

RESOLUTION NO. _____

A RESOLUTION APPROVING A FINANCIAL CONTRIBUTION, TO THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE FOR ECONOMIC OR INDUSTRIAL DEVELOPMENT PURPOSES RELATIVE TO THE KINGSPORT PAVILION REDEVELOPMENT AND IMPROVEMENTS AND THE NCG CINEMA IMPROVEMENTS; AUTHORIZING THE MAYOR TO 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, previously the board adopted Resolution No. 2025-187, approving certain actions with regards to economic or industrial development purposes relative to improvements at the Kingsport Pavilion by Dry Creek Capital Partners; and

WHEREAS, also previously the board adopted Resolution No. 2024-113, approving certain actions with regards to economic or industrial development purposes relative to improvements at Fort Henry Mall by Hull Property Group

WHEREAS, since approval of that resolution all requirements have been satisfied for eligibility to receive economic incentives; and

WHEREAS, KEDB has secured a proposal for financing of the economic incentive through a 7 year loan with a taxable fixed interest rate of 4.15%; and

WHEREAS, the total amount of the loan is \$3,600,000.00, with \$2,275,000 towards fulfillment of the Development Agreement for Hull Property Group and the restructuring of existing financing of \$1,250,000 for the Kingsport Pavilion Agreement; 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, a contribution to KEDB in the total principal sum not to exceed \$3,600,000, plus interest, which contribution, will be used to restructure the loan for

an incentive package with the Dry Creek Capital Partners, the current owners of the Kingsport Pavilion redevelopment and improvements as well as an incentive package for Hull Property Group, the current owners of the Fort Henry Mall property, for redevelopment and improvements to the property.

SECTION III. That the mayor or in his absence, incapacity or failure to act the vice mayor is authorized to sign an agreement for the city to provide a contribution in an amount not to exceed the principal sum of \$3,600,000, plus interest upon approval as to form by the city attorney.

SECTION VI. 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 VII. 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 VIII. 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 IX. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 18th day of August, 2026.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY