

STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT is entered into in the year 2018 as indicated by the date executed by each party, by and among the City of Fayetteville, the Town of Hope Mills, the Town of Spring Lake, the Town of Stedman, the Town of Wade, the Town of Falcon, the Town of Godwin, the Town of Linden, the Town of Eastover, (hereinafter referred to as a “Municipality: or collectively as a the “Municipalities”), and the County of Cumberland (hereinafter referred to as the “County”), with the Municipalities and the County collectively referred to as the “Parties.”

RECITALS:

Whereas, the County and the Municipalities entered into an interlocal agreement in 2003 for the County to continue to elect the per capita method of sales tax distribution conditioned upon certain reimbursements by the Municipalities to mitigate the re-allocation of sales tax revenue as a result of municipal annexations (the “Sales Tax Distribution Interlocal Agreement”); and

Whereas, the County and the Municipalities have maintained the Sales Tax Distribution Interlocal Agreement through certain amendments and extensions adopted in 2006, 2009, 2013 and 2016 to a term ending June 30, 2019, and these amendments and extensions, together with the 2003 Agreement, now constitute the current Sales Tax Distribution Interlocal Agreement; and

Whereas, the County and the Municipalities have entered into additional interlocal agreements by which the County provides certain services and/or funding to the Municipalities and some of the Municipalities provide certain services to the County; and

Whereas, the City of Fayetteville and the County have also merged their respective Parks and Recreation Departments into a unified recreation department operated by the City; and

Whereas, the revenue needed by the County to maintain the services and/or funding through those additional interlocal agreements and to maintain the per capita method of sales tax distribution is dependent upon the reimbursement of the sales tax revenue lost to the County under the per capita distribution method due to municipal annexations; and

Whereas, certain of those other interlocal agreements between the County and the Municipalities would be directly impacted by changing the sales tax distribution method to the ad valorem method because every tax district would share in the ad valorem method of distribution, including those tax districts that do not share under the per capita method of distribution; and

Whereas, some of the other interlocal agreements referenced herein include:

(a) the consolidation of the recreation departments of Fayetteville and the County in 2004 and the creation of a Recreation District in which all the recreation services for the County and the Towns of Falcon, Godwin, Wade, Linden, Eastover and Stedman are administered by the Fayetteville/Cumberland Regional Parks and Recreation Department as a department of the City of Fayetteville;

(b) the County's participation in funding the debt service incurred by Fayetteville for the construction of a parking deck in downtown Fayetteville;

(c) the County's participation in funding the debt service incurred by the City of Fayetteville for the construction of a minor league baseball stadium in downtown Fayetteville;

(d) the consolidation of the emergency dispatch services of the Town of Spring Lake and the County with all emergency dispatch services for the Town of Spring Lake provided by the County;

(e) The Town of Spring Lake's provision of fire and first responder services for the Manchester Fire District within the County;

(f) the County's provision of building inspection services for the Town of Spring Lake when the Town's inspectors are not available;

(g) the consolidation of the emergency dispatch services of the Town of Hope Mills and the County with all emergency dispatch services for the Town of Hope Mills provided by the County;

(h) the County's provision of certain inspection and code enforcement for the Towns of Eastover and Stedman;

(i) the County's provision of animal control services for all the Municipalities except the Town of Hope Mills; and

(j) the County's provision of joint planning and development services for all the Municipalities except the City of Fayetteville; and

(k) the County's collection of property taxes for all the Municipalities; and

Whereas, the County and each of the Municipalities acknowledges that the geographic proximity of the City of Fayetteville and the Towns of Spring Lake, Eastover, Stedman, and Hope Mills; and the geographic proximity of the Towns of Falcon, Godwin, Wade and Linden; allow greater efficiency in the provision of public services by the County or the City of Fayetteville for the smaller Municipalities and the benefits of this efficiency accrue to the residents of all of these communities and to the County residents living in the unincorporated communities; and

Whereas, the County acknowledges that the Franklin Street Parking Deck financed and constructed by the City of Fayetteville enhances downtown parking for the State and County employees and customers of the State and County agencies occupying the County's courthouses, Law Enforcement Center, and Detention Center in the downtown; and

Whereas, the County and the Municipalities acknowledge that the minor league baseball stadium financed and being constructed downtown by the City of Fayetteville will enhance recreation opportunities and business growth for all citizens of the County; and

Whereas, the Municipalities acknowledge that if the Board of County Commissioners elected to change the sales tax distribution to the ad valorem method, it would result in a substantial increase in sales tax distribution to the County with a proportionate decrease in the sales tax distribution to the Municipalities; and

Whereas, the Parties acknowledge that the reimbursement of a portion of the sales tax revenue lost to the County by municipal annexations under the per capita sales tax distribution method enhances the County's ability to provide the services and funding to the Municipalities described above.

Now therefore, in partial consideration of the services provided by the County to the Municipalities and for any services provided by any of the Municipalities to the County or any other Municipality as described above, to clarify the relationships between the Sales Tax Distribution Interlocal Agreement and the various other interlocal agreements between or among the County and any of the Municipalities as described above, and to further extend the Sales Tax Distribution Interlocal Agreement, the Parties enter into this Sales Tax Distribution Interlocal Agreement as follows:

1. *Consideration.* The Parties agree that the transfers of sales tax funds from any of the Municipalities to the County or to any other Municipality pursuant to this Sales Tax Distribution Interlocal Agreement constitute partial consideration for the County to continue to maintain the services and/or funding through the other interlocal agreements described herein in

accordance with the terms of any applicable interlocal agreement with any of the Municipalities, while continuing to elect the distribution of sales tax revenue by the per capita method.

2. *Effect on the Provision of Services and Other Funding.* The County agrees that the receipt of this partial consideration pursuant to the Sales Tax Distribution Interlocal Agreement with the additional consideration established by the other interlocal agreements is sufficient for the County to continue to maintain the services and/or funding provided by the other interlocal agreements referenced herein at the current levels at which such services and/or funding is provided by the County in accordance with the terms of the applicable interlocal agreements; provided that, this agreement shall not be construed as binding the County or any of the Municipalities to continue any interlocal agreement for the provision of services or funding except in accordance with the terms of such other interlocal agreements to include the rights to terminate or amend such agreements.

3. *Certain Provisions of the Current Sales Tax Distribution Agreement to Be Incorporated by Reference.* All the terms and provisions of the existing Sales Tax Distribution Interlocal Agreement to include the extensions and amendments approved in 2006, 2009, 2013 and 2016 and with an expiration date of June 30, 2019, that are not inconsistent with any of the terms of this Sales Tax Distribution Interlocal Agreement, are incorporated herein by reference to the end that the sales tax distribution as determined for FY2019 shall be used for this Sales Tax Distribution Interlocal Agreement for the determination of the distribution for FY2020.

4. *Term.* This Sales Tax Distribution Interlocal Agreement shall remain in effect for four (4) fiscal years, commencing July 1, 2019, and ending June 30, 2023, unless sooner terminated in accordance with the early termination provision stated herein.

5. *Base Year and Method of Apportionment of Growth or Decline in Sales Tax Revenues.* The sales tax distribution for FY2020 shall become the basis for the distributions in FY2021 through FY2023 as follows:

(a) For any year the sales tax revenue increases over the amount distributed for FY2020, forty percent (40%) of the increase shall be distributed to the County and sixty percent (60%) of the increase shall be distributed to the Municipalities with each Municipality's share of the increase being its percentage of the total distribution for FY2020.

(b) For any year the sales tax revenue is less than the amount distributed for FY2020, forty percent (40%) of the decline shall be apportioned to the County and sixty percent (60%) of the decline shall be apportioned to the Municipalities with each Municipality's share of the decline being its percentage of the total distribution for FY2020.

6. *Early Termination.* This agreement shall be a continuing agreement to remain in place for the stated term except upon the following conditions:

(a) If the General Assembly makes changes to the statutes governing the distribution of sales tax revenue during the term of this agreement, the County's Board of Commissioners may elect to terminate this agreement at any time after the law is passed, including any date prior to the effective date of the changes in the law; or

(b) If the governing board of any of the Municipalities should take action to withdraw from the agreement, the County's Board of Commissioners may elect to terminate this agreement at any time after that action is taken.

7. This Sales Tax Distribution Interlocal Agreement shall be a continuing interlocal agreement which shall be approved by the governing body of each Party and entered into the minutes of the meeting at which it is approved.

IN WITNESS WHEREOF the parties, intending to be bound and by authority duly given, have caused this agreement to be signed by their appropriate officials, the day and year designated by each.

COUNTY OF CUMBERLAND

ATTEST:

Candice H. White, Clerk to the Board

BY: _____
Jeannette M. Council, Chair
Board of Commissioners

Date Signed: _____

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

County Finance Director

Approved for Legal Sufficiency:

County Attorney

[Signature pages for Municipalities Follow]

CITY OF FAYETTEVILLE

ATTEST:

City Clerk

BY: _____
Mayor

Date Signed: _____

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

Fayetteville Finance Director

Approved for Legal Sufficiency:

Fayetteville City Attorney

TOWN OF HOPE MILLS

ATTEST:

Town Clerk

BY: _____
Mayor

Date Signed: _____

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

Approved for Legal Sufficiency:

Hope Mills Finance Director

Hope Mills Town Attorney

TOWN OF SPRING LAKE

ATTEST:

BY: _____
Mayor

Town Clerk

Date Signed: _____

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

Approved for Legal Sufficiency:

Spring Lake Finance Director

Spring Lake Town Attorney

TOWN OF STEDMAN

ATTEST:

BY: _____
Mayor

Town Clerk

Date Signed: _____

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

Approved for Legal Sufficiency:

Stedman Finance Director

Stedman Town Attorney

TOWN OF EASTOVER

ATTEST:

BY: _____
Mayor

Town Clerk

Date Signed: _____

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

Approved for Legal Sufficiency:

Eastover Finance Director

Eastover Town Attorney

TOWN OF WADE

ATTEST:

BY: _____
Mayor

Town Clerk

Date Signed: _____

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

Approved for Legal Sufficiency:

Wade Finance Director

Wade Town Attorney

TOWN OF LINDEN

ATTEST:

BY: _____
Mayor

Town Clerk

Date Signed: _____

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

Approved for Legal Sufficiency:

Linden Finance Director

Linden Town Attorney

TOWN OF GODWIN

ATTEST:

BY: _____
Mayor

Town Clerk

Date Signed: _____

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

Godwin Finance Director

Approved for Legal Sufficiency:

Godwin Town Attorney

TOWN OF FALCON

ATTEST:

Town Clerk

BY: _____
Mayor

Date Signed: _____

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

Falcon Finance Director

Approved for Legal Sufficiency:

Falcon Town Attorney