

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER WITH THE FEDERAL TRANSIT ADMINISTRATION AND THE TENNESSEE DEPARTMENT OF TRANSPORTATION TO PERMIT DISPOSITION OF FORMER KINGSPORT AREA TRANSIT SERVICE FACILITIES; EXPRESSING THE INTENT OF THE BOARD OF MAYOR AND ALDERMEN TO ESTABLISH ONE OR MORE PROJECTS ACCOUNTS IN AN ORDINANCE RESTRICTING FUNDS TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; AND TO FIX THE EFFECTIVE DATE OF THIS RESOLUTION

WHEREAS, previously the Kingsport Area Transit Service (KATS) operated out of facilities located at 121 Clay Street and 109 Clay Street (collectively "Clay Street properties"); and

WHEREAS, with the completion of the new comprehensive KATS facility at 900 East Main Street, the Clay Street properties no longer serve a purpose for city operations and are deemed suitable for surplus; and

WHEREAS, the Clay Street properties were acquired and/or improved with funds from both the Federal Transit Administration (FTA) and the Tennessee Department of Transportation (TDOT), which vested in them a financial interest in the Clay Street properties which must be released prior to disposition; and

WHEREAS, federal guidelines proscribe a formula to determine the dollar value of the federal and state financial interest in the Clay Street properties which factors the appraised value of the property, the participation interest of the respective agency relative to its percentage of funding, and total amount of federal and state funding; and

WHEREAS, based upon the prescribed formula, the dollar value of the federal interest is \$834,000 and state interest is \$25,793 for a total combined interest of \$859,793; and

WHEREAS, the federal guidelines require that for FTA and TDOT to release their respective interests this board must dedicate \$859,793 towards future transit capital projects.

Now therefore,

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

SECTION I. That the boards authorizes those actions necessary and proper to prosecute the process necessary to secure the release of the FTA and TDOT interests in the Clay Street Properties.

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, all documents necessary and proper to effectuate the release of the FTA and TDOT interests in the Clay Street properties 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 this resolution.

SECTION III. That to secure the release of the FTA and TDOT interests the board will establish by Ordinance as needed one or more project accounts for the allocation of \$859,793, representative of the monetary value of the FTA and TDOT interests in the Clay Street properties, which shall be restricted funds to be applied towards future FTA approved KATS capital projects.

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

ADOPTED this the 20th day of May, 2025.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY