



**AGENDA ACTION FORM**

**Consideration of a Resolution Authorizing the Industrial Development Board of the City of Kingsport, Tennessee to Execute a Payment in Lieu of Tax (PILOT) Agreement with O’Neal Manufacturing Services, LLC**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-36-2025  
Work Session: February 3, 2025  
First Reading: N/A  
Final Adoption: February 4, 2025  
Staff Work By: Steven Bower  
Presentation By: Steven Bower

**Recommendation:**  
Approve the Resolution.

**Executive Summary:**  
Formally referred to as “Project Crane”, O’Neal Manufacturing has purchased a 41,000SF existing building located in Kingsport’s Regional Service Park. They plan to expand manufacturing operations to Tennessee to take advantage of vendor’s relocation and related business opportunities. O’Neal provides metal components for a broad range of industries including Agricultural Equipment, Material Handling, Construction Equipment, Renewable Energy, and others.

O’Neal plans to invest an estimated \$8,540,000 into the Kingsport operation and create 29 new jobs. The proposed incentive is a five-year Payment in Lieu of Taxes agreement abating 50% of the tax levied on their personal property. The estimated personal property investment is \$4,565,000. If appraised at this value the PILOT represents new personal property tax revenue of \$42,966 for the city and \$51,736 for the county, therefore representing a company savings of \$94,702 over the next five years.

This agreement came recommended from NETWORKs Sullivan Partnership and the State of Tennessee as the local incentive for recruitment. The Industrial Development Board of Kingsport voted and approved this agreement at their September 10<sup>th</sup>, 2024 meeting. The State of Tennessee announced this project on October 1<sup>st</sup>, 2024.

- Attachments:**
- 1. Resolution
  - 2. PILOT Agreement
  - 3. PILOT Payment Chart

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayer	—	—	—
Phillips	—	—	—
Montgomery	—	—	—