with a copy to:       Smith Conerly, LLP  
402 Newnan Street  
Carrollton, GA 30117  
Attn: Chuck Conerly

6.4 Confidential Information. All confidential information acquired by the Authority, the City, the County or the Board of Assessors relating to the Company, shall be held in confidence by them, subject to their legal obligations as public bodies, including, without limitation O.C.G.A. § 15-18-70, *et seq.* and § 50-14-1, *et seq.* The Company and its advisors shall, prior to the execution and delivery hereof, treat the contents of this Agreement as confidential except to the extent required to be disclosed to advisors, agents and representatives of the Company in connection with the development of the Project, and, without limitation, shall not disclose such contents to competing communities or States.

6.5 No Partnership or Agency. No partnership or agency relationship between or among the Parties shall be created as a result of this Agreement.

6.6 Survival of MOU. This Agreement shall survive the Closing and the expiration or termination of the Lease but may be modified or superseded in whole or in part by the Definitive Documents to the extent that the Definitive Documents expressly so provide.

6.7 Governing Law; Jurisdiction and Venue. The transactions contemplated hereunder and the validity and effect of this Agreement are exclusively governed by, and shall be exclusively construed and enforced in accordance with, the laws of the State of Georgia, except for the state's conflict of law rules. The Company consents to jurisdiction over it and to venue in the County.

6.8 Amendments. Any amendments, deletions, additions, changes or corrections hereto must be in writing executed by the parties hereto.

6.9 Entire Agreement. This Agreement, together with the Definitive Documents, constitutes the entire agreement between the parties with respect to the subject matter hereof.

6.10 Counterparts. This Agreement may be signed in counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

6.11 No Personal Liability of Representatives of Public Bodies. No official, member, director, officer, agent, or employee of the Authority, the City, the County or the Board of Assessors shall have any personal liability under or relating to this Agreement. Rather, the agreements, undertakings, representations, and warranties contained herein are and shall be construed only as corporate agreements, undertakings, representations, and warranties, as appropriate, of such public bodies. Without limitation, and without implication to the contrary, all parties hereto waive and release any and all claims against each such official, member, director, officer, agent, or employee, personally, under or relating to this Agreement, in consideration of the entry of such public bodies into this Agreement.

6.12 No Personal Liability of Representatives of Company. No official, member, manager, director, officer, agent, or employee of the Company shall have any personal liability under or relating to this Agreement. Rather, the agreements, undertakings, representations, and warranties contained herein are and shall be construed only as corporate agreements, undertakings, representations, and warranties, as appropriate, of such entity. Without limitation, and without implication to the contrary, all parties hereto waive and release any and all claims against each such official, member, manager, director, officer, agent, or employee, personally, under or relating to this Agreement, in consideration of the entry of such entity into this Agreement.

6.13 Authority's Fee. The Lease will be between the Company and the Authority, or between the Authority and a designee of the Company. The Lease or other documents relating to this transaction will contain provisions satisfactory to the Authority as to indemnification of the Authority and payment of the Authority's fee equal to 1/8th of 1% of the authorized principal amount of the Bonds (\$9,000). Said fee shall be paid on the date on which the Lease Agreement is executed and delivered.

6.14 Time is of the Essence. Time is of the essence for this Agreement.

6.15 Cooperation with Company Obtaining Entitlements. Each of the Authority, City and County shall fully cooperate with and assist the Company (and shall not oppose the Company) in connection with the Company obtaining all necessary or desirable entitlements, permits, consents, and approvals reasonably required for the Company's intended design, development, construction and use of the Project, including without limitation, any zoning variance, administrative variance, special use permit, development permit, building permit, and certificate of occupancy.

6.16 Prohibited Uses of Additional Acreage. Prior to Closing, the Authority shall encumber the record title to the Additional Acreage with covenants running with the land prohibiting the use of the Additional Acreage for any bar or adult entertainment establishment, in form and content satisfactory to the Company in its reasonable discretion.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding and caused it to be delivered as of the date first above written.

**AUTHORITY:**

**CARROLLTON PAYROLL DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
Chairman

Attest:

By: \_\_\_\_\_  
Secretary

(SEAL)

**COMPANY:**

**WYMA ENTERPRISES, LLC,**  
a Georgia limited liability company

By: \_\_\_\_\_ (SEAL)  
Thomas Wysoczynski  
Member

**ACKNOWLEDGED**

The undersigned acknowledges this Agreement and agrees to the provisions hereof that are applicable to it.

**CARROLL COUNTY, GEORGIA**

By: \_\_\_\_\_  
Chairman, Board of Commissioners

Attest: \_\_\_\_\_  
Clerk, Board of Commissioners

(SEAL)

**ACKNOWLEDGED**

The undersigned acknowledges this Agreement and agrees to the provisions hereof that are applicable to it.

**CITY OF CARROLLTON, GEORGIA**

By: \_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
Clerk

(SEAL)

**ACKNOWLEDGED**

The undersigned acknowledges this Agreement and agrees to the provisions hereof that are applicable to it.

**BOARD OF TAX ASSESSORS OF  
CARROLL COUNTY**

By: \_\_\_\_\_  
Title:

**SCHEDULE A**

**DESCRIPTION OF THE PREMISES**

**[INSERT]**

**SCHEDULE B**

**COMMUNITY INCENTIVES SCHEDULE**

1. The recovery value (“**Recovery Value**”) of each of the Community Incentives provided pursuant to the Sections of this Agreement identified below shall be as specified in the rows of the table set forth below (the “**Incentives Table**”), with any payments to be made as provided in this Community Incentives Schedule to the public bodies indicated as follows:

**Incentives Table**

<b>Section</b>	<b>Community Incentive</b>	<b>Recovery Value</b>	<b>Recovery Factor</b>	<b>Recovery Paid To</b>
3.1	Property Tax Savings on Project	Actual amount of <i>ad valorem</i> property taxes on Project saved in any given year	100%	Appropriate Taxing Authorities, Pro Rata in Proportion to Applicable Millage Rates

2. In each year, if any, in which the Lease is in effect and there is a Project Shortfall Percentage that is greater than 20%, the Company shall make a payment with respect to the incentive listed in the Incentives Table above (the “**Community Recovery Payment**”). The Community Recovery Payment shall be the product of (i) the Recovery Value as so determined for any given year included in the Performance Period in which a Project Shortfall Percentage is determined as provided in this Agreement multiplied by (ii) the Recovery Factor. The Company shall pay the amount of Community Recovery Payment to the appropriate public body specified above simultaneously with its delivery of the Annual Report for the subject year as required by this Agreement. If the Project Shortfall Percentage in any given year is 20% or less, there shall be no Community Recovery Payment due for the corresponding year.
3. The jobs and investment goals applicable to the Company are set forth in the table (“**Community Goals Table**”) below:

**Community Goals Table**

<b>PERFORMANCE PERIOD</b> <i>(INCLUDES ALL CALENDAR YEARS SCHEDULED BELOW, AND ANY YEAR THROUGH WHICH THE PERFORMANCE PERIOD IS EXTENDED)</i>	<b>COMMUNITY JOBS GOAL</b> <i>(CUMULATIVE)</i>	<b>COMMUNITY INVESTMENT GOAL</b> <i>(CUMULATIVE)</i>
Year 1 (2017)	0	0
Year 2 (2018)	0	0
Years 3-10 (2019-2026)	58 (aggregate created and retained jobs)	\$6,750,000

4. For purposes of the Community Jobs Goal and the Community Investment Goal, “*force majeure*” means the following: acts of God; strikes or other industrial disturbances; acts of public enemies; orders or restraint of any kind of the government of the United States of America or of the State or of any of their departments, agencies or officials, or of any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; and any other cause or event any unexpected event (including, without limitation, hurricane, tornado, typhoon, flooding, lightning, blizzard and other unusually severe weather, earthquake, avalanche, volcanic eruption, fire, strike, riot, civil disorder, insurrection, war, explosion, unavoidable calamity or other act of God which prevents or hinders a party from performing its obligations under this Agreement and which act or event is (i) beyond the reasonable control, and not arising out of the fault, of such party, and (ii) such party has been unable to overcome such act or event by the exercise of due diligence and reasonable efforts, skill and care, other than through unbudgeted expenditures of money. Notwithstanding the provisions of this Agreement set forth above, the Community Jobs Goal and the Community Investment Goal in any year are each subject to the effect of *force majeure* as provided below, if the Company certifies to the Authority in writing in the applicable Annual Report of the dates of the commencement and, if the event of *force majeure* has abated, the date of the abatement, of such event of force majeure. The effect of *force majeure* for such purposes shall be that for any year in which the Company is entitled to claim, and does claim, the benefit of such provision, the Company shall be considered in compliance with its Community Jobs Goal and Community Investment Goal, but the Performance Period shall be extended by another year, which shall immediately follow the *force majeure* year. The Company’s Community Jobs Goal and Community Investment Goal requirements shall resume as scheduled beginning with the extension year, and shall continue as scheduled through the same number of remaining years as would have applied if there had been no event of *force majeure*. Termination or expiration of the Bond Lease shall not affect such requirements hereunder, even if the Performance Period is extended beyond such termination or expiration. The foregoing notwithstanding, the Company may not claim the benefit of *force majeure* more than twice.

## SCHEDULE B-1

### RULES FOR SATISFYING THE COMMUNITY JOBS GOAL

5. For purposes of this Agreement, the number of new “full-time jobs” shall be defined and determined, from time to time, as provided follows:

Full-time job – means a job with no predetermined end date, with a regular work week of 35 hours or more for the entire normal year of local company operations; leased, contract, or third party jobs may, for the purposes of the satisfaction of Community Jobs Goal, be considered employees of the Company.

6. The number of full-time jobs shall be calculated as provided below.
- a) The number of jobs shall be determined based on the monthly average number of full-time employees subject to Federal income tax withholding for the taxable year.
  - b) The monthly average number of full-time employees in a taxable year shall be determined by the following method:
    - (i) for each month of the taxable year, count the total number of full-time employees of the business enterprise that are subject to Georgia income tax withholding as of the last payroll period of the month or as of the payroll period during each month used for the purpose of reports to the Georgia Department of Labor;
    - (ii) add the monthly totals of full-time employees; and
    - (iii) divide the result by the number of months the business enterprise was in operation during the taxable year. Jobs transferred from other facilities within the State of Georgia and replacement jobs may not be included in the monthly totals.

## SCHEDULE B-2

### RULES FOR SATISFYING THE COMMUNITY INVESTMENT GOAL

7. Capital investments in the Improvements and Equipment by the Company shall be counted regardless of whether such capital investment is subject to tax abatement.
8. Original cost, without regard to depreciation, shall be used in calculating whether the Community Investment Goal is met, except as provided in 3, below.
9. Transferred equipment relocated by the Company to the Project to be used as part of the Improvements and Equipment may be counted at net book value, or, if requested and substantiated by the Company to the Authority's satisfaction, and approved by the Authority, its fair market value.
10. Machinery and equipment leased to the Company under an operating lease (even though such property is not titled to the Authority and is not leased to the Company under the Leases) and other machinery and equipment owned or beneficially owned by the Company but not leased to it under the Leases, shall be counted.
11. Capital investment shall be calculated on a cumulative basis from August 2017 to the end of each year of the Performance Period in question.

**SCHEDULE B-3**  
**FORM OF ANNUAL REPORT**

[DATE]

Carrollton Payroll Development Authority  
Carrollton, Georgia

**Re: Memorandum of Understanding (“MOU”) between the Carrollton Payroll Development Authority and [WYMA Enterprises, LLC] (“Company”) regarding the capital project located in Carroll County, Georgia (the “Project”) – 20\_\_ Annual Report**

Dear \_\_\_\_\_:

This letter shall serve as the 20\_\_ Annual Report, as required under the MOU.

1. Community Jobs Report

As of December 31, 20\_\_, the total number of full-time jobs located at the Project, based on the monthly average number of full-time jobs, was \_\_\_\_\_. We have enclosed \_\_\_\_\_, as evidence of such job creation.

The Community Jobs Goal for 20\_\_ was \_\_\_\_\_ jobs. The Community Jobs Shortfall for 20\_\_ is \_\_\_\_\_ jobs. The Community Jobs Shortfall Percentage is \_\_\_\_\_% ( $\frac{\text{_____}}{\text{_____}}$ ).

2. Community Investment Report

As of December 31, 20\_\_, the Company has invested \$\_\_\_\_\_ in the Project.

The Community Investment Goal for 20\_\_ was \$\_\_\_\_\_. Therefore, the Community Investment Shortfall Percentage is \_\_\_\_\_%.

3. Community Recovery Payments

The Project Shortfall Percentage for 20\_\_ is \_\_\_\_\_% ( $\frac{\text{_____} + \text{_____}}{2}$ ). [IF A COMMUNITY RECOVERY PAYMENT IS DUE, THAT PAYMENT SHOULD BE CALCULATED HERE BASED ON THE RECOVERY SCHEDULE IN THE MOU]

Please do not hesitate to let us know if you require any additional information.

Sincerely,

Enclosures

cc: Carrollton, Georgia  
Attention: \_\_\_\_\_

Carroll County, Georgia  
Attention: \_\_\_\_\_



MEMORANDUM

To: The Mayor and Council

*TCG*  
From: Timothy C. Grizzard, P.E., City Manager

Date: July 1, 2016

Subject: Carroll County Water Authority – Mike Lawrence Property Purchase/Swap – Resolution 19-2016

There exists a tract of land at 1175 Mt. Zion Road near the Little Tallapoosa River that belongs to Mike Lawrence. The Friends of Carrollton Greenbelt would like this property for a portion of a trailhead.

Mr. Lawrence would like to own the unoccupied office building at 1737 Bankhead Highway that belongs to the Carroll County Water Authority (CCWA). The CCWA would like to dispose of this property as they no longer need it.

The City had the Lawrence property appraised by Bass and Associates with a resulting value of \$40,000. The CCWA had their property appraised by Bass and Associates with a resulting value of \$120,000. Mr. Lawrence is willing to trade his property for the CCWA property and pay the \$80,000 difference.

The CCWA is willing to sell their property to the City for \$80,000 plus the transfer of ownership of four connection meters between our systems. The ownership of the meters is inconsequential as they function to meter the transfer of water between systems regardless of ownership.

Mr. Lawrence has asked that he be allowed to pay the \$80,000 cost in 8 payments of \$10,000 per month. Obviously, the City will hold a security deed on the property until the purchase is paid in full.

We ask that you authorize the City Manager to make this transaction with both the CCWA and Mr. Lawrence as described above. We further ask that you authorize the City Manager to make minor modifications to the agreement as necessary to complete this transaction. Any such modifications will be reported to the Mayor and Council at the

Mayor and Council  
July 1, 2016  
Page – 2

next regularly scheduled meeting. Finally, the CCWA requests that the Mayor and Council approval a Resolution for the transaction between CCWA and the City. Please approve Resolution 19-2016 as a part of this total transaction.

Attachment

**RESOLUTION 19-2016**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF  
CARROLLTON, STATE OF GEORGIA, TO APPROVE THE PURCHASE AND  
EXCHANGE OF CERTAIN REAL AND PERSONAL PROPERTY BETWEEN THE  
CITY OF CARROLLTON, GEORGIA AND THE CARROLL COUNTY WATER  
AUTHORITY**

**WHEREAS**, the Carroll County Water Authority (hereinafter the "Authority") is the owner of a tract of land in Carroll County, Georgia which was previously used as its corporate offices; said land, together with all fixtures, landscaping, improvements, easements and appurtenances situated thereon being more particularly described on Exhibit "A" attached hereto and by reference incorporated herein (all being hereinafter collectively referred to as the "Property"); and

**WHEREAS**, the Authority has determined that said Property has no remaining economically viable use in the business and purposes of the Authority and should be declared surplus for disposal; and

**WHEREAS**, the City of Carrollton, Georgia (hereinafter the "City") operates a municipal water system which owns several meters, meter vaults and ancillary infrastructure (hereinafter the "Infrastructure"), at points of connection with the water system maintained and operated by the Authority; said Infrastructure being more particularly described on Exhibit "B" attached hereto and incorporated herein; and

**WHEREAS**, the City desires to obtain title to the Property in furtherance of its planned services and the Authority is desirous of obtaining title to the specified Infrastructure in furtherance of its water supply operations; and

**WHEREAS**, by resolution dated June 16, 2016, the Authority approved the transfer of the Property to the City in exchange for the transfer by the City of the Infrastructure to the Authority, per the terms set forth below.

**NOW, THEREFORE BE IT RESOLVED**, that the Mayor and City Council of Carrollton do hereby approve the transfer of the Property to the City in exchange for the transfer by the City of the Infrastructure to the Authority as follows:

1. The Authority having declared the Property to be surplus with no continuing economically viable use to the Authority, the City hereby accepts title to the Property by limited warranty deed to the City.

2. In exchange for the Authority's conveyance of title to the Property to the City, the City shall convey title to the specified Infrastructure to the Authority by bill of sale, and shall pay to the Authority the amount of \$80,000.00, said dollar figure being agreed by the parties hereto to be the difference between the agreed value of the Property less the agreed value of the Infrastructure to the Authority.

3. The City Manager is hereby authorized and directed to sign a bill of sale for the Infrastructure to the Authority upon receipt of the deed of conveyance to the Property.

ADOPTED this 11<sup>th</sup> day of July, 2016.

MAYOR AND CITY COUNCIL OF CARROLLTON

\_\_\_\_\_  
Mayor, City of Carrollton

\_\_\_\_\_  
Clerk, City of Carrollton

## EXHIBIT "A"

All that tract or parcel of land, lying and being in Land Lot 171 of the 5th District of Carroll County, Georgia, containing 0.60 acres, more or less. Said property is more particularly described as follows: To find the point of beginning, COMMENCE at that point marking the intersection of the south side of a 80 foot right of way of Georgia Highway No. 166 (as said right of way existed in December, 1972) with the west line of original Land Lot 171; thence in a northeasterly direction along said right of way 770 feet, more or less, to an iron pin corner at or near the intersection of said right of way with a ditch; thence south 16 degrees 32 minutes 40 seconds east along said ditch 158.77 feet to an iron pin corner and the POINT OF BEGINNING. From the point of beginning, as thus determined, running thence south 63 degrees 38 minutes 00 minutes west a distance of 200 feet to a corner; thence south 31 degrees 04 minutes 44 seconds east a distance of 204.16 feet to the center line of a creek; thence in a northeasterly direction along the center line of said creek to its intersection with the center line of a ditch; thence north 16 degrees 32 minutes 40 seconds west a distance of 100 feet along said ditch to an iron pin corner and the point of beginning.

Said property is the property shown and delineated on a plat entitled "Survey for Carroll County Water Authority", dated October 25, 1972, revised November 29, 1972, prepared by Harrison Engineering Associates, Inc., which plat is by reference incorporated herein for a detailed description of the property herein conveyed.

The above described property is the same property as conveyed to the Carroll County Water Authority by Carrollton Lodge No. 1237, by warranty deed dated 12/1/1972 and recorded in Deed Book 282, page 264 of the Public Land Records of Carroll County, Georgia. Said property is addressed as 1737 Bankhead Highway, Carrollton, GA 30116 and bears tax identification number 1310163.

EXHIBIT "B"

METER, METER VAULTS AND ANCILLARY INFRASTRUCTURE  
TO BE CONVEYED TO CCWA

1. Highway 166 Meter Vault (located in vicinity of Jordan Truck Sales)
2. Shady Grove Road Meter Vault (located just south of intersection with Old Airport Road)
3. Mote Road Meter Vault (located just east of intersection with Buell Jones Road)
4. Highway 27 North Meter Vault (located just north of intersection with Mote Road)



MEMORANDUM

To: The Mayor and Council

 From: Timothy C. Grizzard, P.E., City Manager

Date: July 1, 2016

Subject: Hays Mill Guard Rail Project Bid Awards

On July 7, 2016, the City Engineering Department will open bids for the installation of Guard Rails along Hays Mill Road at Buffalo Creek. This project has up to \$362,000 of funding from the Georgia DOT. It requires 30% matching funding by the City.

The final bids, award recommendation, and City matching requirements will be presented to the Mayor and Council at the July 11, 2016 meeting. The matching portion of this project has been included in the FY 2016-2017 SPLOST budget.



MEMORANDUM

To: The Mayor and Council

 From: Timothy C. Grizzard, P.E., City Manager

Date: July 1, 2016

Subject: FEMA/GEMA Funded Emergency Standby Generators Project

The Federal Emergency Management Agency (FEMA), along with the Georgia Emergency Management Agency (GEMA), have provided grant funding for the purchase and installation of Emergency Generators at the Carrollton Water Treatment Plant and at several of the Wastewater Lift Stations.

A Request for Proposal (RFP) was generated and proposals received on June 16, 2016. Proposals were evaluated by a committee of four senior staff members based on Qualifications, Use of Existing Equipment, Details of Proposal, Warranties, and Cost with the following results:

Caldwell Electric Contractors - \$1,069,920.00, Grade – 63.7  
Penco Electrical Cont., Inc. - \$912,604.00, Grade – 85.7  
Donaldson Electric Comp., Inc. - \$956,499.55, Grade – 86.5  
West Georgia Electric - \$843,767.00, Grade – 88.0

The FEMA/GEMA grant requires that the federal share of the cost be 75% with the state share 10%, leaving the City share at 15%. The City share can be matched with in-kind construction services such as the installation of conduits and concrete pads. City Management asks that you award the Emergency Standby Generators Project to West Georgia Electric in the amount of \$843,767.00. The City portion of this contract is estimated to be \$126,565.05. This is included in the FY 2016-2017 Water Enterprise Fund budget. Attached is the detailed Bid Tabulation sheet.

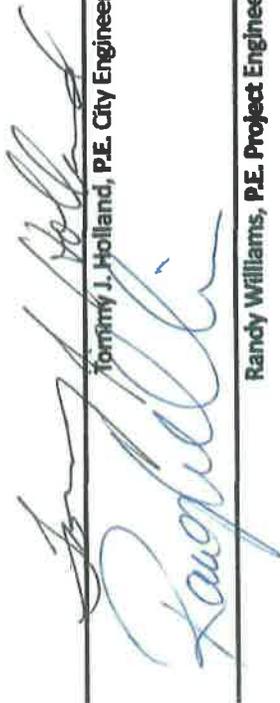
Attachment

### Emergency Stand By Generators Bid Tabulation

Contractor	Bid Amount	Qualifications / Experience		Use of Existing Equipment as Appropriate		Detailed Approach to Work		Warranties		Cost		Total Bid Points out of 100
		Actual	10%	Actual	20%	Actual	20%	Actual	20%	Actual	30%	
Caldwell Electric Contractors	\$1,069,920.00	100	10	40	8	90	18	20	4	78.9	23.7	63.7
Penco Electrical Contractors, Inc.	\$912,604.00	80	8	75	15	75	15	100	20	92.5	27.7	85.7
Donaldson Electric Company, Inc.	\$956,499.55	100	10	50	10	100	20	100	20	88.2	26.5	86.5
West Georgia Electric	\$843,767.00	100	10	90	18	75	15	75	15	100.0	30.0	88.0

**TRACY SMITH**

Lt. Tracy Smith, Fire Marshall



Tommy J. Holland, P.E. City Engineer

Randy Williams, P.E. Project Engineer



Tony Richardson, Operations Manager of Waste Water Treatment Plant