

House Bill 480 (AS PASSED HOUSE AND SENATE)

By: Representatives Gordon of the 163rd, Stephens of the 165th, Stephens of the 164th, Petrea of the 166th, Gilliard of the 162nd, and others

A BILL TO BE ENTITLED
AN ACT

1 To create the Chatham County Urban Development Authority; to provide a short title; to
2 provide for findings and determinations; to define certain terms; to provide for a board of
3 trustees, appointment of members, and meetings; to provide for powers and duties; to
4 authorize the issuance of revenue bonds of the authority and to authorize the collection for
5 the payment of such revenue bonds; to make the revenue bonds of the authority exempt from
6 taxation; to fix and provide the venue and jurisdiction of actions relating to the authority; to
7 provide for the validation of bonds; to provide for related matters; to provide for an effective
8 date; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Short title.

12 This Act shall be known and may be cited as the "Chatham County Urban Development
13 Authority Act."

SECTION 2.

Legislative findings and determinations.

16 (a) It is found, determined, and declared that areas within Chatham County are faced with
17 urban blight and deterioration problems which include:

- 18 (1) Vacant and dilapidated retail buildings;
- 19 (2) Declining retail sales;
- 20 (3) Deteriorated and dilapidated residential and commercial buildings;
- 21 (4) Parking and traffic problems;
- 22 (5) Loss of historic structures;
- 23 (6) Inappropriate mixtures of land use; and

24 (7) Aesthetic deterioration.

25 (b) It is further found and determined that public and private agencies are less effective in
 26 dealing with the problems of economic decline and physical deterioration because programs
 27 are not coordinated, evaluated, and administered in a systematic manner under a
 28 comprehensive plan.

29 (c) It is further found and determined that the citizens of Chatham County are deeply
 30 concerned about these problems of blight and deterioration and seek a comprehensive
 31 approach in developing solutions to, and attracting and facilitating investments to remedy,
 32 such problems.

33 (d) Because of the findings and determinations described in subsections (a) through (c) of
 34 this section, it is further found that there is a need for the creation of a public authority to
 35 promote economic revitalization and community development throughout economically
 36 distressed communities within the boundaries of Chatham County. It is further found that
 37 such a public authority should cooperate with public and private agencies in implementing
 38 and carrying out revitalization and community development plans, and that such public
 39 authority should exercise additional powers and duties as provided in this Act in connection
 40 with the carrying out of such plans.

41 (e) It is further found, declared, and determined that the creation of the public authority
 42 provided for in this Act and the carrying out of its corporate purposes are, in all respects,
 43 valid public purposes within the provisions of the Constitution of Georgia and that
 44 developing more effective methods, programs, and services to deal with the problems of
 45 blight and deterioration of economically distressed communities are of vital importance not
 46 only to Chatham County but also to other communities throughout Georgia as a
 47 demonstration project for solving similar problems.

48 **SECTION 3.**

49 Chatham County Urban Development Authority.

50 (a) There is created a public body corporate and politic to be known as the "Chatham County
 51 Urban Development Authority," which shall be deemed to be a political subdivision of the
 52 state and a public corporation, and by that name, style, and title, said body may contract and
 53 be contracted with, sue and be sued, implead and be impleaded, and complain and defend in
 54 all courts of law and equity. The authority shall have perpetual existence.

55 (b) The authority shall be governed by a board of trustees consisting of five members,
 56 including a chairperson. The chairperson shall be entitled to vote on any matter coming
 57 before the authority and shall be selected by majority vote of the Chatham County Delegation
 58 to the General Assembly of Georgia. Two members shall be appointed by majority vote of

59 the Chatham County Delegation to the General Assembly of Georgia. Two members shall
 60 be appointed by the governing authority of Chatham County. Members shall serve terms of
 61 four years and until the appointment and qualification of his or her successor.

62 (c) The chairperson shall appoint one member to serve as vice chairperson. The members
 63 shall elect one member to serve as secretary.

64 (d) Each member of the authority shall be a resident of Chatham County at the time of
 65 appointment and while holding office as a member of the authority.

66 (e) Members of the authority shall receive no compensation for serving on the authority but
 67 may be reimbursed for actual and necessary expenses incurred by them in the carrying out
 68 of their official duties.

69 (f) If the seat of a member of the authority becomes vacant because of death, resignation,
 70 or forfeiture, or for any other reason, such vacancy shall be filled for the unexpired term in
 71 the same manner that an appointment is made for a full term as provided in this section.

72 SECTION 4.

73 Definitions.

74 As used in this Act, the term:

75 (1) "Authority" means the Chatham County Urban Development Authority created by
 76 this Act.

77 (2) "Board" means the board of trustees of the Chatham County Urban Development
 78 Authority.

79 (3) "Community development project" means a project developed by the authority to
 80 promote investment for economically distressed communities within Chatham County.
 81 Such project shall be designed according to the specific problems and needs of the area
 82 addressed and may, without limitation, be designed to eliminate blight, encourage the
 83 establishment or growth of commercial endeavors, or improve the quality of life in such
 84 area through the creation of commercial centers, affordable housing, parks, and recreation
 85 facilities and programs.

86 (4) "Costs of the project" means and embraces the cost of construction; the cost of all
 87 lands, properties, rights, easements, and franchises acquired; the cost of all machinery and
 88 equipment; financing charges; interest prior to and during construction and for six months
 89 after completion of construction; the cost of engineering, architectural, fiscal agents,
 90 accounting, and legal expenses, plans, specifications, and other expenses necessary or
 91 incidental to determining the feasibility or practicability of the project; administrative
 92 expenses and such other expenses as may be necessary or incident to the financing herein

93 authorized; working capital; and all other costs necessary to acquire, construct, add to,
94 extend, improve, equip, operate, and maintain the project.

95 (5) "Project" includes any undertaking permitted by the revenue bond law.

96 (6) "Revenue bond law" means the revenue bond laws of the State of Georgia found at
97 Article 3 of Chapter 82 of Title 36 of the O.C.G.A. or any other similar law hereinafter
98 enacted.

99 (7) "Revenue bonds" means revenue bonds authorized to be issued pursuant to this Act.

100 (8) "Self-liquidating" means any project which the revenues and earnings to be derived
101 by the authority therefrom, including, but not limited to, any contractual payments with
102 governmental or private entities, and all properties used, leased, and sold in connection
103 therewith, together with any grants, will be sufficient to pay the costs of operating,
104 maintaining, and repairing the project and to pay the principal and interest on the revenue
105 bonds or other obligations which may be issued for the purpose of paying the costs of the
106 project.

107 (9) "State" means the State of Georgia.

108 SECTION 5.

109 Powers.

110 The authority shall have the power:

111 (1) To have a seal and alter the same at its pleasure;

112 (2) To accept loans or grants of money or materials or property of any kind from the
113 United States of America or any agency or instrumentality thereof, upon such terms and
114 conditions as the United States of America or such agency or instrumentality may
115 require;

116 (3) To accept loans or grants of money or materials or property of any kind from the state
117 or any agency or instrumentality or political subdivision thereof, upon such terms and
118 conditions as the state or such agency or instrumentality or political subdivision may
119 require;

120 (4) To accept loans or grants of money or materials or property of any kind from private
121 corporations, individuals, and entities, upon such terms and conditions as such private
122 corporations, individuals, and entities may require;

123 (5) To administer funds under its control so as to engage in community development
124 projects;

125 (6) To acquire by purchase, lease, gift, condemnation, or otherwise, and to hold, operate,
126 maintain, lease, and dispose of real and personal property of every kind and character for
127 its corporate purposes;

- 128 (7) To coordinate the activities of federal, state, local, and private entities to pursue
129 community development projects;
- 130 (8) To contract for the construction of buildings and facilities and to use, sell, or lease
131 such buildings and facilities to accomplish the purposes of the authority;
- 132 (9) To acquire in its own name by purchase, on such terms and conditions and in such
133 manner as it may deem proper, or by condemnation in accordance with the provisions of
134 any and all existing laws applicable to the condemnation of property for public use, real
135 property or rights or easements therein, or franchises necessary or convenient for its
136 corporate purposes, and to use the same so long as its corporate existence shall continue,
137 and to lease or make contracts with respect to the use of, or dispose of, the same in any
138 manner it deems to the best advantage of the authority, the authority being under no
139 obligation to accept and pay for any property condemned under this Act, except from the
140 funds provided under the authority of this Act, and in any proceedings to condemn, such
141 orders may be made by the court having jurisdiction of the suit, action, or proceedings
142 as may be just to the authority and to the owners of the property to be condemned, and
143 no property shall be acquired under the provisions of this Act upon which any lien or
144 encumbrance exists, unless at the time such property is so acquired a sufficient sum of
145 money is to be deposited in trust to pay and redeem the fair value of such lien or
146 encumbrances;
- 147 (10) To appoint, select, and employ officers, agents, and employees, including
148 engineering, architectural, and construction experts, fiscal agents, and attorneys, and fix
149 their respective compensations;
- 150 (11) To execute contracts, leases, installment sale agreements, and other agreements and
151 instruments necessary or convenient in connection with the acquisition, construction,
152 addition, extension, improvement, equipping, operation, or maintenance of a project; and
153 any and all persons, firms and corporations, Chatham County, and the City of Savannah,
154 Georgia, are authorized to enter into contracts, leases, installment sale agreements, and
155 other agreements or instruments with the authority upon such terms and for such purposes
156 as they deem advisable and as they are authorized by law;
- 157 (12) To acquire, construct, add to, extend, improve, equip, hold, operate, maintain, lease,
158 and dispose of projects;
- 159 (13) To pay the costs of the project with the proceeds of revenue bonds or other
160 obligations issued by the authority or from any grant or contribution from the United
161 States of America or any agency or instrumentality thereof or from the state or any
162 agency or instrumentality or other political subdivision thereof or from any other source
163 whatsoever;

- 164 (14) To borrow money for any of its corporate purposes and to issue revenue bonds, and
 165 to provide for the payment of the same and for the rights of the holders thereof;
- 166 (15) To exercise any power usually possessed by private corporations performing similar
 167 functions, including the power to incur short-term debt and to approve, execute, and
 168 deliver appropriate evidence of any such indebtedness;
- 169 (16) To promote and advocate programs and activities needed within economically
 170 distressed communities to maintain, revitalize, and improve aesthetic, residential, and
 171 business quality and health within such areas;
- 172 (17) To assist property owners and prospective tenants in obtaining development loans;
- 173 (18) To assist business property owners in marketing and leasing their properties; and
- 174 (19) To do all things necessary or convenient to carry out the powers expressly given in
 175 this Act.

176 **SECTION 6.**

177 Meetings and public hearings.

178 The board shall meet at the call of the chairperson and not less than one time during each
 179 calendar quarter. At the direction or incapacitation of the chairperson, the vice chairperson
 180 may call a meeting of the authority and preside at meetings thereof. A quorum of the board
 181 shall be at least three members present. The powers and duties of the authority shall be
 182 transacted, exercised, and performed only pursuant to the affirmative vote of at least a
 183 majority of a quorum.

184 **SECTION 7.**

185 Revenue bonds.

186 The authority, or any authority or body which has or which may in the future succeed to the
 187 powers, duties, and liabilities vested in the authority created by this Act, shall have the power
 188 and is authorized to provide, by resolution, for the issuance of revenue bonds of the authority
 189 for the purpose of paying all or any part of the costs of the project and for the purpose of
 190 refunding revenue bonds or other obligations previously issued. The principal of and interest
 191 on such revenue bonds shall be payable solely from the special fund provided for such
 192 payment. The revenue bonds of each issue shall be dated, shall bear interest at such rate or
 193 rates per annum, shall be payable at such time or times, shall mature at such time or times
 194 not exceeding 40 years from their date or dates, shall be payable in such medium of payment
 195 as to both principal and interest as may be determined by the authority, and may be
 196 redeemable before maturity, at the option of the authority, at such price or prices and under

197 such terms and conditions as may be fixed by the authority in the resolution for the issuance
198 of such revenue bonds.

199 **SECTION 8.**

200 Same, form, denomination, registration, place of payment.

201 The authority shall determine the form of the revenue bonds and shall fix the denomination
202 or denominations of the revenue bonds. The revenue bonds may be issued in coupon or
203 registered form, or both, as the authority may determine, and provision may be made for
204 registration and exchangeability privileges. The authority shall fix the place or places of
205 payment of principal and interest thereon.

206 **SECTION 9.**

207 Same, signatures, seal.

208 All such revenue bonds shall bear the manual or facsimile signature of the chairperson or
209 vice chairperson of the authority and the attesting manual or facsimile signature of the
210 secretary of the authority, and the official seal of the authority shall be impressed or
211 imprinted thereon. Any coupons attached thereto shall bear the manual or facsimile
212 signatures of the chairperson or vice chairperson and the secretary of the authority. Any
213 revenue bonds or coupons attached thereto may bear the manual or facsimile signature of
214 such persons as at the actual time of the execution of such revenue bonds or coupons shall
215 be duly authorized or hold the proper office, although at the date of issuance of such revenue
216 bonds such person may not have been so authorized or shall not have held such office. In
217 case any officer whose signature shall appear on any revenue bond or any coupon shall cease
218 to be such officer before the delivery of such revenue bond, such signature shall nevertheless
219 be valid and sufficient for all purposes, the same as if that person had remained in office until
220 such delivery.

221 **SECTION 10.**

222 Same, negotiability, exemption from taxation.

223 All revenue bonds shall have and are declared to have all the qualities and incidents of
224 negotiable instruments under the laws of the state. All revenue bonds, their transfer, and the
225 income therefrom shall be exempt from all taxation within the state.

226 **SECTION 11.**

227 Same, sale, price, proceeds.

228 The authority may sell revenue bonds in such manner and for such price as it may determine
229 to be in the best interest of the authority. The proceeds derived from the sale of revenue
230 bonds shall be used solely for the purpose or purposes provided in the resolutions and
231 proceedings authorizing the issuance of such revenue bonds.

232 **SECTION 12.**

233 Same, interim receipts and certificates or temporary bonds.

234 Prior to the preparation of any definitive revenue bonds, the authority may, under like
235 restrictions, issue interim receipts, interim certificates, or temporary revenue bonds, with or
236 without coupons, exchangeable for definitive revenue bonds upon the issuance of the latter.

237 **SECTION 13.**

238 Same, replacement of lost or mutilated bonds.

239 The authority may provide for the replacement of any revenue bonds or coupons which shall
240 become mutilated or be destroyed or lost.

241 **SECTION 14.**

242 Same, conditions precedent to issuance.

243 The authority shall adopt a resolution authorizing the issuance of revenue bonds. In the
244 resolution, the authority shall determine that the project financed with the proceeds of the
245 revenue bonds is self-liquidating. Revenue bonds may be issued without any other
246 proceedings or the happening of any other conditions or things other than those proceedings,
247 conditions, and things which are specified or required by this Act. Any resolution providing
248 for the issuance of revenue bonds under the provisions of this Act shall become effective
249 immediately upon its passage and need not be published or posted, and any such resolution
250 may be passed at any regular or special or adjourned meeting of the authority by a majority
251 of its members.

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SECTION 15.

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Credit not pledged.

254 Revenue bonds shall not be deemed to constitute a debt of Chatham County or the City of
255 Savannah, Georgia, nor a pledge of the faith and credit of the county or city, but such
256 revenue bonds shall be payable solely from the fund provided for in this Act. The issuance
257 of such revenue bonds shall not directly, indirectly, or contingently obligate the county or
258 city to levy or to pledge any form of taxation whatsoever for payment of such revenue bonds
259 or to make any appropriation for their payment, and all such revenue bonds shall contain
260 recitals on their face covering substantially the foregoing provisions of this section.
261 Notwithstanding the foregoing provisions, this Act shall not affect the ability of the authority
262 and any political subdivision or municipality to enter into an intergovernmental contract
263 pursuant to which the political subdivision or municipality agrees to pay amounts sufficient
264 to pay operating charges and other costs of the authority or any project including, without
265 limitation, the principal of and interest on revenue bonds in consideration for services or
266 facilities of the authority.

267

SECTION 16.

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Trust indenture as security.

269 At the discretion of the authority, any issuance of revenue bonds may be secured by a trust
270 indenture by and between the authority and a corporate trustee, which may be any trust
271 company or bank having the powers of a trust company inside or outside the state. Either the
272 resolution providing for the issuance of the revenue bonds or such trust indenture may
273 contain such provisions for protecting and enforcing the rights and remedies of the
274 bondholders as may be reasonable and proper and not in violation of law, including
275 covenants setting forth the duties of the authority in relation to the acquisition and
276 construction of the project, the maintenance, operation, repair, and insuring of the project,
277 and the custody, safeguarding, and application of all moneys.

278

SECTION 17.

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To whom proceeds of bonds shall be paid.

280 In the resolution providing for the issuance of revenue bonds or in the trust indenture, the
281 authority shall provide for the payment of the proceeds of the sale of the revenue bonds to
282 any officer or person who, or any agency, bank, or trust company which, shall act as trustee

283 of such funds and shall hold and apply the same to the purposes thereof subject to such
284 regulations as this Act and such resolution or trust indenture may provide.

285 **SECTION 18.**

286 Sinking fund.

287 The moneys received pursuant to an intergovernmental contract and the revenues, fees, tolls,
288 charges, and earnings derived from any particular project or projects, regardless of whether
289 or not such revenues, fees, tolls, fines, charges, and earnings were produced by a particular
290 project for which revenue bonds have been issued, unless otherwise pledged and allocated,
291 may be pledged and allocated by the authority to the payment of the principal and interest
292 on revenue bonds of the authority as the resolution authorizing the issuance of the revenue
293 bonds or in the trust indenture may provide, and such funds so pledged from whatever source
294 received shall be set aside at regular intervals as may be provided in the resolution or trust
295 indenture into a sinking fund; and such sinking fund shall be pledged to and charged with the
296 payment of:

- 297 (1) The interest upon such revenue bonds as such interest shall fall due;
298 (2) The principal or purchase price of such revenue bonds as the same shall fall due;
299 (3) Any premium upon such revenue bonds as the same shall fall due;
300 (4) The purchase of such revenue bonds in the open market; and
301 (5) The necessary charges of the paying agent for paying principal and interest.

302 The use and disposition of such sinking fund shall be subject to such regulations as may be
303 provided in the resolution authorizing the issuance of the revenue bonds or in the trust
304 indenture, but, except as may otherwise be provided in such resolution or trust indenture,
305 such sinking fund shall be maintained as a trust account for the benefit of all revenue bonds
306 without distinction or priority of one over another.

307 **SECTION 19.**

308 Remedies of bondholders.

309 Any holder of revenue bonds or any of the coupons appertaining thereto, and the trustee
310 under the trust indenture, if any, except to the extent the rights herein given may be restricted
311 by resolution passed before the issuance of the revenue bonds or by the trust indenture, may,
312 either at law or in equity, by suit, action, mandamus, or other proceedings, protect and
313 enforce any and all rights under the laws of the state, including specifically but without
314 limitation the revenue bond law, or granted hereunder or under such resolution or trust
315 indenture, and may enforce and compel performance of all duties required by this Act or by

316 such resolution or trust indenture to be performed by the authority or any officer thereof,
317 including the fixing, charging, and collecting of revenues, fees, tolls, fines, and other charges
318 for the use of the facilities and services furnished.

319 **SECTION 20.**

320 Validation.

321 Revenue bonds and the security therefor shall be confirmed and validated in accordance with
322 the procedure of the revenue bond law. The petition for validation shall also make a party
323 defendant to such action the state; any institution, department, or other agency thereof; and
324 any county, municipality, school district, or other political subdivision or authority of the
325 state which has contracted with the authority for services or facilities relating to the project
326 for which revenue bonds are to be issued and sought to be validated, and such defendant shall
327 be required to show cause, if any exists, as to why such contract or contracts shall not be
328 adjudicated as a part of the basis for the security for the payment of any such revenue bonds.
329 The revenue bonds when validated and the judgment of validation shall be final and
330 conclusive with respect to such revenue bonds and the security for the payment thereof and
331 interest thereon and against the authority and all other defendants.

332 **SECTION 21.**

333 Venue and jurisdiction.

334 Any action to protect or enforce any rights under the provisions of this Act or any suit or
335 action against such authority shall be brought in the Superior Court of Chatham County,
336 Georgia, and any action pertaining to validation of any revenue bonds issued under the
337 provisions of this Act shall likewise be brought in said court which shall have exclusive,
338 original jurisdiction of such actions.

339 **SECTION 22.**

340 Interest of bondholders protected.

341 While any of the revenue bonds issued by the authority remain outstanding, the powers,
342 duties, or existence of the authority or its officers, employees, or agents shall not be
343 diminished or impaired in any manner that will affect adversely the interests and rights of the
344 holders of such revenue bonds, and no other entity, department, agency, or authority will be
345 created which will compete with the authority to such an extent as to affect adversely the
346 interests and rights of the holders of such revenue bonds, nor will the state itself so compete

347 with the authority. The provisions of this Act shall be for the benefit of the authority and the
 348 holders of any such revenue bonds and upon the issuance of such revenue bonds under the
 349 provisions hereof shall constitute a contract with the holders of such revenue bonds.

350 **SECTION 23.**

351 Moneys received considered trust funds.

352 All moneys received pursuant to the authority of this Act, whether as proceeds from the sale
 353 of revenue bonds, as grants or other contributions, or as revenue, income, fees, and earnings,
 354 shall be deemed to be trust funds to be held and applied solely as provided in this Act.

355 **SECTION 24.**

356 Purpose of the authority.

357 Without limiting the generality of any provision of this Act, the general purpose of the
 358 authority is to promote economic revitalization and community development throughout
 359 economically distressed communities within the boundaries of Chatham County and the City
 360 of Savannah, Georgia.

361 **SECTION 25.**

362 Rates, charges, and revenues.

363 The authority is authorized to prescribe and fix rates and to revise the same from time to time
 364 and to collect revenues, tolls, fees, and charges for the services, facilities, and commodities
 365 furnished and, in anticipation of the collection of the revenues, to issue revenue bonds or
 366 other types of obligations as herein provided to finance, in whole or in part, the costs of the
 367 project and to pledge to the punctual payment of said revenue bonds or other obligations all
 368 or any part of the revenues.

369 **SECTION 26.**

370 Rules, regulations, service policies, and
 371 procedures for operation of projects.

372 It shall be the duty of the authority to prescribe, or cause to be prescribed, rules, regulations,
 373 service policies, and procedures for the operation of any project or projects constructed or
 374 acquired under the provisions of this Act. The authority shall adopt bylaws for its
 375 organization and the operation of projects.

376 **SECTION 27.**

377 Tort immunity.

378 To the extent permitted by law, the authority shall have the same immunity and exemption
379 from liability for torts and negligence as Chatham County; and the officers, agents, and
380 employees of the authority when in the performance of the work of the authority shall have
381 the same immunity and exemption from liability for torts and negligence as the officers,
382 agents, and employees of Chatham County, when in the performance of their public duties
383 or the work of the county.

384 **SECTION 28.**

385 Tax-exempt status of the authority.

386 The properties of the authority, both real and personal, are declared to be public properties
387 used for the benefit and welfare of the people of the state and not for purposes of private or
388 corporate benefit and income, and such properties and the authority shall be exempt from all
389 taxes and special assessments of any municipality, county, or the state and any political
390 subdivision thereof.

391 **SECTION 29.**

392 Effect on other governments.

393 This Act shall not and does not in any way take from Chatham County or any political
394 subdivision or municipality the authority to own, operate, and maintain public facilities or
395 to issue revenue bonds as provided by the revenue bond law.

396 **SECTION 30.**

397 Liberal construction of Act.

398 This Act, being for the welfare of various political subdivisions and municipalities of the
399 state and its inhabitants, shall be liberally construed to effect the purposes hereof.

400 **SECTION 31.**

401 Effective date.

402 This Act shall become effective upon its approval by the Governor or upon its becoming law
403 without such approval.

404

SECTION 32.

405

Repealer.

406 All laws and parts of laws in conflict with this Act are repealed.