INTER-LOCAL AGREEMENT

THIS INTER-LOCAL AGREEMENT, made and entered into this _____day of ________, 2019, by and between the TOWN OF JONESBOROUGH, TENNESSEE, hereinafter referred to as the Town; and WASHINGTON COUNTY, TENNESSEE, hereinafter referred to as the County; and the WASHINGTON COUNTY BOARD OF EDUCATION, hereinafter referred to as the Board of Education, and collectively referred to as the parties:

WHEREAS each of the parties to this agreement have a vested interest in the education of the children of Washington County living within the Town of Jonesborough, and

WHEREAS, the Washington County School Facilities Master Plan adopted in 2013 established as the priority for new K-8 school facilities the combining the Boones Creek Elementary and Middle schools as well as the combining Jonesborough Elementary and Middle schools, and

WHEREAS, the combined student population of Jonesborough Elementary School and Jonesborough Middle School is the largest of all K-8 schools in the Washington County System, and

WHEREAS, with the continued growth of Jonesborough as well as the fact that a large portion of the western half of Washington County has to travel through the Town to get to the large employment centers in Johnson City, the student population at the Jonesborough school will not likely decrease, and

WHEREAS, as a bedroom community to Johnson City essentially adjoining that much larger commercial center that has its own highly regarded school system, the perception of the quality of education provided by the Jonesborough schools becomes a major deciding factor in where young families with school age children decide to live, and

WHEREAS, the recommendation adopted by the Washington County School Board in 2013 to build a new K-8 school in Jonesborough is still based on the need to spend County capital
improvement project funding wisely creating a dynamic new educational facility that will serve Washington County students in the Jonesborough area for another forty to fifty years, and

WHEREAS, the Town of Jonesborough, in acknowledgement of the critical importance of the school facilities in Jonesborough, the educational program provided to Jonesborough's school age children, and the long-term economic growth and stability of the Town has determined it is in the Town's best interest to be proactive in helping overcome obstacles in constructing the education facility needed, then

WITNESSETH:

For and in consideration of material covenants and agreements hereinafter contained, the Town will work with the County and the Board of Education in a mutually beneficial relationship to effectively build a community facility to include recreation facilities and a multipurpose building, primarily for use of the Board of Education as a school facility. In consideration whereof the parties hereto have agreed upon the following terms and conditions, which shall constitute, govern, and control the relationship between the parties hereto, the same being inseparable parts to this Agreement, and such terms and conditions are binding upon the parties and expected to be relied upon by the parties in making their commitments described herein.

GENERAL

The Town and County and Board of Education, their officers, employees, agents and personnel shall fully cooperate in performance of the terms and provisions of this Agreement.

The following terms will be used throughout this document:

1. “Building” or “New Building” refers to the primary new building constructed as part of this project.
2. “Cost Saving Measures” refer to the efforts to reduce costs undertaken by the County and the Town for the mutual benefit of both as set out in this Agreement.
3. “Design Committee” will provide input to the architect and engineers in the planning and design of the building and facilities which are the subject of the project. It is important to note that the Committee will not make final design decisions which are reserved to the
Town through the Board of Mayor and Aldermen to allow them to control the cost they are incurring, and, with respect to the furnishings, to the Board of Education to allow it to furnish the Building as it deems necessary and appropriate. Any vacancy on the Design Committee will be filled by the person resigning or declining to accept their appointment who shall select another member of their respective board, or in the case of the County Mayor from his staff, to fill the position; and the at-large member of the Board appointed by the Town will be replaced by the Board of Mayor and Aldermen if necessary; and the administrator or teacher from the Jonesborough Schools will be replaced by the Board of Education if necessary. Any replacement from the initial appointments in this Agreement must be approved by a majority of the Design Committee.

4. “The Design” refers to the design of both the primary building and the grounds and other recreational facilities both while under consideration of the Design Committee and before and after final approval of the Board of Mayor and Aldermen.

5. “Jonesborough Schools” shall refer to Jonesborough Middle School and Jonesborough Elementary School.

6. “Building Lease” refers to the Lease attached to this Agreement as Exhibit A, or a substantially similar document to be developed subsequent to the execution of this Agreement.

7. “Facilities Lease” refers to the Lease attached to this Agreement as Exhibit B, or a substantially similar document to be developed subsequent to the execution of this Agreement.

In the event the terms of this Agreement conflict with the Building Lease or Facilities Lease, the terms of such leases shall govern.

Except as specifically stated herein, all improvements to North Cherokee Street shall be constructed or paid in the same manner as the Town and County have previously constructed roads in the Town and County. However, the new road and traffic circle on the premises shown on the exhibits to the Building Lease and Facilities Lease shall be built and paid for as part of the Project.

Town and County will encourage the Design Committee to obtain estimates of the costs of construction at an appropriate time prior to completion of the Design to determine if they wish to proceed based upon such estimated costs. If estimated costs exceed the proposed maximum amount of financing issued to pay such costs, Town and County shall use best efforts to reduce the estimated costs. If after sixty (60) days of such review (but in any event, not later than the date the Bonds [as defined in the Building Lease] are issued) either Town or County determines costs cannot be reduced to the maximum amount of the proposed financing, either party may terminate its obligations under the Leases; and in such event, County shall nevertheless pay in full the outstanding Interim Financing (as defined in the Building Lease), including the principal, interest, reserve replenishment, indemnity, fees, costs and expenses required to be paid or prepaid on such date with respect to the Interim Financing, and all reasonable fees, charges and disbursements of the trustee, lender or any bond or note holder accrued and to accrue until the date of full payment, together with the Termination Costs (as defined in the Building Lease).

**RESPONSIBILITIES OF THE TOWN OF JONESBOROUGH**
1. The Town will execute and serve as Lessor of the primary building to be constructed as part of this project under the Building Lease attached as Exhibit A hereto.

2. The Town will execute and serve as Lessor of the grounds and facilities for recreation space under the Facilities Lease attached as Exhibit B hereto.

3. The Town will select and supervise the work of the architect and engineers and other professional services on the project; provided, however, that the Board attorney will have input into the development of the contract with the architect.

4. The Town will provide four (4) persons to serve as members of the Design Committee including the Mayor, representing the Board of Mayor and Aldermen, the Town Administrator and two other representatives who will not be members of the Board of Mayor and Aldermen, including at least one citizen of the Town of Jonesborough with children who attend the Jonesborough schools, selected by the Board of Mayor and Aldermen. The Town will provide staffing services to the Design Committee.

5. The Board of Mayor and Alderman of the Town will have final approval of the Design and of the cost of construction of the project, except as specifically provided for in this agreement.

6. The Town will seek to obtain financing for the Project and this agreement is contingent on the Town being able to obtain that financing on terms acceptable to the Board of Mayor and Aldermen.

7. The Town will exercise the option it has on the site shown on Exhibit C hereto and will be responsible for the construction of the building after final approval of the Design. The Town agrees to delay acquisition of real property as long as permitted under any purchase contract to allow completion of the Design and to secure Interim Financing (as defined in the Building Lease). Town will also annex such real property at the time of its acquisition.

8. Upon completion of construction, the Town will turn over occupancy of the building and grounds to the County. At that point, the Town will have no further responsibility for the operation or maintenance of the building which is the subject of the Building Lease.

9. The Town will secure the services of and utilize a construction management professional qualified with substantive experience in the construction of schools and related facilities to advise Town and Design Committee during the construction of the Building and related facilities.

10. The Town will have responsibility for maintenance, management and scheduling of the facilities and grounds under the Facilities Lease as set out in that lease and in any agreement with the County, with the understanding the Washington County Schools will have rights of use as set out in the Facilities Lease.

11. In the event the Interim Financing can be used to pay for costs of the Town incurred prior to funding of the Interim Financing, Town will use the Interim Financing proceeds to reimburse the County for all rent paid by the County prior to the funding of the Interim Financing.

RESPONSIBILITIES OF WASHINGTON COUNTY

1. The County will provide two (2) persons to serve as members of the Design Committee including the County Mayor and one member of the County Commission to be selected by the County Commission.
2. The County will execute and serve as Lessee of the primary building to be constructed as part of this project under the Building Lease attached as Exhibit A hereto.
3. The County will execute and serve as Lessee of the grounds and facilities for recreation space under the Facilities Lease attached as Exhibit B hereto.
4. Participate, to the extent reasonable under the circumstances in the County’s judgment, in Cost Saving Measures, as described herein.
5. Participate in the reconfiguring of the driveway into the current Jonesborough elementary school to connect it to the roadway leading to the intersection located between Pal’s and the pharmacy on East Jackson Boulevard.
6. Transfer ownership of all leased premises to the Board of Education at the time the County has the ability to make such transfer of ownership.

RESPONSIBILITIES OF THE WASHINGTON COUNTY BOARD OF EDUCATION

1. The Board of Education will provide four (4) persons to serve as members of the Design Committee including three members of the Board of Education who serve the district in which the Jonesborough Schools are currently situated and an administrator or teacher from the Jonesborough Schools. Additionally, the Board of Education will have a representative from their facilities maintenance staff to serve as a staff member to the Design Committee.

2. The Board of Education will have the authority to select furnishings that the Board of Education believes are necessary and appropriate for use in the Building; provided, that the Board of Education shall collaborate with the Design Committee regarding the selection of any such furnishings; and further provided that the Board of Education shall pay for any such furnishings out of the Dedicated Education Fund per Tenn. Code Ann. § 49-3-352.

3. The Board of Education will receive reports from the Design Committee from time to time and will provide comment and input in the design process. The Board of Education will meet in joint session with the Town’s Board of Mayor and Alderman for a discussion of the design of the school building and site prior to the Board of Mayor and Alderman voting to give final approval and bid out the construction project.

4. The Board of Education will be responsible for all aspects of the operation and maintenance of the building once the building is completed and turned over to the County, except for that portion of the building reserved for use by the Jonesborough Parks and Recreation program and the County, which use will be governed by the Building Lease and any written agreement between the parties regarding such use.

5. In recognition of the significant portion of the County’s Capital Improvement Fund this project will utilize the Board agrees to use due diligence and sell the following properties within four years of the individual properties being available as a result of new construction at both the Jonesborough Schools and the new Boones Creek K-8 school to a property tax-paying entity or individual to allow those properties to return to the tax rolls; the proceeds of these sales will go into the Dedicated Education Fund per Tenn. Code Ann. § 49-3-352 and will be used to (1) offset the cost of purchasing the furnishing as set forth in Paragraph 2 above; and (2) to fund the Five-Year Capital Improvement Plan currently adopted by the Board of Education; provided that the Board of Education, with
the approval of the County Commission, may allocate these funds to other school purposes as exigent circumstances may arise:
   a. Midway
   b. Boones Creek Middle School
   c. Jonesborough Middle School (except the track – see below)
   d. Jonesborough Elementary School front lawn only – with the drive way entrance reconfigured to connect at the traffic light between Pal’s and the pharmacy.

6. Upon the completion of the move from the Jonesborough Middle School to the new Building, the Board of Education will transfer the portion of the property of the Jonesborough Middle School to include the track and parking area immediately adjacent to the Track to the Town, maintaining a right of access to and from the Jonesborough Elementary School building and the school system bus/maintenance garage facility, for recreational programming; OR, in lieu of transferring the property, the Town and Board of Education may develop a mutually acceptable plan of improvements and programming to be used by both the Town and the School Board for students using the current Jonesborough Elementary school building in the future.

OPEN MEETINGS LAW

In recognition of the public interest associated with this project, the parties agree that it is in the best interest of the citizens and residents of Washington County and the Town for all meetings of any committees or governing bodies that will make recommendations or final decisions regarding the design and construction of this project, as well as public expenditures, to be open to the public.

AMENDMENTS TO AGREEMENT

This Agreement may only be amended by the agreement of all three parties to this agreement in writing and approved by the Board of Mayor and Aldermen, the Board of Education and the County Commission.

TERMINATION

This Agreement cannot be terminated during the period of either of the lease agreements called for in this Agreement.

EFFECTIVE DATE

This Agreement shall take effect upon execution by the authorized representative of each party after approval of the governing body of each party, and shall remain in full force and effect until canceled as provided herein.

IN TESTIMONY WHEREOF the parties have hereunto set their hands and seals on this this ____ day of _______________, 2019 binding themselves, representatives, successors and assigns.
THIS INSTRUMENT HAS BEEN EXECUTED IN TRIPLICATE, ANY OF WHICH MAY BE TREATED AS AN ORIGINAL.

ATTEST: MAYOR AND ALDERMEN
OF THE TOWN OF
JONESBOROUGH, TENNESSEE

By: ________________________________
Name: _____________________________
Title: ________________________________

By: ________________________________
Name: _____________________________
Title: ________________________________

Approved as to form only:

______________________________
Name: ___________________________
Title: _____________________________

ATTEST: WASHINGTON COUNTY
BOARD OF EDUCATION

By: ________________________________
Name: _____________________________
Title: ________________________________

By: ________________________________
Name: _____________________________
Title: ________________________________

Approved as to form only:

______________________________
Name: ___________________________
Title: _____________________________
ATTEST:

WASHINGTON COUNTY, TENNESSEE

By: _____________________________
Name: ___________________________
Title: ___________________________

By: _____________________________
Name: ___________________________
Title: ___________________________

Approved as to form only:

Name: ___________________________
Title: ___________________________