

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE TO AMEND THE AGREEMENT FOR THE PAYMENTS IN LIEU OF AD VALOREM TAX WITH RESPECT TO KINGSPORT MALL, LLC, FOR THE RETAIL SHOPPING FACILITIES KNOWN AS THE KINGSPORT TOWN CENTER IN THE CITY OF KINGSPORT, TENNESSEE, AND FINDING THAT SUCH AMENDED PAYMENTS ARE DEEMED TO BE IN FURTHERANCE OF THE PUBLIC PURPOSES OF THE BOARD AS DEFINED IN TENNESSEE CODE ANNOTATED SECTION 7-53-305

WHEREAS, the Industrial Development Board of the City of Kingsport, Tennessee (KEDB) has been duly created and organized pursuant to and in accordance with the provisions of Chapter 53, Title 7 of the *Tennessee Code Annotated*, as amended, and has met pursuant to proper notice; and

WHEREAS, on December 20, 2016, the board approved a Payment in Lieu of Taxes Agreement (PILOT) (Resolution No. 2017-126), with Kingsport Mall, LLC for improvements to the Kingsport Town Center located on Fort Hendry Drive; and

WHEREAS, since that time, Kingsport Mall, LLC and KEDB have agreed to amend the PILOT which will bring further improvements to the property which will include approximately \$8,000,000.00 in new real property improvements, some of which will consist of a movie theater facility that includes a large screen theater that will display movies in the film format known as "IMAX" to be constructed by the Kingsport Mall, LLC, and other investments to be located in the city (the "Project"); and

WHEREAS, KEDB will then lease the property to the Kingsport Mall, LLC, on the terms and conditions set forth in Payment in Lieu of Taxes Agreement (PILOT), as amended, and Lease, as amended; and

WHEREAS, there has been submitted to the board a form of the Pilot Agreement, as amended, and related documents between the KEDB and Kingsport Mall, LLC, which provides certain payments in lieu of tax as provided therein and which the Board proposes to execute to carry out the transaction described above, a copy of which instrument shall be filed with the records of the Board.

Now therefore,

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

SECTION I. The Board of Mayor and Aldermen of the City of Kingsport, Tennessee hereby finds that the negotiation and acceptance by the KEDB of Payment in Lieu of Taxes Agreement (PILOT), as amended, consistent with this resolution are deemed to be in furtherance of the public purposes of the KEDB as defined in *Tennessee Code Annotated* Section 7-53-305, and the Board of Mayor and Aldermen of the City of Kingsport, Tennessee hereby consents and delegates to the KEDB the right to negotiate and accept such payments from Kingsport Mall, LLC, as a lessee of the KEDB with respect to the Project.

SECTION II. The Board of Mayor and Aldermen of the City of Kingsport, Tennessee hereby finds that the negotiation and acceptance by the KEDB of payments in lieu of ad valorem, as amended, and that the terms as set out in the Sublease, as amended, between Kingsport Mall, LLC, and The Industrial Development Board of the City of Kingsport, Tennessee are agreeable and are in the best interest of the city.

SECTION III. That, if there is a change in the substantive terms of the draft agreement(s) KEDB shall submit such final agreement(s) to the Board of Mayor and Aldermen of the City of Kingsport, Tennessee for approval, but KEDB's agreement(s) with Kingsport Mall, LLC concerning payments in lieu of ad valorem taxes may contain administrative provisions not inconsistent with this resolution as KEDB deems appropriate, which will not require further approval by the Board of Mayor and Aldermen of the City of Kingsport, Tennessee.

SECTION IV. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

SECTION V. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the agreement set out herein that do not substantially alter the material provisions of the agreement, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION VI. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

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

ADOPTED this the 21st day of November, 2023.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY, CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY