

**WORK SESSION**  
**MARCH 9, 2026**  
**5:00 P.M.**

The Town of Pine Mountain held a work session on Monday, March 9, 2026, at 5:00 P.M. in the Town Hall.

**OVERVIEW HOTEL MOTEL TAX INFORMATION**

Mr. Austin Gibson, Town Attorney, discussed with Mayor and Council the hotel motel tax information concerning Callaway Gardens MOU.

Pine Mountain's original hotel motel tax was 3% in 1991. Before 2005, Callaway's overnight room rentals were the Mountain Creek Inn, Cabins, and Villas. The Lodge & Spa had not been built. In addition to Callaway's room the Town collected HMT from Davis Inn, White Columns, Day's Inn, Fireside Inn, and Chipley Murrah House. After August 1, 2025, there was a two percent (2%) increase resulting in a current five percent tax (5%) imposed upon the furnishing to the public for value of rooms, lodgings or accommodations with the Town. In 2005, the Lodge and Spa was opened.

At the request of the Town, the Development Authority of Harris County issued \$6,990,000 in aggregate principal amount of Development Authority of Harris County Taxable Revenue Bonds Series 2007 pursuant to Trust Indenture dated as December 1, 2007, between the Authority and Wells Fargo National Bank Association as trustee. Harris County Development Authority agrees to let Pine Mountain Hotel Motel Tax revenue flow to Wells Fargo for distribution. As of the date this MOU was executed, Hotel Motel Tax revenue was collected at 5%.

The parties desire to increase the Current Five Percent Tax by three percent (3%) to eight percent (8%) and to set forth the understanding of the parties regarding the use of such increased tax revenues. The increase will be distributed as specified in the MOU.

O.C.G.A. 40-13-51(b) provides for an increase in hotel motel tax from five percent (5%) to eight percent (8%). The parties to this memorandum have sought special dispensation from the General Assembly of Georgia to apply the tax proceeds resulting from the increase to eight percent (8%) in the manner required by the Indenture as long as the Bonds are outstanding.

In consideration of the mutual covenants contained herein, the Town, Association and Callaway agree in the principal as follows:

1 The Town upon authorization by the Georgia General Assembly will impose an eight percent tax (8%) on the rental of rooms, lodgings or accommodations in the Town as authorized by the Hotel Motel Tax Act, and specifically O.C.G.A. Sections 48-13-51(b) and 48-13-55. The net revenues from taxes collected under the tax imposed by the Town set forth above shall be used as set forth in Section 2 and 3 below, except that to cover administrative expenses the Town shall, to the extent permitted by the Hotel Motel Tax Act, retain the greater of six percent (6%) of the gross tax collected or \$50,000 annually. The Town agrees to use such amounts for the purpose of promoting, attracting, stimulating and developing conventions and tourism in the Pine Mountain area in accordance with the Hotel Motel Tax Act.

2 All net revenues from the Previous Three Percent Tax collected from rooms, lodging, or accommodations in the Town which existed prior to August 1, 2005, and from the Three Percent Tax collected from rooms, lodgings or accommodations in the Town but also located outside Callaway Gardens which are placed in service after August 1, 2005, shall be paid by the Town to the Associations to be used for purposes of promoting, attracting, stimulating and developing conventions and tourism in the Pine Mountain area as set forth in a contract or contracts entered

into periodically between the Town and the Association and consented to by Callaway as required under O.C.G.A. 48-13-55.1.

**3 All net revenues from**

- (i) the 2005 two percent increase collected from rooms, lodging or accommodation whether or not located within Callaway Gardens and
- (ii) all net revenues from the previous three percent tax collected from rooms, lodging or accommodations in the Town and also located within Callaway Gardens were placed into service after August 1, 2005, and
- (iii) all taxes collected from the proposed three percent tax increase shall be used as follows, listed in order of priority:
  - (a) First, at the direction of Callaway, such amounts shall be paid to the Harris Development Authority to pay debt service on revenue bonds issued by the Harris County Development Authority to provide infrastructure improvements for the benefit of Callaway or a functionally related business of Callaway which has the effect of promoting, attracting, simulating and developing conventions and tourism in the Pine Mountain area. The parties hereto acknowledge that such revenue bonds may be issued in multiple series in one or more years and that the amounts set for in this Section 3(a) shall be available in the future for each such issue of revenue bonds issued for the purposes set forth in the previous sentence. Following transfer of any net revenues under this Section 3 from the Town to Harris Development Authority, the Town shall have no responsibility or liability for monitoring the use of such funds.
  - (b) Second, all remaining amounts shall be paid to Callaway to be used by Callaway solely for the specific purpose of promoting, attracting, stimulating and developing conventions and tourism in the Pine Mountain area including, but not limited to, infrastructure projects which Callaway and any functionally related business in their reasonable discretion deem necessary to promote, attract, stimulate and develop conventions in the Pine Mountain area. The use of amounts pursuant to Section 3(b) shall be set forth in writing by Callaway and consented to by the Association and Town on an annual basis. The Association and Town each individually agree that it shall not unreasonably withhold such consent required hereby.
  - (c) Notwithstanding the above and foregoing, when the Bonds are retired, all proceeds from the hotel motel tax levied by the Town shall be used and expended with the mutual agreement and consent of the Town, the Association and Callaway on an annual basis or subject to an amended MOU agreed upon by the parties and in accordance with the distribution requirements of Georgia law then in effect, including without limitation O.C.G.A. 48-13-51(b)(5).

**4** The parties hereto acknowledge that the terms of this memorandum shall be set forth in draft legislation amending the Act in a mutually agreed manner which is satisfactory to the General Assembly of the State of Georgia for adoption at the next legislative session of the General Assembly. Callaway shall be solely responsible for all presentations to the General Assembly necessary to effectuate the legislation; provided, however, the Town and Association shall provide reasonable support and assistance upon the request of Callaway.

5 In consideration for the Twon's support relating to the use of the revenue collected from the 2005 two percent increase, the previous three percent tax on new accommodations located within Callaway Gardens for the purpose set forth in Section 3 above, and the proposed three percent tax, Callaway agrees that the only services to be provided by the Town within Callaway Gardens shall be police and fire protection services as are currently provided within Callaway Gardens as of the date hereof. All other services typically provided by the municipality to its citizens and visitors to the area shall be provided by, or cause to provide by (through homeowner's association or otherwise,

Callaway, including but not limited to

- (i) garbage collection and disposal services,
- (ii) maintenance and repairs relating to all existing or new street lights.
- (iii) maintenance and repairs relating to all existing or new roads located or to be located within Callaway Gardens and
- (iv) security services for Callaway Gardens similar to the security services currently being provided by Callaway within Callaway Gardens.

6 Notwithstanding anything contained herein to the contrary, if in any calendar year, the gross revenues from the previous three percent tax collected from rooms, lodgings or accommodations in the Town which existed prior to August 1, 2005, does not equal or exceed \$400,000 for calendar year, Callaway shall pay the amount of such deficiency to the Town and the Association so that the Town receives the amounts to be retained by the Town pursuant to Section 1 hereof and the Association receives the amounts to be paid to the Association pursuant to Section 2 hereof based on tax collections in the amount equal to \$400,000 relating to the previous three percent tax collected on rooms, lodgings or accommodations in the Town which existed prior to August 1, 2005

7 For purposes of this Memorandum the term "Callaway Gardens" shall mean that real property that is owned or leased by Callaway within the territorial boundaries of the Town.

8 Callaway shall defend and indemnify the Town and save it harmless from all loss by damages, settlements, costs and reasonable attorney's fees on account of any action or claim against the Town arising out of Callaway's projects and activities relation to this Memorandum; provided, however, that to be entitled to indemnification the Town must give Callaway prompt notice of any action or claim against the Town that the Town asserts is covered by this provision; and provided further that the Town agrees to authorize Callaway to defend the Town's name and on its behalf any action or claim brought or made against the Town, and provided further that neither the Twon nor Callaway will settle or compromise any such action or claim without the other's written consent.

9 Association shall defend and indemnify the Town and save it harmless from all loss by damages, settlements, costs and reasonable attorney's fee on account of any action or claim against the Town arising out of Association's projects and activities relation to this Memorandum, provided, however, that to be entitled to indemnification the Town must give Association prompt notice of any action or claim against the Town that the Town asserts is covered by this provision, and provided further that the Town agrees to authorize Association to defend in the Town's name and on its behalf any action or claim brought or made against the Town; and provided further that neither the Town nor Association will settle or compromise any such action or claim without the other's written consent.

10 The Association and Callaway shall keep reasonable books and records documenting the use of all net tax revenues received under this Memorandum, which books and shall be open to inspection by the Town upon its request.

11 The Town, Association and Callaway each agree to execute and deliver such documents, agreements and instruments and to take such further action as may be necessary to affect the purposes of this Memorandum.

12 In event of a conflict between the terms of the Memorandum and Existing MOU, the terms of this Memorandum shall control.

Austin requested the mayor and council send him questions so he could be prepared for the meeting.

Mr. Pound's questions

1 Apparently Callaway negotiated a new deal with MOU 2 because they wanted a larger cut, does the Town and PMTA have the right to renegotiate this agreement?

2 Callaway has threatened to not refile with DNR if they did that would they have the obligation to pay off the balance of the bond?

3 MOU 2 was done between the Callaway Foundation, PMTA and the Town. Does Herschend, a privately-owned for-profit corporation have the right to assume this benefit without the Town's and PMTA consent?

Mayor Mullins' questions

1 How does the Town renegotiate the MOU to have more favorable terms for the town and PMTA

2 Add an end date (is that MOU legally binding with no end date?)

3 Is it legal for Herschend to take over the bond, contract MOU...or should all that be renegotiated?

Mrs. Keating's questions

1 Can the DNR revoke its permission for Pine Mountain to tax the Ida Cason Foundation (a charitable foundation) without cause?

2 What would be the best way to request an audit of Callaway's history of use of HMT?

3 Can we verify who owns these entities?

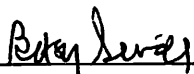
The end date is until the end date of the payment of the debt or 50 years.

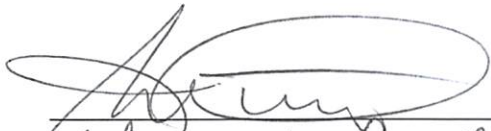
Mayor Mullins requested that Mr. Gibson get an account from the trustee-we need to know the balance.

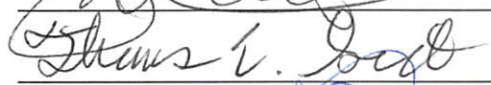
DNR is no longer required.

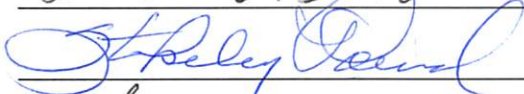
The work session ended at 5:47 P.M.


See attached of those attending.

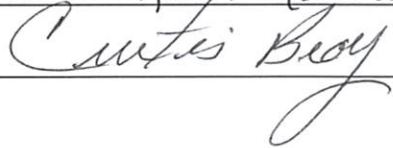
  
\_\_\_\_\_  
Betsy Sivell  
Town Clerk

  
\_\_\_\_\_, James W. Trott, Jr.

  
\_\_\_\_\_, Thomas E. Scott

  
\_\_\_\_\_, Stokeley Pound

  
\_\_\_\_\_, Frankie Mabry

  
\_\_\_\_\_, Curtis Bray