

**POLICY OF PROCEDURES
WHERE DEVELOPER IS REQUESTING SERVICES OF
KINGSPORT HOUSING & REDEVELOPMENT AUTHORITY**

I. DEFINITIONS (within meaning of this Policy)

A. Legal Accommodation

Granting to a prospective Developer the right to pursue planning for the redevelopment of property owned (or to be acquired) by the Kingsport Housing & Redevelopment Authority (KHRA) without threat of competition. Conditions of the accommodation shall be outlined in a Letter of Accommodation.

B. Agreement of Redevelopment

A conditional, contractual agreement, in the form of a letter or other appropriate document, executed between KHRA and a prospective Developer. The Agreement shall outline and define specific responsibilities of both parties relevant to all future actions, activities and requirements that are necessary to achieve an orderly redevelopment performance.

C. Disposition of Land

The transfer of fee simple title by means of a Special Warranty Deed, or granting of a Leasehold Right to property owned by KHRA by means of a written Lease executed by both parties. Such Deed or Lease shall include such terms and conditions as in the judgment of KHRA shall be necessary to ensure redevelopment and its use thereafter in accordance with the Redevelopment Proposal and with other applicable local objectives.

D. Non-Refundable Application Fee

An application fee of \$1,000 per application is required to be paid to KHRA at the time of the submission of the Application for Approval of the Redevelopment Plan Proposal.

E. Performance Guarantee

A Performance Bond, Letter of Credit or other evidence of surety that may be acceptable to KHRA as a reasonable assurance that the Developer can and will complete the redevelopment as approved. Satisfactory completion of the redevelopment shall be certified by KHRA.

F. Board

The Board of Commissioners of Kingsport Housing & Redevelopment Authority (KHRA).

TAX INCREMENT FINANCING (TIF) REQUEST KHRA EVALUATION CRITERIA

TIF is one of the economic development and community redevelopment tools currently available to municipalities in Tennessee. Criteria to evaluate each projects helps to fulfill community objectives for redevelopment and avoid unnecessary funding assistance. The criteria describe the way an application is reviewed by KHRA and the procedures for evaluating proposals for the use of TIF. These are guidelines only and do not guarantee approval of a request for Tax Increment Financing.

Each project seeking to use TIF must submit a complete application to the KHRA. The KHRA Redevelopment Office will ensure all required application information has been presented before taking the request to the KHRA Board of Commissioners. Projects applying for assistance through TIF must qualify by meeting certain criteria. Some criteria are mandatory and must be met in order for the KHRA to consider the project for assistance. Others are discretionary, and enable the KHRA to determine the benefits of the project. The project application must demonstrate how the project meets the required criteria.

In order to be considered for TIF, a project must meet each of the following criteria:

- The project must be located within a designated Redevelopment District
- The project must comply with the adopted Redevelopment Plan and all other City codes and regulations
- The use of TIF for the project will not result in the net loss of pre-existing tax revenues to the City and other taxing jurisdictions

A number of factors will be considered in evaluating the responses to the project proposal. Some of the more important factors that will be considered by KHRA are as follows:

- Respondent's promotion of public good through accomplishments of plan objectives
- Experience of respondent and its principals in developing similar projects
- Ability of respondent to promptly and efficiently carry out the redevelopment project
- Amount of governmental assistance requested to carry out the redevelopment project
- Qualifications of individuals and key consultants assigned by developer to the redevelopment project
- Respondent's willingness and ability to work with existing property owners and occupants in a cooperative manner

Other factors discussed in evaluation include:

- Amount of preliminary involvement with the City Development and City Planning staff for input into the project plan
- Benefits and improvements resulting from the project (traffic/road improvements, infrastructure upgrades, relocation of utilities, building/site design, etc.)
- Percentage of TIF related to total project expenses and necessity of TIF assistance
- Net positive economic impact to the City and County
- Possible adverse impacts on existing businesses
- Number of new or expanded employment opportunities created
- Expansion of an existing business or a new business located within the City of Kingsport

II. PROCEDURAL PLANNING REQUIREMENTS FOR REDEVELOPMENT

- A. Upon presentation by a prospective Developer of an acceptable Development Proposal as outlined in the Application and upon receipt of Application Fee, the Board of Commissioners may grant a Legal Accommodation to the Developer, for a period of time not to exceed six (6) months. The scope and provisions of the Accommodation as granted shall be defined in a Letter of Accommodation from the Executive Director to the prospective Developer.

At the expiration of said Accommodation, the Developer may request and the Board may grant an extension of that Accommodation, if determined by the Board that the Developer has presented evidence of reasonable progress toward the formulation of a final and acceptable Redevelopment Plan.

B. Final Development Proposal

1. Within the time specified in the Agreement of Redevelopment, the Developer shall submit to the Executive Director of KHRA a complete development Program consisting of all the following elements:
 - a. Final working (construction) plans and drawings for all proposed improvements;
 - b. Development cost estimates;
 - c. Firm financial commitment for the construction of all improvements;
 - d. Statement of impact of tax increment financing and schedule for bond retirement, if applicable;
 - e. Evidence of all necessary reviews and approvals required by other public agencies and departments;
 - f. Schedule for beginning, phasing and completion of construction; and
 - g. Any other detailed information which KHRA Board may require as necessary elements to assure feasibility and acceptability of the proposed development.
2. Following review by KHRA and City of Kingsport Staff, the final Plan shall be referred with Staff comments and recommendations to the Kingsport Planning Commission, the Board of Commissioners of KHRA and the Board of Mayor and Alderman for their consideration and appropriate action.
3. Pursuant to final approval of the Plan by the Board of Commissioners and Board of Mayor and Alderman, and after receipt by KHRA of an acceptable Performance Guarantee from the Developer, and reasonable assurance that construction can and will commence immediately thereafter:
 - a. The Board may authorize and direct KHRA's disposition of land to be developed by sale or lease.