



AGENDA ACTION FORM

Consideration of a Resolution to Enter into a Lease Extension Agreement with the Upper East Tennessee Human Development Agency, Inc.

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

Action Form No.: AF-11-2026
Work Session: January 20, 2026
First Reading: N/A

Final Adoption: January 20, 2026
Staff Work By: T. Wicks & C. Smiley
Presentation By: Michael T. Borders

Strategic Focus Area: 6. Strong & Vibrant Neighborhoods

Recommendation:

Adopt the Resolution

Executive Summary:

If approved, the City will enter into a five-year lease agreement extension with the Upper East Tennessee Human Development Agency, inc. (UETHDA) for space at the V.O. Dobbins, Sr. Complex (VOD) for \$104,171.00.

UETHDA provides services to families in the Kingsport area at no to low cost such as head start, energy assistance, home weatherization, and other charitable services. By engaging with this non-profit for space at VOD the City is supporting community outreach services provided by UETHDA.

UETHDA has been a non-profit serving the upper East Tennessee region since 1973. UETHDA has been a long-standing tenant at VOD, occupying space in the center even prior to the building renovation in 2010.

This five-year lease extension eliminates the utilities cost sharing model present in the original lease and replaces it with fixed operational cost reimbursement increases annually. This creates efficiencies in the billing process and standardizes the rate that is being reimbursed by UETHDA.

UETHDA will reimburse the City for operational costs at a fixed rate of \$5.10/sf for office space, \$1.25/sf for storage space, and \$3.50/sf for community center space. These operational reimbursements will increase at a rate of \$0.20 annually.

This lease extension will be for five years beginning on August 1, 2025 with no option to renew.

The lease extension agreement is for \$104,171.00 for year one with annual rate increases for the next five years.

Attachments:

1. Resolution
2. Lease Agreement
3. Lease Amendment 3 – Extension Agreement

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