

**AMENDMENT TO INTERLOCAL AGREEMENT BETWEEN CHATHAM COUNTY
AND THE CITY OF SANFORD**

This Amendment to the INTERLOCAL AGREEMENT dated July 1, 2017 by and between Chatham County and the City of Sanford shall be effective upon adoption by both Parties.

WHEREAS, Chatham County (Chatham) and the City of Sanford (Sanford) entered into an Interlocal Agreement dated October 20, 2016 (the 2016 Agreement) regarding provision of wastewater collection and treatment services by Sanford for the Moncure area and other portions of Chatham County, and

WHEREAS, Chatham and Sanford entered into a second Interlocal Agreement dated July 1, 2017 (the 2017 Agreement) further defining roles and responsibilities with regard to the provision of wastewater collection and treatment services by Sanford in the Moncure area and other portions of Chatham County, and

WHEREAS, Chatham and Sanford now desire to further define rights and responsibilities for said wastewater collection and treatment services by Sanford;

NOW, THEREFORE, in consideration of the premises, the mutual promises and benefits contained in this Agreement, and the sum of ten dollars, in hand paid, the receipt of which is hereby acknowledged, the parties mutually agree as follows:

1. Section 8 of the 2017 Agreement is amended by deleting all language in the Section after the first sentence. Section 8 of the 2017 Agreement shall now read as follows:

“All expenditures from preliminary design through completion of construction of the Project to provide the necessary wastewater collection infrastructure to serve the Moncure Area and other portions of Chatham County (the Chatham allocation), including but not limited to design, easement acquisition, construction, and other related costs and expenditures, shall be the Project Cost. Sanford has been awarded a Golden Leaf Grant of Four Million Dollars (\$4,000,000) the use of which is restricted to this Project, and which Sanford shall use to defray \$4,000,000 of Project Cost. Chatham shall pay to Sanford the amount of Three Million Four Hundred Fifty-Nine Thousand Seven Hundred Fifty Dollars (\$3,459,750) (the Chatham Payment) as its share of Project Cost and Sanford shall pay all Project Cost in excess of the amount covered by the Golden Leaf Grant and the Chatham Payment. Sanford may invoice Chatham for one half of each design and construction invoice until payments by Chatham have equaled the agreed amount of the Chatham Payment, and Chatham shall pay said invoices to Sanford within fifteen (15) days of receipt of the invoice.

2. The Term of this Amendment shall be fifty (50) years, and the Term defined in Section 16 of the 2017 Agreement shall be interpreted such that the agreements made in this Amendment shall be given effect for fifty (50) years notwithstanding lesser Terms for the provisions in the 2016 Agreement and the 2017 Agreement.

3. In addition to the provisions of the 2016 Agreement and the 2017 Agreement, and except as otherwise agreed by this Amendment, the Parties agree as follows:

Revenue Sharing Agreement. For the Term of this Amendment Chatham shall remit to Sanford on an annual basis, no later than April 30 of each year, an amount equal to:

Twenty percent (20%) of the net ad valorem tax revenue received by Chatham from any and all commercial and industrial properties served by the wastewater collection and treatment infrastructure constructed by Sanford pursuant to the 2016 Agreement and the 2017 Agreement or any extensions thereof.

For purposes of this calculation the following definition shall be used:

“Net ad valorem tax revenue received by Chatham” shall mean the actual amount of ad valorem tax revenue received by Chatham in any year after wastewater collection infrastructure constructed pursuant to the 2016 Agreement, the 2017 Agreement, and this Amendment, is connected to any property which is above the actual amount of ad valorem taxes received by Chatham for the year immediately before wastewater collection infrastructure was connected to said property, minus an amount equal to the amount of any incentives granted to the owner of said property for the purpose of incentivizing the development of said property, minus an amount equal to the amount of debt service paid by Chatham for purchase of real estate connected to said property in the Moncure Megasite.

For clarity, if Chatham receives \$X in ad valorem tax revenue from an included property, subtract the amount of ad valorem tax revenue received for the year immediately before the subject property was connected to the wastewater collection infrastructure, yielding a remainder of \$Y. \$Y is reduced by the amount of any incentives granted to the owner of said property in the year Chatham receives \$X in ad valorem tax for the purpose of incentivizing the development of said property, and is further reduced by the amount equal to any debt service paid by Chatham in the year Chatham receives \$X in ad valorem tax for the purchase of said property in the Moncure Megasite, yielding a remaining sum of \$Z. Sanford shall receive 20% of \$Z.

At the point in time when any incentive grant agreement made by Chatham has expired or all agreed payments have been made, and Chatham no longer makes an incentive payment calculated by reference to the amount of ad valorem tax revenue received from a property, Sanford shall receive 20% of the amount received in any year which is above the actual amount of ad valorem taxes received by Chatham for the year immediately before wastewater collection infrastructure was connected to said property, minus an amount equal to the amount of debt service paid by Chatham for purchase of real estate connected to said property in the Moncure Megasite. At the point in time when any incentive grant agreement made by Chatham has expired or all agreed payments have been made and Chatham no longer makes a debt service payment for purchase of real estate connected to said property in the Moncure Megasite, Sanford shall receive 20% of the amount received which is above the actual amount of ad valorem taxes received by Chatham for the year before wastewater collection infrastructure was connected to said property.

4. Chatham agrees to provide to Sanford copies of any incentive agreement that applies to a property connected to the infrastructure constructed pursuant to this Amendment, along with verification of receipt of tax revenue by Chatham and payment by Chatham pursuant to an incentive agreement.

5. Existing Agreements. Except as amended by this Amendment to Interlocal Agreement, all the provisions of the existing 2016 Agreement and 2017 Agreement shall remain in full force and effect. In case of any question of interpretation of provisions among the three documents, the provisions of this Amendment shall govern over the provisions of the 2016 Agreement and the 2017 Agreement.

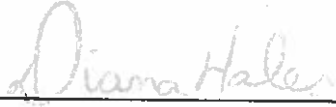
IN WITNESS WHEREOF, Chatham and Sanford have executed this Amendment to Interlocal Agreement this the 6th day of November, 2018.

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.




Finance Director, Chatham County

CHATHAM COUNTY

By: 

Chair, Board of County Commissioners

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.



Finance Director, City of Sanford

CITY OF SANFORD

By: 

Mayor, City of Sanford