

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE TO NEGOTIATE AND ACCEPT PAYMENTS IN LIEU OF AD VALOREM TAX WITH RESPECT TO A PROJECT IN KINGSPORT, SULLIVAN COUNTY, TENNESSEE AND FINDING THAT SUCH PAYMENTS ARE DEEMED TO BE IN FURTHERANCE OF THE BOARD'S PUBLIC PURPOSES AS DEFINED IN TENNESSEE CODE ANNOTATED SECTION 7-53-305

WHEREAS, the Board of Mayor and Aldermen of the City of Kingsport, Tennessee (the "Governing Body") has met pursuant to proper notice in a public meeting; and

WHEREAS, the Industrial Development Board of the City of Kingsport, Tennessee (the "Board") is an industrial development corporation duly organized and existing under the provisions of Title 53 of Chapter 7, Tennessee Code Annotated; and

WHEREAS, an existing company in the City of Kingsport intends to invest \$3,400,000 in new equipment, which will add a production line and 48 new jobs; and

WHEREAS, this investment in equipment necessary for expansion as well as the creation of a new production line will develop trade and commerce in and adjacent to the City of Kingsport, Tennessee, and Sullivan County, Tennessee will contribute to the general welfare and will alleviate conditions of unemployment in further of the purpose for which the Board was created; and

WHEREAS, Tennessee Code Annotated section 7-53-305(b) authorizes the Governing Body to delegate to the Board the authority to negotiate and accept from the lessees of the Board payments in lieu of ad valorem taxes upon the finding that such payments are deemed to be in furtherance of the public purposes of the Board as defined in that code section; and

WHEREAS, the Governing Body finds that such payments in lieu of ad valorem personal property taxes are deemed to be in furtherance of the public purposes of the Board as defined in Tennessee Code Annotated section 7-53-305(b) in that among other things the Project will enhance employment opportunities in the city and will generate additional tax revenues for the city.

Now therefore,

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

SECTION I. That the Governing Body does hereby find that the negotiation by the Board for payments in lieu of ad valorem personal property taxes consistent with this resolution is deemed to be in furtherance of the Board's public purposes as defined in Tennessee Code Annotated section 7-53-305.

SECTION II. The Board's agreement with the Company concerning payments in lieu of ad valorem taxes may provide that any ad valorem taxes paid by the Company to any taxing

jurisdiction with respect to its leasehold interest in the Project shall constitute a credit against the payments in lieu of ad valorem taxes due such taxing jurisdiction.

SECTION III. The Board's agreement with the Company concerning payments in lieu of ad valorem taxes may contain such administrative provisions not inconsistent with this resolution as the Board deems appropriate.

SECTION IV. That the Board shall submit the final agreement to the Governing Body for approval.

SECTION V. That the findings of the board set forth above are incorporated herein by reference in support of the actions authorized by this resolution which are for a public purpose and will promote the health, comfort, and prosperity of the citizens of the city.

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

ADOPTED this the 21st day of February, 2023.

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PATRICK W. SHULL, MAYOR

ATTEST:

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ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

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RODNEY B. ROWLETT, III, CITY ATTORNEY