

**AGREEMENT**  
**BETWEEN**  
**THE CITY OF KINGSPORT, TENNESSEE**  
**AND**  
**KINGSPORT HOUSING AND REDEVELOPMENT AUTHORITY**  
**“REDEVELOPMENT PROGRAM”**

THIS AGREEMENT made and entered into as of this 1st day of July, 2023, by and between the City of Kingsport, hereinafter called "CITY", and the Kingsport Housing and Redevelopment Authority, hereinafter called "KHRA".

**WITNESSETH:**

WHEREAS, KHRA is authorized by the State of Tennessee to administer redevelopment activities within the City and is eligible to receive funds for this purpose; and

WHEREAS, KHRA has requested financial assistance pursuant to said Sections which CITY has approved; and

WHEREAS, the parties want to set forth the terms and conditions with respect to the use of funds to be provided.

NOW THEREFORE, in consideration of the premises, the parties agree as follows:

1. **PURPOSE OF THE AGREEMENT.** The purpose of this Agreement is to provide administrative services for the City’s Redevelopment Program and to state the terms and conditions upon which financial assistance will be provided by CITY and the manner in which the services will be carried out by KHRA.
2. **DESCRIPTION OF THE PROJECT.** KHRA agrees as follows:
  - a) To provide the City of Kingsport with Redevelopment Program administrative services including, plan preparation, project implementation activities, grants management and preparation, coordination functions and technical/legal assistance.
  - b) Work with the Kingsport Economic Development Board and the City to encourage and promote redevelopment of blighted and underutilized areas of the city.
  - c) Work with the Kingsport Economic Development Board and its Façade and Redevelopment Committee to promote the aesthetics for the downtown area and the redevelopment of downtown properties through the Façade and Redevelopment Grant Program.

- d) KHRA will work with the city to identify and redevelop old industrial sites and infrastructure.
  - e) KHRA will work to complete the redevelopment of all KHRA housing.
  - f) KHRA will work to redevelop existing inventory, including vacant land, or explore alternative uses for the property and present a plan for moving forward.
3. **MAXIMUM PAYMENT.** It is expressly understood and agreed that the total amount to be paid by CITY to KHRA under this Agreement shall not exceed THIRTY THOUSAND AND NO/100 DOLLARS (\$30,000.00).
4. **REQUEST FOR REIMBURSEMENT.** KHRA shall bill CITY for the actual net operating costs incurred on an annual basis using forms and procedures specified by CITY.
5. **REIMBURSEMENT BY CITY.** CITY will honor all requests for reimbursement up to amount as stated in paragraph 3 provided that KHRA is complying with its obligations provided herein. However, reimbursement of any cost pursuant to this paragraph shall not constitute a final determination by CITY of the allowability of such costs and shall not constitute a waiver of any violation of the terms of the Agreement.
6. **AUDITS.** KHRA prior to receiving funds pursuant to this Agreement it must file with the city clerk a copy of an annual report of its business affairs and transactions that includes, but is not limited to:
- a) Either a copy of the entity's most recently completed annual audit or an annual report detailing all receipts and expenditures in a form prescribed by the comptroller of the treasury and prepared and certified by the chief financial officer of such nonprofit organization;
  - b) A description of the program that serves the residents of the municipality; and
  - c) The proposed use of the municipal assistance.
  - d) A listing of revenue sources detailing what percent of the total operating budget they cover.

The report filed pursuant hereto shall be open for public inspection during regular business hours of the city clerk's office. Financial reports shall be available to fiscal officers of the CITY and shall be subject to audit under Tenn. Code Ann. § 6-56-105. KHRA will permit CITY or its representatives to inspect all work, materials, payrolls, and other records with regard to the project, and to audit the books, records, and accounts of KHRA with regard to the project. Such records will be retained for this purpose for a period of not less than three years.

7. **ACCOUNTING, RECORD KEEPING AND REPORTING REQUIREMENTS.** KHRA shall establish and maintain an accounting, record keeping, and reporting system consistent

with generally accepted accounting principles and no less than those recommended in the Accounting Manual for Recipients of Grant Funds in Tennessee, published by the Comptroller of the Treasury, State of Tennessee. KHRA further agrees to submit to CITY a copy of its most recent audited report at the same time said report is submitted to the State government.

8. **CHANGES.** Any changes in this Agreement shall require a written amendment executed by all parties hereto.
9. **ASSIGNMENT AND SUBLETTING.** KHRA will not assign any rights to funds without prior written authorization from CITY.
10. **TERMINATION.** This Agreement may be terminated by either party by giving written notice to the other at least 30 days before the effective date of such termination. In the event of termination, KHRA shall be entitled to receive just and equitable compensation for any eligible operating expenses paid or incurred as of the termination date, but in no event shall this amount exceed THIRTY THOUSAND AND NO DOLLARS (\$30,000.00).
11. **CHANGED CONDITIONS AFFECTING PERFORMANCE.** KHRA shall immediately notify CITY of any change in conditions or of any other event, which may significantly affect its ability to perform the project in accordance with the provisions of this Agreement.
12. **ASSURANCES.** KHRA hereby assures CITY that KHRA is legally entitled to funds from CITY.
13. **OPERATING INFORMATION.** KHRA will provide any relevant information requested by CITY concerning KHRA program including, but not limited to, contracts for third party financial arrangements, annual financial statements and audit reports, schedules and fees.
14. **PROJECT TERM.** CITY and KHRA have previously agreed that the project term for this contract is from July 1, 2023, to June 30, 2024. Accordingly, funds allocated by CITY to KHRA can be used to reimburse KHRA for eligible project expenses beginning on July 1, 2023. In no event shall CITY participate in project expenses incurred after June 30, 2024.
15. **REPORTING.** KHRA will submit to the Board of Mayor and Aldermen its quarterly status report setting out how funds allocated by CITY to KHRA assist in carrying out the purpose of the project as described under the terms of this Agreement.
16. **INDEPENDENT CONTRACTOR.** KHRA'S relationship with CITY is that of an independent contractor and nothing in this Agreement should be construed to create a partnership, joint venture, or employer-employee relationship. KHRA is not the agent of the CITY and is not authorized to make any representation, contract, or commitment on behalf of CITY. Neither KHRA nor its employees will, under any circumstances, be considered servants, agents, partners or a joint venture of CITY, and CITY will at no time be legally responsible for any negligence or other wrongdoing by KHRA, or its employees or agents.

**16. INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS.** KHRA will indemnify, defend, and hold harmless CITY, including without limitation, its officers, agents, employees, and volunteers from and against:

- a) Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which CITY may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, arising out of, or in any manner connected with KHRA'S performance under the terms of this Agreement, excepting any liability arising out of the sole negligence of the CITY. Such indemnification includes any damage to the person(s), or property(ies) of KHRA and third persons.
- b) Any and all Federal, State and Local taxes, charges, fees, or contributions required to be paid with respect to KHRA and its officers, employees and agents engaged in the performance of this Agreement (including, without limitation, unemployment insurance, social security and payroll tax withholding).

IN WITNESS WHEREOF, the signatures of the parties hereto as of the date and year first written in duplicate original form.

**Kingsport Housing and Redevelopment Authority**

**City of Kingsport, Tennessee**

\_\_\_\_\_  
**Terry Cunningham, Executive Director**

\_\_\_\_\_  
**Patrick W. Shull, Mayor**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

**Attest:**

\_\_\_\_\_  
**Angela Marshall, Deputy City Recorder**

**Approved as to form:**

\_\_\_\_\_  
**Rodney B. Rowlett, III, City Attorney**