

October 8, 2015

Dear Mr. Graves:

As a follow-up on our truncated call of even date, there are three (3) general law charters that are available to a territory proceeding with an incorporation referendum:

- Mayor Aldermanic charter (T.C.A. § 6-1-201)
- Manager Commission charter (T.C.A. § 6-18-103)
- Modified City Manager Council charter (T.C.A. § 6-30-103)

The MTAS document that you have in your possession, <u>How to Incorporate a New City in Tennessee</u>, speaks in general to the process for the mayor - aldermanic charter. While it provides a good starting point, you are encouraged to review the aforementioned statutes, as well as the other relevant statutes, that can be found online at http://www.lexisnexis.com/hottopics/tncode/.

As you will find, the incorporation process is involved with a number of thresholds that must be satisfied to get the question on the ballot for an election vote. Included in the thresholds:

- Minimum number of residents in the territory
- Distance separation from another incorporated municipality
- Filing of a written petition requesting an election containing a minimum number of registered voters in the territory
- Location within a planned growth area
- County approval of the proposed city limits and urban growth boundary
- Legal boundary of the area to be incorporated
- Preparation of a plan of services setting forth the identification and projected timing of municipal services to be provided, including a proposed 5 year operational budget
- Determination of the local revenue that must be generated (through a property tax) that is equal to the state-shared taxes generated in the territory

You'll also want to look at T.C.A. § 6-58-112, New Municipalities, for further guidance.

Once an area is successfully incorporated, the governance of the area and the provision of municipal services – the very reason that a city exists – must commence in earnest. And this will require the election of the governing body, the hiring of staff, a budget, and the satisfaction of all other statutory requirements and administrative regulations affecting municipalities.

With the complexity of the incorporation process, you will be well-served to engage a private attorney to assist in this process once an affirmative decision is made to formally pursue incorporation.

Mr. Graves October 8, 2015 Page 2

Upon a successful election vote, MTAS stands ready to assist the new city with the assistance and services that we provide to incorporated cities and towns in Tennessee.

Very truly yours,

Jeffrey J. Broughton

Municipal Management Consultant

Cc: Elisha Hodge