

RESOLUTION NO. _____

A RESOLUTION APPROVING THE PROPOSED CHARTER OF THE CHATTANOOGA LAND BANK AUTHORITY; AUTHORIZING THE SUBMISSION OF SAID CHARTER TO THE SECRETARY OF STATE FOR CERTIFICATE OF INCORPORATION; AND DELEGATING AND AUTHORIZING CERTAIN POWERS TO THE CHATTANOOGA LAND BANK AUTHORITY.

WHEREAS, Tennessee Code Annotated § 13-30-101 et seq. establishes the Tennessee Local Land Bank Program authorizing municipalities and counties meeting certain requirements to establish a program creating a corporation with authority to operate a land bank for real property; and

WHEREAS, the City of Chattanooga, Tennessee meets the requirements set forth by Tennessee Code Annotated § 13-30-104 to establish a program; and

WHEREAS, the City desires to establish a program by creating a land bank corporation to provide a tool to support economic revitalization through returning vacant, abandoned and tax-delinquent properties to productive use; and

WHEREAS, City Council hereby indicates a willingness to appropriate sufficient funds to provide for the initial administration of the corporation in accordance with Tennessee Code Annotated § 13-30-104(b)(2).

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, that the proposed Charter of the “Chattanooga Land Bank Authority attached hereto is hereby approved and said applicants are hereby granted permission and authorized to make application to the Secretary of State of the State of Tennessee for a

Certificate of Incorporation under the corporate name of “Chattanooga Land Bank Authority”.

BE IT FURTHER RESOLVED that the Chattanooga Land Bank Authority is hereby created pursuant to the authority of the Tennessee Local Land Bank Program set forth in Tennessee Code Annotated § 13-30-101 et seq. By such statute, the Chattanooga Land Bank Authority has authority to create a land bank for real property located within the boundaries of the City of Chattanooga. “Land Bank” means real property, however obtained or acquired and held by the Chattanooga Land Bank Authority, with the intent of acquiring and holding onto the real property so acquired until such time as the corporation is able to find a willing and able buyer to acquire the real property from the corporation, pursuant to Tennessee Code Annotated § 13-30-101 et seq. and § 13-30-107.

BE IT FURTHER RESOLVED that the City Council delegates and authorizes The Chattanooga Land Bank Authority to have all powers set forth in said Charter and Tennessee Code Annotated § 13-30-101 et seq.

BE IT FURTHER RESOLVED that, by Tennessee Code Annotated § 13-30-104, The Chattanooga Land Bank Authority is performing a public function on behalf of the City of Chattanooga and is a public instrumentality of the City. Accordingly, the Chattanooga Land Bank Authority, and all properties of the corporation, including all properties held in the name of the corporation in the land bank at any and all times owned by it, and the income and revenues from the properties, are exempt from all taxation in the State of Tennessee.

ADOPTED: _____, 2015.

/vmm

**STATE OF TENNESSEE
CERTIFICATE OF INCORPORATION OF THE
CHATTANOOGA LAND BANK AUTHORITY**

NAME

The name of this corporation is The Chattanooga Land Bank Authority.

ADDRESS

The address of the principal office of this corporation in the State of Tennessee shall be:
c/o Mayor's Office, 101 East 11th Street, Chattanooga, TN 37402.

REGISTERED AGENT

The name and address of the corporation's initial registered agent and registered office in Tennessee is: Valerie L. Malueg, 100 East 11th Street, Suite 200, Chattanooga, Hamilton County, TN 37402.

PURPOSE

The general nature of the business to be transacted by this corporation and the general purpose for which it is organized is to do business as a land bank (a non-profit corporation) as prescribed by the Land Bank Pilot Program, as codified in Section 13-30-101, *et seq.*, *Tennessee Code Annotated*, and as amended by Public Acts of 2014. The corporation shall be a State of Tennessee (USA) public benefit non-profit corporation under the Tennessee Non-profit Corporation Act and a public instrumentality of the City of Chattanooga. The corporation will not have members. The corporation shall have all of the general powers authorized by said statute, including amendments thereto hereafter adopted, and all powers incidental thereto or necessary for the performance thereof, including the following:

(1) Adopt, amend and repeal bylaws for the regulation of its affairs and the conduct of its business;

(2) Sue and be sued in its own name and plead and be impleaded in all civil actions, including, but not limited to, actions to clear title to the real property held in the land bank;

(3) Adopt a seal and to alter the same at pleasure;

(4) Borrow funds as may be necessary, for the operation and work of the corporation with the concurrence of the legislative body of the creating local government or local governments;

(5) Enter into contracts and other instruments necessary, incidental or convenient to the performance of its duties and the exercise of its powers, including, but not limited to, intergovernmental agreements under the existing Tennessee Code for the joint exercise of powers under this act;

(6) Make and execute contracts and other instruments necessary or convenient to the exercise of the powers to acquire, hold and dispose of real property hold in the land bank;

(7) Procure and enter into contracts for any type of insurance or indemnity against loss or damage to property from any cause, including loss of use and occupancy, against death or injury of any person, against employer's liability, against any act of any member, officer or employee of the corporation in the performance of the duties of such person's office or employment or any other insurable risk, as the board of directors, in its discretion, may deem necessary;

(8) Accept donations, contributions, revenues, capital grants or gifts from any individual, association, public or private corporation, municipality or county of the State of Tennessee, the State of Tennessee or the United States government, or any agency or instrumentality of the State of Tennessee or the United States, for or in aid of any of the purposes

of this act and enter into agreements in connection with the donations, contributions, revenues, capital grants or gifts;

(9) Invest money of the corporation in investments that would be eligible investments for a municipality or county in the state and name and use depositories for its money with a bank or trust company which is a member of the Federal Deposit Insurance Corporation;

(10) Enter into contracts which do not violate § 29-17-102, for the management of or the sale of real property in the land bank; such power shall include the power to preserve the value or prevent diminution of the value of any such property until disposed of by the corporation, including the following actions:

(a) Design, develop, construct, demolish, reconstruct, rehabilitate, renovate, relocate, and otherwise improve real property or rights or interests in real property;

(b) Fix, charge and collect rents, fees and charges for the use of real property of the land bank and for services provided by the corporation;

(c) Grant or acquire a license, easement, lease, as lessor and as lessee, or option with respect to real property in the land bank; and

(d) Enter into limited partnerships, limited joint ventures and other limited collaborative relationships with local governments and other public and private entities within the designated boundary for the ownership, management, development, and disposition of real property.

(11) Do all other things necessary or convenient to achieve the objectives and purposes of the corporation related to the real property held in the land bank.

(12) The corporation may acquire real property or interests in real property for the land bank by gift, devise, transfer, exchange, foreclosure, purchase, or otherwise on terms and conditions and in a manner the corporation considers proper.

(13) The corporation may acquire real property by purchase contracts, lease purchase agreements, installment sales contracts or land contracts, and may accept transfers from municipalities or counties upon such terms and conditions as agreed to by the corporation and the local government.

(14) The corporation shall maintain all of its real property and real property held in the land bank in accordance with state law and the laws and ordinances of the jurisdiction in which the real property is located.

(15) The corporation shall not own or hold real property located outside the jurisdictional boundaries of the local governmental entity or entities that created the corporation; provided, however, that the corporation may be granted authority pursuant to an intergovernmental cooperation agreement with another municipality or county to manage and maintain real property located within the jurisdiction of such other municipality or county.

(16) Notwithstanding any other provision of law to the contrary, any municipality or county may convey to the corporation real property and interests in real property on such terms and conditions, and according to such procedures, as determined by the legislative body of the local government conveying the real property to the corporation.

Any meeting of the board of directors for any purpose whatsoever shall be open to the public.

The Chattanooga Land Bank Authority shall be a public non-profit corporation and no part of its net earnings remaining after payment of its expenses shall inure to the benefit of any

individual, firm or corporation, except that in the event the board of directors shall determine that sufficient provision has been made for the full payment of the expenses, bonds and other obligations of the authority, including reserves thereof, any net earnings of the authority thereafter accruing may be used to provide a reserve for depreciation of any project or projects undertaken by such authority in an amount determined by the board of directors to be necessary and reasonable, and net earnings available thereafter shall be paid to the municipality with respect to which the authority was organized; provided, that nothing herein contained shall prevent the board of directors from transferring all or any part of its properties in accordance with the terms of any lease entered into by the authority.

DIRECTORS

The authority shall have a board of directors in which all corporate powers of the authority shall be vested and which shall consist of any number of directors, not less than five (5), all of whom shall be duly qualified electors and taxpayers in the City of Chattanooga. The directors shall serve as such without compensation except that they shall be reimbursed for their actual expenses incurred in and about the performance of their duties hereunder. The directors of the authority shall be as follows: the Mayor of the City of Chattanooga, Tennessee shall have two (2) appointments (to be confirmed by City Council); the City Council of Chattanooga, Tennessee shall have one (1) appointment; the Mayor of Hamilton County, Tennessee shall have one (1) appointment to the authority; and there shall be one (1) director representing the Chattanooga Housing Authority. Except for the initial directors, the terms of all directors shall be four (4) years; provided, that if at the expiration of any term of office of any director a successor has not been appointed, the director whose term of office has expired shall continue to hold office until the director's successor is appointed. If a vacancy occurs in the

position of director the vacancy shall be filled in the same manner as the original term for the remainder of the unexpired term.

CONFLICTS OF INTEREST

All directors of the authority shall endeavor at all times to avoid actual conflicts of interest or the appearance of conflicts of interest in any contract or other transaction between the authority and one or more of its directors or between the authority and any other corporation, partnership, voluntary association, trust, or other organization of which any of its directors is a director or officer or in which he or she or any member of his or her immediate family has any financial interest. The director or directors so affected shall voluntarily make known to the board of directors the information which constitutes a real or potential conflict of interest. No such contract or other transaction between the authority and one or more of its directors or between the authority and any other corporation, partnership, voluntary association, trust or other organization of which any of its directors is a director or officer in which he or she or any member of his or her immediate family has a financial interest shall be void or voidable for this reason or because any such director is present at or participates in the meeting of the board of directors that authorizes the contract or transaction or because his or her vote is counted for such purpose: (a) if the material facts as to the contract or transaction and as to his or her relationship or interest are disclosed to the board of directors and the board of directors in good faith authorizes the contract or transaction by the affirmative votes of a majority of disinterested directors, even though the disinterested directors be less than a quorum; or (b) if the contract or transaction is fair and reasonable as to the authority as of the time it is authorized, approved or ratified by the board of directors. Interested directors may be counted in determining the

presence of a quorum at a meeting of the board of directors that authorizes the contract or transaction.

DURATION

The time of existence of this authority shall be perpetual; provided, that whenever the board of directors of the authority or the governing body of the City of Chattanooga by resolution determines that the purposes for which the authority was formed have been substantially accomplished and all bonds theretofore issued and all obligations theretofore incurred by the authority have been fully paid, the then members of the board of directors or the executive officers of the City of Chattanooga, as the case may be, shall thereupon execute and file for record in the Office of the Secretary of State a Certificate of Dissolution, reciting such facts and declaring the authority to be dissolved. Such Certificate of Dissolution shall be executed under the seal of the authority. Upon the filing of such Certificate of Dissolution, the authority shall stand dissolved, the title to all funds and properties owned by it at the time of such dissolution shall vest in the City of Chattanooga and possession of such funds and properties shall forthwith be delivered to such City of Chattanooga.

CHATTANOOGA LAND AUTHORITY

By: _____

SWORN TO AND SUBSCRIBED before me this
the _____ day of _____, 2015.

NOTARY PUBLIC
My Commission Expires: _____