

Bond Case Briefs

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CONTRACTS - GEORGIA

Fairgreen Capital, LLC v. City of Canton

Court of Appeals of Georgia - January 26, 2016 - S.E.2d - 2016 WL 301160

Developer brought breach of contract action against city seeking payment of funds that developer advanced to city under written agreement governing construction of public road on city property benefiting developer's development. The trial court granted summary judgment in favor of city. Developer appealed.

The Court of Appeals held that:

- Contract that created debt required voter approval and, thus, was void as matter of law, and
- Trial court was not permitted to grant summary judgment on issue not raised in summary judgment motion.

Debt city owed developer for funds advanced to city under a written agreement governing construction of a public road on city property benefiting a development constituted a new debt obligation that extended beyond single fiscal year and required voter approval, and therefore, in absence of voter approval, contract creating debt was void and unenforceable as a matter of law. Agreement clearly arranged loan from developer to city for funds necessary to construct road on city property and created debt which city was obligated to repay regardless of whether city had sufficient impact fees to reimburse developer.