

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING A CONTRIBUTION TO PETWORKS ANIMAL SERVICES, INC., IF NEEDED RELATIVE TO ITS FINANCIAL OBLIGATIONS; AUTHORIZING SUCH AGREEMENTS AS MAY BE NEEDED TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; EXPRESSING THE INTENT OF THE BOARD TO ESTABLISH ONE OR MORE PROJECT ACCOUNTS IN AN ORDINANCE APPROPRIATING FUNDS TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION, IF NEEDED; AND TO FIX THE EFFECTIVE DATE OF THIS RESOLUTION

WHEREAS, Petworks Animal Services, Inc. (hereinafter "Petworks") is a nonprofit corporation as defined by Tenn. Code Ann. §§ 6-54-111 and 48-51-101 *et. seq.*, and is eligible to receive funds for the purpose contained herein; and

WHEREAS, city is authorized by Tenn. Code Ann. § 6-54-111 to provide financial assistance to nonprofit corporations; and

WHEREAS, city and Petworks have entered into agreements through which a public/private partnership was created and has been maintained whereby Petworks provides a shelter and animal control program which benefits the city as well as the health, comfort, and welfare of its citizens; and

WHEREAS, currently Petworks is in the process of refinancing certain debt which is essential to Petworks continued operations and which in turn impacts city, based on the necessary services which it provides to the city for the benefit of city's citizens; and

WHEREAS, Eastman Credit Union, through whom Petworks seeks to refinance said debt in the amount of \$1,266,963.00, has requested assurances from city in the event of default by Petworks; and

WHEREAS, the assurances provided by city serve a public purpose in that Petworks will obtain the financing necessary to continue the provision of services it provides to the city for the benefit of city's citizens.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the board incorporates herein by reference and adopts the findings set forth above.

SECTION II. That the board authorizes, if necessary, a contribution to Petworks Animal Services, Inc of up to one million two hundred sixty-six thousand nine hundred sixty-three and 00/100 dollars (\$1,266,963) which contribution, if needed, could be used to pay part or all of the indebtedness to be refinanced by Petworks Animal Services, Inc.

SECTION III. That an agreement with Petworks Animal Services, Inc. is approved to provide a contribution up to the required debt service on the loan in the event that Petworks is unable pay the debt service during the twelve month term of the loan, or provide a contribution to Petworks in amount equal to the outstanding balance owed on the Loan up to a maximum of one million two hundred sixty-six thousand nine hundred sixty-three and 00/100 dollars (\$1,266,963).

SECTION IV. That the board recognizes that other agreements with Petworks may be needed to effectuate the purpose of this resolution and, accordingly, approves such agreements, as needed, to effectuate the purpose of this resolution, as determined by the mayor in consultation with the city attorney, and authorizes and directs the mayor to execute such agreements.

SECTION V. That the board finds that the expenditure of any funds pursuant to this resolution is for the public purpose of providing a shelter and animal control within the city of Kingsport and is in the public interest and will promote the health, comfort, and welfare of the citizens of the city.

SECTION VI. That to carry out the intent of this resolution the board will establish by ordinance, as needed, one or more project accounts and to fund such project account(s) in the upcoming budgets, and the city manager is directed to authorize and establish such project account(s), when and as needed.

SECTION VII. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21st day of March, 2023.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY