

RESOLUTION NO. _____

A RESOLUTION APPROVING A FINANCIAL CONTRIBUTION IN THE AMOUNT OF \$250,000 SUPPORTING REGIONAL EFFORTS TO RECRUIT ADDITIONAL AIRLINE SERVICE AT THE TRI-CITIES; AUTHORIZING SUCH AGREEMENTS AS MAY BE NEEDED TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION AND EXPRESSING THE INTENT OF THE BOARD OF MAYOR AND ALDERMEN TO ESTABLISH ONE OR MORE PROJECT ACCOUNTS IN AN ORDINANCE APPROPRIATING FUNDS TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION, AS NEEDED

WHEREAS, City, along with the other legacy owners of the Tri-Cities Airport, has been asked to contribute funds to an effort to recruit a new airline which will serve passengers at the Tri-Cities Airport; and

WHEREAS, these funds will be utilized to establish a minimum revenue guarantee (MRG) fund in the amount of \$2,000,000 necessary to attract the new airline; and

WHEREAS, the MRG would be used exclusively to support any financial loss the new airline might encounter in the start-up phase, typically over a two-year period; and

WHEREAS, by expanding services offered at Tri-Cities Airport creates the opportunity for increased options to patrons and positive economic impact to the city and the region; and

WHEREAS, staff recommends supporting this effort along with a financial commitment of \$250,000.00; and

WHEREAS, funding for this incentive would come from both general fund revenues and occupancy tax and the funding would be held by the city until needed.

Now therefore,

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

SECTION I. That the board authorizes a commitment of a contribution to the Tri-Cities Airport to recruit new airline(s) into our market in the amount of \$250,000.00.

SECTION II. That prior to any disbursement of funds pursuant hereto, the city manager and mayor shall review all documents and agreements made in conjunction with the recruitment of the airline and disbursement of the funds shall be subject to their approval of the terms of any such documents and agreements.

SECTION III. 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, such agreements as may be needed to effectuate the purpose of this resolution and, accordingly, approves such agreements, as needed, to effectuate the purpose of this resolution.

SECTION IV. That to carry out the intent of this resolution, the board will, upon adequate assurance of the city manager and mayor as to the acceptability of relevant terms and conditions of any agreements, establish, by Ordinance, as needed, one or more project accounts and to fund such project account(s) in the upcoming budgets, and the city manager is directed to authorize and establish such project account(s), when and as needed.

SECTION V. That the board finds that the expenditure of any funds pursuant to this resolution is for a public purpose including but not limited to economic development 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 18th day of February, 2025.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY