



Downtown Redevelopment Plan District Tax Increment Financing Program Guide with Policies and Procedures

I. Introduction

TIF as a Redevelopment Financing Tool

II. Policies and Procedures

General Policy, Tennessee Code Annotated Statutory Background, Amended Plan Objectives, TIF Eligible Projects, TIF Allocation, Criteria, Tax Increment Loan Repayment, Application Details, Environmental Report and Title Insurance, Conflicts of Interest

III. Definitions

IV. Appendix

Exhibit A (Amended Plan), Exhibit B (Amendments), Exhibit C (Map), Exhibit D (Application)

I. Introduction

The Johnson City Development Authority (JCDA) is authorized under Tennessee Code Annotated Section 13-20-201 to use Tax Increment Financing (TIF) to provide unique financing opportunities to encourage private development where without public sector participation that development would not otherwise occur. The JCDA, in conjunction with the City of Johnson City, Tennessee, and Washington County, Tennessee, uses TIF to encourage economic revitalization and promote investment of private funding into a targeted redevelopment district or project which has been documented as experiencing blight and decline. These investments build new tax revenue for the community by increasing the value of properties and then reinvesting those dollars into the specific area so that it benefits from public infrastructure, job generating and economically beneficial projects, and additional sales tax revenue for the entire community. The Downtown Johnson City district area, specifically, has been authorized for TIF funds to promote the growth and redevelopment of the historic, traditionally urban area. These funds are governed by the specific goals set forth in the Downtown Johnson City Redevelopment Plan and subsequent local

government funding and plan agreements, as amended (Exhibit A and Exhibit B). *Please note: for information regarding **Façade Grant TIF funding**, refer to the **Downtown Façade Grant Application and Façade Grant Improvement Program Guide**, also administered through the JCDA.*

On October 19, 2006, the City of Johnson City adopted the Downtown Johnson City Redevelopment Plan (the “Initial Plan”) to specify how to use Tax Increment Financing (TIF) within the designated district. On March 24, 2008, Washington County, Tennessee, also adopted the Initial Plan. In 2011, it was amended by the Redevelopment and Urban Renewal Plan for the Downtown and Other Identified Redevelopment Districts of Johnson City, Tennessee, (the “Amended Plan”) (see Exhibit A). {*City of Johnson City on October 6, 2011; Washington County on August 29, 2011, and September 26, 2011.*} An additional amendment (Appendix B) was made to meet the State of Tennessee Public Chapter No. 605 “Uniformity in Tax Increment Financing Act of 2012” and to provide for Washington County, Tennessee, approvals for TIF requests equal to \$25,000 or more.

This document (Downtown Redevelopment Plan Tax Increment Financing Program Guide with Policies and Procedures) is used with the Initial Plan and the subsequent Amended plan (Exhibit A) and Amendments (Exhibit B) detail the policies and procedures by which the JCDA shall be used to evaluate each project and administer the program. They also will provide any applicant with an understanding of the criteria, the general use, and requirements of tax increment financing in the Downtown Johnson City Redevelopment (TIF) District. TIF is a discretionary tool designed to encourage economic revitalization, therefore the policies of this document do not create or vest any rights in any person or entity.

TIF as a Redevelopment Financing Tool

Tax Increment Financing (TIF) is a financing tool widely used in the United States to attract economic development in blighted areas so that local governments do not incur general fund debt or lose existing revenue. It is named tax increment financing because public improvements within the TIF District can be financed by using the incremental growth of property values year to year and the resulting revenues that happen because of these improvements that are made through reinvestment of public increment funds and private funds within the district.

For example: As property values in the district increase, property assessment levels would increase, also. Through TIF methods, local governments plan and specifically agree to reinvest the growth increment. The increment is the difference between the Base Taxes (the “base” year (2009) and the Dedicated taxes (which is the portion of

the tax rate used to fund the debt service) and the total increased tax revenue that generated, per the TIF Uniformity Act. Following the adoption of the TIF Uniformity Act, the increments is determined based on the tax receipts, not the assessments. (Any reference to base assessments, therefore, should be referenced as base taxes.)

The revenue growth from the increased property values after the base tax year is established can be used for improvement and development projects in that same area. Since these funds can be used for infrastructure to support development, the TIF process also provides assurance that public sector projects will keep pace with private sector investments made to property within the TIF district. As a result, the district begins to grow and improve at a much more effective and efficient rate than without the use of tax increment financing.

II. Policies and Procedures

Section 1. General Policy

These Policies and Procedures provide an overview of standards and criteria used by the Johnson City Development Authority's (JCDA) Board of Commissioners to make TIF funding decisions. It is critical that every project proposal is reviewed based upon the criteria to be sure that approved projects help fulfill the community's overall objectives for economic development and redevelopment, avoiding unnecessary subsidies. These Policies and Procedures also provide interested applicants with a clear understanding of what may or may not be an acceptable use of TIF funding in Johnson City's Downtown TIF District. An application does not guarantee approval of a request for TIF assistance, as these criteria shall be used at the discretion of the JCDA.

Section 2. Tennessee Code Annotated Statutory Background

Tennessee Code Annotated §13-20-201, et seq., (the "Code") authorizes and outlines specific requirements and uses of Tax Increment Financing across the State of Tennessee. The state allows for the creation of a TIF district in which all of the incremental property tax revenues generated within that district may be used to finance improvements within that district. Currently, no other taxes other than property tax collections may be used for TIF financing by the JCDA, which then assures the local governing bodies that they will realize immediate benefit from the development of a project through increased sales tax revenues, job creation, business creation and other direct economic impacts.

Tennessee law contemplates a form of a partnership between a city and its local

housing or designated development authority to establish a TIF district. Once the authority is identified, the district is delineated, appropriate public hearings and approvals take place, the base year is set, and then incremental taxes resulting from that time forward are re-directed to the authority and dedicated for use in that same district area. Locally, the Washington County approval of the Amended Plan also provides for the County to receive the increase in taxes dedicated to debt service and 25% of the annual increment for all properties in the district.

In 2006, the Tennessee General Assembly passed legislation ([Public Chapter 999 of Public Acts 2006](#)) that authorized the expanded use of TIF to apply district-wide rather than restricted only to specific projects. As a result, TIF funds are allowed to be generated from all properties designated as a part of an urban renewal plan or redevelopment plan, thus allowing such funds to be used not only for specific projects, but also for permitted use throughout the TIF district.

Therefore, tax increments resulting from property values in the TIF District that improve naturally, as a result of specific projects taking place throughout the district, also are collected and available for additional improvement projects. The amended code keeps the State of Tennessee competitive with other states concerning the use of TIF and allows the flexibility to fully maximize the powers of Tax Increment Financing to improve the community's overall appearance and economic environment.

In Johnson City, the TIF program is administered by the Johnson City Development Authority and is coordinated closely with the City of Johnson City's various departments and officials. The JCDA is a local development authority created by the Tennessee General Assembly in 1989 for the sole purpose of furthering redevelopment efforts in underutilized areas of Johnson City, including the downtown area. It has been granted the same powers as a Tennessee housing authority for the purpose of implementing redevelopment districts utilizing Tax Increment Financing (TCA §13-20-202(c)).

It is the policy of the Johnson City Development Authority (JCDA) to consider the judicious use of Tax Increment Financing (TIF) for redevelopment projects within the current redevelopment district. In order to be eligible for TIF, projects must demonstrate substantial and significant public benefit. Eligible projects include public infrastructure and productive reuse of underutilized property (that demonstrate a substantial and significant public benefit by constructing public improvement and/or by providing assistance to cause the productive reuse of underutilized property.) All projects must be consistent with, and further the objectives of the Amended Plan (see Exhibit A).

Section 3: Amended Plan Objectives for TIF Projects

The Johnson City Development Authority dedicates tax increment funding to redevelopment and urban renewal projects, within the current Redevelopment District, in order to accomplish the following objectives:

- 1) Eliminate blighted, deteriorating and dilapidated conditions, inappropriate façade treatments, obsolete and substandard buildings and deleterious land uses in the Redevelopment District;
- 2) Promote development opportunities and incentives for private enterprise which create job opportunities and revitalize commercial, retail, mixed-use office and residential properties;
- 3) Expand the property tax base and generation of direct sales tax revenue in order to maximize economic returns for the City of Johnson City and Washington County;
- 4) Provide for more productive and/or more efficient use of land;
- 5) Increase the occupancy rate of buildings in the Redevelopment District;
- 6) Encourage renovation and historic preservation of existing structures in the Redevelopment District;
- 7) Promote architectural continuity in significant buildings and in new developments;
- 8) Improve parking facilities and traffic circulation in the Redevelopment District;
- 9) Create and/or enhance viable linkages to the central business district;
- 10) Improve the quality of life for every citizen in the City of Johnson City and Washington County
- 11) Enhance the creation of a district that is safe, walkable, and conducive to the establishment of public events and retail development.
- 12) Encourage enhancement of public and educational uses in the downtown area;
- 13) Maximize the potential for suitable development in areas peripheral to the Redevelopment District;
- 14) Promote the assemblage of property into larger tracts in order to permit better and more intensive utilization of land;

Section 4: TIF Eligible Projects

Per the provisions of the TCA Section 13-20-202 and the Amended Plan, incremental tax revenues may be used to finance only the following Project costs:

- 1) Acquire blighted areas;

- 2) Acquire other real property for the purpose of removing, preventing or reducing blight, blighting factors or the causes of blight;
- 3) Acquire real property where the condition of the title, diverse ownership of the 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 Amended Plan (see Exhibit A);
- 4) Acting on its own or through [third parties](#) engaged to act on the authority's behalf:
 - a) Clear any areas acquired, including relocation of utility facilities and demolition (in whole or in part) of buildings and improvements thereon and removal or remediation of any environmental contamination;
 - b) Install, construct or reconstruct streets, utilities and site improvements essential to the preparation and development of sites for uses in accordance with the Amended Plan (see Exhibit A);
 - c) Install, construct or reconstruct parks, public open spaces, public playgrounds, pedestrian ways and parking garages in accordance with a redevelopment plan (Amended Plan (see Exhibit A)); and
 - d) Pay expenses for relocation, administrative costs, planning and engineering costs and legal expenses associated with exercising the powers granted in this section or with carrying out the Amended Plan (see Exhibit A and Exhibit B);
- 5) Sell or lease land so acquired for uses in accordance with the Amended Plan (see Exhibit A);
- 6) Interior rehabilitation and external modification of identified structures;
- 7) Accomplish a combination of the foregoing to carry out the Amended Plan (see Exhibit A).
- 8) Accomplish any other purposes permitted by the Code.

Section 5: TIF Allocation

The amount of TIF assistance will be determined based upon:

1. The minimum amount required to make the project economically viable,
2. the extent of TIF-eligible elements within the proposed development project, and
3. the ability of the completed project to generate tax increment sufficient to meet the debt service on the TIF loan.

Tax increment generation is evaluated by projecting the tax increment at a level amount based on the first stabilized year. No assumptions will be made for future

increases in the assessed valuation of the property or for possible increases in the tax rate. If the assessed valuation and/or the tax rate does increase at some time in the future, such an increase will be utilized to accelerate the repayment of the TIF loan or to undertake other TIF projects.

In no event shall the total TIF issued for a project exceed 25% of the total project cost. Total project cost shall be that segment of the project, in whole or part, that TIF is requested to assist. Incremental or phased projects are to be set forth and identified in the project agreement and should not generally provide for supplemental TIF assistance (such TIF assistance being predicated on additional project construction) beyond a period greater than twenty-four (24) months following execution of the development agreement. Allocation of Tax Increment Financing will be limited to no more than the maximum incentive of 70% of the increment available to JCDA (after deduction for the County's 25%), unless the project combines three or more of the enhanced criteria and is deemed transformative by the TIF Advisory and JCDA Board.

Section 6: Criteria

The JCDA will use the following criteria to evaluate TIF applications:

1. The TIF applicant must demonstrate that the Tax Increment Financing component is a key element of the financing package and that the project would not otherwise be undertaken in its proposed form without Tax Increment Financing. Evidence to this effect can be satisfied with a project pro forma which demonstrates the financial need for TIF and/or a written statement from the lender or principal funding provider noting the importance and basis therein of TIF to the overall financial package assembled to finance the project.
2. Each TIF application must demonstrate that the applicant possesses the financial and technical ability to successfully complete and operate the project.
3. If the project will involve the issuance of TIF bonds or notes, the TIF applicant must demonstrate that incremental revenues derived from the project will be sufficient to obtain TIF for the project in the amount requested and on commercially reasonable terms.
4. If the project involves development/redevelopment of vacant land, it should as a catalyst for further, high quality development or redevelopment.
5. Projects involving redevelopment of existing retail, commercial, housing, office, or industrial properties should serve to stabilize areas that are experiencing deterioration and create development in conformity with the City's current development standards and regulations.

Enhanced Criteria

Projects will be viewed more favorably, and potentially be eligible for a higher allocation of the maximum incentive, if they incorporate a combination of the following attributes:

1. Projects to which the applicant contributes equity of at least fifteen percent (15%) of the total cost.
2. Projects that create new jobs with wage scales that average 125% of the Johnson City MSA wage average for the applicable retail, service or manufacturing sector.
3. Projects that maximize economic returns for the City of Johnson City and Washington County through expansion of the property tax base and generation of direct new sales tax revenue.
4. Projects that are considered by the JCDA Board to be transformative in nature.
5. Projects for retail, service and commercial use that encourage an inflow of customers from outside the City or that will provide services or fill retail markets that are currently unavailable or in short supply in the Redevelopment District.
6. Projects that include renovation and historic preservation of existing structures that will promote a richer cultural environment.
7. Projects that improve parking facilities, beyond the expected need of the project and traffic circulation within the district and enhance accessibility from other areas of the City and County.
8. Projects that encourage enhanced public and educational uses in the downtown area.
9. Projects that maximize the potential for suitable development in areas adjacent (peripheral) to the Redevelopment District.

Section 7: Tax Increment Loan Repayment

Estimates for TIF loans are based on the projected annual tax increment the development will generate once completed and fully assessed for tax purposes. The tax increment based on the first stabilized year must be sufficient to meet loan debt service requirements. JCDA does not project inflationary increases in the tax increment amount for future years.

As TIF loans in the redevelopment district have been repaid, tax increment continues to be generated by the properties which have been pledged. In accordance with state

law, uncommitted tax increment may be used for any of four purposes: (1) to fund direct investment in the Redevelopment District (such as infrastructure improvements), (2) to pay administrative costs associated with the Redevelopment District and the loan processing, (3) to prepay other tax increment loans or (4) to be pledged toward other loans for projects within the district.

Section 8: Application Details

- 1) Any development requesting TIF assistance must be located within the Downtown Redevelopment District. The developer must submit a TIF application to the JCDA for the proposed project. Applications requirements include:
 - a) A description of how the proposed project will contribute to the identified goals and planned land use of the redevelopment district.
 - b) Why the project's feasibility depends on an allocation of TIF assistance, including financial backup substantiating how the completed project will generate sufficient tax increment revenue to meet the debt service on the TIF loan.
 - c) A description of how the TIF assistance will be utilized in the project (i.e., eligible uses).
- 2) If JCDA staff determines that the TIF application meets the criteria, JCDA staff and the developer will draft a Development Agreement authorizing the TIF allocation and the conditions of the TIF loan.
- 3) The Development Agreement will first be submitted to the TIF Advisory Board, who will advise the JCDA Board whether the project complies with the Code and the Amended Plan and is, therefore, qualified to be considered for Tax Increment Financing. The TIF Advisory Board will also determine whether to recommend the Development Agreement, which incorporates the specific terms of the tax increment financing, to the JCDA Board of Commissioners for its approval. The Development Agreement must be approved by both the TIF Advisory Board and the JCDA Board.
- 4) Per the Amendment (Exhibit B) to the 2011 Amended Plan, JCDA shall not incur any TIF Indebtedness with a principal amount in excess of \$25,000 without the prior approval of the governing body of Washington County. Therefore, any application exceeding that amount must proceed to the Washington County Commission for approval through its committee process and Commission review.
- 5) Following approval of the Development Agreement by the JCDA Board of Commissioners, the developer proceeds with pre-development of the proposed project, including design and construction specifications (which are subject to City of Johnson City's Historic Zoning Commission (if applicable) and the

Johnson City Regional Planning Commission) and debt financing for both the construction and TIF loan. It is the developer's responsibility to secure a commitment letter from a lender for the TIF loan on terms JCDA finds acceptable.

- 6) The Redevelopment District is authorized through 2029. It is JCDA policy that one hundred percent of the available tax increment generated by the pledged property be applied to debt service on the loan, which would accelerate repayment of the loan if taxes on the development increase after the initial year of stabilization. If the lender requires a minimum annual loan payment to amortize the loan, the developer must guarantee any shortfall between that annual payment and the actual tax increment generated.
- 7) Once pre-development activities have been completed, a closing is scheduled for the TIF loan. This closing is often simultaneous with the closing of the construction loan and/or the transfer of the property. At the closing, the JCDA shall receive an administrative fee of 2% to offset expenses incurred in providing the tax increment financing for the project. TIF dollars not disbursed at closing but to be used for future expenses (e.g., demolition and clearance, public infrastructure, parking garages, construction period interest, etc.) may either be placed in an escrow account with the lender or may be drawn as needed.

Section 9. Environmental Report and Title Insurance

The JCDA may require the Applicant to provide at its expense a Phase I Environmental Site Assessment Report for the Project that (i) shall be prepared by a recognized person in the health, safety and environmental field that is acceptable to the JCDA; (ii) shall bear a date acceptable to the JCDA; and (iii) shall disclose no unacceptable conditions to the JCDA. All environmental reports requested by the JCDA must grant the JCDA the right to rely on such reports.

The JCDA may also require that the Applicant obtain at its expense, and deliver to the JCDA, a title insurance commitment for the Project described in the Development Agreement.

Section 10. Conflicts of Interest

Each member of the JCDA Board of Commissioners as well as each member of the TIF Advisory Board ("Member") shall be responsible for disclosing any material interest which he or she may have in or with an Applicant or financing source. Any Member having any material interest in a Project or a financial or family relationship with an Applicant or financing source shall submit to the Authority Counsel a representation of that interest, and JCDA Board of Commissioners shall advise both

the JCDA and Member whether the Member needs to recuse himself or herself from consideration of the Application. Such recommendation of JCDA Board of Commissioners shall be conclusive. If recusal is recommended, the JCDA will then consider the Application without participation from the Member or Members who recuse themselves.

To avoid conflicts of interest, a Development Agreement will not be approved if JCDA Board of Commissioners has a professional legal relationship with the Applicant or source of the financing other than incidental representations in connection with proposed financings of other projects, but the JCDA may waive this condition in appropriate circumstances. In the event of a conflict involving JCDA Board of Commissioners, the JCDA will retain special counsel to represent it in connection with the particular Project being considered.

III. Definitions

For purposes of these policies and procedures, the following terms shall have the following meanings:

“Amended Plan” is the 2011 version of the Initial Plan that was amended by “The Redevelopment and Urban Renewals Plan for the Downtown and Other Identified Redevelopment Districts of Johnson City, Tennessee, as amended by the Amendments. The Amended Plan is attached hereto as Exhibit A. The Amendments to the “Amended Plan” are attached hereto as Exhibit B.

“Amendments” means the Redevelopment and Urban Renewal Plan for the Downtown and Other Identified Redevelopment Districts, (the First Amendment) as approved by the JCDA on September 14, 2018.

“Application” means the Application submitted hereunder in the form designated by the Authority and as amended from time to time. The initial form of the Application is attached hereto as Exhibit C.

“Development Agreement” means the Agreement between the Authority and the Applicant (and any guarantor thereof) or similar agreement or contract providing for the terms and implementation of the Redevelopment Project.

“District” means the area as defined in the map of the Redevelopment District (see Exhibit C).

“Governmental Authority” means Washington County, Tennessee, the City of Johnson City, Tennessee, the State of Tennessee, any political subdivision of any of them, and any agency, department, commission, board, bureau or

instrumentality of any of them.

“Initial Plan” is the 2006 adoption of the “Downtown Johnson City Redevelopment Plan”. Its purpose is to specify the ways in which Tax Increment Financing is used within the designated district, in the case of Johnson City, the Redevelopment District. It was adopted by Washington County, Tennessee in March of 2008. The Initial Plan can be referenced at the JCDA office, at www.thejcda.org, or at the request of the JCDA staff.

“Maximum Incentive” means the amount of incentive as determined by JCDA staff and TIF Advisory Board that could be generated by receiving loan proceeds from a loan at prevailing interest rates using the tax increment of the proposed project as annual payment. (The Redevelopment District ends in 2029.)

“Person” means any individual, sole proprietorship, corporation, limited liability company, association, partnership (general, limited, or limited liability partnership), organization, business, trust, individual and Governmental Authority.

“Project” means a project eligible for tax increment financing under the provisions Section 13-20-202 of the Code and the Amended Plan.

“Project Site” means the real property designated in the Application as the property from which the incremental tax revenues will be generated to finance the eligible improvements of the Project.

“Relocation of utility facilities” includes Installation, construction, or reconstruct streets, utilities, and site improvements essential to the preparation and development of sites for uses in accordance with the Amended Plan; Install, construct, or reconstruct parks, public open spaces, public playgrounds, pedestrian ways, and parking garages in accordance with the Amended Plan.

IV. Appendix

Exhibit A: Amended Plan (August 2011): Johnson City Redevelopment and Urban Renewal Plan for the Downtown

Reference Note: The Initial Plan: The Downtown Johnson City Redevelopment Plan (the “Initial Plan”) adopted on October 19, 2006, by the City of Johnson City specified how to use Tax Increment Financing (TIF) within the designated district. On March 24, 2008, Washington County, Tennessee, also adopted the Initial Plan. That plan was replaced by Exhibit A the Amended Plan, in August 2011. In an effort to reduce the length of this document, a copy of the Initial Plan may be obtained and/or viewed online www.jcda.org or by request to the Johnson City Development Authority, 423-342-3540.

**REDEVELOPMENT AND URBAN RENEWAL PLAN
FOR THE DOWNTOWN AND OTHER IDENTIFIED
REDEVELOPMENT DISTRICTS
OF
JOHNSON CITY, TENNESSEE**



**JOHNSON CITY DEVELOPMENT AUTHORITY
August 2011**

THE CITY OF JOHNSON CITY, TENNESSEE

City Commission

Jeff Banyas, Mayor

Phil Carriger
Jane Myron

Clayton Stout
Ralph VanBrocklin

WASHINGTON COUNTY, TENNESSEE

County Commission

Dan Eldridge, County Mayor

Greg Matherly
Pete Speropulos
Doyle Cloyd
Sam Humphreys
Joe Sheffield
George "Skip" Oldham
Mitch Meredith
Sam Phillips
Alpha Bridger
Joe Corso
David Tomita
Lee Chase

Ken Lyon
Ethan Flynn
Richard Matherly
Joe Grandy
Gerald Sparks
Mark Ferguson
Mark Larkey
Roger Nave
Ben Bowman
Evert Jarrett
David Shanks
Pat Wolfe

JOHNSON CITY DEVELOPMENT AUTHORITY

Board of Commissioners

Robert White, Chair

Malcolm Blowers
Phillip Cox
Edward Fine
Mark Hicks
Kevin Jones
Tim Jones
Logan McCabe

Allan Spritzer
Rick Storey
David Tomita
Craig Torbett
Marcy Walker
Lorraine Washington
Steve Schcu

TABLE OF CONTENTS

INTRODUCTION	4
REDEVELOPMENT DISTRICT AREA AND EXISTING CONDITIONS	6
COMMUNITY AND PLAN OBJECTIVES.....	8
Community Objectives.....	8
Plan Objectives.....	9
Zoning and Land Use.....	9
Redevelopment and Market Conditions.....	13
SELECTION OF DEVELOPER AND APPROVAL OF PROJECT DEVELOPMENT PLAN.....	15
LAND ACQUISITION, PROPERTY MANAGEMENT, RELOCATION AND LAND DISPOSITION WITHIN THE PROJECT AREA.....	15
Land Acquisition.....	17
Building Rehabilitation as Urban Renewal.....	17
Relocation of Occupants.....	17
Land Disposition.....	17
FINANCING.....	19
Sources of Revenue to Finance Projects.....	19
Public Funding Sources.....	19
Tax Increment Financing.....	20
Amount and Final Maturity of Bonded or Other Indebtedness Incurred.....	21
Impact of Tax Increment Financing Provisions Upon Taxing Agencies.....	21
Division of Property Taxes.....	22
Property Tax Assessments and Collection.....	23
Conditions of Tax Increment Financing.....	23
PLAN AMENDMENTS.....	23
Interpretation.....	24

INTRODUCTION

The City of Johnson City, Tennessee (the “City”) and Washington County (the “County”) is a center for economic and commercial activity in northeast Tennessee. Based on cost of living, job outlook, climate, crime, transportation, education, arts, health care, and recreation, Places Rated Almanac Millennium Edition 2000 rated Johnson City 73 out of 354 Metropolitan Areas. Being the largest city in the Tri-Cities region, Johnson City is filled with major institutions such as East Tennessee State University, Johnson City Medical Center Hospital, and James H. Quillen Veteran’s Administration Hospital. In 1986, Johnson City trailed both Kingsport and Bristol, TN in total annual retail sales revenues. By 1997, Johnson City’s retail sales revenues increased 56% from \$443 million to more than \$1 billion, thus, establishing Johnson City’s retail dominance in the Tri-Cities. This retail dominance prevails primarily in the commercial districts outside of the historic commercial district. While many other cities are moving forward by strengthening their historic commercial districts, the City and County must find additional ways of expanding their economic base, creating new employment opportunities, and overcoming past and current difficulties in generating commercial and residential activity in the Downtown core. A strong Downtown is essential if the City and County are to continue to retain and expand consumer dollars and to generate additional tax revenues to sustain an expanding local economy.

The Johnson City Development Authority has responsibility for redevelopment and urban renewal for part or parts of the community within the corporate boundaries of the City. The reasons that redevelopment and urban renewal should be undertaken are:

1. Improvements in property value
2. Commercial areas are the heart of the community
3. The community needs to protect and preserve past public and private investments
4. The image presented by an area or areas reflects the community itself
5. Create economic growth
6. Improve quality of life
7. Enhance the tax base of the city and county
8. Prevent and/or eliminate slum , blight or dilapidation
9. Facilitate private investment

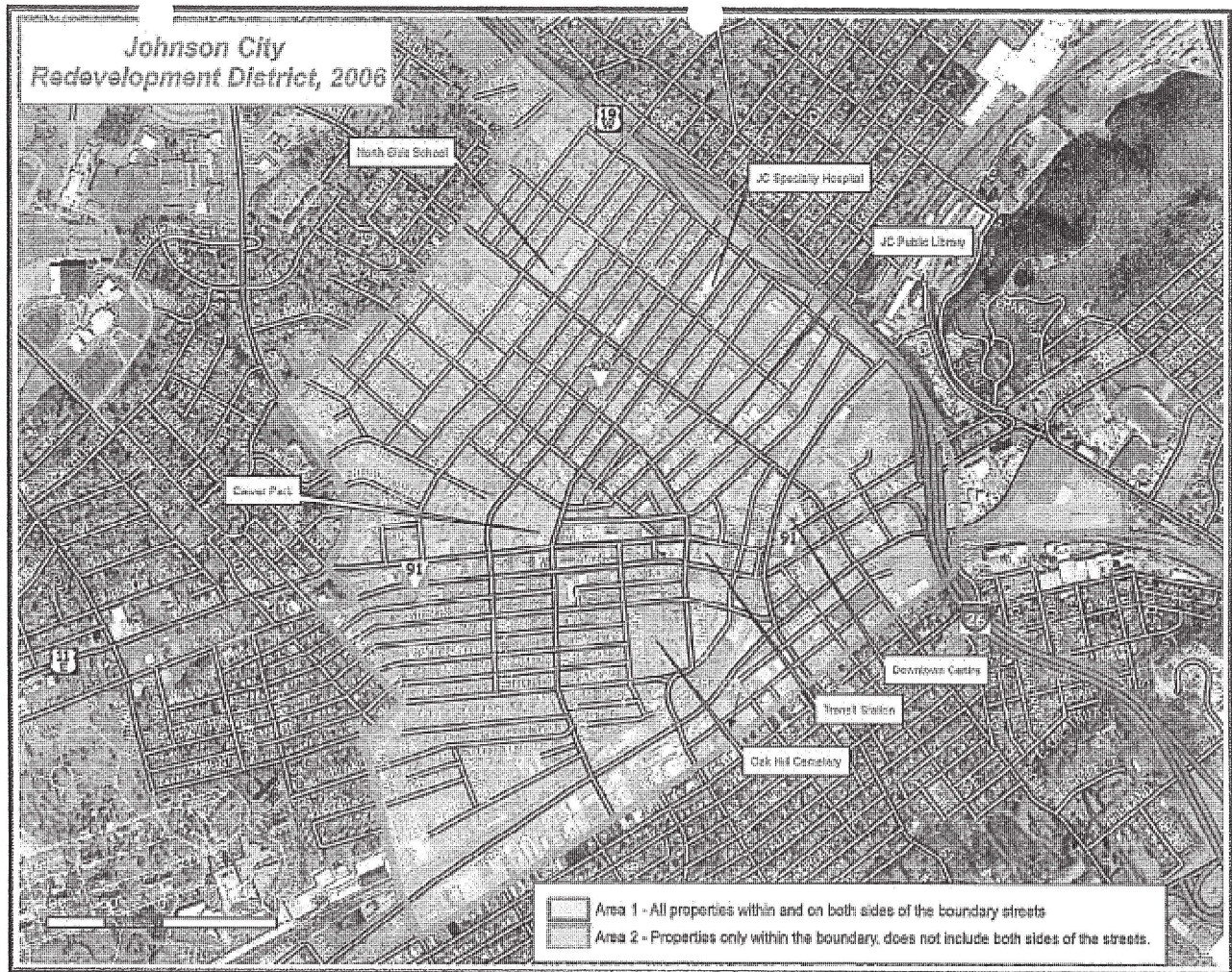
By establishing Identified Redevelopment Districts the JCDA, in consultation with residents, businesses, and institutions in the area, endeavors to formally increase opportunities for the revitalization and redevelopment of the identified areas. This Redevelopment Plan serves as a guide for any Redevelopment District that may be identified. It provides for the redevelopment of any Redevelopment District that may be identified in compliance with Title 13, Chapter 20, Tennessee Code Annotated and other applicable Tennessee law and should be so construed.

Tennessee Code Annotated (T.C.A.) Title 13, Chapter 20, as amended (the "Act") authorizes municipalities (therein identified) to establish and utilize housing and redevelopment authorities to undertake redevelopment projects for the elimination of blight and dilapidated or deteriorating structures within their corporate limits, and the assemblage of property into larger tracts in order to permit better and more intensive utilization of land. T.C.A. Section 13-20-202(c) authorizes that a development authority established by private act and located in a county with a population no more or less than 107,200, according to the 2000 federal census, is considered a housing authority vested in them the redevelopment powers to develop and implement within the meaning of the Act efforts to revitalize and restore deteriorating segments of the City's commercial core. Based on 2000 federal census figures for Washington County and Chapter 52 of the Private Acts of 1985 and Chapter 96 of the Private Acts of 1989, the Johnson City Development Authority (the "JCDA") is granted statutory powers to develop and implement a comprehensive redevelopment plan.

The purpose of this Redevelopment Plan (the "Plan") is to set forth information, which complies with the requirements of the Act and provides for the redevelopment of the commercial core depicted more fully on the project map and other identified redevelopment areas. The Plan is a continuation and product of earlier Downtown development plans, with the addition of a financing tool to allow the JCDA to put such action plans in place. Areas targeted by this Plan are the Downtown Johnson City Redevelopment District (the "Redevelopment District") and any other identified district in the Johnson City corporate boundaries that meet criteria for redevelopment as stated in Title 13, Chapter 20 of the Tennessee Code Annotated. This Plan for the Redevelopment Districts, as set forth herein, establishes the boundaries and identity for the Redevelopment District, the objectives of the Plan, provides for an orderly and fair process of accomplishing the Plan's objectives, and establishes methods for financing and public participation to accomplish the Plan's goals and objectives. This Plan also represents an attempt by the City, the County, and the JCDA to formally foster public/private partnerships which will create additional opportunities for the revitalization and redevelopment of the City and will result ultimately in more successful economic activity for the city and county.

REDEVELOPMENT DISTRICT AREA AND EXISTING CONDITIONS

The Downtown Redevelopment District is generally bounded by U.S. Interstate 26, East 11th Avenue, t Moreland Drive, , West Market Street, Delaware Street, West Main Street, Hillcrest Drive, Lamont Street, University Parkway, West Walnut Street, E. Walnut St, and Division Street. The Redevelopment District applies to properties on both sides of the bounded streets. The proposed Downtown Redevelopment District is shown on the Project map below..



Many of the structures in the Downtown Redevelopment District are obsolete and physically deteriorated. Generally, the Redevelopment District shall be consistent with the boundaries of the Downtown Target

Area as found in the Census Tract outlined in "II. Downtown Area Federal Tract: 601, Contains 59.0 Low & Moderate Income Families" area. This area was selected based upon their conditions containing blight as determined by field inspection by city staff and detailed in a report entitled "Slum and Blight Conditions Central Business District" written by the City of Johnson City's Office of Community and Economic Development. As indicated in the report, the overall state of repair of these buildings creates a condition that could be dangerous to the persons and property within the Downtown Redevelopment District and projects a negative image for the City.

The Downtown Redevelopment District contains approximately 116 city blocks and 572 business tenants. There are approximately 1,671 identifiable "properties" characterized by single ownership or single structures, which occupy one or more parcels within the Redevelopment District, having a total 2004 assessment value of \$51,840,508 or an average assessment value of \$31,005. To further demonstrate the current need to support the Redevelopment Plan, after decreasing the total assessment value by the 77 properties with an assessment value of \$100,000 or more (total value of \$18,904,800 for an average assessment value of \$245,516), the remaining 1,594 properties have a total assessment of \$32,935,708 representing only a \$20,675 average assessment value. Approximately 95% of the properties in the Redevelopment District have an assessment value below \$100,000. Of the 1,671 properties, 573 (34%) are commercial, 955 (57%) are residential and 143 (8.5%) are government or non-profit and tax exempt. Therefore, the Redevelopment District is characterized, in many cases, by under utilization and deleterious land uses. Such blighting influences affect historically significant buildings and recent or current restoration and preservation activities within the Redevelopment District. Proper development of the area in accordance with the objectives of the Plan is prevented due, in many cases, to inadequate lot sizes, layouts, diverse ownership and inadequate improvements. These and other factors limit the Project's area ability to reach its full economic potential.

The Downtown Redevelopment District is also characterized by obsolescence, physical deterioration, and in some cases, dilapidation. A portion of the area is vacant and has physically deteriorated to the extent that major repairs are required in many cases and are possibly impractical in others. Vacant buildings, empty lots, and an overall state of disrepair generally create a condition which may be dangerous to persons and property in the area and projects a negative image to all who pass by or patronize the Downtown area, including those who are considering relocation of their businesses or homes within Johnson City. Since many maintenance, design and construction deficiencies currently exist in structures located within the Redevelopment District, many of the buildings are not able to serve the commercial, residential and retail segments of today's economy. As a result, area consumers patronize shopping malls, "strip" shopping centers, eating and lodging establishments, and office buildings away from the unique and local businesses and residences of the commercial core. Faced with this trend, some tenants

of the Downtown area have not renewed their leases and prospective and former tenants have elected to relocate their operations outside of the commercial core. These factors all contribute to a further deterioration of the Downtown area and the City's and the County's tax base.

Based on the foregoing facts and circumstances and the condition of the Redevelopment District as a whole, the Board of Commissioners of the JCDA, finds that the Downtown Redevelopment District is blighted, dilapidated and deteriorating as defined by Tennessee Code Annotated 13-20-201 and should be redeveloped, rehabilitated and renovated in order to correct these conditions. The JCDA recommends that the Board of Commissioners of the City of Johnson City ("City Commission") and the Board of Commissioners of Washington County ("County Commission") adopt this finding and pledge their support of redevelopment activities within the Redevelopment District and offer their assistance in a public/private partnership as provided by the Plan.

OTHER IDENTIFIED REDEVELOPMENT AREAS

The Johnson City Development Authority may designate other Redevelopment Districts within the City's boundaries in accordance with Title 13, Chapter 20, Tennessee Code Annotated and other applicable Tennessee law and should be so construed. The purpose of the Redevelopment Plan for Downtown and Other Identified Districts of Johnson City complies with the requirements of TCA 13-20-201, et. Seq. that provides for the redevelopment of areas more fully described as Redevelopment District Projects, set forth herein, and will establish an orderly and fair process for implementation of the plan.

COMMUNITY AND PLAN OBJECTIVES

COMMUNITY OBJECTIVES

The City has undertaken a number of studies to determine the best means to stimulate the local economy and reverse the decline in the central business district. In previous years, the City has adopted several plans or reports for Johnson City including Downtown, including but not limited to:

- (1) Historic Preservation Element of the City of Johnson City's Comprehensive Plan, 2004
- (2) Johnson City Development Authority's Downtown Action Plan, 2002
- (3) Vision Statement of the City of Johnson City, 2002
- (4) Strategic Plan for Johnson City 2006 and Beyond, 2001
- (5) The Johnson City Land Use Plan, 1987
- (6) Slum and Blight Conditions, Central Business District, City of Johnson City, 1995

(7) Vision Statement of the Johnson City Planning Commission

In previous years, the City and the JCDA have received several plans or reports for Johnson City including Downtown, including but not limited to:

- (1) Connecting Johnson City, Dover Kohl & Partners, 2000
- (2) Get Over It, Tessier & Associates, 2002
- (3) Cultural Facilities Master Plan, RACESTUDIO 1997

All of these reports are incorporated herein by reference and are available at the JCDA's office. Upon adoption of this plan, any and all other redevelopment plans, or parts thereof, which may be in conflict with the provisions of this Plan will be repealed.

While not all of these reports, plans or studies were formally adopted as operating plans or strategies of the City, it is certain, however, that the revitalization efforts that have occurred have followed the general plans as established by these studies. In essence, the strategies, concepts and focus of local public and private efforts has been to treat the goals, objectives and recommendations identified in these studies as de facto goals of the community. The objectives of this Plan are to embody and complement these previously identified and "adopted" community goals. A key additional element of this Plan is to provide a vehicle under which progress can be made in achieving these previously identified goals while at the same time preserving the character and vitality of the Downtown area.

PLAN OBJECTIVES

The objectives of the Plan are to:

- (1) Eliminate blighted, deteriorating and dilapidating conditions, inappropriate façade treatments, obsolete and substandard buildings and deleterious land uses in a Redevelopment District;
- (2) Promote goals and objectives previously adopted by the City Commission of the City of Johnson City for a Redevelopment District ;
- (3) Promote development opportunities and incentives for private enterprise which create job opportunities and revitalizes commercial, retail, office and residential activities;
- (4) Expand the property tax base and generation of sales tax revenue in order to maximize economic returns for the City of Johnson City and Washington County;
- (5) Provide for better and/or more efficient use of land ;
- (6) Encourage renovation and historic preservation of existing structures in the a Redevelopment District to promote a richer, cultural environment;

- (7) Promote architectural continuity in significant buildings and in new development;
- (8) Improve parking facilities and traffic circulation in a Redevelopment District to enhance accessibility from other areas of the City, County and region as a whole;
- (9) Create and/or enhance viable linkages to the central business district;
- (10) Improve the quality of life for every citizen in the City of Johnson City and Washington County;
- (11) Increase the occupancy rate of buildings in the Redevelopment District;
- (12) To encourage increased foot traffic through special events and activities at downtown facilities promoting further retail growth;
- (13) Encourage enhanced public and educational uses in the downtown area; Maximize the potential for suitable development in areas peripheral to the Redevelopment District Promote the assemblage of property into larger tracts in order to permit better and more intensive utilization of land;

ZONING AND LAND USE

The redevelopment of the Redevelopment District shall comply with the Zoning Ordinance of the City (incorporated by reference herein), including application for necessary variances in the normal course of redevelopment, where other rules, laws, ordinances, codes and regulations of the City, including building codes and other ordinances, apply. Further, the JCDA shall review the Plan and any redevelopment activities within the Redevelopment District with City agencies and officials, as appropriate, to ensure that the Plan and proposed redevelopment activities conform with local objectives relating to appropriate land uses, improved traffic flow, public transportation, public utilities, recreation and community facilities and other public improvements and needs.

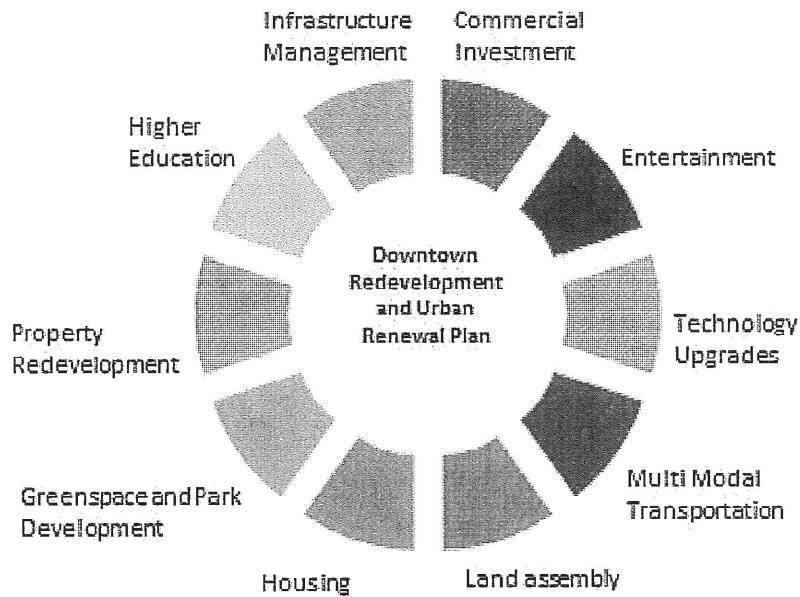
For a more complete description of the requirements and restrictions of the Zoning Ordinances of the City, reference should be made to the Ordinance themselves.

In addition to the appropriate zoning designations, the Redevelopment District includes the area as the local historic district created pursuant to Title 13, Chapter 7, Tennessee Code Annotated. Properties within the Local Historic District are subject to regulation by the City's Historic Zoning Commission. Additionally, certain properties within the Redevelopment District are also included within the National Register Historic District and are therefore governed by rules and regulations regarding modification, demolition and reuse of those properties.

For a more complete description of the requirements and restrictions of the National Register Historic District, reference should be made to the ordinance or rules and regulations of the program itself.

The City and the JCDA will cooperate in the planning and construction of improvements to the streets, roadways, sidewalks, crosswalks, curbs and gutters, parking systems, lighting, landscaping, and traffic signalization and control (the “Streetscape Improvements”) in and around the Redevelopment District.

In order to achieve the fifteen objectives identified above a coordinated effort of many facets must drive the downtown renewal efforts. A number of different factors play into Johnson City’s redevelopment. These include:



These factors all fall into one of four focus areas: infrastructure, public venues, commercial development, and special events.

Infrastructure

Public infrastructure improvements within the urban renewal area attract further private business investment. Potential projects to consider include:

- Assist the city and county in developing a greenway and trail system within the downtown district as hub. Consider planning and designing possible corridors leading to Elizabethton and Jonesborough which would attract bike and other shops and make the city a destination for recreational tourism
- Assist the city and county in improving culverts, crosswalks, traffic flow, and the gateways to the downtown corridor

- Assist the city and county in Technology Infrastructure improvements to include improved fiber connectivity and a potential downtown wifi network

Public Venues

The public venues considered ultimately attract people to the core downtown area. Unique and popular events draw people who normally would not venture downtown. The annual Blue Plum Festival is a great example. Permanent public venues for special events and other features developed to add to the downtown amenities will clearly yield a positive economic impact downtown. Also, additional governmental and educational services will draw additional users downtown. Potential projects to consider include:

- A permanent outdoor stage or amphitheater to attract on-going musical and storytelling events, and to act as a permanent main stage for the annual Blue Plum Festival
- Green space park development with walking and biking paths throughout the downtown which would result in greatly increased property values and decrease blight.
- A satellite location of Northeast State Technical Community College in downtown Johnson City
- A centrally located Farmer's Market with permanent structures and amenities

Commercial Development

The spark to many current downtown revitalizations is the renewal of downtown business activity. Enhancing the infrastructure, developing public venues, and creating special events naturally leads to increased business activity. However, downtown's negative externalities should be corrected to fully generate a strong commercial impact. Potential projects include:

- Obtaining unoccupied, dilapidated structures that no longer meet City code to either refurbish or remove in entirety for new development
- Consider selling city owned buildings for one dollar to certified buyers who agree to appropriate investments and covenants in property development.
- Consider higher property tax rates for structures unoccupied for more than 6 months

Special Events

Johnson City emulates a unique culture found nowhere else. The East Tennessee State University Bluegrass and Old Time Country music program is the world's only four year comprehensive bluegrass music program. The region is replete with tremendous talent in traditional music. Furthermore, Washington County is home to the International Storytelling Center and a well-known Storytelling degree in its own right from East Tennessee State University. This combination of unique culture and tremendous regional culture make downtown Johnson City the perfect location to build special events showcasing this talent. Potential projects to consider include:

- An annual showcase event to highlight the region's rich bluegrass and traditional music tradition as well as Appalachian storytelling traditions, heritage crafts – consider the proceeds to benefit scholarships for the ETSU bluegrass program
- Promote a series of on-going events to showcase the region's musical talent at local venues/public spaces
- Promote the downtown to spinoff business such as recording studios, publishers, radio stations, instrument manufacturers, etc.

The above projects can be implemented in a phased approach. Tax Increment Financing will be a critical tool in executing certain projects.

REDEVELOPMENT AND MARKET OPPORTUNITIES

This Plan provides the necessary tools to stimulate and complement preservation, rehabilitation and development efforts of private entrepreneurs within the a Redevelopment District.

As a part of the process of implementing the Plan for the Redevelopment Districts, the JCDA will cooperate where applicable with the City in planning and construction of improvements to streets, roadways, sidewalks, curbs and gutters, parking systems, signage, lighting, new town square, enhanced landscaping, and traffic signalization and control in and around a Redevelopment District. Additionally, the JCDA will assist in land acquisition, relocation and disposition activities and tax increment financing, as described herein, for the Project. The cost of such improvements and activities may be born in whole or part by the City, the JCDA or by the prospective Developer. The JCDA, in its discretion, may require a signed redevelopment agreement from a private developer seeking assistance under this Plan before any redevelopment activities are conducted. In all cases, the JCDA will negotiate the payment terms and conditions for these improvements and activities with prospective developers. The outcome of such negotiations and the level of direct public participation will be determined, among other things, by the type and magnitude of development proposed for a Redevelopment District.

Consistent with the goals and objectives of the Plan, it is desirable that the first focus of activities should occur in the Main Street District portion of the Downtown Redevelopment District. Development, preservation and rehabilitation within these blocks, which are near and include the heart of the National Register of Historic Districts, are key to reversing the declining conditions evident in the central business district. Within easy walking distance of these areas are numerous viable institutions, including: the Downtown Centre; the Hands On! Regional Museum; the Johnson City Public Library; the Johnson City

Transit Center; churches; financial institutions; legal and other offices; restaurants; retail establishments; residential facilities; and several prominent historic sites.

Within the Downtown Redevelopment District there are also tens of thousands of square feet of vacant and underutilized retail, office, and potential residential facilities. Many of these properties are in a state of disrepair and dilapidation.

There are numerous reuse opportunities available, which would complement existing businesses and residents and provide for a unique commercial district, thus recreating Downtown as a unique retail destination of the community. Potential reuse of the structures could include mixed-use or multi-purpose developments containing restaurants, specialty retail, office and residential space. It is the intention of the Plan that the majority of these uses would be in addition to similar activities, facilities and services currently available. Therefore, it is not anticipated that other growth areas of the community would be negatively impacted, but rather enhanced by these efforts.

Downtown redevelopment will draw new visitors and residents and will only complement past and current reinvestment activity and enhance other redevelopment that could occur in the future as a result of the Redevelopment Project. Prospective developers must focus on the strengths of the Downtown area, but will hesitate to invest without public sector investment in infrastructure improvements and other support in the Downtown area.

SELECTION OF DEVELOPER AND APPROVAL OF PROJECT DEVELOPMENT PLAN

Redevelopment of a Redevelopment District may be accomplished by the JCDA, the City, the County, private enterprise, and/or through public/private partnership(s). The Act provides that the JCDA, to the greatest extent it determines feasible, shall provide maximum opportunities, consistent with the goals and objectives of the JCDA as a whole, for the rehabilitation and redevelopment of areas by private enterprise.

LAND ACQUISITION, PROPERTY MANAGEMENT, RELOCATION AND LAND DISPOSITION WITHIN THE REDEVELOPMENT DISTRICT

LAND ACQUISITION

As noted above, the JCDA will coordinate with the City of Johnson City's Building Department to identify structures deemed to pose a safety or health risk to the public. These structures will be targeted for immediate redevelopment. Per TCA 13-20-212 the JCDA maintains the authority to acquire property via eminent domain if necessary. In addition, the JCDA should consider working with developers in acquiring and rehabilitating dilapidated properties. Any acquisition by the JCDA will be accomplished as expeditiously as possible in order to accommodate the schedule of the Development Agreement. It is anticipated that some demolition, clearance, replatting and relocation of utilities and/or other redevelopment activities may be required in the Redevelopment District, but such activities will be determined solely upon the requirements of the Development Agreement. However, any demolitions must be conducted in compliance with City, County, State, Federal, or other regulations that supersede this Plan. If such activities are required by the Development Agreement, the JCDA will undertake its activities in an orderly, timely fashion consistent with the objectives and schedules of the Development Agreement and Plan.

In the acquisition of all property, the JCDA will follow policies and procedures established in the REDEVELOPMENT DISTRICT LAND ACQUISITION POLICY incorporated herein..

The JCDA recognizes the unique circumstances of existing Redevelopment District occupants, which may be subject to relocation. Every effort will be made to minimize uncertainty and any hardship that could occur as a result of implementation of a project. No action is anticipated at this time which will permanently reduce the number of residential dwelling units having rents within the financial reach of the income groups displaced from such substandard dwellings. However, if any residents are displaced either permanently or temporarily, such residents will receive relocation assistance in accordance with the JCDA's Redevelopment District Relocation Policy.

During the development phase of the Plan, current use and ownership normally will continue until a firm development proposal is received and approved as described herein. Once a determination has been made concerning acquisition of property and a timetable established, the JCDA will acquire property and relocate occupants as quickly as possible. It is anticipated that such expeditious action will minimize property management activities of the JCDA. There may be circumstances, which arise that require interim property management by the JCDA, however. Such a situation could occur if suitable accommodations are not immediately available once property is acquired by the JCDA. Another situation could arise if an owner desires to sell property targeted for acquisition before a development proposal has been received and the JCDA deems such an acquisition to be in the best interest of all parties and consistent with the objectives of the Plan.

When interim property management is required, the JCDA will manage acquired properties as efficiently and safely as possible. Rents for property under interim management will be consistent with this conservative management philosophy, but when appropriate, consistent with local market conditions. Interim management arrangements will be formalized, where appropriate, with short-term leases approved by the JCDA. In order to minimize the need for formal arrangements and to foster goodwill with occupants subject to the JCDA's acquisition and relocation requirements, occupants of acquired properties will receive the balance of the first month under interim property management, but before relocation, rent-free. In most cases, it is anticipated that relocation will occur by the end of the first month under interim property management. If additional time under interim property management is required, a short-term lease will be structured and any rent established shall be due and payable on the first day of each month thereafter. If relocation should occur during a month in which rent has been paid by an occupant, then the JCDA shall prorate such rent for the actual time of occupancy. At the discretion of the JCDA, failure to pay any rent when due may cause the JCDA to offset any future relocation payments due an occupant.

Designated representatives of the JCDA will make frequent inspections of the property interim property management. There are no plans to provide special security or other similar services, however.

BUILDING REHABILITATION AS URBAN RENEWAL

Structures within the redevelopment district(s) are eligible for interior rehabilitation as well as external modification. Tax increment financing may fund the necessary rehabilitation for these identified structures. Rehabilitation includes interior re-configuration according to specified need, upgrading wiring, enhancing plumbing, roofing repair/replacement, energy efficiency improvements, improved disability access, parking structure enhancements, structural stabilization, security enhancements, improved lighting, upgrading to code, and other improvements for re-use. Rehabilitation projects considered include those focused on education, commercial, industrial, housing, retail, open space development, and other projects within the redevelopment district.

The Downtown Centre, which is in a designated blighted area, is a prominent example of a structure that falls under the designation of Urban Renewal. The building's current use status qualifies it as a prime project for building rehabilitation. Intended use of the building as an educational structure requires specific renewal tools that transform a former courthouse into educational purposes. The successful rehabilitation of the interior of the Downtown Centre and other structures draws the commercial mass allowing enhancement of other businesses within the redevelopment district. These activities take advantage of the federal Urban Renewal statutes which mandate the elimination of blight from innercities.

RELOCATION OF OCCUPANTS

One of the most critical and sensitive phases of project execution occurs when relocation of existing occupants is required for the successful execution of a Development Agreement. Occupants to be relocated will be interviewed, at which time all options will be presented and explained in full. If any part of a Development Agreement or a project should receive federal or state funding, any additional guidelines required by federal or state law will be followed. For the relocation of occupants by the JCDA, the JCDA shall adhere to the procedures and guidelines established in the REDEVELOPMENT DISTRICT RELOCATION POLICY incorporated herein.

LAND DISPOSITION

The JCDA may dispose of land by sale, lease or grant to private enterprise or public agency in accordance with the goals and objectives of this Plan. No conveyance shall occur until the JCDA, upon recommendation of the Executive Director, has reviewed and approved the Development Proposal and such architectural engineering drawings as the JCDA deems necessary to insure compliance with the Plan. Such land may be conveyed to the Developer at its "use value" which represents the value at which the JCDA determines such land should be made available in order that it may be developed for the purposes specified in the Plan. The "use value" may be less than the price paid for the property by the JCDA. Further, the land may be simultaneously acquired and reconveyed to a Developer, using the purchase price paid by the Developer to pay all or a portion of the purchase price to be paid by the JCDA to the owner. If a Developer selected by the JCDA is the owner of a part of the property, the JCDA may acquire the property at its "fair market value" as provided herein and reconvey the property to the Developer at its "use value", as determined by the JCDA, which may be more or less than the acquisition price. The JCDA is authorized to enter into such arrangements with a Developer or Agent (the "Development Agreement") and such Developer's mortgagee as shall be appropriate to provide for the orderly conveyance and reconveyance of the property.

In disposing of land in a Redevelopment District, the JCDA through its Development Agreement, contracts, deeds and other instruments of conveyance shall include such terms and conditions as in the judgment of the JCDA shall be necessary or advisable to insure redevelopment of the Project and its use thereafter in accordance with the intent of the Plan, the requirements of the Act and which prevents reoccurrence of the conditions of blight in a Redevelopment District. Any such instrument of conveyance may contain appropriate language providing for rights of enforcement and other requirements of this Plan, including injunctive relief, and may provide for the reversion of the land to the JCDA if the Developer does not fulfill its obligations as set forth in the instruments of conveyance, such reversionary interests being prior to all legal, equitable or beneficial interests in the property, including interests of any lien holder. Specifically, the Development Agreement, all contracts, deeds and other instruments of

conveyance in addition to the inclusion of such terms and conditions as the JCDA may find desirable in order to support the objectives of this Plan, may obligate the Developer and its successors and interests to perform the obligations as set forth below:

- (1) Develop the property only in accordance with this Plan, the Development Agreement approved by the JCDA and comply in all respects to terms thereof;
- (2) Develop the project substantially in accordance with the architectural and engineering drawings approved by the JCDA;
- (3) Prosecute diligently the development of the project and begin and complete such work within a reasonable time as shall be determined by the JCDA;
- (4) Make no substantial changes, additions or alterations in the Development Agreement or architectural and engineering drawings without prior approval of the JCDA;
- (5) To not assign contractual rights, or resell, or otherwise transfer any land and any interests therein, prior to completion of the improvements therein, without the prior approval of the JCDA. (This revision does not apply to the granting of a lien to the mortgagee(s) or Trustee(s) under a mortgage or deed of trust or other similar security interests for the purpose of securing financing for the project.); and
- (6) Effect or execute no agreement, lease, conveyance or other instrument whereby any parcel(s) so acquired under this Plan or extracted under and upon the basis of race, religion, color or national origin. This obligation applies to the sale, lease, and/or occupancy thereof, as to be effective without limitation as to time.

Upon proper completion of all commitments of the Developer as evidenced by the Development Agreement, the JCDA shall provide a certificate to the Developer, which conclusively represents a determination that the covenants respecting the completion of improvements have been satisfied and their existence is terminated. The requirements of this Plan together with all restrictions and covenants imposed upon any Redevelopment District land shall be enforceable by injunction or by other legal means beginning with the adoption of the Plan and until all Plan requirements, restrictions and covenants have been fulfilled.

The JCDA, shall be the beneficiary of all redevelopment covenants or obligations, and, shall be entitled to enforce these and other covenants and obligations as to the redevelopment, rehabilitation and preservation and continued use of a Redevelopment District in conformance with this Plan. It is further intended that the JCDA shall be authorized to retain such rights and remedies as it shall find necessary and desirable in order to protect its interest and that of the City and County, including the right and power to retake or recapture by reversion of title of property conveyed in the project area or any part thereof.

For all land disposition activities, the JCDA shall adhere to the procedures and guidelines established in the REDEVELOPMENT DISTRICT LAND DISPOSITION POLICY incorporated herein.

FINANCING

SOURCES OF REVENUE TO FINANCE PROJECTS

The primary sources of revenue to pay for Redevelopment Projects instituted pursuant to this Plan will be private investment, TIF Indebtedness (to be issued by the JCDA in the form of bonds, notes, or other indebtedness), and other available local, state and federal funding.

PUBLIC FUNDING SOURCES

The primary source of funding for the public portions of the project will be TIF Indebtedness. Additional funding may come from the City and County through such sources as interim property management leases or rents; land disposition proceeds, including the sale of salvaged property; revenues from enterprise activities within a Redevelopment District such as surface parking lots or a multi-level parking garage; revenues resulting from the adoption of applicable provisions of Title 7, Chapter 84, Tennessee Code Annotated, as supplemented and amended (Central Business Improvement Districts); increases in other tax sources, both within and outside the Redevelopment District generated by increased economic activity in the City and County.

In funding Project activities, the City and/or County may also choose to appropriate funds from existing capital resources or operating funds. Additionally, the City, County or the JCDA may individually or jointly and severally borrow funds through the issuance of bonds. In such cases, bonds or notes may be secured and payable from ad valorem taxes to be levied on all taxable property within the corporate limits of the City and/or County. Bonds or notes may also be payable and secured from sales tax revenues of the City and/or County and other similar revenue streams as may be permitted by law, which may or may not be formally pledged as security for payment of any bonds or notes so issued.

As stated herein, it is expected that real property tax revenues will increase as a direct and indirect result of improvements and developments within a Redevelopment District. If the JCDA should issue its notes or bonds either singularly or jointly with the City and/or the County, such notes or bonds may be payable from tax increment revenues, as described in Title 13, Chapter 20, Part 2, Section 5, Tennessee Code Annotated, if the JCDA approves such funding method.

The JCDA also plans to diligently pursue the possibility of securing grants, gifts or other revenues from public or private sources not indicated herein.

The JCDA shall be accountable for the proper receipt and expenditure of all funds received from the City, County or other sources, and for the securing of a periodic independent audit of all project activities executed by the JCDA pursuant to this Plan. Additionally, the JCDA shall keep the City informed of all activities within the area with the respect to the implementation of the Plan through periodic reports presented on a regular basis or as requested by the City.

TAX INCREMENT FINANCING

Tax increment financing ("TIF") is a redevelopment tool codified at Tennessee Code Annotated §§13-20-204 and 205. The purpose of TIF is to provide an economic stimulus for blighted property in need of redevelopment. Upon adoption of this Plan, TIF may be utilized to finance eligible redevelopment costs for approved Redevelopment Projects within an Identified Redevelopment District subject to the limitations herein. All property within a Redevelopment District is referred to as "TIF Property".

Notwithstanding anything in this Plan to the contrary, the JCDA, in order to make the use of TIF more expeditious and economically feasible, shall select and approve individual Redevelopment Projects in a Redevelopment District without further approval of the City or County Commissions. However, at no time shall the total outstanding unpaid balance of all TIF Indebtedness for the Redevelopment District be in excess of \$11,000,000.00 without further approval of the City and County Commissions as applicable. The evaluation and approval of Redevelopment Projects by the JCDA shall be made in accordance with the procedures for redevelopment proposals as previously outlined in this Plan.

AMOUNT AND FINAL MATURITY OF BONDED OR OTHER INDEBTEDNESS TO BE INCURRED

The final maturity date on any TIF Indebtedness issued pursuant to this Plan shall be no more than twenty years from the date of the JCDA's issuance of the TIF Indebtedness.

IMPACT OF TAX INCREMENT FINANCING PROVISIONS UPON TAXING AGENCIES

The total current appraised value of property within the Redevelopment District is approximately \$151,537,500 which resulted in approximately \$1,969,939 of real property taxes being levied in 2004. The total appraised value of the City of Johnson City's property tax base for the 2004 tax year is approximately \$1,220,694,208 which resulted in approximately \$22,523,000 of real property taxes being levied. The total appraised value of Washington County's property tax base for the 2003 tax year is approximately \$1,966,623,536 which resulted in approximately \$31,920,798 of real property taxes being

levied. The total amount of real property taxes being levied by both the City and the County amounts to \$51,313,148, 3.8% of which is generated in the Downtown Redevelopment District. The current property taxes being levied in the Redevelopment District represents approximately 2.7% of the Washington County real property taxes collected and 4.4% of the City of Johnson City's real property taxes collected. Additionally, of the 210,794 total land acreage in Washington County, the Downtown Redevelopment District represents only 0.27%, or less than 1% of the land. Of the 25,859 total land acreage in Johnson City, the Downtown Redevelopment District represents only 2% of the land. Based on these small percentages, the City of Johnson City, and Washington County (the two taxing agencies affected by the Redevelopment Plan) will be minimally impacted by this tax increment financing provision. The total value of properties in the district grew from \$164,086,900 in the base year to \$221,153,100 in 2011. An additional \$23 million in new development will be added to the tax roles in 2011 with the construction of the University Edge apartment complex. Excluding University Edge, the district realized a 34% increase in property values from 2006 to 2011 (that timeframe also included a tax re-appraisal). Additionally, throughout the term of the Redevelopment District, sales tax and other direct revenues other than property tax increment resulting from increased activity within the District, will be fully realized by the City and the County.

DIVISION OF PROPERTY TAXES

Upon approval of this Plan, the taxes levied and collected on any TIF Property shall be collected by the appropriate taxing authorities in the same manner as provided by law, except that said taxes shall be divided as follows:

1. The portion of the taxes which would be produced by the rate at which the tax is levied each year by each taxing agency, upon the assessed value of the TIF Property as shown upon the assessment roll of the appropriate assessor, as of the date of the most recently determined valuation prior to the date of approval of this Plan by the City pursuant to T.C.A. §13-20-203 (the assessed value prior to the approval of this Plan being called the "Base Assessment") shall be allocated to and when collected shall be paid to the respective taxing agencies as taxes levied by such taxing agencies as all other property taxes are paid; provided, that in any year in which the actual assessment of the TIF Property is less than the Base Assessment, there shall be allocated and paid to those respective taxing agencies only those taxes actually produced by the application of the current tax rates against such actual assessment;
2. All the taxes levied in each year in excess of the Base Assessment for all TIF Property shall be allocated to and, when collected, shall be paid into a special fund of the JCDA beginning with the tax year in which the City and/or County approves this Plan. The taxes paid shall be used by the JCDA to pay the principal of and interest on any indebtedness incurred or to be incurred by the

JCDA to finance or refinance, in whole or in part, eligible Redevelopment Expenses for the Downtown Redevelopment District including property acquisition, public improvements, , and such other expenses as may be allowed by law.

3. Upon retirement of all TIF Indebtedness incurred by the JCDA and payable from such special fund, or at such time as monies on deposit in such special fund are sufficient for such purpose, all taxes levied each year in excess of the Base Assessment of TIF Property shall, when collected, be paid to the respective taxing agency as taxes levied by such taxing agencies on all other property are paid, and the JCDA shall give notice to all affected taxing agencies of such retirement.
4. Notwithstanding anything to the contrary in this Plan, taxes levied upon property subject to tax increment financing provisions by any taxing agency for the payment of principal of and interest on all bonds, loans or other indebtedness of such taxing agency, and taxes levied by or for the benefit of the State of Tennessee, shall not be subject to allocation as provided in Paragraph 2 immediately above but shall be levied against the property and, when collected, paid to such taxing agency as taxes levied by such taxing agency on all other property are paid and collected.

PROPERTY TAX ASSESSMENTS AND COLLECTION

(A) The appropriate assessor shall, in each year during the period in which taxes are to be allocated to the JCDA pursuant to this Plan, compute and certify the net amount, if any, by which the current assessed value of all TIF Property located within the redevelopment project which is subject to taxation by the particular taxing agency exceeds the Base Assessment. The net amount of any such increase is referred to in this subdivision as the incremental value for that particular year.

(B) In any year in which there exists a tax increment to be allocated to the JCDA, the appropriate assessor shall exclude it from the assessed value upon which the appropriate assessor computes the tax rates for taxes levied that year by the taxing agency. However, the assessor shall extend the aggregate tax rate of such taxes against the Base Assessment and the incremental value and shall apply the taxes collected therefrom as provided herein.

CONDITIONS OF TAX INCREMENT FINANCING

The JCDA may enter into a Redevelopment Agreement with each Developer of TIF Property which shall contain such terms as the JCDA believes necessary to ensure the efficient and orderly completion of the Project. .

PLAN AMENDMENTS

The JCDA, the City and the County recognize that in the course of executing an approved Plan within a Redevelopment District, changes in the Plan may be warranted. Many changes will be of such a nature that City and County review and approval will be unnecessary. Some changes, however, may affect the basis upon which the Board of Commissioners of the JCDA and the Board of Commissioners of the City and the County originally approved the Plan. Such changes must be reviewed and approved by the JCDA, the City and the County prior to implementation. Accordingly, the Board of Commissioners of the JCDA and the Board of Commissioners of the City and the County will review and may approve the Plan changes when such proposed changes affect:

- (1) Boundary Changes.

A proposed change in the boundaries to a Redevelopment District.

- (2) Changes in basic Redevelopment objectives.

It is the intent of the JCDA to have flexibility in implementing the Plan without seeking prior approval of the Board of Commissioners of the City and the County in cases where basic redevelopment project objectives are unaffected. However, a proposed addition or deletion of a basic Project objective or any proposed change that would substantially affect the degree to which a basic objective would be achieved must be reviewed and approved by the Board of Commissioners of the JCDA and the Board of Commissioners of the City and the County; or

- (3) Other such cases as may be required by the Act.

PLAN INTERPRETATION

This Plan is being proposed pursuant to T.C.A. § 13-20-201, et seq. and all relevant provisions are hereby incorporated herein by reference. All provisions of this Plan shall be construed in a manner consistent with said Code sections.

Exhibit B: Johnson City Development Authority *Amendments to Redevelopment and Urban Renewal Plan For the Downtown and Other Redevelopment Districts*

JOHNSON CITY DEVELOPMENT AUTHORITY

AMENDMENTS TO REDEVELOPMENT AND URBAN RENEWAL PLAN FOR THE DOWNTOWN AND OTHER IDENTIFIED REDEVELOPMENT DISTRICTS

I. Background

The Johnson City Development Authority ("JCDA") has previously submitted to Washington County, Tennessee (the "County") and the City of Johnson City, Tennessee (the "City") a Redevelopment and Urban Renewal Plan dated August 2011 (the "Plan") relating to downtown Johnson City and other identified redevelopment districts and which amended and restated a redevelopment plan adopted and approved by JCDA, the County and the City in 2006. The Plan was previously approved by the City Commission of the City and by the County Commission of the County. In order to memorialize certain requirements imposed by the County and the City relating to the Plan in resolutions that were separate from and not included in the Plan, JCDA desires to adopt certain amendments to the Plan pursuant to this Amendment, subject to the approval of this Amendment by the City and the County.

II. Amendments

a. Restatement of Subsection on Tax Increment Financing

The subsection captioned "TAX INCREMENT FINANCING" under the Section "FINANCING" is hereby amended and restated to state as follows:

TAX INCREMENT FINANCING

The Plan shall be subject to the provisions of the Uniformity in Tax Increment Financing Act of 2012 (the "Tax Increment Act") upon approval by JCDA, the City and the County and by all holders of outstanding TIF Indebtedness issued pursuant to the Plan; provided, however, (i) unless specifically provided herein, only those provisions of the Tax Increment Act that are required to apply to the Plan shall be deemed to be applicable and (ii) no portion of the TIF Revenues, as defined below, allocated by the County to JCDA shall be applied to pay administrative expenses without the consent of the governing body of the County. TIF Revenues allocated by the City to JCDA may be applied to pay administrative expenses of JCDA to the extent permitted by the Tax Increment Act and subject to the prior agreement of the City.

In connection with the application of the Tax Increment Act, the following provisions are hereby incorporated in the Plan, and any inconsistent provisions, including the section entitled "DIVISION OF PROPERTY TAXES", shall no longer be effective once the necessary approvals set forth above are received:

Property taxes imposed on the real property located and collected within the Redevelopment District shall be allocated and distributed as provided below. The taxes collected by the County and the City on the real property within the Redevelopment District will be divided and distributed as follows in accordance with Tenn. Code Ann. § 13-20-205(c) and Title 9, Chapter 23 of the Tennessee Code Annotated, being the Tax Increment Act:

i. The portion of the real property taxes payable with respect to the Redevelopment District equal to the year prior to the date of approval of this Plan (the "Base Tax Amount") (but subject to the special provisions below relating to using an alternative base year for the County (2008) and the City (2006)) shall be allocated to and, as collected, paid to the County and the City as all other taxes levied by the County and the City on all other properties; provided, however, that in any year in which the taxes on the property within the Redevelopment District are less than the Base Tax Amount, there shall be allocated and paid to the County and the City only the taxes actually imposed.

ii. Subject to the limitations below, the excess of real property taxes over the Base Tax Amount (the "TIF Revenues") shall be allocated and, as collected, paid into a separate fund or funds of JCDA, created to hold such payments until such TIF Revenues are applied to pay debt service on TIF Indebtedness. For purposes of clarification, the allocation provided by the Tax Increment Act and the Plan is based upon taxes collected and not utilizing a base assessment methodology.

This allocation is subject to the following limitations, which are authorized by Section 9-23-103(b) of the Tax Increment Act:

i. The County shall only be required to allocate 75% of the TIF Revenues of the County calculated as provided above to JCDA for each tax year, and shall be permitted to retain 25% of such TIF Revenues for County purposes.

ii. The County shall only be required to pay the Collected Amount (as defined below) of the TIF Revenues to JCDA with respect to each tax year, which payment shall be made no later than June 30th of each year for the prior tax year, and the County shall not be required to allocate any delinquent taxes collected after the calculation of the Collected Amount by the County Trustee except as is provided below. The Collected Amount shall be the percentage, as selected by the County Trustee, in the County Trustee's discretion, equal to (x) the percentage for all property taxes actually collected in the Redevelopment District for such tax year or (y) the percentage for all property taxes collected for the entire County for such tax year, each determined as of the date the amount of allocation is determined and not earlier than June 1st of each year for the prior tax year. The manner and timing of allocations of TIF Revenues by the City shall be governed by the existing Operating Procedures approved by City Commission on September 16, 2010, relating to the payment of such TIF Revenues, provided, however, that the City shall also only be required to pay the Collected Amount, as defined above, with such Collected Amount payable by the City being determined by the City Recorder, and the City shall not be required to allocate any delinquent taxes collected after the calculation of the Collected Amount by the City Recorder except as is provided below. To the extent of any conflict between this Amended and such Operating Procedures of the City, the terms of the Plan shall control. Any delinquent taxes (exclusive of penalties and interest) collected after the calculation of the Collected Amount for any year and identified by JCDA and/or the holder of any TIF Indebtedness to the satisfaction of the City and County (and only to the extent such delinquent taxes have not already been paid) shall be allocated to JCDA with the next annual payment of the Collected Amount (but not later than the following June 30th), provided, however, that any delinquent taxes that are required to be applied to TIF

indebtedness payable from specifically identified parcels within the Redevelopment District shall be paid to JCDA (and by JCDA to the holder of such TIF Indebtedness) upon notice to JCDA, the City and the County by the holder of the TIF Indebtedness that such delinquent taxes have been paid by the applicable taxpayer. In no event shall the delinquent taxes and the Collected Amount allocated to JCDA as to any tax year exceed the amount required to be allocated to JCDA by the County or the City under the Plan.

iii. No TIF Indebtedness issued pursuant to the Plan shall be payable from incremental taxes allocated to JCDA for any tax year after the 2029 tax year except as is provided below. Neither the County nor the City shall be required to make any allocation under the Plan for any period after the tax year ending December 31, 2029, provided, however, if any TIF Indebtedness that is outstanding as of August 1, 2020 is not paid in full with the allocations of TIF Revenues made with respect to the 2029 tax year and prior years, the County and the City shall continue to make allocations of TIF Revenues pursuant to the Plan until all such TIF Indebtedness is paid in full provided that (i) JCDA shall not extend the maturity or increase the principal amount of any such TIF Indebtedness and (ii) all TIF Revenues allocated by the County and the City to JCDA for any tax year after the 2029 tax year shall be applied to pay debt service on such TIF Indebtedness with any remainder applied to promptly prepay such TIF Indebtedness.

iv. If the amount of the TIF Revenues allocated to JCDA by the County would be reduced if the 2008 tax year is used as the base year for purposes of the calculation of the amount of TIF Revenues allocated for any tax year, as compared to using the base year provided by applicable law, which is 2005, the amount of TIF Revenues determined using the 2008 tax year as the base year shall be allocated to JCDA by the County instead of in the manner provided above assuming a 2005 base tax year. If the amount of the TIF Revenues allocated to JCDA by the City would be reduced if the 2006 tax year is used as the base year for purposes of the calculation of the amount of TIF Revenues allocated for any tax year, as compared to using the base year provided by applicable law, which is 2005, the amount of TIF Revenues determined using the 2006 tax year as the base year shall be allocated to JCDA by the City instead of in the manner provided above assuming a 2005 base tax year.

v. The allocation of incremental taxes provided for above is subject to the requirements of the Tax Increment Act that Dedicated Taxes, as defined in the Tax Increment Act, which are applied by the City and County to pay debt service of the City and the County, are excluded each year from the allocation of taxes provided above.

However, at no time shall the total outstanding principal amount of all TIF Indebtedness for the Redevelopment District be in excess of 10% of the value of the real property located in the Redevelopment District as determined by the most recent assessments available from the tax assessor of the County, provided, however if the total outstanding principal amount of all TIF Indebtedness outstanding pursuant to the Plan exceeds such limitation due to a decrease in the assessed values in the Redevelopment District, the

validity of any TIF Indebtedness previously issued by JCDA shall not be affected by the occurrence of such event. JCDA shall not incur any TIF Indebtedness with a principal amount in excess of \$25,000 without the prior approval of the governing body of the County, provided, however, JCDA may refinance any outstanding TIF Indebtedness without the approval of the governing body of the County if such refinancing does not extend the maturity of the TIF Indebtedness.

All TIF Revenues allocated to JCDA shall be applied to pay debt service on debt obligations without the mutual consent of the governing bodies of the County and the City.

b. Restatement of Subsection on Tax Increment Financing

The subsection captioned "PROPERTY TAX ASSESSMENTS AND COLLECTION" under the Section "FINANCING" is hereby amended and restated to state as follows:

PROPERTY TAX ASSESSMENTS AND COLLECTION

The City and/or the County may exclude the assessed value of property subject to the allocation of taxes provided herein for purposes of establishing tax rates and in connection with periodic equalization of taxes as is permitted by applicable law.

c. Deletion of Assessment Calculation

The subsection captioned "PROPERTY TAX ASSESSMENTS AND COLLECTION" under the Section "FINANCING" is hereby deleted in its entirety.

III. Approval Process

This Amendment shall be subject to approval by JCDA, the County and the City in the same manner as the original Plan after a public hearing by JCDA, and the City and the County hereby approve a representative of JCDA conducting such public hearing. Upon approval of this Amendment, neither the City, the County nor JCDA shall have any right to withdraw from complying with the terms of the Plan, as amended by this Amendment, except as is specifically provided herein.

Exhibit C: Map of the Redevelopment District

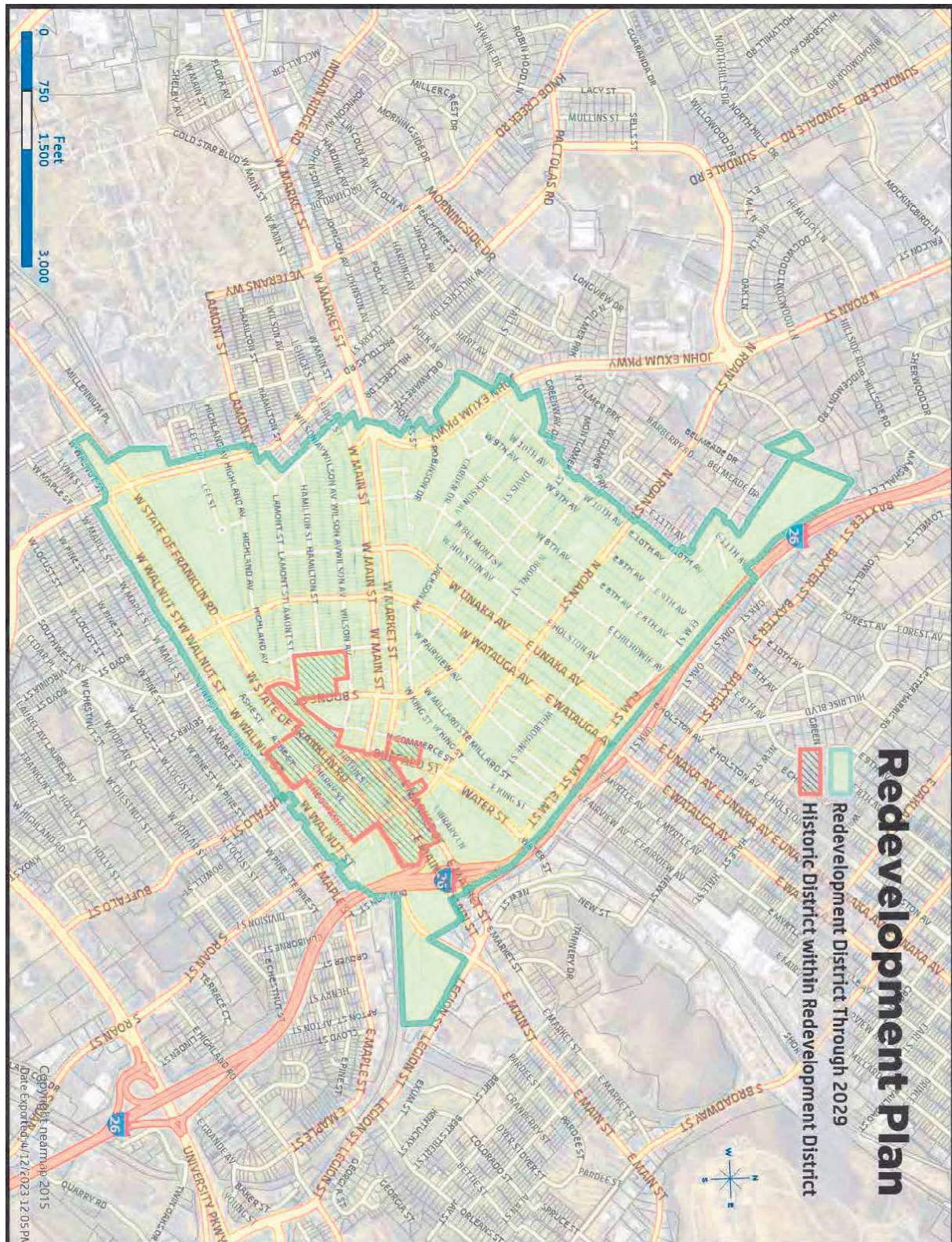


Exhibit D: TIF Application

Exhibit D: TIF Application



Tax Increment Financing Application

Thank you for your interest in investing in Johnson City's Downtown Redevelopment Plan District. The TIF application introduction and application evaluation criteria are found through the most recent version (2023) of the Downtown Redevelopment Plan District TIF Program Guide with Policies and Procedures, which includes the Johnson City Redevelopment and Urban Renewal Plan for the Downtown and Other Identified Redevelopment Districts 2011 (Exhibit A) and Plan Amendments (Exhibit B). The Guide includes this application (Exhibit D) and the map defining the Redevelopment Plan District (Exhibit C). The document is online at www.jcdatn.org.

Please contact the Johnson City Development Authority Executive Director for assistance or help accessing documents:

Patricia C. Oldham, AICP, TCEcD, Executive Director,
Johnson City Development Authority
oldham@thejcda.org 423-342-3540 (office)

Submission instructions: Please submit application electronically to the Johnson City Development Authority

1. Zip all file/folder attachments. <https://tinyurl.com/ZIPTIF> (zip instructions)
2. Send the completed form and the zipped files to submit@thejcda.org
3. Files will be distributed electronically with the TIF review team.

Please attach all required supplementary materials to the application. If additional space is needed to answer completely, please attach additional sheets.

Is the project within the Tax Increment Financing Redevelopment Plan boundary? Yes No

Please see TIF boundary/ redevelopment plan district map as Exhibit C in Downtown Redevelopment Plan District TIF Program Guide with Policies and Procedures [online](http://www.thejcda.org) www.thejcda.org.

LEGAL APPLICANT: (See signature and affidavit requirements at the end of the document)

Full Company Name _____

Mailing Address _____

City _____ State _____ Zip _____

Main Telephone _____ Mobile Phone _____

Email _____

SITE CONTROL:

Is the applicant the property owner of record? Yes

Parent Company: _____

Headquarters Address: _____

AUTHORIZED DEVELOPMENT TEAM CONTACT AND OTHER PROFESSIONALS:

Name _____ Organization _____

Title _____ Email _____

Main Telephone _____ Mobile Phone _____

How affiliated with the property owner(s)? _____

List all authorized attorneys, real estate representatives, and development professionals involved in the application:

Name _____ Role: _____ Email: _____ Phone: _____

Name _____ Role: _____ Email: _____ Phone: _____

Name _____ Role: _____ Email: _____ Phone: _____

NAME AND ADDRESS OF ALL PERSONS OR ENTITIES HAVING AN OWNERSHIP INTEREST IN THE PROPERTY TO BE DEVELOPED OR REDEVELOPED:

If the applicant selected YES as a property owner on page one, only list all ADDITIONAL owners.

Name _____ Title _____

Mailing Address _____

City _____ State _____ Zip _____

Main Telephone _____ Mobile Phone _____

Email _____

Name _____ Title _____

Mailing Address _____

City _____ State _____ Zip _____

Main Telephone _____ Mobile Phone _____

Email _____

Name _____ Title _____

Mailing Address _____

City _____ State _____ Zip _____

Telephone _____ Mobile Phone _____

Email _____

List all properties needed for the proposed project, their current ownership, occupancy status, proposed method of acquisition and relocation, if necessary.

E-911 verified Street Address(s): _____

List all Washington County Tax Parcel ID numbers for the property involved and City Official Zoning Map Classification

	Map	Group	Parcel	Land Use	Zoning Classification	Owner(s)	Occupied or Vacant (0) or (V)
Tax Parcel ID							
Tax Parcel ID							
Tax Parcel ID							
Tax Parcel ID							

For your benefit: Meeting with the City of Johnson City Development Services Department for a pre-development meeting before applying for TIF is highly recommended.

Does the current zoning classification on all parcels allow all proposed project property uses? Yes No

Is rezoning necessary for any parcel? Yes No

Is a subdivision or combination plat necessary or planned? Yes No

Is the building within the Johnson City Downtown Historic District? (Link below to city resources) Yes No

Has the project already obtained a certificate of appropriateness (C of A) from the Historic Zoning Commission? Yes No

Are any structures on the property listed or potentially *contributing* on the National Register of Historic Places? Yes No

https://www.johnsoncitytn.org/government/development_services_dept/historic_preservation/index.php

If yes, please briefly describe the history and any national register listing recognition, if any (for potential tax credits)

PROJECT DESCRIPTION:

Provide a description of the proposed project, including prospective tenants, project phasing, and purpose for the properties listed above.

ATTACH-A map, descriptions, and drawings of existing and proposed improvement:

CONSTRUCTION SCHEDULE ESTIMATE:

Provide a preliminary project implementation schedule:

Are multiple phases anticipated? Yes No

INFRASTRUCTURE:

Describe what, if any, public infrastructure improvements would be made because of the project and the costs involved (water, sewer, roads, sidewalks, etc.)

CAPITAL INVESTMENT:

ATTACH - Copy of the complete pro-forma/ finances for this project

(TIP: See the Downtown Redevelopment Plan District TIF Program Guide Sections 3-6 that note the criteria and objectives, in addition to the plans in Exhibit A & B for the related questions below.)

Please demonstrate the public benefit to the City of Johnson City and Washington County that will result from the development of this project and how tax increment financing component is a key element of the financing package and that the project would not otherwise be undertaken in its proposed form without tax increment financing.

Summarize project costs - land cost, construction estimates, professional services, other soft costs, etc. and include a financing description including a statement of sources and uses of funds.

PUBLIC BENEFITS:

Number of jobs created:

During construction _____ **Permanent FT** _____ **PT** _____

Description of new permanent jobs created _____

Proposed pay scale(s) of permanent positions: _____

Explain and outline how this project (a) will create potential for other development, (b) serve as an economic stimulus, and (c) contribute to meeting the identified goals and planned land uses of the Johnson City Redevelopment and Urban Renewal Plan for the Downtown and Other Identified Redevelopment Districts (See Community and Plan Objectives) as Amended.

ASSISTANCE REQUESTED:

Describe actions or financial assistance you are requesting from the JCDA:

List and specifically describe any additional public funding amounts received, in application, or anticipated to be sought from other sources, grants, or funds, including the City of Johnson City, Washington County, the State of Tennessee, federal sources, etc. and how it will be utilized in the project:

Applicant Agreement:

I, _____ the owner or authorized applicant for Tax Increment Financing for the property located at _____ agree that the Johnson City Development Authority (JCDA) shall approve or deny the application and/or grant based on adopted criteria and priorities. I have received and reviewed the Program Guide and will comply with the program criteria and if applicable, the Tax Increment Financing Fund Requirements. I understand that a Notarized Owner Affidavit is to be provided stating that, the owner, is fully aware of the request for Tax Increment Financing from the JCDA on the property(ies) included in this application, stating who specifically is permitted to act as my/ our authorized agent on our/my behalf on all matters pertaining to obtaining funding, with the exception of legal documents.

All work must meet City of Johnson City, Tennessee building codes, zoning ordinances, and city code, and applicants are responsible for obtaining all permits before beginning any work. Significant changes in the scope of the work that may arise must be approved by the JCDA prior to any work being initiated or completed.

Applicant Signature: _____ Date: _____

Applicant Signature: _____ Date: _____

Owner Signature: _____ Date: _____

Owner Signature: _____ Date: _____

Resource Contact Information:

- Johnson City Development Authority: 423-342-3540 oldham@thejcda.org
- City of Johnson City Tennessee Planning Division: 423-434-6071 [Johnson City Planning](#)
- City of Johnson City Tennessee Finance [Johnson City Finance](#)
- Washington County Property Assessor: 423-753-1672 [Washington County Assessor](#)
- Washington County Trustee Property Tax Look Up: 423-753-1602 [Washington County Property Tax Look up](#)
- Tennessee Comptroller of the Treasury Property Assessments How to Calculate your Tax [Calculate Your Property Tax](#)

For official use, to be completed by JCDA staff:

Date application was received: _____ FILE CASE NO: _____

Review latest property tax statement(s) from Washington County Assessor's Office (include both real and any existing tangible personal property). If additional space is necessary, continue list on additional sheets.

Tax Parcel ID			
Tax Parcel ID			
Tax Parcel ID			

	Johnson City	Washington County
Current Appraised Value		
Current Annual Tax		

Estimated improved property value after project is complete \$ _____

Confirmation of location in or out of the Downtown Historic District: Yes No

Confirmation of location in the Johnson City Redevelopment Area:

Meets criteria in TIF Guidelines and Redevelopment Plan: Yes No

Forwarded to TIF Advisory Committee for Review: Yes No

DATE OF MEETING WITH THE APPLICANT/OWNER: _____

DATE SCHEDULED FOR REVIEW BY TIF ADVISORY COMMITTEE. _____

TIF ADVISORY COMMITTEE DECISION: _____ DATE: _____ APPROVED _____ DENIED _____

APPROVAL SIGNATURES:

TIF ADVISORY CHAIRMAN

DATE: _____

EXECUTIVE DIRECTOR:

DATE: _____

Notes: