



AGENDA ACTION FORM

Consideration of Resolution Amending 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-373-2023
Work Session: December 4, 2023
First Reading: N/A
Final Adoption: December 5, 2023
Staff Work By: Bower/McCartt
Presentation By: Chris McCartt

Recommendation:
Approve the resolution.

Executive Summary:
In December of 2013 the Industrial Development Board of Kingsport (aka. Kingsport Economic Development Board or KEDB) purchased a portion of the property owned by General Shale. During that same time the Kingsport BMA approved a resolution authorizing a contribution agreement, should it be needed, in the amount of \$4.0 million which was the amount of the loan/line of credit issued to KEDB. In addition to the purchase of the property, which was \$2,770,000, additional funding was used to demolish the structures located on the site in order to prepare it for future development.

At the October 27, 2020 KEDB meeting a motion was made and approved to amend the current loan (\$4.0m) with First Horizon at a fixed rate of 2.15% for an additional 36 months with no early principal payment penalties and then approved at the December 1, 2020 BMA meeting referenced in AF-301-2020.

At a meeting to be held on December 12, 2023 KEDB will consider extending the loan for 12 months commencing December 31, 2023 through December 20, 2024 at a fixed interest rate of 7.5%. If extended, the City's contribution for interest payments will not exceed \$300,000. The plan is to evaluate and restructure the loan as the land is sold in phases to the developer.

In the event loan payments are not made, the resolution provides that the city agrees to contribute to KEDB, if needed, for economic or industrial development.

- Attachments:**
1. Resolution
2. Phasing Map

	Y	N	O
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Montgomery	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—