

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE INTERFUND TRANSFERS FROM THE WATER AND SEWER FUND TO THE CAPITAL IMPROVEMENT FUND IN AN AGGREGATE AMOUNT NOT TO EXCEED \$12.5 MILLION AND ESTABLISHING AN ORDERLY SCHEDULE OF REPAYMENT OF THE TRANSFER IN FUTURE YEARS IN ORDER TO PROVIDE FUNDING FOR THE ACQUISITION AND CONSTRUCTION OF PUBLIC IMPROVEMENTS ON HUTCHINSON ISLAND PURSUANT TO A DEVELOPMENT AGREEMENT BETWEEN THE MAYOR AND ALDERMEN OF THE CITY OF SAVANNAH AND SAVANNAH HARBOR PARTNERS, LLC.

WHEREAS, On November 7, 2019, the Mayor and Alderman entered into a development agreement with Savannah Harbor Partners, LLC, which requires the City of Savannah to purchase completed public improvements identified in the Phase I Master Plan consisting of sidewalks and roadway improvements, park improvements and riverwalk improvements in an amount not to exceed \$12,500,000;

WHEREAS, It has been determined that the most economical manner for funding the purchase and acquisition of the public improvements is an interfund transfer up to \$12,500,000 in currently available funds from the City's Water and Sewer Fund to the City's Capital Improvement Fund;

WHEREAS, The General Fund will repay the transfer along with a market rate of interest to the Water and Sewer Fund as tax increments from the associated private development are realized from ad valorem taxes, sales taxes and hotel/motel taxes. The maximum amortization period for the repayment will not exceed 20 years. The rate of interest to be paid (4.94%) is equal to the net interest cost associated with the Savannah Economic Development Authority, Series 2023 bond issue dated October 19, 2023 and reflects the cost of funds relative to the City's general credit.

NOW, THEREFORE BE IT RESOLVED by the Mayor and Aldermen of the City of Savannah that:

Section 1: On December 7, 2023, the City Manager is hereby authorized to make interfund transfers in an aggregate amount not to exceed \$12.5 million from the Water and Sewer Fund to the Capital Improvement Fund for the purpose of funding the acquisition and construction of public improvements described in the development agreement dated November 7, 2019, between the Mayor and Aldermen of the City of Savannah and Savannah Harbor Partners, LLC.

Section 2: The General Fund shall repay the transfer with interest at the rate of 4.94 percent per annum on the outstanding balance with payments of interest and principal due each December 31, and a maximum amortization not to exceed 20 years.

Section 3: The General Fund may pre-pay any portion of the outstanding balance on the debt at any time. In the event of pre-payment, interest will be charged to the General Fund at the rate of 4.94 percent per annum on the amount of the balance outstanding.

ADOPTED AND APPROVED THIS _____ DAY OF _____

IN THIS YEAR _____.

Van R. Johnson, Mayor

ATTEST:

(SEAL)

Mark Massey, Clerk of Council