

# ENABLING LEGISLATION OF THE FOUR LAKE REGIONAL INDUSTRIAL DEVELOPMENT AUTHORITY

## **64-5-201. Creation - Purpose.**

The Four Lake Regional Industrial Development Authority is hereby created. The Four Lake Regional Industrial Development Authority is a public body corporate and politic and is hereinafter referred to as the "authority." The authority is created and established for the purpose of developing the resources of the region embracing the counties of Macon, Smith, Sumner, Trousdale and Wilson, hereinafter referred to as the "region," including the coordination of the authority's development work with related activities and programs of the Tennessee valley authority and other federal, state and local planning and development agencies. The authority is directed to focus its activity toward economic development and improving employment opportunities in the region in a manner consistent with the state policy of industrial development and in a manner consistent with the goal of maintaining a healthy environment or improving the same

[Acts 1986, ch. 789, § 1.]

## **64-5-202. Board of directors.**

The authority shall be governed by a board of directors, hereinafter referred to as the "board," which shall invest an executive committee with certain managerial powers. The board shall make policy, which shall be implemented by the executive committee and executive director, if such position is established.

[Acts 1986, ch. 789, § 2.]

## **64-5-203. Membership of board - Proxy voting - Executive committee - Board meetings open to public.**

(a) The membership of the board shall be as follows:

(1) The county mayor of each county in the region shall be an ex officio member of the board;

(2) The mayor of each county seat municipality in the region shall be an ex officio member of the board;

(3) The mayor of any incorporated municipality in the region with a population in excess of twenty-five thousand (25,000) according to the latest federal census shall be an ex officio member of the board;

(4) The county industrial development board in each of the five (5) counties of the region shall elect one (1) of its members every two (2) years to serve on the board for a term of two (2) years, beginning at the first organizational meeting of the board;

(5) One (1) member shall be appointed by and be a representative of the governor who shall serve at the pleasure of the governor;

(6) One (1) member shall be appointed by and be a representative of the United States representative representing either all or the greatest number of the people of the region and shall serve at the pleasure of the United States representative;

(7) The members of the general assembly representing all or part of the region shall elect a senator member and a representative member to serve as a member of the board for a term of three (3) years or until that member is no longer serving in the general assembly. The senators serving the region shall meet and elect the senator member. The representatives serving the region shall meet and elect the representative member;

(8) One (1) member may be appointed by and serve at the pleasure of the board of directors of the Tennessee Valley authority; and

(9) One (1) member may be appointed by and serve at the pleasure of the board of directors of each electric cooperative operating pursuant to the Rural Electric and Community Services Cooperative Act, compiled in §§ 65-25-

201 - 65-25-229, which furnishes electricity to, and assists in the development of, any industrial park owned, operated or managed by the Four Lakes Regional Industrial Development Authority.

(b) Any member of the board may authorize someone to represent that member and vote by proxy upon written notification of the same to the chair of the board prior to commencement of the board meeting in which the member is to be absent.

(c) The board shall establish an advisory committee consisting of twenty-five (25) members, with five (5) members from each of the five (5) counties in the region selected in such manner as the board determines to provide a wide range of viewpoints. The board shall endeavor to have the advisory committee reflect a broad range of socioeconomic backgrounds in its membership. The terms of the members of the advisory committee shall be set by a resolution of the board in such manner as to create a staggered-term system to provide continuity on the advisory committee.

(d) At least annually, the board shall hold a meeting at which members of the general public are allowed to address the board. Further, prior to the adoption of any resolution authorizing a bond issue pursuant to the provisions of this part, the board shall hold a public hearing to examine the opinions of members of the general public on the issue.

(e) All meetings of the board and advisory committee shall be public and shall comply with the state law on open meetings codified in title 8, chapter 44.

[Acts 1986, ch. 789, § 3; 2001, ch. 150, §§ 1, 2; 2003, ch. 90, § 2.]

#### **64-5-204. Election of officers and executive committee.**

The board, at its organizational meeting and annually thereafter, shall elect one (1) of its members to the office of chair, vice chair and secretary-treasurer, and shall elect four (4) other members who with the chair shall form the executive committee of the board. The four (4) nonchair members of the executive committee shall be elected by a caucus of the membership from the four (4) counties the chair is not representing, subject to approval by the full board. The members representing the governor, members of congress and general assembly shall not caucus with individual counties, but may vote on confirmation of the executive committee as members of the board.

[Acts 1986, ch. 789, § 4.]

#### **64-5-205. Vacancies.**

Vacancies on the board or executive committee shall be filled according to the method of original election or appointment.

[Acts 1986, ch. 789, § 5.]

#### **64-5-206. Time and place of meetings - Compensation of board.**

The board shall set a regular time and place for meetings and establish rules of order and particularly rules for calling a special meeting of the board. The members of the board shall serve without compensation, except that they shall be reimbursed for actual traveling expenses and other necessary expenses incurred in the performance of their official duties.

[Acts 1986, ch. 789, § 6.]

#### **64-5-207. Delegation of powers and functions.**

The board may delegate, subject to recall, any of the powers or functions which the board as a whole may exercise, subject to such guidelines as the board may adopt to regulate the executive committee.

[Acts 1986, ch. 789, § 7.]

#### **64-5-208. Powers, functions and duties.**

The authority has the power, function and duty to:

(1) Have perpetual succession in the corporate name;

(2) Sue and be sued in the corporate name;

- (3) Adopt, use and alter a corporate seal, which shall be judicially noticed;
- (4) Enter into such contracts and cooperative agreements with federal, state and local governments, and agencies thereof, with private individuals, corporations, associations and with other organizations as the board may deem necessary or convenient in carrying out the purposes of this part;
- (5) Adopt, amend and repeal bylaws;
- (6) Appoint such managers, officers, employees, attorneys and agents as the board deems necessary for the transaction of its business, fix their compensation, define their duties, and require bonds of such of them as the board may determine;
- (7) Receive and expend funds from any source for staffing and other administrative expenses, research, planning, coordination, economic development, demonstration projects and other activities deemed necessary to promote the efficiency and harmonious economic development of the region; to receive grants from private foundations and other sources for the purposes of research and for demonstration projects oriented to human, physical and natural resources utilization;
- (8) Cooperate and coordinate its activities with local, regional and state planning agencies and other areas in developing and implementing plans for development;
- (9) Cooperate and coordinate its activities with the federal agencies having responsibility for developing natural, human and physical resources of the region;
- (10) Cooperate with local and regional financial institutions in assembling financial resources for commercial, industrial and other development;
- (11) Compile, prepare, publish and disseminate information about the economic resources of the region and about subareas;
- (12) Encourage and assist in the creation of private and semipublic, nonprofit organizations as needed and under existing state law for carrying out specific projects and programs initiated under federal and state law;
- (13) Enter into compacts or contractual arrangements with planning agencies of other adjoining or neighboring states, for the purpose of preparing joint-comprehensive plans for development of a broader area or region;
- (14) Acquire and hold such real and personal property or interests therein as the board deems necessary or convenient in carrying out the purposes of this part;
- (15) Support missions of authority directors or employees to other industrialized nations which may have enterprises willing to invest in the region, with the aim of convincing such businesses to invest in the region when such enterprises meet the criteria of the authority as desirable additions to the region; and
- (16) Have and exercise such other authority as deemed necessary by the board to further and promote the orderly economic development of the region.  
[Acts 1986, ch. 789, § 8.]

**64-5-209. Public works projects authorized.**

The authority is authorized and empowered to construct and/or operate and maintain any public works project within the region. No such project shall be constructed without the authority first having obtained the consent of the county or municipality within whose jurisdiction the project is located. For this purpose, "public works project" includes any one (1) or more or any combination of the following: airports, bridges, tunnels, viaducts, hospitals, sanitarium, dispensaries, nursing homes, almshouses, public buildings, plazas, schools, roads, flood control works, water mains and lines, highways, port and dock facilities, including any terminal storage and transportation facilities incident thereto, industrial parks, which are defined as lands, and rights, easements and franchises relating thereto, and may include adequate roads and streets, water and sewer facilities, utilities and docks and terminals as required for the use of industry, in aid of the state's public policy of industrial growth and expansion, and all property, real and

personal, appurtenant thereto or connected with such work, undertaking or project and the existing work, if any, to which such work, undertaking or project is an extension, addition, betterment or improvement. But this enumeration shall not exclude any other project for the benefit of the people in the region where any state or federal agency will match the funds of the county with grants-in-aid or gratuities to subsidize or assist the development of such project. [Acts 1986, ch. 789, § 9.]

**64-5-210. Educational, recreational and other facilities authorized.**

Without derogating from any of its powers, duties, functions and responsibilities as set forth in the other provisions of this part, the authority is specifically authorized to make plans for the construction, operation, and maintenance of regional facilities, including, but not limited to, educational and recreational facilities in one (1) or more of the counties constituting the region and to take all such actions as are necessary or convenient in the judgment of the board in effectuating such plans, including, but without limitation by reason of this enumeration, the acquisition of sites for the facilities; sale or transfer of such sites if acquired in the authority's name, to the agency or institution that will own and operate the facility arranging for the financing of the facility's construction, operation, and maintenance; applying for such federal assistance as may be available and obligating the agency as required to obtain such assistance; and making contracts and agreements with federal, state and local educational agencies and institutions in carrying out the provisions of this section. The authority may at the request of the counties act as a vehicle for contracts of agreements among counties for carrying out regional projects. [Acts 1986, ch. 789, § 10.]

**64-5-211. Bond issues - Refunding bonds - Appropriation requests.**

(a) The authority is authorized and empowered to issue its bonds from time to time for the purpose of paying in whole or in part the cost of acquiring lands and interests therein and of constructing facilities and improvements subject to the limitations and conditions provided in this part. Any resolution of the board authorizing the sale of bonds shall be submitted to the state funding board established by § 9-9-101, and such resolution shall only become effective upon receiving the approval of the state funding board. The state funding board, upon rejecting any resolution of the board authorizing any bond issue, shall state in writing the reasons for this action.

(b) (1) Except as herein otherwise expressly provided, all bonds issued by the authority are payable solely out of the revenues and receipts derived from the agency's projects or of any thereof as may be designated in the proceedings of the board under which the bonds are authorized to be issued, including debt obligations of the lessee or contracting party obtained from or in connection with the financing of a project; provided, that notes issued in anticipation of the issuance of bonds may be retired out of the proceeds of such bonds. Such bonds may be executed and delivered by the authority at any time and from time to time, may be in such form and denominations and of such terms and maturities, may be in registered or bearer form either as to principal or interest, or both, may be payable in such installments and at such time or times not exceeding forty (40) years from the date thereof, may be payable at such place or places whether within or without the state of Tennessee, may bear interest at such rate or rates payable at such time or times and at such place or places and evidenced in such manner, may be executed by such officers of the authority, and may contain such provisions not inconsistent herewith, all as shall be provided in the proceedings of the board whereunder the bonds shall be authorized to be issued.

(2) If deemed advisable by the board, there may be retained in the proceedings under which any bonds of the authority are authorized to be issued, an option to redeem all or any part thereof as may be specified in such proceedings, at such price or prices and after such notice or notices and on such terms and conditions as may be set forth in such proceedings and as may be briefly recited on the face of the bonds, but nothing herein contained shall be construed to confer on the authority any right or option to redeem any bonds except as may be provided in the proceedings under which they are issued.

(3) Any bonds of the authority may be sold at public or private sale in such manner, at such price and from time to time as may be determined by the board to be most advantageous, and the authority may pay all expenses, premiums and commissions which its board may deem necessary or advantageous in connection with the issuance thereof.

(4) Issuance by the board of one (1) or more series of bonds for one (1) or more purposes shall not preclude it from issuing other bonds in connection with the same project or any other project, but the proceedings whereunder any subsequent bonds may be issued shall recognize and protect any prior pledge or mortgage made for any prior issue of bonds.

(5) Proceeds of bonds issued by the authority may be used for the purpose of constructing, acquiring, reconstructing, improving, equipping, furnishing, bettering or extending any project or projects, including the payment of interest on the bonds during construction of any such project and for two (2) years after the estimated date of completion, and payment of engineering, fiscal, architectural and legal expenses incurred in connection with such project and the issuance of the bonds, and the establishment of a reasonable reserve fund for the payment of principal of and interest on such bonds in the event of a deficiency in the revenues and receipts available for such payment.

(c) Any bonds or notes of the authority at any time outstanding may at any time and from time to time be refunded by the authority by the issuance of its refunding bonds in such amount as the board of directors may deem necessary, but not exceeding the sum of the following:

(1) The principal amount of the obligations being refinanced;

(2) Applicable redemption premiums thereon;

(3) Unpaid interest on such obligations to the date of delivery or exchange of the refunding bonds;

(4) In the event the proceeds from the sale of the refunding bonds are to be deposited in trust as hereinafter provided, interest to accrue on such obligations from the date of delivery to the first or any subsequent available redemption date or dates selected, in its discretion, by the board or to the date or dates of maturity, whichever is determined by the board to be most advantageous or necessary to the authority;

(5) A reasonable reserve for the payment of principal of and interest on such bonds and/or a renewal and replacement reserve;

(6) If the project to be constructed from the proceeds of the obligations being refinanced has not been completed, an amount sufficient to meet the interest charges on the refunding bonds during the construction of such project and for two (2) years after the estimated date of completion, but only to the extent that interest charges have not been capitalized from the proceeds of the obligations being refinanced; and

(7) Expenses, premiums and commissions of the authority, including bond discounts, deemed by the board to be necessary for the issuance of the refunding bonds. A determination by the board that any refinancing is advantageous or necessary to the authority; or that any of the amounts provided in the preceding sentence should be included in such refinancing, or that any of the obligations to be refinanced should be called for redemption on the first or any subsequent available redemption date or permitted to remain outstanding until their respective dates of maturity, shall be conclusive.

(d) Any such refunding may be effected whether the obligations to be refunded shall have then matured or shall thereafter mature, either by the exchange of the refunding bonds for the obligations to be refunded thereby with the consent of the holders of the obligations so to be refunded, or by sale of the refunding bonds and the application of the proceeds thereof to the payment of the obligations to be refunded thereby, and regardless of whether or not the obligations proposed to be refunded are payable on the same date or different dates or are due serially or otherwise.

(e) Prior to the issuance of the refunding bonds, the board shall cause notice of its intention to issue the refunding bonds, identifying the obligations proposed to be refunded and setting forth the estimated date of delivery of the refunding bonds, to be given to the holders of the outstanding obligations by publication of an appropriate notice one (1) time each in a newspaper having general circulation in the area and in a financial newspaper published in New York, New York, and having national circulation. As soon as practicable after the delivery of the refunding bonds, and whether or not any of the obligations to be refunded are to be called for redemption, the board shall cause notice of the issuance of the refunding bonds to be given in the manner provided in the preceding sentence.

(f) If any of the obligations to be refunded are to be called for redemption, the board shall cause notice of redemption to be given in the manner required by the proceedings authorizing such outstanding obligations.

(g) The principal proceeds from the sale of any refunding bonds shall be applied only as follows:

(1) To the immediate payment and retirement of the obligations being refunded; or

(2) To the extent not required for the immediate payment of the obligations being refunded, then such proceeds shall be deposited in trust to provide for the payment and retirement of the obligations being refunded, and to pay any expenses incurred in connection with such refunding, but provision may be made for the pledging and disposition of any surplus, including, without limitation, provision for the pledging of any such surplus to the payment of the principal of and interest on any issue or series of refunding bonds. Money in any such trust fund may be invested in direct obligations of, or obligations the principal of and interest on which are guaranteed by the United States government, or obligations of any agency or instrumentality of the United States government, or in certificates of deposit issued by a bank or trust company located in this state, if such certificates are secured by a pledge of any of these obligations having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured. Nothing herein shall be construed as a limitation on the duration of any deposit in trust for the retirement of obligations being refunded but which shall not have matured and which shall not be presently redeemable or, if presently redeemable, shall not have been called for redemption.

(h) All such bonds, refunding bonds and the interest coupons applicable thereto are hereby made and shall be construed to be negotiable instruments.

(i) (1) The principal of and interest on any bonds issued by the authority may be secured by a pledge of the revenues and receipts out of which the same shall be made payable, and may be secured by a mortgage or deed of trust covering all or any part of the projects from which the revenues or receipts so pledged may be derived, including any enlargements of and additions to any such projects thereafter made, and/or by an assignment and pledge of all or any part of the authority's interest in and rights under the leases, sales contracts or loan agreements relating to such projects, or any thereof. The resolution under which the bonds are authorized to be issued and any such mortgage or deed of trust may contain any agreements and provisions respecting the maintenance of the projects covered thereby, the fixing and collection of rents or payments with respect to any projects or portions thereof covered by such resolution, mortgage or deed of trust, the creation and maintenance of special funds from such revenues and from the proceeds of such bonds, and the rights and remedies available in the event of default, all as the board shall deem advisable not in conflict with the provisions hereof. Each pledge, agreement, mortgage and deed of trust made for the benefit or security of any of the bonds of the agency shall continue effective until the principal of and interest on the bonds for the benefit of which the same were made shall have been fully paid.

(2) In the event of default in such payment or in any agreements of the agency made as a part of the contract under which the bonds were issued, whether contained in the proceedings authorizing the bonds or in any mortgage and deed of trust executed as security therefor, such payment or agreement may be enforced by suit, mandamus, the appointment of a receiver in equity, or by foreclosure of any such mortgage and deed of trust, or any one (1) or more of these remedies.

(j) (1) In addition to the foregoing, the authority is authorized to issue general obligation bonds in conjunction with the state of Tennessee. Any bond issue wherein the general obligation of the state is attached must first be approved by the state funding board and by the general assembly and provisions made for amortization of both principal and interest for a period not to exceed forty (40) years. The authority shall present to the general assembly its needs from time to time with regard to specific general obligation bond issues by petition of the board delivered to the speakers of the house and senate, and to the chairs of the house and senate finance, ways and means committees. Any such petition shall contain a plan for amortizing such bond issue, and if such plan requires a tax levy by the county and municipal legislative bodies in the region, then approval of the plan committing the affected county and municipal governments to the necessary tax levy shall be submitted with the petition. The petition shall specify the specific bond issues, the purpose, land, works or improvements to be accomplished and their location. (2) The general assembly may be asked in the petition to appropriate funds to contribute to the total amount of funds needed to amortize the bond issue. The levying of an ad valorem tax for a bond issue by a county or municipal government under this subsection shall be binding and collectible by the state in case of default. Bonds issued under this subsection shall be issued in the usual manner as state bonds and sold under such conditions as the general assembly may specify.

(k) No later than October of each year, the authority shall transmit to the governor a request and an amount of appropriation needed during the next fiscal year for authority purposes including administration, operations and capital improvements, and appropriate justification for use of such appropriation, such amount or other amount as deemed appropriate by the governor to be included in the budget transmitted to the general assembly.  
[Acts 1986, ch. 789, § 11.]

#### **64-5-212. Local governmental units authorized to make contributions and issue bonds.**

The various counties, towns and incorporated municipalities in the region are hereby authorized and empowered to:

(1) Contribute to the work of the authority any amount or amounts of money that their respective governing bodies, acting in their sole discretion, shall approve to be paid from the general fund of the respective county or city. County legislative bodies and governing bodies of such cities or towns are empowered to levy and collect ad valorem taxes for such purposes, which are hereby declared to be for municipal and county public purposes; and

(2) Issue their bonds as provided in title 9, chapter 21, to obtain funds for the financing of public works projects undertaken by the authority, or to secure advances made by federal agencies for the construction agreements with the authority.

[Acts 1986, ch. 789, § 12; 1989, ch. 403, § 12.]

**64-5-213. Statement of objectives - Annual report - Accounting system - Audits - Purchasing and contracting procedures.**

(a) The board, after receiving recommendations from its advisory committee, shall annually formulate and issue a statement of objectives, priorities and programs that it has adopted or envisions to meet these objectives. This statement of objectives shall be included in the annual report.

(b) The board shall report annually to the governor, the commissioner of economic and community development, the state funding board and to the general assembly through the chairs of the following standing committees or such other committees as the speaker of each respective house may direct: senate finance, ways and means, senate government operations, senate state and local government, house finance, ways and means, house government operations, and house state and local government. This report shall also be transmitted to the governing bodies of the various counties and incorporated municipalities of the region. Such reports shall include a statement of financial receipts and expenditures, assets and liabilities of the authority, and a summary of all activities and accomplishments for the period and proposed plans for the next year.

(c) The comptroller of the treasury is directed to develop a uniform accounting system conforming to generally accepted accounting principles for the authority.

(d) The annual reports and all books of accounts and financial records of all funds received are subject to audit annually by the comptroller of the treasury. The audit may be performed by a licensed independent public accountant selected by the board and approved by the comptroller of the treasury. The cost of any audit shall be paid by the authority. (1) The comptroller of the treasury shall ensure that audits are prepared in accordance with generally accepted governmental auditing standards and determine if the audits meet minimum audit standards prescribed by the comptroller of the treasury. No audit may be accepted as meeting the requirements of this section until approved by the comptroller of the treasury. (2) All audits shall be completed as soon as practicable after the end of the fiscal year of the authority. One (1) copy of each audit shall be furnished to each member of the board and the comptroller of the treasury. Copies of each audit shall also be made available to the press.

(e) The board shall develop purchasing and contracting procedures which shall be approved by the comptroller of the treasury prior to implementation.

[Acts 1986, ch. 789, § 13.]

**64-5-214. Cooperation of state agencies.**

All state agencies are hereby authorized and directed to extend their cooperation and lend assistance to the authority in the formulation and implementation of its planning and development program.

[Acts 1986, ch. 789, § 14.]

**64-5-215. Cooperation with Mid Cumberland and Upper Cumberland development districts.**

The board shall endeavor to cooperate with the Mid Cumberland and Upper Cumberland development districts and to avoid duplication with the activities of these agencies and any other agencies whenever possible.

[Acts 1986, ch. 789, § 15.]

**64-5-216. Employees' retirement.**

The employees of the authority are eligible for membership in the Tennessee consolidated retirement system pursuant to the provisions of title 8, chapter 35, part 2, and the board shall provide the necessary contributions to the Tennessee consolidated retirement system for its employees. This section does not preclude the board from contracting with individuals for their personal services under a contract of limited duration and not including retirement benefits to such individuals.

[Acts 1986, ch. 789, § 16; 2003, ch. 12, § 9.]

**64-5-217. Review and termination.**

The authority shall be subject to the governmental entity review law, compiled in title 4, chapter 29, and reviewed pursuant to § 4-29-119.

[Acts 1986, ch. 789, § 17.]