

## INTERLOCAL AGREEMENT

This **INTERLOCAL AGREEMENT** (this “Interlocal Agreement”), made and entered into as of \_\_\_\_\_, 2021, between the **City of Gastonia**, North Carolina, a municipal corporation created and existing under the laws of the State of North Carolina (the “City”) and the **County of Gaston**, North Carolina, a political subdivision created and existing under the laws of the State of North Carolina (the “County”);

### WITNESSETH:

WHEREAS, the City has previously purchased sixteen (16) acres west of downtown Gastonia and created the Franklin Urban Sports & Entertainment (FUSE) District and has constructed a multi-purpose entertainment facility now known as CaroMont Health Park, the home of the Gastonia Honey Hunters baseball team; and

WHEREAS, Gastonia has determined to undertake revitalization activities in the FUSE District, including, among other things, the construction of CaroMont Health Park, as well as significant utility infrastructure, parking, streetscaping and improvement of other public amenities; and

WHEREAS, there are numerous benefits that will come from public investment as part of the FUSE revitalization efforts including but not limited to long-term tax base growth, improved economic vitality, strengthening tourism assets resulting in additional sales tax generation, and job creation; and

WHEREAS, the City has paid and will pay for the multi-sport and entertainment facility and other improvements through a combination of available funds to the City, financing arrangements, and private investment; and

WHEREAS, areas surrounding the FUSE District are in need of economic redevelopment and revitalization and will benefit from the operation of the multi-sport and entertainment facility, utility infrastructure, parking, streetscaping, and improvement of other public amenities; and

WHEREAS, the City and County agree that to further their mutual goal of economic redevelopment and revitalization that a Special Increment Value Incentive Area (SIVIA) as shown on the map attached hereto as **Exhibit A** and containing the parcels listed in **Exhibit B** should hereby be established; and

WHEREAS, under Article 20 of Chapter 160A of the North Carolina General Statutes, as amended (the “Interlocal Act”), municipalities and counties are authorized to enter into interlocal cooperation undertakings with other local governments for the joint exercise of any power, function, public enterprise, right, privilege, or immunity of local governments in North Carolina; and

WHEREAS, as permitted by the Interlocal Act, the County desires to provide funding assistance by remitting to the City 100% of the incremental *ad valorem* tax revenues collected in the SIVIA (the “Incremental Tax Revenues”), up to \$5,000,000 subject to the limitations and restrictions set forth in this Interlocal Agreement; and

NOW, THEREFORE, in consideration of the foregoing, the City and the County do hereby covenant, promise, agree, and represent as follows:

## **ARTICLE I GENERAL PROVISIONS**

**SECTION 1.1** Purposes of the Interlocal Agreement. This Interlocal Agreement is being entered into as a means for the County to participate in the economic redevelopment of the SIVIA by making annual payments to the City from the County's Incremental Revenues actually received by the County from the SIVIA, subject to the restrictions and limitations set forth in this Interlocal Agreement. The County's payment obligations under this Interlocal Agreement are solely contractual in nature and nothing in this Interlocal Agreement shall be construed as a pledge of any of the County's Incremental Revenues or other funds.

Neither the taxing power of the County nor the City is or may be pledged directly or indirectly to secure any amounts payable by either party to the other party under this Interlocal Agreement, and this Interlocal Agreement does not constitute a pledge of the full faith and credit by either local government.

**SECTION 1.2** Term. This Interlocal Agreement shall be effective on the date of this Interlocal Agreement and shall remain in effect until the \$5,000,000 has been repaid, subject to Section 1.3, below.

**SECTION 1.3** Recoupment. In the event of an economic downturn (i.e., property values decrease), the City agrees to make the County whole.

## **ARTICLE II Special Increment Value Incentive Area**

**SECTION 2.1** Special Increment Value Incentive Area. The City and the County acknowledge that the County's contributions under this Article are intended to assist the City with the construction expenses of the FUSE multi-sport and entertainment facility and other improvements and infrastructure and the revitalization of the SIVIA area as shown on Exhibits A and B. The City shall be solely responsible for the funding, the scope, the design, and the plan for the FUSE multi-sport and entertainment facility (CaroMont Health Park). The FUSE multi-sport and entertainment facility shall be owned by the City or another governmental entity or instrumentality or by a private party that is undertaking a public purpose on behalf of the City.

**SECTION 2.2** City Deposit of County Revenues Into Segregated Funds. The City will establish a separate, segregated fund or account in which it will deposit the Incremental Revenues received from the County under this Agreement.

**SECTION 2.3** Incremental Tax Revenues. The assessed valuation for personal property, excluding registered motor vehicles, in **Exhibits A and B** and for *ad valorem* tax purposes of all real property parcels in **Exhibits A and B** shall be determined as of January 1, 2021 ("Base Year Valuation").

1. Annually thereafter, the assessed valuation for all real and personal property, excluding registered motor vehicles, in the SIVIA shall be determined (“Annual Valuation”).
2. From and after the date of this Interlocal Agreement, in each year the County’s Tax Assessor shall determine if the current assessed value of taxable property in the SIVIA exceeds the base valuation of property in the SIVIA.
3. The difference between the Base Year Valuation and the Annual Valuation in the SIVIA shall be determined and shall be multiplied by the annual tax rate for that year (“Incremental Tax Revenues”).
4. The Reimbursement Payment made by the County to the City shall equal the sum of one-hundred percent (100%) of the Incremental Tax Revenues.
5. Commencing with the fiscal year beginning on July 1, 2021, and each fiscal year thereafter for the term of this Interlocal Agreement, the County will transmit 100% of the Incremental Revenues to the City on December 15th, beginning December 15, 2022.

The City and the County acknowledge that there is an agreement relating to the remittance by the County of *ad valorem* taxes collected on behalf of the City. The provisions of that agreement or any subsequent amendment or replacement shall control the remittance of collections of taxes collected for the City.

**SECTION 2.4 Use of Revenues.** The City shall apply the Incremental Revenues it receives from the County to utility infrastructure, parking, streetscaping, and improvement of other public amenities in the SIVIA. The City shall not use the Incremental Revenues to pay the debt service already incurred by the City to construct the stadium.

### **ARTICLE III MISCELLANEOUS**

**SECTION 3.1 Tax Collections.** The City and the County acknowledge that the County’s Department of Tax Administration is responsible for assessment of all property for purposes of taxation and for collection of taxes imposed by the County and the City with respect to property within the boundaries of the City, and serves as the Tax Assessor and the Tax Collector. The County agrees to proceed diligently to collect all taxes due and to provide for the performance of the duties of the Tax Assessor thereunder with respect to the SIVIA. The County further agrees to provide the City’s Chief Financial Officer with the assessed value of all property located in the SIVIA on or before June 15th of each year. No provision of this Interlocal Agreement shall be construed to require the County to levy taxes at any particular rate of taxation; and the County shall hereafter be free to increase or decrease their respective rates of taxation without regard to this Interlocal Agreement.

**SECTION 3.2 County Use of Certain City Facilities.** The City agrees to provide the County with the use of certain City facilities for up to five (5) days (total and inclusive of all city facilities hereunder) per year as mutually agreed upon in writing each year by the City Parks and Recreation Director and the County’s Director of Travel & Tourism. City facilities include the

CaroMont Health Park, Sims Legion Park, Martha Rivers Park, or any of the City's Recreation Centers; provided, however, the Schiele Museum of Natural History is excluded from this subparagraph. The use to be provided under this Section does not include food, drink, other concessions, or any set-ups, etc., which would be at the County's cost for any event when it uses space at a City facility pursuant to this Section.

**SECTION 3.3** Signage Acknowledging County at FUSE Stadium. The City agrees to install County provided signage at the CaroMont Health Park to recognize the County's contribution. The City shall coordinate the size and location of the sign in the facility with the management team of the Park.

**SECTION 3.4** Notices. All notices, demands, or requests required or permitted to be given pursuant to this Interlocal Agreement shall be given in writing and shall be deemed to have been properly given or served and shall be effective upon being deposited in the United States mail, postage prepaid, sent to the respective address as follows:

As to the City:           City of Gastonia, North Carolina  
                                  P.O. Box 1748  
                                  Gastonia, NC 28053  
                                  Attention: City Manager

As to the County:       Gaston County, North Carolina  
                                  P.O. Box 1578  
                                  Gastonia, NC 28053  
                                  Attention: County Manager

Any party may, however, at any time, change its address for notification purposes by giving to the other party a notice in the manner herein provided stating the change and setting forth the new address.

**SECTION 3.5** Headings. The headings appearing in this Interlocal Agreement are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of any article, section, or paragraph of this Interlocal Agreement.

**SECTION 3.6** Counterparts. This Interlocal Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature of any party to any counterpart may be appended to any other counterpart.

**SECTION 3.7** Modification. No change or modification of, or waiver under, this Interlocal Agreement shall be valid unless it is in writing and signed by duly authorized representatives of the City and the County.

**SECTION 3.8** Time is of the Essence. Time is of the essence in this Interlocal Agreement.

**IN WITNESS WHEREOF**, the parties hereto have caused this Interlocal Agreement to be duly executed and delivered as of the day and year first above written.

CITY OF GASTONIA, NORTH CAROLINA

By: \_\_\_\_\_  
Walker E. Reid, III, Mayor

Attest: \_\_\_\_\_  
Suzanne J. Gibbs, City Clerk

**[SEAL]**

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

\_\_\_\_\_  
Finance Officer  
City of Gastonia, North Carolina

STATE OF NORTH CAROLINA  
COUNTY OF GASTON

I, \_\_\_\_\_, a Notary Public of the aforesaid County and State, do hereby certify that Suzanne J. Gibbs personally appeared before me this day and acknowledged that she is the City Clerk of the City of Gastonia and that by authority duly given and as the act of the municipal corporation, the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by her as its City Clerk.

WITNESS my hand and Notarial Seal, this the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

GASTON COUNTY, NORTH CAROLINA

By: \_\_\_\_\_  
Tom Keigher, Chairman, Gaston County  
Commissioners

Attest: \_\_\_\_\_  
Donna S. Buff, Clerk to the Board of  
Commissioners

[SEAL]

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

\_\_\_\_\_  
Finance Officer  
County of Gaston, North Carolina

STATE OF NORTH CAROLINA  
COUNTY OF GASTON

I, \_\_\_\_\_, a Notary Public of the aforesaid County and State, do hereby certify that \_\_\_\_\_, this day, personally appeared before me this day and acknowledged that she is the Clerk to the Gaston County Board of Commissioners and that pursuant to the act of Gaston County, the foregoing instrument was signed in its name by its Chairman, Tom Keigher, sealed with its corporate seal and attested by her as its Clerk.

WITNESS my hand and Notarial Seal, this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

## **EXHIBIT A**

## **EXHIBIT B**