

**INTERLOCAL AGREEMENT
TO FUND SCHOOL BUILDING PROGRAM**

This agreement is entered into between the County of Lawrence and the City of Lawrenceburg, and

WHEREAS, a comprehensive school building program will benefit all citizens of Lawrence County; and

WHEREAS, it is anticipated that the sales tax rate will be raised from 8.25% to 8.75% in order to generate funds to implement said school building program; and

WHEREAS, T.C.A. Section 12-9-101, et seq. authorizes counties and other public agencies to enter into interlocal cooperation agreements;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

CONTRIBUTION OF PARTIES:

It is anticipated that the .5% sales tax increase will generate approximately \$422,000.00 in the first year to the City of Lawrenceburg based upon current revenue and sales tax projections inside the City of Lawrenceburg. The City of Lawrenceburg shall set aside up to the sum of \$400,000 of all revenues generated by the increase in the sales tax rate from 8.25% to 8.75% and agrees to apply said revenues to help implement the school building program to fund the debt service on the borrowing required for the comprehensive school building program as adopted by Lawrence County, Tennessee in 1995.

IT IS FURTHER agreed and understood that all funds due to the City of Lawrenceburg to be received from the sales tax increase are to be paid to the City of Lawrenceburg and Lawrenceburg agrees to pay back those funds up to \$400,000.00 per year from the increase in sales tax revenues received, to Lawrence County in order to assist in the debt service payments. These funds so paid are to be deposited into a City of Lawrenceburg, Lawrence County debt service account, and Lawrenceburg's portion of the sales tax revenue increase will be invested in the hereinabove referenced account each month up to \$400,000.00 to be paid annually to Lawrence County Tennessee to service the debt on the school building program. It is further agreed that Lawrence County shall give to the City of Lawrenceburg a report on the outstanding debt service on the school building program at least annually.

IT IS FURTHER agreed and understood that any funds received over and above \$400,000.00 by the City of Lawrenceburg shall be the City of

Lawrenceburg's funds to be applied as the City of Lawrenceburg shall see fit according to General Fund requirements, it being the intent herein that any growth in sales tax revenues after the first year to be the City of Lawrenceburg's funds.

DURATION OF AGREEMENT:

This agreement shall remain in full force and effect until for a period of 20 years or from the date hereof or until the debt on the comprehensive school building program is retired, whichever occurs first. At the end of the 20 years or when the debt on the 1995 comprehensive school building program is retired, this agreement shall cease and the City of Lawrenceburg shall be entitled to the increased revenues received from the sales tax increase.

MODIFICATION:

Any modification of this agreement must be in writing and approved by all parties in the same manner as the original agreement.

SEVERABILITY:

If any provision of this Agreement is adjudged invalid, such invalidity shall not impair the remaining provisions of this agreement.

CONTINGENCIES:

This agreement is contingent upon Lawrence County voters passing the sales tax increase by referendum.

IT IS FURTHER contingent upon the comprehensive building program as adopted prior to this resolution being funded in its entirety.

EFFECTIVE DATE:

This agreement shall become effective after it is approved by the governing bodies of the parties hereto and upon execution of the agreement by appropriate representatives of the parties as set forth below.

LAWRENCE COUNTY:


ED MARTIN, COUNTY EXECUTIVE

CITY OF LAWRENCEBURG:


CLAYTON EZELL, MAYOR