

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING A CONTRIBUTION, IF NEEDED, TO THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE FOR ECONOMIC OR INDUSTRIAL DEVELOPMENT PURPOSES RELATIVE TO KEDB'S IMPROVEMENT OF LEASED SPACE AND ACQUISITION OF NECESSARY EQUIPMENT, 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, the board has previously authorized the incorporation of the Industrial Development Board of the City of Kingsport, Tennessee (KEDB) as an industrial development board duly organized and existing under the provisions of Title 7, Chapter 53 Tennessee Code Annotated (the "Act"); and

WHEREAS, KEDB has leased space at 117 Sevier Avenue, Kingsport, Tennessee consisting of approximately 7,080 square feet of office space which KEDB desires to sub-lease to the University of Tennessee Health Science Center (UTHSC) for the operation of a dental clinic; and

WHEREAS, presently UTHSC is pursuing the necessary funding to support the operations of the clinic and will transfer the secured funds to KEDB and KEDB will use said funds to purchase equipment and thereafter transfer the equipment to UTHSC once it occupies the leased premises; and

WHEREAS, in order to facilitate a more timely opening of the dental clinic for operation KEDB desires to begin work on renovations of the leased premises and to secure necessary equipment for the clinic's operation; and

WHEREAS, the clinic will provide the city with economic development opportunities and as such will enhance the public welfare, health and safety of its citizens; and

WHEREAS, KEDB has solicited financing proposals and anticipates securing a loan from Eastman Credit Union of up to three million five hundred thousand and NO/100 dollars (\$3,500,000.00) upon such terms as KEDB deems appropriate which shall be due and payable six years from the date of the note; and

WHEREAS, in order to secure this loan KEDB must obtain the assurances of city that it will contribute necessary funds in the event KEDB is unable to make necessary payments associated with this indebtedness; and

WHEREAS, city is authorized by Tennessee Code Annotated section 6-54-118 to make contributions to an eligible industrial development corporation for economic or industrial development; and

WHEREAS, KEDB is an eligible industrial development corporation; and

WHEREAS, KEDB represents that it has the statutory authority to borrow funds to commence with improvements to the leased premise and acquire necessary equipment.

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 KEDB in an amount not to exceed four million three hundred seventy seven thousand and NO/100 (\$4,377,800.00) which contribution, if needed, could be used to pay part or all of the indebtedness comprised of the principal sum of three million five hundred thousand and NO/100 plus interest incurred by KEDB for construction costs associated with renovation of the leased premises and acquisition of the necessary equipment for operation of the dental clinic.

SECTION III. That an agreement with KEDB is approved to provide a contribution up to the required debt service on the loan in the event that KEDB is unable pay the debt service during the six year term of the loan, or provide a contribution to KEDB in amount equal to the outstanding balance owed on the Loan up to a maximum of four million three hundred seventy seven thousand and NO/100 (\$4,377,800.00).

SECTION IV. That the board recognizes that other agreements with KEDB 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 economic development or industrial development, 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 16th day of May, 2023.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY