

RESOLUTION NO. _____

A RESOLUTION APPROVING A LEASE WITH THE TENNESSEE BOARD OF REGENTS ON BEHALF OF NORTHEAST STATE COMMUNITY COLLEGE FOR BLAZIER-WILSON HALL, THE REGIONAL CENTER FOR HEALTH PROFESSIONS, AND THE KINGSPORT CENTER FOR HIGHER EDUCATION, AND AUTHORIZING THE MAYOR TO EXECUTE THE LEASE AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE LEASE AMENDMENTS

WHEREAS, the city would like to enter into a lease with the Tennessee Board of Regents on behalf of Northeast State Community College for space in Blazier-Wilson Hall (BWH) located at 222 West Main Street, for space in the Regional Center for Health Professions (RCHP), located at 300 West Main Street and for space in the Kingsport Center for Higher Education (KCHE) located at 300 West Market Street; and

WHEREAS, the current leases are set to expire June 30, 2024.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the Lease, as set out below, with the Tennessee Board of Regents on behalf of Northeast State Community College for space in Blazier-Wilson Hall (BWH) located at 222 West Main Street, for space in the Regional Center for Health Professions (RCHP), located at 300 West Main Street and for space in the Kingsport Center for Higher Education (KCHE) located at 300 West Market Street, are approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the Lease with the Tennessee Board of Regents on behalf of Northeast State Community College for space in Blazier-Wilson Hall (BWH) located at 222 West Main Street, for space in the Regional Center for Health Professions (RCHP), located at 300 West Main Street and for space in the Kingsport Center for Higher Education (KCHE) located at 300 West Market Street, to deliver the agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution as set out below

This Lease, entered into as of this ____ day of June, 2024, is made by and between

The City of Kingsport, Tennessee
hereinafter called the Lessor, and
the Tennessee Board of Regents, on behalf of
hereinafter called the State.

WITNESSETH:

1. **LOCATION:** The Lessor hereby leases unto the State those certain premises (collectively, the "Leased Premises") with the appurtenances situated in the County of Sullivan, City of Kingsport
2. **DESCRIPTION:** The Leased Premises are more particularly described as follows:

- 222 West Main Street, containing 12,000 rentable square feet to be used for educational facilities. The building consists of 4 (four) classrooms, three (3) computer labs, a learning Resource Center area, a general administrative area, a mechanical space and a communications room, storage area, break room, plus rest rooms and hallways. Being the property conveyed to the Lessor in Deed Book 1342C, Page 76, Register's Office of Sullivan County, Tennessee.
- 300 Market Street, containing approximately 54,000sf. Being the property conveyed to the Lessor in Deed Book 2517C, Page 316, Register's Office of Sullivan County, Tennessee.
- 300 West Main Street, containing approximately 43,000sf. Being the property conveyed to the Lessor in Deed Book 2697C, Page 0001S, Register's Office of Sullivan County, Tennessee.

3. TERM: The term of this Lease shall commence

on July 1, 2024 and shall end on June 30, 2025

with such rights of termination as are hereinafter expressly set forth. If the date of occupancy is other than the commencement date, then the rental period shall begin with the date of occupancy, provided that the rental period shall begin no later than the latter of (a) the commencement date or (b) 30 days after the space is made available to the State in accordance with the conditions of this Lease. This provision shall not relieve the Lessor of the liability to the State for damages in the event that the space is not made available to the State in accordance with the conditions of this Lease on the commencement date specified above.

4. RENTAL:

a) State shall pay rental in the amount of ~~\$49,000.00~~, payable in installments of ~~\$4,083.33~~ per month in arrears on the last day of the payment period as consideration for this Lease. Rent payable hereunder for any period of time less than one month shall be determined by prorating the monthly rental herein specified, based on the actual number of days in the month. Rental shall be paid to Lessor at the address specified in Paragraph 6, or to such other address as the Lessor may designate by a notice in writing.

b) AUTOMATIC DEPOSITS: Lessor shall complete and execute an Authorization Agreement for Automatic Deposits (ACH Credits) Form, using the form provided to Lessor by State. Once this executed form has been provided to State by Lessor, all payments to Lessor under this or any other contract the Lessor has with the State of Tennessee, shall be made through the State of Tennessee's Automated Clearing House wire transfer system. Lessor shall not invoice State for services until Lessor has executed this form and submitted it to State. The debit entries to correct errors authorized by the Authorization Agreement for Automatic Deposits Form shall be limited to those errors detected prior to the effective date of the credit entry. The remittance advice shall note that a correcting entry was made. All corrections shall be made within two banking days of the effective date of the original transaction. All other errors detected at a later date shall take the form of a refund or, in some instances, a credit memo if additional payments are to be made.

5. TERMINATION:

a) FOR CONVENIENCE:

State may terminate this Lease at any time by giving written notice to the Lessor at least 90 days prior to the date when such termination becomes effective.

Notice shall commence on the day after the date of mailing.

b) FOR CAUSE: The State may in its sole discretion terminate this Lease at any time for any of the following causes:

- 1) Failure of the Lessor to provide any of the services required under the terms of this Lease;
- 2) Failure by the Lessor to make such modifications, alterations or improvements as may be necessary to ensure that the Leased Premises are brought up to, and maintained at, codes for building construction, health, fire and life safety, and handicapped accessibility, applicable to the Leased Premises, except where deficiencies are caused by State;
- 3) Failure to disclose any conflict or potential conflict of interest existing at the date of this Lease or hereafter created;
- 4) Termination or consolidation of the State operations or programs housed in the Leased Premises because of loss of funding or otherwise;
- 5) Lack of funding by the appropriate Legislative Body for obligations required of the State under this Lease;
- 6) Misrepresentations contained in the response to the request for proposal or committed during the negotiation, execution, or term of this Lease;
- 7) The availability of space in State-owned property, provided that no cancellation for this reason may take place until the Lease has been in effect for one year; and,

8) Any other breach of the terms of this Lease by Lessor which is not adequately remedied within twenty (20) days of the mailing of written notices thereof to Lessor.

6. NOTICES: All Notices herein provided to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified and postage prepaid, and addressed as follows:

To the Lessor at:
**The City of Kingsport
Office of City Manager
225 West Center Street
Kingsport, TN 37660**

To the State at:
**Tennessee Board of
Regents
Office of Facilities
Development
Third Floor
1 Bridgestone Park
Nashville, Tennessee
37214**

7. ASSIGNMENT AND SUBLETTING: The State shall not assign this Lease without the written consent of the Lessor, but shall in any event have the right to sublet the Leased Premises.

8. INSPECTION: The Lessor reserves the right to enter and inspect the Leased Premises, at reasonable times, and to render services and make any necessary repairs to the Leased Premises.

9. ALTERATIONS: The State shall have the right during the existence of this Lease to make alterations, attach fixtures and erect additions, structures or signs in or upon the Leased Premises. Such fixtures, additions, structures or signs so placed in or upon or attached to the Leased Premises under this Lease or any prior Lease of which this Lease is an extension or renewal shall be and remain the property of the State and may be removed therefrom by the State prior to the termination or expiration of this Lease or any renewal or extension thereof, or within a reasonable time thereafter.

10. SURRENDER OF POSSESSION: Upon termination or expiration of this Lease, the State will peaceably surrender to the Lessor the Leased Premises in as good order and condition as when received, reasonable use and wear thereof and damage by earthquake, fire, public calamity, the elements, acts of God, or circumstances over which the State has no control or for which Lessor is responsible pursuant to this Lease, excepted. The State shall have no duty to remove any improvements or fixtures placed by it on the Leased Premises or to restore any portion of the Leased Premises altered by it, save and except in the event the State elects to remove any such improvement or fixture and such removal causes damages or injury to the Leased Premises and then only to the extent of any such damage or injury.

11. QUIET POSSESSION: Lessor agrees that the State, keeping and performing covenants contained herein on the part of the State to be kept and performed, shall at all times during the existence of this Lease peaceably and quietly have, hold and enjoy the Leased Premises, without suit, trouble or hindrance from the Lessor, or any person claiming under Lessor.

12. REPAIR AND MAINTENANCE:

a) During the term of this Lease, Lessor shall maintain the Leased Premises and appurtenances which it provides in good repair and tenantable condition, including, but not limited to, the maintenance and repair of the elevator, if any, plumbing, heating, electrical, air conditioning and ventilating equipment and fixtures to the end that all such facilities are kept in good operating condition except in case of damage arising solely from a willful or negligent act of the State's agent, invitee, or employee.

b) Lessor's obligations shall also include, but are not limited to, periodic painting to the satisfaction of the State, furnishing and replacing electrical light bulbs, fluorescent tubes, ballasts and starters, and air conditioning and ventilating equipment filters.

c) In case Lessor, after notice in writing from the State requiring the Lessor to comply with the requirements of this paragraph in regard to a specified condition, shall fail, refuse or neglect to comply therewith, or in the event of an emergency constituting a hazard to the health or safety of the State's employees, property, or invitees, the State may perform such maintenance or make such repair at its own cost and, in addition to any other remedy the State may have, may deduct the amount thereof from the rent that may then be or thereafter become due hereunder.

13. APPROPRIATIONS: All terms and conditions of this Lease are made subject to the continued appropriations by the appropriate Legislative Body.

14. DESTRUCTION:

a) If the Leased Premises are totally destroyed by fire or other casualty, this Lease shall terminate. If such casualty shall render ten percent (10%) or less of the floor space of the Leased Premises unusable for the purpose intended, Lessor shall effect restoration of the Leased Premises as quickly as is reasonably possible, but in any event within thirty (30) days.

b) In the event such casualty shall render more than ten percent (10%) of such floor space unusable but not constitute total destruction, Lessor shall forthwith give notice to State of the specific number of days required to repair the same. If Lessor under such circumstances shall not give such notice within fifteen (15) calendar days after such destruction, or if such notice shall specify that such repairs will require more than ninety (90) days to complete from date such notice is given, State, in either such event, at its option, may terminate this Lease or, upon notice to Lessor, may elect to undertake the repairs itself, deducting the cost thereof from the rental due to become due under this Lease and any other lease between Lessor and State.

c) In the event of any such destruction other than total, where the State has not terminated the Lease as herein provided, or pursuant to the terms hereof has not elected to make the repairs itself, Lessor shall diligently prosecute the repair of the Leased Premises and, in any event, if repairs are not completed within the period of thirty (30) days for destruction aggregating ten percent (10%) or less of the floor space, or within the period specified in Lessor's notice in connection with partial destruction aggregating more than ten percent (10%), the State shall have the option to terminate this Lease or complete the repairs itself, deducting the cost thereof from the rental due or to become due under this Lease and any other Lease between Lessor and State.

d) In the event the State remains in possession of the Leased Premises though partially destroyed, the rental as herein provided shall be reduced by the same ratio as the net square feet the State is thus precluded from occupying bears to the total net square feet in the Leased Premises. "Net square feet" shall mean actual inside dimensions and shall not include public corridors, stairwells, elevators, and restrooms.

15. SERVICES AND UTILITIES:

a) The Lessor shall furnish to the State, during Lease term, at Lessor's sole cost, the following services, utilities and supplies: (Enter "X" in each applicable box)

	1) All utilities (except telephone)		5) Hot and Cold Water Equipment
	2) Janitor Services & Supplies		6) Restroom Supplies
	3) Drinking Fountain		7) Heat Equipment
	4) Elevator Service		8) Air Conditioning Equipment

b) The **janitorial service**, if provided above, shall be provided in accordance with the following schedule:

1) **Daily:**

Dust all furniture, counters, cabinets and window sills; sweep all floors, empty all wastebaskets and ashtrays; dispose of all rubbish; clean and maintain in sanitary condition all restrooms and plumbing fixtures; sweep sidewalks, stairways and halls; remove snow from entrance ways and parking areas if present; clean the parking area; and replace light bulbs, tubes, ballasts and starters if necessary.

2) **Weekly:**

Mop all floors and dust all venetian blinds. Vacuum carpets, if any.

3) **Every Other Month:**

Strip and wax all floors.

4) **Semi-Annually:**

Wash all windows, venetian blinds, light fixtures, walls and painted surfaces.

c) In the event of the failure by the Lessor to furnish any such services, utilities or supplies in a satisfactory manner, the State may furnish the same at its own cost, and, in addition to any other remedy the State may have, may deduct the amount thereof from the rent due under this Lease or any other payments that may then be or thereafter become due hereunder.

16. SERVICES CREDIT: Intentionally Deleted.

17. TIME OF THE ESSENCE: Time is of the essence of this Lease, and the terms and provisions of this Lease shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns to the respective parties hereto.

18. HOLDING OVER: In the event the State remains in possession of the Leased Premises after the expiration of the term of this Lease, or any extension thereof, this Lease shall be automatically extended on a month to month basis, subject to thirty (30) days termination by either party, and otherwise on the terms and conditions herein specified, so far as applicable.

19. FINANCIAL INTEREST: The Lessor will provide or has provided to the State a list of names and addresses of persons, associations, or corporations who hold any financial interest in the above Leased Premises; such list shall be immediately revised in the event of a transfer of any such interest.

20. CODES: The Lessor shall maintain the Leased Premises in accordance with all fire, building and life safety codes and the Americans with Disabilities Act.

21. SPACE AUDIT: Intentionally Deleted.

22. PEST CONTROL: The Lessor shall maintain the Leased Premises in a condition that is free of pests, rodents, and other vermin.

23. The Lessor fully understands that this Lease is not binding except and until all appropriate State officials' signatures have been fully obtained, approval of this Lease has been given by the State Building Commission, if applicable, and the fully executed document returned to the Lessor.

24. Payment of Taxes: Lessor, by virtue of leasing property to the State, does not become a State agency, entity, or employee, and is not entitled to any rights, privileges, or immunities pertaining to the State or its agencies and instrumentalities. Lessor shall pay all applicable taxes by virtue of ownership of the property subject to this Lease and is not authorized to pass through the amount of such taxes to the State.

IN WITNESS WHEREOF, this Lease has been executed by the parties hereto.

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION IX. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the lease set out herein that do not substantially alter the material provisions of the lease and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION X. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort, and prosperity of the citizens of the city.

SECTION XI. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 18th day of June, 2024.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY