

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 PURPOSES RELATIVE TO THE BOARD'S IMPROVEMENT OF LEASED SPACE, 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, as an essential part of the redevelopment of downtown, City has placed an emphasis on the revitalization of Main Street and deems it a benefit and advantage to City to expand the educational facilities located within its downtown; and

WHEREAS, property located at 301 West Main Street has been identified as a suitable space for the expansion of educational facilities and Northeast State Community College has committed to a five-year lease to expand its Regional Center for Advanced Manufacturing program which is currently housed in a facility adjacent to the 301 West Main Street site; and

WHEREAS, KEDB has solicited financing proposals and anticipates securing a loan from Eastman Credit Union of up to eight hundred thousand dollars (\$800,000.00) upon such terms as KEDB deems appropriate which shall be due and payable with a twenty-year amortization schedule, the lease income from NESCC is expected to pay KEDB's monthly loan payments and it is the anticipation of both parties that NESCC will purchase the property at a future date for the then outstanding loan balance; 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; and

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

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 ONE MILLION NINETY THOUSAND DOLLARS AND NO/100 (\$1,090,000.00), which contribution, if needed, could be used to pay part or all of the indebtedness comprised of the principal sum and interest incurred by KEDB for acquisition costs associated with redevelopment of property that is adjacent to the RCAM facility and is located at 301 West Main Street; KEDB is seeking financing to facilitate the redevelopment of the same.

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 to pay the debt service during the 10 year term of the loan, or provide a contribution to KEDB in an amount equal to the outstanding balance owed on the loan up to a maximum of ONE MILLION NINETY THOUSAND DOLLARS AND NO/100 (\$1,090,000.00).

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 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.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY