



AGENDA

BOARD OF MAYOR AND ALDERMEN WORK SESSION

**Monday, September 16, 2019, 4:30 p.m.
City Hall, 225 W. Center St., Council Room, 2nd Floor**

Board of Mayor and Aldermen

Mayor Patrick W. Shull, Presiding
Vice Mayor Colette George
Alderman Jennifer Adler
Alderman Betsy Cooper

Alderman Darrell Duncan
Alderman Tommy Olterman
Alderman James Phillips

Leadership Team

Chris McCartt, City Manager
Ryan McReynolds, Deputy City Manager
J. Michael Billingsley, City Attorney
Sid Cox, City Recorder/Chief Financial Officer
Scott Boyd, Fire Chief
David Quillin, Police Chief
George DeCroes, Human Resources Director
Heather Cook, Communications Director

1. Call to Order
2. Roll Call
3. KEDB / Networks Quarterly Update – Craig Denison / Clay Walker
4. Regional Economic Forum – Mayor Shull
5. The Inventor Center – Heath Guinn
6. Communications Update – Heather Cook
7. Review of Items on September 17, 2019 Business Meeting Agenda
8. Adjourn

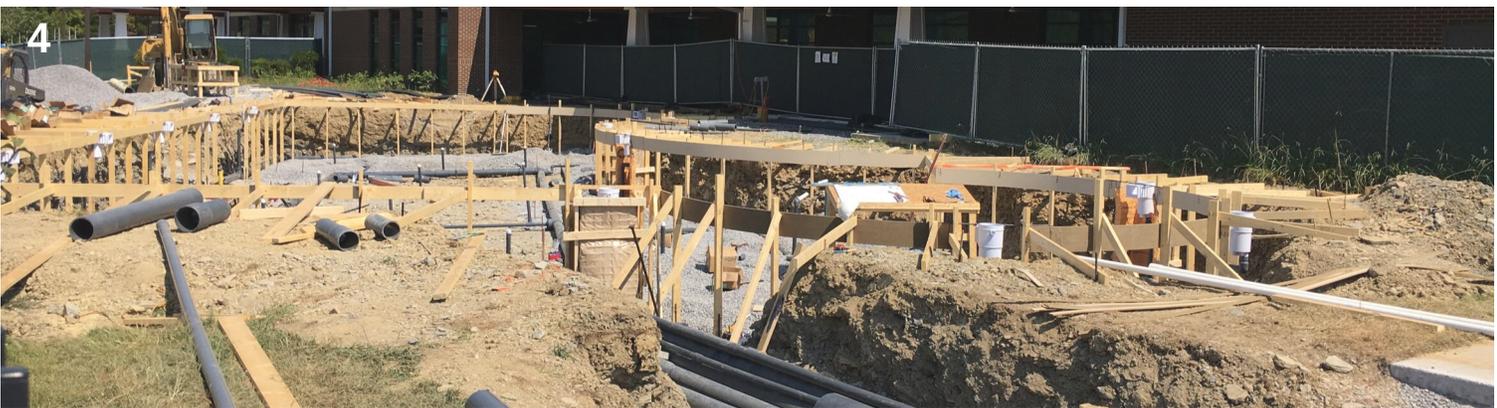
Next Work Session Sept. 30: MeadowView, Neighborhood Advisory Commission

Citizens wishing to comment on agenda items please come to the podium and state your name and address. Please limit your comments to five minutes. Thank you.

City of Kingsport

Project Status in Pictures

September 17, 2019



1 Sustainable Paving Plan

Paving crews are currently working on Hemlock Road in the Cooks Valley/Kendrick Ridge area.

2 Phase 4 Water Improvements

Trench paving is complete. Ridge Road resident services to be tied into new line next week.

3 Storm Drain Art

The five winning artists have started painting their storm drains. Juanita Mitchell is painting on Cedar St.

4 Kingsport Aquatic Center

The outline of the future pool has been formed. The crew is still working on the pump house, too.

Status Updates on Active Projects sorted by Cost

Estimated Cost	Project Owner	Project Name	Project Description	Completion Date	CurrentStatus
\$7,500,000.00	Ryan McReynolds	SR 347 (Rock Springs Road) [State & MTPO funded]	TDOT Managed, joint funded reconstruction of the State portion of Rock Springs Road	12/31/2021	TDOT, MTPO and City staff met 8/13/19 to discuss scope. A revised scope and contract are expected.
\$6,000,000.00	Michael Thompson	Main Street Rebuild	The reconstruction of Main Street from Sullivan Street to Clay Street. [City & MTPO Funded]	6/1/2021	MOU was approved by BMA July 2019. Working on obtaining AEP easements.
\$4,400,000.00	Niki Ensor	WWTP Electrical Improvements	Design of wastewater treatment plant improvements. Project includes replacement of the Main Switchgear, Switchgear SB-1 and related equipment at the wastewater treatment plant.	12/31/2020	Plans and specification have been finalized. Target bid date set for January 2020. Following rebid of West Kingsport.
\$3,867,000.00	Chad Austin	Border Regions Sewer Extensions Areas	Sewer extensions to serve the Border Regions Annexations in the vicinity of Tri-Cities Crossing and Fordtown Rd.	2/17/2020	Areas 1 & 3 bids opened Merkel Bro. apparent low bidder at \$746,995.00
\$3,750,000.00	Niki Ensor	Chemical Feed Design	Design of WTP Chemical Feed improvements. Project will include new facilities for pre and post chemical feed and implementation of bulk bleach for disinfection.	11/1/2020	Awaiting proposal for final design and construction phase services. Funding included in FY20 CIP.
\$3,740,000.00	Niki Ensor	West Kingsport Forcemain and Pump Station Improvements	Elimination of Pendragon SLS (#120) with gravity. Rehab of West Kingsport SLS (#119) and installation of new forcemain to the WWTP.	6/1/2020	9/8/19 - Bid advertisement; 9/17/19 - Pre bid meeting; 9/25/19 - last day for questions; 10/8/19 - Bid opening
\$3,312,698.00	Ryan McReynolds	City Hall Relocation - Phase 1	Renovations of floors 3 thru 6 for the consolidation of City offices to one location at 415 Broad Street.	6/1/2020	General Contractor to mobilize and begin work on Monday Sept 16th.
\$2,888,300.00	Niki Ensor	Water & Wastewater Facilities SCADA/Telemetry Project	Design and installation of SCADA/Telemetry system that will serve both water and sewer plants, sewer lift stations, water pump stations and boosters, along with monitoring in the distribution and collection systems.	4/1/2020	8/8/19 - Held progress meeting. Sewer SCADA - Finish installing pads and racks for equipment at SLS. Water SCADA - received FCC radio authorization for water sites. Will begin radio pathway study.
\$2,300,000.00	Ryan McReynolds	Justice Center Renovations	Renovations and expansion of Justice Center that will accommodate court space and county offices currently residing in City Hall.	12/31/2020	A progress meeting was held with KPD on 8/27/19 to review layouts. Architects continue to work on plans.
\$1,074,738.00	Chad Austin	Phase 4 Water Improvements	Waterline replacement in Sullivan Gardens area on Ridge Road, Maplewood Street, Mill Creek Road, Clover Bottom Drive, Clearview Street, Creekmore Drive, and Rosemont Street.	2/16/2020	Final waterline abandonment to be performed today. Old valve box, blow off, and fire hydrant removals to follow.
\$1,044,000.00	Kitty Frazier	Kingsport Greenbelt Extension from Rotherwood Drive to Lewis Lane	This project will build an extension of the Kingsport Greenbelt walking and biking path west from the end of the current Greenbelt at Rotherwood Drive to Lewis Lane on West Stone Drive (State Route 1).	5/31/2024	Awaiting Notice to proceed with the environmental document from TDOT.

Estimated Cost	Project Owner	Project Name	Project Description	Completion Date	CurrentStatus
\$997,475.00	Michael Thompson	Stone Drive - Phase 1 (SR 1, US 11W) Sidewalk Improvements	Construction of sidewalk along Stone Drive from Stonebrook Place Pvt. Dr. to American Way where current sidewalk gaps exist. Includes work to make existing driveways ADA accessible. [95% State Funded 5% City]	8/31/2020	Still addressing TDOT comments necessary to finalize right of way phase.
\$937,442.00	Kitty Frazier	Kingsport Greenbelt - Eastern Extension - Phase 1 (2019-C6)	New 1 mile long Greenbelt section from the 0.4 mile marker (bottom of the hill from Exchange Place) to Cleek Road. [Fed. Grant & City funded]	11/1/2019	Boardwalk construction continues - Contractor has requested a meeting on-site on 09-09-2019.
\$661,140.00	Michael Thompson	Stone Drive - Phase 2 (SR 1, US 11W) Sidewalk Improvements	Construction of sidewalk along Stone Drive from Stonebrook Place Pvt. Dr. to Lynn Garden Dr. [95% State Funded 5%]	8/31/2020	Still addressing TDOT comments necessary to finalize right of way phase.
\$577,000.00	Niki Ensor	Tri-County Tank Replacement Project	Replacement of 160,000 gallon steel water storage tank in Tri-County Pressure Zone, located on Big Ridge Rd.	7/1/2019	Site meeting 8/26. Contractor to remove damaged panels from welds. Grind out all welds to top and reweld. Will begin as soon as we receive the Engineers Letter of approved repairs and letter of the extended time needed to complete.
\$481,183.00	Ryan McReynolds	Wilcox Bridge (Wilcox Dr. & E. Sullivan St.)	Bridge re-painting and landscaping	11/1/2019	Contractor is still working with CSX to finalize necessary documents. Work will start once this paperwork is in order.
\$415,000.00	Chad Austin	SR 93- Fall Branch section (TDOT)	TDOT project to improve State Route 93 in the Fall Branch area. Impacted waterlines in this area will be are to be relocated as part of the TDOT project.	7/30/2021	
\$352,000.00	Chad Austin	SR 93- Horse Creek/Derby Drive Section (TDOT)	TDOT project to improve State Route 93 in the Horse Creek/Derby Drive area. Project also includes improvements with the intersection with Derby Drive, along with a new bridge crossing Horse Creek. Impacted waterlines in this area will be are to be reloc	8/31/2022	TDOT "B Date" package due date pushed back to 5/28/2021; anticipated letting December 2021

Status Updates on Active Projects sorted by Completion Date

Estimated Cost	Project Owner	Project Name	Project Description	Completion Date	CurrentStatus
\$577,000.00	Niki Ensor	Tri-County Tank Replacement Project	Replacement of 160,000 gallon steel water storage tank in Tri-County Pressure Zone, located on Big Ridge Rd.	7/1/2019	Site meeting 8/26. Contractor to remove damaged panels from welds. Grind out all welds to top and reweld. Will begin as soon as we receive the Engineers Letter of approved repairs and letter of the extended time needed to complete.
\$937,442.00	Kitty Frazier	Kingsport Greenbelt - Eastern Extension - Phase 1 (2019-C6)	New 1 mile long Greenbelt section from the 0.4 mile marker (bottom of the hill from Exchange Place) to Cleek Road. [Fed. Grant & City funded]	11/1/2019	Boardwalk construction continues - Contractor has requested a meeting on-site on 09-09-2019.
\$481,183.00	Ryan McReynolds	Wilcox Bridge (Wilcox Dr. & E. Sullivan St.)	Bridge re-painting and landscaping	11/1/2019	Contractor is still working with CSX to finalize necessary documents. Work will start once this paperwork is in order.
\$1,074,738.00	Chad Austin	Phase 4 Water Improvements	Waterline replacement in Sullivan Gardens area on Ridge Road, Maplewood Street, Mill Creek Road, Clover Bottom Drive, Clearview Street, Creekmore Drive, and Rosemont Street.	2/16/2020	Final waterline abandonment to be performed today. Old valve box, blow off, and fire hydrant removals to follow.
\$3,867,000.00	Chad Austin	Border Regions Sewer Extensions Areas	Sewer extensions to serve the Border Regions Annexations in the vicinity of Tri-Cities Crossing and Fordtown Rd.	2/17/2020	Areas 1 & 3 bids opened Merkel Bro. apparent low bidder at \$746,995.00
\$2,888,300.00	Niki Ensor	Water & Wastewater Facilities SCADA/Telemetry Project	Design and installation of SCADA/Telemetry system that will serve both water and sewer plants, sewer lift stations, water pump stations and boosters, along with monitoring in the distribution and collection systems.	4/1/2020	8/8/19 - Held progress meeting. Sewer SCADA - Finish installing pads and racks for equipment at SLS. Water SCADA - received FCC radio authorization for water sites. Will begin radio pathway study.
\$3,740,000.00	Niki Ensor	West Kingsport Forcemain and Pump Station Improvements	Elimination of Pendragon SLS (#120) with gravity. Rehab of West Kingsport SLS (#119) and installation of new forcemain to the WWTP.	6/1/2020	9/8/19 - Bid advertisement; 9/17/19 - Pre bid meeting; 9/25/19 - last day for questions; 10/8/19 - Bid opening
\$3,312,698.00	Ryan McReynolds	City Hall Relocation - Phase 1	Renovations of floors 3 thru 6 for the consolidation of City offices to one location at 415 Broad Street.	6/1/2020	General Contractor to mobilize and begin work on Monday Sept 16th.
\$661,140.00	Michael Thompson	Stone Drive - Phase 2 (SR 1, US 11W) Sidewalk Improvements	Construction of sidewalk along Stone Drive from Stonebrook Place Pvt. Dr. to Lynn Garden Dr. [95% State Funded 5%]	8/31/2020	Still addressing TDOT comments necessary to finalize right of way phase.
\$997,475.00	Michael Thompson	Stone Drive - Phase 1 (SR 1, US 11W) Sidewalk Improvements	Construction of sidewalk along Stone Drive from Stonebrook Place Pvt. Dr. to American Way where current sidewalk gaps exist. Includes work to make existing driveways ADA accessible. [95% State Funded 5% City]	8/31/2020	Still addressing TDOT comments necessary to finalize right of way phase.
\$3,750,000.00	Niki Ensor	Chemical Feed Design	Design of WTP Chemical Feed improvements. Project will include new facilities for pre and post chemical feed and implementation of bulk bleach for disinfection.	11/1/2020	Awaiting proposal for final design and construction phase services. Funding included in FY20 CIP.

Estimated Cost	Project Owner	Project Name	Project Description	Completion Date	CurrentStatus
\$4,400,000.00	Niki Ensor	WWTP Electrical Improvements	Design of wastewater treatment plant improvements. Project includes replacement of the Main Switchgear, Switchgear SB-1 and related equipment at the wastewater treatment plant.	12/31/2020	Plans and specification have been finalized. Target bid date set for January 2020. Following rebid of West Kingsport.
\$2,300,000.00	Ryan McReynolds	Justice Center Renovations	Renovations and expansion of Justice Center that will accommodate court space and county offices currently residing in City Hall.	12/31/2020	A progress meeting was held with KPD on 8/27/19 to review layouts. Architects continue to work on plans.
\$6,000,000.00	Michael Thompson	Main Street Rebuild	The reconstruction of Main Street from Sullivan Street to Clay Street. [City & MTPO Funded]	6/1/2021	MOU was approved by BMA July 2019. Working on obtaining AEP easements.
\$415,000.00	Chad Austin	SR 93- Fall Branch section (TDOT)	TDOT project to improve State Route 93 in the Fall Branch area. Impacted waterlines in this area will be are to be relocated as part of the TDOT project.	7/30/2021	
\$7,500,000.00	Ryan McReynolds	SR 347 (Rock Springs Road) [State & MTPO funded]	TDOT Managed, joint funded reconstruction of the State portion of Rock Springs Road	12/31/2021	TDOT, MTPO and City staff met 8/13/19 to discuss scope. A revised scope and contract are expected.
\$352,000.00	Chad Austin	SR 93- Horse Creek/Derby Drive Section (TDOT)	TDOT project to improve State Route 93 in the Horse Creek/Derby Drive area. Project also includes improvements with the intersection with Derby Drive, along with a new bridge crossing Horse Creek. Impacted waterlines in this area will be are to be reloc	8/31/2022	TDOT "B Date" package due date pushed back to 5/28/2021; anticipated letting December 2021
\$1,044,000.00	Kitty Frazier	Kingsport Greenbelt Extension from Rotherwood Drive to Lewis Lane	This project will build an extension of the Kingsport Greenbelt walking and biking path west from the end of the current Greenbelt at Rotherwood Drive to Lewis Lane on West Stone Drive (State Route 1).	5/31/2024	Awaiting Notice to proceed with the environmental document from TDOT.

BMA Report, September 16, 2019



Kingsport Employee Wellness, George DeCroes

	01/01/2019 – 8/31/2019	09/01/2019 – 09/10/2019
Total Utilization	94.0%	101.3%
City – Active Employees	61.5%	58.8%
City – Dependents	30.8%	33.3%
City – Retirees	2.1%	1.6%
Extended-Patient Services/Other	0.3%	1.3%
Work Comp	0.2%	0.8%
No Show	5.1%	4.2%

Worker's Compensation, Terri Evans

For the month of August 2019, the city had ten (10) recordable worker's compensation claims that involved lost time or restricted duty. Of the ten (10) claims involved, two (2) were lost time and eight (8) were restricted duty.



AGENDA

BOARD OF MAYOR AND ALDERMEN

BUSINESS MEETING

Tuesday, September 17, 2019, 7:00 p.m.
City Hall, 225 W. Center St., Courtroom, 2nd Floor

Board of Mayor and Aldermen

Mayor Patrick W. Shull, Presiding
Vice Mayor Colette George
Alderman Jennifer Adler
Alderman Betsy Cooper

Alderman Darrell Duncan
Alderman Tommy Olterman
Alderman James Phillips

City Administration

Chris McCartt, City Manager
Ryan McReynolds, Deputy City Manager
J. Michael Billingsley, City Attorney
Sid Cox, City Recorder/Chief Financial Officer
David Quillin, Police Chief
Scott Boyd, Fire Chief
George DeCroes, Human Resources Director
Heather Cook, Communications Director

I. CALL TO ORDER

II.A. PLEDGE OF ALLEGIANCE TO THE FLAG – Led by New Vision Youth

II.B. INVOCATION – Pastor Randy Frye, First Broad Street United Methodist Church

III. ROLL CALL

IV.A. RECOGNITIONS & PRESENTATIONS

1. Keep Kingsport Beautiful Beautification Awards – Robin Cleary

IV.B. APPOINTMENTS

None

V. APPROVAL OF MINUTES

1. Work Session – September 3, 2019
2. Business Meeting – September 3, 2019

VI. COMMUNITY INTEREST ITEMS

A. PUBLIC HEARINGS

None

COMMENT

Citizens may speak on agenda 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. A total of thirty minutes is allocated for public comment during this part of the agenda.

B. BUSINESS MATTERS REQUIRING FIRST READING

1. Appropriating a \$3,000 Donation Made in Honor of Former City Manager, Jeff Fleming, by Eastman Chemical Company, to the General Project Fund, Project# GP1839 – Bays Mountain Nature Center Exhibits (AF: 211-2019) (Chris McCartt)
 - Ordinance – First Reading
2. Agreement with State of Tennessee to Extend Waterline into Warrior's Path State Park (AF: 169-2019) (Chris McCartt)
 - Ordinance – First Reading
3. Amendment to City Code Section 6-207 and 6-213 Pertaining to Beer Permits (AF: 206-2019) (Chris McCartt)
 - Ordinance – First Reading

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION

1. Appropriate Funding for Phase II Transit Garage A&E (AF: 197-2019) (Chris Campbell)
 - Ordinance – Second Reading & Final Adoption
2. Budget Adjustment Ordinance for FY20 (AF: 200-2019) (Chris McCartt)
 - Ordinance – Second Reading & Final Adoption

D. OTHER BUSINESS

1. Approving a Mutual Termination of an Agreement and Lease Agreement with Engage Kingsport, Approving an Agreement and Lease Agreement with Model City Makerspace for Operation of the Product Creation Center (AF: 204-2019) (Chris McCartt)
 - Resolution
2. Authorization for the City of Kingsport to Participate in the TML Risk Management Pool "Driver Safety" Matching Grant Program (AF: 202-2019) (Mike Billingsley)
 - Resolution

3. Initial and Detailed Bond Resolutions Authorizing the Issuance of General Obligation Improvement Bonds, Series 2019 in an Amount not to Exceed \$20,250,000 (AF: 205-2019) (Chris McCartt)
 - Resolution – Initial Bond
 - Resolution – Detailed Bond
4. Award Bid for the Purchase of One (1) Van Body Single Axle Truck for School Nutrition Services to Triad Freightliner of TN (AF: 210-2019) (Steve Hightower)
 - Resolution
5. Purchase Two (2) Chevrolet Traverse from the Tennessee State Contract (AF: 212-2019) (Ryan McReynolds, Steve Hightower)
 - Resolution
6. Apply for Improve Act Funds through the Tennessee Department of Transportation (AF: 209-2019) (Chris Campbell)
 - Resolution

VII. CONSENT AGENDA

1. Approval of Additional Easements and Rights-of-Way (AF: 208-2019) (Ryan McReynolds)
 - Easements and Rights-of-Way Offers
2. Execute an Annual Renewal of Public Library Maintenance of Effort Agreement with the Tennessee State Library and Archives for Services via the Holston River Regional Library (AF: 207-2019) (Chris McCartt)
 - Resolution
3. Accept Donation to Bays Mountain Park & Planetarium by Eastman Chemical Company, in Honor of Former City Manager Jeff Fleming (AF: 203-2019) (Chris McCartt)
 - Resolution
4. Acquisition of Property for Border Regions Sanitary Sewer Extension Project (AF: 214-2019) (Ryan McReynolds)
 - Resolution

VIII. COMMUNICATIONS

- A. City Manager
- B. Mayor and Board Members
- C. Visitors

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.

IX. ADJOURN

Minutes of the Regular Work Session of the
Board of Mayor and Aldermen, City of Kingsport, Tennessee
Tuesday, September 3, 2019, 4:00 PM
Council Room – City Hall

PRESENT: Board of Mayor and Aldermen

Mayor Patrick W. Shull, Presiding
Alderman Jennifer Adler
Alderman Betsy Cooper
Alderman Darrell Duncan

Vice-Mayor Colette George
Alderman Tommy Olterman
(arrived after roll call)
Alderman James Phillips

City Administration

Chris McCartt, City Manager
J. Michael Billingsley, City Attorney
Sidney H. Cox, City Recorder

1. **CALL TO ORDER:** 4:00 p.m. by Mayor Patrick W. Shull.
2. **ROLL CALL:** By Deputy City Recorder Marshall.
3. **HOMELESS DISCUSSION.** Chief Quillin presented facts on this issue in Kingsport, pointing out being homeless is not a crime and the city cannot police its way out of the issue. He provided details on the model implemented by Colorado Springs and highlighted immediate and future steps to be taken. Becca Sutphen with the United Way then gave a presentation and provided statistics on homelessness in our area and the current efforts being taken. City Manager McCartt provided a recommendation which was followed by considerable discussion. Mr. McCartt summarized the takeaway for staff to start a coalition and look at possible code issues.
4. **REVIEW OF AGENDA ITEMS ON THE SEPTEMBER 3, 2019 REGULAR BUSINESS MEETING AGENDA.** City Manager McCartt and members of staff gave a summary or presentation for each item on the proposed agenda. The following items were discussed at greater length or received specific questions or concerns.

VI.D.2 Amendment Number One to Ground Lease with the Industrial Development Board of the City of Kingsport, Tennessee (AF: 193-2019). City Manager McCartt commented that although this project continues to move forward, fundraising would never stop, even upon completion.
5. **ADJOURN.** Seeing no other matters presented for discussion at this work session, Mayor Shull adjourned the meeting at 6:05 p.m.

ANGELA MARSHALL
Deputy City Recorder

PATRICK W. SHULL
Mayor

Minutes of the Regular Business Meeting of the
Board of Mayor and Aldermen of the City of Kingsport, Tennessee
Tuesday, September 3, 2019, 7:00 PM
Large Court Room – City Hall

PRESENT:

Board of Mayor and Aldermen

Mayor Pat Shull, Presiding
Vice Mayor Colette George Alderman Darrell Duncan
Alderman Jennifer Adler Alderman Tommy Olterman
Alderman Betsy Cooper Alderman James Phillips

City Administration

Chris McCartt, City Manager
J. Michael Billingsley, City Attorney
Sidney H. Cox, City Recorder/Chief Financial Officer

- I. **CALL TO ORDER:** 7:00 p.m., by Mayor Pat Shull.
- II.A. **PLEDGE OF ALLEGIANCE TO THE FLAG:** Shelton Clark.
- II.B. **INVOCATION:** Mike Beverly, Indian Springs Christian Church.
- III. **ROLL CALL:** By City Recorder Cox. All Present.
- IV.A. **RECOGNITIONS AND PRESENTATIONS.**
1. Cartegraph - High Performance Award (Alderman Duncan)
 2. September - Suicide Prevention and Mental Health Awareness Month (Mayor Shull)
 3. Homeless Initiatives (Chief Quillin)
- IV.B. **APPOINTMENTS/REAPPOINTMENTS.**
1. **Appointment to the Historic Zoning Commission (AF: 198-2019)**
(Mayor Shull).

Motion/Second: George/Adler, to approve:
APPOINTMENT OF DR. ERIN REID TO SERVE A FIVE-YEAR TERM ON THE
HISTORIC ZONING COMMISSION EFFECTIVE IMMEDIATELY AND EXPIRING ON
JUNE 30, 2024.

Passed: All present voting “aye.”

V. **APPROVAL OF MINUTES.**

Motion/Second: Duncan/Phillips, to approve minutes for the following meetings:

- A. August 19, 2019 Regular Work Session
- B. August 20, 2019 Regular Business Meeting

Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen of the City of Kingsport, Tennessee, Tuesday, September 3, 2019

Approved: All present voting “aye.”

VI. COMMUNITY INTEREST ITEMS.

A. PUBLIC HEARINGS. None.

PUBLIC COMMENT. Mayor Shull invited citizens in attendance to speak about any of the remaining agenda items. Kimberly Jones, Becky Rockwell, Robin Cleary, Stephen LaHair and Joe Carr all commented on the homeless issue.

B. BUSINESS MATTERS REQUIRING FIRST READING.

1. Appropriate Funding for Phase II Transit Garage A&E (AF: 197-2019) (Chris Campbell).

Motion/Second: Adler/George, to pass:

AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND BUDGET BY APPROPRIATING STATE AND FEDERAL GRANT FUNDS TO THE TRANSIT CENTER PROJECT FOR THE YEAR ENDING JUNE 30, 2020; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting “aye.”

2. Budget Adjustment Ordinance for FY20 (AF: 200-2019) (Chris McCartt).

Motion/Second: George/Cooper, to pass:

AN ORDINANCE TO AMEND VARIOUS PROJECTS FOR THE YEAR ENDING JUNE 30, 2020; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting “aye.”

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION.

1. Accept State of Tennessee Department of Environment and Conservation Local Parks and Recreation Fund Grant and Appropriate Funds (AF: 187-2019) (Chris McCartt).

Motion/Second: Duncan/Phillips, to pass:

ORDINANCE NO. 6815, AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE STATE OF TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION FOR THE YEAR ENDING JUNE 30, 2020; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Adler, Cooper, Duncan, George, Olterman, Phillips and Shull voting “aye.”

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, September 3, 2019**

Motion/Second: Olterman/Adler, to pass:

Resolution No. 2020-043, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER RECEIVE A TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION LOCAL PARKS AND RECREATION FUND GRANT

Passed: All present voting "aye."

D. OTHER BUSINESS.

1. Agreement with Environmental Systems Research Institute (ESRI) for GIS Mapping Software (AF: 199-2019) (Ryan McReynolds).

Motion/Second: George/Cooper, to pass:

Resolution No. 2020-044, A RESOLUTION APPROVING AN AGREEMENT WITH ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE FOR GIS MAPPING SOFTWARE AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."

2. Amendment Number One to Ground Lease with the Industrial Development Board of the City of Kingsport, Tennessee (AF: 193-2019) (Chris McCartt)

Motion/Second: Phillips/Adler, to pass:

Resolution No. 2020-045, A RESOLUTION APPROVING AN AMENDMENT TO THE GROUND LEASE WITH THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSFORT; AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT; AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT

Passed: All present voting "aye."

VII. CONSENT AGENDA. None.

VIII. COMMUNICATIONS.

A. CITY MANAGER. Mr. McCartt commended Public Works for the Cartegraph award. He stated he also appreciated the efforts of the board to move the Miracle Field project forward. Lastly he noted that many city employees will be working over the upcoming Labor Day weekend as Kingsport is operational 24/7.

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, September 3, 2019**

B. MAYOR AND BOARD MEMBERS. Alderman Duncan stated KTG would be performing “110 Stories” over the next two weekends with a free show on 9/11. He also commented on the Memorial Stair Climb on Saturday at 9:00am. Alderman Cooper pointed out that the BMA experience the homeless issue as well, as many work or live in the downtown area. She also commented on the Green Belt and encouraged everyone to take the time to enjoy it. Alderman George reported on an incident with a vagrant. Alderman Phillips commented on issues with the West Side Inn. Alderman Adler talked about the book “Dope Sick” which is relevant to this issue. She also invited everyone to the ribbon cutting at Streamworks this Friday. Alderman Olterman encouraged everyone to support their local high school football teams. Mayor Shull wished Alderman Olterman a happy birthday. He also pointed out in light of the previous comments that Kingsport citizens are compassionate as well as practical minded.

C. VISITORS. None.

IX. ADJOURN. Seeing no other business for consideration at this meeting, Mayor Shull adjourned the meeting at 8:20 p.m.

ANGELA MARSHALL
Deputy City Recorder

PATRICK W. SHULL
Mayor



AGENDA ACTION FORM

Appropriating a \$3,000 Donation Made in Honor of Former City Manager, Jeff Fleming, by Eastman Chemical Company, to the General Project Fund, Project# GP1839 – Bays Mountain Nature Center Exhibits

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-211-2019
Work Session: September 16, 2019
First Reading: September 17, 2019

Final Adoption: October 1, 2019
Staff Work By: Judy Smith / Sid Cox
Presentation By: Chris McCartt

Recommendation:

Approve the Ordinance.

Executive Summary:

This Ordinance approves the appropriation of \$3,000 in donated funds from Eastman Chemical Company, in honor of former City Manager, Jeff Fleming, for use in the enhancement and or creation of exhibit space, at the Bays Mountain Park & Planetarium Nature Center.

Attachments:

- 1. Ordinance

	Y	N	O
Adler	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE GENERAL
PROJECT FUND BUDGET BY APPROPRIATING
FUNDS RECEIVED AS A DONATION FOR THE
YEAR ENDING JUNE 30, 2020; AND TO FIX THE
EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT, as follows:

SECTION I. That the General Project Fund budget be amended by appropriating funds received from Eastman Chemical Company as a donation in the amount of \$3,000 for creating or enhancing exhibit space at the Bays Mountain Park and Planetarium Nature Center in honor of former City Manager Jeff Fleming.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
 Fund 311: General Project Fund			
<u>Bays MTN Nature Center Exhibit (GP1839)</u>			
<u>Revenues:</u>			
	\$	\$	\$
311-0000-364-2000 From Corporations	0	3,000	3,000
311-0000-368-1055 Series 2017A GO Bonds	84,294	0	84,294
311-0000-368-2101 Premium From Bond Sale	3,852	0	3,852
311-0000-391-0100 From General Fund	8,700	0	8,700
Totals:	96,846	3,000	99,846
 <u>Expenditures:</u>			
	\$	\$	\$
311-0000-601-2020 Professional Consultant	0	3,000	3,000
311-0000-601-4041 Bond Sale Expense	1,146	0	1,146
311-0000-601-9003 Improvements	95,700	0	95,700
Totals:	96,846	3,000	99,846

SECTION II. That this Ordinance shall take effect from and after its date of passage, as the law direct, the welfare of the City of Kingsport, Tennessee requiring it.

PATRICK W SHULL, Mayor

ATTEST:

ANGIE MARSHALL
Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____



AGENDA ACTION FORM

Agreement with State of Tennessee to Extend Waterline into Warrior's Path State Park

To: Board of Mayor and Aldermen
 From: Chris McCartt, City Manager *CM*

Action Form No.: AF-169-2019
 Work Session: September 16, 2019
 First Reading: September 17, 2019
 Final Adoption: October 1, 2019
 Staff Work By: C. Austin
 Presentation By: C. McCartt

Recommendation: Approve the Ordinance

Executive Summary:

The State of Tennessee has earmarked \$6.8M for Warrior's Path State Park in order to provide upgrades to the RV campground, marina, boat slips, visitor center, and offices. They are nearly finished with their design plans and are planning to move to construction soon.

During review by the State Fire Marshall's office, it was determined that in order to upgrade the marina, an automatic sprinkler system and fire hydrants would need to be included. Their current water system would not meet this need as most of it is below the size needed for fire flows.

They have asked the City of Kingsport and Sullivan County to partner with them to extend the public waterline from their current service down to the marina area, allowing the proper flows and pressures to supply their fire suppression needs.

They have estimated the cost to be \$150,000 for this new waterline. The cost is planned to be split between the City and County. Therefore, the City's portion would be \$75,000.

The State has asked that the City and County approve this agreement, which is attached.

At the end of the project, the new waterline would belong to the City of Kingsport's water distribution system to maintain. The City would also be responsible for managing the bid and construction process. Sullivan County will provide their portion of the funds to the City upon County Commission approval.

A budget ordinance is included to set up a new project to receive and disburse funds for this project.

Attachments:

1. Ordinance
2. Letter of Intent from TN Department of General Services
3. Location Map

Funding source appropriate and funds are available: *je*

	Y	N	O
Adler	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE GENERAL PROJECT
FUND BUDGET FOR THE YEAR ENDING JUNE 30, 2020;
AND TO FIX THE EFFECTIVE DATE OF THIS
ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT, as follows:

SECTION I. That the General Project Fund budget and the VEP Fund budget be amended by transferring \$75,000 to the Warriors Path Waterline Extension project and by appropriating \$75,000 received from Sullivan County.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Fund 311: General Project Fund			
Warriors Path Waterline Extension (GP2023)			
Revenues:			
311-0000-333-9900 Other County Revenue	\$ 0	\$ 75,000	\$ 75,000
311-0000-391-6900 From Visitors Enhancement Fund	0	75,000	75,000
Totals:	0	150,000	150,000
Expenditures:			
311-0000-601-9003 Improvements	\$ 0	\$ 75,000	\$ 75,000
Totals:	0	75,000	75,000
Fund 135: Visitors Enhancement Fund			
Expenditures:			
135-1015-405-3020 Operating Supplies & Tools	\$ 103,750	\$ (75,000)	\$ 28,750
135-4804-481-7036 General Project Fund	0	75,000	75,000
Totals:	103,750	0	103,750

SECTION II. That this Ordinance shall take effect from and after its date of passage, as the law direct, the welfare of the City of Kingsport, Tennessee requiring it.

PATRICK W. SHULL, Mayor

ATTEST:

SIDNEY H. COX, City Recorder



General Services

June 24, 2019

RECEIVED
JUN 28 2019
CITY OF KINGSPORT
CITY MANAGERS OFFICE

Mr. Chris McCartt
Assistant City Manager
City of Kingsport
225 W. Center Street
Kingsport, TN 37660

Mr. Richard Venable
County Mayor
County of Sullivan
3411 TN-126
Blountville, TN 37617

RE: Warriors' Path State Park 6 Inch Water Line

Dear Mr. McCartt and Mayor Venable,

We are requesting that the City of Kingsport and Sullivan County install a new six inch water line at Warriors' Path State Park. The reason for this request is due to fire protection requirements and to upgrade the water quality for the park.

Our project will include the demolition of the existing Marina Building and the construction of a new Marina Building to the west of this existing structure. Also, the existing Recreation Building located on Duck Island will be renovated to include a new Visitors Center, Park Ranger Offices, and facilities for community events.

In order for the State of Tennessee to proceed with this project, and the project to be approved by the State of Tennessee Fire Marshal's Office, the facilities will require adequate fire protection. The State Fire Marshal's Office requires a fire hydrant to be located within one hundred feet of the Fire Department Connection (FDC) at the Marina Building (this building is sprinkled since the occupant load is greater than one hundred and has food service), and a fire hydrant will be located within a four hundred foot hose lay at the renovated Visitors Center.

Currently, there is only a four inch water line on a portion of the property, and the only fire hydrant located in the entire park is served by a two inch line with inadequate flow and pressure. To achieve the adequate gallons per minute flow and residual water pressure required for proper fire protection, this will require a new six inch water line attached to the existing City of Kingsport six inch water line located at the southwest entrance of the park (the rear entrance that enters the park crossing the railroad line).

The Designer's estimate for labor and materials to install this line will be between \$135,000 to \$150,000. The State of Tennessee will provide the professional services fee for a Civil Engineer to prepare Construction Documents for the project, and it will also provide an easement for the installation of the water line and for its continued maintenance after installation by the local utility. The City of Kingsport and Sullivan County will conduct the bidding process, prepare the Contract between Owner and Contractor, provide the funds for construction, and administer the project through construction. Please confirm to me that the City of Kingsport and Sullivan County will continue to own the water line after its installation.

If you need additional information, please feel free to contact our office or the Designer, Mr. Robert Reedy, at Reedy & Sykes Architecture and Design, (423) 543-4781. Lastly, please apprise me when the terms of this agreement have been approved by the City Council and the County Commission.

Sincerely,

Tennessee State Parks

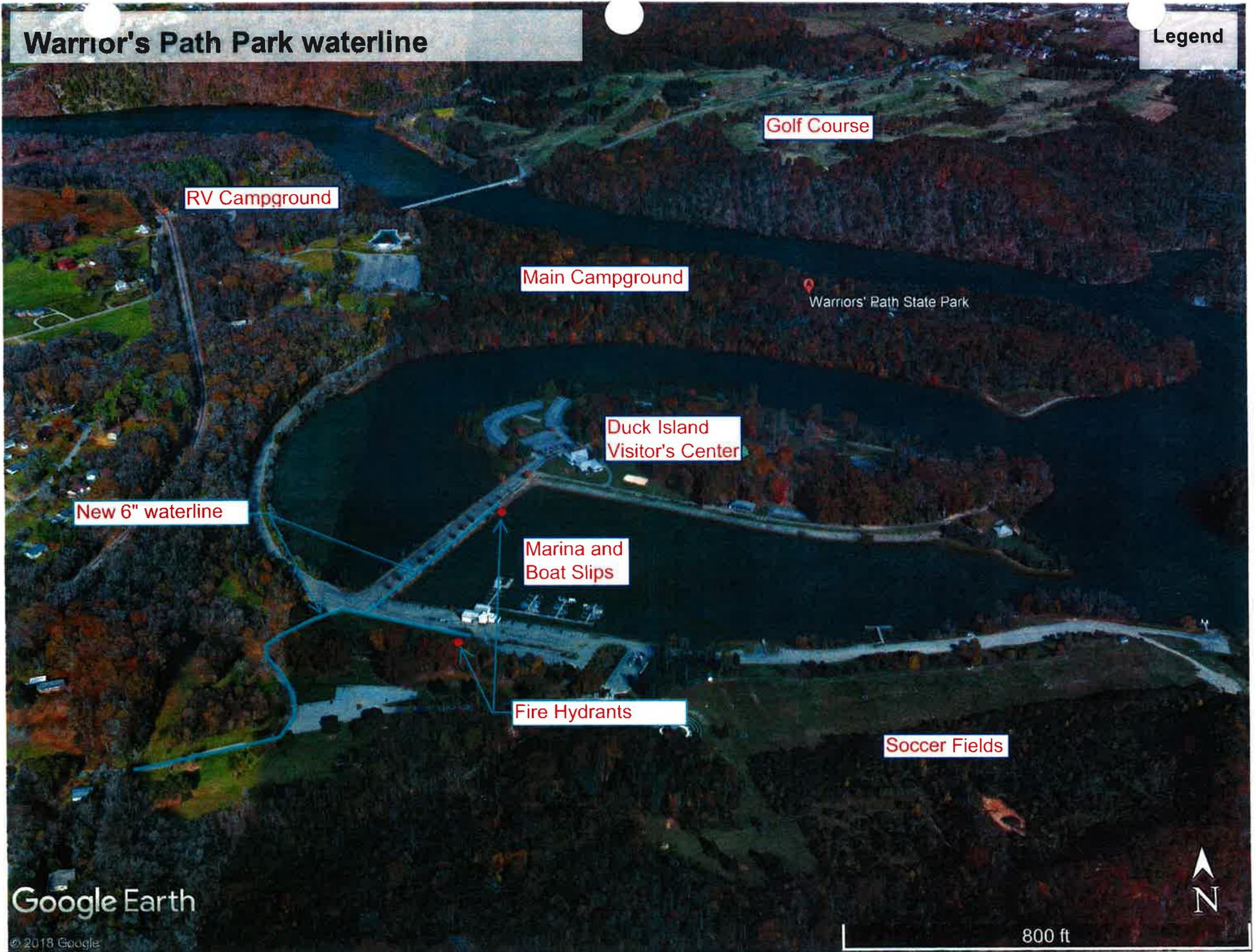
A handwritten signature in blue ink, appearing to read "John Hull", with a long, sweeping underline.

John Hull
Department of General Services Deputy Commissioner

cc: Reedy & Sykes
Lanette M. Phillips
Ben C. Dunn

Warrior's Path Park waterline

Legend



Golf Course

RV Campground

Main Campground

Warriors' Path State Park

Duck Island
Visitor's Center

New 6" waterline

Marina and
Boat Slips

Fire Hydrants

Soccer Fields

Google Earth

© 2018 Google

800 ft





AGENDA ACTION FORM

Amendment to City Code Section 6-207 and 6-213 Pertaining to Beer Permits

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-206-2019
Work Session: September 16, 2019
First Reading: September 17, 2019
Final Adoption: October 1, 2019
Staff Work By: Mike Billingsley
Presentation By: Chris McCartt

Recommendation:
Approve the Ordinance.

Executive Summary:
A request has been made for a beer permit for a hotel. There is not an ordinance for the issuance of such a permit.

The Beverage Board has requested an amendment to the ordinances pertaining to the sale of beer to include an on-premises permit for hotel/motels. An ordinance amending the necessary city code sections is attached, to allow such a permit, in accordance with state law.

Also attached is the current code sections with the amendments shown in red font.

- Attachments:**
- 1. Ordinance
 - 2. Copies of affected code provisions

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—

ORDINANCE NO. _____

AN ORDINANCE AMENDING SECTION 6-207 OF THE CODE OF ORDINANCES, CITY OF KINGSPORT, TENNESSEE, PERTAINING TO TYPES DESIGNATED AND AMENDING SECTION 6-213 OF THE CODE OF ORDINANCES, CITY OF KINGSPORT, TENNESSEE, PERTAINING TO GENERAL RESTRICTIONS ON ISSUANCE OF RETAIL PERMITS AND BUSINESS OPERATIONS; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT, as follows:

SECTION I. That Section 6-207 of the Code of Ordinances, City of Kingsport, Tennessee, is hereby amended to read as follows:

Sec. 6-207. - Types designated.

The types of beer permits shall be as follows:

- (1) *On-premises permit.* An on-premises permit shall be issued for the consumption of beer on the premises. Provided the other requirements of this article are met, an on-premises permit shall be issued only to restaurants or eating places, nonprofit clubs, hotel or motel, and for certain temporary permits.
- (2) *Off-premises permit.* An off-premises permit shall be issued for sale of both refrigerated and unrefrigerated beer to be consumed off the premises.
- (3) *Multiple-type permit.* A multiple-type permit constitutes both an on-premises permit and an off-premises permit and shall be issued for both on-premises consumption and off-premises consumption. Anyone who has consumed beer on the premises shall be prohibited from purchasing beer for off-premises consumption when leaving the premises, except this prohibition shall not apply to permits issued to a manufacturer as part of a manufacturer's permit. Provided the other requirements of this article are met, a multiple-type permit shall be issued only to restaurants or eating places, nonprofit clubs, manufacturers, and for certain temporary permits.
- (4) *Manufacturer's permit.* This permit shall be issued to manufacturers upon whose premises beer is brewed or otherwise manufactured. A manufacturer's permit may include certain on-premises and/or off-premises retail sales, as hereinafter set out. A manufacturer's permit that includes on-premises and off-premises consumption, allows anyone who has lawfully consumed beer on the premises to purchase beer for off-premises consumption, when leaving the premises.
- (5) *Wholesaler's permit.* This permit shall be issued to operators who have a warehouse in the city and sell or otherwise distribute beer at wholesale.
- (6) *Other permits.* Permits that are otherwise authorized by this article.

SECTION II. That Section 6-213 of the Code of Ordinances, City of Kingsport, Tennessee, is hereby amended to read as follows:

Sec. 6-213. - General restrictions on issuance of permits and business operations.

- (a) *Definitions.* The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

Bona fide charitable or nonprofit organization means any corporation which has been recognized as exempt from federal taxes under section 501(c) of the Internal Revenue Code.

Bona fide political organization means any political campaign committee as defined in T.C.A. § 2-10-101(a) or any political party as defined in T.C.A. § 2-13-101.

Outdoor service area means a patio, deck, courtyard, or other outdoor area, where the permitted establishment provides service where the outdoor serving area is:

- (1) Contiguous to the exterior of the building in which the business is located;
- (2) Operated and controlled by the business; and
- (3) Fenced or surrounded on all sides except for designated entrances and exits. The fencing or surrounding barrier need not be permanent but must consist of a barrier not less than 40 inches high and must be constructed of a substantial material without gaps or spaces that would allow ingress and egress of the premises except through designated entrances and exits. Examples of substantial materials would include but not be limited to securely connected planters, decorative fencing or other decorative architectural or landscaping materials. An outdoor serving area may not include all or any part of an area otherwise used by the business or by the public for parking.

(b) *Restaurants and eating places (on-premises)*. The issuance of beer permits for restaurants and eating places pursuant to this chapter and the operation of such establishments shall be subject to the following:

- (1) Permits for the retail sale of beer for on-premises consumption shall be issued subject to the approval of the beverage board to the owner or operator of any regularly conducted restaurant or eating place. The applicant shall fulfill all other general requirements for the retail sale of beer prescribed in this chapter.
- (2) In addition, the restaurant or eating place shall be classified with a value of not less than passing as judged by appropriate state authorities.
- (3) No permit shall be issued to the owner or operator of any restaurant unless such owner or operator is the holder of a current, valid business license issued by the city.
- (4) If, after the issuance of a permit for on-premises consumption, the grade of passing is reduced by the appropriate state agency responsible for the grading of restaurants, the beverage board shall notify the permittee to appear before the beverage board to show cause why his permit should not be revoked. The beverage board shall have the authority to grant a temporary extension, not to exceed 90 days, for the permittee to make the corrections necessary and have the numerical grade increased to at least passing.
- (5) The restaurant or eating place must be kept, used, maintained, advertised and held out to the public as a place where meals are served and where meals are actually and regularly served or provided with adequate and sanitary kitchen and dining room equipment and having employed therein a sufficient number and kind of employees to prepare, cook and serve suitable food for the permittee's guests. If it is shown that any permittee's premises are no longer meeting these regulations, the beverage board may cancel and revoke the permit.
- (6) No beer shall be served at tables, stools or booths or in any other manner or place outside of the building except when a beverage permit includes an approved outdoor service area or sidewalk cafe dining facility.

(c) *On premises permits for operation of a hotel or motel*

- (1) Hotel or motel shall have the same meaning as provided in T.C.A. § 57-4-102.
- (2) Hotels or Motels holding on-premises permits shall sell beer only to persons who remain inside the establishment, or in the permitted service area, to consume the same.
- (3) Hotels or Motels holding a license issued by the Tennessee Alcohol Commission for the sale of alcoholic beverages under T.C.A. § 57-4-201 et seq. (liquor by the drink) shall operate the establishment in accordance with the applicable provisions of state law and the rules and regulations of the commission.

(d) *Nonprofit club permits.*

- (1) Club permits may be issued to allow the sale of beer to be consumed on the premises of any nonprofit association, organized and existing under the laws of the state, which has been in existence and operating as a nonprofit association for at least two years prior to the application for a permit. The club shall:
 - a. Have at least 100 members regularly paying dues;

- b. Be organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any shareholder or member; and
 - c. Own, hire or lease a building or space therein for the reasonable use of its members with suitable kitchen and dining room space and equipment and maintaining and using a sufficient number of employees for cooking, preparing and serving meals for its members and guests.
- (2) No member or officer, agent or employee of the club shall be paid or directly or indirectly receive, in the form of salary or other compensation, any profits from the sale of spirituous liquors, wines, champagnes or malt beverages beyond the amount of such salary as may be fixed by club members at an annual meeting or by the club's governing body out of the general revenue of the club.
- (3) For the purpose of this subsection (c), tips which are added to the bills under club regulations shall not be considered as profits. The beverage board shall have specific authority through rules and regulations to define with specificity the terms used in this subsection (c) and to impose additional requirements upon applicants seeking a club permit not inconsistent with the definition in this subsection.
- (e) *Manufacturers.* Upon meeting the necessary federal, state and local license requirements and pursuant to T.C.A. section 57-5-101(c)(1) a manufacturer of beer may operate as a retailer at the manufacturer's location or a site contiguous thereto for sales of not more than 25,000 barrels of beer annually for consumption on or off premises, provided it meets the licensing requirements of this chapter for on and off premises permits.
- (f) *Off-premises merchant's permits.* Off-premises permits shall be issued only to bona fide merchants who have been licensed to conduct a merchandising business in the city. For the purpose of this subsection, the term "bona fide merchants" means persons regularly operating and conducting business to serve the public on a regular basis, with regular business hours of operation. However, no such off-premises permit shall hereafter be issued for the sale of beer at any place of business where the sale of beer is to be made directly to an automobile and its occupants by means of drive-in window facility. It shall be unlawful to sell or give beer through a drive-in window to an automobile, its occupants or to any person outside the drive-in window. It shall be unlawful for any permittee to construct a drive-in window or to alter in any manner his place of business so as to permit the sale of beer through a drive-in window to an automobile, its occupants or to any person outside the drive-in window.
- (g) *Temporary (special event) permits.* Temporary beer licenses or permits shall be governed by the following provisions:
- (1) *Newly annexed business:* Temporary beer licenses or permits not to exceed 30 days' duration may be issued at the discretion of the secretary of the beverage board to newly annexed businesses which hold a valid county beer permit. The beverage board, at its next regular meeting, may make only one extension of the temporary permit for no longer than 30 days.
 - (2) *One event permit for private businesses:* Temporary beer licenses or permits not to exceed 24-hour duration may be issued by the beverage board at the request of the applicant upon the same conditions governing permanent permits. For the purposes of these provisions, the same conditions governing permanent permits shall apply to temporary permits and shall include the application for a temporary beer license or permit, a fee of \$50.00, and a written plan detailing how the event will be conducted in order to provide for a safe and controlled environment. Such a temporary license or permit shall not allow the sale, storage or manufacture of beer on publicly owned property.
 - (3) *One event permits for nonprofit organizations:* A temporary license authorizing the sale of beer on public property may be issued to a bona fide charitable or nonprofit organization or bona fide political organization, subject to the approval of the appropriate governmental authority charged with the management of such publicly owned property and the beverage board. Documents showing evidence of the type of organization shall be submitted with the application. Such a temporary license or permit shall be limited to two events per organization in any 12-month period.
 - (4) *Multiple event permit for nonprofit organizations:* Subject to the submission of a proper application and the payment of the application fee, the beverage board is authorized and empowered in its discretion to issue special event licenses to bona fide charitable or nonprofit organization for special events with the duration of said license being for a period

of not more than one year. No single special event shall be longer than 72 hours in duration. The beverage board may issue a special event license under such terms, conditions, rules and regulations as the beer board may establish which are not inconsistent with state law regulating the sale of beer.

(5) *Notice of intent to conduct a special event.* Any person, organization or other entity with a special event license conducting an event during which beer is to be sold shall provide at least 30 days' advance written notice to the chairperson of the beverage board, with a copy to the city recorder, of the intent to conduct such a special event. The notice required by this part shall include, but not necessarily be limited to, the following information:

- a. Date and time of the event;
- b. The sponsor of the event;
- c. The specific location where any beer is to be sold outside;
- d. Any plans for proposed temporary closure of public rights-of-way;
- e. Plans for security and policing of the event;
- f. The anticipated number of persons attending the event;
- g. Plans for clean up during and after the event;
- h. Plans for sanitary facilities and for safety inspections as determined needed by the fire department;
- i. Indemnification : A written agreement that will indemnify and hold the city, its officials and employees harmless from any claim resulting from the event; and
- j. Liability insurance: Provide to the city from an insurance company authorized to do business in the state a comprehensive general liability insurance policy, applicable to the serving of beer at the event and providing insurance coverage for all liabilities including death, personal injury or property damage, arising out of, or in any way related to, the event described, in the amount of \$1,000,000.00 combined single limits. Such insurance shall be in a form satisfactory to the city's risk manager, shall include an endorsement naming the city as additional insured under the coverage afforded, shall be primary and noncontributing with respect to any other insurance available to the city, shall contain a severability of interest (cross liability) clause, and shall require the insurer to provide to the city at least

30 days' prior notice of cancellation. Proof of such insurance, also in a form satisfactory to the city's risk manager, shall be filed with the risk manager prior to the date of the event of the sponsoring organization.

Upon receipt of the notice as required in this subsection (e)(5), the proposed special event shall be placed on the agenda of the beverage board for its next regularly scheduled meeting following receipt of the notice, and the sponsor of the proposed event shall send a representative or representatives (both a representative of the nonprofit organization and a representative of the professional organization running the event, if applicable) to the beverage board meeting to address any questions or issues arising out of the proposed special event.

(6) *The Downtown District:* The beverage board is hereby authorized and empowered in its discretion to permit the sale of beer in the downtown district, being the area bounded by Main Street, Clinchfield Street, Sullivan Street and Wexler Street, and also including the area across Main Street in the 100 and 200 blocks, to a bona fide charitable or nonprofit organization holding a temporary permit or a special event license at such times and events and under such terms, conditions, rules and regulations as the beverage board may establish which are not inconsistent with state law regulating the sale of beer, and including the temporary closure of public rights-of-way within the area with the express permission and cooperation of the city police department and city transportation department.

(h) *Purchase from source other than licensee prohibited.* No charitable, nonprofit or political organization possessing a temporary permit or special occasion licenses shall purchase for sale or distribution beer from any source other than a licensee as provided pursuant to state law.

(i) *Special permits for sale in certain areas.* Beer permits shall not be valid for any sidewalk, street, alley, or other public right-of-way contiguous or adjacent to the permitted establishment. Provided, however, in the downtown business area, as defined in section 90-74, the beverage board may issue a special beer permit for such areas, if the permitted establishment obtains and maintains a permit for sidewalk cafe dining facility from the department of public works as set out in chapter 90, article III, division 2, pertaining to sidewalk dining facilities. The sale, service or distribution of beer in the sidewalk cafe dining facility shall be under terms, conditions, rules and regulations as the beverage board shall establish, including but not limited to the length and periods of time during

which a special permit may be valid, which are not inconsistent with state law regulating the sale of beer. Such terms, conditions, rules, and regulations may include the requirement of the submission to the beverage board of the following information:

- (1) The identity of such person who is requesting the special permit;
- (2) The site plan for the outdoor seating area showing where any beer is to be sold, served, or consumed, the specific location of any furniture and equipment and how the area of public right-of-way is to be separated from the remainder the public right-of-way or property; The safety and liability measures already taken and those that shall continue to be taken by such person with respect to the outdoor serving area.

The person requesting the special permit shall send representatives to the beverage board meeting to address any questions or issues that may arise regarding the request. Notwithstanding any other provisions of this chapter to the contrary, beer shall not be dispensed from any outdoor bar or serving station. Further, the issuance of a special permit by the beverage board pursuant to this subsection (g) does not authorize any person to utilize the public right-of-way in the downtown business area for any purpose without express permission granted by the department of public works in the form of a permit for a sidewalk cafe dining facility.

(j) *Manufacturer's permit.* Permits for the manufacture of beer shall be issued in accordance with the general requirements of this chapter and the following:

- (1) A permit authorizing the manufacture, storage, sale and distribution of beer, not to be consumed on the premises of the manufacturer, except as otherwise provided hereinafter may be issued. In addition to the manufacture and storage of beer, a manufacturer's permit shall authorize the sale and distribution of the beer through the standard non-retail system to the extent allowed by applicable law.
- (2) A manufacturer of beer can include in its application a request for the privilege of retail sale for on-premises and/or off premises consumption of the beer pursuant to T.C.A. § 57-5-101(c), at the manufacture's location or a site contiguous thereto for sales of not more than 25,000 barrels of beer annually for consumption on or off the premises.
- (3) A manufacturer's permit that authorizes the manufacture of beer may include, pursuant to T.C.A. § 57-5-101(c), the privilege of conducting on-premises retail sales, even though it does not maintain or have a regularly conducted restaurant or eating place.
- (4) A manufacturer's permit that authorizes the manufacture of beer and pursuant to T.C.A. § 57-5-101(c) the sale of beer for off-premises consumption shall be sold for off-premises consumption in sizes and containers that are made available through the general wholesale/retail distribution system, including such containers generally known as growlers.
- (5) A manufacturer's permit that authorizes for retail sales may take place within the same store licensed by the state alcohol beverage commission for the sale of high alcohol content beer, provided the other requirements of this chapter are met.
- (6) Documentation by the manufacturer of the number of barrels sold each calendar year may be required by the beverage board.

(k) *Wholesaler's permit.* Permits for the wholesale sale of beer for operators who have a warehouse in the city and sell or otherwise distribute beer at wholesale, shall be issued in accordance with the general requirements of this chapter and such rules established by the beverage board not in conflict with the provisions of this chapter.

SECTION III. That this ordinance shall take effect from and after the date of its passage and publication, as the law directs, the public welfare of the City of Kingsport, Tennessee requiring it.

PATRICK W. SHULL, Mayor

ATTEST:

SIDNEY H. COX, City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING _____

PASSED ON 2ND READING _____

Sec. 6-207. - Types designated.

The types of beer permits shall be as follows:

- (1) *On-premises permit.* An on-premises permit shall be issued for the consumption of beer on the premises. Provided the other requirements of this article are met, an on-premises permit shall be issued only to restaurants or eating places, nonprofit clubs, **hotel or motel**, and for certain temporary permits.
- (2) *Off-premises permit.* An off-premises permit shall be issued for sale of both refrigerated and unrefrigerated beer to be consumed off the premises.
- (3) *Multiple-type permit.* A multiple-type permit constitutes both an on-premises permit and an off-premises permit and shall be issued for both on-premises consumption and off-premises consumption. Anyone who has consumed beer on the premises shall be prohibited from purchasing beer for off-premises consumption when leaving the premises, except this prohibition shall not apply to permits issued to a manufacturer as part of a manufacturer's permit. Provided the other requirements of this article are met, a multiple-type permit shall be issued only to restaurants or eating places, nonprofit clubs, manufacturers, and for certain temporary permits.
- (4) *Manufacturer's permit.* This permit shall be issued to manufacturers upon whose premises beer is brewed or otherwise manufactured. A manufacturer's permit may include certain on premises and/or off-premises retail sales, as hereinafter set out. A manufacturer's permit that includes on- premises and off-premises consumption, allows anyone who has lawfully consumed beer on the premises to purchase beer for off-premises consumption, when leaving the premises.
- (5) *Wholesaler's permit.* This permit shall be issued to operators who have a warehouse in the city and sell or otherwise distribute beer at wholesale.
- (6) *Other permits.* Permits that are otherwise authorized by this article.

Sec. 6-213. - General restrictions on issuance of permits and business operations.

- (a) *Definitions.* The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

Bona fide charitable or nonprofit organization means any corporation which has been recognized as exempt from federal taxes under section 501(c) of the Internal Revenue Code.

Bona fide political organization means any political campaign committee as defined in T.C.A. § 2-10-101(a) or any political party as defined in T.C.A. § 2-13 -101.

Outdoor service area means a patio, deck, courtyard, or other outdoor area, where the permitted establishment provides service where the outdoor serving area is:

- i. Contiguous to the exterior of the building in which the business is located;
- ii. Operated and controlled by the business; and
- iii. Fenced or surrounded on all sides except for designated entrances and exits. The fencing or surrounding barrier need not be permanent but must consist of a barrier not less than 40 inches high and must be constructed of a substantial material without gaps or spaces that would allow ingress and egress of the premises except through designated entrances and exits. Examples of substantial materials would include but not be limited to securely connected planters, decorative fencing or other decorative architectural or landscaping materials. An outdoor serving area may not include all or any part of an area otherwise used by the business or by the public for parking.

(b) *Restaurants and eating places (on-premises)*. The issuance of beer permits for restaurants and eating places pursuant to this chapter and the operation of such establishments shall be subject to the following:

1. Permits for the retail sale of beer for on-premises consumption shall be issued subject to the approval of the beverage board to the owner or operator of any regularly conducted restaurant or eating place. The applicant shall fulfill all other general requirements for the retail sale of beer prescribed in this chapter.
2. In addition, the restaurant or eating place shall be classified with a value of not less than passing as judged by appropriate state authorities.
3. No permit shall be issued to the owner or operator of any restaurant unless such owner or operator is the holder of a current, valid business license issued by the city.
4. If, after the issuance of a permit for on-premises consumption, the grade of passing is reduced by the appropriate state agency responsible for the grading of restaurants, the beverage board shall notify the permittee to appear before the beverage board to show cause why his permit should not be revoked. The beverage board shall have the authority to grant a temporary extension, not to exceed 90 days, for the permittee to make the corrections necessary and have the numerical grade increased to at least passing.
5. The restaurant or eating place must be kept, used, maintained, advertised and held out to the public as a place where meals are served and where meals are actually and regularly served or provided with adequate and sanitary kitchen and dining room equipment and having employed therein a sufficient number and kind of employees to prepare, cook and serve suitable food for the permittee's guests. If it is shown that any permittee's premises are no longer meeting these regulations, the beverage board may cancel and revoke the permit.
6. No beer shall be served at tables, stools or booths or in any other manner or place outside of the building except when a beverage permit includes an approved outdoor service area or sidewalk cafe dining facility.

(c) ***On premises permits for operation of a hotel or motel***

1. **Hotel or motel shall have the same meaning as provided in T.C.A. § 57-4-102.**
2. **Hotels or Motels holding on-premises permits shall sell beer only to persons who remain inside the establishment, or in the permitted service area, to consume the same.**
3. **Hotels or Motels holding a license issued by the Tennessee Alcohol Commission for the sale of alcoholic beverages under T.C.A. § 57-4-201 et seq. (liquor by the drink) shall operate the establishment in accordance with the applicable provisions of state law and the rules and regulations of the commission.**

(d) *Nonprofit club permits*.

1. Club permits may be issued to allow the sale of beer to be consumed on the premises of any nonprofit association, organized and existing under the laws of the state, which has been in existence and operating as a nonprofit association for at least two years prior to the application for a permit. The club shall:
 - d. Have at least 100 members regularly paying dues;
 - e. Be organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any shareholder or member; and
 - f. Own, hire or lease a building or space therein for the reasonable use of its members with suitable kitchen and dining room space and equipment and maintaining and using a sufficient number of employees for cooking, preparing and serving meals for its members and guests.
2. No member or officer, agent or employee of the club shall be paid or directly or

indirectly receive, in the form of salary or other compensation, any profits from the sale of spirituous liquors, wines, champagnes or malt beverages beyond the amount of such salary as may be fixed by club members at an annual meeting or by the club's governing body out of the general revenue of the club.

3. For the purpose of this subsection (c), tips which are added to the bills under club regulations shall not be considered as profits. The beverage board shall have specific authority through rules and regulations to define with specificity the terms used in this subsection (c) and to impose additional requirements upon applicants seeking a club permit not inconsistent with the definition in this subsection.

(e) *Manufacturers.* Upon meeting the necessary federal, state and local license requirements and pursuant to T.C.A. section 57-5-101(c)(1) a manufacturer of beer may operate as a retailer at the manufacturer's location or a site contiguous thereto for sales of not more than 25,000 barrels of beer annually for consumption on or off premises, provided it meets the licensing requirements of this chapter for on and off premises permits.

(f) *Off-premises merchant's permits.* Off-premises permits shall be issued only to bona fide merchants who have been licensed to conduct a merchandising business in the city. For the purpose of this subsection, the term "bona fide merchants" means persons regularly operating and conducting business to serve the public on a regular basis, with regular business hours of operation. However, no such off-premises permit shall hereafter be issued for the sale of beer at any place of business where the sale of beer is to be made directly to an automobile and its occupants by means of drive-in window facility. It shall be unlawful to sell or give beer through a drive-in window to an automobile, its occupants or to any person outside the drive-in window. It shall be unlawful for any permittee to construct a drive-in window or to alter in any manner his place of business so as to permit the sale of beer through a drive-in window to an automobile, its occupants or to any person outside the drive-in window.

(g) *Temporary (special event) permits.* Temporary beer licenses or permits shall be governed by the following provisions:

1. *Newly annexed business:* Temporary beer licenses or permits not to exceed 30 days' duration may be issued at the discretion of the secretary of the beverage board to newly annexed businesses which hold a valid county beer permit. The beverage board, at its next regular meeting, may make only one extension of the temporary permit for no longer than 30 days.

2. *One event permit for private businesses:* Temporary beer licenses or permits not to exceed 24-hour duration may be issued by the beverage board at the request of the applicant upon the same conditions governing permanent permits. For the purposes of these provisions, the same conditions governing permanent permits shall apply to temporary permits and shall include the application for a temporary beer license or permit, a fee of \$50.00, and a written plan detailing how the event will be conducted in order to provide for a safe and controlled environment. Such a temporary license or permit shall not allow the sale, storage or manufacture of beer on publicly owned property.

3. *One event permits for nonprofit organizations:* A temporary license authorizing the sale of beer on public property may be issued to a bona fide charitable or nonprofit organization or bona fide political organization, subject to the approval of the appropriate governmental authority charged with the management of such publicly owned property and the beverage board. Documents showing evidence of the type of organization shall be submitted with the application. Such a temporary license or permit shall be limited to two events per organization in any 12-month period.

4. *Multiple event permit for nonprofit organizations:* Subject to the submission of a proper application and the payment of the application fee, the beverage board is authorized and empowered in its discretion to issue special event licenses to bona fide charitable or nonprofit organization for special events with the duration of said license

being for a period of not more than one year. No single special event shall be longer than 72 hours in duration. The beverage board may issue a special event license under such terms, conditions, rules and regulations as the beer board may establish which are not inconsistent with state law regulating the sale of beer.

5. *Notice of intent to conduct a special event.* Any person, organization or other entity with a special event license conducting an event during which beer is to be sold shall provide at least 30 days' advance written notice to the chairperson of the beverage board, with a copy to the city recorder, of the intent to conduct such a special event. The notice required by this part shall include, but not necessarily be limited to, the following information:

- (a) Date and time of the event;
- (b) The sponsor of the event;
- (c) The specific location where any beer is to be sold outside;
- (d) Any plans for proposed temporary closure of public rights-of-way;
- (e) Plans for security and policing of the event;
- (f) The anticipated number of persons attending the event;
- (g) Plans for clean up during and after the event;
- (h) Plans for sanitary facilities and for safety inspections as determined needed by the fire department;
- (i) Indemnification : A written agreement that will indemnify and hold the city, its officials and employees harmless from any claim resulting from the event; and
- (j) Liability insurance: Provide to the city from an insurance company authorized to do business in the state a comprehensive general liability insurance policy, applicable to the serving of beer at the event and providing insurance coverage for all liabilities including death, personal injury or property damage, arising out of, or in any way related to, the event described, in the amount of \$1,000,000.00 combined single limits. Such insurance shall be in a form satisfactory to the city's risk manager, shall include an endorsement naming the city as additional insured under the coverage afforded, shall be primary and noncontributing with respect to any other insurance available to the city, shall contain a severability of interest (cross liability) clause, and shall require the insurer to provide to the city at least

30 days' prior notice of cancellation. Proof of such insurance, also in a form satisfactory to the city's risk manager, shall be filed with the risk manager prior to the date of the event of the sponsoring organization.

Upon receipt of the notice as required in this subsection (e)(5), the proposed special event shall be placed on the agenda of the beverage board for its next regularly scheduled meeting following receipt of the notice, and the sponsor of the proposed event shall send a representative or representatives (both a representative of the nonprofit organization and a representative of the professional organization running the event, if applicable) to the beverage board meeting to address any questions or issues arising out of the proposed special event

6. *The Downtown District:* The beverage board is hereby authorized and empowered in its discretion to permit the sale of beer in the downtown district, being the area bounded by Main Street, Clinchfield Street, Sullivan Street and Wexler Street, and also including the area across Main Street in the 100 and 200 blocks, to a bona fide charitable or nonprofit organization holding a temporary permit or a special event license at such times and events and under such terms, conditions, rules and regulations as the beverage board may establish which are not inconsistent with state law regulating the sale of beer, and including the temporary closure of public rights-of-way within the area with the express permission and cooperation of the city police department and city transportation department.

- (h) *Purchase from source other than licensee prohibited.* No charitable, nonprofit or political organization possessing a temporary permit or special occasion licenses shall purchase for sale or distribution beer from any source other than a licensee as provided pursuant

to state law.

(i) *Special permits for sale in certain areas.* Beer permits shall not be valid for any sidewalk, street, alley, or other public right-of-way contiguous or adjacent to the permitted establishment. Provided, however, in the downtown business area, as defined in section 90-74, the beverage board may issue a special beer permit for such areas, if the permitted establishment obtains and maintains a permit for sidewalk cafe dining facility from the department of public works as set out in chapter 90, article III, division 2, pertaining to sidewalk dining facilities. The sale, service or distribution of beer in the sidewalk cafe dining facility shall be under terms, conditions, rules and regulations as the beverage board shall establish, including but not limited to the length and periods of time during which a special permit may be valid, which are not inconsistent with state law regulating the sale of beer. Such terms, conditions, rules, and regulations may include the requirement of the submission to the beverage board of the following information:

- (1) The identity of such person who is requesting the special permit;
- (2) The site plan for the outdoor seating area showing where any beer is to be sold, served, or consumed, the specific location of any furniture and equipment and how the area of public right-of-way is to be separated from the remainder the public right-of-way or property;
- (3) The safety and liability measures already taken and those that shall continue to be taken by such person with respect to the outdoor serving area.

The person requesting the special permit shall send representatives to the beverage board meeting to address any questions or issues that may arise regarding the request. Notwithstanding any other provisions of this chapter to the contrary, beer shall not be dispensed from any outdoor bar or serving station. Further, the issuance of a special permit by the beverage board pursuant to this subsection (g) does not authorize any person to utilize the public right-of-way in the downtown business area for any purpose without express permission granted by the department of public works in the form of a permit for a sidewalk cafe dining facility.

(j) *Manufacturer's permit.* Permits for the manufacture of beer shall be issued in accordance with the general requirements of this chapter and the following:

- (1) A permit authorizing the manufacture, storage, sale and distribution of beer, not to be consumed on the premises of the manufacturer, except as otherwise provided hereinafter may be issued. In addition to the manufacture and storage of beer, a manufacturer's permit shall authorize the sale and distribution of the beer through the standard non-retail system to the extent allowed by applicable law.
- (2) A manufacturer of beer can include in its application a request for the privilege of retail sale for on-premises and/or off premises consumption of the beer pursuant to T.C.A. § 57-5-101(c), at the manufacture's location or a site contiguous thereto for sales of not more than 25,000 barrels of beer annually for consumption on or off the premises.
- (3) A manufacturer's permit that authorizes the manufacture of beer may include, pursuant to T.C.A. § 57-5-101(c), the privilege of conducting on-premises retail sales, even though it does not maintain or have a regularly conducted restaurant or eating place.
- (4) A manufacturer's permit that authorizes the manufacture of beer and pursuant to T.C.A. § 57-5-101(c) the sale of beer for off-premises consumption shall be sold for off-premises consumption in sizes and containers that are made available through the general wholesale/retail distribution system, including such containers generally known as growlers.
- (5) A manufacturer's permit that authorizes for retail sales may take place within the same store licensed by the state alcohol beverage commission for the sale of high alcohol content beer, provided the other requirements of this chapter are met.

(6) Documentation by the manufacturer of the number of barrels sold each calendar year may be required by the beverage board.

(k) *Wholesaler's permit.* Permits for the wholesale sale of beer for operators who have a warehouse in the city and sell or otherwise distribute beer at wholesale, shall be issued in accordance with the general requirements of this chapter and such rules established by the beverage board not in conflict with the provisions of this chapter.



AGENDA ACTION FORM

Appropriate Funding for Phase II Transit Garage A&E

To: Board of Mayor and Aldermen
 From: Chris McCartt, City Manager *CM*

Action Form No.: AF-197-2019
 Work Session: September 3, 2019
 First Reading: September 3, 2019
 Final Adoption: **September 17, 2019**
 Staff Work By: Chris Campbell
 Presentation By: Chris Campbell

Recommendation:
 Approve the Ordinance.

Executive Summary:

The Board of Mayor and Alderman previously approved applying for and receiving State and Federal grant funding for the Architecture and Engineering Phase of the Bus Storage and Maintenance building and associated parking area. This new facility will be collocated adjacent to the new transit center. The grant funding has been secured and this action will appropriate the funding into a project account. The estimated cost for Phase 2 A&E is outlined below. The local match is already budgeted.

Capital Assistance (80%) Federal; (10%) Local; (10%) State	Local	State	Federal	Total
Architecture and Engineering	\$25,300	\$25,300	\$202,400	\$253,000

Attachments:
 1. Budget Ordinance

Funding source appropriate and funds are available: *J*

	Y	N	O
Adler	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—



AGENDA ACTION FORM

Appropriate Funding for Phase II Transit Garage A&E

To: Board of Mayor and Aldermen
 From: Chris McCartt, City Manager *CM*

Action Form No.: AF-197-2019
 Work Session: September 3, 2019
 First Reading: September 3, 2019
 Final Adoption: September 17, 2019
 Staff Work By: Chris Campbell
 Presentation By: Chris Campbell

Recommendation:
 Approve the Ordinance.

Executive Summary:
 The Board of Mayor and Alderman previously approved applying for and receiving State and Federal grant funding for the Architecture and Engineering Phase of the Bus Storage and Maintenance building and associated parking area. This new facility will be collocated adjacent to the new transit center. The grant funding has been secured and this action will appropriate the funding into a project account. The estimated cost for Phase 2 A&E is outlined below. The local match is already budgeted.

Capital Assistance (80%) Federal; (10%) Local; (10%) State	Local	State	Federal	Total
Architecture and Engineering	\$25,300	\$25,300	\$202,400	\$253,000

Attachments:
 1. Budget Ordinance

Funding source appropriate and funds are available: *J*

	Y	N	O
Adler	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND BUDGET BY APPROPRIATING STATE AND FEDERAL GRANT FUNDS TO THE TRANSIT CENTER PROJECT FOR THE YEAR ENDING JUNE 30, 2020; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT, as follows:

SECTION I. That the General Project Fund budget be amended by appropriating \$25,300 from the Tennessee Department of Transportation and \$202,400 Federal grant funds to the Transit Center project (GP1718) and by transferring \$25,300 as the local match from the Transit Garage project (GP1727) to the Transit Center project (GP1718).

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Fund 311: General Project Fund			
Transit Center (GP1718)			
Revenues:	\$	\$	\$
311-0000-331-2000 Federal Rev/UMTA Section 9	4,444,000	202,400	4,646,400
311-0000-332-9000 Dept.of Transportation	555,500	25,300	580,800
311-0000-368-1054 Series 2016 GO (Nov 4)	391,188	0	391,188
311-0000-368-2101 Premium From Bond Sale	29,108	0	29,108
311-0000-368-1055 Series 2017A GO Bonds	0	25,300	25,300
311-0000-391-0100 From General Fund	218,561	0	218,561
Totals:	5,638,357	253,000	5,891,357

Expenditures:	\$	\$	\$
311-0000-601-2023 Arch/Eng/Landscaping	461,589	253,000	714,589
311-0000-601-4041 Bond Sale Expense	3,996	0	3,996
311-0000-601-9001 Land	517,342	0	517,342
311-0000-601-9003 Improvements	4,655,430	0	4,655,430
Totals:	5,638,357	253,000	5,891,357

Fund 311: General Project Fund
Transit Garage (GP1727)

Revenues:	\$	\$	\$
311-0000-368-1054 Series 2016 GO (Nov 4)	13,530	0	13,530
311-0000-368-1055 Series 2017A GO Bonds	32,980	(25,300)	7,680
311-0000-368-1056 Series 2018 A GO Bonds	86,060	0	86,060
311-0000-368-2101 Premium From Bond Sale	30,332	0	30,332
311-0000-391-0100 From General Fund	23,856	0	23,856
Totals:	186,758	(25,300)	161,458

<u>Expenditures:</u>	\$	\$	\$
311-0000-601-2023 Arch/Eng/Landscaping	23,856	(23,856)	0
311-0000-601-4041 Bond Sale Expense	6,787	0	6,787
311-0000-601-9003 Improvements	156,115	(1,444)	154,671
Totals:	186,758	(25,300)	161,458

SECTION II. That this Ordinance shall take effect from and after its date of passage, as the law direct, the welfare of the City of Kingsport, Tennessee requiring it.

PATRICK W. SHULL, Mayor

ATTEST:

ANGIE MARSHALL
Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____



AGENDA ACTION FORM

Budget Adjustment Ordinance for FY20

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-200-2019
Work Session: September 3, 2019
First Reading: September 3, 2019

Final Adoption: September 17, 2019
Staff Work By: Judy Smith
Presentation By: Chris McCartt

Recommendation:

Approve the Ordinance.

Executive Summary:

The General Fund will be amended by appropriating \$150 donation received from William and Helen Lawson in memory of John Derek Bailiff to the Parks and Recreation operating budget.

The Storm Water Fund will be amended to close out old projects by transferring \$223,972 to the Storm Water Buffer Land Purchase/Easement project, \$27,710 to the Urban Forestry Initiative project, \$18,059 to the Miscellaneous Stormwater Rehab project, \$25,000 to the Stormwater System Mapping project and close ST1700, ST1709, ST1800, ST1801, and ST1802.

The Community Development Block Grant Fund will be amended by transferring \$16,268 to the CDBG Administration project and by transferring \$1,257 to the Community Enrichment project. Projects CD1801 and CD1805 will be closed.

Attachments:

- 1. Ordinance

Funding source appropriate and funds are available: *js*

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—



AGENDA ACTION FORM

Budget Adjustment Ordinance for FY20

To: Board of Mayor and Aldermen
From: Chris McCart, City Manager *CM*

Action Form No.: AF-200-2019
Work Session: September 3, 2019
First Reading: September 3, 2019

Final Adoption: September 17, 2019
Staff Work By: Judy Smith
Presentation By: Chris McCart

Recommendation:

Approve the Ordinance.

Executive Summary:

The General Fund will be amended by appropriating \$150 donation received from William and Helen Lawson in memory of John Derek Bailiff to the Parks and Recreation operating budget.

The Storm Water Fund will be amended to close out old projects by transferring \$223,972 to the Storm Water Buffer Land Purchase/Easement project, \$27,710 to the Urban Forestry Initiative project, \$18,059 to the Miscellaneous Stormwater Rehab project, \$25,000 to the Stormwater System Mapping project and close ST1700, ST1709, ST1800, ST1801, and ST1802.

The Community Development Block Grant Fund will be amended by transferring \$16,268 to the CDBG Administration project and by transferring \$1,257 to the Community Enrichment project. Projects CD1801 and CD1805 will be closed.

Attachments:

- 1. Ordinance

Funding source appropriate and funds are available: *js*

	Y	N	O
Adler	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—

ORDINANCE NO. _____

AN ORDINANCE TO AMEND VARIOUS PROJECTS FOR
THE YEAR ENDING JUNE 30, 2020; AND TO FIX THE
EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT, as follows:

SECTION I. That the Storm Water Project Fund budgets be amended by transferring \$179,904 from the Reedy Creek Land/Improvements project (ST1700), \$40,840 from the Equipment/Vehicle Purchase (ST1800), \$2,219 from the Belvedere Drainage Improvement project (ST1709), \$44,068 from the Buffer Land Purchase/Easement project (GP1801), \$27,710 from the Urban Forestry Initiative (ST1802) to the Buffer Land Purchase/Easement (ST2001) in the amount of \$223,972, \$27,710 to the Urban Forestry Initiative project (ST2002) and \$18,059 to the Miscellaneous Stormwater Rehab project (ST2004), \$25,000 to the Stormwater System Mapping project (ST2005).

SECTION II. That the Community Development Fund budgets be amended by transferring \$16,268 from the Community Development Block Grant Administration project (CD1801) to the Community Development Block Grant Administration project (CD1901) and by transferring \$1,257 from the Community Enrichment project (CD1805) to the Community Enrichment project (CD1905).

SECTION III. That the General Fund budget be amended by appropriating \$150 donation received from William and Helen Lawson in memory of John Derek Bailiff to the Parks and Recreation operating budget.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
<u>Fund 457 Storm Water Fund</u>			
<u>Reedy Creek Land/Improvements (ST1700)</u>			
<u>Revenues:</u>			
457-0000-391-9500 From Storm Water Fund	\$ 179,962	\$ (179,904)	\$ 58
Totals:	179,962	(179,904)	58
<u>Expenditures:</u>			
457-0000-622-2023 Arch/Eng/Landscaping	\$ 8,862	\$ (8,862)	\$ 0
457-0000-622-9001 Land	171,100	(171,042)	58
Totals:	179,962	(179,904)	58

<u>Fund 457 Storm Water Fund</u>			
<u>Equipment/Vehicle Purchase (ST1800)</u>			
<u>Revenues:</u>			
457-0000-391-9500 From Storm Water Fund	\$ 222,884	\$ (40,840)	\$ 182,044

Totals:	222,884	(40,840)	182,044
Expenditures:	\$	\$	\$
457-0000-622-9006 Purchases \$5,000 & Over	222,884	(40,840)	182,044
Totals:	222,884	(40,840)	182,044

Fund 457 Storm Water Fund
Belvedere Drainage Imp. (ST1709)

Revenues:	\$	\$	\$
457-0000-391-9500 From Storm Water Fund	125,403	(2,219)	123,184
Totals:	125,403	(2,219)	123,184

Expenditures:	\$	\$	\$
457-0000-622-2022 Construction Contracts	66,894	0	66,894
457-0000-622-2023 Arch/Eng/Landscaping	9,018	0	9,018
457-0000-622-9001 Land	49,491	(2,219)	47,272
Totals:	125,403	(2,219)	123,184

Fund 457 Storm Water Fund
Buffer Land Purchase/Easement (GP1801)

Revenues:	\$	\$	\$
457-0000-391-9500 From Storm Water Fund	55,000	(44,068)	10,932
Totals:	55,000	(44,068)	10,932

Expenditures:	\$	\$	\$
457-0000-622-9001 Land	55,000	(44,068)	10,932
Totals:	55,000	(44,068)	10,932

Fund 457 Storm Water Fund
Urban Forestry Initiative (ST1802)

Revenues:	\$	\$	\$
457-0000-391-9500 From Storm Water Fund	40,000	(27,710)	12,290
Totals:	40,000	(27,710)	12,290

Expenditures:	\$	\$	\$
457-0000-622-9003 Improvements	40,000	(27,710)	12,290
Totals:	40,000	(27,710)	12,290

Fund 457 Storm Water Fund
Buffer Land Purchase/Easement (ST2001)

Revenues:	\$	\$	\$
457-0000-391-9500 From Storm Water Fund	20,000	223,972	243,972
Totals:	20,000	223,972	243,972

<u>Expenditures:</u>	\$	\$	\$
457-0000-622-9001 Land	20,000	223,972	243,972
Totals:	20,000	223,972	243,972

Fund 457 Storm Water Fund
Urban Forestry Initiative (ST2002)

<u>Revenues:</u>	\$	\$	\$
457-0000-391-9500 From Storm Water Fund	20,000	27,710	47,710
Totals:	20,000	27,710	47,710

<u>Expenditures:</u>	\$	\$	\$
457-0000-622-9003 Improvements	20,000	27,710	47,710
Totals:	20,000	27,710	47,710

Fund 457 Storm Water Fund
Misc Stormwater Rehab (ST2004)

<u>Revenues:</u>	\$	\$	\$
457-0000-391-9500 From Storm Water Fund	100,000	18,059	118,059
Totals:	100,000	18,059	118,059

<u>Expenditures:</u>	\$	\$	\$
457-0000-622-9003 Improvements	100,000	18,059	118,059
Totals:	100,000	18,059	118,059

Fund 457 Storm Water Fund
Stormwater SYS Mapping (ST2005)

<u>Revenues:</u>	\$	\$	\$
457-0000-391-9500 From Storm Water Fund	100,000	25,000	125,000
Totals:	100,000	25,000	125,000

<u>Expenditures:</u>	\$	\$	\$
457-0000-622-9003 Improvements	100,000	25,000	125,000
Totals:	100,000	25,000	125,000

Fund 124: Community Development Fund
CDBG Administration (CD1801)

<u>Revenues:</u>	\$	\$	\$
124-0000-331-1000 Community Development	68,970	(16,268)	52,702
Totals:	68,970	(16,268)	52,702

<u>Expenditures:</u>	\$	\$	\$
124-0000-603-1010 Salaries And Wages	29,239	(874)	28,365
124-0000-603-1020 Social Security	5,058	(3,066)	1,992
124-0000-603-1030 Health Insurance	12,015	(6,867)	5,148
124-0000-603-1040 Retirement	9,028	(4,365)	4,663

124-0000-603-1050	Life Insurance	209	(154)	55
124-0000-603-1052	Long Term Disability	225	(172)	53
124-0000-603-1060	Workmen's Comp	106	(61)	45
124-0000-603-1061	Unemployment	40	(29)	11
124-0000-603-2010	Advertising & Publication	500	(500)	0
124-0000-603-2021	Accounting & Auditing	1,200	0	1,200
124-0000-603-2034	Telephone	1,000	269	1,269
124-0000-603-2040	Travel	8,478	0	8,478
124-0000-603-2043	Dues & Membership	1,000	(30)	970
124-0000-603-3010	Office Supplies	622	(176)	446
124-0000-603-3011	Postage	250	(243)	7
Totals:		68,970	(16,268)	52,702

Fund 124: Community Development Fund
CDBG Administration (CD1901)

<u>Revenues:</u>	\$	\$	\$	
124-0000-331-1000	Community Development	78,410	16,268	94,678
Totals:		78,410	16,268	94,678

<u>Expenditures:</u>	\$	\$	\$	
124-0000-603-1010	Salaries And Wages	38,584	11,297	49,881
124-0000-603-1020	Social Security	5,241	936	6,177
124-0000-603-1030	Health Insurance	13,732	0	13,732
124-0000-603-1040	Retirement	11,000	(11,000)	0
124-0000-603-1041	TCRS Retirement	0	12,946	12,946
124-0000-603-1043	ICMA Retirement	0	54	54
124-0000-603-1050	Life Insurance	129	0	129
124-0000-603-1052	Long Term Disability	124	0	124
124-0000-603-1060	Workmen's Comp	110	0	110
124-0000-603-1061	Unemployment	40	0	40
124-0000-603-2010	Advertising & Publication	500	0	500
124-0000-603-2021	Accounting & Auditing	1,200	0	1,200
124-0000-603-2034	Telephone	1,000	0	1,000
124-0000-603-2040	Travel	5,000	2,035	7,035
124-0000-603-2043	Dues & Membership	1,000	0	1,000
124-0000-603-3010	Office Supplies	500	0	500
124-0000-603-3011	Postage	250	0	250
Totals:		78,410	16,268	94,678

Fund 124: Community Development Fund
Community Enrichment (CD1805)

<u>Revenues:</u>	\$	\$	\$	
124-0000-331-1000	Community Development	35,000	(1,257)	33,743
Totals:		35,000	(1,257)	33,743

Expenditures:	\$	\$	\$
124-0000-603-4023 Other Expenses/Grants	35,000	(1,257)	33,743
Totals:	35,000	(1,257)	33,743

**Fund 124: Community Development Fund
Community Enrichment (CD1905)**

Revenues:	\$	\$	\$
124-0000-331-1000 Community Development	35,000	1,257	36,257
Totals:	35,000	1,257	36,257

Expenditures:	\$	\$	\$
124-0000-603-4023 Other Expenses/Grants	35,000	1,257	36,257
Totals:	35,000	1,257	36,257

Fund 110: General Fund

Revenues:	\$	\$	\$
110-0000-364-1000 Contributions/Individuals	0	150	150
Totals:	0	150	150

Expenditures:	\$	\$	\$
110-4534-471-3022 Maintenance Supplies	0	150	150
Totals:	0	150	150

SECTION IV. That this Ordinance shall take effect from and after its date of passage, as the law direct, the welfare of the City of Kingsport, Tennessee requiring it.

PATRICK W. SHULL, Mayor

ATTEST:

SIDNEY H. COX, City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING:
PASSED ON 2ND READING:



AGENDA ACTION FORM

Approving a Mutual Termination of an Agreement and Lease Agreement with Engage Kingsport, Approving an Agreement and Lease Agreement with Model City Makerspace for Operation of the Product Creation Center

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-204-2019
Work Session: September 16, 2019
First Reading: N/A

Final Adoption: September 17, 2019
Staff Work By: Cook/McCartt
Presentation By: Chris McCartt

Recommendation:

Approve the Resolution.

Executive Summary:

The City of Kingsport contracted with Engage Kingsport in March 2018 to work with volunteers for the build-out of a makerspace called the Inventor Center and to operate the facility until a new non-profit organization was formed for that purpose. The Model City Makerspace (MCMS), a nonprofit organization, has been formed and has received its section 501(c)(3) designation from the IRS making it exempt from Federal taxes for the exempt purposes. As originally planned, it is time to transfer operational control to that board. MCMS board members include Heath Guinn, Chairman, John Campbell, Don Royston, Jennifer Adler, Lucy Fleming, Chace Vineski, Samantha Culbertson, Dennis Courtney, and Tom Segelhorst. Engage Kingsport will continue to work with MCMS providing support and managing FY20 restricted funds and ARC grant funding (pending) as directed by MCMS. Future payments for operation of the center from the city, \$50,000 in FY 21 and \$25,000 in FY22, will go directly to MCMS.

Funds have been appropriated and are in the One Kingsport project account.

Attachments:

- 1. Resolution

Funding source appropriate and funds are available: *JP*

	Y	N	O
Adler	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Oltzman	—	—	—
Phillips	—	—	—
Shull	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING A MUTUAL TERMINATION OF AN AGREEMENT AND LEASE AGREEMENT WITH ENGAGE KINGSPORT; APPROVING AN AGREEMENT AND LEASE AGREEMENT WITH MODEL CITY MAKERSPACE FOR OPERATION OF THE PRODUCT CREATION CENTER; AUTHORIZING THE MAYOR TO EXECUTE THE DOCUMENTS SET OUT IN THE RESOLUTION AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENTS AND THIS RESOLUTION

WHEREAS, the city and Engage Kingsport entered into an agreement as of March 7, 2018, for engage Kingsport to construct and operate the Product Creation Center (Center); and

WHEREAS, the Center is located on city property at 118 Shelby Street, Kingsport, Tennessee; and

WHEREAS, the city entered into a lease agreement as of March 7, 2018, with Engage Kingsport for the property to renovate the building, and operate the Center at an estimated cost of \$519,000.00, and the funds are part of the OneKingsport projects;

WHEREAS, now that the Center is built in and operation, Engage has asked the city to terminate the agreement and lease agreement for the Center so that operation of the Center can be transferred to Model City Makerspace, a nonprofit charitable organization as defined by Tennessee Code Annotated §§ 6-54-111 and 48-51-101 et seq.; and

WHEREAS, Model City Makerspace is eligible to receive funds from the city and agrees to operate the Center for the benefit of the city; and

WHEREAS, an agreement and lease agreement between the city and Model City Makerspace for the operation of the Center is desirable and will benefit the citizens of the city; and

WHEREAS, funding for the agreement is in the OneKingsport projects account.

Now therefore,

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

SECTION I. That an a mutual termination of the agreement dated March 7, 2018 in the lease agreement dated March 7, 2018, by and between city and approved, and parents of 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 any documents necessary and proper to effectuate the termination of the agreement and lease agreement with Engage Kingsport, each dated March 7, 2018.

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, the Agreement to Terminate an Agreement and Lease Agreement with Model City Makerspace and all other

documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the Agreement or this resolution, said Agreement being as follows:

AGREEMENT TO TERMINATE AN AGREEMENT AND A LEASE AGREEMENT

THIS AGREEMENT (herein "Agreement") made and entered into as of this ___ day of _____, 2019, by and between City of Kingsport, a municipal corporation (herein called "City"), and the Engage Kingsport, Inc., a 501(c)(3) Tennessee non-profit corporation (herein called "Engage").

RECITALS

By an agreement dated as of March 7, 2018, the city and Engage entered into such agreement to provide funds to Engage to construct and operate the Product Development Center (herein "Center") at 118 Shelby Street, Kingsport, Tennessee.

Additionally, a lease agreement dated as of March 7, 2018, with the city as the landlord and Engage as the tenant for the premises at 118 Shelby Street, Kingsport, Tennessee for the operation of the center.

Engage has asked the city to terminate the agreement and lease agreement effective when a new agreement and lease agreement is entered into between the city and Model City Makerspace for the operation of the center.

The parties want to enter into this Agreement for the purpose of agreeing to terminate the agreement and the lease agreement, and establish their respective relative rights, duties, and obligations under the agreement and the lease agreement of two and including the termination date, and establishing under the Lease up through and including the Termination Date; and establishing their relative rights, duties, and obligations following the termination of the agreement and lease agreement.

In consideration of the mutual promises contained herein, the parties agree as follows:

1. Recitals Incorporated. The foregoing recitals are incorporated herein by reference into this Agreement as though set forth at length.
2. Termination Date. The Termination Date of this Agreement shall be the effective date of the agreement and lease agreement between the City and Model City Makerspace for the operation of the Center.
3. Continuing Obligations. The obligation of Engage to provide audit information pursuant to the agreement and the obligation to indemnify the city as set forth in the agreement or lease agreement covered actions taken during the time that the agreement or lease agreement were effective shall continue to be effective. Additionally, any provision in the agreement or lease agreement that recites that such provision survives termination agreement or lease agreement shall continue in force and effect. Not everything when that would work or not
4. Surrender of Leased Premises. On the Termination Date Engage will surrender the premises that is subject to the lease agreement to the city in the same condition as it exists on the date of this Agreement, ordinary wear and tear excepted, and free and clear of all of Tenant's personal property, trash and other removable items and free and clear of any other leasehold occupants.
5. Warranty and Authority of Engage. Engage represents and warrants that it is the owner and holder of the tenant's interest in the lease agreement, that it has not assigned or transferred to any person or entity not a party to this Agreement all or any portion of its rights in connection with the agreement or lease agreement, and that it has the power, right and authority to execute this Agreement.
6. Governing Law. The Agreement and the rights and obligations of the parties are governed by the laws of the State of Tennessee, without regard to its conflict of laws principles.
7. Jurisdiction, Waiver of Jury Trial, Venue. If a dispute arises between the parties concerning any aspect of the Agreement, and it cannot be resolved by mutual agreement, any party may resort to resolution of the dispute by litigation in the state or federal courts for Kingsport, Sullivan County, Tennessee. The parties waive their right to a jury trial. Mandatory and exclusive venue and jurisdiction for any disputes shall be in state courts or federal for Kingsport, Sullivan County, Tennessee.
8. Headings. Headings are inserted for convenience for the Parties only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine gender include the feminine gender and vice versa. Words in the neutral gender include the masculine gender and feminine gender and vice versa.
9. Severability. If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the intent of the Parties that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Agreement will in no way be affected, impaired, or invalidated as a result.

10. Modifications. This agreement shall be amended or modified only by writing signed by each of the authorized representatives of the Parties.
11. Entire Agreement. This Agreement contains the entire agreement between the Parties. All negotiations and understandings have been included in this Agreement.
12. Authority. Individuals executing this agreement behalf of the parties warrants that such individual has been duly authorized by such party to execute this Agreement on such party's behalf pursuant to duly adopted resolutions or some other document or agreement empowering such individual to execute this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.
 [Acknowledgements Deleted for Inclusion in this Resolution]

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the agreement set out herein that do not substantially alter the material provisions of the agreement, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION IV. 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, the Agreement with Model City Makerspace and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the Agreement or this resolution, said Agreement being as follows:

**AGREEMENT BETWEEN
 CITY OF KINGSFORT, TENNESSEE
 AND
 MODEL CITY MAKERSPACE**

THIS AGREEMENT made and entered into with an effective date of _____, 2019, by and between City of Kingsport, hereinafter called "CITY", and Model City Makerspace, hereinafter called "Model City Makerspace".

WITNESSETH:

WHEREAS, MODEL CITY MAKERSPACE represents that it is and will be at all times during the term of this Agreement be a nonprofit charitable organization providing year round services benefiting the general welfare of the residents of CITY and pursuant to T.C.A. § 6-54-111 is eligible to receive financial assistance from CITY.

WHEREAS, CITY is authorized by Tennessee Code Annotated § 6-54-111 et seq., and the official compilation of the Rules and Regulations of the State of Tennessee, Rules of the Comptroller of the Treasury, Division of Special Audit, chapter 0380-3-7, relating to Standard Procedures for Appropriating and Disbursing Municipal Funds to Non-Profit Charitable Organizations, to provide financial assistance to nonprofit organizations and not-for-profit corporations; and

WHEREAS, the parties desire to work together in the common effort to, among other things provide recreational and educational opportunities for the CITY's citizens and to enhance current efforts and to actively recruit entrepreneurs and makers to CITY; and

WHEREAS, MODEL CITY MAKERSPACE will operate the facility and represents it has the authority to operate such facility under its federal tax exemption as a section 501(c)(3) organization; and

WHEREAS, the parties desire to set forth the responsibilities and obligations of the parties in this effort and the terms and conditions with respect to the use of funds provided.

NOW THEREFORE, in consideration of the premises, the parties agree as follows:

SECTION 1. PURPOSE OF AGREEMENT.

The purpose of the agreement is to state the terms and conditions upon which financial assistance will be provided by CITY, the manner in which the project will be carried out by MODEL CITY MAKERSPACE, and responsibilities of each party.

SECTION 2 DESCRIPTION OF PROJECT.

The Product Creation Center, hereinafter called "Center", will serve multiple roles within the community, including, a space for product design and creation, with affordable access to advanced equipment to innovate, fabricate, and replicate prototypes. The Center will serve as a makerspace, providing member of the community with access to tools and resources to hone their crafts and learn new ones, a hackerspace focused on microcontrollers, network infrastructure, hardware, computing, and technology, will promote recreational and educational opportunities, entrepreneurship, and

economic development, by creating an environment to generate jobs at the individual level, complementing established groups such as AccelNow/HBDC, KOSBE, and Sync Space. For RCAM, D-B Excel, and STREAMWORKS students graduates, and other citizens, the Center will provide workspace to improve and expand their learning and skills. The Center will be open to the public by membership for daily or monthly use providing access to machinery used in making of products. Machinery is projected to include all aspects of creation from computer design to hand-built pottery, fabric manipulation, wood working and more advanced machinery such as laser cutter, cnc router and 3-d printing. Educational and recreational classes will be held regularly to familiarize participants with the equipment and provide guided use to create a product. Memberships will allow for more extended use of the facility for those working on larger projects or proto-types for entrepreneurial efforts and subsequently contribute to the economic development of the city. The Center will work with RCAM, Streamworks, D-B Excel, and other educational institutions to provide education and access to machinery and tools for students of those programs.

SECTION 3. TERM.

The term for this Agreement is from ____, 2019, to June 30, 2022, subject to termination as provided in Section 11, Termination for Convenience.

SECTION 4. SCOPE OF WORK.

A. MODEL CITY MAKERSPACE will manage and operate the Center as described in Section 2, Description of Project and as otherwise stated in this Agreement in a building provided by CITY located at 118 Shelby Street, Kingsport, Tennessee. MODEL CITY MAKERSPACE will not permit any lien to be filed against the property.

B. MODEL CITY MAKERSPACE will establish, furnish, and operate the Center in the renovated building.

C. MODEL CITY MAKERSPACE agrees to:

(1) pay promptly when due the entire cost of any work done by it upon the Premises so the Premises at all times shall be free of liens for labor and materials; and

(2) when doing such work employ materials of good quality and comply with all governmental requirements, and perform such work in a good and workmanlike manner; and

(3) procure all necessary permits for making any repairs, alterations, or other improvements, when applicable; and

(4) obtain the written consent of CITY prior to performing any work on the building or grounds

SECTION 5. MONITORING AND REPORTING REQUIREMENTS.

MODEL CITY MAKERSPACE will submit to the Board of Mayor and Alderman a bi-annual report setting out how funds allocated by CITY to MODEL CITY MAKERSPACE are used to assist in carrying out the purpose of the project as described under the terms of this Agreement.

SECTION 6. COMPENSATION.

A. Subject to appropriation by the board of mayor and alderman in its sole discretion and the right of termination in Section 11, Termination for Convenience, and compliance with the requirements of Section 7, Audits and Accounting, during the term of this Agreement, provided MODEL CITY MAKERSPACE continues to operate as a not-for-profit charitable organization as defined by Tennessee Code Annotated §§ 6-54-111 and 48-51-101 et seq., CITY will pay MODEL CITY MAKERSPACE for services provided as described in Section 2, Description of Project, and as otherwise stated in this Agreement, an amount not to exceed SEVENTY-FIVE THOUSAND DOLLARS (\$75,000.00) as follows:

\$50,000 will be paid to MODEL CITY MAKERSPACE on July 15, 2020.

\$25,000 will be paid to MODEL CITY MAKERSPACE on July 15, 2021.

B. MODEL CITY MAKERSPACE will use the funds solely for expenses incurred in operating the Center in accordance with Section 2, Description of Project and as otherwise stated in this Agreement, but for no other purpose.

C. MODEL CITY MAKERSPACE will submit a report to the CITY showing the actual net operating costs incurred on a bi-annual basis using forms and procedures specified by CITY. Notwithstanding anything contained in this agreement to the contrary, CITY will not pay MODEL CITY MAKERSPACE more than the actual net operating costs.

D. CITY will review bi-annual reports; however, reimbursement of any cost pursuant to this Section will not constitute a final determination by CITY of the allowability of such costs and will not constitute a waiver of any violation of the terms of the Agreement.

SECTION 7. AUDITS AND ACCOUNTING.

A. Prior to receiving funds pursuant to this Agreement, MODEL CITY MAKERSPACE must file with the city clerk a copy of an annual report of its business affairs and transactions that includes, but is not limited to:

1. Either a copy of the entity's most recently completed annual audit or an annual report detailing all receipts and expenditures in a form prescribed by the comptroller of the treasury and prepared and certified by the chief financial officer of such nonprofit charitable organization;
2. A description of the program that serves the residents of the municipality; and
3. The proposed use of the municipal assistance.

The report filed pursuant hereto shall be open for public inspection during regular business hours of the city clerk's office. Financial reports shall be available to fiscal officers of CITY and shall be subject to audit under T.C.A. § 6-56-105. MODEL CITY MAKERSPACE will permit CITY or its representatives to inspect all work, materials, payrolls, and other records with regard to the project, and to audit the books, records, and accounts of MODEL CITY MAKERSPACE with regard to the project. Such records will be retained for this purpose for a period of not less than three years.

4. MODEL CITY MAKERSPACE will establish and maintain an accounting, record-keeping and reporting system consistent with generally accepted accounting principles and no less than those recommended in the Accounting Manual for Recipients of Grant Funds in Tennessee, published by the Comptroller of the Treasury, State of Tennessee. MODEL CITY MAKERSPACE further agrees to submit to CITY a copy of its most recent audited report at the same time said report is submitted to the State.

SECTION 8. ASSIGNMENT.

MODEL CITY MAKERSPACE will not assign or subcontract any portion of this Agreement without the prior written approval of CITY. MODEL CITY MAKERSPACE will not assign any rights to funds provided herein without the prior written authorization of CITY.

SECTION 9. CHANGED CONDITIONS AFFECTING PERFORMANCE.

MODEL CITY MAKERSPACE will immediately notify CITY of any change in conditions or of any other event that may significantly affect its ability to perform the project in accordance with the provisions of this Agreement.

SECTION 10. STAFFING.

- A. MODEL CITY MAKERSPACE will pay its employees at least the Federal Minimum Wage.
- B. In carrying out the work of this Agreement, MODEL CITY MAKERSPACE will not discriminate against any employee or applicant for employment because of race, color, religion, creed, gender, national origin, age, disability or any other legally protected status.

SECTION 11. TERMINATION FOR CONVENIENCE

This Agreement may be terminated by either party for its convenience by giving written notice to the other party at least 30 days before the effective date of such termination. In the event of such termination, MODEL CITY MAKERSPACE will be entitled to receive just and equitable compensation for any eligible operating expenses paid or incurred as of the termination date, but in no event will this amount exceed the amount remaining unpaid by CITY pursuant to this Agreement.

SECTION 12. EXTENSION OF AGREEMENT.

The parties may extend this Agreement for subsequent years subject to any applicable negotiated changes.

SECTION 13. OPERATING INFORMATION.

The parties agree to respond to inquiries made by designated representatives of the parties or their designees in a timely fashion. CITY designates the Assistant City Manager for Administration as its representative for this Agreement. MODEL CITY MAKERSPACE designates the President as its representative for this Agreement. MODEL CITY MAKERSPACE will provide any relevant information requested by CITY concerning the program of MODEL CITY MAKERSPACE, including, but not limited to contracts for third party financial arrangements, annual financial statements, and audit reports, schedules and fees.

SECTION 14. ASSURANCES.

MODEL CITY MAKERSPACE hereby assures CITY that MODEL CITY MAKERSPACE that it is and will be at all times during this Agreement be a not-for-profit charitable organization as defined by Tennessee Code Annotated §§ 6-54-111 and 48-51-101 et seq.; and it is exempt from federal taxes pursuant to 26 U.S.C. section 501(c)(3); and that it is legally entitled to funds from CITY.

SECTION 15. INDEPENDENT CONTRACTOR.

MODEL CITY MAKERSPACE's relationship with CITY is that of an independent contractor and nothing in this Agreement should be construed to create a partnership, joint venture or employer-employee relationship. MODEL CITY MAKERSPACE is not the agent of CITY and is not authorized to make any representation, contract or commitment on behalf of CITY. Neither MODEL CITY MAKERSPACE nor its employees will, under any circumstances, be considered servants, agents, partners, or a joint venture of CITY, and CITY will at no time be legally responsible for any negligence or other wrong doing by MODEL CITY MAKERSPACE, or its employees or agents.

SECTION 16. INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS.

MODEL CITY MAKERSPACE will indemnify, defend, and hold harmless CITY, including without limitation, its officers, agents, employees and volunteers from and against:

1. Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which CITY may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, arising out of, or in any manner connected with MODEL CITY MAKERSPACE'S performance under the terms of this Agreement, excepting any liability arising out of the sole negligence of the CITY. Such indemnification includes any damage to the person(s), or property(ies) of MODEL CITY MAKERSPACE and third persons.

2. Any and all Federal, State, and Local taxes, charges, fees, or contributions required to be paid with respect to MODEL CITY MAKERSPACE and its officers, employees, and agents engaged in the performance of this Agreement (including, without limitation, unemployment insurance, social security and payroll tax withholding).

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate originals effective the date first above written.

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION V. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the agreement set out herein that do not substantially alter the material provisions of the agreement, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION VI. That a Lease Agreement generally as set out below with Model City Makerspace, is approved.

SECTION VII. 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, the Lease Agreement generally as set out below with Model City Makerspace for property located at 118 Shelby Street and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the Lease or this resolution, said Lease being as follows:

LEASE

THIS LEASE made and entered into with an effective date of _____, 2019, by and between City of Kingsport, a municipal corporation (herein called "Landlord"), and the MODEL CITY MAKERSPACE, Inc., a section 501(c)(3) Tennessee non-profit charitable organization as defined in T.C.A. § 6-54-111 (herein called "Tenant").

RECITALS:

WHEREAS, Tenant has provided hundreds of hours of volunteer work to help create and operate a Product Development Center (hereinafter called "Center"), commonly known as a maker's space, in the building owned by the Landlord at 118 Shelby Street, Kingsport Tennessee; and

WHEREAS, Landlord owns said property at 118 Shelby Street, Kingsport Tennessee, where the Center is located for the enjoyment of the public; and

WHEREAS, Tenant represents it is a nonprofit charitable organization providing year round services benefiting the general welfare of the residents of the city and pursuant to T.C.A. § 6-54-111 is eligible to receive financial assistance from Landlord; and

WHEREAS, Tenant wants to renovate this building on the parcel of property to house the Center; and

WHEREAS, upon completion of the renovation of the building, it will continue to belong to Landlord, NOW THEREFORE the parties agree as follows:

WITNESSETH:

THAT, in consideration of the premises and the mutual covenants and agreements herein contained and other good and valuable consideration, the parties do hereby agree as follows:

Section 1. Premises.

1.1 Landlord does hereby lease to Tenant and Tenant leases from Landlord real property (herein called "Premises") described as follows:

BEGINNING at a point in the westerly line of Shelby Street a distance of 175.2 feet from its intersection with the northerly line of Main Street; thence continuing northerly with the westerly line of Shelby Street 35 feet to corner of Lot #2; thence westerly with the divisional line of Lots 1 and 2, 138.75 feet to the easterly line of a 20-foot alley; thence southerly with the easterly line of the 20-foot alley 35 feet to a point in line of Lot 31; thence easterly on a line parallel with divisional line of Lots 1 and 31, 138.75 feet to the point of BEGINNING, containing 4,856 square feet, more or less.

Being a part of the property conveyed the City of Kingsport by deed from Landmark America, II, Inc. dated August 15, 2007, and recorded in deed book 2584C, Page 707 in the Register of Deeds for Sullivan County, Tennessee at Blountville. The property is also shown as Parcel No. 1 in a deed from C. Ballard Scarce, Jr., Successor Trustee to Landmark America II, Inc. dated June 27, 2007, and recorded in deed book 2561C, Page 535 in the Register of Deeds for Sullivan County, Tennessee at Blountville.

Said Premises is located in the City of Kingsport, Sullivan County, Tennessee.

1.2 This Lease is subject to the terms, covenants and conditions herein set forth, and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions.

Section 2. Term.

2.1 The initial term of this Lease shall be for the period of one year beginning ____, 2019, and ending ____, 2020. By written agreement of the parties the term of this Lease may be renewed for a one year term for a maximum of nine renewals following the initial term of this Lease, provided the Lease is not terminated for other reasons stated herein.

2.2 After the initial term of the Lease either party may at any time terminate this Lease without cause and for such party's convenience and such termination shall not be deemed a breach of this Lease. The party exercising this termination for convenience shall give the other party thirty (30) days written notice prior to the effective date of the termination. As a result of a termination of the Lease the nonterminating party shall have no right to any damages, however characterized or incurred, including actual, general, special, incidental, consequential, or other damages. If Tenant, for any reason and without exception, ceases or fails to operate the Center on the property this Lease shall immediately and automatically terminate, and Tenant shall not be entitled to any damages from Landlord for such termination.

2.3 Tenant shall not allow the Premises to be open to the public until the improvements are fully completed to the satisfaction of Landlord. Landlord may, in its sole discretion and for any reason, including aesthetics, reject proposed improvements, and Tenant shall be obligated to install improvement satisfactory to Landlord. Upon the final completion and receipt of a Certificate of Occupancy for the building or the expiration of time set out herein, the Premises and the building and any improvements on the property will be the sole property of Landlord.

2.4 It is intended that the Premises will be used solely to house and operate the Center and for no other purpose or use. Any improvement made to the Premises by Tenant shall belong solely to the Landlord, including upon termination of the Lease for any reason.

2.5 At the expiration or earlier termination of this Lease, Tenant shall, at Tenant's expense, remove all of Tenant's personal property, and repair all injury done by or in connection with the installation or removal of said property, and surrender the Premises, broom clean and in as good condition as it was at the beginning of the Term, reasonable wear and tear excepted. All property of Tenant remaining on the Premises after the expiration or earlier termination of this Lease shall be conclusively deemed abandoned and at Landlord's option, may be retained by Landlord, or may be removed and disposed of by Landlord in any manner it sees fit in its sole discretion, and Tenant shall reimburse Landlord for the cost of such removal and disposal. Landlord may have any such property stored at Tenant's risk and expense.

Section 3. Use.

3.1 Tenant shall use the Premises solely to house and operate the Center and for no other purpose or use. Operation of the Center includes using it as a makerspace, providing member of the community with access to tools and resources to hone their crafts and learn new ones, a hackerspace focused on microcontrollers, network infrastructure, hardware, computing, and technology, will promote recreational and educational opportunities, entrepreneurship, and economic development, by creating an environment to generate jobs at the individual level, complementing established groups such as AccelNow/HBDC, KOSBE, and Sync Space. For RCAM, D-B Excel, and STREAMWORKS students graduates, and other citizens, the Center will provide workspace to

improve and expand their learning and skills. The Center will be open to the public by membership for daily or monthly use providing access to machinery used in making of products. Machinery is projected to include all aspects of creation from computer design to hand-built pottery, fabric manipulation, wood working and more advanced machinery such as laser cutter, cnc router and 3-d printing. Educational and recreational classes will be held regularly to familiarize participants with the equipment and provide guided use to create a product. Memberships will allow for more extended use of the facility for those working on larger projects or proto-types for entrepreneurial efforts and subsequently contribute to the economic development of the city. Tenant will work with RCAM, Streamworks, D-B Excel, and other educational institutions and the operation of the Center must include and education and access to machinery and tools for students of those programs.

3.2 Tenant shall at all times control its agents, employees, invitees, and visitors at the Premises in such a manner so as not to create any nuisance, or interfere with, annoy or disturb any owner or tenant of adjacent property.

3.3 Tenant shall repair and maintain the Premises, in good order, condition, and repair (including any such replacement and restoration as is required for that purpose) without limitation, interior and exterior painting, all plate glass, windows, doors, hardware, plumbing lines and fixtures, gas pipes, electric wiring, electric fixtures and equipment, light fixtures, bulbs & ballasts, heating, ventilating, and air conditioning systems, walls, floors, floor coverings, ceilings and all machinery, equipment and facilities forming a part of any improvements to the Premises. Should Tenant fail to make any repairs or restoration for which Tenant is responsible under this Lease, Landlord may, but shall not be obligated to, make same at Tenant's expense, and the cost thereof shall be considered additional rent due hereunder payable immediately.

3.4 Tenant shall pay for all utilities needed or used on the Premises, including gas, electric, light, water, sewer charges, and stormwater, along with private garbage service incurred during the term of this Lease or for any holdover period.

3.5 Tenant shall be responsible for its own telephone and information technology services and installation of telephone and information technology equipment in the Premises.

Section 4. Equipment.

Tenant shall be responsible for all maintenance and repair of its equipment or its agents and contractors equipment stored, maintained, used, installed, or operated on the Premises. Landlord shall not be responsible for any damage to or theft of any equipment stored, maintained, used, installed, or operated by Tenant, its agents and contractors upon the Premises during the construction or use of the building.

Section 5. Rent.

5.1 Tenant agrees to pay to Landlord as rent, without notice or demand, One and NO/100 (\$1.00) dollars per year payable annually beginning thirty (30) days from the date of execution of the Lease.

5.2 All rentals payable by Tenant to Landlord under this Lease shall be paid to Landlord at the office of Landlord herein designated by it for notices or to such other place as Landlord may designate in writing to Tenant at least ten (10) days before such rental payment.

5.3 Tenant shall promptly pay all rentals herein prescribed when and as the same shall become due and payable.

5.4 If Landlord shall pay any monies or incur any expenses to cure any default of Tenant hereunder, the amounts so paid or incurred shall, at Landlord's option, and on notice to Tenant, shall be considered additional rentals, payable by Tenant with the first installment of rental thereafter becoming due and payable, and may be collected or enforced as by law provided in respect of rentals.

Section 6. Uses Prohibited.

Tenant shall not do or permit anything to be done in or about the Premises or bring or keep anything therein that 1) is not within the permitted use of the Premises; 2) is not permitted by the zoning designation of the Premises; or 3) causes a cancellation of any insurance policy covering said Premises or any part thereof, or any of its contents. Tenant shall not do or permit anything to be done in or about the Premises that will in any way obstruct or interfere with the rights of Landlord's use of the remainder of its property surrounding the Premises, or use or allow the Premises to be used for any unlawful purpose. Tenant shall not create or maintain, or permit others to create or maintain, any nuisance, public or private, including, without limiting the foregoing, language, excessively loud noises, sound effects, offensive odors, offensive smoke or dust in or about the Premises or do any act or fail to do any act which constitutes waste, and Tenant, at its own expense, shall keep the Premises clean, neat and free from all trash and rubbish. All materials and inventory shall be kept inside the building or screened from public view by a method approved by the Landlord.

Section 7. Compliance with Law.

Tenant shall not use the Premises, or permit anything to be done in or about the Premises, that will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or that shall hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or that may hereafter be in force, relating to or affecting the condition, use or occupancy of the Premises. The judgment or any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant. Tenant shall indemnify, defend and hold Landlord harmless from and against any loss, cost, damage or expense, including, without limitation, attorneys' fees and costs of site investigation and clean up, incurred by or imposed upon Landlord as a result of the breach by Tenant of its obligations in this Lease.

Section 8. Alterations.

Tenant shall make alterations, additions, improvements, and other changes to the Premises, only with the written approval of Landlord. Any alterations, additions or improvements to the Premises by Tenant, shall be made: (a) by Tenant at Tenant's sole cost and expense; (b) in a good, workmanlike, first-class and prompt manner; and (c) in accordance with all applicable legal requirements and the requirements of any insurance company insuring the Premises.

Section 9. Surrendered Premises.

By entry hereunder, Tenant shall be deemed to have accepted the Premises AS IS. Tenant shall, upon the expiration or sooner termination of this Lease, surrender the Premises to Landlord in good condition, reasonable wear and tear excepted. Any damage to adjacent premises caused by Tenant's use of the Premises shall be repaired at the sole cost and expense of Tenant.

Section 10. Liens.

Tenant shall keep the Premises and improvements thereon free from any liens arising out of any work performed, materials furnished, or obligations incurred by or on behalf of Tenant.

Section 11. Assignment and Subletting.

Tenant shall not voluntarily, or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, or allow any other person (employees, agents, servants, member, groups and invitees of Tenant excepted) to occupy or use the said Premises, or any portion thereof, without first obtaining the written consent of Landlord. Landlord may refuse to give consent and this decision shall be at Landlord's sole and absolute discretion. Consent to one assignment, subletting, occupation or use to any other person shall not be deemed to be consent to any subsequent assignment, subletting, occupation or use by another person. Consent to any such assignment or subletting shall in no way relieve Tenant of any liability under this Lease. Any such assignment or subletting without such consent shall be void, and shall, at the option of Landlord, constitute a default under the terms of this Lease. It is anticipated that individuals will be members of the Center for a fee and such membership will not be considered a subletting, if, and only if, such membership provides that the membership terminates upon the expiration or termination of this Lease for any reason.

Section 12. Hazardous Substances.

The term Hazardous Substances, as used in this Lease, shall mean pollutants, contaminants, toxic or hazardous wastes or any other substances the use and/or the removal of which is restricted, prohibited or penalized by any Environmental Law, which term shall mean any federal, state, or local law, ordinance or other statute of a governmental authority relating to pollution or protection of the environment. Tenant hereby agrees that: (a) no activity will be conducted on the Premises that will produce any Hazardous Substance; (b) the Premises will not be used in any manner for the storage of any Hazardous Substances; (c) Tenant will not allow any surface or subsurface conditions to exist or come into existence that constitute or with the passage of time may constitute a public or private nuisance; and (d) Tenant will not permit any Hazardous Substances to be brought onto the Premises, and if so brought or found located thereon, the same shall be immediately removed with proper disposal and all required cleanup procedures shall be diligently undertaken pursuant to all Environmental Laws.

Section 13. Hold Harmless.

Tenant shall indemnify and hold harmless Landlord against and from any and all claims arising from Tenant's use of the Premises or from the conduct of its business and from any activity, work, or other things done, permitted or suffered by Tenant in or about the Premises, and shall further indemnify and hold harmless Landlord against and from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, or any officer, agent, employee, guest, or invitee of Tenant, and from all costs, attorneys' fees and liabilities incurred in or about the defense of any such

claim or any action or proceeding brought thereon. In case any action or proceeding is brought against Landlord by reason of such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises, from any cause; and Tenant hereby waives all claims in respect thereof against Landlord. Tenant shall give prompt notice to Landlord in case of casualty or accidents on the Premises. Any goods, property or personal effects stored or placed by Tenant, its employees or agents, in or about the Premises shall be at the sole risk of Tenant, and Landlord shall not in any manner be held responsible therefore. The provisions of this paragraph shall survive the expiration or termination of this Lease for any reason.

Section 14. Liability Insurance.

Tenant shall, at Tenant's expense, obtain and keep in force during the term of this Lease a policy of broad form comprehensive general public liability insurance insuring Landlord and Tenant against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be in the amount of not less than one million (\$1,000,000) dollars on account of bodily injuries to or death of one person; \$2,000,000.00 on account of bodily injuries to or death of more than one person as the result of any one accident or disaster; and property damage insurance with minimum limits of \$100,000.00. The limit of any such insurance shall not, however, limit the liability of Tenant hereunder. Insurance required hereunder shall: (a) be in companies acceptable to Landlord; (b) shall name Landlord as a named insured on all such policies; and (c) contain an endorsement prohibiting cancellation, failure to renew, reduction of amount of insurance or change in coverage without the insurers first giving Landlord thirty (30) days' prior written notice of such proposed action. Tenant shall deliver to Landlord a duplicate original or certified copy of each such policy, including all endorsements, together with a receipt evidencing payment of the premium for such insurance on or before the commencement date of this Lease and at least annually thereafter. Any failure, or non-coverage, by such policy shall not affect the indemnity or hold harmless provisions of this Lease. Duplicate policies of all such insurance shall be delivered to Landlord not less than ten (10) days prior to each effective date.

Section 15. Loss of Use of Premises by Fire or Casualty.

If at any time the Premises become totally untenantable by reason of damage or loss by fire or other casualty and such fire, flood or other casualty shall not have been caused by the negligence or wrongful act or omission of Tenant, Tenant's servants, agents, licensees, or invitees, the rent shall abate until the Premises shall have been restored to tenantable condition, but nothing herein is to be construed as requiring Landlord to restore or rebuild the Premises. If the Premises are so damaged, but not to the extent that they are totally untenantable, Tenant shall continue to occupy the tenantable portion thereof, and the rent shall abate in proportion to the untenantable portion of the Premises. In the event of a loss from fire or other casualty, Landlord shall have an election not to rebuild or recondition the Premises, which such election may be exercised by written notice thereof to Tenant, given within thirty (30) days from the date of such casualty. If Landlord exercises such election, this Lease shall cease and terminate, effective on the date of such loss, and Landlord shall not be required to repay any rent paid by Tenant to Landlord, as it is a nominal rent payment. Upon such termination this Lease shall terminate, with no further obligation on the part of either party hereto for matters thereafter accruing, except the Tenant's obligation to indemnify Landlord as set out in this Lease or any other Agreement between the parties, even though the building may at a later date be rebuilt, restored or reconditioned. No damage or destruction shall allow Tenant to surrender possession of the Premises, nor affect Tenant's liability for the payment of rent, except as may be specifically provided in this Lease.

Section 16. Entry by Landlord.

Landlord reserves, and shall at any and all times have, the right to enter the Premises to inspect the same as Landlord may deem necessary or desirable, and Landlord shall have the right to use any and all means which Landlord may deem proper to enter said Premises in an emergency without liability to Tenant.

Section 17. No Waiver.

The failure of Landlord or Tenant to insist upon a strict performance of any term or condition of this Lease shall not be deemed a waiver of any right or remedy that Landlord or Tenant may have and shall not be deemed a waiver of any subsequent breach of such term or condition.

Section 18. Landlord-Tenant Relationship.

It is expressly agreed and understood that Landlord shall not be construed or held to be a partner or associate of Tenant in the conduct of its business, it being expressly understood and agreed that the sole relationship between the parties hereto is that of landlord and tenant.

Section 19. Notices.

All notices and other communications to be given hereunder by either party shall be in writing and shall be delivered personally or mailed by certified United States mail, postage prepaid, return receipt requested, to the other party (and the date of any notice by certified mail shall be deemed to be the date of certification thereof) delivered or addressed to the parties as follows or at such other address as either party may later designate in writing:

Landlord: City Manager
City of Kingsport
225 West Center Street
Kingsport, Tennessee 37660
With copy to City Attorney
City of Kingsport
225 West Center Street
Kingsport, Tennessee 37660

Tenant: Model City Makerspace
118 Shelby Street
Kingsport, Tennessee 37660

Section 20. Entire Agreement.

The entire agreement between the parties hereto is contained in this instrument and it is expressly agreed that no obligation of Landlord or Tenant shall be implied in addition to those herein expressly contained. Any amendment to this Lease must be in writing signed by the parties hereto in order to be binding.

Section 21. Binding Effect.

The terms and provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto and to their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto executed this Lease in duplicate originals effective on the day and date first above written.

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION VIII. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the agreement set out herein that do not substantially alter the material provisions of the agreement, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION IX. That the board finds that the actions authorized by this resolution are for a public purpose including recreational and educational, and will promote the health, comfort and prosperity of the citizens of the city.

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

ADOPTED this the 17th day of September. 2019.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Authorization for the City of Kingsport to Participate in the TML Risk Management Pool “Driver Safety” Matching Grant Program

To: Board of Mayor and Aldermen
 From: Chris McCart, City Manager *CM*

Action Form No.: AF-202-2019
 Work Session: September 16, 2019
 First Reading: N/A
 Final Adoption: September 17, 2019
 Staff Work By: Hughes
 Presentation By: Billingsley

Recommendation:
 Approve the Resolution.

Executive Summary:
 Public Entity Partners is offering a reimbursement grant of one-half of the total costs of materials up to \$5,000.00 toward the purchase of safe driving related training materials. The funds may be used for Computer based training; multi-agency joint training, on-site/off-site Driver Safety training classes, tools and equipment used in providing on-site Driver Safety training such as driving simulators, traffic cones, TV’s, DVD players, and other requests that are designed to improve employee driver safety. Entry requirements for grant eligibility include completion of the application and a signed resolution from the Mayor.

Funds are available in the Risk Management operating budget account 615-1601-413-2045.

Attachments:
 1. Resolution

	Y	N	O
Adler	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE A GRANT FROM PUBLIC ENTITY PARTNERS FOR THE PURCHASE OF SAFE DRIVING RELATED TRAINING AND MATERIALS

WHEREAS, Public Entity Partners is offering a reimbursement grant up to \$5,000.00 toward the purchase of safe driving related training materials; and

WHEREAS, if awarded, the grant funds will be used as reimbursement for the cost of computer based training; multi-agency joint training; on-site/off-site driver safety training classes; tools and equipment used in providing on-site driver safety training such as driving simulators; traffic cones; TV's; DVD players; and other such items that are designed to improve employee driver safety; and

WHEREAS, the grant pays for one-half of the cost of qualified items; and

WHEREAS, funds are available in the Risk Management operating budget account 615-1601-413-2045 for the required expenditures.

Now therefore,

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

SECTION I. 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 apply for and receive a Public Entity Partners Drivers Safety reimbursement grant, for one-half of the total cost of materials up to \$5,000.00.

SECTION II. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

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

ADOPTED this the 17th day of September, 2019.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

RESOLUTION NO. _____

INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$20,250,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2019 OF THE CITY OF KINGSPORT, TENNESSEE, TO PROVIDE FUNDING FOR CERTAIN PUBLIC WORKS PROJECTS AND TO FUND THE INCIDENTAL AND NECESSARY EXPENSES RELATED THERETO

WHEREAS, it is necessary and in the public interest of the City of Kingsport, Tennessee (the "Municipality"), to issue its General Obligation Improvement Bonds, Series 2019 (the "Bonds"), for the purpose of financing certain public works projects, as hereinafter specified.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF KINGSPORT, TENNESSEE:

SECTION 1. That for the purpose of financing a portion of the costs of certain public works projects, consisting of the acquisition of public art; the acquisition, construction, improvement and renovation of public school facilities; road, street, parking, and sidewalk construction, improvement and expansion, including transmission upgrades; the acquisition, construction, renovation, improvement and equipping of public buildings within the Municipality, including a satellite salt facility and renovations to court facilities and fire facilities; acquisition of public works equipment, including fire equipment and improvements to technology infrastructure and back office improvements; acquisition, construction, improvement and equipping of public parks and recreational facilities, including Bays Mountain Nature Center and Miracle Field; construction and improvement of the Municipality's convention center, including roof replacement; construction, improvement and equipping of the Municipality's golf course; construction, expansion and improvement of the Municipality's water system; construction, expansion and improvement of the Municipality's sewer system; the acquisition of all property real and personal, appurtenant thereto or connected with such work; and to pay legal, fiscal, administrative, and engineering costs, to reimburse the Municipality for the costs of any of the above projects, to pay capitalized interest, and to pay costs incident to the issuance and sale of the Bonds, the issuance of the Bonds of the Municipality in the aggregate principal amount of not to exceed Twenty Million Two Hundred Fifty Thousand Dollars (\$20,250,000) is hereby authorized. The Bonds shall be issued at a date, at a rate or rates of interest not to exceed the maximum rate allowed by law, and upon terms and conditions to be later determined.

SECTION 2. That the principal of, premium, if any, and interest on, the Bonds, shall be payable from funds of the Municipality legally available therefor, and to the extent necessary, from ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the Municipality, without limitation as to time, rate, and amount and for the punctual payment of said principal of, premium, if any, and interest on, the Bonds, the full faith and credit of the Municipality will be irrevocably pledged. To the extent the proceeds of the Bonds are used to fund projects for the Municipality's convention center and golf course, the Bonds shall additionally be payable from, but not secured by, revenues to be derived from the one-quarter percent (0.25%) local option sales tax levied by the Municipality within the corporate limits of the Municipality within Sullivan County, Tennessee, and revenues to be derived from the

operation of the Municipality's convention center and golf course. To the extent the proceeds of the Bonds are used to fund projects for the Municipality's water and sewer system, such Bonds shall additionally be payable from, but not secured by, revenues to be derived from the operation of the Municipality's water and sewer system.

SECTION 3. That the Bonds described and authorized by this Resolution shall be issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated, as amended (the "Act").

SECTION 4. That after the adoption of this Resolution, the City Recorder is directed to cause this Resolution, with the notice prescribed by the Act, to be published in full once in a newspaper published and having general circulation in the Municipality.

SECTION 5. That this Resolution shall take effect from and after its adoption, the welfare of the Municipality requiring it. Adopted and approved this 17th day of September, 2019.

PATRICK W. SHULL, MAYOR

ATTEST:

APPROVED AS TO FORM:

SIDNEY H. COX, CITY RECORDER

J. MICHAEL BILLINGSLEY,
CITY ATTORNEY

NOTICE

The foregoing Resolution has been adopted. Unless within twenty (20) days from the date of publication hereof a petition, signed by at least ten percent (10%) of the registered voters of the City of Kingsport, Tennessee, shall have been filed with the City Recorder protesting the issuance of the Bonds, such Bonds will be issued as proposed.

STATE OF TENNESSEE)
COUNTIES OF HAWKINS AND)
SULLIVAN)

I, Sidney H. Cox, hereby certify that I am the duly qualified and acting City Recorder of the City of Kingsport, Tennessee (the "Municipality"), and, as such official, I further certify as follows: (1) that attached hereto is a copy of an Initial Resolution excerpted from the minutes of the meeting of the Board of Mayor and Aldermen of said Municipality held on September 17, 2019; (2) that I have compared said copy with the original minute record of said meeting in my official custody; (3) that said copy is a true, correct, and complete transcript from said original record insofar as said original record relates to, among other matters, the authorization of the issuance of not to exceed \$20,250,000 General Obligation Improvement Bonds, Series 2019 of said Municipality; (4) that the actions by the said Board of Mayor and Aldermen including the aforementioned, at said meeting were promptly and duly recorded by me in a book kept for such purpose; and, (5) that a quorum of the members of said Board of Mayor and Aldermen was present and acting throughout the meeting.

WITNESS my official signature and seal of said Municipality this 17th day of September, 2019.

CITY RECORDER

(SEAL)

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$20,250,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2019, OF THE CITY OF KINGSPORT, TENNESSEE, AND PROVIDING THE DETAILS THEREOF

WHEREAS, on September 17, 2019, the Board of Mayor and Aldermen (the "Board") of the City of Kingsport, Sullivan and Hawkins Counties, Tennessee (the "Municipality"), adopted an "Initial Resolution Authorizing the Issuance of Not to Exceed \$20,250,000 General Obligation Improvement Bonds, Series 2019 of the City of Kingsport, Tennessee, to Provide Funding for Certain Public Works Projects and to Fund the Incidental and Necessary Expenses Related Thereto" (the "Initial Resolution"), authorizing and directing, among other things, the issuance by the Municipality of its general obligation public improvement bonds for the purpose of financing a portion of the costs of certain public works projects, consisting of the acquisition of public art; the acquisition, construction, improvement and renovation of public school facilities; road, street, parking, and sidewalk construction, improvement and expansion, including transmission upgrades; the acquisition, construction, renovation, improvement and equipping of public buildings within the Municipality, including a satellite salt facility and renovations to court facilities and fire facilities; acquisition of public works equipment, including fire equipment and improvements to technology infrastructure and back office improvements; acquisition, construction, improvement and equipping of public parks and recreational facilities, including Bays Mountain Nature Center and Miracle Field; construction and improvement of the Municipality's convention center, including roof replacement; construction, improvement and equipping of the Municipality's golf course; construction, expansion and improvement of the Municipality's water system; construction, expansion and improvement of the Municipality's sewer system; acquisition of all property real and personal, appurtenant thereto or connected with such work; and to pay legal, fiscal, administrative, and engineering costs (collectively, the "Project"); to reimburse the Municipality for the costs of any of the above projects, to pay capitalized interest, and to pay costs incident to the issuance and sale of the Bonds;

WHEREAS, the Recorder of the Municipality published a copy of the Initial Resolution and the Notice required by Section 9-21-206, Tennessee Code Annotated, as amended, in a newspaper of general circulation within the Municipality;

WHEREAS, the Municipality is authorized by Title 9, Chapter 21, Tennessee Code Annotated, as amended, to issue and sell bonds for the purpose of financing the Project;

WHEREAS, the Initial Resolution authorized payment of the principal of, interest on, and the premium, if any, of the bonds from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the Municipality, without limitation as to time, rate, or amount, and for the punctual payment of said principal of, premium, if any, and interest on, the Bonds, the full faith and credit of the Municipality will be irrevocably pledged; and to the extent the proceeds of the Bonds are used to fund projects for the Municipality's convention center and golf course, such Bonds shall be additionally be payable from, but not secured by, revenues to be

derived from the one-quarter percent (0.25%) local option sales tax levied by the Municipality within the corporate limits of the Municipality within Sullivan County, Tennessee, and revenues to be derived from the operation of the convention center and golf course; and to the extent the proceeds of the Bonds are used to fund projects for the Municipality's water and sewer system, such Bonds shall additionally be payable from, but not secured by, revenues to be derived from the operation of the Municipality's water and sewer system;

WHEREAS, the Board finds that it is necessary and desirable to issue not to exceed \$20,250,000 General Obligation Improvement Bonds, Series 2019 (the "Bonds"), for the purposes of financing the costs of the Project, reimbursing the Municipality, paying capitalized interest, and paying costs incident to the issuance of the Bonds;

WHEREAS, it is necessary to authorize an official statement in connection with the issuance of the Bonds; and,

WHEREAS, it is now, therefore, necessary and desirable to provide for the execution, terms, issuance, sale, and payment of the Bonds:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF KINGSPORT, TENNESSEE, AS FOLLOWS:

Section 1. Authority. The Bonds herein authorized shall be issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated, as amended, and other applicable provisions of law.

Section 2. Definitions. Without limiting any other definitions of terms and words in other sections of this Resolution, the following words and terms shall have the meanings indicated unless otherwise plainly apparent from the context:

"Act" shall mean Title 9, Chapter 21, Tennessee Code Annotated, as amended.

"Authorized Representative of the Municipality" means the then Mayor, the then Recorder, or the then Treasurer, of the Municipality, authorized by resolution or by law to act on behalf of and bind the Municipality.

"Board" means the Board of Mayor and Aldermen of the Municipality.

"Bond", means individually, and "Bonds" means, collectively, the General Obligation Improvement Bonds, Series 2019 of the Municipality, authorized to be issued by this Resolution of the Board.

"Bond Counsel" means an attorney or firm of attorneys recognized as having experience in matters relating to the issuance of municipal obligations.

"Bondholder", "Owner", or any similar term, when used with reference to the Bonds, means any Person who shall be the registered owner of any then Outstanding Bond or Bonds.

“City Attorney” means the duly appointed City Attorney of the Municipality, or his or her successors.

“Closing Date” means the date of sale, delivery, and payment of the Bonds.

“Code” means the United States Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Department of the Treasury promulgated thereunder, as in effect on the date of issuance of the Bonds, and as hereafter amended, supplemented, or revised insofar as such amendments, supplements, or revisions shall pertain to or effect the Bonds.

“Continuing Disclosure Certificate” shall mean that certain Continuing Disclosure Certificate executed by the Municipality and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“DTC” means The Depository Trust Company, New York, New York.

“Government Obligations” means any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of Federal agencies to the extent unconditionally guaranteed by the United States of America, which Bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

“Interest Payment Date” means each date on which interest shall be payable on any of the Bonds, according to their respective terms so long as any of the Bonds shall be Outstanding.

“Mayor” means the duly elected, qualified, and acting Mayor of the Municipality, or his or her successors.

“Outstanding,” “Bonds Outstanding,” or “Outstanding Bonds” means, as of a particular date, all Bonds issued and delivered and authenticated under this Resolution except: (1) any Bond paid or redeemed or otherwise canceled by the Municipality at or before such date; (2) any Bond for the payment of which cash, equal to the principal amount thereof with interest to date of maturity, shall have theretofore been deposited prior to maturity by the Municipality for the benefit of the Owner thereof; (3) any Bond in lieu of or in substitution for which another Bond shall have been delivered and authenticated pursuant to this Resolution, unless proof satisfactory to the Municipality is presented that any Bond, for which a Bond in lieu of or in substitution therefor shall have been delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of the State, as amended, in which case both the Bond in lieu of or in substitution for which a new Bond has been delivered and such new Bond so delivered therefor shall be deemed Outstanding; and, (4) any Bond deemed paid under the provisions of this Resolution, except that any such Bond shall be considered Outstanding until the maturity thereof only for the purposes of being exchanged, transferred, or registered.

“Person” means an individual, partnership, corporation, trust, or unincorporated organization, or a governmental entity or agency or political subdivision thereof.

“Principal Payment Date” means each date on which principal shall be payable on any of the Bonds, according to their respective terms so long as any of the Bonds shall be Outstanding.

“Recorder” means the duly appointed, qualified, and acting Recorder of the Municipality, or his or her successors.

“Registration Agent” means the registration agent selected by the Municipality, or its successor or successors hereafter appointed in the manner provided in this Resolution.

“Resolution” means this Resolution, as supplemented and amended.

“State” means the State of Tennessee.

“Treasurer” means the duly appointed, qualified, and acting Treasurer of the Municipality, or his or her successors.

Section 3. Authorization. For the purpose of providing funds to finance the Project, to reimburse the Municipality, to pay capitalized interest, to pay legal, fiscal, administrative, and engineering costs, and to pay costs incident to the issuance of the Bonds, there is hereby authorized to be issued General Obligation Improvement Bonds, Series 2019 of the Municipality, in the aggregate principal amount of not to exceed Twenty Million Two Hundred Fifty Thousand Dollars (\$20,250,000), or such lesser aggregate amount as may be determined by the Authorized Representatives of the Municipality executing the Bonds. No Bonds may be issued under the provisions of this Resolution except in accordance herewith.

Section 4. Form of Bonds; Execution. (a) The Bonds, or any series thereof, are issuable only as fully registered bonds, without coupons, in the denomination of \$5,000 or any integral multiple thereof. All Bonds issued under this Resolution shall be substantially in the form set forth in Exhibit “A” attached hereto, and by this reference incorporated herein as fully as though copied, with such appropriate variations, omissions, and insertions as are permitted or required by this Resolution, the blanks therein to be appropriately completed when the Bonds are prepared, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto or as otherwise desired by the Municipality. Each series of Bonds shall be numbered consecutively from one upwards.

(b) The Bonds shall be executed in such manner as may be prescribed by applicable law in the name, and on behalf, of the Municipality with the manual or facsimile signature of the Mayor and attested with the manual or facsimile signature of the Recorder, and with the official seal, or a facsimile thereof, of the Municipality impressed or imprinted thereon, and shall be approved as to form by the manual or facsimile signature of the City Attorney. The Bonds shall not be valid for any purpose unless authenticated by the manual signature of an officer of the Registration Agent on the certificate set forth on the Bonds.

(c) In the event any officer whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such manual or such facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until such delivery. Any Bond may bear the facsimile signature of, or may be manually signed by, such individuals who, at the actual time of the execution of such Bond, were the proper officers of the Municipality to sign such Bond, although on the respective dates of the adoption by the Municipality of this Resolution, such individuals may not have been such officers.

Section 5. Maturities, Interest Rates, Payment, and Certain Other Provisions of Bonds. (a) The Bonds shall be issued in one or more series, and subject to the adjustments permitted under Section 19 hereof shall be known as “General Obligation Improvement Bonds, Series 2019” shall be dated as of the date of issuance and delivery, and shall have such series designation or other dated date as shall be determined by the Mayor pursuant to Section 19 hereof. The Bonds shall be issued at a date, at a rate or rates of interest not to exceed the maximum rate allowed by law, and upon terms and conditions to be determined. The Bonds shall bear interest from the date thereof at a rate or rates to be hereafter determined by the Municipality when said Bonds, or any series thereof, are sold, but not exceeding the maximum rate allowed by law, such interest being payable (subject to the adjustments permitted under Section 19 hereof) semi-annually on the first day of March and September of each year, commencing March 1, 2020. Subject to the adjustments permitted pursuant to Section 19 hereof, the Bonds shall mature serially or be subject to mandatory redemption and be payable on March 1 of each year, subject to prior optional redemption, as hereinafter provided, either serially or through mandatory redemption, in the years 2021 through 2039, inclusive.

In the event that any amount payable on any Bond as interest shall at any time exceed the rate of interest lawfully chargeable thereon under applicable law, then any such excess shall, to the extent of such excess, be applied against the principal of such Bond as a prepayment thereof without penalty, and such excess shall not be considered to be interest. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

The principal of, and the premium, if any, and all installments of interest on, any Bond shall bear interest from and after their respective due dates at a rate of interest equal to the rate of interest payable on the principal of such Bond.

(b) Interest on the Bonds shall be payable by check or other form of draft of the Registration Agent deposited by the Registration Agent in the United States mail, first class postage prepaid, in sealed envelopes, addressed to the Owners of such Bonds, as of the applicable Interest Payment Date, at their respective addresses as shown on the registration books of the Municipality maintained by the Registration Agent as of the close of business on the fifteenth (15th) calendar day of the month next preceding the applicable Interest Payment Date (the “Regular Record Date”). The principal or redemption price, if any, of all Bonds shall be payable upon presentation and surrender of such Bonds at the principal corporate trust office of the Registration Agent. All payments of the principal of, premium, if any, and interest on, the

Bonds shall be made in any coin or currency of the United States of America which, on the date of payment thereof, shall be legal tender for the payment of public and private debts.

(c) Any interest on any Bond which is payable but is not punctually paid or duly provided for on any Interest Payment Date on which interest is due (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the Owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by check or other form of draft of the Registration Agent to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Municipality shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the Municipality shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangement satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) calendar days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall be not more than fifteen (15) nor less than ten (10) calendar days prior to the date of the proposed payment to the Owners. The Registration Agent shall promptly notify the Municipality of such Special Record Date and, in the name and at the expense of the Municipality, not less than ten (10) calendar days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Owner at the address thereof as it appears in the registration books of the Municipality maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Bonds shall impair any statutory or other rights in law or in equity of any Owner arising as a result of the failure of the Municipality to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on, the Bonds when due.

(d) The Bonds will be made eligible for processing by DTC. The Bonds in the form of one global Bond for each maturity need not be lithographed or printed on steel engraved or printed borders. Except as otherwise provided in this Section, the Bonds shall be registered in the name of Cede & Co. as nominee of DTC. The Municipality may discontinue use of DTC as depository for the Bonds at any time upon determination by the Municipality that the use of DTC is no longer in the best interest of the beneficial owners of the Bonds. Registered ownership of the Bonds may be transferred on the registration books maintained by the Registration Agent and the Bonds may be delivered in physical form to the following:

- (i) any successor of DTC or its nominee;
- (ii) any substitute depository upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the Municipality that DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; or,

(iii) any Person, upon (a) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (b) termination by the Municipality of the use of DTC (or substitute depository or its successor).

(e) The Registration Agent is hereby authorized to take such actions as may be necessary from time to time to qualify and maintain the Bonds for deposit with DTC, including, but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. The Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this subsection (e) of this Section 5.

Section 6. Redemption. (a) Subject to the adjustments permitted under Section 19 hereof, the Bonds maturing March 1, 2021 through March 1, 2027, are not subject to redemption prior to maturity. The Bonds maturing on and after March 1, 2028, are subject to redemption prior to maturity on March 1, 2027, and at any time thereafter, at the option of the Municipality, as a whole or in part, in integral multiples of \$5,000 (less than all Bonds of a single maturity to be selected by lot by the Registration Agent), at the price of par, plus accrued interest to the date fixed for redemption.

(b) Notice of intended redemption shall be given by the Registration Agent on behalf of the Municipality to the Owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the registration books kept by the Registration Agent. Notice of intended redemption shall be given not less than thirty (30) calendar days, nor more than sixty (60) calendar days prior to the date fixed for redemption. Each such notice of redemption shall state: (1) the redemption date; (2) the redemption price; (3) if less than all Outstanding Bonds are to be redeemed, the registered number and the CUSIP number printed on the Bonds (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed; (4) that on the redemption date, the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date provided sufficient funds are available on such redemption date to fully pay the redemption price of and the interest on the Bonds called for redemption; and, (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Registration Agent. Neither failure to mail any such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which notice was correctly given.

(c) If notice of redemption shall have been given in the manner and under the conditions provided herein and if on the date so designated for redemption the Registration Agent shall hold sufficient monies to pay the redemption price of, and interest to the redemption date on, the Bonds to be redeemed as provided in this Resolution, then: (1) the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date; (2) interest on the Bonds so called for redemption shall cease to accrue; and, (3) such Bonds shall no longer be Outstanding or secured by, or be entitled

to, the benefits of this Resolution, except to receive payment of the redemption price thereof and interest thereon from monies then held by the Registration Agent.

(d) Prior to any redemption date, the Municipality shall deposit with the Registration Agent an amount of money sufficient to pay the redemption price of all of the Bonds or portions of Bonds which are to be redeemed on that date.

(e) If on the redemption date, monies for the redemption of all Bonds or portions thereof to be redeemed, together with interest thereon to the redemption date, shall not be held by the Registration Agent so as to be available therefor on such date, the Bonds or portions thereof so called for redemption shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and shall continue to be secured by and be entitled to the benefits of this Resolution.

(f) In case any Bond is of a denomination larger than \$5,000, a portion of such Bond - \$5,000 or any integral multiple thereof - may be redeemed, but Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. In selecting Bonds for redemption, the Municipality shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. If part but not all of a Bond shall be selected for redemption, the Owner thereof or his, her, or its legal representative shall present and surrender such Bond to the Registration Agent for payment of the principal amount thereof so called for redemption and the premium, if any, on such principal amount thereof so called for redemption, and the Municipality shall execute and the Registration Agent shall authenticate and deliver to such Owner or legal representative, without charge therefor, for the unredeemed portion of the Bond surrendered, a Bond or Bonds of the same maturity, bearing the same interest rate, and of authorized denomination or denominations.

Section 7. Negotiability of Bonds. All Bonds issued under this Resolution shall be negotiable, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds.

Section 8. Registration Books and Registration Agent. (a) The Municipality shall appoint a registration agent and paying agent (the "Registration Agent") with respect to the Bonds and authorizes the Registration Agent so long as any of the Bonds shall remain Outstanding, to maintain at the principal corporate trust office of the Registration Agent, books for the registration and transfer of the Bonds on behalf of the Municipality. The Registration Agent shall register in such books and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any Bond entitled to registration or transfer and to authenticate and deliver the Bonds either at original issuance, upon transfer, or as otherwise directed by the Municipality. The Registration Agent is authorized to make all payments of principal, interest, and redemption premium, if any, with respect to the Bonds.

(b) The Registration Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by a written instrument of acceptance executed and delivered to the Recorder prior to or on the Closing Date.

Section 9. Exchange of Bonds. Bonds upon surrender thereof at the principal corporate trust office of the Registration Agent, together with an assignment of such Bonds duly executed by the Owner thereof, or his, her, or its attorney or legal representative, may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this Resolution, and bearing interest at the same rate as the Bonds surrendered for exchange.

Section 10. Transfer of Bonds. (a) Each Bond shall be transferable only on the registration books maintained by the Registration Agent at the principal corporate trust office of the Registration Agent, upon the surrender for cancellation thereof at the principal corporate trust office of the Registration Agent, together with an assignment of such Bond duly executed by the Owner thereof or his, her, or its attorney or legal representative, and upon payment of the charges hereinafter provided, and subject to such other limitations and conditions as may be provided therein or herein. Upon the cancellation of any such Bond, the Registration Agent shall, in exchange for the surrendered Bond or Bonds, deliver in the name of the transferee or transferees a new Bond or Bonds of authorized denominations, of the same aggregate principal amount and maturity and rate of interest as such surrendered Bond or Bonds, and the transferee or transferees shall take such new Bond or Bonds subject to all of the conditions herein contained.

(b) The Municipality and the Registration Agent may deem and treat the Person in whose name any Bond shall be registered upon the registration books maintained by the Registration Agent as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal or redemption price of, and the interest on, such Bond and for all other purposes. All such payments so made to the registered Owner thereof shall be valid and effectual to satisfy and discharge the liability of the Municipality or the Registration Agent upon such Bond to the extent of the sum or sums so paid. Neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary.

Section 11. Regulations with Respect to Exchanges and Transfers. (a) In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Municipality shall execute, and the Registration Agent shall deliver, Bonds in accordance with the provisions of this Resolution. For every exchange or transfer of Bonds, whether temporary or definitive, the Municipality and the Registration Agent may make a charge, unless otherwise herein to the contrary expressly provided, sufficient to pay for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer.

(b) Neither the Municipality nor the Registration Agent shall be obligated to exchange or transfer any Bond during the fifteen (15) calendar days next preceding an Interest Payment Date or the first mailing of any notice of redemption or with respect to any Bond, after such Bond has been called for redemption.

Section 12. Mutilated, Lost, Stolen, or Destroyed Bonds. (a) In the event any Bond is mutilated, lost, stolen, or destroyed, the Municipality may execute, and upon the request of an Authorized Representative of the Municipality and the Registration Agent shall deliver, a new Bond of like maturity, interest rate, and principal amount, and bearing the same number (but with

appropriate designation indicating that such new Bond is a replacement Bond) as the mutilated, destroyed, lost, or stolen Bond, in exchange for the mutilated Bond or in substitution for the Bond so destroyed, lost, or stolen. In every case of exchange or substitution, the Bondholder shall furnish to the Municipality and the Registration Agent: (1) such security or indemnity as may be required by an Authorized Representative of the Municipality to save the Municipality and the Registration Agent harmless from all risks, however remote; and, (2) evidence to their satisfaction of the mutilation, destruction, loss, or theft of the subject Bond and the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, an Authorized Representative of the Municipality and the Registration Agent may require the Owner thereof to pay a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including printing costs and counsel fees, of the Municipality and the Registration Agent. In the event any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost, or stolen, an Authorized Representative of the Municipality may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the Owner thereof shall pay all costs and expenses, including attorneys fees, incurred by the Municipality and the Registration Agent in connection therewith, as well as a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and shall furnish to the Municipality and the Registration Agent such security or indemnity as an Authorized Representative of the Municipality and the Registration Agent may require to save the Municipality and the Registration Agent harmless and evidence to the satisfaction of an Authorized Representative of the Municipality and the Registration Agent, of the mutilation, destruction, loss, or theft of such Bond and of the ownership thereof.

(b) Every Bond issued pursuant to the provisions of this Section shall constitute an additional contractual obligation of the Municipality (whether or not the destroyed, lost, or stolen Bond shall be found at any time to be enforceable) and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(c) All Bonds shall be held and owned upon the express condition that the provisions of this Section are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Bonds, and, to the maximum extent legally permissible, shall preclude all other rights or remedies, notwithstanding any law or statute now existing or hereafter enacted to the contrary.

Section 13. Authentication. Only such of the Bonds as shall have endorsed thereon a certificate of authentication, substantially in the form set forth in Exhibit "A" hereto duly executed by the Registration Agent shall be entitled to the rights, benefits, and security of this Resolution. No Bond shall be valid or obligatory for any purpose unless, and until, such certificate of authentication shall have been duly executed by the Registration Agent. Such executed certificate of authentication by the Registration Agent upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution as of the date of authentication. The certificate of authentication of the Registration Agent on any Bond shall be deemed to have been duly executed if manually signed by an

authorized officer of the Registration Agent, but it shall not be necessary that the same officer sign and date the certificate of authentication on all Bonds that may be issued hereunder.

Section 14. Permitted Acts and Functions of Registration Agent. The Registration Agent may become the Owner of any Bonds, with the same rights as it would have if it were not a Registration Agent.

Section 15. Resignation or Removal of the Registration Agent and Appointment of Successors. (a) The Registration Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least sixty (60) calendar days' written notice to the Recorder; provided, however, until a successor Registration Agent is appointed the Registration Agent shall continue to carry out the duties and obligations of the Registration Agent created by this Resolution. The Registration Agent may be removed at any time by resolution of the Municipality filed with such Registration Agent. Any successor Registration Agent shall be appointed by resolution of the Municipality and shall be a trust company or a bank having the powers of a trust company, having, at the time of such appointment, a combined capital, surplus, and undivided profits aggregating at least Fifty Million Dollars (\$50,000,000), and be willing and able to accept the office of Registration Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution.

(b) In the event of the resignation or removal of the Registration Agent, such Registration Agent shall pay over, assign, and deliver any monies held by it as Registration Agent, and all books and records held by it as Registration Agent, to its successor, or if there be no successor then appointed, to the Recorder until such successor be appointed.

Section 16. Merger or Consolidation of Registration Agent. Any corporation or association into which the Registration Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole, or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party shall be and become successor Registration Agent hereunder and shall be vested with all the trusts, powers, discretion, immunities, privileges, and other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein contained to the contrary notwithstanding.

Section 17. Source of Payment and Security. The Bonds, including the principal thereof, the premium, if any, and the interest thereon, shall be payable from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the Municipality without limitation as to time, rate, or amount. Said Bonds shall be a direct general obligation of the Municipality, for which the punctual payment of the principal of, premium, if any, and interest on the Bonds the full faith and credit of the Municipality is hereby irrevocably pledged. To the extent the proceeds of the Bonds are used to fund projects for the Municipality's convention center and golf course, the Bonds shall additionally be payable from, but not secured by, revenues to be derived for the one-quarter percent (0.25%) local option sales tax levied by the Municipality within the corporate limits of the Municipality within Sullivan County,

Tennessee, and revenues to be derived from the operation of the Municipality's convention center and golf course. To the extent the proceeds of the Bonds are used to fund projects for the Municipality's water and sewer system, such Bonds shall additionally be payable from, but not secured by, revenues to be derived from the operation of the Municipality's water and sewer system.

Section 18. Levy of Taxes. For the purpose of providing for the payment of the principal of, premium, if any, and interest on, the Bonds, to the extent necessary, there shall be levied in each year in which such Bonds shall be outstanding a direct tax on all taxable property in the Municipality, fully sufficient, to pay all such principal and interest falling due prior to the time of collection of the next succeeding tax levy. Said tax shall be assessed, collected, and paid at the time, and in the same manner, as the other taxes of said Municipality, shall be in addition to all other taxes, and shall be without limitation as to time, rate, or amount. The Board of the Municipality is required by law and shall and does hereby pledge to levy such tax. Principal, premium, if any, and interest, or any of the foregoing, falling due at any time when there shall be insufficient funds on hand from such tax levy for the payment thereof shall be paid from the General Fund or other available funds of the Municipality, but reimbursement therefor may be made from the taxes herein provided when the same shall have been collected. Such taxes levied and collected therefor shall be deposited in General Fund of the Municipality, and used for the payment of principal and interest on the Bonds as the same shall become due.

Section 19. Sale of Bonds. (a) The Bonds shall be sold at public sale (the "Public Sale") in the manner provided by law, in one or more series, at a price of not less than ninety-nine percent (99%) of par, as a whole or in part from time to time as shall be determined by the Mayor, in consultation with Raymond James & Associates, Inc., Nashville, Tennessee, the Municipality's municipal advisor (the "Municipal Advisor"). The Bonds, or any series thereof, shall be sold at public sale by physical delivery of bids or by electronic bidding by means of an internet bidding service as shall be determined by the Mayor, in consultation with the Municipal Advisor.

(b) If the Bonds are sold in more than one series, the Mayor is authorized to cause to be sold in each series an aggregate principal amount of Bonds less than that shown authorized in Section 3 hereof for each series, and to make corresponding adjustments to the maturity dates of each series designated in Section 5 hereof; provided, however, that the total aggregate principal amount of all series issued does not exceed the total aggregate amount of Bonds authorized to be issued hereunder.

(c) The Mayor is further authorized:

- (1) to change the dated date of the Bonds or any series thereof;
- (2) to specify the series designation of the Bonds, or any series thereof, to a designation;

(3) to change the first interest payment date on the Bonds, or any series thereof, to a date other than March 1, 2020, provided that such date is not later than twelve months from the dated date of such series of Bonds;

(4) to adjust the principal and interest payment dates and determined maturity or mandatory redemption amounts of the Bonds, or any series thereof, provided that (i) the total principal amount of all series of Bonds does not exceed the total amount of Bonds authorized herein, (ii) the first maturity date of the Bonds, or any series thereof, is a date not earlier than March 1, 2021 and (iii) the final maturity date of each series of Bonds shall not exceed twenty (20) fiscal years from the dated date of its series;

(5) to change the optional redemption provisions of the Bonds, provided that the premium amount to be paid on Bonds, or any series thereof, does not exceed two percent (2%) of the principal amount thereof;

(6) to sell the Bonds, or any series thereof, or any maturities thereof, as term bonds with mandatory redemption requirements as determined by the Mayor, as the Mayor shall deem most advantageous to the Municipality; and,

(7) to cause all or a portion of the Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to serve the best interests of the Municipality and to enter into agreements with such insurance company with respect to any series of Bonds to the extent not inconsistent with this Resolution.

(d) The Mayor of the Municipality is authorized to sell the Bonds, or any series thereof, simultaneously with any other bonds or notes authorized by resolution or resolutions of the Board. The Mayor is further authorized to sell the Bonds, or any series thereof, as a single issue of bonds with any other bonds with substantially similar terms authorized by resolution or resolutions of the Board, in one or more series, as the Mayor shall deem to be advantageous to the Municipality, and in doing so, the Mayor is authorized to change the designation of the Bonds to a designation other than "General Obligation Improvement Bonds, Series 2019"; provided, however, that the total aggregate principal amount of combined bonds to be sold does not exceed the total aggregate principal amount of Bonds authorized by this Resolution or bonds authorized by other resolution or resolutions adopted by the Board.

(e) The Mayor is authorized to award the Bonds, or any series thereof, in each case to the bidder whose bid results in the lowest true interest cost to the Municipality, provided the rate or rates on the Bonds does not exceed the maximum rate allowed by law. The award of the Bonds by the Mayor to the lowest bidder shall be binding on the Municipality, and no further action of the Board with respect thereto shall be required. The form of the Bond attached hereto as Exhibit A, shall be conformed to reflect any changes made pursuant to this Section.

(f) The Mayor and the Recorder are authorized to cause the Bonds to be authenticated and delivered to the successful bidder and to execute, publish, and deliver all certificates and documents, including an official statement and closing certificates, as they shall

deem necessary in connection with the sale and delivery of the Bonds. Notice of such Public Sale shall be given in accordance with the provisions of the Act.

Section 20. Approval of Preliminary Official Statement and Official Statement. (a) The Mayor, the Recorder, and the City Manager, or any of them, working with the Municipal Advisor, are hereby authorized to cause the preparation and distribution, which may include electronic distribution, of a Preliminary Official Statement in connection with the sale of the Bonds in such form and containing such information as the Mayor shall determine appropriate and consistent with the terms of this Resolution and to deem the Preliminary Official Statement final for the purpose of Securities and Exchange Commission Rule 15c(2)(12).

(b) The Board hereby authorizes an Official Statement of the Municipality substantially in the form of the Preliminary Official Statement relating to the Bonds, with such modifications thereto as the Mayor and the Recorder approve. The Mayor and Recorder are hereby authorized and directed to execute copies of said Official Statement and to deliver said Official Statement to the purchaser of such Bonds, which execution and delivery shall be conclusive evidence of the approval of any such modifications; and the Board hereby consents to the lawful use of said Official Statement and the information contained therein in connection with the public offering and sale of the Bonds by the initial purchaser of such Bonds. The Mayor and the Recorder are authorized to deem the Official Statement final for the purpose of Securities and Exchange Commission Rule 15(c)(2)(12).

(c) The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Municipality except for the omission in the Preliminary Official Statement of pricing and other information.

Section 21. Disposition of Bond Proceeds and Other Funds. The proceeds of the sale of the Bonds and certain other funds shall be used and applied as follows:

(a) Accrued interest, if any, shall be paid to the official of the Municipality designated by law as the custodian of the funds thereof and used to pay interest on the Bonds on the first Interest Payment Date following delivery of the Bonds.

(b) The remaining proceeds from the sale of the Bonds (including premium, if any, received) shall be paid to the official of the Municipality designated by law as the custodian of the funds thereof to be deposited in a special fund, which is hereby authorized to be created, to be known as the "General Obligation Improvement Bonds, Series 2019, Project Fund," or such other series designation as shall be determined by the Mayor (the "Project Fund"), to be kept separate and apart from all other funds of the Municipality. The funds in the Project Fund shall be disbursed solely to pay the costs of the Project, to reimburse the Municipality, to pay capitalized interest, and to pay costs incurred in connection with the issuance of the Bonds, including necessary legal, accounting, engineering, and fiscal expenses, printing, advertising, and similar expenses, administrative and clerical costs, Registration Agent fees, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in connection with the issuance

and sale of the Bonds and the financing of the Project. Monies in the Project Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any. Monies in the Project Fund shall be expended only for the purposes authorized by this Resolution. Monies if any, remaining in the Project Fund upon completion of the purposes authorized by this Resolution shall be transferred to the Bond Fund and used to pay principal of and interest on the Bonds. Monies in the Project Fund may be invested as directed by an Authorized Representative of the Municipality in any investment authorized for municipal funds under the applicable laws of the State of Tennessee. All income derived from such investments shall be deposited in the Bond Fund and used to pay principal and interest on the Bonds, unless, by resolution, the Municipality directs retention of such earning in the Project Fund to pay the costs of the Project.

(c) Any amounts remaining from the principal proceeds of the sale of the Bonds shall be used for the purpose of paying the costs incurred in connection with the issuance of the Bonds.

Section 22. Reimbursement Provisions. The Municipality is in the process of causing certain capital expenditures to be made with respect to the Project, including, but not necessarily limited to, planning, design, and architectural expenses, and the Municipality desires to establish its official intent that certain of the expenditures related to the Project and certain other related expenditures be reimbursed from the proceeds of the Bonds. Therefore, the Board of the Municipality finds and determines, as follows:

(a) that it is in the best interest of the Municipality to proceed immediately with the Project, thereby incurring certain capital expenditures;

(b) that the Municipality has certain funds available which may be used temporarily for this purpose, pending the issuance of the Bonds;

(c) that pursuant to the provisions of this Resolution, the Board anticipates that the Municipality will issue the Bonds for the purpose of financing the Project;

(d) that the Board reasonably expects to reimburse such amounts to such fund or source from which such expenditures may be made on a temporary basis as soon as proceeds from the issuance of such Bonds are available; and,

(e) that this declaration of official intent is consistent with the budgetary and financial circumstances of the Municipality.

The Board of the Municipality by this Resolution hereby establishes its official intent to issue the Bonds to finance the costs of the Project and other related expenditures in an amount not to exceed \$20,250,000. Pending the issuance of such Bonds, funds necessary to finance such costs shall be advanced from such source of funds on hand and available for such purpose, and any amounts so advanced shall be reimbursed from the proceeds of the Bonds.

Section 23. Non-Arbitrage Certification. The Municipality certifies and covenants with the Owners of any series of tax-exempt Bonds issued hereunder that so long as the principal of any Bond remains unpaid, monies on deposit in any fund or account in connection with the Bonds, whether or not from any other source, will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Municipality reserves the right, however, to make any investment of such monies permitted by Tennessee law and this Resolution if, when and to the extent that said Section 148 or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation, or decision would not, in the opinion of Bond Counsel, result in making the interest on the Bonds subject to federal income taxation.

The Municipality covenants that it shall comply with Section 148(f) of the Code, unless legally exempted therefrom, and the Municipality represents that in the event it shall be required by Section 148(f) of the Code to pay "Rebatable Arbitrage," as such term is defined and used in the Code, pursuant to the Code, to the United States Government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Bonds from becoming subject to inclusion in the gross income of the Owners of the Bonds for purposes of federal income taxation.

Section 24. Continuing Disclosure. The Municipality hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the Municipality to comply with the Continuing Disclosure Certificate shall not be considered an event of default; however, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Municipality to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the Owner of any Bonds for federal income tax purposes.

Section 25. Amendments. After the issuance of the Bonds, no change, variation, or alteration of any kind in the provisions of this Resolution shall be made in any manner, until such time as all of the principal of and interest on the Bonds shall have been paid in full unless the consent of all of the Owners of all the Outstanding Bonds have been obtained; provided, however, that the Municipality is hereby authorized to make such amendments to this Resolution as will not impair the rights of the Bondholders. The laws of the State of Tennessee shall govern this Resolution.

Section 26. No Action to be Taken Affecting Validity of the Bonds. The Board hereby covenants and agrees that it will not take any action, that would in any manner affect the validity of the Bonds or limit the rights and remedies of the Owners from time to time of such Bonds or affect the exclusion of interest thereon from the gross income of the owners thereof for purposes of federal income taxation.

Section 27. Discharge and Satisfaction of Bonds. The Municipality shall pay and discharge the entire indebtedness evidenced by any of the Bonds in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of, premium, if any, and interest on, the Bonds, as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or bank whose deposits are insured by the Federal Deposit Insurance Corporation and which has trust powers ("a Trustee"; which Trustee may be the Registration Agent), in trust, at or before the date of maturity or redemption, sufficient monies or Government Obligations, the principal of and interest on which, when due and payable, will provide sufficient monies to pay or redeem the Bonds Outstanding hereunder and to pay premium, if any, and interest thereon when due until the maturity or redemption date; provided, if such Bonds are to be redeemed prior to the maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice; or,

(c) By delivering such Bonds to the Registration Agent, for cancellation by such Registration Agent.

If the Municipality shall also pay or cause to be paid all other sums payable hereunder by the Municipality with respect to such Bonds, or make adequate provision therefor, and by resolution of the Board instruct any such Trustee to pay amounts when and as required to the Registration Agent for the payment of principal of, premium, if any, and interest on, such Bonds when due, then and in that case indebtedness evidenced by such Bonds shall be discharged and satisfied, and all covenants, agreements, and obligations of the Municipality to the owners of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate, and become void.

If the Municipality shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the Owners thereof shall thereafter be entitled only to payment out of the monies or Government Obligations deposited as aforesaid.

Except as otherwise provided in this Section neither Government Obligations nor monies deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium, if any, and interest on, said Bonds; provided that any cash received from such principal or interest payments on such Government Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Municipality as received by the Registration Agent, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the principal of, premium, if any, and interest, to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the

case may be, and interest earned from such reinvestments shall be paid over to the Municipality, as received by the Registration Agent.

Nothing contained in this Section shall be construed to alter or change the redemption provisions set forth herein. No redemption privilege shall be exercised with respect to the Bonds except at the option and election of the Municipality. The optional right of redemption shall not be exercised by the Registration Agent unless expressly so directed by an Authorized Representative of the Municipality.

Section 28. Miscellaneous Acts. The Mayor, the Recorder, the Treasurer, the City Manager, and the City Attorney, and all other appropriate officials of the Municipality are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, and deliver all such documents, instruments, and certifications, specifically including but not limited to, entering into an agreement with the Municipal Advisor to provide municipal advisory services for the Municipality and services related to the issuance, sale, and delivery of the Bonds, entering into an agreement with a dissemination agent to provide continuing disclosure services, and making arbitrage certifications, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution; or any of the documents herein authorized and approved, or for the authorization, issuance, and delivery of the Bonds.

Section 29. Failure to Present Bonds. (a) In the event any Bond shall not be presented for payment when the principal becomes due at maturity and in the event monies sufficient to pay such Bond shall be held by the Registration Agent for the benefit of the Owner thereof, all liability of the Municipality to such Owner for the payment of such Bond shall forthwith cease, terminate, and be completely discharged. Thereupon, the Registration Agent shall hold such monies, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such monies for any claim under the Resolution or on, or with respect to, said Bond.

(b) If any Bond shall not be presented for payment within a period of five years following the date when such Bond becomes due, whether by maturity or otherwise, the Registration Agent shall, subject to the provisions of any applicable escheat or other similar law, pay to the Treasurer or the official of the Municipality designated by law as the custodian of such funds, any monies then held by the Registration Agent for the payment of such Bond and such Bond shall (subject to the defense of any applicable statute of limitation) thereafter constitute an unsecured obligation of the Municipality.

Section 30. Payments Due on Saturdays, Sundays, and Holidays. In any case where the date of maturity or interest on or principal of any Bond shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions similar to the Registration Agent are authorized by law to close, then the payment of the interest on, or the principal of such Bonds need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions similar to the Registration Agent are authorized by law to close, with the same force

and effect as if made on the date of maturity and no interest shall accrue for the period after such date.

Section 31. No Recourse Under Resolution or on Bonds. All stipulations, promises, agreements, and obligations of the Municipality contained in the Initial Resolution or this Resolution shall be deemed to be the stipulations, promises, agreements, and obligations of the Municipality and not of any officer, director, or employee of the Municipality in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on the Initial Resolution or this Resolution against any officer, director, or employee of the Municipality or against any official or individual executing the Bonds.

Section 32. Partial Invalidity. If any one or more of the provisions of this Resolution, or of any exhibit or attachment thereto, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but this Resolution, and the exhibits and attachments thereto, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

Section 33. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or enforceability of such section, paragraph, or provision shall not affect any of the remaining provisions hereof.

Section 34. Repeal of Conflicting Resolutions and Effective Date. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption, the welfare of the Municipality requiring it.

Approved and adopted this 17th day of September, 2019.

PATRICK W. SHULL, MAYOR

ATTEST:

APPROVED AS TO FORM:

SIDNEY H. COX, CITY RECORDER

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

STATE OF TENNESSEE
COUNTIES OF SULLIVAN AND HAWKINS

I, Sidney H. Cox, hereby certify that I am the duly qualified and acting City Recorder of the City of Kingsport, Tennessee (the "Municipality"), and, as such official, I further certify as follows: (1) that attached hereto is a copy of a resolution excerpted from the minutes of the meeting of the Board of Mayor and Aldermen (the "Board") of said Municipality held on September 17, 2019; (2) that I have compared said copy with the original minute record of said meeting in my official custody; (3) that said copy is a true, correct, and complete transcript from said original record insofar as said original record relates, to, among other matters, the authorization, issuance, and sale of not to exceed \$20,250,000 General Obligation Improvement Bonds, Series 2019 of said Municipality; (4) that the actions by said Board including the aforementioned, at said meeting were promptly and duly recorded by me in a book kept for such purposes; and, (5) that a quorum of the members of said Board was present and acting throughout said meeting.

WITNESS my official signature and the seal of said Municipality this 17th day of September, 2019.

SIDNEY H. COX, CITY RECORDER

(SEAL)

EXHIBIT "A"
FORM OF BOND

Registered
No. _____

Registered
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTIES OF SULLIVAN AND HAWKINS
CITY OF KINGSPORT
GENERAL OBLIGATION IMPROVEMENT BOND,
SERIES 2019

Interest Rate: Maturity Date: Dated Date: CUSIP:

Registered Owner: CEDE & CO.

Principal Amount:

THE CITY OF KINGSPORT, TENNESSEE (the "Municipality"), a lawfully organized and existing municipal corporation located in Sullivan and Hawkins Counties, Tennessee, for value received, hereby acknowledges itself indebted and promises to pay, as hereinafter provided, to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, unless this bond shall have been duly called for prior redemption and payment of the redemption price shall have been made or provided for, upon the presentation and surrender hereof at the principal corporate trust office of U.S. Bank National Association, or its successor as paying agent and registration agent (the "Registration Agent"), the Principal Amount identified above, in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and to pay interest on said Principal Amount from the date hereof, or such later date as to which interest has been paid, semiannually on March 1 and September 1 of each year (the "Interest Payment Date"), commencing March 1, 2020, to said Registered Owner hereof by check or other form of draft of the Registration Agent mailed to the Registered Owner at the address shown on the registration books of the Municipality, maintained by the Registration Agent, as of the close of business on the fifteenth (15th) calendar day of the month next preceding an Interest Payment Date (the "Regular Record Date"), in like coin or currency at the Interest Rate per annum set forth above until payment of said Principal Amount. Provided, however, that should the Municipality default in the payment

of interest on such Interest Payment Date, such defaulted interest (the "Defaulted Interest") shall be payable to the person in whose name this bond is registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest established by notice mailed by the Registration Agent on behalf of the Municipality not less than ten (10) calendar days preceding such Special Record Date by first class mail, postage prepaid, to the Registered Owner hereof at the address thereof as it appears on the registration books of the Municipality maintained by the Registration Agent as of the date of such notice, which notice shall identify the proposed payment of such Defaulted Interest and the Special Record Date therefor.

In the event that any amount payable hereunder as interest shall at any time exceed the rate of interest lawfully chargeable on this bond under applicable law, any such excess shall, to the extent of such excess, be applied against the principal hereof as a prepayment thereof without penalty, and such excess shall not be considered to be interest. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

The principal hereof and all installments of interest hereon, shall bear interest from and after their respective due dates at the same rate of interest payable on the principal hereof.

This bond is authorized and issued pursuant to and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, Tennessee Code Annotated, as amended. Section 9-21-117, Tennessee Code Annotated, as amended, provides that this bond and the income therefrom shall be exempt from all state, county, and municipal taxation in the State of Tennessee, except as otherwise provided in said Code.

This bond is one of a series of bonds known as "General Obligation Improvement Bonds, Series 2019" (the "Bonds"), issued by the Municipality in the aggregate principal amount of \$_____. The Bonds, which are issued for the purpose of (1) financing a portion of the costs of certain public works projects, consisting of the acquisition of public art; the acquisition, construction, improvement and renovation of public school facilities; road, street, parking, and sidewalk construction, improvement and expansion, including transmission upgrades; the acquisition, construction, renovation, improvement and equipping of public buildings within the Municipality, including a satellite salt facility and renovations to court facilities and fire facilities; acquisition of public works equipment, including fire equipment and improvements to technology infrastructure and back office improvements; acquisition, construction, improvement and equipping of public parks and recreational facilities, including Bays Mountain Nature Center and Miracle Field; construction and improvement of the Municipality's convention center, including roof replacement; construction, improvement and equipping of the Municipality's golf course; construction, expansion and improvement of the Municipality's water system; construction, expansion and improvement of the Municipality's sewer system; the acquisition of all property real and personal, appurtenant thereto or connected with such work; and paying legal, fiscal, administrative, and engineering costs, reimbursing the Municipality for the costs of any of the above projects, paying capitalized interest, and (2) paying costs incident to the issuance and sale of

the Bonds are authorized by appropriate resolutions of the Board of Mayor and Aldermen and particularly that certain Resolution of the Board of Mayor and Aldermen adopted on September 17, 2019, entitled "Resolution Authorizing the Execution, Terms, Issuance, Sale, and Payment of Not to Exceed \$20,250,000 General Obligation Improvement Bonds, Series 2019, of the City of Kingsport, Tennessee, and Providing the Details Thereof", as such resolution may be from time to time amended or supplemented in accordance with its terms (such resolution as so amended or supplemented, being herein called the "Resolution"), and is issued pursuant to, and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, Tennessee Code Annotated, as amended (the "Act"). Copies of said Resolution are on file at the office of the Recorder of the Municipality, and reference is hereby made to said Resolution and the Act, for a more complete statement of the terms and conditions upon which the Bonds are issued thereunder, the rights, duties, immunities, and obligations of the Municipality, and the rights of the Registered Owner hereof.

This bond is payable from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality without limitation as to time, rate, or amount. For the prompt payment of this bond, both principal, premium, if any, and interest, as the same shall become due, the full faith, and credit of the Municipality is hereby irrevocably pledged. To the extent the proceeds of the Bonds are used to fund projects for the Municipality's convention center and golf course, such Bonds shall additionally be payable from, but not secured by, revenues to be derived from the one-quarter percent (0.25%) local option sales tax levied by the Municipality within the corporate limits of the Municipality within Sullivan County, Tennessee, and revenues to be derived from the operation of the Municipality's convention center and golf course. To the extent the proceeds of the Bonds are used to fund projects for the Municipality's water and sewer system, such Bonds shall additionally be payable from, but not secured by, revenues to be derived from the operation of the Municipality's water and sewer system.

The Municipality and the Registration Agent may deem and treat the person or entity in whose name this bond is registered as the absolute owner hereof, whether such bond shall be overdue or not, for the purpose of receiving payment of the principal of, premium, if any, and interest on, this bond and for all other purposes. All such payments so made shall be valid and effectual to satisfy and discharge the liability upon this bond to the extent of the sum or sums so paid, and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary.

The Bonds are issuable only as fully registered Bonds, without coupons, in the denomination of \$5,000, or any authorized integral multiple thereof. At the principal corporate trust office of the Registration Agent, in the manner and subject to the limitations, conditions, and charges provided in the Bond Resolution, Bonds may be exchanged for an equal aggregate principal amount of fully registered Bonds of the same maturity, of authorized denominations, and bearing interest at the same rate.

The Bonds will be made eligible for processing by DTC. The Bonds in the form of one global bond for each maturity need not be lithographed or printed on steel engraved or printed borders. Except as otherwise provided in this paragraph, the Bonds shall be registered in the name of Cede & Co. as nominee of DTC. The Municipality may discontinue use of DTC as depository for the Bonds at any time upon determination by the Municipality that the use of DTC is no longer in the best interest of the beneficial owners of the Bonds. Registered ownership of the Bonds may be transferred on the registration books maintained by the Registration Agent and the Bonds may be delivered in physical form to the following:

- (i) any successor of DTC or its nominee;
- (ii) any substitute depository upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the Municipality that DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; or,
- (iii) any Person, as defined in the Resolution, upon (a) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (b) termination by the Municipality of the use of DTC (or substitute depository or its successor).

Subject to the provisions for registration and transfer contained herein and in the Resolution, this bond shall be transferable by the Registered Owner at the principal office of the Registration Agent upon surrender and cancellation of this bond, and thereupon a new Bond of the same series, principal amount, interest and maturity will be issued to the transferee as provided in the Resolution and upon payment of the transfer charges therein prescribed. Upon any such transfer, the Municipality shall execute and the Registration Agent shall authenticate and deliver in exchange for this bond a new fully registered bond or bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this bond, of the same maturity and bearing interest at the same rate. For every exchange or transfer of bonds, whether temporary or definitive, the Municipality and the Registration Agent may make a charge, unless otherwise herein to the contrary expressly provided, sufficient to pay for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, all of which taxes, fees, or other governmental charges shall be paid by the person or entity requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Municipality and the Registration Agent, and any other person, may treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment hereof, and for all other purposes, and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

The Bonds maturing March 1, 2021 through March 1, 2027 are not subject to redemption prior to maturity. The Bonds maturing on and after March 1, 2028, are subject to redemption prior to maturity on March 1, 2027, and at any time thereafter, at the option of the Municipality, as a

whole or in part, in integral multiples of \$5,000 (less than all Bonds of a single maturity to be selected by lot by the Registration Agent), at the price of par plus accrued interest to the date fixed for redemption.

Notice of intended redemption shall be given by the Registration Agent on behalf of the Municipality to the Registered Owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the registration books kept by the Registration Agent. Notice of intended redemption shall be given not less than thirty (30) calendar days, nor more than sixty (60) calendar days prior to the date fixed for redemption.

This bond shall have all the qualities and incidents of, and shall be a negotiable instrument under, the Uniform Commercial Code of the State of Tennessee, subject only to provisions respecting registration of such bond. This bond is issued with the intent that the laws of the State of Tennessee shall govern its construction.

It is hereby certified, recited, and declared that all acts and conditions required to be done and to exist precedent to, and in the issuance of, this bond in order to make this bond a legal, valid, and binding obligation of the Municipality, have been done, and did exist in due time and form as required by the Constitution and statutes of the State of Tennessee, and that this bond and the issue of which it is a part, together with all other indebtedness of such Municipality, does not exceed any limitation prescribed by the Constitution or statutes of the State of Tennessee.

IN WITNESS WHEREOF, THE CITY OF KINGSPORT, TENNESSEE, by its Board of Mayor and Aldermen has caused this bond to be executed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Recorder, to have its official seal, or a facsimile thereof, to be impressed or imprinted hereon, and to be approved as to form by the manual or facsimile signature of the City Attorney, all as of the Dated Date.

PATRICK W. SHULL, MAYOR

(SEAL)

ATTEST:

APPROVED AS TO FORM:

SIDNEY H. COX, CITY RECORDER

J. MICHAEL BILLINGSLEY,
CITY ATTORNEY

Date of Authentication:

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the provisions of the within mentioned Resolution and is one of the General Obligation Improvement Bonds, Series 2019 of the City of Kingsport, Tennessee.

U.S.BANK NATIONAL ASSOCIATION,
as Registration Agent

By: _____
Authorized Officer

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within-registered Bond and do(es) hereby irrevocably constitute and appoint, attorney, to transfer the same on the registration books of the Registration Agent, with full power of substitution in the premises.

Dated: _____

SIGNATURE GUARANTEED:

SIGNATURE:

NOTICE: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

CITY OF KINGSPORT
FY 2020 Capital Improvement Plan (CIP)
Schedule of Projects to be Funded

General Fund

Facilities Improvements-Courts/Public Facilities Phase 2	\$3,000,000
Main Street Transmission Lines-Streetscape Improvements	2,000,000
Education-Facilities Improvements	1,000,000
Fire-Facilities Improvements & Equipment	625,000
General Facilities Improvements	475,000
Bays Mountain Nature Center/Improvements	400,000
IT-Technology Infrastructure & Back Office Improvements	360,000
General Facilities ADA Improvements	345,000
Public Works-Parks ADA Improvements	300,000
Lynn View Improvements-Phase I	75,000
Brickyard Park Equipment	150,000
Satellite Salt Facility	100,000
Park Improvements	250,000
Local Roads / Concrete Replacement	500,000
Total General Fund	<u><u>\$9,580,000</u></u>

Meadowview Conference & Convention Center Fund

Meadowview Conference & Convention Center Roof Replacement	\$350,000
Total Meadowview Conference & Convention Center Fund	<u><u>\$350,000</u></u>

Cattails Golf Course Fund

Cattails Golf Course Improvements & Equipment	\$250,000
Total Cattails Golf Course Fund	<u><u>\$250,000</u></u>

Sewer Fund

I & I Rehabilitation	\$1,000,000
Sherwood Drive Property Purchase	600,000
WWTP Equalization Basin	500,000
Sewer Maintenance Crew Equipment	500,000
System Wide Flow Monitoring	400,000
Sewer Line Rehabilitation	300,000
Sewer System Improvements Sewer Lift Station	300,000
Lift Station Bypass Pumps	90,000
Total Sewer Fund	<u><u>\$3,690,000</u></u>

Water Fund

WTP Chemical Feed	\$3,400,000
Master Plan Water Upgrades	1,500,000
STP SCADA (Telemetry System)	780,000
Water Tank Rehabilitation	500,000
Total Water Fund	<u><u>\$6,180,000</u></u>

GRAND TOTAL

\$20,050,000

New Money Scenarios General Obligation Public Improvement Bonds, Series 2019

Raymond James Public Finance - Nashville

Prepared By: Rick Dulaney, Managing Director
Elizabeth Zuelke, Associate

Dated: September 10, 2019

Prepared For:
Sid Cox, CFO and Recorder



RAYMOND JAMES

\$18,215,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2019

Table of Contents

Part 1 of 2

Report	
ISSUE SUMMARY	
Total Issue Sources And Uses	1
Aggregate Debt Service	2
Current Refunding Escrow Summary Cost	3
Pricing Summary	4
GENERAL FUND - 20 YEARS	
Sources & Uses	5
Current Refunding Escrow Summary Cost	6
GENERAL FUND - 10 YEARS	
Sources & Uses	7
Current Refunding Escrow Summary Cost	8
MEADOWVIEW PROJECT	
Sources & Uses	9
Current Refunding Escrow Summary Cost	10

\$18,215,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2019

Table of Contents

Part 2 of 2

CATTAILS GOLF COURSE PROJECT

Sources & Uses 11

Current Refunding Escrow Summary Cost 12

SEWER FUND - 20 YEARS

Sources & Uses 13

Current Refunding Escrow Summary Cost 14

SEWER FUND - 10 YEARS

Sources & Uses 15

Current Refunding Escrow Summary Cost 16

WATER FUND - 10 YEARS

Sources & Uses 17

Current Refunding Escrow Summary Cost 18

WATER FUND - 20 YEARS

Sources & Uses 19

Current Refunding Escrow Summary Cost 20

Preliminary

\$18,215,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2019

Total Issue Sources And Uses

Dated 11/08/2019 | Delivered 11/08/2019

	General Fund - 20 years	General Fund - 10 years	Meadowview Project	Cattails Golf Course Project	Sewer Fund - 20 years	Sewer Fund - 10 years	Water Fund - 10 years	Water Fund - 20 years	Issue Summary
Sources Of Funds									
Par Amount of Bonds	\$7,335,000.00	\$1,355,000.00	\$325,000.00	\$215,000.00	\$2,935,000.00	\$425,000.00	\$655,000.00	\$4,970,000.00	\$18,215,000.00
Reoffering Premium	746,380.15	278,227.55	33,404.95	44,309.30	298,932.45	87,644.70	134,925.35	506,518.35	2,130,342.80
Total Sources	\$8,081,380.15	\$1,633,227.55	\$358,404.95	\$259,309.30	\$3,233,932.45	\$512,644.70	\$789,925.35	\$5,476,518.35	\$20,345,342.80
Uses Of Funds									
Deposit to Project Construction Fund	7,970,000.00	1,610,000.00	350,000.00	250,000.00	3,190,000.00	500,000.00	780,000.00	5,400,000.00	20,050,000.00
Costs of Issuance	109,395.80	20,208.77	4,847.12	3,206.56	43,773.23	6,338.54	9,768.81	74,123.67	271,662.50
Rounding Amount	1,984.35	3,018.78	3,557.83	6,102.74	159.22	6,306.16	156.54	2,394.68	23,680.30
Total Uses	\$8,081,380.15	\$1,633,227.55	\$358,404.95	\$259,309.30	\$3,233,932.45	\$512,644.70	\$789,925.35	\$5,476,518.35	\$20,345,342.80

Preliminary

\$18,215,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2019

Aggregate Debt Service

DATE	Kingsport Serie 2019 New Money General Fund - 20 years	Kingsport Serie 2019 New Money General Fund - 10 years	Kingsport Serie 2019 New Money Meadowview Project	Kingsport Serie 2019 New Money Cattails Golf Course Project	Kingsport Serie 2019 New Money Sewer Fund - 20 years	Kingsport Serie 2019 New Money Sewer Fund - 10 years	Kingsport Serie 2019 New Money Water Fund - 10 years	Kingsport Serie 2019 New Money Water Fund - 20 years	TOTAL
06/30/2020	84,928.52	21,265.97	3,758.82	3,374.31	34,017.71	6,670.14	10,279.86	57,567.22	221,862.55
06/30/2021	505,568.76	177,750.00	21,975.00	25,750.00	203,375.00	56,250.00	82,750.00	343,400.00	1,416,818.76
06/30/2022	503,818.76	177,250.00	21,475.00	30,000.00	203,625.00	54,500.00	85,250.00	340,400.00	1,416,318.76
06/30/2023	506,568.76	176,500.00	20,975.00	29,000.00	203,625.00	52,750.00	87,500.00	342,150.00	1,419,068.76
06/30/2024	503,568.76	175,500.00	20,475.00	28,000.00	203,375.00	56,000.00	84,500.00	343,400.00	1,414,818.76
06/30/2025	505,068.76	174,250.00	24,975.00	27,000.00	202,875.00	54,000.00	86,500.00	344,150.00	1,418,818.76
06/30/2026	505,818.76	172,750.00	24,225.00	26,000.00	202,125.00	57,000.00	83,250.00	339,400.00	1,410,568.76
06/30/2027	505,818.76	176,000.00	23,475.00	30,000.00	201,125.00	54,750.00	85,000.00	344,400.00	1,420,568.76
06/30/2028	505,068.76	173,750.00	22,725.00	28,750.00	199,875.00	52,500.00	86,500.00	343,650.00	1,417,818.76
06/30/2029	503,568.76	176,250.00	21,975.00	27,500.00	203,375.00	55,000.00	82,750.00	342,400.00	1,412,818.76
06/30/2030	506,318.76	173,250.00	21,225.00	26,250.00	201,375.00	52,500.00	84,000.00	340,650.00	1,405,568.76
06/30/2031	503,068.76	-	20,475.00	-	199,125.00	-	-	343,400.00	1,066,068.76
06/30/2032	502,868.76	-	24,875.00	-	203,125.00	-	-	343,000.00	1,073,868.76
06/30/2033	506,018.76	-	24,275.00	-	203,325.00	-	-	339,900.00	1,073,518.76
06/30/2034	503,718.76	-	23,675.00	-	203,375.00	-	-	341,650.00	1,072,418.76
06/30/2035	506,118.76	-	23,075.00	-	203,275.00	-	-	343,100.00	1,075,568.76
06/30/2036	503,068.76	-	22,475.00	-	203,025.00	-	-	339,250.00	1,067,818.76
06/30/2037	502,500.00	-	22,000.00	-	198,750.00	-	-	342,125.00	1,065,375.00
06/30/2038	506,125.00	-	21,500.00	-	199,250.00	-	-	339,375.00	1,066,250.00
06/30/2039	504,375.00	-	21,000.00	-	199,625.00	-	-	341,500.00	1,066,500.00
06/30/2040	507,375.00	-	20,500.00	-	199,875.00	-	-	343,375.00	1,071,125.00
Total	\$10,181,353.68	\$1,774,515.97	\$451,108.82	\$281,624.31	\$4,071,517.71	\$556,920.14	\$858,279.86	\$6,898,242.22	\$25,073,562.71

Par Amounts Of Selected Issues

Kings-General Fund - 20 years	7,335,000.00
Kings-General Fund - 10 years	1,355,000.00
Kingsport - Meadowview Project	325,000.00
-Cattails Golf Course Project	215,000.00
Kingspo-Sewer Fund - 20 years	2,935,000.00
Kingspo-Sewer Fund - 10 years	425,000.00
Kingspo-Water Fund - 10 years	655,000.00
Kingspo-Water Fund - 20 years	4,970,000.00
TOTAL	18,215,000.00

Aggregate | 9/10/2019 | 9:40 AM

RAYMOND JAMES

Page 2

Preliminary

\$18,215,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2019

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2020	-	-	221,862.55	221,862.55
06/30/2021	710,000.00	5.000%	706,818.76	1,416,818.76
06/30/2022	745,000.00	5.000%	671,318.76	1,416,318.76
06/30/2023	785,000.00	5.000%	634,068.76	1,419,068.76
06/30/2024	820,000.00	5.000%	594,818.76	1,414,818.76
06/30/2025	865,000.00	5.000%	553,818.76	1,418,818.76
06/30/2026	900,000.00	5.000%	510,568.76	1,410,568.76
06/30/2027	955,000.00	5.000%	465,568.76	1,420,568.76
06/30/2028	1,000,000.00	5.000%	417,818.76	1,417,818.76
06/30/2029	1,045,000.00	5.000%	367,818.76	1,412,818.76
06/30/2030	1,090,000.00	5.000%	315,568.76	1,405,568.76
06/30/2031	805,000.00	4.000%	261,068.76	1,066,068.76
06/30/2032	845,000.00	3.000%	228,868.76	1,073,868.76
06/30/2033	870,000.00	3.000%	203,518.76	1,073,518.76
06/30/2034	895,000.00	3.000%	177,418.76	1,072,418.76
06/30/2035	925,000.00	3.000%	150,568.76	1,075,568.76
06/30/2036	945,000.00	2.375%	122,818.76	1,067,818.76
06/30/2037	965,000.00	2.500%	100,375.00	1,065,375.00
06/30/2038	990,000.00	2.500%	76,250.00	1,066,250.00
06/30/2039	1,015,000.00	2.500%	51,500.00	1,066,500.00
06/30/2040	1,045,000.00	2.500%	26,125.00	1,071,125.00
Total	\$18,215,000.00	-	\$6,858,562.71	\$25,073,562.71

Yield Statistics

Bond Year Dollars	5204,507.49
Average Life	11.227 Years
Average Coupon	3.3536976%
Net Interest Cost (NIC)	2.3120033%
True Interest Cost (TIC)	2.1890240%
Bond Yield for Arbitrage Purposes	2.0479556%
All Inclusive Cost (AIC)	2.3365661%

IRS Form 8038

Net Interest Cost	2.1366597%
Weighted Average Maturity	10.877 Years

Kingsport Series 2019 New | Issue Summary | 9/10/2019 | 9:40 AM

RAYMOND JAMES

Page 3

Preliminary

\$18,215,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2019

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
03/01/2021	Serial Coupon	5.000%	1.100%	710,000.00	105.071%	-	-	-	746,004.10
03/01/2022	Serial Coupon	5.000%	1.110%	745,000.00	108.860%	-	-	-	811,007.00
03/01/2023	Serial Coupon	5.000%	1.130%	785,000.00	112.551%	-	-	-	883,525.35
03/01/2024	Serial Coupon	5.000%	1.150%	820,000.00	116.156%	-	-	-	952,479.20
03/01/2025	Serial Coupon	5.000%	1.180%	855,000.00	119.617%	-	-	-	1,034,687.05
03/01/2026	Serial Coupon	5.000%	1.230%	900,000.00	122.833%	-	-	-	1,105,497.00
03/01/2027	Serial Coupon	5.000%	1.270%	955,000.00	125.971%	-	-	-	1,203,023.05
03/01/2028	Serial Coupon	5.000%	1.330%	1,000,000.00	128.793%	-	-	-	1,287,930.00
03/01/2029	Serial Coupon	5.000%	1.400%	1,045,000.00	128.158%	c 1.716%	03/01/2028	100.000%	1,339,251.10
03/01/2030	Serial Coupon	5.000%	1.500%	1,090,000.00	127.259%	c 2.053%	03/01/2028	100.000%	1,387,123.10
03/01/2031	Serial Coupon	4.000%	1.720%	805,000.00	117.590%	c 2.232%	03/01/2028	100.000%	946,599.50
03/01/2032	Serial Coupon	3.000%	2.150%	845,000.00	106.437%	c 2.393%	03/01/2028	100.000%	899,392.65
03/01/2033	Serial Coupon	3.000%	2.220%	870,000.00	105.889%	c 2.478%	03/01/2028	100.000%	921,234.30
03/01/2034	Serial Coupon	3.000%	2.290%	895,000.00	105.345%	c 2.552%	03/01/2028	100.000%	942,837.75
03/01/2035	Serial Coupon	3.000%	2.350%	925,000.00	104.880%	c 2.611%	03/01/2028	100.000%	970,140.00
03/01/2036	Serial Coupon	2.375%	2.470%	945,000.00	98.729%	-	-	-	942,989.05
03/01/2037	Serial Coupon	2.500%	2.500%	965,000.00	100.000%	-	-	-	965,000.00
03/01/2038	Serial Coupon	2.500%	2.520%	990,000.00	99.706%	-	-	-	987,089.40
03/01/2039	Serial Coupon	2.500%	2.570%	1,015,000.00	98.937%	-	-	-	1,004,210.55
03/01/2040	Serial Coupon	2.500%	2.620%	1,045,000.00	98.117%	-	-	-	1,025,322.65
Total				\$18,215,000.00					\$20,345,342.80

Bid Information

Par Amount of Bonds	\$18,215,000.00
Reoffering Premium or (Discount)	2,130,342.80
Gross Production	\$20,345,342.80
Bid (111.696%)	20,345,342.80
Total Purchase Price	\$20,345,342.80
Bond Year Dollars	\$204,507.49
Average Life	11.227 Years
Average Coupon	3.3536976%
Net Interest Cost (NIC)	2.3120033%
True Interest Cost (TIC)	2.1890240%

Kingsport Series 2019 New | Issue Summary | 9/10/2019 | 9:40 AM

RAYMOND JAMES

Page 4

Preliminary

\$7,335,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2019

General Fund Projects (20-Year Amortization)

Sources & Uses

Dated 11/08/2019 | Delivered 11/08/2019

Sources Of Funds

Par Amount of Bonds	\$7,335,000.00
Reoffering Premium	746,380.15

Total Sources **\$8,081,380.15**

Uses Of Funds

Deposit to Project Construction Fund	7,970,000.00
Costs of Issuance	109,395.80
Rounding Amount	1,984.35

Total Uses **\$8,081,380.15**

Preliminary

\$7,335,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2019

General Fund Projects (20-Year Amortization)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2020	-	-	84,928.52	84,928.52
06/30/2021	235,000.00	5.000%	270,568.76	505,568.76
06/30/2022	245,000.00	5.000%	258,818.76	503,818.76
06/30/2023	260,000.00	5.000%	246,568.76	506,568.76
06/30/2024	270,000.00	5.000%	233,568.76	503,568.76
06/30/2025	285,000.00	5.000%	220,068.76	505,068.76
06/30/2026	300,000.00	5.000%	205,818.76	505,818.76
06/30/2027	315,000.00	5.000%	190,818.76	505,818.76
06/30/2028	330,000.00	5.000%	175,068.76	505,068.76
06/30/2029	345,000.00	5.000%	158,568.76	503,568.76
06/30/2030	365,000.00	5.000%	141,318.76	506,318.76
06/30/2031	380,000.00	4.000%	123,068.76	503,068.76
06/30/2032	395,000.00	3.000%	107,868.76	502,868.76
06/30/2033	410,000.00	3.000%	96,018.76	506,018.76
06/30/2034	420,000.00	3.000%	83,718.76	503,718.76
06/30/2035	435,000.00	3.000%	71,118.76	506,118.76
06/30/2036	445,000.00	2.375%	58,068.76	503,068.76
06/30/2037	455,000.00	2.500%	47,500.00	502,500.00
06/30/2038	470,000.00	2.500%	36,125.00	506,125.00
06/30/2039	480,000.00	2.500%	24,375.00	504,375.00
06/30/2040	495,000.00	2.500%	12,375.00	507,375.00
Total	\$7,335,000.00	-	\$2,846,353.68	\$10,181,353.68

Yield Statistics

Bond Year Dollars	\$88,702.38
Average Life	12.093 Years
Average Coupon	3.2088810%

Net Interest Cost (NIC)	2.3674378%
True Interest Cost (TIC)	2.2614909%
Bond Yield for Arbitrage Purposes	2.0479556%
All Inclusive Cost (AIC)	2.4012772%

IRS Form 8038

Net Interest Cost	2.2164433%
Weighted Average Maturity	11.724 Years

Kingsport Series 2019 New | General Fund - 20 years | 9/10/2019 | 9:40 AM

RAYMOND JAMES

Page 6

Preliminary

\$1,355,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2019

General Fund Projects (10-Year Amortization)

Sources & Uses

Dated 11/08/2019 | Delivered 11/08/2019

Sources Of Funds

Par Amount of Bonds	\$1,355,000.00
Reoffering Premium	278,227.55

Total Sources \$1,633,227.55

Uses Of Funds

Deposit to Project Construction Fund	1,610,000.00
Costs of Issuance	20,208.77
Rounding Amount	3,018.78

Total Uses \$1,633,227.55

Preliminary

\$1,355,000

City of Kingsport, Tennessee
General Obligation Public Improvement Bonds, Series 2019
General Fund Projects (10-Year Amortization)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2020	-	-	21,265.97	21,265.97
06/30/2021	110,000.00	5.000%	67,750.00	177,750.00
06/30/2022	115,000.00	5.000%	62,250.00	177,250.00
06/30/2023	120,000.00	5.000%	56,500.00	176,500.00
06/30/2024	125,000.00	5.000%	50,500.00	175,500.00
06/30/2025	130,000.00	5.000%	44,250.00	174,250.00
06/30/2026	135,000.00	5.000%	37,750.00	172,750.00
06/30/2027	145,000.00	5.000%	31,000.00	176,000.00
06/30/2028	150,000.00	5.000%	23,750.00	173,750.00
06/30/2029	160,000.00	5.000%	16,250.00	176,250.00
06/30/2030	165,000.00	5.000%	8,250.00	173,250.00
Total	\$1,355,000.00	-	\$419,515.97	\$1,774,515.97

Yield Statistics

Bond Year Dollars	\$8,390.32
Average Life	6.192 Years
Average Coupon	5.0000000%
Net Interest Cost (NIC)	1.6839457%
True Interest Cost (TIC)	1.4843597%
Bond Yield for Arbitrage Purposes	2.0479556%
All Inclusive Cost (AIC)	1.7110508%
IRS Form 8038	
Net Interest Cost	1.3577070%
Weighted Average Maturity	6.372 Years

Preliminary

\$325,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2019

Meadowview Projects

Sources & Uses

Dated 11/08/2019 | Delivered 11/08/2019

Sources Of Funds

Par Amount of Bonds	\$325,000.00
Reoffering Premium	33,404.95

Total Sources

\$358,404.95

Uses Of Funds

Deposit to Project Construction Fund	\$350,000.00
Costs of Issuance	4,847.12
Rounding Amount	3,557.83

Total Uses

\$358,404.95

Preliminary

\$325,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2019

Meadowview Projects

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2020	-	-	3,758.82	3,758.82
06/30/2021	10,000.00	5.000%	11,975.00	21,975.00
06/30/2022	10,000.00	5.000%	11,475.00	21,475.00
06/30/2023	10,000.00	5.000%	10,975.00	20,975.00
06/30/2024	10,000.00	5.000%	10,475.00	20,475.00
06/30/2025	15,000.00	5.000%	9,975.00	24,975.00
06/30/2026	15,000.00	5.000%	9,225.00	24,225.00
06/30/2027	15,000.00	5.000%	8,475.00	23,475.00
06/30/2028	15,000.00	5.000%	7,725.00	22,725.00
06/30/2029	15,000.00	5.000%	6,975.00	21,975.00
06/30/2030	15,000.00	5.000%	6,225.00	21,225.00
06/30/2031	15,000.00	4.000%	5,475.00	20,475.00
06/30/2032	20,000.00	3.000%	4,875.00	24,875.00
06/30/2033	20,000.00	3.000%	4,275.00	24,275.00
06/30/2034	20,000.00	3.000%	3,675.00	23,675.00
06/30/2035	20,000.00	3.000%	3,075.00	23,075.00
06/30/2036	20,000.00	2.375%	2,475.00	22,475.00
06/30/2037	20,000.00	2.500%	2,000.00	22,000.00
06/30/2038	20,000.00	2.500%	1,500.00	21,500.00
06/30/2039	20,000.00	2.500%	1,000.00	21,000.00
06/30/2040	20,000.00	2.500%	500.00	20,500.00
Total	\$325,000.00		\$126,108.82	\$451,108.82

Yield Statistics

Bond Year Dollars	\$3,922.01
Average Life	12.068 Years
Average Coupon	3.21540988%
Net Interest Cost (NIC)	2.3636803%
True Interest Cost (TIC)	2.2566604%
Bond Yield for Arbitrage Purposes	2.0479556%
All Inclusive Cost (AIC)	2.3964372%

IRS Form 8038

Net Interest Cost	2.2105591%
Weighted Average Maturity	11.701 Years

Kingsport Series 2019 New | Meadowview Project | 9/10/2019 | 9:40 AM

RAYMOND JAMES

Page 10

Preliminary

\$215,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2019

Cattails Golf Course Projects

Sources & Uses

Dated 11/08/2019 | Delivered 11/08/2019

Sources Of Funds

Par Amount of Bonds	215,000.00
Reoffering Premium	44,309.30

Total Sources	\$259,309.30
----------------------	---------------------

Uses Of Funds

Deposit to Project Construction Fund	250,000.00
Rounding Amount	6,102.74
Costs of Issuance	3,206.56

Total Uses	\$259,309.30
-------------------	---------------------

Preliminary

\$215,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2019

Cattails Golf Course Projects

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2020	-	-	3,374.31	3,374.31
06/30/2021	15,000.00	5.000%	10,750.00	25,750.00
06/30/2022	20,000.00	5.000%	10,000.00	30,000.00
06/30/2023	20,000.00	5.000%	9,000.00	29,000.00
06/30/2024	20,000.00	5.000%	8,000.00	28,000.00
06/30/2025	20,000.00	5.000%	7,000.00	27,000.00
06/30/2026	20,000.00	5.000%	6,000.00	26,000.00
06/30/2027	25,000.00	5.000%	5,000.00	30,000.00
06/30/2028	25,000.00	5.000%	3,750.00	28,750.00
06/30/2029	25,000.00	5.000%	2,500.00	27,500.00
06/30/2030	25,000.00	5.000%	1,250.00	26,250.00
Total	\$215,000.00	-	\$66,624.31	\$281,624.31

Yield Statistics

Bond Year Dollars	\$1,332.49
Average Life	6.198 Years
Average Coupon	5.0000003%
Net Interest Cost (NIC)	1.6746899%
True Interest Cost (TIC)	1.4762920%
Bond Yield for Arbitrage Purposes	2.0479556%
All Inclusive Cost (AIC)	1.7026786%
IRS Form 8038	
Net Interest Cost	1.3502079%
Weighted Average Maturity	6.374 Years

Preliminary

\$2,935,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2019

Sewer Fund (20-Year Projects)

Sources & Uses

Dated 11/08/2019 | Delivered 11/08/2019

Sources Of Funds

Par Amount of Bonds	\$2,935,000.00
Reoffering Premium	298,932.45

Total Sources	\$3,233,932.45
----------------------	-----------------------

Uses Of Funds

Deposit to Project Construction Fund	3,190,000.00
Costs of Issuance	43,773.23
Rounding Amount	159.22

Total Uses	\$3,233,932.45
-------------------	-----------------------

Preliminary

\$2,935,000

City of Kingsport, Tennessee
General Obligation Public Improvement Bonds, Series 2019
Sewer Fund (20-Year Projects)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2020	-	-	34,017.71	34,017.71
06/30/2021	95,000.00	5.000%	108,375.00	203,375.00
06/30/2022	100,000.00	5.000%	103,625.00	203,625.00
06/30/2023	105,000.00	5.000%	98,625.00	203,625.00
06/30/2024	110,000.00	5.000%	93,375.00	203,375.00
06/30/2025	115,000.00	5.000%	87,875.00	202,875.00
06/30/2026	120,000.00	5.000%	82,125.00	202,125.00
06/30/2027	125,000.00	5.000%	76,125.00	201,125.00
06/30/2028	130,000.00	5.000%	69,875.00	199,875.00
06/30/2029	140,000.00	5.000%	63,375.00	203,375.00
06/30/2030	145,000.00	5.000%	56,375.00	201,375.00
06/30/2031	150,000.00	4.000%	49,125.00	199,125.00
06/30/2032	160,000.00	3.000%	43,125.00	203,125.00
06/30/2033	165,000.00	3.000%	38,325.00	203,325.00
06/30/2034	170,000.00	3.000%	33,375.00	203,375.00
06/30/2035	175,000.00	3.000%	28,275.00	203,275.00
06/30/2036	180,000.00	2.375%	23,025.00	203,025.00
06/30/2037	180,000.00	2.500%	18,750.00	198,750.00
06/30/2038	185,000.00	2.500%	14,250.00	199,250.00
06/30/2039	190,000.00	2.500%	9,625.00	199,625.00
06/30/2040	195,000.00	2.500%	4,875.00	199,875.00
Total	\$2,935,000.00	-	\$1,136,517.71	\$4,071,517.71

Yield Statistics

Bond Year Dollars	\$35,391.26
Average Life	12.058 Years
Average Coupon	3.2112945%
Net Interest Cost (NIC)	2.3666441%
True Interest Cost (TIC)	2.2604539%
Bond Yield for Arbitrage Purposes	2.0479556%
All Inclusive Cost (AIC)	2.4005782%

IRS Form 8038

Net Interest Cost	2.2152808%
Weighted Average Maturity	11.691 Years

Kingsport Series 2019 New | Sewer Fund - 20 years | 9/10/2019 | 9:40 AM

RAYMOND JAMES

Page 14

Preliminary

\$425,000

City of Kingsport, Tennessee
General Obligation Public Improvement Bonds, Series 2019
Sewer Fund (10-Year Projects)

Sources & Uses

Dated 11/08/2019 | Delivered 11/08/2019

Sources Of Funds

Par Amount of Bonds	\$425,000.00
Reoffering Premium	87,644.70

Total Sources	\$512,644.70
----------------------	---------------------

Uses Of Funds

Deposit to Project Construction Fund	500,000.00
Costs of Issuance	6,338.54
Rounding Amount	6,306.16

Total Uses	\$512,644.70
-------------------	---------------------

Preliminary

\$425,000

City of Kingsport, Tennessee
General Obligation Public Improvement Bonds, Series 2019
Sewer Fund (10-Year Projects)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2020	-	-	6,670.14	6,670.14
06/30/2021	35,000.00	5.000%	21,250.00	56,250.00
06/30/2022	35,000.00	5.000%	19,500.00	54,500.00
06/30/2023	35,000.00	5.000%	17,750.00	52,750.00
06/30/2024	40,000.00	5.000%	16,000.00	56,000.00
06/30/2025	40,000.00	5.000%	14,000.00	54,000.00
06/30/2026	45,000.00	5.000%	12,000.00	57,000.00
06/30/2027	45,000.00	5.000%	9,750.00	54,750.00
06/30/2028	50,000.00	5.000%	7,500.00	57,500.00
06/30/2029	50,000.00	5.000%	5,000.00	55,000.00
06/30/2030	50,000.00	5.000%	2,500.00	52,500.00
Total	\$425,000.00	-	\$131,920.14	\$556,920.14

Yield Statistics

Bond Year Dollars	52,638.40
Average Life	6.208 Years
Average Coupon	5.0000000%
Net Interest Cost (NIC)	1.6781153%
True Interest Cost (TIC)	1.4789894%
Bond Yield for Arbitrage Purposes	2.0479556%
All Inclusive Cost (AIC)	1.7050052%
IRS Form 8038	
Net Interest Cost	1.3524223%
Weighted Average Maturity	6.386 Years

Preliminary

\$655,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2019

Water Fund Projects (10-Year Amortization)

Sources & Uses

Dated 11/08/2019 | Delivered 11/08/2019

Sources Of Funds

Par Amount of Bonds	\$655,000.00
Reoffering Premium	134,925.35

Total Sources **\$789,925.35**

Uses Of Funds

Deposit to Project Construction Fund	780,000.00
Costs of issuance	9,768.81
Rounding Amount	156.54

Total Uses **\$789,925.35**

Preliminary

\$655,000

City of Kingsport, Tennessee
General Obligation Public Improvement Bonds, Series 2019
Water Fund Projects (10-Year Amortization)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2020	-	-	10,279.86	10,279.86
06/30/2021	50,000.00	5.000%	32,750.00	82,750.00
06/30/2022	55,000.00	5.000%	30,250.00	85,250.00
06/30/2023	60,000.00	5.000%	27,500.00	87,500.00
06/30/2024	60,000.00	5.000%	24,500.00	84,500.00
06/30/2025	65,000.00	5.000%	21,500.00	86,500.00
06/30/2026	65,000.00	5.000%	18,250.00	83,250.00
06/30/2027	70,000.00	5.000%	15,000.00	85,000.00
06/30/2028	75,000.00	5.000%	11,500.00	86,500.00
06/30/2029	75,000.00	5.000%	7,750.00	82,750.00
06/30/2030	80,000.00	5.000%	4,000.00	84,000.00
Total	\$655,000.00	-	\$203,279.86	\$858,279.86

Yield Statistics

Bond Year Dollars	\$4,065.60
Average Life	6.207 Years
Average Coupon	5.0000000%
Net Interest Cost (NIC)	1.6812907%
True Interest Cost (TIC)	1.4820316%
Bond Yield for Arbitrage Purposes	2.0479556%
All Inclusive Cost (AIC)	1.7081428%
IRS Form 8038	1.355531%
Net Interest Cost	6.384 Years
Weighted Average Maturity	

Preliminary

\$4,970,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2019

Water Fund Projects (20-Year Amortization)

Sources & Uses

Dated 11/08/2019 | Delivered 11/08/2019

Sources Of Funds

Par Amount of Bonds	\$4,970,000.00
Reoffering Premium	506,518.35

Total Sources	\$5,476,518.35
----------------------	-----------------------

Uses Of Funds

Deposit to Project Construction Fund	5,400,000.00
Costs of issuance	74,123.67
Rounding Amount	2,394.68

Total Uses	\$5,476,518.35
-------------------	-----------------------

Preliminary

\$4,970,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2019

Water Fund Projects (20-Year Amortization)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2020	-	-	57,567.22	57,567.22
06/30/2021	160,000.00	5.000%	183,400.00	343,400.00
06/30/2022	165,000.00	5.000%	175,400.00	340,400.00
06/30/2023	175,000.00	5.000%	167,150.00	342,150.00
06/30/2024	185,000.00	5.000%	158,400.00	343,400.00
06/30/2025	195,000.00	5.000%	149,150.00	344,150.00
06/30/2026	200,000.00	5.000%	139,400.00	339,400.00
06/30/2027	215,000.00	5.000%	129,400.00	344,400.00
06/30/2028	225,000.00	5.000%	118,650.00	343,650.00
06/30/2029	235,000.00	5.000%	107,400.00	342,400.00
06/30/2030	245,000.00	5.000%	95,650.00	340,650.00
06/30/2031	260,000.00	4.000%	83,400.00	343,400.00
06/30/2032	270,000.00	3.000%	73,000.00	343,000.00
06/30/2033	275,000.00	3.000%	64,900.00	339,900.00
06/30/2034	285,000.00	3.000%	56,650.00	341,650.00
06/30/2035	295,000.00	3.000%	48,100.00	343,100.00
06/30/2036	300,000.00	2.375%	39,250.00	339,250.00
06/30/2037	310,000.00	2.500%	32,125.00	342,125.00
06/30/2038	315,000.00	2.500%	24,375.00	339,375.00
06/30/2039	325,000.00	2.500%	16,500.00	341,500.00
06/30/2040	335,000.00	2.500%	8,375.00	343,375.00
Total	\$4,970,000.00	-	\$1,928,242.22	\$6,898,242.22

Yield Statistics

Bond Year Dollars	\$60,065.03
Average Life	12.086 Years
Average Coupon	3.2102578%
Net Interest Cost (NIC)	2.3669745%
True Interest Cost (TIC)	2.2608365%
Bond Yield for Arbitrage Purposes	2.0479556%
All Inclusive Cost (AIC)	2.4006788%

IRS Form 8038

Net Interest Cost	2.2156795%
Weighted Average Maturity	11.717 Years

Kingsport Series 2019 New | Water Fund - 20 years | 9/10/2019 | 9:40 AM

RAYMOND JAMES

Page 20

DISCLAIMER

The information contained herein is solely intended to facilitate discussion of potentially applicable financing applications and is not intended to be a specific buy/sell recommendation, nor is it an official confirmation of terms. Any terms discussed herein are preliminary until confirmed in a definitive written agreement. While we believe that the outlined financial structure or marketing strategy is the best approach under the current market conditions, the market conditions at the time any proposed transaction is structured or sold may be different, which may require a different approach.

The analysis or information presented herein is based upon hypothetical projections and/or past performance that have certain limitations. No representation is made that it is accurate or complete or that any results indicated will be achieved. In no way is past performance indicative of future results. Changes to any prices, levels, or assumptions contained herein may have a material impact on results. Any estimates or assumptions contained herein represent our best judgment as of the date indicated and are subject to change without notice. Examples are merely representative and are not meant to be all-inclusive.

Raymond James shall have no liability, contingent or otherwise, to the recipient hereof or to any third party, or any responsibility whatsoever, for the accuracy, correctness, timeliness, reliability or completeness of the data or formulae provided herein or for the performance of or any other aspect of the materials, structures and strategies presented herein.

Raymond James does not provide accounting, tax or legal advice; however, you should be aware that any proposed transaction could have accounting, tax, legal or other implications that should be discussed with your accounting, tax and other advisors and/or legal counsel.

Raymond James and affiliates, and officers, directors and employees thereof, including individuals who may be involved in the preparation or presentation of this material, may from time to time have positions in, and buy or sell, the securities, derivatives (including options) or other financial products of entities mentioned herein. In addition, Raymond James or affiliates thereof may have served as an underwriter or placement agent with respect to a public or private offering of securities by one or more of the entities referenced herein.

RAYMOND JAMES®

Preliminary

\$18,215,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2019

Detail Costs Of Issuance

Dated 11/08/2019 | Delivered 11/08/2019

COSTS OF ISSUANCE DETAIL

Municipal Advisor	\$49,750.00
Bond Counsel	\$37,500.00
S&P (Estimated)	\$22,000.00
Moody's (Estimated)	\$22,000.00
POS/OS Publication; Printing etc	\$1,500.00
Registration and Paying Agent	\$1,050.00
CUSIPs; other	\$1,250.00
TOTAL	\$135,050.00

MUNICIPAL ADVISORY AGREEMENT

BY AND BETWEEN

CITY OF KINGSPORT, TENNESSEE
AND
RAYMOND JAMES & ASSOCIATES, INC.

THIS AGREEMENT is by and between the City of Kingsport, Tennessee (the "Issuer") and Raymond James & Associates, Inc. (the "Municipal Advisor").

WHEREAS, the Issuer wishes to hire the Municipal Advisor to serve as its municipal advisor and financial advisor in accordance with the provisions of this Municipal Advisor Agreement (the "Master Agreement") and the Municipal Advisor, through its Public Finance/Debt Investment Banking Department, is engaged in the business of providing, and is authorized under applicable Federal and State statutes and applicable regulatory rules to provide advisory services to the Issuer as provided herein, and

NOW THEREFORE, it is agreed by all parties signing this Master Agreement and subsequent Project Amendments that:

I. SCOPE OF SERVICES

1. The Municipal Advisor will consult with and advise the Issuer with respect to the sale and issuance of its bonds, notes, loan agreement, capital leases and other debt instruments (collectively, "Debt Obligations"). This advice and assistance will generally include, but not necessarily be limited to, the following:
 - a. At the request of officials of the Issuer, attend and participate in meetings and conference calls with officials and other finance professionals relating to the Debt Obligations;
 - b. Evaluate opportunities to refund any outstanding Debt Obligations of the Issuer;
 - c. Evaluate the Issuer's credit profile and debt capacity;
 - d. Assisting in managing relationships and interaction with rating agencies, bond investors and other financial professionals associated with the Issuer's new or existing Debt Obligations;
 - e. Assisting the Issuer in hiring financial professionals associated with new Debt Obligations or the existing debt portfolio, including, but not limited to bidding agents, registration, paying and escrow agents, dissemination agents, etc. not named herein;

- f. Consistent with prevailing statutory requirements for any refunding bonds issued in Tennessee, prepare the initial draft of the “Refunding Plan” and, if required, a Request for Approval of Balloon Indebtedness” for finalization and submission by the Issuer to the Director of State and Local Finance in the Tennessee Comptroller of the Treasury’s Office;
- g. Structure the refunding escrow which together with other possible Issuer funds, if any, and interest thereon is sufficient to defease and extinguish all refunded debt. The escrow will be independently verified by the verification agent employed for such purposes and paid for from proceeds of the Debt Obligations sold by the Issuer or other funds of the Issuer;
- h. Advise the Issuer on the choices of instruments including the use of U.S. Treasury – State and Local Government Series obligations (“SLGS”) or open market securities as the investment vehicle of choice for the escrow. If Tennessee eligible open market securities (“Open Market Securities”) are desired due to favorable economic benefits or required due to the unavailability of SLGS, it is expressly understood that the bidding process and acquisition of any such open market securities is not part of this Master Agreement. With respect to SLGS or Open Market Securities, the Municipal Advisor will coordinate their acquisition and delivery with the registration agent and/or an independent bidding agent;
- i. Assemble necessary information concerning the Debt Obligations and information relating to the Issuer for submission to Moody’s Investors Service, Inc. (“Moody’s”) and Standard & Poor’s Global Ratings, Inc. (“S&P”) seeking credit reviews and ratings when appropriate for the Debt Obligations and the Issuer. The Municipal Advisor also will arrange and participate in all correspondence and conference calls with Moody’s and S&P personnel assigned to the rating assignments;
- j. Working with Issuer officials and bond counsel, facilitate when appropriate the development, publication and distribution of the Issuer’s “Preliminary and Final Official Statements”;
- k. Coordinate the activities of all financial professionals as directed by officials of the Issuer;
- l. Prepare and execute a national marketing program when appropriate through the distribution of various notices and documents, including the “Preliminary Official Statement”, utilizing the electronic distribution facilities of i-dealProspectus or similar electronic platforms;
- m. Along with officials of the Issuer, conduct when appropriate a competitive public sale via the web-based facilities of IPREO’s BiDCOMP®/Parity® system or similar electronic platforms;

- n. Assist officials of the Issuer in the evaluation and award (rejection) of bids or proposals received for any Debt Obligations whether sold at competitive public sale or through a negotiated sale;
 - o. Prepare final amortization and related schedules when appropriate documenting the transaction in the form of a “Final Financing Report”;
 - p. Provide other usual and customary services associated with the sale and issuance of Debt Obligations including, but not limited to, assistance in selecting other financial professionals to facilitate the sale and issuance of the Debt Obligations;
 - q. On behalf of the Issuer and when appropriate, coordinate and pay from funds provided by the Issuer all expenses related to the sale and issuance of the Debt Obligations (see initial estimates on Exhibit B attached hereto).
2. When the Issuer deems it necessary to issue Debt Obligations, the Municipal Advisor will consult with and advise the Issuer with respect to the various structures, provisions and covenants appropriate or advisable to consider as part of the new financing, generally including, but not necessarily limited to, the following:
- a. Debt Obligation amounts and sizing;
 - b. Principal, interest, and final maturity dates;
 - c. Average life tests;
 - d. Arbitrage targeted yields;
 - e. Maturity amortization schedules;
 - f. Interest rates;
 - g. Redemption provisions;
 - h. Debt service;
 - i. Capitalized interest, if any;
 - j. Flow of funds;
 - k. Security pledges;
 - l. Credit enhancement facilities; and
 - m. Terms and conditions relating to the competitive public sale.

3. The Municipal Advisor will, upon request, work with the Issuer and bond counsel in the development of the financial and security provisions to be contained in the instruments authorizing and securing any Debt Obligations undertaken by the Issuer.
4. The Municipal Advisor will, as requested, assist Issuer staff in the development of Issuer information to be used by the Issuer for presentation to investors, underwriters and others, including the scheduling of information meetings between these investors, underwriters or others and the Issuer, if necessary.
5. The scope of services set forth in (1) through (4) above (the "Scope of Services") is subject to the following limitations:
 - a. The Scope of Services is limited solely to the services described above and is subject to any limitations set forth within the description of the Scope of Services.
 - b. Unless otherwise provided in the Scope of Services described above, the Municipal Advisor is not responsible for certifying as to the accuracy or completeness of any preliminary or final official statement, other than with respect to any information about Municipal Advisor provided by Municipal Advisor for inclusion in such documents. Nothing herein shall negate the Municipal Advisor's obligations included in Section I (1) of the Scope of Services of this Master Agreement.
 - c. The Scope of Services does not include tax, legal, accounting or engineering advice with respect to any Debt Obligations municipal financial products or in connection with any opinion or certificate rendered by counsel or any other person at closing, and does not include review or advice on any feasibility study.
6. The Scope of Services may be changed only by written amendment or supplement to the Scope of Services described herein. The parties agree to amend or supplement the Scope of Services described herein promptly to reflect any material changes or additions to the Scope of Services.
7. MSRB Rule G-42 requires that the Municipal Advisor make a reasonable inquiry as to the facts that are relevant to the Issuer's determination whether to precede with a course of action or that form the basis for any advice provided by the Municipal Advisor to the Issuer. The rule also requires that the Municipal Advisor undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. The Municipal Advisor is also required under the rule to use reasonable diligence to know the essential facts about Issuer and the authority of each person acting on the Issuer's behalf. Issuer agrees to cooperate, and to cause its agents to cooperate, with the Municipal Advisor in carrying out these regulatory duties, including providing to the Municipal Advisor accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, the Issuer agrees that, to the extent the Issuer seeks to have the Municipal Advisor provide advice with regard to any recommendation made by a third party, the Issuer will provide

to the Municipal Advisor written direction to do so as well as any information it has received from such third party relating to its recommendation.

II. UNDERTAKINGS BY THE ISSUER

1. The Issuer will make available to the Municipal Advisor financial data and information concerning the Issuer's financial operations. Issuer officials and staff will be responsible for collecting, assembling and organizing the documentation essential to its financing activities and disclosure responsibilities, including the "Preliminary and Final Official Statements" relating to the Debt Obligations;
2. The Issuer will work with bond counsel who will issue an approving legal opinion when appropriate to accompany the issuance of the Debt Obligations, and also with appropriate Issuer's local legal counsel with respect thereto. Additionally, the Issuer will either retain or work with counsel to advise it as to the adequacy of disclosure and to assist with the preparation of the offering documents or other official documents relating to the Debt Obligations;
3. The Municipal Advisor will, as requested, assist Issuer staff in the development of Issuer information to be used by the Issuer for presentation to investors, underwriters and others, including the scheduling of information meetings between these investors, underwriters or others and the Issuer, if necessary;

III. PAYMENT TO THE MUNICIPAL ADVISOR

1. For performance of the services enumerated in Article I, above, the Issuer will compensate the Municipal Advisor a basic fee which will be part of the total estimated costs of issuance. The Municipal Advisor's fee and other estimated expenses will be determined on a project by project basis through an approved "Project Amendment" depicted on Exhibit B attached hereto. The basic fee and perhaps other fees or expenses will be payable upon the successful sale and issuance of Debt Obligations, but some expenses (e.g., rating agency fees) may be incurred and require payment even if the Debt Obligations are not sold and issued.
2. The Municipal Advisor shall be responsible for payment of its own expenses and personnel costs including local travel to the Issuer's principal location, but the Municipal Advisor shall be reimbursed for costs of reproduction, graphic, postal and overnight delivery and any other miscellaneous costs incurred in serving the Issuer. All travel expenses to locations other than that of the Issuer shall be reimbursed at actual costs or in conformance with the Issuer's official travel policy, whichever is less.
3. The Issuer agrees to promptly pay the Municipal Advisor the fees described in Article III, Paragraph 1, above, and the costs and expenses described in Article IV, below, as mutually agreed on and evidenced by the estimates provided on Exhibit B hereto, upon receiving invoices from the Municipal Advisor and other service providers.

IV. PAYMENT OF COSTS OF ISSUANCE

The Issuer shall be responsible for payment of all the costs of issuing the Debt Obligations and completing the financing as further evidenced by the estimates included in any subsequent "Project Amendment", including, but not limited to, the following:

1. When appropriate, facilitation, printing, publication, web posting and any other means of distribution or dissemination of the Preliminary and Final Official Statement and related legal notices;
2. Any normal fees of the Moody's and Standard & Poor's Corporation for the ratings on the Debt Obligations;
3. Fees and expenses of the registration, escrow and paying agent;
4. Fees and expenses of any Dissemination Agent;
5. Fees and expenses of the Verification Agent;
6. Fees and expenses, if any, of any bidding agent, if open market securities are selected or required as part of refunding transactions;
7. Bond Counsel fees and those of the City Attorney, if any;
8. Underwriting fees;
9. Any out-of-state travel expenses related to the Debt Obligations as described herein, if any;
10. Bond insurance premiums or other credit enhancement, if any; and
11. Other usual and customary fees or expenses associated with the sale and issuance of debt.

V. GENERAL PROVISIONS

1. The Issuer understands and acknowledges that the Municipal Advisor or its affiliates may have trading and other business relationships with members of the Issuer's underwriting team or other participants in the proposed transaction including Adams and Reese LLP, any verification agent, rating agencies, bidding agent and perhaps any registration, paying [escrow agent]. Additionally, the Municipal Advisor or its affiliates may have trading and other business relationships with potential purchasers of the Debt Obligations. These relationships include, but may not be limited to, trading lines, frequent purchases and sales of securities and other engagements through which the Municipal Advisor may have, among other things, an economic interest. Notwithstanding the foregoing, the Municipal Advisor will not receive any compensation with respect to the issuance of the Debt Obligations other than as disclosed in any "Project Amendment". The Municipal Advisor is involved in a wide range of activities from which conflicting interests or duties may

arise. Information which is held elsewhere within Raymond James, but of which none of the Municipal Advisor's personnel involved in the proposed transaction actually have knowledge, will not for any purpose be taken into account in determining the Municipal Advisor's responsibilities to the Issuer.

2. Both parties acknowledge and agree that the Municipal Advisor is acting solely as a Municipal Advisor (aka, as a financial advisor) to the Issuer with respect to the Debt Obligations identified above; Municipal Advisor's engagement by the Issuer is limited to providing municipal advisory services to the Issuer for any Debt Obligations. The Municipal Advisor has not been engaged to compare alternatives to any Debt Obligations. The Municipal Advisor is not a fiduciary of any other party to the transaction. The Municipal Advisor will not (1) provide any assurances that any investment made in connection with the Debt Obligations during its engagement is the best possible investment available for the Issuer's situation or that every possible alternative or provider has been considered and/or solicited, (ii) investigate the veracity of any certifications provided by any party, (iii) provide legal or accounting assurance that any matter or procedure complies with any applicable law, or (iv) be liable to any party if the Debt Obligations or an investment fails to close or for default of same. The Municipal Advisor's engagement terminates upon the expiration of the term of this Agreement and the Municipal Advisor shall have no further duties or obligations thereafter.
3. MSRB Rule G-42 requires that Municipal Advisor provide you with disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history. Such disclosures are provided in Municipal Advisor's Disclosure Statement delivered to the Issuer as Exhibit A to this Master Agreement.
4. The Municipal Advisor agrees to assist the Issuer as provided only on the basis that it is expressly understood and agreed that the Municipal Advisor assumes no responsibility to the Issuer or any person for the accuracy or completeness of any information contained in any "Preliminary Official Statement" or "Final Official Statement" issued in connection with the Debt Obligations.
5. This Master Agreement may be terminated by either party hereto by not less than a forty-five (45) business day prior written notice to the other. In the event of such termination, whether by either party hereto, the Municipal Advisor shall promptly submit for payment, and Issuer shall promptly pay, a final bill for the payment of all unpaid fees and unreimbursed costs and expenses then due and owing. Other than the foregoing, neither party shall incur any liability to the other arising out of the termination of this Master Agreement. However, this Article 5 shall survive any such termination.
6. In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of Municipal Advisor or any of its associated persons, Municipal Advisor and its associated persons shall have no liability to the Issuer for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal securities, any municipal financial product or any other investment, or for any

financial or other damages resulting from Issuer's election to act or not to act, as the case may be, contrary to any advice or recommendation provided by Municipal Advisor to Issuer. No recourse shall be had against Municipal Advisor for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of Issuer arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with any Obligation or otherwise relating to the tax treatment of any Obligation, or in connection with any opinion or certificate rendered by counsel or any other party. Notwithstanding the foregoing, nothing contained in this paragraph or elsewhere in this Master Agreement shall constitute a waiver by Issuer of any of its legal rights under applicable U.S. federal securities laws or any other laws whose applicability is not permitted to be contractually waived, nor shall it constitute a waiver or diminution of Municipal Advisor's fiduciary duty to the Issuer under Section 15B(c) (1) of the Securities Exchange Act of 1934, as amended, and the rules thereunder.

The parties recognize that Article II, Section 29 of the Tennessee Constitution prohibits cities from lending their credit to private entities. Any provision in the Master Agreement that acts as a hold harmless provision or limitation of liability provision is enforceable only to the extent permitted by Tennessee law.

7. This Master Agreement embodies all the terms, agreements, conditions and rights contemplated and negotiated by the Issuer and the Municipal Advisor, and supersedes any and all discussions and understandings, written or oral, between Issuer and Municipal Advisor regarding the subject matter hereof. Any modifications and/or amendments must be made in writing and signed by both parties.
8. This Master Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, without reference to its conflicts of law principles.
9. This Master Agreement shall be binding upon and inure to the benefit of the Issuer and Municipal Advisor, their respective successors and permitted assigns; provided however, neither party may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.
10. This Master Agreement is made solely for the benefit of the parties and their respective successors and permitted assigns. Nothing in this Master Agreement, express or implied, is intended to confer on any person, other than the parties and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Master Agreement.
11. If any section, paragraph or provision of this Master Agreement shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Master Agreement.

12. From the date of its execution, this Master Agreement shall replace any and all existing agreements that may exist in their entirety and any such existing agreements shall cease to exist and are null and void.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE DULY CAUSED THIS MASTER AGREEMENT to be signed and sealed by their respective authorized officers this ____ day of September 2019.

CITY OF KINGSPORT, TENNESSEE

By: _____
Name: Patrick W. Shull
Title: Mayor

APPROVED AS TO FORM:

ATTEST:

By: _____
Name: J. Michael Billingsley
Title: City Attorney

By: _____
Name: Sidney H. Cox
Title: City Recorder and CFO

RAYMOND JAMES & ASSOCIATES, INC.

By: _____
Name: Richard T. Dulaney
Title: Managing Director
Public Finance // Debt Investment Banking

EXHIBIT A
Disclosure for Municipal Advisor Agreement

Exhibit A is provided under new Municipal Securities Rulemaking Board (MSRB) Rule G-42 in connection with our current engagement as financial advisor and municipal advisor under the **Municipal Advisor Agreement** (the “Master Agreement”) between **Raymond James & Associates, Inc.** (“Raymond James”) and **City of Kingsport** (the “Issuer”) to which this Exhibit A is a part thereof. Exhibit A will serve as written documentation required under MSRB Rule G-42 of certain specific terms, disclosures and other items of information relating to our municipal advisory relationship.

1. **Scope of Services.** (a) ***Services to be provided.*** The scope of services with respect to Raymond James’s engagement with the Issuer is as provided in the Master Agreement (the “Scope of Services”).

(b) ***Limitations on Scope of Services.*** The Scope of Services is subject to such limitations as may be provided in the Master Agreement.

(c) ***IRMA status.*** If the Issuer has designated Raymond James as its independent registered municipal advisor (“IRMA”) for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the “IRMA exemption”), the Scope of Services is not deemed to be expanded to include all actual or potential issuances of municipal securities or municipal financial products merely because Raymond James, as IRMA, reviews a third-party recommendation relating to a particular actual or potential issuance of municipal securities or municipal financial product not otherwise considered within the Scope of Services. Raymond James is not responsible for verifying that it is independent (within the meaning of the IRMA exemption as interpreted by the SEC) from another party wishing to rely on the exemption from the definition of municipal advisor afforded under the IRMA exemption. Raymond James requests that the Issuer provide to it, for review, any written representation of the Issuer contemplated under SEC Rule 15Ba1-1(d)(3)(vi)(B) that references Raymond James, its personnel and its role as IRMA. In addition, Raymond James requests that the Issuer not represent, publicly or to any specific person, that Raymond James is Issuer’s IRMA with respect to any aspect of municipal financial products or the issuance of municipal securities, or with respect to any specific municipal financial product or any specific issuance of municipal securities, not within the Scope of Services without first discussing such representation with Raymond James.

2. **Raymond James’s Regulatory Duties When Servicing the Issuer.** MSRB Rule G-42 requires that Raymond James make a reasonable inquiry as to the facts that are relevant to the Issuer’s determination whether to proceed with a course of action that forms the basis for and advice provided by Raymond James to the Issuer. The rule also requires that Raymond James undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. Raymond James is also required under the rule to use reasonable diligence to know the essential facts about the Issuer and the authority of each person acting on the Issuer’s behalf.

Accordingly, Raymond James will seek the Issuer's assistance and cooperation, and the assistance and cooperation of Issuer's agents, with the carrying out by Raymond James of these regulatory duties, including providing to Raymond James accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, to the extent the Issuer seeks to have Raymond James provide advice with regard to any recommendation made by a third party, Raymond James requests that the Issuer provide to Raymond James written direction to do so as well as any information it has received from such third party relating to its recommendation.

3. **Term.** The term of Raymond James's engagement as municipal advisor and the terms on which the engagement may be terminated are as provided in the Master Agreement.

4. **Compensation.** The form and basis of compensation for Raymond James's services as municipal advisor are as provided in the Master Agreement.

5. **Required Disclosures.** MSRB Rule G-42 requires that Raymond James provide you with the following disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history.

(a) **Disclosures of Conflicts of Interest.** MSRB Rule G-42 requires that municipal advisors provide to their Issuers disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable. If no such material conflicts of interest are known to exist based on the exercise of reasonable diligence by the municipal advisor, municipal advisors are required to provide a written statement to that effect.

Accordingly, Raymond James makes the following disclosures with respect to material conflicts of interest in connection with the Scope of Services under this Master Agreement, together with explanations of how Raymond James addresses or intends to manage or mitigate each conflict. To that end, with respect to all of the conflicts disclosed below, Raymond James mitigates such conflicts through its adherence to its fiduciary duty to the Issuer, which includes a duty of loyalty to the Issuer in performing all municipal advisory activities for the Issuer. This duty of loyalty obligates Raymond James to deal honestly and with the utmost good faith with the Issuer and to act in the Issuer's best interests without regard to Raymond James's financial or other interests. In addition, because Raymond James is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of Raymond James is not dependent on maximizing short-term revenue generated from individualized recommendations to its Issuers but instead is dependent on long-term profitability built on a foundation of integrity and quality of service. Furthermore, Raymond James's municipal advisory supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of Raymond James potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

Compensation-Based Conflicts. The fees due under this Master Agreement are in a fixed amount established by a "Project Amendment". The amount is usually based upon an analysis by

the Issuer and Raymond James of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by Raymond James. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, Raymond James may suffer a loss. Thus, Raymond James may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

Other Municipal Advisor or Underwriting Relationships. Raymond James is also providing bidding agent or other investment advisory services to the Issuer under a separate engagement and Raymond James will be separately compensated by the Issuer for such services. Raymond James serves a wide variety of other Issuers that may from time to time have interests that could have a direct or indirect impact on the interests of the Issuer. For example, Raymond James serves as municipal advisor to other municipal advisory Issuers and, in such cases, owes a regulatory duty to such other Issuers just as it does to the Issuer under this Master Agreement. These other Issuers may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various Issuers, Raymond James could potentially face a conflict of interest arising from these competing Issuer interests. In other cases, as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities, the interests of Raymond James to achieve a successful and profitable underwriting for its municipal entity underwriting Issuers could potentially constitute a conflict of interest if, as in the example above, the municipal entities that Raymond James serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair Raymond James's ability to fulfill its regulatory duties to the Issuer.

Broker-Dealer and Investment Advisory Business. Raymond James is a broker-dealer and investment advisory firm that engages in a broad range of securities-related activities to service its Issuers, in addition to serving as a municipal advisor or underwriter. Such securities-related activities, which may include but are not limited to the buying and selling of new issue and outstanding securities and investment advice in connection with such securities, including securities of the Issuer, may be undertaken on behalf of, or as counterparty to, the Issuer, personnel of the Issuer, and current or potential investors in the securities of the Issuer. These other Issuers may, from time to time and depending on the specific circumstances, have interests in conflict with those of the Issuer, such as when their buying or selling of the Issuer's securities may have an adverse effect on the market for the Issuer's securities, and the interests of such other Issuers could create the incentive for Raymond James to make recommendations to the Issuer that could result in more advantageous pricing for the other Issuers. Furthermore, any potential conflict arising from Raymond James effecting or otherwise assisting such other Issuers in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through units of Raymond James that operate independently from Raymond James's municipal advisory business, thereby reducing the likelihood that the interests of such other Issuers would have an impact on the services provided by Raymond James to the Issuer under this Master Agreement.

Secondary Market Transactions in Issuer's Securities. Raymond James, in connection with its sales and trading activities, may take a principal position in securities, including securities of the Issuer, and therefore Raymond James could have interests in conflict with those of the Issuer with respect to the value of the Issuer's securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, Raymond James or its affiliates may submit orders for and acquire the Issuer's securities issued in an issue under the Master Agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with the Issuer in that it could create the incentive for Raymond James to make recommendations to the Issuer that could result in more advantageous pricing of the Issuer's bond in the marketplace.

Any such conflict is mitigated by means of such activities being engaged in on customary terms through units of the Raymond James that operate independently from Raymond James's municipal advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by Raymond James to the Issuer under this Master Agreement.

(b) *Disclosures of Information Regarding Legal Events and Disciplinary History.* MSRB Rule G-42 requires that municipal advisors provide to their Issuers certain disclosures of legal or disciplinary events material to its Issuer's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Accordingly, Raymond James sets out below required disclosures and related information in connection with such disclosures.

Raymond James discloses the following legal or disciplinary events that may be material to the Issuer's evaluation of Raymond James or the integrity of Raymond James's management or advisory personnel: We are aware of no such events at this time. Should such an event happen in the future, the details of such event would be available in Item 6D (2) (b) and the accompanying Regulatory Action DRP on Form MA-I available at:

<http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0000724743&owner=exclude&count=40&hidefilings=0>.

The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by Raymond James in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. If any of the above DRPs provides that a DRP has been filed on Form ADV, BD, or U4 for the applicable event, information provided by Raymond James on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org>, and Raymond James's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov>. For purposes of accessing such Broker Check reports or Form ADV, Raymond James's CRD number is 161 59 1905.

How to Access Form MA and Form MA-I Filings. Raymond James's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR

system at http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=000_072_4743. The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by Raymond James in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. Information provided by Raymond James on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org>, and Raymond James's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov>. For purposes of accessing such BrokerCheck reports or Form ADV, Raymond James's CRD number is: 161 59 1905.

Most Recent Change in Legal or Disciplinary Event Disclosure. Raymond James has not made any material legal or disciplinary event disclosures on Form MA or any Form MA-I filed with the SEC.

(c) ***Future Supplemental Disclosures.*** As required by MSRB Rule G-42, this Section 5 may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of Raymond James. Raymond James will provide the Issuer with any such supplement or amendment as it becomes available throughout the term of the Master Agreement.

(d) ***MSRB Rule G-10 Required Disclosures.*** Raymond James & Associates, Inc. is registered with and subject to the rules and regulations of the U.S. Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). Both the SEC and the MSRB publish websites containing information and resources designed to educate investors. In addition to educational materials about the municipal securities market and municipal securities market data, the MSRB website includes an investor brochure describing protections that may be provided by MSRB rules, including how to file a complaint with the appropriate regulatory authority. For more information, visit www.sec.gov and www.msrb.org.

EXHIBIT B
CITY OF KINGSPORT
PROJECT AMENDMENT

Section 1. Consistent with the Municipal Advisor Agreement dated September __, 2019 (the “Master Agreement”), the Issuer’s formally adopted Debt Management Policy as supplemented or revised and in the interest of full disclosure and transparency, the following disclosures supplement those included in the Master Agreement and are made and hereby acknowledged as fully disclosed and waived where applicable.

Section 2. It is hereby acknowledged that a copy of the services, service providers and estimated costs related to the sale, issuance and delivery of the Debt Obligations contemplated by this “Project Amendment” has been provided to the Issuer at the earliest possible date once individual projects, timetables and similar determinations are made. Fees payable to the Municipal Advisor shall be determined based on Article III of the Master Agreement.

The services, service providers and estimated costs related to the sale and issuance of Debt Obligations to provide funds to finance the Issuer’s 2019 – 2020 Capital Improvement Budget and to pay costs related to the sale and issuance of the Debt Obligations (collectively, the “Project”) are estimated as follows:

<u>Service</u>	<u>Provider/Other</u>	<u>Estimated Total¹</u>
Municipal Advisor:	Raymond James & Associates, Inc.	\$49,750
Bond Counsel:	Adams and Reese LLP	37,500
Credit Ratings:	Moody’s Standard & Poor’s	22,000 22,000
POS/OS Publication; Dissemination; Legal Advertising; Printing etc.:	I-deal prospectus	1,500
Registration and Paying Agent:	U.S. Bank National Association	1,050
Other (CUSIPs):	CUSIP Bureau; Miscellaneous	<u>1,250</u>
Total:		<u>\$135,050</u>

Section 3. Underwriter’s discount is compensation paid to the bond underwriter relating to the purchase of the of the Issuer’s Debt Obligations. Such compensation is determined through the formal pricing process on the dates of the sale. This compensation is embedded in the Debt Obligation pricing and is not a separately stated cost of issuance.

¹ Estimated and subject to adjustment and revision based on final sizing and invoices, etc.

Section 4. A State Form CT-0253 depicting the actual costs of issuance and actual underwriter's compensation will be prepared and executed at the closing and delivery of the Debt Obligations, presented to the Board of Mayor and Aldermen of the Issuer at its next scheduled meeting following the delivery of the Debt Obligations and filed with the Tennessee Comptroller of the Treasury's Director of State and Local Finance in a timely fashion as required by prevailing State law.

Section 5. To the extent other related Raymond James personnel assist with and provide investment services to the Issuer, it is acknowledged that separate compensation will be paid for any such services and that up to one-half of any such fees paid to Raymond James may be shared internally with representatives of the Municipal Advisor acting as a solicitor and that any such fees charged will be the same regardless of whether a solicitor is used or not.

Section 6. Raymond James serves as Dissemination Agent for the Issuer and is paid a separate annual fee for performance of such services.

Section 7. From time to time, Adams and Reese LLP has represented Raymond James on matters unrelated to the Issuer and may continue to do so in the future.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE DULY CAUSED THIS PROJECT AMENDMENT to be signed and sealed by their respective authorized officers this ____ day of September 2019.

CITY OF KINGSPORT, TENNESSEE

By: _____
Name: Patrick W. Shull
Title: Mayor

APPROVED AS TO FORM:

ATTEST:

By: _____
Name: J. Michael Billingsley
Title: City Attorney

By: _____
Name: Sidney H. Cox
Title: City Recorder and CFO

RAYMOND JAMES & ASSOCIATES, INC.

By: _____
Name: Richard T. Dulaney
Title: Managing Director

DISSEMINATION AGENT AGREEMENT

This Dissemination Agent Agreement (the “Agreement”) is entered into between The City of Kingsport, Tennessee (the “Issuer/Obligated Person”), and Raymond James & Associates, Inc. (“Raymond James”).

The Issuer/Obligated Person has executed and delivered the Continuing Disclosure Certificates (collectively, the “Disclosure Certificates”) for all outstanding, sold obligations (collectively, the “Outstanding Bonds”).

Pursuant to the Disclosure Certificates for the Outstanding Bonds and those for any future publically offered transactions, the Issuer/Obligated Person hereby designates, appoints, and engages Raymond James, or its successor in interest, as Dissemination Agent (as defined in the Disclosure Certificates) to assist it in carrying out its obligations under the Disclosure Certificates.

The Dissemination Agent shall have only such duties as are specifically set forth in the Disclosure Certificates. The Dissemination Agent's obligation to deliver the information at the times and with the contents described therein shall be limited to the extent the Issuer/Obligated Person has provided such information to the Dissemination Agent as required by the Disclosure Certificates. The Dissemination Agent will provide the information set forth in the Disclosure Certificates in the form of a self contained report that will include the required yearly data and statistical information as provided by the Issuer either in their Audited Financial Statements or by request. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any Issuer/Obligated Person Annual Report, Issuer/Obligated Person Audited Financial Statements, Listed Events (as such terms are defined in the Disclosure Certificates) or any other information, disclosures or notices provided to it by the Issuer/Obligated Person and shall not be deemed to be acting in any fiduciary capacity for the Issuer/Obligated Person, the holders of the Disclosure Certificates, or any other party. The Dissemination Agent shall have no responsibility for the Issuer/Obligated Person's failure to report a Listed Event to the Dissemination Agent. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer/Obligated Person has complied with the Disclosure Certificate. The Dissemination Agent may conclusively rely upon certifications of the Issuer/Obligated Person at all times.

The Issuer/Obligated Person agrees to pay Raymond James \$1,500.00, plus reasonable out-of-pocket expenses, if any, each year for the performance of its services under the Disclosure Certificates, due within thirty (30) days of the date Raymond James, as Dissemination Agent, files with the Issuer/Obligated Person the report.

To the extent permitted under Tennessee law, the Issuer/Obligated Person agrees to indemnify and save the Dissemination Agent and its respective officers, directors, employees, and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct.

The obligations of the Issuer/Obligated Person set forth herein shall survive resignation or removal of the Dissemination Agent and defeasance, redemption, or payment of the Outstanding Bonds. The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement, or question as to the construction of any of the provisions hereof or its respective duties hereunder, and to the extent permitted under Tennessee law, the

Dissemination Agent shall in no event incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

This Master Agreement may be terminated by either party hereto by not less than a forty-five (45) business day prior written notice to the other. In the event of such termination, whether by either party hereto, the Dissemination Agent shall promptly submit for payment, and Issuer shall promptly pay, a final bill for the payment of all unpaid fees and unreimbursed costs and expenses then due and owing. Other than the foregoing, neither party shall incur any liability to the other arising out of the termination of this Master Agreement. The Dissemination Agent engagement terminates upon the expiration of the term of this Agreement and the Dissemination Agent shall have no further duties or obligations thereafter.

The Dissemination Agent shall be the sole provider of such services to the Issuer/Obligated Persons and any other conflicting agreements are hereby cancelled by the Issuer/Obligated Person. This designation and your acceptance will then be maintained on file with the Issuer/Obligated Person as required by the Disclosure Certificates.

Date: September 17th, 2019

THE CITY OF KINGSPORT, TENNESSEE

By: _____
Name: Patrick W. Shull
Title: Mayor

APPROVED AS TO FORM:

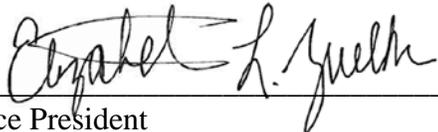
ATTEST:

By: _____
Name: J. Michael Billingsley
Title: City Attorney

By: _____
Name: Sidney H. Cox
Title: City Recorder and CFO

The undersigned hereby accepts its duties as Dissemination Agent under the existing Disclosure Certificates, this 17th day of September 2019.

RAYMOND JAMES & ASSOCIATES, INC.

By:  _____
Vice President
Public Finance // Fixed Income Banking



AGENDA ACTION FORM

Award Bid for the Purchase of One (1) Van Body Single Axle Truck for School Nutrition Services to Triad Freightliner of TN

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-210-2019
Work Session: September 16, 2019
First Reading: N/A

Final Adoption: September 17, 2019
Staff Work By: Committee
Presentation By: Steve Hightower

Recommendation:

Approve the Resolution.

Executive Summary:

Bids were opened on August 20, 2019 for the purchase of one (1) Van Body Equipped Single Axle Diesel Powered Truck. The advertisement for the Invitation to Bid was published in the Kingsport Times News on July 21, 2019 and placed on our website for 31 calendar days. It is the recommendation of the committee to accept the compliant bid from Triad Freightliner for one (1) 2020 Freightliner M2106 with Mickey Van Body. It is also the recommendation of the committee to accept the Trade-In offer for #1396 of \$4,000.00.

	\$88,433.00	Unit Price
less	\$4,000.00	Trade-In Offer for #1396
	\$84,433.00	Total Purchase Price

Additional information is included in the recommendation memo.

Funding is identified in Project/Account # 511-5008-501-90-10.

Attachments:

1. Resolution
2. Bid Opening Minutes
3. Recommendation Memo w/ Photo

Funding source appropriate and funds are available: *Jc*

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—

RESOLUTION NO. _____

A RESOLUTION AWARDING THE BID FOR THE PURCHASE OF ONE 2020 FREIGHTLINER M2106 WITH A MICKEY VAN BODY TRUCK TO TRIAD FREIGHTLINER OF TENNESSEE AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER FOR THE SAME

WHEREAS, bids were opened August 20, 2019, for the purchase of one (1) 2020 Freightliner M2106 with a Mickey Van Body Truck for the Kingsport City Schools; and

WHEREAS, the trade-in offer for unit #1396 in the amount of \$4,000.00 is deducted from the final price of the bid; and

WHEREAS, this unit is a replacement to a unit in the fleet; and

WHEREAS, upon review of the bids, the board finds Triad Freightliner of Tennessee is the lowest responsible compliant bidder meeting specifications for the particular grade or class of material, work or service desired and is in the best interest and advantage to the city, and the City of Kingsport desires to purchase one (1) 2020 Freightliner M2106 a with Mickey Van Body Truck at a total purchase cost of \$84,433.00, which includes the trade-in of \$4,000.00; and,

WHEREAS, funding is identified in account #51150085019010.

Now therefore,

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

SECTION I. That the bid for the purchase of one (1) 2020 Freightliner M2106 with a Mickey Van Body Truck, at a total purchase cost of \$84,433.00, which includes the trade-in of \$4,000.00, is awarded to Triad Freightliner of Tennessee, and the city manager is authorized to execute a purchase order for same.

SECTION II. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

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

ADOPTED this the 17th day of September, 2019.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

MINUTES
 BID OPENING
 August 20, 2019
 4:00 P.M.

Present: Brent Morelock, Procurement Manager; Michelle Ramey, Assistant Procurement Manager, Schools

The Bid Opening was held in the Council Room, City Hall.

The Procurement Manager opened with the following bids:

VAN BODY EQUIPPED TRUCK – SINGLE AXLE – DIESEL POWERED					
Vendor:	Unit Price:	Trade-In #1396:	Make/Model:	Delivery Time:	Comments:
Triad Freightliner of TN	\$88,433.00	\$4,000.00	2020 Freightliner M2106 W/Mickey Van Body	90-150 Days	N/A
Worldwide Ford	\$84,662.00	\$3,500.00	Ford F750	No later than 150 Days	N/A
Ed Pasture Motor Co.	\$89,850.00	\$2,500.00	International MV W/Mickey Body	100-130 Days	Bid Completed in Pencil.
Ed Pasture Motor Co.	\$88,850.00	\$2,500.00	International MV W/ Ann Haire Body	100-150 Days	N/A
Ted Russell Ford	\$86,754.00	\$4,500.00	Ford F650 Reg. Cab F6D	115 Days	Order must be placed by 08/29/19.

The submitted bids will be evaluated and a recommendation made at a later date.



FLEET MAINTENANCE DEPARTMENT
City of Kingsport, Tennessee

To: Michelle Ramey, Assistant Procurement Manager
From: Steve Hightower, Fleet Manager
 Duke Dukart, School Nutrition Services - Manager
Date: September 3, 2019
Re: Schools Food Services Van Body Single Axle Truck - Purchase Recommendation

This will confirm our review and recommendation to purchase the low compliant bid of the following vendor for use by the Schools Food Services Department. It is further recommended to accept the trade in offering for #1396 of \$4,000.

Item	Quantity	Description	Award to Vendor	Fuel Economy
1	1	2020 Freightliner M2106 w Mickey Body	Triad Freightliner	7 City/ 8 Hwy

Low Compliant Bidder

The bidder was the low compliant bidder in all major aspects of the minimum specification requirements for the Van Body Single Axle Truck specified, which includes a Mickey's Van body.

The low bids of World Wide Equipment and Ted Russel Ford were non-compliant with regards to the minimum engine specifications which require an engine compression brake when hauling heavy loads. Ford could only offer an exhaust brake. This indicates that the Ford offering is a lighter duty engine than needed for the service application. The Ford offerings were also under capacity on their 13.2 CFM Air Brake Compressor size. Specifications required a 20 CFM Compressor to allow for enough air brake capacity for multiple braking applications potentially improving stopping distances in heavy city traffic.

This unit will be a Fleet Replacement.

Delivery and Compliance to Specifications expectations have been added to insure prompt delivery of any vehicle or piece of equipment purchased by the City of Kingsport. Failure of the awarded vendor to deliver on time or correct pre acceptance inspection deficiencies within the allotted time results in a monetary penalty assessed on a daily basis. This process will insure the departments receive their replacement units in a timely manner. Specified time allotted for delivery is 90 - 150 days after notification with 15 days to correct inspection deficiencies after delivery inspection and a \$50 dollar a day penalty assessed for non-compliance.

The bid offerings were reviewed with the School Nutrition Services - Manager, Duke Dukart, who is agreement with this recommendation. A confirming email of agreement is attached.

Fuel Economy Improvement

00%

No fuel economy improvements would be realized since the replacement unit is similar to the current unit being operated.

Trade In(s)

1. Trade in(s):
 - a. City #1396 1999 GMC Topkick with Van Body
 - i. Mileage: 69,607 miles
 - ii. Age: 20 years

Origin/ Dealer Information

1. New Unit(s) Chassis Origin of Manufacture:
 - a. Chassis – Mount Holly, North Carolina
 - i. 50 % Domestic/ 50 % Foreign Materials
2. Body Manufacturer:
 - a. Body – Mickey - Mount Holly, North Carolina
 - i. 90 % Domestic/ 10 % Foreign Materials
3. Unit(s) Chassis Dealer:
 - a. Chassis –Triad Freightliner – Kingsport, TN.
4. Unit(s) Body Dealer:
 - a. Body – Mickey - Mount Holly, North Carolina

Should you have any questions on this recommendation, please do not hesitate to contact us.
Thank you.



Picture is for demonstration purposes only and does not reflect the actual unit(s) being purchased.

From: Duke Dukart [mailto:ddukart@k12k.com]
Sent: Friday, August 30, 2019 1:58 PM
To: Hightower, Steve <SteveHightower@KingsportTN.gov>
Subject: Bid for School Nutrition Services truck

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Steve,

After the review of the bid specs for a truck for School Nutrition Services, I would recommend that we go with TRIAD FREIGHTLINER of Tennessee, LLC and their bid.

I also want to thank you for all your hard work and professionalism in this process.

Thanks again and have a great Labor Day weekend!!!

--

Duke Dukart
School Nutrition Services - Manager
SNS Warehouse

Disclaimer For Kingsport City Schools: "The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, re-transmission, dissemination or other use of, or taking of any action in reliance upon this information by persons or entities other than the intended recipient is prohibited. If you received this message in error, please contact the sender and delete the material from all computers."



AGENDA ACTION FORM

Purchase Two (2) Chevrolet Traverse from the Tennessee State Contract

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-212-2019
Work Session: September 16, 2019
First Reading: N/A

Final Adoption: September 17, 2019
Staff Work By: Committee
Presentation By: R. McReynolds/S. Hightower

Recommendation:

Approve the Resolution.

Executive Summary:

It is the recommendation of the committee to purchase Two (2) Chevrolet Traverse AWD 4Dr LS from Freeland Chevrolet on the Tennessee State Contract # 56444. The Tennessee State Contract for vehicles are available for local government agencies to use. The pricing is divided by regions and Sullivan County is in region 1. The delivery from the dealership to the agency is included in the price.

\$27,200.00 Unit Cost
\$54,400.00 Total Purchase Price

Please see the attached recommendation memo for additional information & State Contract information.

These units are fleet replacements.

Funding is identified in Project/Account # 51150085019010.

Attachments:

- 1. Resolution
- 2. Recommendation Memo w/ Photo
- 3. Tennessee State Contract
- 4. Quote

Funding source appropriate and funds are available: *js*

	Y	N	O
Adler	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—

RESOLUTION NO. _____

A RESOLUTION PURCHASING TWO CHEVROLET TRAVERSE VEHICLES FROM TENNESSEE CONTRACT NUMBER 56444 FROM FREELAND CHEVROLET AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER FOR THE SAME

WHEREAS, pursuant to TCA § 12-3-1201, the city would like to purchase two (2) Chevrolet Traverse AWD 4door LS vehicles from Freeland Chevrolet through Tennessee statewide Edison contract number #56444 for Region 1; and

WHEREAS, these are fleet replacement vehicles for schools and building and codes; and

WHEREAS, the vehicles units were and awarded by the State of Tennessee and meet the expectations of the departments and will fulfill the requirements of their operational needs; and

WHEREAS, the total unit cost is \$27,200.00 with a total purchase price of \$54,400.00; and

WHEREAS, funding is identified in account number 51150085019010.

Now therefore,

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

SECTION I. That the purchase of two (2) Chevrolet Traverse AWD 4 door LS from Freeland Chevrolet through Tennessee statewide Edison Contract number #56444 for Region 1 is approved and the city manager is authorized to execute a purchase order for same.

SECTION II. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the public.

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

ADOPTED this the 17th day of September, 2019.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



FLEET MAINTENANCE DEPARTMENT

City of Kingsport, Tennessee

To: Nikisha Eichmann, Assistant Procurement Manager
From: Steve Hightower, Fleet Manager
Date: September 9, 2019
Re: SUV Fleet Replacements 1775 and 1621- Purchase Recommendation

It is the recommendation of this office to purchase the Fleet Replacements of Schools #1775 and Building and Codes #1621 utilizing State Contract pricing of \$27,200 each. The SUV units bid and awarded by the State of Tennessee meet the expectations of the departments and will fulfill the requirements of their operational needs. The State of Tennessee Contract # 000000000000000000056444 allows a municipality to purchase off of the State Contract pricing. A copy of the State Contract is attached.

Table with 5 columns: Item, Quantity, Description, Award to Vendor, Fuel Economy. Row 1: 1, 2, Traverse AWD, 4Dr, LS, Freedland Chevrolet, 16 City/ 20 Hwy

These units will be a Fleet Replacements

The units listed below will be replaced and the trade in units will be disposed of utilizing the current approved City process.

The State offerings were reviewed Keith Bruner, Building Official, and William Shedden, Schools Supervisor of Maintenance & Custodial Services, and they are agreement with this recommendation.

Fuel Economy Improvement 00%

No fuel economy improvements would be realized since the replacement units are similar to the current units being operated.

Trade In(s)

- 1. Trade in(s):
a. 1621 - 2004 Chevrolet Impala - Mileage 91,581 = Age 15 years
b. 1775 - 2007 GMC Cargo Van= Mileage 53,010 - Age 12 years

Should you have any questions on this recommendation, please do not hesitate to contact me.

Thank you.



Picture is for demonstration purposes only and does not reflect the actual unit(s) being purchased.



**STATE OF TENNESSEE, DEPARTMENT OF GENERAL SERVICES
CENTRAL PROCUREMENT OFFICE**

Statewide Multi-Year Contract Issued to:

Freeland Chevrolet LLC
5333 Hickory Hollow Pkwy

Antioch, TN 37013

Vendor ID: 0000106045

Contract Number: 0000000000000000000056444

Title: SWC# 209 - Vehicles

Start Date : October 05, 2017 End Date: September 30, 2019

Is this contract available to local government agencies in addition to State agencies?: Yes

Authorized Users. This Contract establishes a source or sources of supply for all Tennessee State Agencies. "Tennessee State Agency" refers to the various departments, institutions, boards, commissions, and agencies of the executive branch of government of the State of Tennessee with exceptions as addressed in Tenn. Comp. R. & Regs. 0690-03-01-.01. The Contractor shall provide all goods or services and deliverables as required by this Contract to all Tennessee State Agencies. The Contractor shall make this Contract available to the following entities, who are authorized to and who may purchase off of this Statewide Contract ("Authorized Users"):

- a. all Tennessee State governmental entities (this includes the legislative branch; judicial branch; and, commissions and boards of the State outside of the executive branch of government);
- b. Tennessee local governmental agencies;
- c. members of the University of Tennessee or Tennessee Board of Regents systems;
- d. any private nonprofit institution of higher education chartered in Tennessee; and,
- e. any corporation which is exempted from taxation under 26 U.S.C. Section 501(c)(3), as amended, and which contracts with the Department of Mental Health and Substance Abuse to provide services to the public (Tenn. Code Ann. § 33-2-1001).

These Authorized Users may utilize this Contract by purchasing directly from the Contractor according to their own procurement policies and procedures. The State is not responsible or liable for the transactions between the Contractor and Authorized Users.

Note: If "no", attach exemption request addressed to the Central Procurement Officer

Contract Contact Information:

State of Tennessee
Department of General Services, Central Procurement Office
Contract Administrator: Michael Neely
3rd Floor, William R Snodgrass, Tennessee Tower
312 Rosa L. Parks Avenue
Nashville, TN 37243-1102
Phone:
Fax: 615-741-0684

Line Information

Line 1

Item ID: 1000179935
Sedans, Generic SWC209 Asset (Regions 1,2, and 4)
Unit of Measure: EA
Vendor Item/Part #: SWC209-FREE-002
Manufacturer Item #:
Unit Price: \$ 0

Line 2

Item ID: 1000179937
Sport Utility Vehicles (SUVs), Generic SWC209 Asset (Regions 1-4)
Unit of Measure: EA
Vendor Item/Part #: SWC209-FREE-004
Manufacturer Item #:
Unit Price: \$ 0

Line 3

Item ID: 1000179941
Optional Equipment, Generic SWC209 Asset
Unit of Measure: EA
Vendor Item/Part #: SWC209-FREE-008
Manufacturer Item #:
Unit Price: \$ 0

APPROVED:


CHIEF PROCUREMENT OFFICER

BY:

PURCHASING AGENT

10/5/17

DATE

SWC# 209 Vehicles
Contract Information and Usage Instructions

Contract Period: Total Number of Years: 2 Years

Start Date: October 5, 2017
Final End Date: September 30, 2019

Summary/Background Information: SWC 209 was created to provide state agencies, local governments, private non-profit institutions of higher education, and eligible non-profit agencies for the purchase and delivery of new vehicles.

State Contact Information

Contract Administrator:

Michael Neely
Category Specialist
Central Procurement Office
(615) 741-5971
Michael.T.Neely@tn.gov

Vendor Contact Information:

Company Name

TT of Columbia (d.b.a Chrysler, Dodge, Jeep, Ram of Columbia)

Edison Contract Number 56442
Vendor Number 0000141027
Vendor Contact Information Mr. Craig Baton
(615) 243-1528
cbaton@cdjrcolumbia.com
106 S. James Campbell Blvd., Columbia, TN 38401

		Region 1	Region 2	Region 3	Region 4
Chrysler, Dodge, Jeep, Ram					
1000179934	Police Vehicles, Generic SWC209 Asset	X	X	X	X
1000179935	Sedans, Generic SWC209 Asset	X	X	X	X
1000179936	Minivan and Full-size Vans (Passenger, Cargo, Cut-Away), Generic SWC209 Asset	X	X	X	X
1000179937	Sport Utility Vehicles (SUVs), Generic SWC209 Asset	X	X	X	X
1000179938	Light Trucks (Class 1,2,3,4,5) Pickup or Chassis Cab, Generic SWC209 Asset	X	X	X	X
1000179941	Optional Equipment, Generic SWC209 Asset	X	X	X	X

Company Name

Wilson County Motor Co.

Edison Contract Number 56443
Vendor Number 0000000869
Vendor Contact Information Danielle Rodriquez, Fleet Manager
(615) 444-0002

danielle@wilsoncountyauto.com

903 South Hartmann Drive, Lebanon, TN 37090

Chevrolet

		Region 1	Region 2	Region 3	Region 4
1000179934	Police Vehicles, Generic SWC209 Asset	X	X	X	X
1000179935	Sedans, Generic SWC209 Asset			X	
1000179938	Light Trucks (Class 1,2,3,4,5) Pickup or Chassis Cab, Generic SWC209 Asset	X	X	X	X
1000179941	Optional Equipment, Generic SWC209 Asset	X	X	X	X

Note: Region 1, 2 & 4 Sedans won by Freeland Chevrolet

Company Name

Freeland Chevrolet, LLC

Edison Contract Number

56444

Vendor Number

0000106045

Vendor Contact Information

Mr. Herb Odom

(615) 731-9460

herbo@freelandchevy.com

5333 Hickory Hollow Pkwy, Nashville, TN 37013

Chevrolet

		Region 1	Region 2	Region 3	Region 4
1000179935	Sedans, Generic SWC209 Asset	X	X		X
1000179937	Sport Utility Vehicles (SUVs), Generic SWC209 Asset	X	X	X	X
1000179941	Optional Equipment, Generic SWC209 Asset	X	X	X	X

Note: Region 3 won by Wilson County Motors, LLC

Company Name

TT of G Murfreesboro, Inc

Edison Contract Number

56445

Vendor Number

0000141025

Vendor Contact Information

Justin Young

(615) 893-660

jyoung@gmmurfreesboro.com

960 John R Rice Blvd., Murfreesboro, TN 37129

Chevrolet

		Region 1	Region 2	Region 3	Region 4
1000179936	Minivan and Full-size Vans (Passenger, Cargo, Cut-Away), Generic SWC209 Asset	X	X	X	X
1000179941	Optional Equipment, Generic SWC209 Asset	X	X	X	X

Company Name

Ford of Murfreesboro (Ford Regions 1-4)

Edison Contract Number

56446

Vendor Number

0000141024

Vendor Contact Information

Mr. Keith McCullough

(615) 542-1843 (cell)

(615) 893-4121 ext. 1390 (office)

kmccullough@fordofmurfreesboro.com

Jason McCullough

(615) 785-9141 (cell)
 (615) 893-4121 ext. 1312 (Office)
jmccullough@fordofmurfreesboro.com
 1550 NW Broad Street, Murfreesboro, TN 37129

Ford		Region 1	Region 2	Region 3	Region 4
1000179934	Police Vehicles, Generic SWC209 Asset	X	X	X	X
1000179935	Sedans, Generic SWC209 Asset	X	X	X	X
1000179936	Minivan and Full-size Vans (Passenger, Cargo, Cut-Away), Generic SWC209 Asset	X	X	X	X
1000179937	Sport Utility Vehicles (SUVs), Generic SWC209 Asset	X	X	X	X
1000179938	Light Trucks (Class 1,2,3,4,5) Pickup or Chassis Cab, Generic SWC209 Asset	X	X	X	X
1000179941	Optional Equipment, Generic SWC209 Asset	X	X	X	X

Company Name **Lonnie Cobb, LLC**
 Edison Contract Number 56447
 Vendor Number 0000146108
 Vendor Contact Information Steven Blackstock, Fleet Manager
 (731) 989-2121
Lcag.fleet@gmail.com
 1618 U.S. Hwy 45 North, Henderson, TN 38340

Ford		Region 1	Region 2	Region 3	Region 4
1000179939	Medium Trucks (Class 6,7) Chassis Cab, Generic SWC209 Asset	X	X	X	X
1000179941	Optional Equipment, Generic SWC209 Asset	X	X	X	X

Company Name **TT of Metro (d/b/a Nissan Nashville)**
 Edison Contract Number 56448
 Vendor Number 0000126599
 Vendor Contact Information Derek Anderson
 (615) 248-5180
dnnfleet@gmail.com
 25 Vantage Way, Nashville, TN 37228

Nissan		Region 1	Region 2	Region 3	Region 4
1000179935	Sedans, Generic SWC209 Asset	X	X	X	X

1000179936	Minivan and Full-size Vans (Passenger, Cargo, Cut-Away), Generic SWC209 Asset	X	X	X	X
1000179937	Sport Utility Vehicles (SUVs), Generic SWC209 Asset	X	X	X	X
1000179938	Light Trucks (Class 1,2,3,4,5) Pickup or Chassis Cab, Generic SWC209 Asset	X	X	X	X
1000179941	Optional Equipment, Generic SWC209 Asset	X	X	X	X

Company Name

Cumberland International

Edison Contract Number
Vendor Number
Vendor Contact Information

56449
0000081551
Erick Creasey
(615) 767-8681
ecreasey@cltte.com
1901 Lebanon Pike, Nashville, TN 37210

International

		Region 1	Region 2	Region 3	Region 4
1000179939	Medium Trucks (Class 6,7) Chassis Cab, Generic SWC209 Asset	X	X	X	X
1000179941	Optional Equipment, Generic SWC209 Asset	X	X	X	X

Company Name

Worldwide Equipment of TN, Inc

Edison Contract Number
Vendor Number
Vendor Contact Information

56450
0000084264
Scott Pekar, Director Municipal Sales
(865) 688-4300 ext 73805
Scott.pekar@thetruckpeople.com
6614 Wilbanks Rd, Knoxville, TN 37912

Kenworth and Mack

		Region 1	Region 2	Region 3	Region 4
1000179939	Medium Trucks (Class 6,7) Chassis Cab, Generic SWC209 Asset	X	X	X	X
1000179941	Optional Equipment, Generic SWC209 Asset	X	X	X	X

Usage Instructions:

All documents needed to purchase a vehicle off the contract can be found on the Statewide Contract 209: Vehicles web page, located here: <https://www.tn.gov/generalservices/procurement/central-procurement-office-cpo-/state-agencies-/statewide-contract-instruction--swc-/swc-209-vehicles.html>

- Delivery times will vary, but the dealer will give an estimated date
- **Authorized Users.** This Contract establishes a source or sources of supply for all Tennessee State Agencies. "Tennessee State Agency" refers to the various departments, institutions, boards, commissions, and agencies of the executive branch of government of the State of Tennessee with exceptions as addressed in Tenn. Comp. R. & Regs. 0690-03-01-.01. The Contractor shall provide all goods or services and deliverables as required by this Contract to all Tennessee State Agencies. The Contractor shall make this Contract available to the following entities, who are authorized to and who may purchase off of this Statewide Contract ("Authorized Users"):

- a) all Tennessee State governmental entities (this includes the legislative branch; judicialbranch; and, commissions and boards of the State outside of the executive branch ofgovernment);
- b) Tennessee local governmental agencies;
- c) members of the University of Tennessee or Tennessee Board of Regents systems;
- d) any private nonprofit institution of higher education chartered in Tennessee; and,
- e) any corporation which is exempted from taxation under 26 U.S.C. Section 501(c)(3), as amended, and which contracts with the Department of Mental Health and Substance Abuse to provide services to the public (Tenn. Code Ann. § 33-2-1001).

These Authorized Users may utilize this Contract by purchasing directly from the Contractor according to their own procurement policies and procedures. The State is not responsible or liable for the transactions between the Contractor and Authorized Users.

Billing and Payment Instructions:

Follow your agency specific rules for bill and payments. Specify delivery location to the dealership when ordering; delivery times will vary.

ATTACHMENT A: PURCHASING REGIONS AND COUNTIES OF TENNESSEE

Region 1 Counties, East Tennessee

Anderson	Johnson
Blount	Knox
Campbell	Loudon
Carter	Monroe
Claiborne	Morgan
Cocke	Roan
Grainger	Scott
Greene	Sevier
Hamblen	Sullivan
Hancock	Unicoi
Hawkins	Union
Jefferson	Washington

Region 3 Counties, Middle Tennessee

Bedford	Maury
Cheatham	Montgomery
Davidson	Moore
Dickson	Perry
Giles	Robertson
Hickman	Rutherford
Houston	Smith
Humphreys	Stewart
Lawrence	Sumner
Lewis	Trousdale
Lincoln	Wayne
Macon	Williamson
Marshall	Wilson

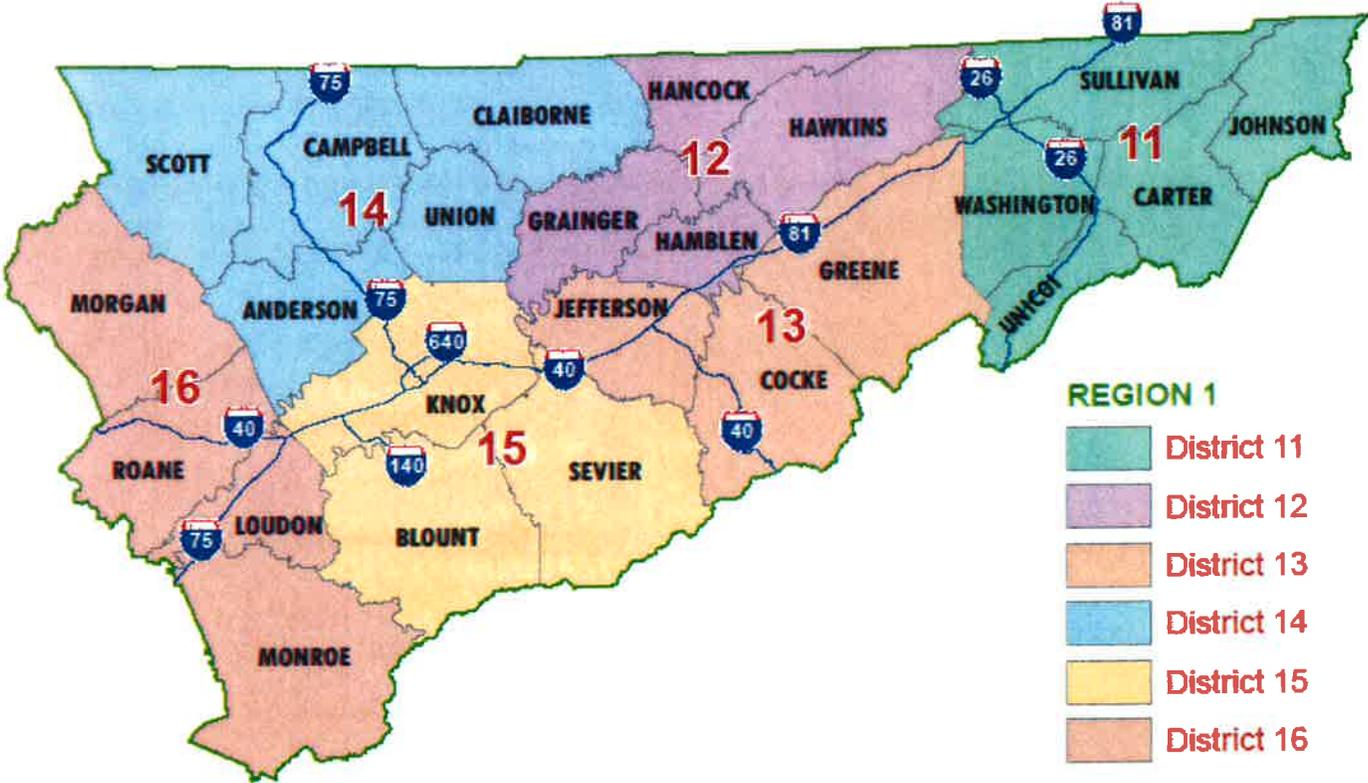
Region 2 Counties, East/Mid Tennessee

Bledsoe	McMinn
Bradley	Marion
Cannon	Meigs
Clay	Overton
Coffee	Pickett
Cumberland	Polk
Dekalb	Putnam
Fentress	Rhea
Franklin	Sequatchie
Grundy	Van Buren
Hamilton	Warren
Jackson	White

Region 4 Counties, West Tennessee

Benton	Henderson
Carroll	Henry
Chester	Lake
Crockett	Lauderdale
Decatur	McNairy
Dyer	Madison
Fayette	Obion
Gibson	Shelby
Hardeman	Tipton
Hardin	Weakley
Haywood	

REGION 1





Freeland Automotive

Herb Odom | 615-266-3212 | herb.odom@freelandauto.com

Vehicle: [Fleet] 2020 Chevrolet Traverse (1NV56) AWD 4dr LS w/1LS (Complete)

Quote Worksheet

	MSRP
Base Price	\$34,900.00
Dest Charge	\$1,195.00
Total Options	\$0.00
Subtotal	\$36,095.00
Subtotal Pre-Tax Adjustments	\$0.00
Less Customer Discount	(\$8,895.00)
Subtotal Discount	(\$8,895.00)
Trade-In	\$0.00
Subtotal Trade-In	\$0.00
Taxable Price	\$27,200.00
Sales Tax	\$0.00
Subtotal Taxes	\$0.00
Subtotal Post-Tax Adjustments	\$0.00
Total Sales Price	\$27,200.00



Herb Odom

09/09/2019

Dealer Signature / Date

Customer Signature / Date

2 units @ \$27,200.00 = \$54,400.00

This document contains information considered Confidential between GM and its Clients uniquely. The information provided is not intended for public disclosure. Prices, specifications, and availability are subject to change without notice, and do not include certain fees, taxes and charges that may be required by law or vary by manufacturer or region. Performance figures are guidelines only, and actual performance may vary. Photos may not represent actual vehicles or exact configurations. Content based on report preparer's input is subject to the accuracy of the input provided.
 Data Version: 9210. Data Updated: Sep 8, 2019 9:34:00 PM PDT.



Freeland Automotive

Herb Odom | 615-266-3212 | herb.odom@freelandauto.com

Vehicle: [Fleet] 2020 Chevrolet Traverse (1NV56) AWD 4dr LS w/1LS (Complete)

Window Sticker

SUMMARY

[Fleet] 2020 Chevrolet Traverse (1NV56) AWD 4dr LS w/1LS

MSRP:\$34,900.00

Interior:Jet Black, Premium cloth seat trim

Exterior 1:Summit White

Exterior 2:No color has been selected.

Engine, 3.6L V6, SIDI, VVT

Transmission, 9-speed automatic

OPTIONS

CODE	MODEL	MSRP
1NV56	[Fleet] 2020 Chevrolet Traverse (1NV56) AWD 4dr LS w/1LS	\$34,900.00
OPTIONS		
1LS	LS Preferred Equipment Group	\$0.00
AR9	Seats, front bucket	\$0.00
FE9	Emissions, Federal requirements	\$0.00
GAZ	Summit White	\$0.00
H1T	Jet Black, Premium cloth seat trim	\$0.00
IOR	Audio system, Chevrolet Infotainment 3 system	\$0.00
LFY	Engine, 3.6L V6, SIDI, VVT	\$0.00
M3V	Transmission, 9-speed automatic	\$0.00
PXJ	Wheels, 18" (45.7 cm) Bright Silver painted aluminum	\$0.00
QO5	Tires, P255/65R18 all-season blackwall	\$0.00

SUBTOTAL	\$34,900.00
Adjustments Total	\$0.00
Destination Charge	\$1,195.00
TOTAL PRICE	\$36,095.00

FUEL ECONOMY

Est City:17 MPG

Est Highway:25 MPG

Est Highway Cruising Range:542.50 mi

This document contains information considered Confidential between GM and its Clients uniquely. The information provided is not intended for public disclosure. Prices, specifications, and availability are subject to change without notice, and do not include certain fees, taxes and charges that may be required by law or vary by manufacturer or region. Performance figures are guidelines only, and actual performance may vary. Photos may not represent actual vehicles or exact configurations. Content based on report preparer's input is subject to the accuracy of the input provided.

Data Version: 9210. Data Updated: Sep 8, 2019 9:34:00 PM PDT.



AGENDA ACTION FORM

Apply for Improve Act Funds through the Tennessee Department of Transportation

To: Board of Mayor and Aldermen
 From: Chris McCartt, City Manager *CM*

Action Form No.: AF-209-2019
 Work Session: September 16, 2019
 First Reading: N/A
 Final Adoption: September 17, 2019
 Staff Work By: KATS staff
 Presentation By: Chris Campbell

Recommendation:
 Approve the Resolution.

Executive Summary:
 The Board of Mayor and Alderman is required to approve a resolution in order to secure Improve Act Public Transit Capital Grant funds through TDOT for Phase 2 of the KATS comprehensive transit center project. The purpose of this grant will be to construct a vehicle storage/maintenance facility with associated parking area. This new facility will be constructed on the empty parcel adjacent to the KATS transit center located at 900 East Main Street. The estimated cost for this project is outlined below.

State (75%) Local (25%)	Local	State	Total
Construction	\$815,635 total (*\$112,000 currently appropriated \$703,635 FY21 budget)	\$2,446,907	\$3,262,542

*Previously appropriated in transit garage project.

Attachments:

- 1. Resolution

Funding source appropriate and funds are available: *js*

	Y	N	O
Adler	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR IMPROVEMENT ACT PUBLIC TRANSIT CAPITAL GRANT FUNDS THROUGH THE TENNESSEE DEPARTMENT OF TRANSPORTATION

WHEREAS, the city, through the Kingsport Area Transit Service (KATS), would like to apply for a Improve Act Public Transit Capital Grant through the Tennessee Department of Transportation (TDOT); and

WHEREAS, grant funds will be used to construct a vehicle storage/maintenance facility with associated parking area, constructed on the empty parcel adjacent to the KATS transit center located at 900 East Main Street; and

WHEREAS, if awarded, the maximum amount of the grant award is \$3,262,542.00.

Now therefore,

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

SECTION I. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized 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 apply for Improve Act Public Transit Capital Grant funds through the Tennessee Department of Transportation (TDOT).

SECTION II. That the mayor is authorized to execute any and all documents including those necessary and proper to demonstrate the city's compliance with the grant requirements or its provisions necessary to effectuate the purpose of the grant or this resolution.

SECTION III. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the public.

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

ADOPTED this the 17th day of September, 2019.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Approval of Additional Easements and Rights-of-Way

To: Board of Mayor and Aldermen
From: Chris McCart, City Manager *CM*

Action Form No.: AF-208-2019
Work Session: September 16, 2019
First Reading: N/A

Final Adoption: September 17, 2019
Staff Work By: R. Trent; M. Hickman
Presentation By: R. McReynolds

Recommendation:
Approve the offers.

Executive Summary:

In order to continue to extend sanitary sewer services to serve the Border Regions area, the Public Works Department has requested additional easements and rights-of-way across affected properties. Appraisals have been prepared in accordance with the City of Kingsport's Real Property Acquisition Policies & Procedures and indicates the fair market value as per the attached property owners.

This project will be funded under #SW1801.

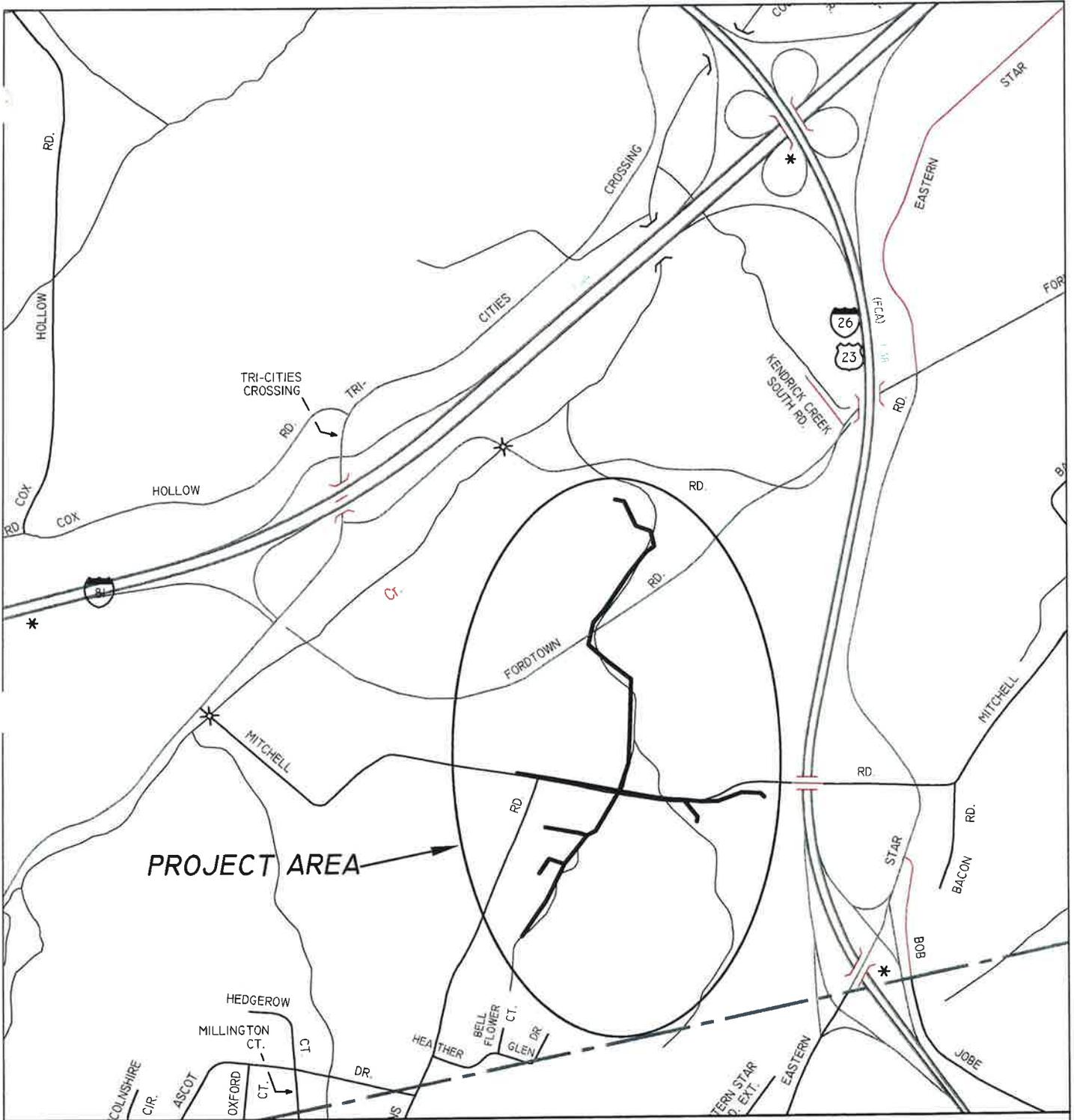
Attachments:

- 1. Offers
- 2. Project Location Map

Funding source appropriate and funds are available: *jk*

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—

<u>Tax Map & Parcel</u>	<u>Property Owner</u>	<u>ROW/Easement Area</u>	<u>Appraised Value</u>
#106; 026.53	Cherokee Distributing Co., Inc. 200 Miller Main Circle Knoxville, TN 37939	Perm. 1,552 sq. ft. Temp. 1,819 sq. ft.	\$1,552.00 \$1,368.00
#119; 048.00	Walling & Tessa Simons 399 Pickens Road Kingsport, TN 37663	Perm. 2,277 sq. ft. Temp. 3,172 sq. ft.	\$165.00 \$175.00
#119; 048.30	Mikell & Dana Admire 371 Pickens Road Kingsport, TN 37663	Perm. 10,396 sq. ft. Temp. 12,887 sq. ft.	\$630.00 \$580.00
#119; 049.00	David & Carla Wood 340 Pickens Road Kingsport, TN 37663	Perm. 2,001 sq. ft. Temp. 1,999 sq. ft.	\$275.00 \$205.00
#119; 050.00	Brian & Angela Boling 341 Pickens Road Kingsport, TN 37663	Perm. 4,313 sq. ft. Temp. 9,627 sq. ft.	\$363.00 \$607.00
#119; 050.20	Matthew Wilkerson 977 Mitchell Road Kingsport, TN 37663	Perm. 2,403 sq. ft. Temp. 2,013 sq. ft.	\$215.00 \$135.00
#119; 050.30	Edward King, Jr. 1611 C Street Kingsport, TN 37664	Perm. 7,516 sq. ft. Temp. 8,406 sq. ft.	\$663.00 \$557.00
#119; 051.00	Kenneth & Judy Wilkerson 941 Mitchell Road Kingsport, TN 37663	Perm. 1,966 sq. ft. Temp. 2,621 sq. ft.	\$175.00 \$175.00
#119; 052.00	DHS Express, Inc. 877 Mitchell Road Kingsport, TN 37663	Perm. 8,046 sq. ft. Temp. 10,608 sq. ft.	\$805.00 \$795.00
#119; 054.00	Michael Steele 1605 Carolina Avenue Kingsport, TN 37664	Perm. 4,999 sq. ft. Temp. 7,695 sq. ft.	\$400.00 \$462.00
#119; 054.20	Wilmer & Margaret Mull 944 Mitchell Road Kingsport, TN 37663	Perm. 2,516 sq. ft. Temp. 2,285 sq. ft.	\$646.00 \$444.00
#119; 056.10	Taylor Properties #1, LP 1043 Fordtown Road Kingsport, TN 37663	Perm. 10,090 sq. ft. Temp. 13,453 sq. ft.	\$6,160.00 \$6,140.00
#119; 063.00	Taylor Properties #2, LP 1043 Fordtown Road Kingsport, TN 37663	Perm. 1,536 sq. ft. Temp. 2,047 sq. ft.	\$185.00 \$185.00
#120; 001.00	Taylor Properties #3, LP 1043 Fordtown Road Kingsport, TN 37663	Perm. 15,395 sq. ft. Temp. 20,527 sq. ft.	\$2,465.00 \$2,465.00
#120; 002.00	East Tennessee Natural Gas P. O. Box 10245 Knoxville, TN 37919	Perm. 4,565 sq. ft. Temp. 5,698 sq. ft.	\$1,100.00 \$1,030.00



**EXTENSION OF GRAVITY SANITARY SEWERS TO
BORDER REGIONS AREA 2 & MITCHELL ROAD**

2018-C21



AGENDA ACTION FORM

Execute an Annual Renewal of Public Library Maintenance of Effort Agreement with the Tennessee State Library and Archives for Services via the Holston River Regional Library

To: Board of Mayor and Aldermen
From: Chris McCart, City Manager *CM*

Action Form No.: AF-207-2019
Work Session: September 16, 2019
First Reading: N/A

Final Adoption: September 17, 2019
Staff Work By: Chris Markley
Presentation By: Chris McCart

Recommendation:

Approve the Resolution.

Executive Summary:

This is an annual agreement which makes the library eligible to receive training, technical support, access to state grants, 81,000 downloadable eBooks/eaudio, 69 state-funded online databases, state-wide courier book deliveries to/from other libraries in the state, and funds (usually about \$14,000 annually) for library materials from the State Library through the Holston River Regional Library (a Multi-County Regional System). This agreement also makes it possible for the library to receive LSTA Technology Grants which provides funds to enhance the technology available in the Library.

This State assistance received by the Kingsport Public Library through the Regional Library is intended to supplement local appropriations as required in the establishment of public libraries by the Tennessee Code Annotated, Title 10, Chapter 3. In return for State assistance, each public library desiring to belong to the Multi-County Regional system must maintain "the allocation of locally appropriated funds at a level not less than the amount appropriated the last fiscal year as well as the expenditure of locally appropriated funds at a level not less than the total amount expended in the last fiscal year."

If the Kingsport Public Library fails to meet MOE efforts, the library would not only lose access to these services and funding, but would also have to return all the materials purchased for the library with these funds over the last 20 plus years – which amounts to 27% of our collection. The potential loss to the library would equate to \$730,000.

Attachments:

- 1. Resolution

	Y	N	O
Adler	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING THE PUBLIC LIBRARY SERVICE AGREEMENT WITH THE TENNESSEE STATE LIBRARY AND ARCHIVES AND AUTHORIZING THE MAYOR TO EXECUTE THE ANNUAL RENEWAL OF SAME TO RECEIVE FUNDING FOR BOOKS, TRAINING, AND SERVICES THROUGH THE HOLSTON RIVER REGIONAL LIBRARY SYSTEM FOR FISCAL YEAR 2019/2020

WHEREAS, the city is eligible to receive fiscal year 2019-2020 Tennessee State Library and Archives funding for books, online resources, and professional training, and use of the courier service, the automation system, and internet service through the Holston River Regional Library System; and

WHEREAS, receipt of the funding and services requires execution of a renewal of the Public Library Service Agreement with the Tennessee State Library and Archives.

Now therefore,

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

SECTION I. That the renewal of the Public Library Service Agreement with the Tennessee State Library and Archives to receive funding for books, online resources, and professional training, and allow use of courier service, the automation system, and internet service through the Holston River Regional Library System for fiscal year 2019-2020 is approved.

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, the renewal of the Public Library Service Agreement with the Tennessee State Library and Archives to receive funding for books, online resources and professional training, and allow use of courier service, the automation system and internet service through the Holston River Regional Library System for fiscal year 2019-2020, and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the agreement or this resolution.

SECTION III. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

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

ADOPTED this the 17th day of September, 2019.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Accept Donation to Bays Mountain Park & Planetarium by Eastman Chemical Company, in Honor of Former City Manager Jeff Fleming

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-203-2019
Work Session: September 16, 2019
First Reading: N/A

Final Adoption: September 17, 2019
Staff Work By: Rob Cole / Sid Cox
Presentation By: Chris McCartt

Recommendation:

Approve the Resolution.

Executive Summary:

In honor of former City Manager Jeff Fleming, Eastman Chemical Company has made a generous \$3,000 donation to Bays Mountain Park and Planetarium to be specifically used for the creation and / or enhancement of exhibit space at the Bays Mountain Park & Planetarium Nature Center. These funds will be appropriated for use in the Project# GP1839 – Bays Mountain Nature Center Exhibits.

Attachments:

- 1. Resolution

	Y	N	O
Adler	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—

RESOLUTION NO. _____

A RESOLUTION ACCEPTING A DONATION FROM EASTMAN
CHEMICAL COMPANY TO THE BAYS MOUNTAIN PARK AND
PLANETARIUM FOR EXHIBIT DEVELOPMENT IN HONOR OF
JEFF FLEMING

WHEREAS, Eastman Chemical Company would like to donate funds to the Bays Mountain Park and Planetarium to be used for the creation or enhancement of exhibit space in the Nature Center in honor of Jeff Fleming, the former city manager; and

WHEREAS, the value of this donation is \$3,000.00.

Now therefore,

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

SECTION I. That the donation to the city from Eastman Chemical Company to the Bays Mountain Park and Planetarium to be used for the creation or enhancement of exhibit space in the Nature Center in honor of Jeff Fleming, the former city manager in the amount of \$3,000.00, is accepted.

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

ADOPTED this the 17th day of September, 2019.

PATRICK W. SHULL, MAYOR

ATTEST:

SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Acquisition of Property for Border Regions Sanitary Sewer Extension Project

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-214-2019
Work Session: September 16, 2019
First Reading: N/A

Final Adoption: September 17, 2019
Staff Work By: R. Trent; H. Clabaugh
Presentation By: R. McReynolds

Recommendation:

Approve the Resolution.

Executive Summary:

In order to continue extending sanitary sewer services in the Border Regions area, the Public Works Department has requested an acquisition of property located on Fordtown Road for the construction of sanitary sewer lines. An appraisal of the acquisition was prepared in accordance with the City of Kingsport's Real Property Acquisition Policies & Procedures and appraised for \$13,600.00. The owners of the property, Jimmy & Deborah Fink, are willing to sell the property to the city for the amount of \$14,600.00. A copy of the Purchase Agreement is contained in the attached resolution.

This project will be funded under #SW1801.

Attachment:

- 1. Resolution
- 2. Property Location Map

Funding source appropriate and funds are available: *JS*

	Y	N	O
Adler	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING AN OFFER FOR THE PURCHASE OF REAL PROPERTY FOR SANITARY SEWER PROJECT; AUTHORIZING THE MAYOR TO MAKE CERTAIN CHANGES TO THE AGREEMENT, IF NECESSARY; AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

WHEREAS, in order to continue extending sanitary sewer services in the Border Regions area, the Public Works Department has requested an acquisition of property located on Fordtown Road for the construction of sanitary sewer lines; and

WHEREAS, such acquisition would be in accordance with the city's acquisition policy.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN as follows:

SECTION I. That pursuant to the appraisal of the property indicating the fair market value, an offer of \$14,600.00 is approved for the purchase of the property located on Fordtown Road and further identified as tax map 119; parcel 035.50, subject to such conditions as set out in the Purchase Agreement below.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized 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, a Purchase Agreement for the purchase of the property located on Fordtown Road and further identified as tax map 119; parcel 035.50, and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the agreement or this resolution, said draft of the agreement being as follows:

AGREEMENT

THIS PURCHASE AGREEMENT (herein "Agreement") made and entered into on the date of the notary acknowledgment of the Sellers' signature between **JIMMY L. FINK and wife, DEBORAH L. FINK**, (hereinafter referred to as the "Sellers"), and **THE CITY OF KINGSPORT, TENNESSEE**, a municipality organized under the laws of the State of Tennessee (hereinafter referred to as the "Buyer").

WITNESSETH:

FOR AND IN CONSIDERATION of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, including specifically, without limitation, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

1. SALE. Sellers agree to sell, convey, assign, transfer and deliver to Buyer, and Buyer agrees to purchase, acquire and take from Sellers, subject to the terms and conditions of this Agreement all that real property situate, lying and located on Fordtown Road and being further identified as tax map 119; parcel 035.50, more particularly described on Exhibit A attached hereto and hereby made a part hereof, together with all improvements and fixtures situated thereon, if any, and also together with all hereditments and appurtenances thereunto belonging or in any way appertaining

(the "Real Property").

2. PURCHASE PRICE.

(a) Amount. The purchase price to be paid by Buyer to Sellers for the Real Property shall be Fourteen Thousand Six Hundred and No/100 Dollars (\$14,600.00) (the "Purchase Price").

(b) Terms of Payment. Subject to the adjustment provided for herein the Purchase Price, less the prorated property taxes as of the date of closing, shall be paid by Buyer to Sellers in cash or certified funds payable to Sellers on the Closing Date.

3. CLOSING. The closing shall occur on or before November 15, 2019, (the "Closing Date"), at a time and location mutually agreed upon by the parties or, upon failure of the parties to agree, at a time and place specified by the Buyer (the "Closing"). Buyer and Sellers agree to deliver and execute such other documents as may be reasonable and necessary in the opinion of counsel for Sellers and Buyer to consummate and close the purchase and sale contemplated herein pursuant to the terms and provisions hereof.

4. SURVEY. Immediately upon the execution of this Agreement, Buyer shall, at Buyer's cost, cause a survey and surveyor's certificate, in form sufficient to remove the survey exception from the title insurance binder as more specifically provided in Section 5 hereof, to be prepared on the Real Property by a licensed surveyor acceptable to Buyer. The survey shall be made in accordance with the Minimum Standard Detail Requirements for ALTA/ACSM Land Title surveys for a Class A survey. Such survey shall show the total area of the Real Property in square feet, easements, if any, location of adjoining streets and rights of way, building setback lines, and such other details as may be required by Buyer. Once prepared, the survey description will replace Exhibit A and will become a part of this Agreement identified as Exhibit A-1, and such survey description shall be insurable (and shall be insured) by the title insurance company. If the survey (i) is for good cause not acceptable to Buyer's title insurance company; or (ii) shows the dimensions of the Real Property to be other than as set forth on Exhibit A; or (iii) shows any materially adverse conditions or matters affecting the Real Property which are not approved by Buyer, then Buyer, within twenty (20) days from receipt of such survey, shall notify Sellers in writing of Buyer's objections to the survey and Sellers shall thereupon have twenty (20) days to remove or cure such objections to the satisfaction of the Buyer and the title company. If Sellers fail to satisfy such objections with the time specified, Buyer shall have the right to (i) terminate this Agreement; (ii) extend the time period for removing or curing any objectionable item by written notice to Sellers; or (iii) close this purchase and sale without reduction in the Purchase Price.

5. TITLE INSURANCE. Buyer, at its expense, shall secure an owner's title insurance commitment to issue a title insurance policy insuring Buyer's fee simple interest in the Real Property to the extent of the Purchase Price. The title insurance commitment will be issued by a reputable title insurance company chosen by Buyer and will contain exceptions only for real estate taxes and assessments for the current year which are not yet due and payable, and any other exceptions Buyer may approve in writing. If the commitment contains other exceptions, not acceptable to Buyer, then Buyer shall so notify Sellers of such exceptions within twenty (20) days of Buyer's receipt of the commitment, and Sellers shall have twenty (20) days from receipt of the Buyer's objections, to resolve such exceptions to the satisfaction of the Buyer. If Sellers are unable to cure or resolve such exceptions to Buyer's satisfaction within the time specified, Buyer shall have the right to terminate this Agreement, extend the cure period, or proceed to close this Agreement. In the event Buyer elects to terminate this Agreement pursuant to this Section 5, then this Agreement shall be cancelled and thereafter neither Sellers nor Buyer shall have any continuing obligation to each other under this Agreement.

6. DEED AND TITLE.

(a) Sellers hereby agree to convey to Buyer a good and marketable fee simple title to the Real Property, without exceptions, except as expressly provided herein, by a good and valid general warranty deed, in statutory form, suitable for recordation. Title to the Real Property shall not be subject to any easements, encumbrances or other exceptions which Buyer, in its sole discretion, deems unacceptable.

(b) In the event, as of the Closing Date, Sellers are unable to convey marketable title to the Real Property due to defects in Sellers' title, or Sellers are unable to convey title due to exceptions Buyer finds unacceptable, then Closing shall be postponed for a reasonable period of time not to exceed 30 days until Sellers shall remove said title defects or exceptions. If Sellers are unable to cure such title defects or exceptions within said 30 days, this Agreement shall be null and void and there shall be no further obligations between the parties. If Buyer shall waive such title defects or

exceptions by so notifying the Sellers in writing, or if Sellers shall have cured such defects or exceptions, as provided herein, the obligations of the parties hereunder shall not be affected by reason thereof, there shall be no abatement or reduction of the Purchase Price, and this transaction shall be consummated in accordance with the terms and provisions of this Agreement, except that such title defects or exceptions that are waived by Buyer, if any, shall be set forth as exceptions in the deed.

7. CONDITION OF PROPERTY. There has been no storage, disposal, treatment or release of hazardous substances during the period of Seller's ownership, and to the best of Sellers' knowledge, the Real Property has not been used, and is not presently being used, and will not through the Closing Date, be used for the storage or disposal of hazardous substances. (The term "hazardous substances" shall have the broadest meaning given under applicable state and federal law, including without limitation that given in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. section 9601 et seq.) Sellers are not aware of any facts, conditions or circumstances indicating any form of environmental contamination affecting any properties which are adjacent to the Real Property. There are no encumbrances, liens, or charges of any kind upon the Real Property that will not be satisfied and discharges in full by Sellers and released at or before Closing in a form satisfactory to Buyer. There are no contracts, agreements, or arrangements relating to the use and operation of the Real Property not disclosed herein. Sellers represent that there is no pending or threatened litigation that does or will materially and adversely affect the Real Property or its value.

8. CONDITIONS PRECEDENT.

Buyer's obligations pursuant to this Agreement are contingent upon and subject to the satisfaction, as of Closing, of each of the following conditions (any of which may be waived in whole or in part in writing by the Buyer at, or prior to Closing):

(1) The results of the title examination report and title insurance commitment described in Section 5 shall be acceptable to Buyer in its sole discretion as of Closing. There shall be no change in the matters reflected in the title insurance commitment described in Section 5 hereof, and there shall not exist any encumbrances or title defects affecting the Real Property not described in such title insurance commitment.

(2) All of the representations, warranties and conditions of Sellers set forth in this Agreement shall be true and correct as of the date hereof, and as of the Closing Date, and Sellers shall not, on or prior to Closing, have failed to meet, comply with or perform any conditions or obligations on Sellers' part required by the terms of this Agreement.

(3) There shall be no change in the matters reflected in the survey described in Section 4 hereof, and there shall not exist any easement, right of way, encroachment, waterway, pond, flood plain, conflict, or a protrusion with respect to the Real Property not shown on the survey.

If any condition specified in this Section 8 is not fully satisfied by Closing, or any extension thereof pursuant to this Agreement, Buyer may, at its option, waive such unsatisfactory condition precedent and consummate this Agreement, or may terminate this Agreement by written notice to Sellers, this Agreement shall be cancelled and thereafter neither Sellers nor Buyer shall have any continuing obligation to each other under this Agreement. It shall be the right of the Buyer at its sole discretion and upon written notice to the Sellers to terminate this Agreement at any time prior to the closing of the property if it shall deem the property not suitable for its needs, and upon such termination, this Agreement shall be cancelled and thereafter neither Sellers nor Buyer shall have any continuing obligation to each other under this Agreement.

9. NOTICE. Any notice or demand on either party hereunder shall be deemed to have been given when mailed to the other party by Certified Mail, Return Receipt Requested, postage prepaid at the addresses set forth below:

SELLERS:	Jimmy & Deborah Fink 167 Rippling Run Kingsport, Tennessee 37663
BUYER:	City of Kingsport, Tennessee 225 West Center Street Kingsport, Tennessee 37660

10. PRORATIONS. All real estate taxes and assessments shall be prorated as of the Closing Date, using for such purpose the rate and valuation shown on the latest available tax notice.

11. EXPENSES OF SELLERS. In closing this transaction, Sellers shall be charged with the following:

- (a) The cost of preparation of the warranty deed;
- (b) The fees and expenses of any attorney or other advisor engaged by Sellers in connection with this transaction;
- (c) The commission or fees charged by any real estate broker or agent retained or used by the Sellers in connection with this transaction; and
- (d) All expenses incurred in connection with the release of any prior existing indebtedness, including without limitation any prepayment penalties; and
- (e) Prorated taxes.

12. EXPENSES OF BUYER. In closing this transaction, Buyer shall be charged with the following:

- (a) The cost of any title search and title insurance policy;
- (b) The cost of recording the deed and any transfer tax associated with such deed;
- (c) Any fees charged in connection with any attorney or other advisor engaged by Buyer in connection with this transaction; and
- (d) The cost of the survey provided pursuant to Section 4.

13. RISK OF LOSS. The risk of loss or damage to any of the Real Property described above by fire, vandalism, or other casualty shall remain with the Sellers until Closing. In the event of such loss before Closing, this Agreement shall be voidable at the option of Buyer. Should Buyer elect to continue with the purchase following such loss or damage before Closing, Buyer shall have the option to (a) negotiate an equitable reduction in the Purchase Price or (b) close this Agreement at the stated Purchase Price and accept all insurance funds and other monies payable to Sellers regarding such loss or damage. If action is necessary to recover under any casualty policy, Sellers shall cooperate with Buyer in bringing such action in Sellers' name and Sellers shall reimburse Buyer for the attorney's fees and other expenses incurred by Buyer to pursue such claim.

14. TIME IS OF THE ESSENCE. Time is of the essence to the performance of this Agreement.

15. MERGER CLAUSE. All understandings and agreements heretofore had between the parties are merged in this Agreement, which alone fully and completely expresses their agreement, and the same is entered into after full investigation, neither party relying upon any statement, representation, express or implied warranties, guarantees, promises, statements, "setups", representation, or information, not embodied in this Agreement, made by the other, or by any agent, employee, servant, or other person representing or purporting to represent the Sellers. This Agreement contains the full agreement between the parties and there are no other contracts, express or implied, which are not stated herein.

16. POSSESSION. Delivery of possession of the Real Property shall occur at Closing.

17. CAPTIONS. The section headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

18. ENTIRE AGREEMENT; MODIFICATIONS. This written Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior oral or written agreements between the parties with respect to the Real Property. It is expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants and conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms and conditions shall be effective unless in writing and duly executed by the parties hereto.

19. CONTROLLING LAW; VENUE. This Agreement has been made and entered into under the laws of the State of Tennessee, and said laws shall control the interpretation thereof. Venue for any litigation concerning this Agreement shall be filed in the state or federal courts for Sullivan County, Tennessee.

20. BINDING EFFECT. All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

21. FURTHER ACTS. Each party hereto agrees to do, execute, acknowledge and deliver all such further acts, assignments, transfers, assurances and instruments that may reasonably be required to fully effectuate the transactions contemplated in this Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands in duplicate originals the day

and year first written above.

[Acknowledgements Deleted for Inclusion in this Resolution]

EXHIBIT A

Description of Real Property

BEGINNING on an iron pin on the southeasterly right-of-way line of Fordtown Road, said iron pin being corner to Tax Map 119, Parcel 35.5 and Tax Map 119 Parcel 69 and the POINT OF BEGINNING for the property acquisition described herein; thence departing said iron pin and continuing with said right-of-way line N42°32'06"E 120.94' to an iron pin, said iron pin being the point of curvature for a curve to the right; thence with said curve with a chord bearing and distance of N86°52'48"E 27.96', a radius of 20.00', and an arc length of 30.96' to an iron pin on the southwesterly right-of-way line of Mitchell Road; thence with said right-of-way line S48°46'07"E 83.20' to a point in Kendrick Creek; thence S65°30'16"W 157.55' to a point in Kendrick Creek; thence N44°22'07"W 41.30' to the POINT OF BEGINNING and being approximately 10,194 square feet, more or less. BEING the same property conveyed to Jimmy L. Fink and wife, Deborah L. Fink by deed of record dated September 29, 1981, and recorded in Deed Book 317C at page 749 in the Register's Office for Sullivan County, Tennessee, to which reference is here made.

SECTION III. That the Mayor is further authorized to make such changes, approved by the mayor and city attorney, to the agreement set out herein that do not substantially alter the material provisions of the agreement, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION VI. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

SECTION VII. That this resolution shall take effect immediately upon its adoption, the public welfare requiring it.

ADOPTED this the 17th day of September, 2019.

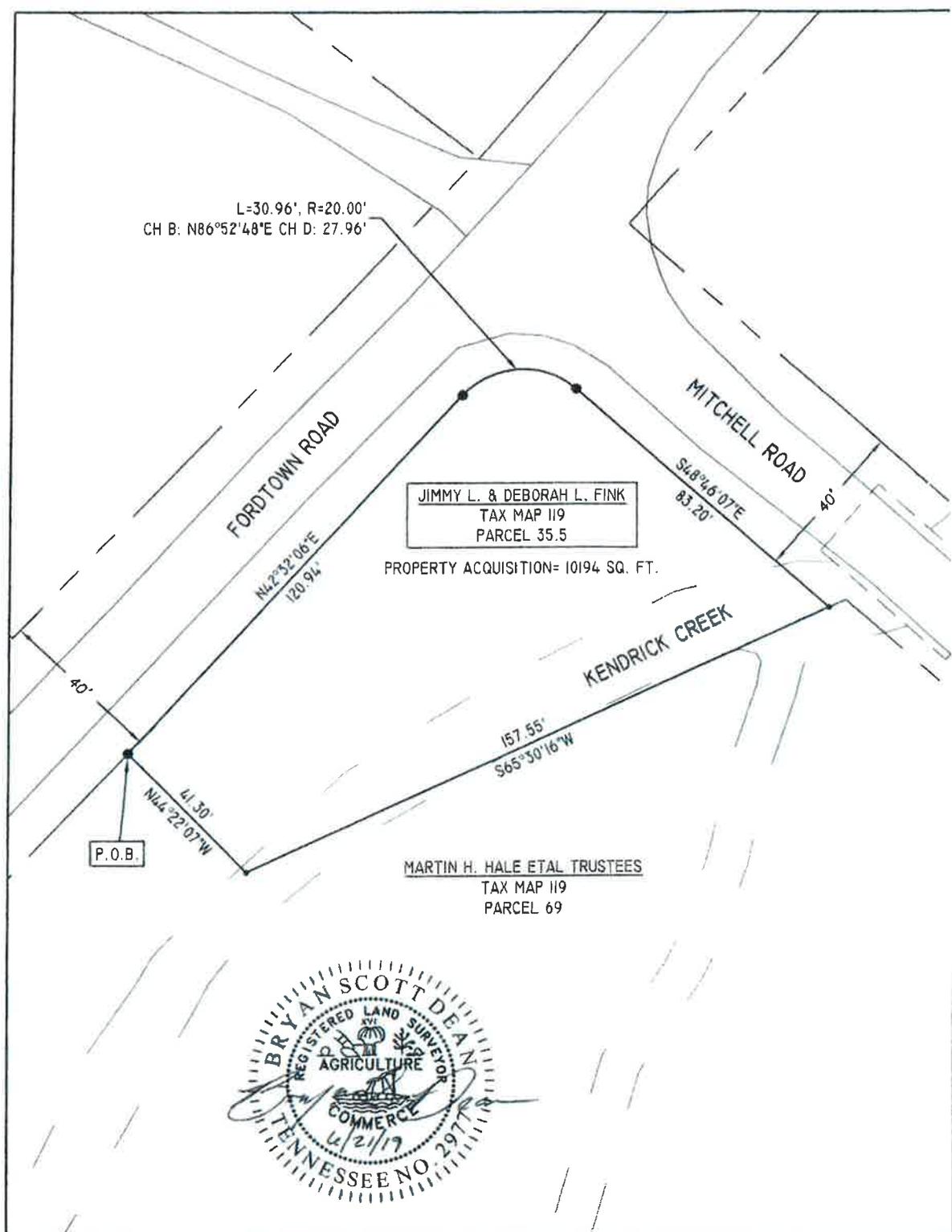
PATRICK W. SHULL, MAYOR

ATTEST:

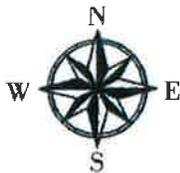
SIDNEY H. COX, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



ALL BEARINGS KGRN
(KINGSPORT GEODETIC
REFERENCE NETWORK)



PROPERTY ACQUISITION FROM
JIMMY L. & DEBORAH L. FINK
TAX MAP 119 PARCEL 35.5

LOCATED IN THE 14TH CIVIL DISTRICT OF SULLIVAN CO., TN
BRYAN S. DEAN, REGISTERED LAND SURVEYOR TENNESSEE NO. 2977

OFFICE OF THE CITY ENGINEER
DATE: 6-19-19

N-2625

KINGSPORT, TN
SCALE: 1"=30'