



# Kingsport

## Opportunity Zone Prospectus

Prepared by the City of Kingsport

2019



# Executive Summary

Kingsport has a tradition of working together for a common cause. With the achievements listed throughout this document, Kingsport can be proud that it's a professional organization, diligent in planning and implementation.

The city has grown organically in the last few years, which speaks to our thriving housing market. Both Boomers and Millennials like downtown living as well as revitalizing older neighborhoods with character, and Kingsport has both.

Our sales tax stability is a significant advantage when planning the future. For FY19, the city came in nearly \$1M below budget and revenues remain strong.

We hope citizens have confidence in the decision-making ability of city staff through our protocols and consistent financial accolades.



Received budget and audit excellence awards. Only 8% of municipalities receive these prestigious awards.



Received Government Excellence Award for city's innovative approach to utilizing technology and leveraging partnerships.



One of only 19 cities in the nation to hold this honor, reaccredited in 2017.



Received three Tennessee Recreation and Parks Association Four Star Awards, recognizing the best overall programs, facilities and marketing strategies.



National high-performance award for efficiencies in government.



Received EPA's Safe Drinking Water Director's Award, Peak Performance Award and Operational Excellence Award.



Barry Brickey, Public Information Officer, won the Tennessee Public Educator of the Year Award.



The Senior Center won a Positive Images Award for a video promotion from Southeastern Association of Area Agencies on Aging.



First city to receive bronze status with Healthier TN. Going for gold in 2019!



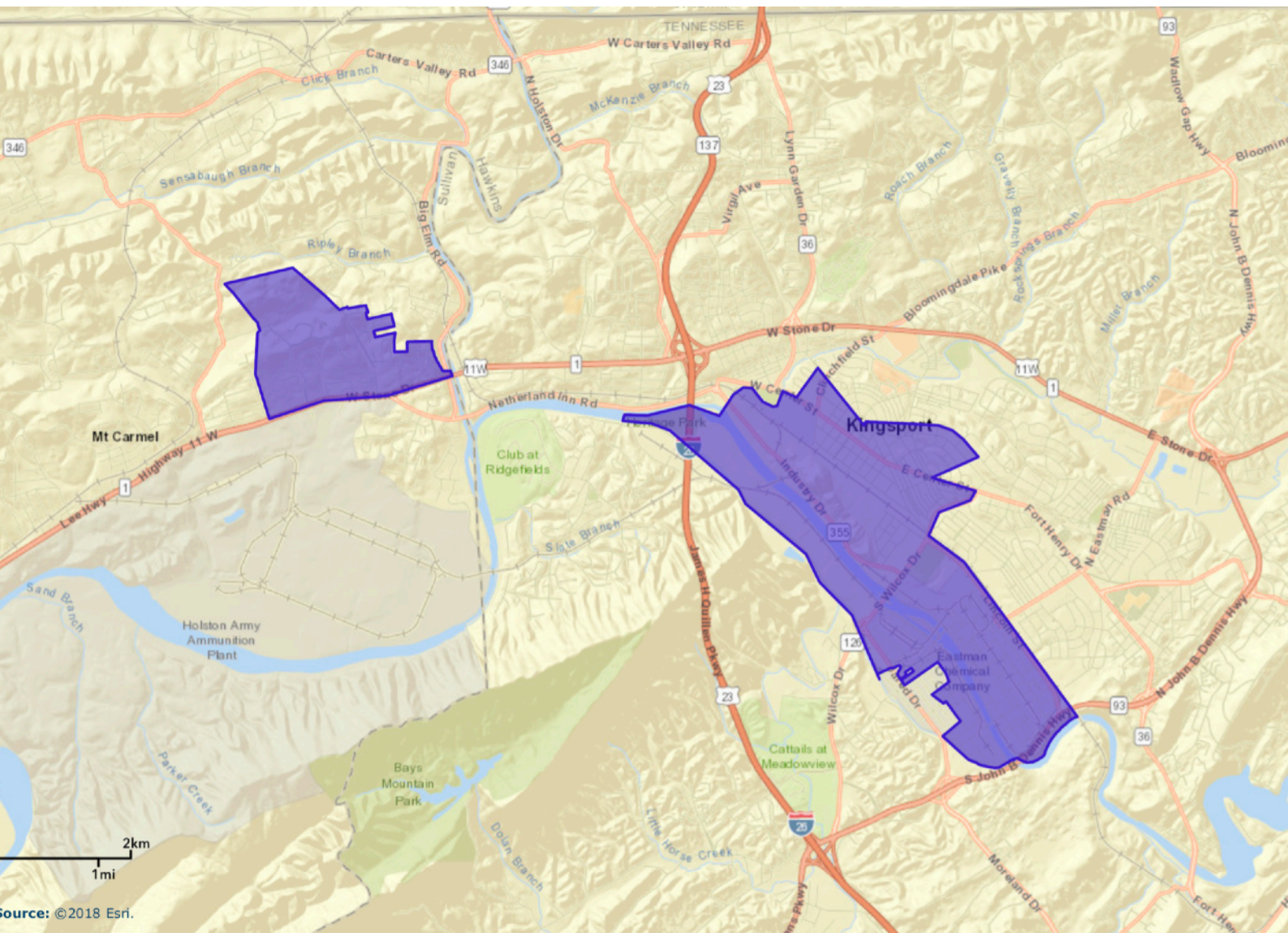
Won Tennessee Sustainable Transportation award. Kingsport now has one of the largest alternative fueled fleets in the state.

# Opportunity Zones

Kingsport — 2019

## Geography of Opportunity Zones

Kingsport has two opportunity zones. One is in Sullivan County, covering a large portion of the downtown region. The second is in Hawkins County, and roughly half the size.



# Opportunity Zones

Kingsport — 2019

---

## Kingsport Momentum



### By the Numbers

- A. Kingsport-Bristol TN/VA MSA has a population over 300,000.
- B. Public investment in Downtown Kingsport of over \$14.3 million and total investment of \$32 million since 2014.
- C. 263 new units of high-end urban style apartment units under construction with in-demand leases.



### By the Assets

- A. Large employer base in Healthcare Industry and Manufacturing with several of our largest employers located in the heart of the Opportunity Zones.
- B. Home to the Harvard Award winning Kingsport Center for Higher Education, the Center offer courses towards associate up to doctoral degrees through a unique partnership with five local colleges and universities
- C. Location of the Fortune 300 global headquarters of Eastman Chemical Company.



### By the Opportunity Zones

- A. Zones include the downtown heart of the City and supports its continued renaissance as a hub for small business, residents, nightlife and retail trades.
- B. Zones include areas where significant public funding continues to spur private investment.
- C. Zones include “shovel ready” projects that can take advantage of opportunity zone funds.



# Opportunity Zones

Kingsport — 2019

---

## Opportunity Zone Leads

- NETworks Sullivan Partnership ([www.NETworksTN.com](http://www.NETworksTN.com)) -Sullivan Partnership represents a collaborative partnership among Sullivan County and its three primary communities. Their experienced team of business and economic development professionals assist companies with asset maintenance coordination, small business loans, consultant visits, contract negotiations and deal closings.
- KEDB Kingsport Economic Development Board – Housed within the Kingsport Chamber the Economic Development Board work with city and industry leaders to cooperatively prepare and equip public and private partners for investment in the city.

- KOSBE Kingsport Office of Small Business and Entrepreneurship ([www.kosbe.org](http://www.kosbe.org)) - In 2004, the Kingsport Chamber and City of Kingsport jointly formed the Kingsport Office of Small Business Development & Entrepreneurship (KOSBE), to specifically nurture, counsel and encourage the continued robust growth and development of startups and existing small businesses in Kingsport, Tennessee.
- S&P reaffirmed the city's AA bond rating, which was upgraded in 2017 characterizing the financial management assessment of the city as "strong" due to policies put in place by the Board of Mayor and Aldermen
- The City continues a pattern of strong liquidity with rapid amortization of debt (66.4% retired in 10 years)



# Opportunity Zones

Kingsport — 2019

---

## Priority Projects

### MIRACLE FIELD

At Kingsport's Brickyard Park and rubberized playing field is being developed for kids and players with mental and/or physical special needs. The Miracle Field is set to open May 2019, and will inspire athletes of all backgrounds and abilities to play together and connect in a safe, family-friendly facility.



### TOWN PARK LOFTS

Opening its first phase in December of 2018, the luxury apartment complex offers 263 apartment units, the complex also will include retail storefronts facing Clinchfield Street. The investment totals more than \$32 million in a key downtown entry point.





# Opportunity Zones

Kingsport — 2019

## Catalytic Investments

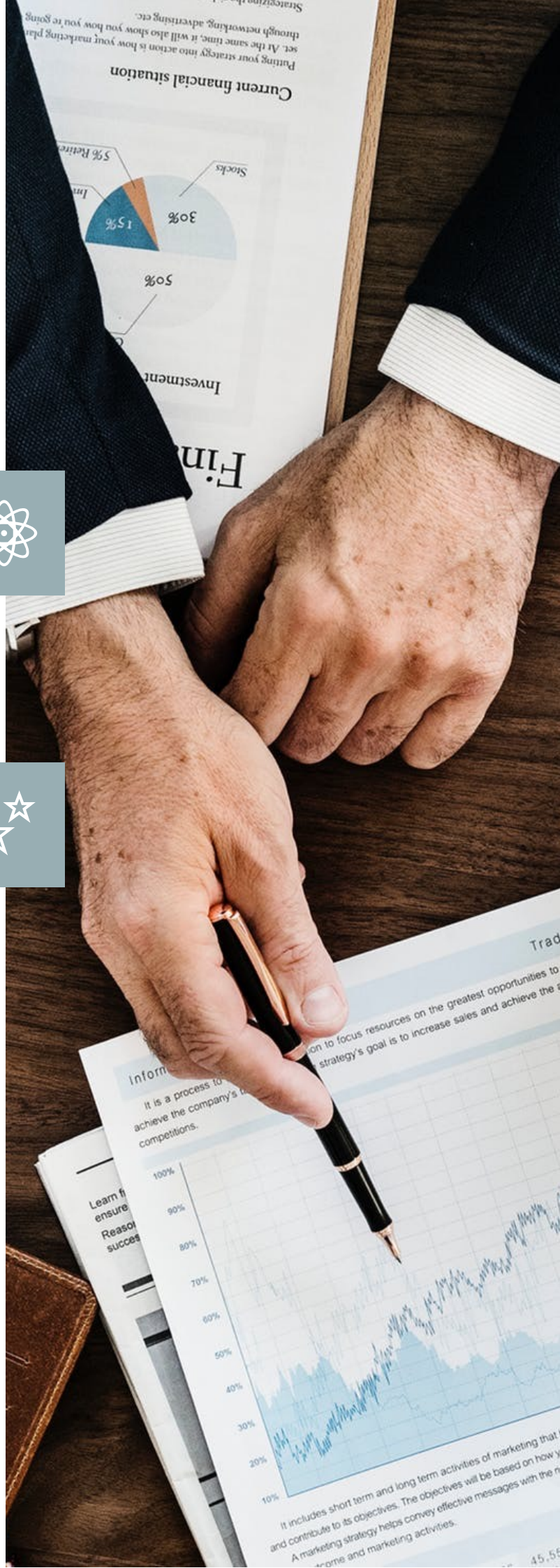
### PROJECT INSPIRE IN 2013

Eastman Chemical Co, a specialty chemical products company serving markets such as adhesives, coatings, electronics and medical, constructed a major expansion of the 100-year-old Tennessee company. Called Project Inspire, Eastman invested over \$1.6 billion in its Kingsport site and added 300 new jobs through 2020.



### KINGSPORT PRESS REDEVELOPMENT SITE

In 2008, the City took possession of approximately 54 separate buildings totaling 950,000 sf spanning 20 acres over two city blocks for \$1. For \$64 Million in private investment the site now houses ETSU at Downtown Kingsport, The Kingsport Chamber offices, the Kingsport City Schools Administration office and DB EXCEL, many medical offices, the Farmers Market, Carousel and local Grocer. This is now a hub of community activities.



# Opportunity Zones

Kingsport — 2019

## City Accolades

1

### SMART PLANNING.

Recent national award from the Small Town and Rural Division of APA for the best Comprehensive Plan for the Downtown Masterplan

2

### TOP EDUCATION.

2009 Innovations in American Government Award Winner from John F. Kennedy School of Government at Harvard University for Kingsport Higher Education Initiative

3

### AFFORDABLE.

Tennessee is one of the lowest cost states in the nation and Sullivan County is one of the lowest cost regions in the state

4

### INVESTS IN MAKERS.

Downtown Kingsport is Home to the first ever Inventor Center encouraging inventors, artists and tinkerers to further their work into entrepreneurship

5

### HEALTHY COMMUNITY.

2019 the City of Kingsport became the first in Tennessee to be named a Gold Healthier Tennessee Community

6

### PROMOTES LOCAL GOODS.

An Award winning Farmer's Market is located in the Downtown Kingsport Opportunity Zone bringing shoppers and vendors from all over the region



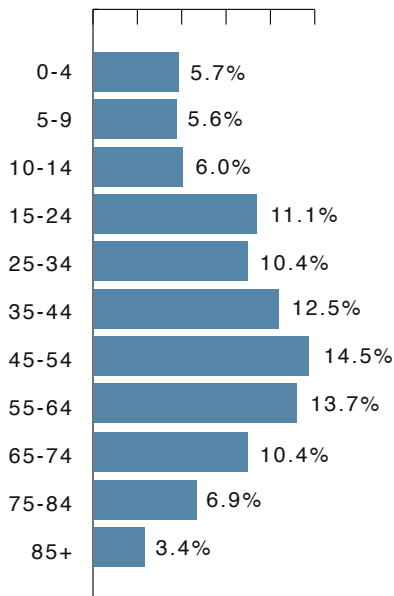


# Opportunity Zones

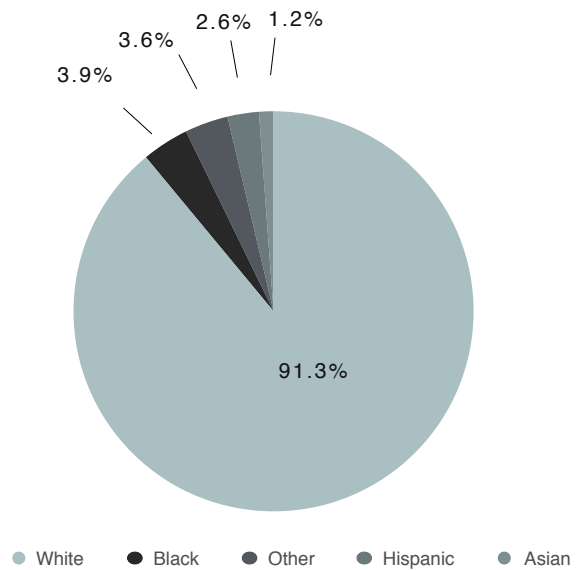
Kingsport — 2019

## Opportunity Zone Socio-Economic Overview

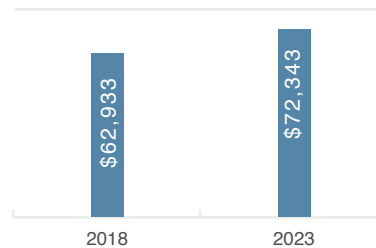
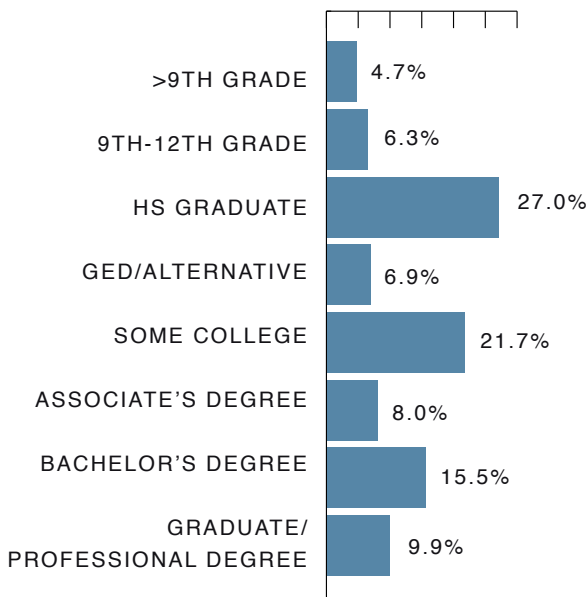
### AGE DEMOGRAPHICS



### POPULATION BY RACE 2018



### EDUCATION LEVEL



### AVERAGE HOUSEHOLD INCOME

There's a predicted rate of increase of **15%** over the next 5 years.

**5.4%**

UNEMPLOYMENT  
RATES

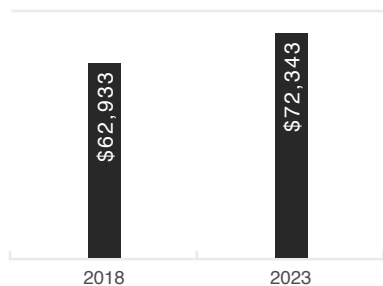
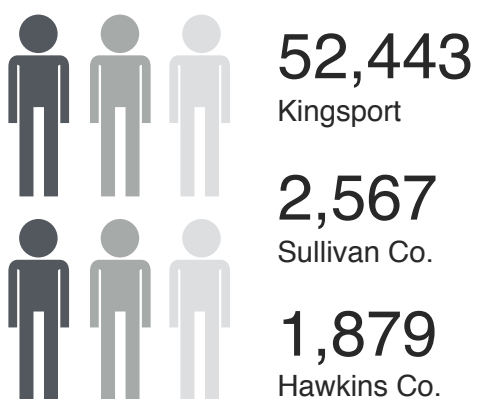
# Opportunity Zones

Kingsport — 2019

## Population

\*The statistics below are taken directly from the Opportunity Zones, not the counties.

### 2010 TOTAL POPULATION



### HOUSEHOLDS BY INCOME

There's a predicted rate of increase of **15%** over the next 5 years.

2010	Kingsport	Sullivan Co	Hawkins Co
Population Density (per square mile)	985.7	695.5	1,810.2
Population in Households	51,556	2,390	1,879
Population in Families	40,760	1,622	1,477
Total Daytime Population	76,619	15,916	1,459
Daytime Population: Workers	44,956	14,308	480
Daytime Population: Residents	31,663	1,608	979
Rural Population	1,153	0	11



# Opportunity Zones

Kingsport — 2019

## Employment Profile

2018 Industry	Kingsport	Sullivan County	Hawkins County
Transportation, Warehousing	749	30	42
Wholesale Trade	297	0	0
Retail Trade	2,692	125	110
Other Services (Excl Public Administration)	1,299	34	38
Public Administration	710	6	8
Manufacturing	3,759	110	88
Accommodation, Food Services	2,236	112	78
Finance, Insurance	700	0	15
Construction	1,411	150	37
Mining, Quarrying, Oil & Gas Extraction	30	0	0
Information	299	27	10
Arts, Entertainment, Recreation	207	27	1
Professional, Scientific, Tech Services	751	28	61
Real Estate, Rental, Leasing	542	4	59



TOTAL EMPLOYEES

# Opportunity Zones

Kingsport — 2019

## Top 10 Largest Employers

Top 10 Employers by Jobs in Sullivan County*	Type of Business	Number of Employees
 BalladHealth	Healthcare	11,230
 EASTMAN	Chemical Industry/Manufacturing	7,000
 FOOD CITY	Food Services	6,271
 EAST TENNESSEE STATE UNIVERSITY	Education	2,450
 James H. Quillen VA Medical Center (Mountain Home, TN)	Healthcare	2,400
 citigroup	Retail, Private Label, Customer Service	1,973
 ACT Advanced Call Center Technologies	Call Center	1,500
 Sullivan County Department of Education	Education	1,444
 Kingsport City Schools	Education	1,300
 WASHINGTON COUNTY SCHOOLS	Education	1,200

\*Top 10 Located in the Opportunity Zones

# Opportunity Zones

Kingsport — 2019

## Community Highlights



### AQUATIC CENTER

Whether it's competitive swimming, water classes or waterpark fun, the state-of-the-art Kingsport Aquatic Center is unlike any other attraction in the region. The facilities and programming are designed to help the community stay fit and have fun. Open year-round, the 46,000-square-foot indoor area features include three multipurpose, heated pools specially designed for recreation and instruction, including the region's only indoor Olympic-size pool, the HMG Competition Pool. Outdoors, guests will enjoy water park features such as two water slides, a water playground and a 900-foot lazy river open annually between Memorial Day weekend and Labor Day.



### WARRIOR'S PATH

Warriors' Path State Park was named for the Great Cherokee War and Trading Path. Since that time, the park land has known a long history of travelers and is still a pathway for modern-day outdoor enthusiasts. The 950-acre park is located on the shores of the Patrick Henry Reservoir on the Holston River. The park is home to premier boating and fishing activity, hiking trails, an internationally-renowned mountain bike trail system (which is a designated National Recreational Trail), an award-winning nature education program and a nationally recognized golf course.



### GREENBELT

The Kingsport Greenbelt is a scenic fitness trail that stretches across Kingsport. A project developed and maintained by Kingsport Parks and Recreation, this historic and beautiful scenic trail serves the citizens of this region. With access points all across the city of Kingsport, this paved and peaceful trail is 8 miles long and is a favorite destination for walkers, runners, bicycles and peaceful moments.



### BAYS MOUNTAIN

Bays Mountain Park, located in beautiful Kingsport, Tennessee, is a 3500 acre nature preserve and the largest city owned park in the state of Tennessee. The Park features a picturesque 44 acre lake, a Nature Center with a state-of-the-art Planetarium Theater, and Animal Habitats featuring wolves, bobcats, raptors and reptiles.



# Opportunity Zones

Kingsport — 2019

---

## Tourism Draws



### FUN FEST

- 100+ Events in 60 Kingsport locations over 9 days
- Attendees from 35 different states in 2018
  - 40% increase over 2017
- Voted as a Top 20 Event in the Southeast by Southeast Tourism Society
- Named as East Tennessee's Best Festival in the Best of Tennessee list in Tennessee Magazine



### TWILIGHT ALIVE SUMMER CONCERT SERIES

- Free Summer Concert Series
- Estimated average attendance of 2,000-4,000
- New Events for 2019 series, including four bluegrass concerts in conjunction with Evening at the Farmers Market



### KINGSFORT'S SPRING WING FLING

- Guests get to sample wings from 10 different local restaurants and vote for their favorite option



### RACKS BY THE TRACKS

- Free Friday Night Concert
- SPF 10k and 5k Saturday Morning
- Barbecue, beer and wine tasting with live music from noon until 10pm

# Opportunity Zones

Kingsport — 2019

---

## Sports Tourism

### HIGHLIGHTS

Hosted 15,000 athletes and families in 2018, resulting in an estimated economic impact of \$29 million.

Hosting the Tenn. Big Shots World Long Drive benefitting Niswonger Children's Hospital resulted in over 2 million viewers of the live broadcast and 2.5 million digital impressions.

Donated \$25,000 in proceeds to the Kingsport City Schools athletic programs.

Hosting 30 events in 2019, generating an estimated economic impact of \$29 million.

### YOUTH EVENTS

AAU, USSA, Wood Bat Tournaments, USA Swimming

### COLLEGIATE EVENTS

NAIA, Appalachian Athletic Conference

### PROFESSIONAL SPORTS

Kingsport Mets, Tenn. Big Shots

### KINGSPORT CREATED EVENTS

The Show





# Opportunity Zones

Kingsport — 2019

## Downtown Investment Incentives



### NEW MARKET TAX CREDITS

The NMTC Program attracts private capital into low-income communities by permitting individual and corporate investors to receive a tax credit against their federal income tax in exchange for making equity investments in specialized financial intermediaries called Community Development Entities (CDEs). The credit totals 39 percent of the original investment amount and is claimed over a period of seven years.

More information:

<https://www.cdfifund.gov/programs-training/Programs/new-markets-tax-credit/Pages/default.aspx>

### LOW INCOME HOUSING TAX CREDITS

Administered by the Tennessee Housing Development Agency, the Low-Income Housing Tax Credit is a credit against federal income tax liability each year for 10 years for owners and investors in low-income rental housing. The amount of tax credits is based on reasonable costs of development, as determined by THDA, and the number of qualified low-income units.

More information:

<http://thda.org/business-partners/lihtc>

### STATE INCENTIVES FOR BUSINESS AND INDUSTRY

There are a variety of sales and franchise & excise tax credits available from the state based on number of jobs created, investment and business type and location.

Below are the incentives most used in industrial recruiting:

- Fasttrack Job Training Assistance Program
- Fasttrack Economic Development Fund
- Fasttrack Eligibility and Funding Levels are determined by:
  - Amount of company investment
  - Number of new full-time jobs
  - Wages of new full-time jobs
  - Types of skills & knowledge that must be obtained.

### FEDERAL HISTORIC REHABILITATION TAX CREDIT (HTC)

A program with indirect federal subsidy to finance the rehabilitation of historic buildings with a 20% tax credit for qualified expenditures. The 20% credit is for structures deemed historic by the National Park Service (meets the Part I test for eligibility in the National Register Program). It is administered jointly by the Department of the Interior and the Department of the Treasury. Owner-occupied residential properties do not qualify for the federal rehabilitation tax credit.

More information:

<https://www.nps.gov/tps/tax-incentives.htm>

### ADVENTURE TOURISM DISTRICT TAX CREDIT

The Tennessee Adventure Tourism and Rural Development Act was passed in 2011. The act allows certain tourism-related businesses within adventure tourism districts to qualify for a jobs tax credit. All of the city limits of Kingsport are included in a certified Adventure Tourism District.

In a bill sponsored by Sen. Ken Yager, the Tennessee Adventure Tourism and Rural Development Act of 2011 defines Adventure Tourism as outdoor recreational opportunities such as equine and motorized trail riding, white water rafting and kayaking, rappelling, road biking, rock climbing, hang-gliding, spelunking, shooting sports, mountain biking, canoeing, paragliding, ziplining and other such tourist and recreational activities.

The qualified business must make a capital investment of at least \$500,000 and create the required number of full-time jobs. Businesses located within Tier 2 counties must create a minimum of 20 jobs in order to qualify.

# Opportunity Zones

Kingsport — 2019

---

## Diversity in Entrepreneurship



Bellafina Chocolates is a local, woman owned business. 100% of profits benefit charities helping children threatened by disease, poverty, abuse, or neglect. Bellafina is staffed entirely by volunteers, plus the positions that have been created to help women in recovery from addiction, incarceration, abuse, or other personal struggles. Bellafina hand-crafts every decadent creation with only the finest ingredients like fresh cream, nuts, fruit, and fine chocolate.



Flow MedTech is a local, medtech company that is dedicated to developing a device that minimizes the risk of stroke for individuals suffering from the most common irregular heart rhythm, known as atrial fibrillation.



Per Vivo Labs®, Inc., is a Veteran-Owned Small Business based in Kingsport, TN. With more than 100 years of combined experience in critical care medicine, finance, medical sales, customer service, retail operations, business development, and military leadership, PVL has what it takes to bring simple and effective product solutions to market.



# Opportunity Zones

Kingsport — 2019

---

## Growing Startup Investment

- 1 MICROLOANS FOR STARTUPS
- 2 SBA LOAN PROGRAMS
- 3 LOAN GUARANTEES AND CREDIT INSURANCE FOR EXPORTERS
- 4 EXPANSION LOANS
- 5 FACADE AND REDEVELOPMENT GRANTS



### KOSBE

In 2004, the Kingsport Chamber and City of Kingsport jointly formed the Kingsport Office of Small Business Development & Entrepreneurship (KOSBE), to specifically nurture, counsel and encourage the continued robust growth and development of startups and existing small businesses in Kingsport, Tennessee.

# Opportunity Zones

Kingsport — 2019

---

## Growing Startup Investment



### ACCELNOW

AccelNow is a community of volunteers organized to provide mentoring, training, networking, and support to entrepreneurs in the eight counties of Northeast Tennessee.



### HOLSTON BUSINESS DEVELOPMENT CENTER

The Holston Business Development Center is a business incubator that helps business startups become a reality. They offer business suites on a progressive rent scale with many amenities included. HBDC staff are here to help with your business needs and concerns through counseling and consulting.



### TSBDC - KINGSFORT AFFILIATE OFFICE

For over 30 years, the Tennessee Small Business Development Center (TSBDC) network has been empowering small business owners, entrepreneurs, and individuals with a business idea to innovate new products and services that compete in the global marketplace. We are a network of certified professional business counselors with 20 various locations; 14 of which are service centers, 5 are satellite offices, and 1 is an affiliate office.



### SYNC.SPACE

As a coworking space and accelerator, Sync.Space excels at connecting our members to community leaders and existing business. As our members' businesses grow, we get involved in helping to connect them with local staffing, marketing and manufacturing. We will help our members create their product, and help connect them with both local and export opportunities.



# Opportunity Zones

Kingsport — 2019

## Education and Workforce Development

### TNREADY HS ELA

TNReady is a set of statewide assessments given in Tennessee to measure students' knowledge, skills and progress. This shows the percentage of students who scored in the top two tiers of the TNReady ELA assessment.

47.0%

### TNREADY HS MATH

TNReady is a set of statewide assessments given in Tennessee to measure students' knowledge, skills and progress. This shows the percentage of students who scored in the top two tiers of the TNReady Math assessment.

41.5%

### ACT 21+

The percentage of students who meet the 21 composite on the ACT; this ACT score qualifies Tennessee students for the HOPE Scholarship.

59.1%

### GRADUATION RATE

The percentage of students that graduated high school within four years and a summer as compared to those students that entered ninth grade four years earlier.

94.8%

### DOBYN'S BENNETT ACHIEVEMENTS

- U.S. News & World Report's 2015 Best High Schools List.
- 2015 America's Most Challenging High Schools List by The Washington Post.
- Named one of the top high schools in the nation by The Daily Beast for effectively producing college-ready graduates in 2013 and 2014.



# Opportunity Zones

Kingsport — 2019

## Education and Workforce Development



### ACADEMIC VILLAGE

The Kingsport Academic Village consists of six buildings administered by Northeast State Community College:

- Kingsport Center for Higher Education (KCHE)
- Regional Center for Applied Manufacturing (RCAM)
- Regional Center for Health Professions (RCHP)
- Regional Center for Automotive Programs (RCAP)
- Blazier-Wilson Hall

The KCHE combines the resources of East Tennessee State University, Lincoln Memorial University, and Northeast State Community College all under one roof. Students are able to earn selected baccalaureate and graduate degrees from participating colleges and universities as well as associate degrees from Northeast State.



**KINGSPORT.**  
Workforce Development

### KINGSPORT OFFICE OF WORKFORCE DEVELOPMENT

Through the Kingsport Chamber of Commerce they develop programs that enhance academic learning and career preparedness of area students. Preparing these citizens with the skills needed to be the qualified workforce employers are seeking and to support programs that remove obstacles to higher education is fundamental to their work. Programs include TN/VA Scholars, 8th & 11th Grade Career Fairs, TNAchieves Mentoring Program, Advanced Manufacturing Camp and serving as a liaison for the Kingsport Academic Village and the Regional Center for Advanced Manufacturing.



### RCAM

The Regional Center for Advanced Manufacturing (RCAM) is an offsite teaching facility for Northeast State Community College located in downtown Kingsport, Tennessee in the "Kingsport Academic Village". RCAM also serves as the home of the Northeast State Office of Economic & Workforce Development. The name "RCAM" is the Northeast State branded outreach for industrial advanced manufacturing training & education.

The RCAM is "powered by the Advanced Manufacturing Partnership", AMP as it is commonly known. AMP is a public/private partnership made up of an advisory committee focused on addressing workforce development issues related to advanced manufacturing. With industry, education, and government working together, the AMP has proven to be an effective engine for the RCAM. The three strategic focus areas of AMP are:

- Meeting the Industrial Training/Educational Needs of Existing Industry
- Building a Pipeline of Industrial Skilled Labor for the Region
- A Training/Educational Resource for Economic Development

# Opportunity Zones

Kingsport — 2019

## Education and Workforce Development



**EAST TENNESSEE STATE UNIVERSITY**

### ETSU

East Tennessee State University (ETSU) is a public university in Johnson City, Tennessee. As of May 2017 it is the fourth largest university in the state and has off-campus centers in nearby Kingsport and Elizabethton. ETSU hosts the James H. Quillen College of Medicine which is often ranked as one of the top schools in the United States for rural medicine and primary care education, the Bill Gatton College of Pharmacy, the College of Nursing, the College of Public Health, and the recently formed College of Clinical and Rehabilitative Health Sciences. Unique programs include an accredited program in Bluegrass, Old Time, and Country Music, America's lone master's degree in Storytelling, and the Appalachian Studies programs, focused on the surrounding Appalachian region.



**The Inventor Center**

### INVENTOR CENTER

The Inventor Center comes from a public-private partnership led by the City of Kingsport with Engage Kingsport and the Model City Makerspace. This new facility is a premier makerspace that provides makers the space to develop a variety of skills, as well as unique, specialized equipment they will rarely find anywhere else. More than just a space to create, the Inventor Center is a place to learn.



**NORTHEAST STATE**

*We're here to get you there*

### NORTHEAST STATE

Northeast State Community College is a public community college based in Blountville, Tennessee. It offers technical education and college transfer programs in Blountville and at teaching sites in Elizabethton, Gray, Johnson City, and Kingsport. The school enrolls more than 6,000 students. Northeast State offers associate degrees in more than 130 programs of study, which can be transferred to a number of local and regional four-year colleges and universities. The school also offers associate of applied science degrees in more than 30 programs of study. In addition, Northeast State offers academic and technical certificates in more than a dozen areas of study.



**STREAMWORKS**

Powered by Eastman In Education

### STREAMWORKS

Streamworks operates from a new STEM Gym and is powered by the Eastman Foundation. Streamworks is an educational program that offers K-12 students a chance to participate in STEM-related activities.





Don't miss this opportunity.

## POINT OF CONTACT

Nathan Woods  
[NathanWoods@kingsporttn.gov](mailto:NathanWoods@kingsporttn.gov)

[kingsporttn.gov/oz](http://kingsporttn.gov/oz)