

December 22, 2023

Chris McCartt  
City Manager  
City of Kingsport  
(423) 229-9400

**RE: *Purchase and Engineering Costs of Airport Parkway Property***

Dear. Mr. McCartt:

NETWORKS Sullivan Partnership kindly request to be placed on the agenda at the next regularly scheduled meeting of the Kingsport Board of Mayor and Alderman so that I may address the board in relation to NETWORKS Sullivan Partnership's current property development initiative. NETWORKS Sullivan Partnership has approved the purchase of some 40+/- acres located on Airport Parkway currently owned by the Kingsport Economic Development Board. The property will ultimately be improved and developed for industrial purposes that will create new jobs and generate additional tax revenue.

Per NETWORKS Sullivan Partnership's organizational structure, and corresponding interlocal government finance agreement, all debt incurred by NETWORKS will be shared by the municipal funding partners using the predetermined funding formula. Kingsport's portion of that funding obligation is equivalent to 31%, with Sullivan County providing 51%, City of Bristol at 17%, and the City of Bluff City at 1%.

While our estimates are that completing this project – from purchase to design and preparation of two pad-ready sites – are as much as \$4 million, we are only seeking funding for the initial purchase and engineering studies at this juncture. The estimated costs for the purchase and site engineering services will not exceed \$1.1 million. NETWORKS will seek the remaining funding at a future date as we pursue state grant dollars for site development activities. By completing the land purchase and engineering work as described, we will be able to seek such grants.

NETWORKS Sullivan Partnership requests that the Kingsport Board of Mayor and Alderman appropriate \$341,000 for the property purchase and related engineering studies. NETWORKS Sullivan Partnership is making like requests of the Sullivan County Commission, City of Bristol City Council, and Bluff City City Council to appropriate their respective shares. The corresponding financial obligations for each partner are as followed:

- *Sullivan County: \$561,000 (51%)*
- *City of Kingsport: \$341,000 (31%)*
- *City of Bristol, TN: \$187,000 (17%)*
- *City of Bluff City: \$11,000 (1%)*

Thank you for consideration of this matter. Please advise me of any questions you have and confirm our place on your next meeting's agenda.

Sincerely,



Clay Walker, CEcD  
Chief Executive Officer