

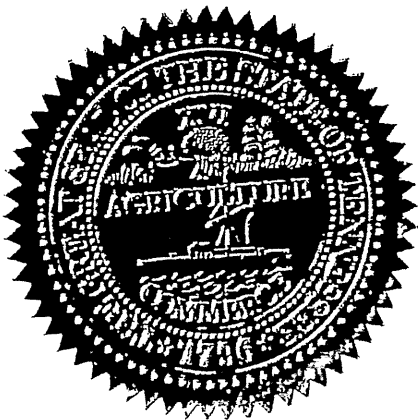
State of Tennessee



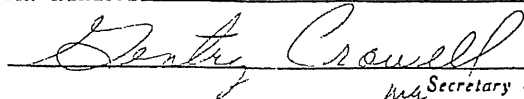
Department of State

I, GENTRY CROWELL, Secretary of State of the State of Tennessee, do hereby certify that the annexed is a true and correct copy of the Charter of

JOHNSON CITY DOWNTOWN DEVELOPMENT AUTHORITY
which was filed in this office on January 16, 1986.



IN WITNESS WHEREOF, I have hereto affixed my signature
and the Great Seal of the State, at Nashville, this 16th
day of January in the year of our Lord
nineteen hundred eighty-six


Secretary of State

FILED
SECRETARY OF STATE
ARTICLES OF INCORPORATION OF
1986 JAN 16 AM 10:01
JOHNSON CITY DOWNTOWN DEVELOPMENT AUTHORITY

Pursuant to Chapter 52, 1985 Tennessee Private Acts ("the Act" hereinafter), the undersigned, acting as incorporators of the Johnson City Downtown Development Authority ("the Authority" hereinafter), under the Tennessee General Corporation Act, Tennessee Code Annotated Sec. 48-1-101 et seq., adopt the following Articles of Incorporation for such Authority:

First: The name of the Authority is Johnson City Downtown Development Authority.

Second: The period of its duration is perpetual, except that the Authority may be dissolved by the Board of Commissioners of the City of Johnson City in the same manner provided for its approval at Article III of the Act, except that the dissolution may be passed by a majority vote of the Commissioners, a quorum being present. Dissolution may be certified by the Recorder of the City of Johnson City to the Secretary of State of the State of Tennessee, but this certification shall not be a condition precedent to dissolution of the Authority.

Third: The purposes for which the Authority is organized are as provided at Article I, Sec. 100-3 of the Act.

Fourth: Provisions for the regulation of the internal affairs of the Authority are as expressed in the Act.

Fifth: The address of the initial registered agent of the Authority is P.O. Box 2150, Municipal Safety Building, Johnson City, Tennessee 37601, and the name of its initial registered agent at such address is John G. Campbell, City Manager.

Sixth: The number of Commissioners constituting the initial Commissioners of the Authority is seven, and the names and addresses of the persons who are to serve as Commissioners until their successors are elected and shall qualify are as follows:

Howell Sherrod, Chairman
249 East Main Street
Johnson City, Tennessee 37601

James S. Roach, Mayor and Representative of the Board
of Commissioners of Johnson City
130 East Market Street
Johnson City, Tennessee 37601

Carl A. Jones
c/o Johnson City Press
P.O. Box 1717
Johnson City, Tennessee 37601

Joe A. Lusk
P. O. Box 1909

FILED
SECRETARY OF STATE

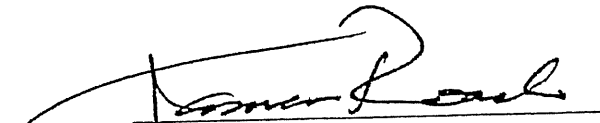
Stanley Keebler
P.O. Box 1222
Johnson City, Tennessee 37605

Ramon Sanchez-Vinas
253 East Main Street
Johnson City, Tennessee 37601

Janelle Bowman
121 Fountain Square
Johnson City, Tennessee 37601

Seven: The incorporator of the Authority is the Board of Commissioners of the City of Johnson City, which approved the Act on May 16, 1985, as provided for in Article III of the Act, and as certified by the Mayor of Johnson City by certificate attached hereto.

1/13/86
DATE


MAYOR JAMES ROACH
COMMISSIONER
CITY OF JOHNSON CITY

CERTIFICATE OF MAYOR OF CITY OF JOHNSON CITY AS TO
APPROVAL OF JOHNSON CITY DOWNTOWN DEVELOPMENT AUTHORITY

COUNTY OF WASHINGTON
STATE OF TENNESSEE

I, JAMES ROACH, Mayor and Commissioner of the Board of Commissioners of the City of Johnson City, do hereby certify as follows:

I.

I am a duly elected Commissioner, and Mayor of the Board of Commissioners, of Johnson City, Tennessee.

II.

As Mayor of the City of Johnson City, Tennessee, I am presiding officer of the Board of Commissioners of the City of Johnson City, as provided for in the Charter and Code of Ordinances of the City of Johnson City, Tennessee.

III.

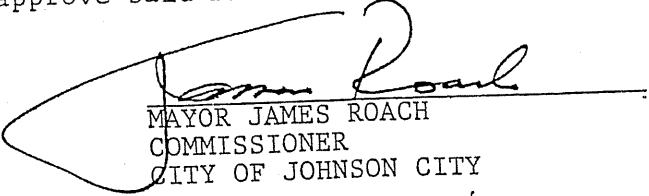
On May 16, 1985 the Board of Commissioners of the City of Johnson City met in regular session with all five Commissioners being present.

IV.

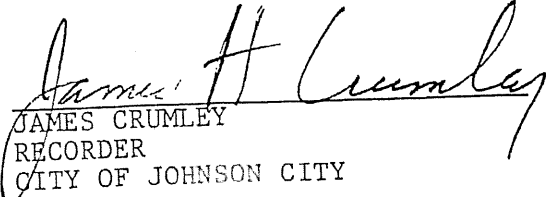
At such regular session of the Board of Commissioners, Chapter 52, 1985 Tennessee Private Acts was approved by the Board of Commissioners, with all five Commissioners voting in favor and none opposed.

V.

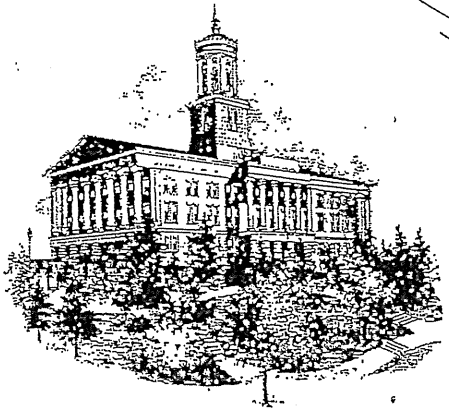
At the next regular session of the Board of Commissioners of the City of Johnson City, on June 6, 1985, the minutes of the previous meeting were approved by the Commissioners with five Commissioners being present, none absent, and all five Commissioners voting to approve said minutes.


MAYOR JAMES ROACH
COMMISSIONER
CITY OF JOHNSON CITY

SWORN TO AND SUBSCRIBED before me this 13th
day of JANUARY, 1986.


JAMES CRUMLEY
RECORDER
CITY OF JOHNSON CITY

State of Tennessee



Department of State

To all to whom these Presents shall come, Greeting:
I, Gentry Crowell, Secretary of State of the
State of Tennessee, do hereby certify that the annexed is a true copy of

PRIVATE CHAPTER NO. 52

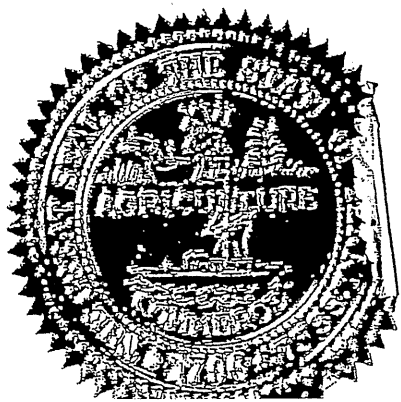
HOUSE BILL NO. 1073

PRIVATE ACTS OF 1985

(with amendments included from Private Chapter No. 96,
House Bill No. 1528 - Private Acts of 1989)

the original of which is now on file and a matter of record in this office.

In Testimony Whereof, I have hereunto
subscribed my Official Signature and by order of the Governor affixed the
Great Seal of the State of Tennessee at the Department in the
City of Nashville, this 6th day
of May, A.D. 19 85



Gentry Crowell
Secretary of State

PRIVATE CHAPTER NO. 52

HOUSE BILL NO. 1073

By McCroskey

Substituted for: Senate Bill No. 1055

By Burleson

AN ACT to enact the Johnson City ~~Downtown~~ Development Authority Act of 1985; to provide for its purpose and powers, and the method of appointment of the authority's commissioners, and the commissioners' duties and procedures and limitations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

ARTICLE I

Section 100-1. Short Title. This Act shall be known and may be cited as the "Johnson City ~~Downtown~~ Development Authority Act of 1985".

Section 100-2. Definitions. In this Act, unless the context clearly requires a contrary meaning:

(1) "Authority" means the Johnson City ~~Downtown~~ Development Authority;

(2) "District" means the central business improvement district created by ordinance of the municipality; and

(3) "Project" means all or any part of, or any interest in, any building (including office building), any facility or other improvement thereof, and all real and personal properties deemed necessary in connection therewith, whether or not now in existence, which shall be suitable for the following or by any combination of the following two (2) or more uses:

A. Any commercial enterprise in selling, providing, or handling any financial service;

B. Any undertaking involving the use of offstreet parking facilities;

C. Any office or public building for any city, county, or state governmental use or public utility, authority, or agency or instrumentality of the state of Tennessee or the United States of America;

D. Any nonprofit or profit educational institution in any manner related to or in furtherance of the educational purposes of such institution; including but not limited to, classroom, laboratory, housing, administration, physical education, and medical research and treatment facility;

E. Any facilities for any recreational or amusement park, public park or theme park suitable for use by any

HB 1073

private corporation or any governmental unit of the state of Tennessee, including the state of Tennessee;

F. Any hotel, motel, or apartment building;

G. Any facade renovation and or any building improvement for any use allowed by zoning in the central business improvement district.

Section 100-3. Purpose. (a) It is hereby determined and declared that creation of a downtown development authority for the city of Johnson City will promote the economic redevelopment, removal of deleterious land uses, promote reinvestment, raise capital, generate revenue and is to be considered as providing for the health, safety and general welfare of the community of Johnson City and elimination of urban blight and decay; that the modernization and general improvement of such areas of the central business improvement district by governmental action is considered necessary to promote the public health, safety and welfare of the community; and that the restoration of such central business improvement district is an appropriate subject for remedial legislation.

(b) It is also intended that the authority finance, acquire, own, lease, and/or dispose of properties so that the authority may maintain and increase employment and redevelopment opportunities for the downtown's commercial and other economic development activities.

(c) It is not intended that the authority shall itself be authorized to operate any commercial enterprise, hotel, motel, office building or other use which the authority was created legislatively to promote.

Section 100-4. Powers of the Authority. The authority shall have the following powers:

(1) To study and make recommendations, in cooperation with the City of Johnson City, concerning the plan of improvement within the boundaries of the central business improvement district relative to clearing, replanning and reconstruction of areas for economic redevelopment;

(2) To arrange with the city of Johnson City for the furnishing, replanning, installing, opening or closing of streets, roads, roadways, alleys, sidewalks, parks or other places or facilities;

(3) To purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise any property, real or personal or any interest thereof from any person, firm, corporation, city, county or state government;

(4) To acquire by eminent domain any real property, including improvements and fixtures thereof except as provided in the restricted uses of eminent domain, in this Act;

(5) To sell, exchange, transfer, assign, or pledge any property, real or personal or any interest thereof to any person, firm, corporation or any governmental subdivision of the state of Tennessee, including the state of Tennessee;

(6) To own, hold, clear and improve property;

(7) To insure or provide for the insurance of the property or operations of the authority against risks as the authority may deem advisable;

(8) To borrow money upon its bonds, notes, debentures, or other evidence of indebtedness and to secure the same by pledges of its revenues, and (subject to limitations hereinafter imposed) by mortgage upon property held or to be held by it, or in any manner;

(9) To sue or be sued;

(10) To have a seal and alter the same at pleasure;

(11) To make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority;

(12) To borrow money or accept contributions from the federal government to assist in its undertaking redevelopment projects;

(13) To develop or redevelop any project; and

(14) To do any and all things permissible under law consistent with and in furtherance of the purposes of the authority.

Section 100-5. Eminent Domain Used to Acquire Land for Redevelopment Projects. The authority shall upon the adoption of a resolution declaring that the acquisition of the property described thereof is in the public interest and necessary for public use, have the right to acquire by eminent domain in accordance with Tennessee Code Annotated, Title 29, Chapter 17, any property, including improvements and fixtures thereof, which it may deem necessary for the implementation of the ~~downtown~~ plan of improvement.

Property already devoted to a public use may be acquired; provided, however, no property belonging to the city of Johnson City may be acquired without its consent; provided further, no property belonging to a public utility corporation may be acquired without the approval of the city of Johnson City.

Section 100-6. Zoning and Building Laws. The authority shall be subject to planning, zoning, building codes and all other ordinances and regulations applicable to any property owner in the city of Johnson City.

Section 100-7. Redevelopment Project. The authority may carry out any undertaking hereinafter called a redevelopment project as outlined in the plan of improvement and to that end may:

(1) Acquire personal and real property located within the boundaries of the central business improvement district.

(2) Acquire real property for the purpose of removing, preventing, or reducing the existence of substandard or blighted structures.

(3) Acquire real property where the condition of the title, the diverse ownership of real property to be assembled, the street or lot layouts, or other conditions, prevent a proper development of the property and where the acquisition of the area by the authority is necessary to carry out the plan of improvement.

(4) Clear any area, acquire and install, construct, or reconstruct streets, utilities, and site improvements essential to the preparation of sites for uses in accordance with the plan of improvement.

(5) Sell or lease land so acquired for uses in accordance with the plan of improvement.

(6) Borrow money upon its bonds, notes or other evidence of indebtedness to finance any of the foregoing and to carry out a plan of improvement and secure the same by pledges of its income and revenues generally or its income and revenues from a particular redevelopment project or projects including moneys received by any authority and placed in a special fund or funds.

Section 100-8. Approval by the City of Johnson City of a Plan of Improvement. The authority shall not initiate any redevelopment project under this Act until the city of Johnson City has approved a plan of improvement which provides an outline for the development or redevelopment of said area and is sufficiently complete:

(1) To indicate what the goals and objectives of the plan of improvement are designed to accomplish.

(2) To indicate proposed land uses and building requirements in the area.

Section 100-9. Disposal and Use of Land Consistent with the Plan of Improvement. The authority may make land in a redevelopment project available for use by private enterprise or public agencies in accordance with the plan of improvement. Such land may be made available at its use value, which represents the value (whether expressed in terms of rental or capital price) at which the authority determines such land should be made available in order that it may be developed or redeveloped for the purposes specified in such plan. To assure that land acquired in a redevelopment project is used in

accordance with the plan of improvement, an authority, upon the sale or lease of such land, shall obligate purchasers or lessees:

- (1) To use the land for the purpose designated in the plan of improvement;
- (2) To begin the building of their improvements within a period of time which the authority fixes as reasonable; and
- (3) Any such obligations by the purchaser shall be covenants and conditions running with the land where the authority so stipulates.

ARTICLE II

Section 200-1. Upon appointment by the city commission as provided in this article, there is created the Johnson City ~~Downtown~~ Development Authority which shall constitute a public body corporate and politic under the name proposed by the city commission. The authority shall apply to the secretary of state for a certificate of incorporation as required by law.

Section 200-2. Appointments, Qualifications and Tenure of the commissioners – Organization. The authority shall consist of no less than seven (7) commissioners appointed by the Johnson City city commission. The first chairman shall be designated by the city commission. One member shall be a member of the city commission and the city manager or his designee shall serve as an ex officio member. ~~Two-thirds (2/3) of the membership shall be property owners in the central business improvement district.~~

In order to create staggered terms, the city commission shall make initial appointments in the following manner:

Two (2) members shall serve a one (1) year term,

Two (2) members shall serve a two (2) year term, and

Two (2) members shall serve a three (3) year term

Subsequently appointed members shall serve three (3) year terms except in the case of a vacancy.

After the effective date of this act, one third (1/3) of the members of the authority shall rotate off the authority each year. In order to maintain the staggered terms established in this section, any additional members shall be appointed for an initial term that continues such staggered term schedule. Subsequently such members shall serve three (3) year terms.

The authority's commission member who is also a member of the city commission shall serve at the pleasure of the city commission.

A commissioner shall hold office until his successor has been appointed and qualified. Vacancies shall be filled for the unexpired term. ~~Four (4) commissioners shall constitute a quorum.~~ A majority of the commissioners serving shall constitute a quorum. The city manager shall file with the city recorder a certificate of the -----

Amendments to Chapter 52 as approved by Private Chapter No. 96, House Bill No. 1528 in 1989 are shown as underlined for new text and strike-through for deleted text.

expenses including traveling expenses incurred in the discharge of official duties.

When the office of the first chairman of the authority becomes vacant, the authority shall elect a chairman from among its members. An authority shall select from among its members a vice chairman, and it may employ a secretary (who shall be the executive director), technical experts and such other officers, agents, and employees, permanent and temporary, as it may require, and shall determine their qualifications, duties and compensation. An authority may call upon the city attorney for such legal services as it may require or it may employ its own legal counsel.

Section 200-3. Duty of the Authority and Commissioners. The authority and its commissioners shall comply or to cause compliance strictly with all provisions of this Act and each and every term, provision and covenant in any contracts of the authority on its part to be kept or performed.

Section 200-4. Interest of Commissioners or Employees in Contracts -- Misconduct. No commissioner or employee of an authority shall acquire any interest direct or indirect in any project or in any property included or planned to be included in any project, nor shall he or she have an interest direct or indirect in any contract or proposed contract for materials or services to be furnished or used in connection with any projects. If any commissioner or employee of the authority owns or controls an interest in any project, he or she shall immediately disclose the same in writing to the authority and such disclosure shall be entered upon the minutes of the authority. Failure to so disclose such interest shall constitute misconduct in office.

Section 200-5. Removal of Commissioners -- Hearing. The city commission may remove a commissioner for inefficiency or neglect of duty or misconduct in office, but only after the commissioner shall have been given a copy of the charges against him (which may be made by the city commission) at least ten (10) days prior to the hearing thereon and had an opportunity to be heard in person or by counsel.

Any obligee of the authority may file with the city commission written charges that the authority is violating willfully any law of the state or any term, provision or covenant in any contract to which the authority is a party. The city commission shall give each of the commissioners a copy of such charges at least ten (10) days prior to the hearing thereon and an opportunity to be heard in person or by counsel and shall within fifteen (15) days after receipt of such charges remove any commissioner of the authority who shall be found to have acquiesced in any such willful violation. If a commissioner is removed, the city commission shall file in the office of the city recorder a record of the proceedings, together with the charges made against the commissioners and the findings thereon.

Section 200-6. Reports and Recommendations. The authority shall at least once a year, file with the city commission, a report of its

activities for the preceding year, and shall make any recommendations with reference to any additional legislation or other action that may be necessary in order to carry out the purposes of the authority.

Section 200-7. Action of the Johnson City Commission. Except as provided by this Act, all action authorized to be taken by the city commission may be by resolution. Such resolution may be adopted at the meeting of the city commission at which such resolution is introduced and shall take effect immediately upon adoption. No such resolution shall be required to be publicized or posted.

Section 200-8. Advances of the Authority. When the authority becomes authorized to transact business and exercise its power therein, the city commission shall immediately make an estimate of the amount of money necessary for the administrative expenses and overhead of the authority during the first year thereafter, and shall appropriate such amount to the authority out of any moneys not appropriated to some other purposes. The moneys so appropriated shall be paid to the authority as a donation. Any municipality located in whole or in part within the area of operation of an authority shall have the power from time to time to lend or donate money to the authority or to agree to take such action. The authority, when it has money available therefor, shall make reimbursement for all such loans made to it.

ARTICLE III

Section 300-1. This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the City Commission of Johnson City before August 1, 1985. Its approval or nonapproval shall be proclaimed by the presiding officer of the city commission and certified by him to the Secretary of State.

Section 300-2. For the purpose of approving or rejecting the provisions of this Act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective upon being approved as provided in Section 300-1.

HOUSE BILL NO. 1073

PASSED: April 18, 1985

Red R. Mewharter
SPEAKER OF THE HOUSE OF REPRESENTATIVES

John Wilder
SPEAKER OF THE SENATE

APPROVED this 30th day of April 19 85

Laura Alexander
GOVERNOR

