



AGENDA ACTION FORM

Consideration of a Resolution Authorizing a Financial Contribution if Needed to the Kingsport Economic Development Board Relative to the Dental Clinic and Authorizing the Execution of all Necessary and Proper Documents

To: Board of Mayor and Aldermen

From: Chris McCartt, City Manager *CM*

Action Form No.: AF-107-2023

Work Session: May 15, 2023

First Reading: N/A

Final Adoption: May 16, 2023

Staff Work By: Chris McCartt

Presentation By: Chris McCartt

Recommendation:

Approve the resolution.

Executive Summary:

This resolution authorizes a financial contribution to Kingsport Economic Development Board if needed, so that it can secure a loan to commence renovation work and obtain equipment necessary for operation of the dental clinic.

KEDB currently has leased space at 117 Sevier Avenue for the dental clinic which once opened will be operated by the University of Tennessee Health Science Center (UTHSC). UTHSC is working to secure funding for necessary equipment which it will then transfer to KEDB for purchase of the equipment. Ultimately the equipment will be transferred to UTHSC once it commences operation of the clinic.

In order to expedite opening of the clinic, KEDB has taken steps to secure financing itself to perform needed renovations of the leased premises and also to acquire needed equipment as UTHSC also works to secure funding. Currently, KEDB has the option of borrowing \$3,500,000 from Eastman Credit Union on terms it deems appropriate. The principal of this loan will be due six years from the date of the note. Interest is payable quarterly. KEDB does need an assurance from the city that it will make necessary financial contributions towards debt service and balance of the loan in the event KEDB is unable to pay.

KEDB has received a proposal from GRC Construction for the renovation and a proposal from Patterson Equipment for the equipment.

Pursuant to state law, the city can make financial contributions directly to KEDB for economic or industrial development purposes.

Attachments:

1. Resolution

	<u>Y</u>	<u>N</u>	<u>O</u>
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Montgomery	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—