

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

TO: Mayor and Council Members

FROM: Colin Halterman *CH*

DATE: March 27, 2003

SUBJECT: Documents on Development/Recreation and Entertainment Authorities

Attached are documents provided by City Attorney Ted Meeker relative to the Development Authority and the establishment of a Recreation and Entertainment Authority. Attachment 1 is a memo from Ted Meeker advising of the outcome of his meeting with Representatives Lynn Westmoreland and John Lunsford. Attachment 2 is a proposed bill that would amend the current state law to allow the Development Authority to continue to manage the Tennis Center and Amphitheater. Attachment 3 is a bill to establish a Recreation and Entertainment Authority if the proposed legislation to amend the Development Authority law fails, and attachment 4 is the resolution that needs to be adopted to express support for both bills.

Ted Meeker will provide a briefing to Council at the March 29, 2003 special called meeting and answer any questions you may have.

CWH/jsm

Attachments

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WALTER D. SANDERS
(1909 - 1989)

TO: Mayor and Council
City of Peachtree City

FROM: Theodore P. Meeker, III
City Attorney

DATE: March 27, 2003

RE: Development Authority

On March 19th, Mark Oldenburg and I met with Representatives Lynn Westmoreland and John Lunsford to discuss the issues regarding the Development Authority and possible creation of a Recreation and Entertainment Authority.

At the close of that meeting, both Representatives indicated that they would pursue an amendment to the existing statutes under which the Development Authority operates, O.C.G.A. § 36-62-1 et seq. In the event that the proposed statutory amendment did not go forward, the bill to create a Recreation Authority would be introduced.

Accordingly, I have enclosed a Resolution which both indicates the Council's support of the proposed statutory amendment, and also authorizing the Representatives to introduce a bill to create a Recreation Authority if the statutory amendment does not go forward.

Should you have any questions, please contact me.

TPM/bjc
Enclosures

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 62 of Title 36 of the Official Code of Georgia Annotated, relating to
2 development authorities, so as to revise a definition; to provide that sports facilities and
3 amphitheaters are authorized as projects for development authorities in certain
4 circumstances; to permit an authority or political subdivision to operate certain sports
5 facilities and amphitheaters; to provide for related matters; to repeal conflicting laws; and
6 for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 SECTION 1.

11 Chapter 62 of Title 36 of the Official Code of Georgia Annotated, relating to
12 development authorities, is amended in Code Section 36-62-2, relating to definitions, by
13 striking subparagraph (H) of paragraph (6) and inserting in lieu thereof the following:

14 ~~§~~(H) The acquisition, construction, improvement, or modification of any property,
15 real or personal, which shall be suitable for or used as or in connection with:

16 (i) Sports facilities, including private training and related office and other
17 facilities when authorized by the governing authority of the political subdivision
18 or municipal corporation in which the facility is to be constructed and maintained
19 if such sports facilities promote trade, commerce, industry, and employment
20 opportunities by hosting regional, state-wide, or national events;

21 (ii) Convention or trade show facilities;

22 (iii) Airports, docks, wharves, mass commuting facilities, parking facilities, or
23 storage or training facilities directly related to any of the foregoing;

24 (iv) Facilities for the local furnishing of electric energy or gas;

25 (v) Facilities for the furnishing of water, if available, on reasonable demand to
26 members of the general public; ~~and~~

27 (vi) Hotel and motel facilities for lodging which also may provide meals,
28 provided that such facilities are constructed in connection with and adjacent to

1 convention, sports, or trade show facilities. No project as defined by this division
 2 shall be exempt from any ad valorem taxation; and
 3 (vii) Amphitheaters with seating capacity exceeding 1,000 patrons and any
 4 facilities directly related to the operation of such amphitheaters, if such
 5 amphitheaters promote trade, commerce, industry, and employment opportunities
 6 by hosting regional, state-wide, or national events;~~>~~.

8 SECTION 2.

9 Said chapter is further amended by striking Code Section 36-62-7, relating to the
 10 prohibition of operation of projects by the authority or a political subdivision and the sale
 11 or lease of a project for operation, and inserting in lieu thereof the following:

12 ~~>~~36-62-7.

13 No project acquired under this chapter shall be operated by an authority or any
 14 municipal corporation, county, or other governmental subdivision. Such a project shall
 15 be leased or sold to, or managed by, one or more persons, firms, or private corporations.
 16 Any disposition of real property by an authority pursuant to paragraph (7) of Code
 17 Section 36-62-6 shall be made to one or more persons, firms, corporations, or
 18 governmental or public entities. If revenue bonds or other obligations are to be issued to
 19 pay all or part of the cost of the project, the project must be so leased or the contract for
 20 its sale or management must be entered into prior to or simultaneously with the
 21 issuance of the bonds or obligations; provided, however, that the acquisition and
 22 development of land by an authority as the site for an industrial park as provided in this
 23 chapter or the acquisition and development of land by an authority as the site for a
 24 sports facility or amphitheater in accordance with Code Section 36-62-2 and the
 25 operation of such a sports facility or amphitheater shall not be deemed to be the
 26 operation of a project and, notwithstanding anything in this chapter to the contrary, an
 27 authority shall not be required to enter into a lease of such a project or a contract for its
 28 sale or management as a condition to the issuance of bonds or other obligations of the
 29 authority to provide financing therefor. If sold, the purchase price may be paid at one
 30 time or in installments falling due over not more than 40 years from the date of transfer
 31 of possession. The lessee or purchaser shall be required to pay all costs of operating and
 32 maintaining the leased or purchased property and to pay rentals or installments in
 33 amounts sufficient to pay the principal of and
 34 the interest and premium, if any, on all of its bonds and other obligations as such
 35 principal and interest become due. If the project is managed, the management contract
 36 must contain a term not less than the final maturity date of any bonds or other
 37 obligations of the authority to provide financing for the managed project and must

1 provide that all costs of operating and maintaining the managed project, including all
2 management fees payable under the management contract, shall be paid solely from the
3 revenues of the managed project and from the proceeds of any bonds or other
4 obligations of the authority to provide financing for the managed project. Any such
5 management contract may contain provisions allowing the authority to terminate the
6 management contract, but if the authority exercises any right to terminate a
7 management contract, it must immediately enter into another management contract
8 meeting the requirements of this Code section.✕

9
10 **SECTION 3.**

11 All laws and parts of laws in conflict with this Act are repealed.

**A BILL TO BE ENTITLED
AN ACT**

03/27/03

To create the Recreation and Entertainment Authority of the City of Peachtree City, Georgia and to authorize such authority to acquire, own, operate, manage, construct, equip, maintain, modify, improve, expand, and operate sports, cultural, leisure and recreational facilities and areas of all kinds and descriptions, including, but not limited to, playgrounds, parks, amusement parks, hiking, camping, and picnicking areas and facilities, swimming and wading pools, lakes, ponds, marinas, tennis courts and facilities, handball courts, squash courts, racket ball courts, frontons, basketball courts, ice rinks, facilities for track and field events, rifle, archery, skeet, and trap ranges and facilities, athletic fields and courts, club houses, gymnasiums, museums, libraries, concert halls, theaters, amphitheaters, auditoriums, arenas, stadiums, grandstands, facilities for fairs, livestock shows, trade shows, exhibitions, and conventions, youth centers, senior citizen centers, recreation centers and other recreational buildings, golf courses, driving ranges, stables, hunting preserves, lodges and resorts, fishing lodges and resorts, boats, historic sites and attractions, and facilities for the recreation and accommodation of tourists, including hotels, motels, convention centers, conference centers, and restaurants and ancillary and related facilities and areas serving the foregoing or to be used in connection therewith, including, but not limited to, parking facilities, food and beverage service facilities, and retail and service facilities associated therewith and to acquire the necessary property therefore, both real and personal, and to lease or sell any or all of such facilities, including real property; to confer powers on the authority; to provide for the membership and for the appointment of members of the authority and for their removal from office; to provide for officers and employees of the authority; to authorize the authority to contract with others pertaining to such recreational facilities, to lease such facilities, either as lessor or lessee, to convey title to real property of the authority in fee simple, to convey title to personal property, and to do all things deemed necessary or convenient for the operation of such undertakings; to authorize the authority and other political subdivisions to enter into intergovernmental contracts pertaining to such facilities and areas, which contracts may obligate the authority or such other political subdivisions to make payment for the use or provision of such facilities and areas or for the provisions of services relating thereto, including but not limited to services pertaining to the acquisition, construction, equipping, maintenance, modification, improvement, expansion, or operation of such facilities or areas, for the term of such intergovernmental contract and to pledge to that purpose revenues derived from taxation; to authorize the authority to issue revenue bonds and other obligations of the authority to finance costs of such facilities and areas and to refund any such revenue bonds or other obligations, provided that such revenue bonds and other obligations of the authority shall not constitute a debt of Peachtree City or any other political subdivision, within the meaning of Article IX, Section V, Paragraph I of the state Constitution; to authorize the collection and pledging of the revenues and earnings of the authority for the payment of such bonds or other obligations and to secure the payment thereof; to define the rights of the holders of such bonds or other obligations; to make the revenue bonds and other obligations, the income therefrom, and the

property of the authority exempt from taxation and assessment; to provide for the validation of revenue bonds and supporting agreements pursuant to the provisions of Article 3 of Chapter 82 of Title 36 of the O.C.G.A., the "Revenue Bond Law"; to grant to the authority sovereign immunity; to fix the venue or jurisdiction of actions to which the authority shall be a party; to provide for construction of this Act; to provide for conveyance of property upon dissolution; to provide an effective date; to repeal conflicting laws; and for other purposes.

Section 1. Short title.

This act may be cited as the "Peachtree City Recreation and Entertainment Authority Act."

Section 2. Purpose of the authority; Findings.

(1) Without limiting the generality of any provisions of the act, the general purpose of the authority is declared to be that of acquiring, constructing, equipping, maintaining, improving, and operating of public recreational, entertainment, and leisure-related facilities, including, but not limited to the Frederick Brown, Jr. Amphitheater and the Peachtree City Tennis Center and the extensions and improvements of such facilities, acquiring the necessary property, both real and personal, and the lease and sale of any part or all such facilities, including real and personal property, so as to assure the efficient and proper development, maintenance, and operation of such public recreational, entertainment, and leisure-related facilities, to promote local commerce and tourism, and to coordinate the development and operation of such facilities with the economic development efforts of the Development Authority of Peachtree City, the Fayette County Development Authority, the City of Peachtree City, and other local and state governments deemed by the authority to be necessary, convenient, or desirable. In addition, the authority is to manage the Frederick Brown, Jr. Amphitheater and Peachtree City Tennis Center located in the city limits of Peachtree City for the purpose as set forth herein and any other public recreational, entertainment, and leisure-related facility on which both the authority and the City of Peachtree City mutually agree for the purpose as set forth herein.

(2) It is found, determined, and declared that:

(a) The availability of sports, leisure, cultural, tourism, hospitality, and recreational facilities and areas within Peachtree City is important to meet the recreational needs and for the general welfare and well-being of the residents of Peachtree City, Fayette County, and of the state and is important for the economic well-being of said city, Fayette County and of the state in that such facilities and areas create employment, attract tourists, and enhance the attractiveness of said City to companies seeking sites for new industrial and commercial facilities;

(b) Achieving the objectives described in paragraph (a) above constitutes the governmental mission of the authority created hereby, and said objectives can best be achieved by creating a Recreation and Entertainment authority, as contemplated by this Act, which is authorized to acquire, own, operate, manage, construct, equip, modify,

improve, expand, lease, sell, maintain, and finance such facilities and to promote and assist the acquisition, ownership, operation, management, construction, equipping, modification, improvement, expansion, maintaining, and financing of such facilities located within the City of Peachtree City and by private sector entities to raise, administer, and spend funds for that purpose, including revenues derived by the authority under intergovernmental contracts and from grants, and to issue revenue bonds and other obligations to finance the cost of such facilities; and

(3) The activities herein authorized to be undertaken and conducted by the authority serve a public purpose and are hereby declared to serve a purpose of Peachtree City, and a purpose of the state.

Section 3. Creation of authority, situs, tax exemption, sovereign immunity, Venue, and other matters.

(a) *Creation.* There is created a public body corporate and politic to be known as the "Recreation and Entertainment Authority of Peachtree City," which shall be deemed to be a political subdivision of the state, a body corporate and politic, and a public corporation of the state. By that name, style, and title, the authority may contract and be contracted with, sue and be sued, implead and be impleaded, complain and defend in courts of law and equity, and participate in mediation and arbitration proceedings. The authority shall not be a state institution nor a department or agency of the state but shall be an instrumentality of the state, a mere creation of the state, having a distinct corporate identity, and shall be exempt from the provisions of Article 2 of Chapter 17 of Title 50 of the O.C.G.A., the "Georgia State Financing and Investment Commission Act." The authority shall have perpetual existence.

(b) *Situs.* The authority shall have its principal office in Peachtree City, Georgia, and its legal situs, domicile, and residence for the purposes of this Act shall be the City of Peachtree City, Georgia.

(c) *Tax exemption.* The exercise of the powers conferred upon the authority in this Act shall constitute an essential governmental function for a public purpose. The properties of the authority and leasehold interests therein, whether such leasehold interest is a usufruct or an estate for years and whether or not the lease giving rise to such leasehold interest could be construed to be an installment sale agreement, both real and personal, and the income of the authority are declared to be public properties and income used for the benefit and welfare of the people of the City and not for the purpose of private or corporate benefit, and the authority, its income, its property, its revenue bonds, and other obligations and all interest and other income derived therefrom shall be exempt from all taxes and special assessments of the state or any city, county, or other political subdivision thereof. The authority and its property shall have all of the exemptions and exclusions from taxes as are now granted to cities and counties for the operation of properties or facilities similar to the properties and facilities to be owned or operated, or both, by the authority. For purposes hereof, property shall

be deemed to be "owned" by the authority if legal or equitable title is in the authority, even though security title thereto may be held by another person under a deed to secure debt and even though a third party may have the right, under the terms of a lease, option, or installment sale agreement, to acquire full ownership of such property.

(d) *Venue and other matters.* The authority may be sued the same as private corporations on any contractual obligation of the authority. Any action to protect or enforce any rights under the provisions of this Act or any suit or action against the authority shall be brought in the Superior Court of Fayette County, and any action pertaining to validation of any bonds issued under the provisions of this Act shall likewise be brought in such court which shall have exclusive, original jurisdiction of such actions. The property of the authority shall not be subject to levy and sale under legal process, provided that the authority may convey by deed to secure debt or deed absolute, mortgage, pledge, hypothecate, and grant a security interest in any of its property, real or personal, as security for its obligations and remedies provided for in any deed to secure debt, mortgage, indenture, pledge agreement, or security agreement executed by the authority shall be enforceable in accordance with the terms thereof. The records of the authority shall be public records which are subject to Article 4 of Chapter 18 of Title 50 of the O.C.G.A. Nothing in this Act shall be construed to abridge or change the powers and duties of other authorities, departments, boards, and like agencies of the City of Peachtree City, Georgia.

Section 4. Membership.

(1) The Peachtree City Recreation and Entertainment Authority shall be composed of seven (7) members, all of whom shall have the same qualifications as are required for a person to vote in a municipal election in Peachtree City, Georgia. Members shall be selected as follows:

(a) Two (2) members from the Development Authority of Peachtree City, to be nominated by said Authority and confirmed by the Mayor and Council of Peachtree City as said Mayor and Council deems appropriate, who shall serve for an initial term of three (3) years each beginning within thirty (30) days of the passage of this act; at the conclusion of the initial terms, said members may be replaced by any resident of the City qualified otherwise as set forth above;

(b) The Chairperson of the Peachtree City Recreation Commission who shall serve for an initial term of two (2) years beginning within thirty (30) days of the passage of this act; at the conclusion of the initial term, said member may be replaced by any resident of the City qualified otherwise as set forth above;

(c) Two (2) members, to be selected by the Mayor and Council of the City of Peachtree City, whom shall serve for an initial term of four (4) years beginning within thirty (30) days of the passage of this act;

(d) One (1) member from the Peachtree City Tennis Center Advisory Board, to be nominated by said Board and confirmed by the Mayor and Council of

Peachtree City as said Mayor and Council deems appropriate, who shall serve for an initial term of two (2) years beginning within thirty (30) days of the passage of this act; after this initial term, said member may be replaced by any resident of the City qualified otherwise as set forth above; and

(e) One (1) member from the Peachtree City Amphitheater Advisory Board, to be nominated by said Board and confirmed by the Mayor and Council of Peachtree City as said Mayor and Council deems appropriate, who shall serve for a period of two (2) years beginning within thirty (30) days of the passage of this act; after this initial term, said member may be replaced by any resident of the City qualified otherwise as set forth above.

(2) Except as provided in Section 6 of this Act, all subsequent appointments to those set forth in paragraph (1) of this section shall be made by the Mayor and Council of the City of Peachtree City and each shall be for a term of four (4) years and until their successors shall have been duly appointed.

Section 5. Meetings.

The authority shall hold their first regular meeting after the approval of this act, and the first regular meeting of each year thereafter shall be in January. The authority shall meet at such times as may be necessary to transact the business coming before it, but not less than quarterly. At its first meeting in January of each year thereafter, the authority shall elect one of its members as its chairman and another member as secretary-treasurer. Only one (1) person shall hold the office of secretary-treasurer. These officers shall be elected for a term ending on December 31st of the year in which they were elected or until their successors are elected and qualified. Four members of the authority shall constitute a quorum for the transaction of all business coming before it. The members of the authority shall serve without pay, except that they shall be reimbursed for actual expenses incurred in the performance of their duties.

Section 6. Vacancies in office.

In the event of a vacancy on the authority by reason of death, resignation or otherwise, the vacancy shall be filled by the Mayor and Council of Peachtree City for such member and the person so appointed shall serve for the remainder of the unexpired term; **provided, however, that with respect to those members appointed for initial terms from the Development Authority of Peachtree City, the Peachtree City Tennis Center Advisory Board, and the Peachtree City Amphitheater Advisory Board, in the event of a vacancy on the authority for the reasons set forth in this section, said Authority or Boards shall nominate from their respective members the person to serve for the remainder of the unexpired term, said person to be confirmed by the Mayor and Council of Peachtree City as said Mayor and Council deems appropriate**, and the Recreation Commission in such case shall appoint from its members a substitute member for its Chairmperson, subject to the qualifications for such initial term set forth in Section 4 of this Act.

Section 7. Definitions.

As used in this act, the following words and terms have the following meanings:

(a) The word *authority* shall mean the Peachtree City Recreation and Entertainment Authority as created by the provisions of this act.

(b) "Project" means and includes sports, cultural, leisure, and recreational facilities and areas of all kinds and descriptions, including, but not limited to, the Frederick Brown, Jr. Amphitheater and the Peachtree City Tennis Center, playgrounds, parks, amusement parks, hiking, camping, and picnicking areas and facilities, swimming and wading pools, lakes, ponds, marinas, tennis courts and facilities, handball courts, squash courts, racket ball courts, frontons, basketball courts, ice rinks, facilities for track and field events, rifle, archery, skeet, and trap ranges and facilities, athletic fields and courts, club houses, gymnasiums, museums, libraries, concert halls, theaters, amphitheaters, auditoriums, arenas, stadiums, grandstands, facilities for fairs, livestock shows, trade shows, exhibitions, and conventions, youth centers, senior citizen centers, recreation centers and other recreational buildings, golf courses, driving ranges, stables, hunting preserves, lodges and resorts, fishing lodges and resorts, boats, historic sites and attractions, and facilities for the recreation and accommodation of tourists and of visitors to and citizens of said city, including hotels, motels, convention centers, conference centers, and restaurants and ancillary and related facilities and areas serving the foregoing or to be used in connection therewith, including, but not limited to, offices, parking facilities, food and beverage service facilities, and retail and service facilities associated therewith.

(c) "Cost," when used with reference to any project, means and shall embrace and include all costs of acquisition, construction, equipping, modification, improvement, operation, and expansion of such project; all costs of financing or refinancing such project; and, during the period of the acquisition, construction, equipping, modification, improvement, or expansion of such project and for a period ending one year following the completion of the acquisition, construction, equipping, modification, improvement, or expansion of such project shall include interest on revenue bonds or other obligations issued to finance or refinance such project, startup costs, costs of maintaining and operating such project, and administrative and other costs relating to such project or relating to any revenue bonds or other obligations issued to finance or refinance such project, including, but not limited to: (i) costs of acquiring, leasing, constructing, fabricating, and installing real property, fixtures, furnishings, machinery, equipment, and other tangible and intangible personal property and interests, rights, easements, and franchises therein including, but not limited to, the cost of all conveyances and leases thereof to or by the authority and costs of labor, materials, supplies, equipment rental charges, premiums on performance and payment bonds, builder's risk and liability insurance, and other costs associated with the construction or fabrication of any project or any part thereof; (ii) costs of plans and specifications, engineering, architectural, and design services, soil testing and stabilization, land surveys, environmental studies, and other pre-construction expenses and expenses necessary or incident to determining the

feasibility or practicability of the project; (iii) costs of applying for and obtaining grants relating to any project; (iv) costs relating to the issuance of revenue bonds and other obligations to finance or refinance any such project and relating to any forward purchase contract or any option agreement relating to the future issuance by the authority of any revenue bonds or other obligations, including, but not limited to, any "points," commitment fee, or other fee charged by any lender, original issue discount, underwriter's discount, the fees and expenses of any securities depository, placement agents, financial advisers, attorneys, trustees, registrars, paying agents, remarketing agents, indexing agents, escrow agents, tender agents, or other agents and consultants for services relating to the financing or refinancing of such project; (v) costs relating to obtaining ratings and complying with applicable securities laws; (vi) costs of any bond insurance policy, letter of credit, surety bond, other financial guaranty, or other credit facility or liquidity facility relating to such revenue bonds or other obligations or the refunding thereof; (vii) costs of any hedge facility, including any currency swap, interest rate swap, interest rate cap, interest rate collar, or other financial product relating to such revenue bonds or other obligations; (viii) costs, in the case of the refinancing and refunding of previously issued revenue bonds or other obligations relating to any project, of any investment securities, guaranteed investment contract, forward purchase contract, and other financial products to be used to retire or defease such previously issued revenue bonds or other obligations; (ix) costs incurred during the period of the acquisition, construction, equipping, modification, improvement, or expansion of such project and for a period ending one year following the completion of the acquisition, construction, equipping, modification, improvement, or expansion of such project, for the payment of interest on the revenue bonds or other obligations issued to finance or refinance such project, startup costs of such project, costs of maintaining and operating such project, and administrative and other costs relating to such project or relating to any revenue bonds or other obligations issued to finance or refinance such project; and (x) any other costs relating to any project that would be classified as a "cost" of a "project" under the Revenue Bond Law. Any obligation or expense incurred for any of the foregoing purposes shall be regarded as a part of the cost of the project and may be paid or reimbursed as such out of the proceeds of revenue bonds or other obligations issued under the provisions of this Act with respect to such project.

(d) The terms *revenue bonds*, *bonds*, and *obligations*, as used in this act, shall mean revenue bonds as defined and provided for in the Revenue Bond Law (O.C.G.A. § 36-82-60 *et seq.*), as amended, and such type of obligations may be issued by the authority as authorized under said Revenue Bond Law and any amendments thereto, and in addition shall also mean obligations of the authority, the issuance of which are hereinafter authorized in this act.

(e) Any project shall be deemed *self-liquidating* if, in the judgment of the authority, the revenues and earnings to be derived by the authority therefrom and all properties used, leased, and sold in connection therewith will be sufficient to pay the cost of operating, maintaining and repairing, improving, and extending the project and to pay the principal and interest of the revenue bonds which may be issued to finance, in whole or in part, the cost of such project or projects.

Section 8. Powers.

The authority shall have powers to:

(a) Have a seal and alter the same at pleasure.

(b) Acquire by purchase, lease, or otherwise, and to hold, lease, and dispose of real and personal property of any kind and character for its corporate purposes.

(c) Acquire in its own name by purchase, on such terms and conditions and in such manner as it may deem proper, or by the exercise of the power and right of eminent domain, which is hereby granted, by condemnation in accordance with the provisions of any and all existing laws applicable to the condemnation of property for public use, real property or rights of easements therein or franchise necessary or convenient for its corporate purposes, and to use the same so long as its corporate existence shall continue to lease or make contract with respect to the use or disposition of the same in any manner it deems to the best advantage of the authority, the authority being under no obligation to accept and pay for any property condemned under this act except from the funds provided under the authority of this act, and in any proceeding to condemn, such orders may be made by the court having jurisdiction of the suit, action, or proceedings as may be just to the authority and to the owners of the property to be condemned, and no property shall be acquired under the provisions of this act upon which any lien or other encumbrance exists, unless, at the time such property is so acquired, a sufficient sum of money be deposited in trust to pay and redeem the fair value of such lien or encumbrance.

(d) Appoint, select, and employ officers, agents, and employees, including engineering, architectural and construction experts, fiscal agents and attorneys, and fix their respective compensations.

(e) Make contracts and leases and to execute all instruments necessary or convenient, including contracts for construction of projects or leases of projects which it causes to be erected or acquired, and any and all persons, firms, and corporations, and any and all political subdivisions, departments, institutions, or agencies of the state are authorized to enter into contracts, leases, or agreements with the authority upon such terms and for such purposes as they may deem advisable; the said authority is further granted the authority to make contracts and leases and to execute all instruments necessary or convenient with the United States government or any agency or department thereof concerning the projects of the authority, subject to the rights and interests of the holder of any of the bonds or obligations authorized to be issued hereunder, and by the resolution or trust indenture of the authority authorizing the issuance of any of its bonds or obligations as provided in section 22 of this act.

(f) Operate and manage any and all facilities owned by the authority, or any recreation or other facilities owned by the City of Peachtree City, under management agreements, or otherwise, specifically including without limitation the Frederick Brown,

Jr. Amphitheater and the Peachtree City Tennis Center; and exercise all powers and take all actions incidental thereto.

(g) Construct, erect, acquire, own, repair, remodel, maintain, add to, extend, improve, equip, operate, and manage projects, as hereinabove defined, the cost of any such project to be paid in whole or in part from the proceeds of revenue bonds or other funds of the authority or from such proceeds or other funds and any grant from the United States of America or any agency or instrumentality thereof.

(h) Accept loans and grants, or to accept loans or grants of money or materials or property of any kind from the United States of America or any agency, instrumentality, or political subdivision thereof from any other source, upon such terms and conditions as the United States of America or such agency, instrumentality, or other source may impose.

(i) Accept loans and grants, or to accept loans or grants of money or materials or property of any kind from the State of Georgia or any agency or instrumentality or political subdivision thereof or from any other source, upon such terms and conditions as the State of Georgia or such agency or instrumentality or political subdivision or any other source, may impose.

(j) Accept loans and grants, or to accept loans or grants of money or materials or property of any kind from the City of Peachtree City.

(k) Borrow money for any of its corporate purposes and to execute evidences of such indebtedness and to secure the same and to issue negotiable revenue bonds payable solely from funds pledged for that purpose, and to provide for the payment of the same and for the rights of the holders thereof.

(l) Exercise any power usually possessed by private corporations performing similar functions, which is not in conflict with the constitution and laws of this state or city.

(m) The authority and the trustee acting under the trust indenture are specifically authorized subject from time to time to sell, lease, grant, exchange, or otherwise dispose of any surplus property, both real or personal, or interest therein not required in the normal operation of and usable in the furtherance of the purpose for which the authority was created, except as such right and power may be limited as provided in section 22 herein.

(n) Do all things necessary or convenient to carry out the powers especially given in this act.

Section 9. Revenue bonds--Authority to issue.

The authority, or any authority or body which has or which may in the future succeed to the powers, duties, and liabilities vested in the authority created hereby,

shall have power and is hereby authorized, at one time or from time to time, to provide by resolution for the issuance of negotiable revenue bonds for the purpose of paying all or any part of the cost as herein defined of any one (1) or more projects. The principal and interest of such revenue bonds shall be payable solely from the special fund herein provided for such payment. The bonds of each issue shall be dated, shall mature at such time or times not exceeding forty (40) years from their date or dates, shall be payable in such medium of payment as to both principal and interest as may be determined by the authority, and may be redeemable before maturity, at the option of the authority, at such price or prices and under such terms and conditions as may be fixed by the authority in the resolution providing for the issuance of the bonds. The interest rate or rates to be borne by any bonds and the time of payment of such interest shall be fixed and, with respect to any interest rate which floats in response to a variable, the method of calculation shall be fixed by the authority in the resolution providing for the issuance of the bonds. Any bonds issued by the authority shall be exempt from all laws of the State of Georgia governing usury or prescribing or limiting interest rates to be borne by bonds or other obligations. Such revenue bonds or obligations shall be issued pursuant to and in conformity with the Revenue Bond Law (O.C.G.A. § 36-82-60 *et seq.*), as amended, and all procedures pertaining to such issuance and the conditions thereof shall be the same as those contained in said Revenue Bond Law and any amendments thereof.

Section 10. Same -- Form; denominations; registration; place of payment.

The authority shall determine the form of the bonds and the place or places of payment of principal thereto, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest thereof, which may be at any bank or trust company within or without the state. The bonds may be issued in coupon or registered form, or both, as the authority may determine, and provision may be made for the registration of any coupon bond as to principal alone and also as to both the principal and interest.

Section 11. Same--Signatures; seal.

In case any officer whose signature shall appear on any bonds or whose facsimile signature shall appear on any coupon shall cease to be such officer before the delivery of such bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. All such bonds shall be signed by the chairman of the authority and attested by the secretary-treasurer of the authority and the official seal of the authority shall be affixed thereto and any coupons attached thereto shall bear the facsimile signatures of the chairman and secretary-treasurer of the authority. Any bond may be signed, sealed, and attested on behalf of the authority by such persons as at the actual time of the execution of such bonds shall be duly authorized or hold the proper office, although at the date of delivery and payment of such bonds such persons may not have been so authorized or shall not have held such office.

Section 12. Same--Negotiability; exemption from taxation.

All revenue bonds issued under the provisions of this act shall have and are declared to have all the qualities and incidents of negotiable instruments under the negotiable instrument law of the state. Such bonds are declared to be issued for an essential public and governmental purpose and the said bonds, their transfer, and the income thereof shall be exempt from all taxation within the state.

Section 13. Same--Sale; price.

The authority may sell such bonds in such manner and for such price as it may determine to be for the best interest of the authority, but no such sale shall be made at a price less than par as provided in the Revenue Bond Law, unless said Revenue Bond Law be hereafter amended to permit the sale of such bonds at less than par.

Section 14. Same--Proceeds of bonds.

The proceeds of such bonds shall be used solely for the payment of the cost of the project or projects, and unless otherwise provided in the resolution authorizing the issuance of the bonds or in the trust indenture, additional bonds may in like manner be issued to provide the amount of any deficit for the cost of the project or projects, which unless otherwise provided in the resolution authorizing the issuance of the bonds or in the trust indenture, shall be deemed to be of the same issue and shall be entitled to payment from the same fund without preference or priority of the bonds first issued for the same purposes. If the proceeds of the bonds of any issue shall exceed the amount required for the purpose for which such bonds are issued, the surplus shall be paid into a sinking fund or used for additional construction as may be provided in the resolution authorizing the issuance of the bonds or in the trust indenture.

Section 15. Same--Interim receipts and certificates of temporary bonds.

Prior to the preparation of definitive bonds, the authority may, under like restrictions, issue interim receipts, interim certificates or temporary bonds, with or without coupons exchangeable for definitive bonds upon the issuance of the latter.

Section 16. Same--Replacement of lost or mutilated bonds.

The authority may also provide for the replacement of any bond which shall become mutilated or be destroyed or lost.

Section 17. Same--Conditions precedent to issuance; object of issuance.

Such revenue bonds may be issued without any other proceedings or the happening of any other conditions or things than those proceedings, conditions, and things which are specified or required by this act. In the discretion of the authority,

revenue bonds of a single issue may be issued for the purpose of any particular project. Any resolution providing for the issuance of revenue bonds under the provisions of this act shall become effective immediately upon its passage and need not be published or posted, and any such resolution may be passed at any regular or special or adjourned meeting of the authority by a majority of the quorum as in this act provided.

Section 18. Same--Credit not pledged.

Revenue bonds issued under the provisions of this act shall not be deemed to constitute a debt of the City of Peachtree City, but such bonds shall be payable solely from the fund hereinafter provided for, and the issuance of such revenue bonds shall not directly, indirectly, or contingently obligate the City of Peachtree City to levy or to pledge any form of taxation whatever therefore or to make any appropriation for the payment, and all such bonds shall contain recitals on their face covering substantially the foregoing provisions of this section.

Section 19. Same--Trust indenture as security.

In the discretion of the authority, any issue of such revenue bonds may be secured by a trust indenture by and between the authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the state. Such trust indenture may pledge or assign fees, tolls, revenues, and earnings to be received by the authority, including the proceeds derived from the sale from time to time of any surplus property of the authority, both real and personal. Either the resolution providing for the issuance of revenue bonds or such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority in relation to the acquisition of property, the construction of the project, the maintenance, operation, repair, and insurance of the property, and the custody, safeguarding, and application of all moneys, including the proceeds derived from the sale of property of the authority, both real and personal, and may also provide that any project shall be constructed and paid for under the supervision and approval of consulting engineers or architects employed or designated by the authority, and satisfactory to the original purchasers of the bonds issued therefore, and may also require that the security given by contractors and by any depository of the proceeds of the bonds or revenues or other moneys be satisfactory to such purchasers, and may also contain provisions concerning the conditions, if any, upon which additional revenue bonds may be issued. It shall be lawful for any bond or trust company incorporated under the laws of the state to act as such depository and to furnish such indemnifying bonds or pledge such securities as may be required by the authority. Such indenture may set forth the rights and remedies of the bondholders and of the trustee, and may restrict the individual right of action of bondholders as is customary in trust indentures securing bonds and debentures of corporations. In addition to the foregoing, such trust indenture may contain such other provisions as the authority may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out such trust indenture may be treated as a part of the cost of maintenance, operation, and repair of the project affected by such indenture.

Section 20. Same -- To whom proceeds of bonds shall be paid.

The authority shall, in the resolution providing for the issuance of revenue bonds or in trust indenture, provide for the payment of the proceeds of the sale of the bonds to any officer or person who, or any agency, bank, or trust company which, shall act as trustee of such funds and shall hold and apply the same to the purposes hereof, subject to such regulations as this act and such resolutions or trust indenture may provide.

Section 21. Same -- Sinking fund.

The revenues, fees, tolls, and earnings derived from any particular project or projects, regardless of whether or not such fees, earnings, and revenues were produced by a particular project for which bonds have been issued and any moneys derived from the sale of any properties, both real and personal of the authority, unless otherwise pledged and allocated, may be pledged and allocated by the authority to the payment of the principal and interest on revenue bonds of the authority as the resolution authorizing the issuance of the bonds or in the trust instrument may provide, and such funds so pledged, from whatever source received, which said pledge may include funds received from one (1) or more or all sources, shall be set aside at regular intervals as may be provided in the resolution or trust indenture, into a sinking fund which said sinking fund shall be pledged to and charged with the payments of:

- (1) The interest upon such revenue bonds as such interest shall fall due;
- (2) The principal of the bonds as the same shall fall due;
- (3) Any premium upon bonds acquired by redemption, payment or otherwise;
- (4) The necessary charges of paying agent or agents for paying interest and principal; and
- (5) Any premium upon bonds retired by call or purchase as hereinabove provided.

The use and disposition of such sinking fund shall be subject to such regulations as may be provided in the resolution authorizing the issuance of the revenue bonds or in the trust indenture, but, except as may otherwise be provided in such resolution or trust indenture, such sinking fund shall be a fund for the benefit of all revenue bonds without distinction or priority of one over another. Subject to the provisions of the resolution authorizing the issuance of the bonds, or in the trust indenture, surplus moneys in the sinking fund may be applied to the purchase or redemption of bonds and any such bonds so purchased or redeemed shall forthwith be canceled and shall not again be issued.

Section 22. Same--Remedies of bondholders.

Any holder of revenue bonds issued under the provisions of this act or any of the coupons appertaining thereto, and the trustee under the trust indenture, if any, except to the extent the rights herein given may be restricted by resolution passed before the issuance of the bonds or by the trust indenture, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any and all rights under the laws of the State of Georgia or granted hereunder or under such resolution or trust indenture, and may enforce and compel performance of all duties required by this act or by such resolution or trust indenture, to be performed by the authority, or any officer thereof, including the fixing, charging, and collecting of revenues, fees, tolls, and other charges for the use of the facilities and services furnished.

Section 23. Same--Refunding bonds.

The authority is authorized to provide by resolution for the issue of revenue bonds of the authority for the purpose of refunding any revenue bonds issued under the provisions of this act and then outstanding, together with accrued interest thereon. The issuance of such revenue refunding bonds, the maturities and all other details thereof, the rights of the holders thereof, and the duties of the authority in respect to the same, shall be governed by the foregoing provisions of this act insofar as the same may be applicable.

Section 24. Same--Validation.

Bonds of the authority shall be confirmed and validated in accordance with the procedure of said Revenue Bond Law. The petition for validation shall also make party defendant to such action any municipality, county, authority, subdivision, or instrumentality of the State of Georgia or the United States government or any department or agency of the United States government, if subject to be sued, which has contracted with the authority for the services and facilities of the project for which bonds are to be issued and sought to be validated and such municipality, county, authority, subdivision, or instrumentality, shall be required to show cause, if any, why such contract or contracts and the terms and conditions thereof should not be inquired into by the court and the validity of the terms thereof be determined and the contract or contracts adjudicated as security for the payment of any such bonds of the authority. The bonds when validated, and the judgment of validation, shall be final and conclusive with respect to such bonds, against the authority issuing the same, and any municipality, county, authority, subdivision, or instrumentality of the United States government, if a party to the validation proceedings, contracting with the said Peachtree City Recreation and Entertainment Authority.

Section 25. Same--Venue and jurisdiction.

Any action to protect or enforce any rights under the provisions of this act or any suit or action against such authority, shall be brought in the superior court of Fayette County, Georgia, and any action pertaining to validation of any bonds issued under the provisions of this act shall likewise be brought in said court which shall have exclusive, original jurisdiction of such actions.

Section 26. Same--Interest of bondholders protected.

While any of the bonds issued by the authority remain outstanding, the powers, duties, or existence of said authority or of its officers, employees, or agents shall not be diminished or impaired in any manner that will affect adversely the interest and rights of the holders of such bonds, and no other entity, department, agency, or authority will be created which will compete with the authority to such an extent as to affect adversely the interest and rights of the holders of such bonds, and upon the issuance of such bonds, the provisions hereof shall constitute a contract with the holders of such bonds.

Section 27. Moneys received considered trust funds.

All moneys received pursuant to the authority of this act, whether as proceeds from the sale of revenue bonds, as grants or other contributions, or as revenues, income, fees, and earnings, shall be deemed to be trust funds to be held and applied solely as provided in this act.

Section 28. Rates, charges, and revenues; use.

The authority is authorized to prescribe and fix and collect rates, fees, tolls, and charges, and to revise from time to time and collect such rates, fees, tolls, and charges for the services, facilities, or commodities furnished, including leases, concessions, or subleases of its lands or facilities, and in anticipation of the collection of the revenues and income of such undertakings or projects, is authorized to issue revenue bonds as herein provided to finance in whole or in part, the cost of such project or projects, and to pledge to the punctual payment of said bonds and interest thereon, all or any part of the revenues and income of such undertakings or projects.

Section 29. Tax-exempt status of authority.

The properties of the authority, both real and personal, are declared to be public properties used for the benefit and welfare of the people of the State of Georgia and not for purposes of private or corporate benefit and income, and such properties and the authority shall be exempt from all taxes and special assessments of any city, county, or the state or any political subdivision thereof.

Section 30. Powers declared supplemental and additional.

The foregoing sections of this act shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of any powers now existing.

Section 31. Liberal construction of act.

This act being for the purpose of promoting the health, morals, and general welfare of the citizens of the United States, of the State of Georgia, and Peachtree City, shall be liberally construed to effect the purposes hereof.

Section 32. Effect of partial invalidity of act.

The provisions of this act are severable, and if any of its provisions shall be held unconstitutional by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions.

Section 33. Effective date.

This act shall become effective upon its approval by the governor or upon its becoming law without his approval.

Section 34. Repealer.

All laws and parts of laws in conflict with this act are repealed.

CITY OF PEACHTREE CITY
STATE OF GEORGIA

RESOLUTION No.

A RESOLUTION TO EXPRESS SUPPORT FOR AMENDING THE DEVELOPMENT AUTHORITIES LAW, O.C.G.A. § 36-62-1 ET SEQ. AND DECLARE THE NEED FOR A RECREATION AND ENTERTAINMENT AUTHORITY TO FUNCTION IN PEACHTREE CITY, GEORGIA IN THE EVENT THAT THE DEVELOPMENT AUTHORITIES LAW IS NOT SO AMENDED; TO APPROVE THE PROPOSED LEGISLATION TO BE INTRODUCED IN THE GENERAL ASSEMBLY OF THE STATE OF GEORGIA SO AS TO CREATE SAID AUTHORITY IN THE EVENT THAT THE DEVELOPMENT AUTHORITIES LAW IS NOT AMENDED; TO REPEAL CONFLICTING LAWS AND RESOLUTIONS; AND FOR OTHER PURPOSES.

WHEREAS, the City of Peachtree City, Fayette County, Georgia, was duly incorporated by an act appearing at 1959 Ga. Laws, p. 2049, as amended by Ordinance No. 770, adopted September 6, 2001, et. seq.; and

WHEREAS, providing recreation and entertainment opportunities for the Citizens of the City of Peachtree City is an important function of the City for the health, safety, and welfare of the citizens of the City of Peachtree City; and

WHEREAS, the Development Authority of Peachtree City (hereinafter "DAPTC") has promoted trade, commerce, industry and employment opportunities in the City and has also operated the Peachtree City Tennis Center and Frederick Brown, Jr. Amphitheater; and

WHEREAS, after review and study it appears to be in the best interest of the citizens of the City of Peachtree City to clarify the Development Authorities Law, O.C.G.A. § 36-62-1 et seq. with respect to the continued operation of the Peachtree City Tennis Center and Frederick Brown, Jr. Amphitheater by the DAPTC; and

WHEREAS, should the proposed amendment to the Development Authorities Law, O.C.G.A. § 36-62-1 et seq. not be approved or go forward during the 2003 session of the General Assembly of the State of Georgia, it appears to be in the best interest of the citizens of the City of Peachtree City to create a Recreation and Entertainment Authority to provide for recreation and entertainment opportunities for the citizens of Peachtree City and for other purposes.

THEREFORE, BE IT RESOLVED that the members of the Peachtree City Council do hereby encourage and support the members of the General Assembly to pass legislation to amend the Development Authorities Law, O.C.G.A. § 36-62-1 et seq. as set forth on Exhibit "A" attached hereto, or as modified.

BE IT FURTHER RESOLVED, that in the event that the legislation to amend the Development Authorities Law as set forth on Exhibit "A" or as modified, is not approved or does not go forward during the 2003 session of the General Assembly of the State of Georgia, the proposed legislation attached hereto as Exhibit "B," to create a Recreation and Entertainment Authority of the City of Peachtree City, Georgia, is hereby approved and is to be presented to the Fayette County Delegation of the General Assembly of the State of Georgia so as to create said Authority in the form attached hereto and made a part hereof ; and

BE IT FURTHER RESOLVED, that in the event that the legislation to amend the Development Authorities Law as set forth on Exhibit "A" or as modified, is not approved or does not go forward during the 2003 session of the General Assembly of the State of Georgia, the Fayette County Delegation of the General Assembly of the State of Georgia be and is hereby authorized to introduce legislation in the General

Assembly of the State of Georgia to provide for the creation of the City of Peachtree City, Recreation and Entertainment Authority, in accordance with applicable State law.

BE IT FURTHER RESOLVED, that in the event that the legislation to amend the Development Authorities Law as set forth on Exhibit "A" or as modified, is not approved or does not go forward during the 2003 session of the General Assembly of the State of Georgia, the Mayor shall be authorized to execute any and all documents necessary to accomplish the enactment of the Recreation and Entertainment Authority for the City of Peachtree City; and be it further resolved that a member of the Fayette County Delegation of the General Assembly of the State of Georgia, to be selected by said Delegation, shall be authorized to advertise said intention to introduce legislation to create the City of Peachtree City Recreation and Entertainment Authority; and be it further resolved that the City Manager, the City Attorney, and their designees shall be authorized to work with the duly elected Representatives to accomplish this purpose.

IT IS SO RESOLVED, this _____ day of March, 2003.

ATTEST:

Jane Miller, City Clerk

Steve Brown, Mayor

Dan Tennant, Mayor Pro-Tem

Annie W. McMenamin, Council-member

Steve Rapson, Council-member

Murray Weed, Council-member

CLERK'S CERTIFICATION

I, JANE MILLER, City Clerk of the City of Peachtree City, do hereby certify that I am the keeper of the seal, minutes, and records of said City; that the attached is a true, correct, and exact copy of the original Resolution Number _____ as the same appears on record in the office of the City Clerk of the City of Peachtree City, Georgia; adopted March 29, 2003.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the corporate seal of the City this the ____ day of _____, 2003.

Jane Miller, City Clerk
City of Peachtree City, Georgia