

Minutes of the Called Business Meeting of the  
Board of Mayor and Aldermen of the City of Kingsport, Tennessee  
Tuesday, October 22, 2013, 8:00 AM  
Council Room - 2<sup>nd</sup> Floor, City Hall

PRESENT:

Board of Mayor and Aldermen

Mayor Dennis R. Phillips, Presiding  
Alderman Colette George  
Vice-Mayor Mike McIntire  
Alderman Tom C. Parham

Alderman Tom Segelhorst  
Alderman Janry Shupe

City Administration

John G. Campbell, City Manager  
J. Michael Billingsley, City Attorney  
James H. Demming, City Recorder

- I. **CALL TO ORDER:** 8:00 a.m., by Mayor Dennis R. Phillips.
- II.A. **PLEDGE OF ALLEGIANCE TO THE FLAG.**
- II.B. **INVOCATION:** Vice-Mayor Mike McIntire.
- III. **ROLL CALL:** By City Recorder Demming. Absent: Alderman John Clark.
- IV. **OTHER BUSINESS.**

1. **Consideration of a Resolution Authorizing the Timely Establishment of a Short-Term Professional Housing Stimulus Program** (AF: 274-2013). Mayor Phillips noted two proposals were discussed in the work session last week and he asked the city manager to explain why only one is being considered at this time. Mr. Campbell stated the first option was to work with builders on existing lots, but this option cannot be pursued at this time due to legal issues. He noted staff would continue to try to make this option viable in the future. Mr. Campbell then discussed the details of the other proposal, which targets new lots and subdivisions. He provided information on the economic situation that supports this option.

Mr. Campbell explained there would be \$600,000 placed into a fund one time, with the option to review annually. No more than \$200,000 would be given to a single developer unless there were no other applicants. The money would go towards the public roads in the new subdivision. He pointed out there is still risk for the developer/builder. With optimal build-out, the city should get the investment back in a few years through taxes and/or a lot rebate. Alderman George provided a current market comparison between Kingsport and Johnson City, noting the shortage of higher end houses in Kingsport. Alderman Parham commented this was a way to jump-start the market. Considerable discussion followed. Alderman Shupe asked where the money was coming from. The city manager stated it would come from the bond money set aside for paving, pointing out the city would still be paving the same amount of roadway.

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Mr. Campbell further clarified the money would actually be taken from the general fund that is earmarked for paving. That money would then be replaced by money from the bond issue.

Several developers were present and provided input and offered their opinions regarding this proposal. One noted the biggest problem they are having at this time is dealing with the banks. Another pointed out that although this may not be beneficial immediately, by looking five years down the road it won't hurt to go ahead and put it in place. The mayor suggested meeting on a quarterly basis with the banks, the developers and planning staff. Mr. Campbell stated staff would also meet with the developers before putting out final criteria and sending out for applications.

Alderman Segelhorst made a motion to amend the current resolution to include a sunset date of June 1, 2014 for further review, for staff to work on option one regarding existing lots and to add this item to the work session tickler. Alderman George seconded this motion with all present voting "aye" except for Alderman Shupe who voted "nay."

Motion/Second: Parham/George, to pass as amended:

**Resolution No. 2014-070**, A RESOLUTION APPROVING A PROGRAM TO CONSTRUCT CERTAIN PUBLIC INFRASTRUCTURE, SUCH AS ROADS AND SIDEWALKS, IN CERTAIN AREAS OF THE CITY; AND AUTHORIZING THE CITY MANAGER TO DEVELOP PROCEDURES FOR THE PROGRAM AND TO DETERMINE WHERE TO CONSTRUCT SUCH PUBLIC INFRASTRUCTURE

Passed: All present voting "aye" except for Alderman Shupe who voted "nay."

**V. CITIZEN'S COMMENTS.** Citizens may speak on issue-oriented items. When you come to the podium, please state your name and address and sign the register that is provided. You are encouraged to keep your comments non-personal in nature and they should be limited to five minutes.

**VI. ADJOURN.** Seeing no other business for consideration at this meeting, Mayor Phillips adjourned the meeting at 9:15 a.m.

  
ANGELA MARSHALL  
Deputy City Recorder



  
DENNIS R. PHILLIPS  
Mayor