

ORDINANCE 55-2018-19

AN ORDINANCE AMENDING THE OFFICIAL CODE PERTAINING TO THE DESIGNATION OF THE DISTRICT MANAGEMENT CORPORATION FROM THE TWO RIVERS COMPANY (non-profit corporation) TO THE EDC

WHEREAS, pursuant to Tennessee Code Annotated Section 7-84-501 et. seq., and Ordinance 1-1997-98 (approved on second reading by the City Council on October 2, 1997 and published (and effective) on October 9, 1997), the City previously created a “central business improvement district” (*see* Tenn. Code Ann. Section 7-84-510), and further, *inter alia*, said ordinance specified the district boundaries (by specifying specific parcels fronting on a portion of Franklin Street in downtown Clarksville), specified that all properties within the boundaries of the district shall be subject to the levy of a special assessment, and specified the initial improvements, services, and projects authorized to be constructed, installed or provided within and for the district (known as the “Franklin Street Sidewalk Improvements”), specified the rate of levy of the special assessment (how it was to be paid, how it was to be calculated, and by whom the levy of assessment was to be paid), and further, said ordinance authorized the creation, appointment and incorporation of a “district management corporation,” (to be known as the “Clarksville CBID Management Corporation”) as provided for by Tenn. Code Ann. §7-84-501 et. seq., and further specified the organizational makeup of the board of directors of said district management corporation (and specifically named the first board of directors); and

WHEREAS, pursuant to Tenn. Code Ann. §7-84-501 et. seq., and Ordinance 41-1998-99 (adopted April 1, 1999, and codified at City Code of Ordinances, Title 12 (Streets and Other Public Ways and Places), Chapter 9 (Central Business Improvement District), Section 12-902. Boundaries.), the City created, or continued to maintain, a “central business improvement district” (*see* Tenn. Code Ann. §7-84-510), and specified the boundaries thereof (enlarged from the previous boundaries specified in Ordinance 1-1997-98); and

WHEREAS, pursuant to Ordinance 41-1998-99, the City authorized (and in effect appointed) a “district management corporation to be chartered pursuant to the provisions of the Tennessee Nonprofit Corporation Act for the purpose of administering the activities for and within the district, the making of improvements within and for the district, and the provision of services within and for the district,” said district management corporation was to be formally known as the “Clarksville CBID District Management Corporation of 1999,” (which formerly did business as, and was known as, the “Downtown District Partnership,” which d/b/a name was later changed to the “Two Rivers Company” or “TRC”), and which further specified the

organizational makeup of the board of directors of the district management corporation (and which organizational makeup has since been amended several times); and

WHEREAS, Tenn. Code Ann. Section 7-84-502 sets forth the purpose of the General Assembly in enacting the “Central Business Improvement Act of 1990” (Tenn. Code Ann. Section 7-84-501 et. seq.) and provides *inter alia* that “the General Assembly finds that (1) Municipalities should be encouraged to create self-financing central business improvement districts and designate district management corporations to execute self-help programs to enhance their local business climates” (emphasis added); and

WHEREAS, Tenn. Code Ann. Section 7-84-505 provides, *inter alia*, that Tenn. Code Ann. Title 7 (Consolidated Governments and Local Governmental Functions and Entities), Chapter 84 (Central Business Improvement District Act of 1971), Part 5 (Central Business Improvement District Act of 1990), “shall constitute full authority for the making of improvements, creation of central business improvement districts, [and] levy of assessments ...”; and

WHEREAS, Tenn. Code Ann. Section 7-84-519 pertains to the creation or appointment of an “advisory board” as a “district management corporation” and provides in pertinent part as follows:

TCA 7-84-519. District management corporation.

- (a) The governing body of the municipality, in the establishment ordinance *or any other ordinance of the municipality, may create an advisory board, or appoint an existing organization, to act as an advisory board for the purpose of making recommendations for the use of special assessment revenues* and for the purpose of administering activities within and for the district, the making of improvements within and for the district, and the provision of services and projects within and for the district.
- (b) Such newly created board or existing organization so created or appointed shall be known and referred to in this part as the district management corporation.
- (c) The governing body may contract with the district management corporation for the services to be provided by such corporation. *Such district management corporation must comply with all applicable law, including this part, with all city resolutions and ordinances, and with all regulations lawfully imposed by the state auditor or other state agencies.*
- (d) ... [provision pertaining to appointment of Speaker of the Senate and Speaker of House of Representatives serving as ex officio members on board of directors for district management corporation]
- (e) *The district management corporation **shall** submit an annual budget for review and approval by the governing body. This budget **shall** include a statement of the*

improvements to be made, the services to be provided and the projects and activities to be conducted during the ensuing fiscal year, the proposed program budget, and a statement of the assessment rates for financing the proposed budget.

(emphasis added); and

WHEREAS, the Officers and Board of Directors of the Two Rivers Company, and the Officers and Board of Directors of the Economic Development Council (hereafter “EDC”), have requested that the City repeal the designation of the Two Rivers Company as the “district management corporation” and designate instead the EDC as the “district management corporation,” within the meaning of Tenn. Code Ann. §7-84-501, et. seq.; and

WHEREAS, the City Council finds it to be in the best interest of the City to repeal the designation of the Two Rivers Company as the “district management corporation” for the “central business improvement district,” and to designate instead the EDC as the “district management corporation,” for “the purpose of making recommendations for the use of special assessment revenues and for the purpose of administering activities within and for the district, the making of improvements within and for the district, and the provision of services and projects within and for the district,” within the meaning of Tenn. Code Ann. §7-84-501, et. seq.; and

WHEREAS, pursuant to the current governing documents for the EDC, the City Mayor, as well as a ward City Council member, serve on the EDC board; and

WHEREAS, in view of the City’s intent to appoint the EDC as the “district management corporation,” which confers and delegates significant municipal powers upon the EDC, the City Council further finds it desirable that the City Mayor, and a member of the City Council, appointed by the Mayor and approved by majority vote of the City Council, should continue to serve as a voting member of the EDC Board of Directors for at least so long as the EDC is designated as the “district management corporation,” and that should the EDC fail or cease to maintain and provide through its Charter and / or by-laws as may be applicable, for the membership of the City Mayor and a ward member of the City Council as a member of the EDC board, the designation of the EDC as the “district management corporation” should be void and of no effect.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:

- (1) That the Official Code of the City of Clarksville, Title 12 (Streets and Other Public Ways and Places), Chapter 9 (Central Business Improvement District), Section 12-905 (District management corporation), which, inter alia, designated the “Two Rivers Company” as the

“district management corporation” for the “central business improvement district,” is hereby repealed, and said City Code section is hereby amended by deleting same in its entirety, and substituting therefore the following new Section 12-905:

Section 12-905. District management corporation.

The Economic Development Council (EDC) is hereby designated as the “district management corporation” within the meaning of Tenn. Code Ann. §7-84-501, et. seq., and specifically in accordance with Tenn. Code Ann. §7-84-519, for the “central business improvement district.” Said “district management corporation” shall have all powers, duties, and obligations as is provided for within Tenn. Code Ann. §7-84-501, et. seq., and the provisions of City Code, Title 12 (Streets and Other Public Ways and Places), Chapter 9 (Central Business Improvement District).

- (2) The provisions of this ordinance, and the designation of the EDC as the “district management corporation,” is contingent upon the EDC continuing to maintain the City Mayor, and a member of the City Council, appointed by the Mayor and approved by majority vote of the City Council, continuing to serve as a voting member of the EDC Board of Directors for at least so long as the EDC is designated as the “district management corporation,” and should the EDC fail or cease to maintain and provide through its Charter and / or by-laws as may be applicable, for the membership of the City Mayor and a ward member of the City Council as a member of the EDC board, the designation of the EDC as the “district management corporation” should be void and of no effect.

POSTPONED: May 2, 2019
POSTPONED: June 6, 2019
FIRST READING: June 20, 2019
SECOND READING:
EFFECTIVE DATE: