

RESOLUTION NO. _____

A RESOLUTION APPROVING A FINANCIAL CONTRIBUTION, IF NEEDED, TO THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE RELATIVE TO AN ECONOMIC DEVELOPMENT PROJECT AT 435 PRESS STREET; AUTHORIZING SUCH AGREEMENTS AS MAY BE NEEDED TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; 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, IF NEEDED; AND TO FIX THE EFFECTIVE DATE OF THIS RESOLUTION

WHEREAS, the board has previously authorized the incorporation of the Industrial Development Board of the City of Kingsport, Tennessee (a/k/a KEDB) as an industrial development board duly organized and existing under the provisions of Title 7, Chapter 53 of the Tenn. Code Ann. (Act); and

WHEREAS, previously the city committed its support for the preservation and revitalization of the former Kingsport Hosiery Mill, now known as the Dobyys-Taylor Warehouse located at 435 Press Street (the Property) in an effort to expand economic growth in the downtown area; and

WHEREAS, in furtherance of this objective, KEDB has facilitated an economic development project through which it will sub-lease the Property to a developer who will revitalize the property into a boutique hotel, full service restaurant, and event space (the Project); and

WHEREAS, KEDB has solicited financing proposals and will secure two loans with a combined principal amount not to exceed \$9,250,000 upon such terms as KEDB deems appropriate each of which shall be for a term of ten years; and

WHEREAS, city is authorized by Tenn. Code Ann. § 6-54-118 to make contributions to an eligible industrial development corporation for economic or industrial development; and

WHEREAS, KEDB is an eligible industrial development corporation; and

WHEREAS, KEDB represents that it has the statutory authority to borrow funds to commence with the Project.

Now therefore,

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

SECTION I. That the board incorporates herein by reference and adopts the findings set forth above.

SECTION II. That the board authorizes, if necessary, a contribution to KEDB which contribution, if needed, could be used to pay part or all of the indebtedness comprised of the principal sum and interest incurred by KEDB associated with the Project.

SECTION III. That an agreement with KEDB is approved to provide a contribution up to the required debt service on the loans in the event that KEDB is unable to pay the debt service during the 10 year term of the loans, or provide a contribution to KEDB in an amount equal to the outstanding balance owed on the loans.

SECTION IV. That the board recognizes that other agreements with KEDB may be needed to effectuate the purpose of this resolution and, accordingly, approves such agreements, as needed, to effectuate the purpose of this resolution, as determined by the mayor in consultation with the city attorney, and authorizes and directs the mayor to execute such agreements.

SECTION V. That the board finds that the expenditure of any funds pursuant to this resolution is for the public purpose of economic development or industrial development, is in the public interest, and will promote the health, comfort, and prosperity of the citizens of the city.

SECTION VI. That to carry out the intent of this resolution, the board will 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 VII. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 18th day of November, 2025.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY