



AGENDA ACTION FORM

Consideration of a Resolution Authorizing a Financial Contribution if Needed to the Kingsport Economic Development Board Relative to Property Located at 301 West Main Street 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-190-2023
Work Session: June 19, 2023
First Reading: N/A

Final Adoption: June 20, 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 (KEDB) if needed, so that it can facilitate the redevelopment of 301 West Main Street.

KEDB has secured financing to purchase the property located at 301 West Main Street. Northeast State Community College has committed to a five-year lease with anticipated renewals for the property to expand their RCAM (Regional Center for Advanced Manufacturing) program. This property is adjacent to the existing RCAM facility and would serve as a continuation of the overall downtown Kingsport Higher Education campus.

In order to expedite opening of the RCAM expansion, KEDB has taken steps to secure financing itself to purchase the property located at 301 West Main Street. Northeast State Community College has committed to pay for renovations. Currently, KEDB has the option of borrowing \$800,000 from Eastman Credit Union on terms it deems appropriate. This amount covers purchase price, fees and closing costs; and establishes a repairs and maintenance fund for future expenses. The loan's payback is a traditional 20-year amortization schedule with monthly principal and interest payments. The lease income is expected to pay KEDB's monthly loan payments. It is the anticipation of both parties that Northeast State Community College will purchase the property at a future date for the then outstanding loan balance.

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.

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

Attachments:

1. Resolution
2. Parcel Map

	Y	N	O
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Montgomery	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—