

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING A FINANCIAL CONTRIBUTION, IF NEEDED, TO THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE FOR ECONOMIC OR INDUSTRIAL DEVELOPMENT PUPOSES RELATIVE TO THE LEASE OF THE KINGSPORT HOSIERY MILLS PROPERTY, AUTHORIZING SUCH AGREEMENTS AS MAY BE NEEDED TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; EXPRESSING THE INTENT OF THE BOARD OF MAYOR AND ALDERMEN 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 (a/k/a KEDB) as an industrial development board duly organized and existing under the provisions of Title 7, Chapter 53 of the Tenn. Code Ann. (Act); and

WHEREAS, KEDB has secured a 25-year lease with options to purchase the former Kingsport Hosiery Mill now known as the Dobyns-Taylor Warehouse, located at 435 Press Street; and

WHEREAS, this property and the structure thereon has been identified not only as historically significant but also provides a vital opportunity for continued economic growth of the downtown area which may not only attract new business but also retain existing business; and

WHEREAS, currently KEDB subleases the property to commercial tenants whose lease payments are expected to materially offset those lease payments which KEDB will make to its landlord; and

WHEREAS, KEDB seeks city's agreement to contribute financially to this project as needed in the event KEDB is unable to meet its obligations under the lease; and

WHEREAS, city is authorized by Tenn. Code Ann. § 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.

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 FIVE MILLION TWO HUNDRED TWENTY EIGHT THOUSAND SIX HUNDRED DOLLARS and NO/100 (\$5,228,600.00) over the term of the lease nor more than

THREE HUNDRED NINE THOUSAND THREE HUNDRED EIGHTY DOLLARS and NO/100 in any given year, which contribution, if needed, could be used to pay part or all of KEDB's lease obligations for the Dobyns-Taylor Warehouse, located at 435 Press Street.

SECTION III. That an agreement with KEDB is approved to provide a contribution up to FIVE MILLION TWO HUNDRED TWENTY EIGHT THOUSAND SIX HUNDRED DOLLARS and NO/100 (\$5,228,600.00) over the term of the lease nor more than THREE HUNDRED NINE THOUSAND THREE HUNDRED EIGHTY DOLLARS and NO/100 in any given year, which contribution, if needed, could be used to pay part or all of KEDB's lease obligations for the Dobyns-Taylor Warehouse, located at 435 Press Street and the Mayor or in his absence, incapacity or failure to act the Vice Mayor is authorized to sign the same upon approval as to form by the City Attorney.

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 agreement.

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 prosperity 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 20th day of June, 2023.

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PATRICK W. SHULL, MAYOR

ATTEST:

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ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

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RODNEY B. ROWLETT, III, CITY ATTORNEY