

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

A RESOLUTION RENEWING THE INTERLOCAL AGREEMENT WITH SULLIVAN COUNTY TO ALLOW RENEWAL OF A LEASE AGREEMENT FOR THE USE OF SPACE AT 225 W. CENTER STREET BY CREATE APPALACHIA; AND AUTHORIZING THE MAYOR TO EXECUTE ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS AGREEMENT

WHEREAS, the board of mayor and aldermen approved Resolution 2022-092 on November 16, 2021 which provided for an interlocal agreement with Sullivan County to lease the unoccupied space in the property located at 225 W. Center Street to Create Appalachia; and

WHEREAS, the term of the interlocal agreement will terminate upon the expiration of the term of the current lease, which expires in January 2024; and

WHEREAS, Create Appalachia desires to continue using the space at 225 W. Center Street and has requested renewal of the lease agreement; and

WHEREAS, renewal of the interlocal agreement securing the county's consent to the city's lease of the premises is necessary due to the county's 16% undivided interest in the property located at 225 West Center Street.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That renewal of an Interlocal Agreement between the City of Kingsport and Sullivan County for to allow Create Appalachia to lease space at 225 W. Center Street, is approved.

SECTION II. That the mayor or in his absence, incapacity, or failure to act, the vice-mayor, is authorized to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the an Interlocal Agreement between the City of Kingsport and Sullivan County for to allow Create Appalachia to lease space at 215 W. Center Street, to deliver the Agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution, said agreement being as follows:

**INTERLOCAL AGREEMENT**

THIS AGREEMENT, to be effective as of the last date signed below, is made and entered into by and between **Sullivan County, Tennessee**, a political subdivision of the State of Tennessee (hereinafter referred to as "County") and the **City of Kingsport, Tennessee**, a municipal corporation of the State of Tennessee (hereinafter referred to as "City").

**WITNESSETH:**

WHEREAS, on the 9<sup>th</sup> day of April, 1962 City executed a deed which conveyed a 16% undivided interest in the real property located at 225 West Center Street, Kingsport, Sullivan County, Tennessee being more particularly described as follows:

PARCEL. NO. 1: BEGINNING at the intersection of the northwesterly sideline of Shelby Street with the southwesterly sideline of West Center Street; thence southwesterly with the northwesterly sideline of Shelby Street at right angles to the southwesterly sideline of West Center Street one hundred fifty (150) feet to a point; thence northwesterly at right angles to the Shelby Street right-of-

way line and crossing Block 15, two hundred ninety-five (295) feet to a point in the southeasterly sideline of Clay Street, thence northeasterly at right angles and with the southeasterly sideline of Clay Street one hundred fifty (150) feet to its intersection with the southwesterly sideline of West Center Street; thence southeasterly at right angles to the right-of-way line of Clay Street and with the southwesterly sideline of West Center Street two hundred ninety-five (295) feet to the point of BEGINNING, and being part of Block 15, and containing one and two hundredths (1.02) acres, more or less.

WHEREAS, upon said property was constructed the City-County Administrative building (hereinafter "Building") which housed administrative offices of the City, the offices of the county clerk and county trustee, and which currently houses the law and chancery courts for City as well as offices for the circuit court clerk and clerk and master; and

WHEREAS, County was given control of those spaces occupied by the Deputy Trustee's Office and the Deputy County Court Clerk's offices and City was given control of the remainder of the building; and

WHEREAS, administrative offices for the City and offices for the county clerk and trustee have relocated to alternate sites, leaving only the law and chancery courts and offices of the law court clerk and clerk and master; and

WHEREAS, currently the building is largely unoccupied and City desires to have the building serve a greater public purpose through use of the unoccupied space; and

WHEREAS, certain not for profit entities have expressed an interest in leasing space in the building which will serve the public interest through use of the building for purposes that will benefit the public; and

WHEREAS, in light of the projected use of the building City anticipates leasing the space for a nominal fee.

NOW, THEREFORE, in consideration of the mutual promises and benefits to be derived by each party here from, the County and City agree as follows:

#### **SECTION I**

A) This agreement is entered into pursuant to the Tennessee Interlocal Cooperation Act, Tennessee Code Annotated §12-9-101, et seq.

B) The purpose of this agreement is to secure County's consent for City to lease the presently unoccupied space in the Building.

C) Upon becoming effective, this agreement shall remain in full force and effect for the duration of the lease term of twelve months beginning on the execution of the lease and any subsequent renewals of the lease. This agreement shall terminate upon termination of the lease with the lessee(s)

D) Pursuant to state law, including the Governmental Tort Liability Act, each party hereto will be responsible for its own acts. No provision of this Agreement shall act as or be deemed a waiver by any party of any immunity, its rights or privileges as a sovereign entity, or of any provision of the Tennessee Governmental Tort Liability Act, T.C.A. section 29- 20101- et seq.

E) Except as otherwise set forth herein, County and City shall be bound by all terms and conditions regarding maintenance, management, use, and control, as set forth in the Deed entered into on the 9<sup>th</sup> day of April, 1962, recorded at Deed Book 224A, Page No. 435

#### **SECTION II**

##### **COUNTY'S ACKNOWLEDGMENTS**

A) County hereby consents to lease of unoccupied space in the Building by City.

B) County authorizes City to establish lease terms as deemed appropriate by the City, authorizes City to select lessees which City deems appropriate, and to enter into and administer lease agreements with lessee(s) on such terms and conditions as City deems appropriate to include authorization of sub-lease agreements that are contingent upon City approval.

C) County acknowledges lessees will be not for profit corporations authorized to operate within the state of Tennessee and which are acknowledge as tax exempt pursuant to Title 26, Chapter 1, Subchapter F of the United States Code.

D) County acknowledges space will be rented at a nominal rate and waives any right, claim, title, or interest in lease payments made to City.

E) County agrees that should it require use of any space in the City-County Administrative Building it will provide written notice to City no less than 150 days prior to the date occupancy is required and will negotiate with City in good faith to determine County's need and mitigate impacts on lessees then occupying space within the building.

#### **SECTION III**

##### **CITY'S ACKNOWLEDGMENTS**

A) City shall establish lease terms as it deems appropriate and select lessees which it deems suitable.

- B) City shall require documentation of lessees not for profit and tax exempt status and demand other documentation as City deems necessary to ensure lessees operate for a public benefit.
- C) City shall administer all leases and ensure lessees comply with all applicable lease terms.
- D) City shall ensure leased spaces are kept clean and orderly, either through city staff or through requirements imposed upon lessees.
- E) City shall maintain the exterior areas of the property, common areas of the interior of the building, and maintain the mechanical systems of the building.

**SECTION IV  
TERMINATION AND/OR EXPIRATION**

This Agreement will terminate upon the expiration of the term of the lease or upon termination of the lease agreement, whichever occurs first

**SECTION V  
AMENDMENT**

No amendment to this Interlocal Agreement will be made except upon the written consent of the parties.

**SECTION VI  
ENFORCEABILITY**

In the event that any provision or portion of this Interlocal Agreement is found to be invalid or unenforceable, then such provision or portion thereof will be reformed in accordance with the applicable laws. The invalidity or unenforceability of any provision or portion of any of this Interlocal Agreement will not affect the validity or enforceability of any other provision or portion of this Interlocal Agreement.

**SECTION VII  
DISPUTE OR DISAGREEMENT**

Upon the occurrence of an alleged default, or a dispute or disagreement between the parties hereto arising out of or in connection with any term or provision of this Agreement or, the subject matter hereof, or the interpretation or enforcement hereof (the "Dispute"), the parties will engage in informal, good faith discussions and attempt to resolve the Dispute. In connection therewith, upon written notice of either party, each of the parties will appoint a designated officer whose task it will be to meet for the purpose of attempting to resolve such Dispute. The designated officers will meet as often as the parties deem to be reasonably necessary. Such officers will discuss the Dispute. If the parties are unable to resolve the Dispute in accordance with this paragraph, and in the event that either of the parties concludes in good faith that amicable resolution through continued negotiation with respect to the Dispute is not reasonably likely, then the parties may mutually agree to submit to nonbinding mediation. If the matter is not resolved by mediation either party will have the right, at its sole option, without further demand or notice, to take whatever action at law or in equity may appear necessary or desirable to enforce its rights including, but not limited to, the suspension or termination of this agreement.

**SECTION VIII  
EFFECTIVE DATE**

This Agreement shall take effect upon execution by the authorized representative of each party after approval of the governing body of each party, and shall remain in full force and effect until terminated or expiration of the term.

IN WITNESS WHEREOF, the parties have affixed their respective signatures by their authorized officers.

[Acknowledgements Deleted for Inclusion in This Resolution]

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the interlocal agreement set out herein that do not substantially alter the material provisions of the agreement, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION IV. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

SECTION V. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 3rd day of December, 2024.

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PAUL W. MONTGOMERY, 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