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CUMBERLAND
COUNTY
NORTH CAROLINA

BOARD OF COMMISSIONERS

CANDICE WHITE
Clerk to the Board

KELLIE BEAM
Deputy Clerk

October 5, 2018

Mayor Mitch Colvin
City of Fayetteville
433 Hay Street
Fayetteville, NC 28301-5537

Dear Mayor Colvin:

Enclosed you will find a proposed amendment to the Sales Tax Distribution Interlocal Agreement. This amendment is presented for you and the Council to review and consider. As you and I discussed previously, the other municipalities are looking to the City and County for some direction on the Sales Tax Distribution Agreement.

This proposed amendment extends the current Sales Tax Agreement under the same terms and conditions through June 30, 2023. The intent of this extension is to provide some assurance to all elected bodies of available resources which is critical in the short term and for long term planning purposes.

Our Board believes this agreement is in the best interest of the entire community and the citizens we serve. Thank you in advance for your willingness to engage in this discussion and to seek some resolution of this sales tax issue.

Sincerely,

A handwritten signature in cursive script, reading "Larry Lancaster".

Larry Lancaster, Chairman
Cumberland County Board of Commissioners

cc: Amy Cannon, County Manager
Doug Hewitt, City Manager

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 (hereinafter "Fayetteville"), the Town of Hope Mills (hereinafter "Hope Mills"), the Town of Spring Lake (hereinafter "Spring Lake"), the Town of Stedman (hereinafter "Stedman"), the Town of Wade (hereinafter "Wade"), the Town of Falcon (hereinafter "Falcon"), the Town of Godwin (hereinafter "Godwin"), the Town of Linden (hereinafter "Linden"), the Town of Eastover (hereinafter "Eastover"), (hereinafter referred to collectively as the "Municipalities"), and the County of Cumberland (hereinafter "County").

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 to a term ending June 30, 2019, which together 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

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 creating a county Recreation District with all recreation services administered by the Fayetteville/Cumberland Regional Parks and Recreation Department as a department 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 provision of all animal control services for Fayetteville;

(d) the County's collection of all property taxes for Fayetteville;

(e) Fayetteville's request for the County to participate in funding the debt service to be incurred by Fayetteville for the construction of a minor league baseball stadium downtown;

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

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

(h) the County's provision of back-up building inspection services for Spring Lake when its inspectors are not available;

(i) the County's provision of joint planning board services for Spring Lake;

(j) the County's provision of all animal control services for Spring Lake;

(k) the County's collection of all property taxes for Spring Lake;

(l) the County's provision of joint planning board services for the Municipalities except Fayetteville;

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

(n) the County's collection of all property taxes for the Municipalities.

Now therefore, in order to clarify the relationships between the Sales Tax Distribution Interlocal Agreement and the various other interlocal agreements between the County and the Municipalities, and to further extend the Sales Tax Distribution Interlocal Agreement, the parties hereby amend the Sales Tax Distribution Interlocal Agreement as follows:

1. 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 the 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 with each the Municipalities, while continuing to elect the distribution of sales tax revenue by the per capita method.

2. 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.

3. The current Sales Tax Distribution Interlocal Agreement as amended shall be extended for four (4) additional years until June 30, 2023.

4. The other terms of the Sales Tax Distribution Interlocal Agreement, as amended, shall continue in full force and effect, except that the initially incorporated area of Eastover shall no longer be treated as an annexation to the end that only those annexations by Eastover since its incorporation shall be subject to this agreement.

5. This amendment and extension of the Sales Tax Distribution Interlocal Agreement shall be a continuing interlocal agreement which shall be approved by the governing body of each party and entered 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.

ATTEST:

COUNTY OF CUMBERLAND

Candice White, Clerk to the Board

BY: _____
Chairman, Board of Commissioners

Date Signed: _____

ATTEST:

CITY OF FAYETTEVILLE

City Clerk

BY: _____
Mayor

Date Signed: _____

ATTEST:

TOWN OF HOPE MILLS

Town Clerk

BY: _____
Mayor

Date Signed: _____

ATTEST:

TOWN OF SPRING LAKE

Town Clerk

BY: _____
Mayor

Date Signed: _____

ATTEST:

TOWN OF WADE

Town Clerk

BY: _____
Mayor

Date Signed: _____

ATTEST:

TOWN OF FALCON

Town Clerk

BY: _____

Mayor

Date Signed: _____

ATTEST:

TOWN OF GODWIN

Town Clerk

BY: _____

Mayor

Date Signed: _____

ATTEST:

TOWN OF LINDEN

Town Clerk

BY: _____

Mayor

Date Signed: _____

ATTEST:

TOWN OF STEDMAN

Town Clerk

BY: _____

Mayor

Date Signed: _____

ATTEST:

TOWN OF EASTOVER

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

County Finance Director

County Attorney

Fayetteville Finance Director

City Attorney

Hope Mills Finance Director

Town Attorney

Spring Lake Finance Director

Town Attorney

Stedman Finance Director

Town Attorney

Wade Finance Director

Town Attorney

Falcon Finance Director

Town Attorney

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

Approved for Legal Sufficiency

Godwin Finance Director

Town Attorney

Linden Finance Director

Town Attorney

Eastover Finance Director

Town Attorney