



AGENDA ACTION FORM

Consideration of a Resolution Authorizing an Economic Development Contribution to the Industrial Development Board of Kingsport and Authorizing One or More Agreements Pertaining to the Same

To: Board of Mayor and Aldermen

From: Chris McCartt, City Manager *CM*

Action Form No.: AF-254-2026
Work Session: August 17, 2026
First Reading: N/A

Final Adoption: August 18, 2026
Staff Work By: Steven Bower
Presentation By: Jessica Harmon

Strategic Focus Area: 5. Thriving Local Economy

Recommendation:

Approve the Resolution

Executive Summary:

If approved, this will authorize a financial contribution to the Industrial Development Board of Kingsport (KEDB) in an amount of \$3,600,000, plus any accrued interest.

The amount represents \$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. A contribution agreement to KEDB for Hull Property Group was approved by the Board of Mayor and Aldermen at their November 7, 2023 meeting, referenced in AF-345-2023. A contribution agreement for the Kingsport Pavilion was approved by the Board of Mayor and Aldermen at their March 18^t, 2025 meeting, referenced in AF-73-2025. The restructuring of this amount represents cost savings of approximately \$50,000.

As a result of these agreements, the Kingsport Pavilion has the highest occupancy rate that has ever been achieved at the center (98%). Hull Property Group and NCG Cinemas have invested into the Fort Henry Mall to open a state-of-the-art IMAX theater and full existing theater renovations to the site. IMAX opened on July 17th and the existing theater renovations are slated to begin August 17, 2026.

KEDB issued a Request for Proposals (RFP) for financing and voted to accept a proposal from Eastman Credit Union at their August 4, 2026 meeting. The loan will be for 7 years with a taxable fixed interest rate of 4.15%. In the event loan payments are not made, this resolution provides that the city agrees to contribute to KEDB, if needed, for economic or industrial development.

The city is authorized pursuant to state law to make contributions to an eligible industrial development corporation for economic or industrial development.

Attachments:

1. Resolution
2. Contribution Agreement

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—