

AGREEMENT
BETWEEN
THE CITY OF KINGSPORT, TENNESSEE
AND
THE KINGSPORT CHAMBER FOUNDATION
“KINGSPORT CONVENTION AND VISITORS BUREAU”

THIS AGREEMENT made and entered into as of this 1st day of July, 2026, by and between the City of Kingsport, hereafter called “CITY” and the Kingsport Chamber Foundation for its Kingsport Convention and Visitors Bureau, hereafter called “FOUNDATION” or “KCVB”.

WITNESSETH:

WHEREAS, FOUNDATION is a not-for-profit agency as defined by Tennessee Code Annotated §§6-54-111 and 48-51-101 et seq., and is eligible to receive funds for this purpose; and

WHEREAS, CITY is authorized by Tennessee Code Annotated §6-54-111 et seq. to provide financial assistance to nonprofit organizations and not-for-profit corporations; and

WHEREAS, FOUNDATION has requested financial assistance pursuant to said state law which CITY has approved; and

WHEREAS, the parties desire to set forth the terms and conditions with respect to the use of funds to be provided.

NOW THEREFORE, in consideration of the premises, the parties agree as follows:

SECTION 1. PURPOSE OF THE AGREEMENT. CITY, through its duly elected officials, desires to contract for services with FOUNDATION for the purpose of “Tourism” defined as the planning and conducting programs, of information and publicity designed to attract to Kingsport and the surrounding area tourists, visitors, and other persons from outside the area and to encourage, assist, and coordinate the efforts of public and private organizations or groups of citizens to publicize the facilities, attractions of Kingsport and the surrounding area. “Tourism” shall also mean the acquisition, construction, and remodeling of facilities useful to attracting and promoting tourist, convention and recreation business. In addition to Tourism the FOUNDATION shall be responsible for the Twilight Alive Concert Series, Red White and Boom, and FunFest. This shall be accomplished through the Kingsport Convention and Visitors Bureau (KCVB).

SECTION 2. DESCRIPTION OF THE PROJECT.

- A. Increasing tourism revenue through the continued promotion of Kingsport as a destination site for conventions, motorcoach tours, amateur athletics, business and leisure travelers.
- Recruit in the above markets through attendance in trade shows and sales missions, with an emphasis on direct sales calls.
 - Produce direct mail pieces aimed at target markets to keep Kingsport “top of mind”.
 - Host meeting planners and tour operators for site inspections of Kingsport’s meeting facilities, attractions and recreational offerings.

- B. Provide support and services to visitors and the local community.
- Produce collateral material to assist visitors (i.e. visitors guide, two events calendars and quick reference sheet map).
 - Provide bureau services for conventions, motorcoach tours and athletic events to encourage new and repeat business.
 - Increase attendance and length of stay for conventions and events by offering/encouraging pre and post conference tours, spousal tours and children's tour options.
 - Continue to maintain Kingsport Ambassador Program to provide registration assistance, welcoming committee, tour escorts, etc. (tie in with citizen involvement).
- C. Increase the visibility of Kingsport to encourage the traveling public to visit the City.
- Provide visitor information services (i.e. maintain/operate two visitor information centers, maintain/update internet web site, brochure distribution at statewide welcome centers and strategic brochure distribution services locally and regionally).
 - Oversee maintenance and screen new applicants for directional signage program in Kingsport.
- D. Encourage and assist local citizens, area businesses and the tourism industry in promoting Kingsport's facilities and events.
- Support marketing thrusts of Kingsport properties (i.e. through direct marketing efforts and advertising to generate leads in the areas of conventions, motorcoach tours, athletic events and leisure travel).
 - Develop programs to help area business capitalize on tourism (familiarization tours, cooperative advertising, events calendar, etc.).
- E. Develop a communications plan designed to inform target customers' markets about Kingsport and increase awareness of Kingsport's appeal and the benefits of tourism.
- Advertise in travel and trade publications to increase awareness and to generate leads.
 - Increase Kingsport's exposure by producing a master editorial calendar and by implementing a media solicitation program requiring regular personal, telephone and written contact with national, state, regional and local media.
 - Maintain photo library and develop media kits designed to communicate Kingsport's appeal to each market.
 - Ensure that Kingsport is fully and accurately represented in all free listings via state, regional and national publications or collateral materials (i.e. Tennessee Tour Operators Manual, Meeting Planners Guide, Vacation Guide, etc.).
- F. Support tourism development efforts in Northeast Tennessee, Southwest Virginia and throughout the State of Tennessee.
- Participate in tourism development efforts with local, regional, state and national agencies to maximize KCVB's physical and financial resources.
 - Leverage advertising budget through cooperative advertising programs with local travel industry to secure Tennessee Department of Tourism advertising grant.

- Encourage and support area tourism agencies to jointly produce collateral materials that are designed to attract special interest audiences (i.e., hiking/biking trails, festivals brochure, arts and entertainment, etc.).
- To support the development of sports tourism and visitors KCVB can request a fee waiver from the Director of Parks and Recreation for the utilization of Parks and Recreation Facilities for events with significant economic impact. KCVB will make requests 60 days in advance of the event or at the time of submission of the facility rental application, without cost with the approval of the Director of Parks and Recreation.
- KCVB will contribute FIVE THOUSAND DOLLARS (\$5,000.00) annually to the CITY for maintenance of sports facilities.

G. Ensure the continued growth of Kingsport's tourism industry.

- Actively participate in ongoing development of MeadowView.
- Screen new events for potential KCVB physical and financial support.
- Encourage, support and assist in the development of new and existing hotel/motel properties, attractions, restaurants, tearooms and tourism development efforts in Kingsport.

H. Conduct the Red, White, and Boom and Twilight Alive Concert Series and FunFest Special Events.

- These events will be conducted in accordance with Ordinance No. 7246 Sec. 66-80(c)(3).
- In consideration of conducting the Twilight Alive Concert Series and Red White and Boom the City will contribute an amount as laid out in Section 3.
- KCVB shall submit all information deemed required by the Parks and Recreation Department for these special events 60 days in advance of the event.
- KCVB will develop a content calendar for Red White and Boom and Twilight Alive Concert Series which shall be submitted to the City Manager's Office by April 1 for review and approval.

SECTION 3. MAXIMUM PAYMENT. The CITY and FOUNDATION expressly understand and agree that the total compensation payable by the CITY to FOUNDATION for the Services described in Section 2, Subsections A through G, shall equal sixty-two and one-half percent (62.5%) of the hotel/motel tax revenues received by the CITY. In no event shall payment under this Agreement exceed said 62.5%.

In addition, the CITY shall pay FOUNDATION the sum of One Hundred Forty Thousand Dollars (\$140,000) for the Twilight Alive Concert Series and Red White and Boom Special Events.

FOUNDATION shall submit the annual budget for KCVB to the City Manager no later than March 1 of each year.

SECTION 4. MONIES RESTRICTED FOR TOURISM. CITY will pay the amount set out in Section 3 in monthly payments. These monies shall be accounted for separately from the other monies of the FOUNDATION and shall be restricted to their use solely for tourism activity as described in Section 2 of this Agreement. In the event of dissolution of the KCVB these monies will be returned to the General Fund of the City and reappropriated at the discretion of the Board of Mayor and Aldermen for tourism as defined in applicable law. The FOUNDATION is to send to CITY reports of the actual net operating cost on an annual basis to the City Manager or their designee.

SECTION 5. FINAL DETERMINATION. CITY will review the annual report, however, reimbursement of any cost pursuant to this Section will not constitute a final determination by CITY of the allowability of such costs and will not constitute a waiver of any violation of the terms of the Agreement.

SECTION 6. AUDITS. The final determination of the amount subject to reimbursement under the terms of this Agreement will be based on an audit conducted by or acceptable to CITY. FOUNDATION will permit CITY or its representatives to inspect all work, materials, payrolls, and other records with regard to the project, and to audit the books, records, and accounts of FOUNDATION with regard to the project. Such records will be retained for this purpose for a period of not less than three years. Subsequent to the close of FOUNDATION'S fiscal year for which operating assistance is provided, FOUNDATION will furnish a final audit report prepared by a governmental audit agency, or an independent public accountant, which will include at minimum a statement of revenue, expense and any changes in financial position for FOUNDATION'S fiscal year.

SECTION 7. ACCOUNTING, RECORD KEEPING AND REPORTING REQUIREMENTS. FOUNDATION will establish and maintain an accounting, record-keeping and reporting system consistent with generally accepted accounting principles and no less than those recommended in the Accounting Manual for Recipients of Grant Funds in Tennessee, published by the Comptroller of the Treasury, State of Tennessee. FOUNDATION further agrees to submit to CITY a copy of its most recent audited report at the same time said report is submitted to the State government.

SECTION 8. CHANGES. No changes shall be made to this Agreement except upon a written amendment executed by all parties hereto.

SECTION 9. ASSIGNMENT AND SUBLETTING. FOUNDATION will not assign any rights to funds without prior written authorization from CITY.

SECTION 10. TERMINATION. This Agreement may be terminated by either party by giving written notice to the other at least 30 days before the effective date of such termination.

SECTION 11. CHANGED CONDITIONS AFFECTING PERFORMANCE. FOUNDATION will immediately notify CITY of any change in conditions or of any other event which may significantly affect its ability to perform the Project in accordance with the provisions of this Agreement.

SECTION 12. ASSURANCES. FOUNDATION hereby assures CITY that FOUNDATION is legally entitled to funds from CITY.

SECTION 13. OPERATING INFORMATION. FOUNDATION will provide any relevant information requested by CITY concerning KCVB including but not limited to contracts for third party financial arrangements, annual financial statements and audit reports, schedules and fees.

SECTION 14. CITY-DESIGNATED REPRESENTATIVES. A member of the Board of Mayor and Aldermen will serve as the CITY representative on FOUNDATION'S KCVB Council and participate on all issues before the Council.

SECTION 15. PROJECT TERM. CITY and FOUNDATION agree that the project term for this contract is from July 1, 2026 to June 30, 2027.

SECTION 16. REPORTING. FOUNDATION will submit to the Board of Mayor and Aldermen annual report setting out how funds allocated by CITY to FOUNDATION assist in carrying out the purpose of the project as described under the terms of this Agreement.

SECTION 17. INDEPENDENT CONTRACTOR. FOUNDATION’S relationship with CITY is that of an independent contractor and nothing in this Agreement should be construed to create a partnership, joint venture or employer-employee relationship. FOUNDATION is not the agent of the CITY and is not authorized to make any representation, contract or commitment on behalf of CITY. Neither FOUNDATION nor its employees will, under any circumstances, be considered servants, agents, partners or a joint venture of CITY, and CITY will at no time be legally responsible for any negligence or other wrong doing by FOUNDATION, or it employees or agents.

SECTION 18. INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS.

FOUNDATION will indemnify, defend, and hold harmless CITY, including without limitation, its officers, agents, employees and volunteers from and against:

- A. Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which CITY may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, arising out of, or in any manner connected with FOUNDATION'S performance under the terms of this Agreement, excepting any liability arising out of the sole negligence of the CITY. Such indemnification includes any damage to the person(s), or property(ies) of FOUNDATION and third persons.

- B. Any and all Federal, State and Local taxes, charges, fees, or contributions required to be paid with respect to FOUNDATION and its officers, employees and agents engaged in the performance of this Agreement (including, without limitation, unemployment insurance, social security and payroll tax withholding).

IN WITNESS WHEREOF, the signatures of the parties hereto as of the date and year first written in duplicate original form.

Kingsport Chamber Foundation.

City of Kingsport, Tennessee

Signature

Paul W. Montgomery, Mayor

Date

Date

Printed Name

Attest:

Angela Marshall, Deputy City Recorder

Title

Approved as to form:

Rodney B. Rowlett, III, City Attorney