

**TOWN OF FOUNTAIN LAKE**

**RESOLUTION No. 2016 -2**

**BE IT RESOLVED BY THE TOWN OF FOUNTIAN LAKE, STATE OF ARKANSAS, A RESOLUTION TO BE ENTITLED:**

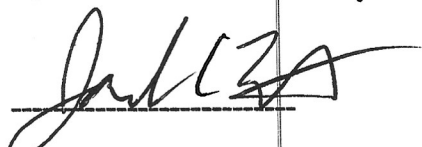
**“ A RESOLUTION OF THE TOWN OF FOUNTAIN LAKE, ARKANSAS APPROVING AN INTER-LOCAL AGREEMENT WITH THE QUORUM CORT OF GARLAND COUNTY, ARKANSAS, CITIES OF HOT SPRINGS, MOUNTAIN PINE, AND LONSDALE, ARKANSAS FOR THE GARLAND COUNTY ROAD PROJECTS AND IMPROVEMENTS PLAN”**

**WHEREAS, the Town of Fountain Lake, Arkansas has determined that Fountain Lake should enter into an Inter-local Agreement with Quorum Court of Garland County, Arkansas Cities of Hot Springs, Mountain Pine, and Lonsdale for the Garland County Road Projects and Improvements Plan.**

**WHEREAS, the Fountain Lake Town Council has reviewed and approved the attached Inter-local Agreement with the Quorum Court of Garland County, Arkansas, the Cities of Hot Springs, Mountain Pine and Lonsdale.**

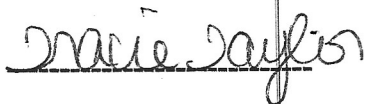
**NOW, THEREFORE, BE IT SO RESOLVED THE COUNCIL OF THE TOWN OF FOUNTAIN LAKE, ARKANSAS:**

**Section 1. That the attached Inter-local Agreement with Quorum Court of Garland County, Arkansas , Cities of Hot Springs, Mountain Pine, and Lonsdale for Garland County Road Projects and Improvements Plan is hereby PASSED AND APPROVED THIS 16th day of May, 2016.**

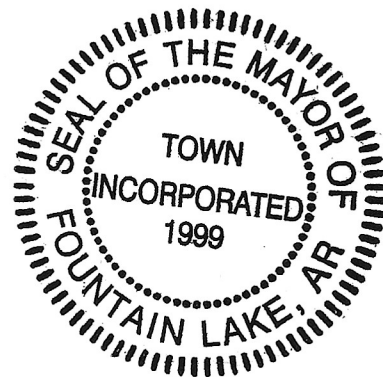


**MAYOR JACK FIELDS**

**ATTEST:**



**TRACIE TAYLOR, TOWN CLERK**



## **INTERLOCAL GOVERNMENTAL COOPERATIVE AGREEMENT**

THIS AGREEMENT, entered into this \_\_\_\_ day of \_\_\_\_\_, 2016, this Interlocal Governmental Cooperative Agreement is made by and between GARLAND COUNTY, ARKANSAS, hereinafter referred to as "Garland County" and the Cities of Hot Springs, Mountain Pine, Lonsdale, and Fountain Lake, Arkansas, with the parties agreeing as follows:

WHEREAS, the Quorum Court of Garland County has determined that Garland County is in need of new and/or improved roads, streets, and related structures, including particularly, without limitation, overpasses, underpasses, bridges and sidewalks, and any necessary land, easements, rights of way and related intersection improvements, drainage and traffic control devices and improvements therefore within the incorporated and unincorporated areas of Garland County (collectively, the "Improvements"); and

WHEREAS, such Improvements include particularly, without limitation, the project known as the Martin Luther King Expressway extension (MLK); and

WHEREAS, Garland County can finance the costs of such Improvements by the issuance of capital improvement bonds (the "Bonds") in the maximum aggregate principal amount of Fifty-Four Million Six Hundred Ninety-Five Thousand Dollars (\$54,695,000) under the authority of Amendment No. 62 to the Constitution of the State of Arkansas ("Amendment 62") and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") in one issuance, or a series of issuances; and

WHEREAS, Garland County can pay the principal of and interest on the Bonds from the proceeds under a new county-wide "0.625 % of Sales and Use Tax" to be levied under the authority of the Authorizing Legislation for that purpose; and

WHEREAS, the Quorum Court has adopted Ordinance No. O-16-13 calling a special election of the voters of Garland County, to be held on June 28, 2016, for the purpose of approving same, with the collection of the Sales and Use Tax to commence on July 1, 2017; and

WHEREAS, it is anticipated that the issuance of the Bonds to be retired from said county-wide Sales and Use Tax collected in both the incorporated and unincorporated areas of Garland County will generate approximately Fifty Million Dollars (\$50,000,000) in spendable funds for such Improvements; and

WHEREAS, the parties recognize that all Garland County residents benefit from improvements to all roads within the incorporated and unincorporated areas of Garland County, Arkansas; and

WHEREAS, the parties hereto desire to enter into this Interlocal Governmental Cooperative Agreement for the purpose of delineating the allocation of the spendable funds for the Improvements contemplated herein.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, AND IN ACCORDANCE WITH THE TERMS, CONDITIONS, AND OTHER MATTERS SET FORTH WITHIN THIS AGREEMENT THE PARTIES AGREE AS FOLLOWS:

1.0 TERM OF AGREEMENT.

This Agreement shall inure to the benefit of the parties hereto for the period during which the proposed Sales and Use Tax is collected pursuant to Garland County Ordinance No. O-16-13, after approval of same by the voters of Garland County, and during the payment period of the Bonds, or any interim financing pending bond delivery. All proceeds of the Bonds shall be subject to this Agreement, and shall be limited to the financing of Improvements, as specified herein, funding a debt service reserve, and costs of issuing the Bonds.

2.0 MARTIN LUTHER KING EXPRESSWAY EXTENSION.

The State of Arkansas Highway and Transportation Department ("AHTD") has committed to extend the Martin Luther King Expressway (U.S. Highway 270) from U.S. Highway 70 East to the junctions of Arkansas Highways 5 and 7 North (designated as Job R60016), provided that Garland County pledges the sum of Thirty Million Dollars (\$30,000,000) toward said highway extension project. The parties agree that, pursuant to Garland County Ordinance No. O-16-13, Thirty Million Dollars (\$30,000,000) of the Bond proceeds shall be allocated to extend the Martin Luther King Expressway (U.S. Highway 270) from U.S. Highway 70 East to the junctions of Arkansas Highways 5 and 7 North.

3.0 OTHER IMPROVEMENTS.

The parties agree that it is in the best interest of all citizens of Garland County to improve existing roads, streets, and related structures, including particularly, without limitation, overpasses,

underpasses, bridges and sidewalks, and any necessary land, easements, rights of way and related intersection improvements, drainage and traffic control devices and improvements therefore all for the exclusive benefit of persons traveling the roadways in the incorporated and unincorporated areas of Garland County, Arkansas. To that end, the remaining portion of approximately Twenty Million Dollars (\$20,000,000) of the Bond proceeds shall be allocated by Garland County based upon population (*per capita*) according to the 2010 census which provides for the following distribution:

<u>Governmental Entities</u>	<u>Population Base</u>	<u>Anticipated Bond Allocation</u>
Garland County	61.93 %	\$12,386,000
Fountain Lake	0.52 %	\$104,000
City of Hot Springs	36.65%	\$7,330,000
Lonsdale	0.10 %	\$20,000
Mountain Pine	0.80 %	\$160,000

### 3.1. General Road Improvements.

Upon the issuance of the Bonds contemplated herein, whether by one issuance, or a series of issuances, Garland County shall appropriate the funds for the Improvements to be funded by the respective *per capita* share of the anticipated bond allocation indicated above to improve existing roads, streets, and related structures, including particularly, without limitation, overpasses, underpasses, bridges and sidewalks, and any necessary land, easements, rights of way and related intersection improvements, drainage, and traffic control devices and improvements therefore within the respective incorporated and unincorporated areas of Garland County. With respect to projects within the corporate limits of the respective municipalities, same shall be approved by the governing body of the respective municipality. With respect to county projects, same shall be approved by the County Judge. Projects so selected and approved by each governmental entity shall be funded from their respective *per capita* share of the anticipated bond allocation indicated above. All projects must comply with applicable procurement laws of the State of Arkansas, and requisition policies of Garland County.

### 3.2. Anticipated Improvements.

#### 3.2.1 Martin Luther King Expressway and Airport Road Junction.

In the event that the City of Hot Springs, by and through its Board of Directors, approves a project to improve the intersection/junction of U.S. Highway 70 West (at Airport Road and

Martin Luther King Expressway), Garland County agrees to share in the cost of said project with the City of Hot Springs and/or the AHTD, as follows:

The estimated cost of this project is Seven Million Seven Hundred Thousand Dollars (\$7,700,000). Garland County agrees to pay up to twenty-five percent (25%) of the actual costs to complete said project, but not to exceed One Million Nine Hundred Twenty-Five Thousand Dollars (\$1,925,000), with Garland County's portion to be funded from the Bond proceeds allocated to Garland County described in paragraph 3.0 above.

**3.2.2 Weston Road at Airport Road (U.S. Highway 70 West) and Albert Pike Road (U.S. Highway 270 West)**

In the event that the City of Hot Springs, by and through its Board of Directors, approves a project(s) to improve the intersection(s)/junction(s) of Weston Road at Airport Road (U.S. Highway 70 West) and/or Weston Road at Albert Pike Road (U.S. Highway 270 West), Garland County agrees to share in the cost of said project(s) with the City of Hot Springs and/or the AHTD, as follows:

The estimated cost of both projects is Five Hundred Thousand Dollars (\$500,000). Garland County agrees to pay up to twenty-five percent (25%) of the actual costs to complete either or both said project(s), but not to exceed an aggregate sum of One Hundred Twenty-Five Thousand Dollars (\$125,000), with Garland County's portion to be funded from Bond proceeds allocated to Garland County described in paragraph 3.0 above.

**3.2.3 Garland County / City of Hot Springs / AHTD projects**

With respect to the joint projects contemplated under 3.2, and its sub-parts, the City of Hot Springs and Garland County will coordinate same with AHTD. In the event that the joint projects contemplated under 3.2, and its sub-parts, are not under commitment with AHTD by July 1, 2022, then Garland County shall have no further obligation under 3.2.1 or 3.2.2.

**3.3 Additional Assistance.**


Garland County agrees to assist the cities of Hot Springs, Fountain Lake, Lonsdale, and Mountain Pine in the development of projects with their allotted funds as provided by this Agreement. However, as indicated in paragraph 3.1 above, the final decision on which projects to complete within the corporate limits of the respective municipalities is hereby delegated to the governing body of such municipality.

4.0 APPROVAL.

Subject to voter approval of the Bonds and the Sales and Use Tax contemplated by Garland County Ordinance No. O-16-13, the parties have entered into this Interlocal Governmental Cooperative Agreement pursuant to authority granted by their respective governing bodies.

APPROVED:

Garland County, Arkansas

By:  Date: 5-9-16  
Rick Davis, Garland County Judge

City of Hot Springs, Arkansas

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Ruth Carney, Mayor

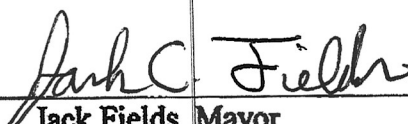
City of Mountain Pine, Arkansas

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Mayor

Lonsdale, Arkansas

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Steve Snellback, Mayor

City of Fountain Lake, Arkansas

By:  Date: 5-16-16  
Jack Fields, Mayor